not subject to changes in economic systems. It is used and needed just as much by the purest democracies as by dictatorships -- as much by capitalist economies as by socialist economies. It is the refined instrument of international exchange of goods and services, as well as an essential ingredient in the more complex international financial transactions -- and instrument that has functioned as international money without challenge for hundreds of years. Every country wishes it had more of it; no country likes to lose any of it; all countries accumulate it as soon as they can afford to do so. And the fact that some countries find it possible to conduct their international trade without gold does not mean that they prefer to do so any more than people reading by candlelight do so because they prefer candles to electricity.

Gold does not lose its value because some countries are forced to barter, clearing arrangements, import controls,

and other substitutes. All these substitutes are admittedly a worse alternative. They are admittedly a method of conducting trade and finance which will only be adopted when a country does not possess adequate gold holdings. Governments resort to these substitute methods for keeping a country's balance of payments in equilibrium only during times of great and prolonged stress and instability, and only when for one reason or another they have been unable to prevent a complete loss of practically all their gold holdings. All countries would like to havemmore gold, and the countries which have the least are, you will find, countries which are striving most to add to their gold holdings.

You hear much of the fact that Germany appears to conduct her trade without the use of gold. I think I am safe in saying that there probably isn't another country

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in the world which, notwithstanding its propaganda to the countrary, values gold more highly than does Germany and which is more eager to accumulate gold at the first opportunity. Any person at all familiar with the workings of international trade and finance in countries like Germany and Japan whose gold holdings are not adequate will understand what I mean when I say that gold is the most efficient, most safisfactory instrument of international exchange that has ever been developed. Gold is not only the best way to store foreign purchasing power, it not only constitutes one of the most effective war chests, but it is a medium of international exchange which is acceptable anywhere, any time, and in exchange for anything.

To be sure, if the political picture of the world should undergo a drastic change in the future so that instead of fifty or sixty independent nations there will exist only one or two groups dominated by ruthless powers, then international trade and finance will assume the character of

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domestic trade. There will cease to be independent monetary systems, as there will cease to be independent foreign policies. Balances between countries will be settled as balances between our states are settled now -- that is wholly by transfers of deposits. Under such circumstances it may well be that gold will no longer be needed. But under those circumstances life will be so different, that the possible loss in the value of gold will, I am sure, be the least of our worries. Certain governments may boast of the day when independent democracies will disappear, I for one, have no fears that such boasts can be made good. I am as confident that gold will continue to be international money as I am that the majority of nations will succeed in maintaining their independence. With the return of peace and of normal economic and political relationships the barriers to the free flow of goods, capitals and services will be gradually lowered; standards of living will once more resume their upward climb, and a more equitable distribution of the world's gold will take place.

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There is another aspect of the gold question that I should like to speak about -- the financial aspect. There are two diametically opposed views with respect to our gold policy which in effect cancel each other out. One says that the inflow of gold by creating a vast base for credit expansion is promoting a runaway credit inflation. The other maintains that the Administration is retarding recovery by burying the gold in Fort Knox instead of putting it into active circulation.

Now the fear that inflows of gold will bring about run-away inflation is based on theories no longer relevant to present-day circumstances. It used to be thought that the existence of any large volume of excess reserves in the banking system would lead to an inflation "irregardless". The events of the last few years, during which excess reserves have amounted to ~~over $5~~ several billions without any ~~undesirable~~ undesirable inflation consequences should have taught all those willing to

learn that inflation does not come about because of an increase in excess reserves. Run-away inflation is the product of powerful economic forces which are completely absent in the United States. There are as yet no forces in the United States making for a rapid sustained and marked rise in prices, and the volume of excess reserves in the banking system, which has of course been increased by the inflow of gold, cannot of and by itself lead to such a price spiral.

This Administration is, of course, entirely aware of the undesirability of inflation. [Its financial, banking, and monetary reforms give the monetary authorities plenty of powers to prevent an excessive rise in prices.] If our present powers are inadequate, new legislation can be easily obtained long before it is necessary to apply it. If and when an excessive rise in commodity prices appears imminent, we shall be fully prepared to act. And it would be amusing, if it were not so discouraging to many business men, to speak of the danger of inflation at a time when we still

have far too many idle resources and idle manpower. Let me say it again: There is no danger of inflation at present. What we have to worry about, if anything, is not that prices are too high, but that they are not high enough. A moderate rise in prices would be beneficial to the farmers and producers of this country, it would stimulate employment and business recovery. It will be time enough to worry about the possibility of inflation when our economy is appraoching capacity, when important bottlenecks appears in employment and production, and not before.

The obverse view that our gold policy leads to deflation is just as absurd. The gold imported is being used just as much now as it ever was. We have not (except temporarily for a brief period and at a very slight cost) sterilized inflowing gold. We have not taxed to buy gold. Our gold purchasing is self-financing. Except for the gold held by the Stabilization Fund and certain other relatively minor amounts from the gold revaluation profits, there are gold

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certificates outstanding against all the gold in the Treasury. In accordance with the terms of the Gold Reserve Act of 1934, these certificates can be legally owned only by Federal Reserve banks. They constitute the major portion of the assets of Federal Reserve banks. Against these assets in the Federal Reserve banks there exist either Federal Reserve notes or deposits due to the commercial banks, which are their legal reserves. These reserves are held in turn against the demand and savings accounts of the public in the commercial banks. For every dollar of gold in the Treasury, therefore, the public holds at least one dollar of bank deposits or currency.

Anyone in the United States to whom money is lawfully due can receive and hold that money either in currency or bank deposits, entirely at his own convenience. It is not for the Treasury to try to force any individual or corporation to hold currency rather than bank deposits if he prefers to hold the latter. Yet all the many suggestions that the United States put gold into more active circulation amounts to a demand that the money which is issued against gold be kept in circulation inthe form of currency rather than as bank deposits passed from persons to person by means of bank checks. As long as our banking system is sound, money in the form of bank deposits is as good as money in the form of currency. It would help the economic situation in the United States not one bit to diminish the volume of bank deposits and to increase the amount of currency to the same extent.

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The last proposal I want to deal with is the suggestion that the Treasury restore the issue of gold coins ~~as an alternative to putting gold into circulation by the issue of gold certificates.~~ This proposal is of very little importance. Even those who support it are aware that such gold coins would not circulate more actively and affect the domestic economic situation more than do the currency and bank deposits now in circulation against gold. The adherents of gold coinage though they do not admit and may not even be aware of it are merely asking to make gold coins available for private hoarders. All during the twenties, there was very little gold coin in circulation, and such as there was used mainly for gifts. For decades now the business of the country has been transacted by means of bank deposits, paper money and subsidiary silver and minor coin. For the United States to start minting gold coins now would

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be to incur a needless expense and to militate against the effective regulation of the domestic monetary system in order to cater to an irrational demand of private hoarders. Accordingly, I strongly believe in continuing to hold all the monetary gold in one central pool in the possession of the United States Government.

The swap we made and are making in return for gold was not a bad bargain. It enabled us to increase employment and recovery beyond any point which would have been possible without the acquisition of gold. If we had tried to tamper with gold in the way some people have suggested, we might well have been faced with a major depression. We have expanded our exports and encouraged our domestic industry. We have made possible a rise in prices well beyond the 1932 lows. And not least we have acquired in return for our export surplus and for foreign claims on American wealth the safest physical asset in the world, an asset moreover

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which will play an essential part in reestablishing a permanent peace.

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MEMORANDUM NO. 5

Depletion of Gold Holdings in Foreign Countries.

1. Change in gold holdings of the principal countries since 1934: the period from 1934 to September 1, 1939.

With the exception of France, the only countries which lost substantial amounts of gold during the period from 1933 to the outbreak of the European war, September 1, 1939, were the countries which had engaged in extensive military operations during the previous years; i.e., Spain, Italy, Germany and Japan.

Several other countries lost gold in small amounts, but the great majority of the countries of the world increased their gold holdings at the same time that the United States increased its gold stocks by $9,600 billion. The countries which lost gold, lost $3 billions, of which France accounted for $2 billions. The countries which gained gold, other than the United States, gained more than $1 billion. It can be concluded, therefore, that the United States gained the gold that France lost, the world's newly mined gold, and the gold that was withdrawn from private hoards during the period.

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Countries which Lost Gold from
December 31, 1933 to August 31, 1939

	December 31 1933	August 31 1939	Net Loss
France	$5,117	$3,191 1/	$1,926
Italy	632	193	439
Spain	738	525	213
Japan	359	164	195
Germany (including Austria)	201	29	172
Switzerland	654	585	69
Czechosolvakia	86	60	26
Uruguay	85	68	17
Greece	40	28	12
Belgium	643	631 2/	12
Denmark	61	53	8
Colombia	24	20	4
Poland	90	84	6
			$3,099

1/ Includes $477 millions reported in the Stabilization Fund on May 31, 1939.
2/ Includes $17 millions reported in the Stabilization Fund on June 30, 1939.

The gold losses of Spain, Italy and Japan are probably greater than is indicated by the official statistics. It is generally believed that Spain came through the Civil War with considerably less than $525 millions of gold. The figure of Italian gold holdings is that of December 1938, and is being carried forward to later months without change. Japan's reported gold holdings is a nominal figure, and her actual gold holdings are probably less than the published figure by $100 million.

Most of the countries reporting gold stocks gained some gold during the period from 1934 to September 1939. The United States gained $9,853 millions in gold from December 31, 1933 to August 31, 1939. The United Kingdom gained large amounts of gold up to the Spring of 1938, and at that time had more than $4 billion in monetary gold. In the Spring of 1938 she began to lose gold and by September 1, 1939, had about $1,900 million left. Other countries which gained substantial amounts of gold were Sweden, South Africa, Canada, Netherlands, Argentina, Rumania, Norway and Brazil.

Countries Which Did Not Lose Gold During The Period
December 31, 1933 to August 31, 1939.

	December 31 1933	August 31 1939	Net Gain
United States	$ 6,793	$ 16,646	$ 9,853
United Kingdom	1,571	1,900 1/	329
Sweden	168	355	187
Netherlands	628	769	141
Canada	130	218	88
South Africa	139	222	83
Rumania	100	148	48
Norway	65	107	42
Brazil	-	35	35
China	5	21	16
Java	74	88	14
Mexico	15	29	14
Portugal	58	69	11
Chile	20	30	10
Turkey	20	29	9
Bulgaria	19	24	5
Yugoslavia	53	57	4
Peru	19	20	1
Hungary	23	24	1
Egypt	55	55	-
British India	274	274	-
15 Other Countries - net	105	136	31
			$10,922

1/ Estimated

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C 252.43 Gold Purchase (misc) S2 #445 - #436
Argentina + Columbia Sept + Oct 1947 Weight List

2236688

STATEMENT COVERING ~~1173~~ MUTILATED UNITED STATES ASSAY OFFICE GOLD BARS RELEASED FROM ACCOUNT OF BANCO CENTRAL DE LA REPUBLICA ARGENTINA ON OCTOBER 3, 1947

Melt No.	No. of Bars	Gross Troy Ounces
5289	1	8,392.18
5933	1	8,374.74
6290	1	8,381.67
6309	1	8,380.95
5855	1	8,409.11
5856	1	8,373.77
5526	1	8,362.75
6307	1	8,391.60
6308	1	8,396.95
12806	10	4,029.91
12727	20	8,712.12
M-211	4	1,638.40
13111	4	1,710.37
13189	2	833.76
13193	3	1,276.70
13115	3	1,262.35
13119	4	1,734.72
12784	20	8,348.89
12788	17	7,304.85
2919	13	5,261.85
20084	2	784.94
20093	21	8,633.95
20094	20	8,029.39
20131	22	9,061.97
20174	20	8,148.40
20156	22	9,130.70
22974	17	6,970.93
20806	20	8,416.00
20852	17	7,130.71
20812	17	6,943.01
20832	19	7,854.57
22023	16	6,550.04
22536	21	8,688.08
22538	20	8,208.82
22541	20	8,328.77
D-112	19	7,760.01
D-113	19	7,787.24
22567	18	7,464.13
22671	21	8,608.93
22674	20	8,039.31
22682	18	7,504.57
22684	17	7,118.09
22689	18	7,481.86
22696	20	8,387.75
22697	18	7,300.37
15887	19	7,923.36
7889	20	8,459.02
7891	17	7,133.36
15902	20	8,304.65

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Melt No.	No. of Bars	Gross Troy Ounces
18025	10	3,966.73
6085	21	8,464.56
6086	22	8,721.79
6087	13	5,053.65
5936	6	2,384.42
326	2	8840.75
5028	3	1,214.68
158458	21	8,813.96
13085	20	8,446.03
13086	20	8,634.90
13087	20	8,468.87
13088	17	7,223.26
13079	20	8,540.78
13080	20	8,496.00
13071	7	2,939.34
13078	4	1,715.25
~~M-177~~	~~5~~	~~2,012.19~~
13077	11	4,724.82
~~M-291~~	~~14~~	~~5,542.16~~
~~180~~	~~14~~	~~5,657.42~~
~~297~~	~~14~~	~~5,759.31~~
~~2787~~	~~14~~	~~5,818.00~~
13072	17	7,188.22
~~M0290~~	~~20~~	~~7,893.56~~
~~248~~	~~21~~	~~8,224.68~~
~~249~~	~~21~~	~~8,315.38~~
~~299~~	~~21~~	~~8,432.72~~
~~296~~	~~21~~	~~8,461.04~~
~~179~~	~~21~~	~~8,465.11~~
~~295~~	~~21~~	~~8,470.55~~
~~178~~	~~21~~	~~8,492.74~~
~~240~~	~~21~~	~~8,525.32~~
151	23	9,488.36
	1173	483,127.12
	249	100,070.18
	924	383,056.94

223690

FEDERAL RESERVE BANK OF NEW YORK

SCHEDULE OF UNITED STATES ASSAY OFFICE GOLD BARS

WITHDRAWAL DATE	CASTING DATE	MELT NO.	NO. OF BARS	BAR NUMBERS	GROSS TROY OUNCES	FINENESS	TROY OUNCES OF FINE GOLD	DOLLAR VALUE
	1943	679	1	0181	416.57	999.6	416.403	
	1933	10733	1	013162	403.69	7.3	402.600	
	1933	10455	1	012582	403.46	5.9	401.806	
	1933	12172	1	020320	409.05	995.2	407.087	
	1943	M-293	1	018	390.51	9.8	390.432	
	1933	10455	1	12563	397.69	5.9	396.059	
	1932	6373	1	25794	413.79	6.7	412.424	
	1933	10450	1	12458	386.23	6.0	384.685	
	1933	14823	1	22610	387.06	7.0	385.899	
	1943	M-295	1	027	384.43	9.9	384.392	
	1943	M-296	1	056	395.27	9.8	395.191	
	1940	7512	1	027	393.56	6.1	392.925	
	1944	M-127	1	079	389.42	9.7	389.303	
	1943	899	1	0212	385.87	996.1	384.365	
	1933	11721	1	019794	399.89	995.6	398.130	
	1933	133	1	023208	404.30	997.6	403.330	
		13974	1	057	407.85	996.6	406.463	
	1941	16713	1	0122	410.63	996.4	409.152	
	1941	16713	1	0126	410.57	996.4	409.092	
	1941	16713	1	0127	403.80	996.4	402.346	
	1941	16713	1	0130	408.36	996.4	406.890	
	1941	16713	1	0131	406.31	996.4	404.847	
	1941	16713	1	0132	402.85	996.4	401.400	
	1941	16713	1	0133	409.34	996.4	407.866	
	1941	16713	1	0134	408.26	996.4	406.790	
	1944	M-126	1	024	411.33	999.6	411.166	
	1939	20565	1	03	412.84	997.1	411.643	
	1939	722	1	0133	405.45	998.2	404.720	
	1933	10380	1	011490	397.70	995.9	396.069	
	1939	20565	1	015	396.19	997.1	395.041	
	1939	19631	1	0305	415.17	998.8	414.672	
	1939	19631	1	0306	415.67	998.8	415.171	
	1939	19631	1	0307	413.34	998.8	412.844	
	1939	19631	1	0308	410.67	998.8	410.177	
	1939	19631	1	0309	404.09	998.8	403.605	
	1939	19631	1	0310	413.46	998.8	412.964	
	1939	19631	1	0311	409.58	998.8	409.088	
	1939	19631	1	0312	405.10	998.8	404.614	
	1939	19631	1	0313	407.36	998.8	406.871	
	1939	19631	1	0314	393.64	998.8	393.168	
	1939	19631	1	0315	401.87	998.8	401.388	

223691

FEDERAL RESERVE BANK OF NEW YORK

SCHEDULE OF UNITED STATES ASSAY OFFICE GOLD BARS

WITHDRAWAL DATE	CASTING DATE	MELT NO.	NO. OF BARS	BAR NUMBERS	GROSS TROY OUNCES	FINENESS	TROY OUNCES OF FINE GOLD	DOLLAR VALUE
1932	1932	2673	1	023106	421.21	996.6	419.778	
	1941	16713	1	0124	397.13	996.4	395.700	
	1941	16713	1	0125	402.93	996.4	401.480	
	1941	16713	1	0128	396.67	996.4	395.242	
	1941	16713	1	0135	399.49	996.4	398.052	
	1941	16713	1	0136	400.59	996.4	399.148	
	1933	12266	1	020480	399.00	995.5	397.205	
	1933	10380	1	011489	407.36	995.9	405.690	
	1938	3086	1	05	406.56	996.9	405.300	
	1939	772	1	0130	422.78	998.2	422.019	
	1939	20810	1	0188	423.03	996.5	421.549	
	1933	12172	1	020319	407.74	995.2	405.783	
	1939	22989	1	0248	449.01	997.5	447.887	
	1943	897	1	0151	397.50	996.2	395.990	
	1939	22989	1	0253	425.52	997.5	424.456	
	1940	9343	1	090	404.65	995.9	402.991	
	1939	20565	1	01	403.19	997.1	402.020	
	1939	4825	1	067	410.34	996.5	408.904	
	1939	22988	1	0234	424.18	997.1	422.950	
	1939	22988	1	0239	418.67	997.1	417.456	
	1939	22988	1	0241	423.14	997.1	421.913	
	1939	22127	1	026	402.25	996.2	400.722	
	1939	20810	1	0187	417.19	996.5	415.730	
	1939	22987	1	0218	406.79	997.4	405.732	
	1939	22987	1	0223	413.05	997.4	411.976	
	1939	22987	1	0224	407.34	997.4	406.281	
	1943	899	1	0209	402.06	996.1	400.492	
	1939	20565	1	02	404.12	997.1	402.948	
	1939	22801	1	0181	402.02	997.5	401.015	
	1939	22989	1	0245	437.15	997.5	436.057	
	1939	22989	1	0252	438.10	997.5	437.005	
	1939	22987	1	0217	432.15	997.4	431.026	
	1933	10733	1	013154	404.90	997.3	403.807	
			101		40,970.42		40,857.742	

223692

STATEMENT COVERING 1382 MUTILATED UNITED STATES ASSAY OFFICE GOLD BARS RELEASED FROM ACCOUNT OF BANCO CENTRAL DE LA REPUBLICA ARGENTINA ON SEPT. 17, 1947

Melt No.	Gross Troy Ounces	No. of Bars
M-215	9,531.23	23
13019	8,781.49	21
13022	8,352.19	20
13023	6,842.45	16
13036	6,512.64	15
13030	8,499.93	20
13031	8,766.02	21
13035	9,176.98	21
12734	8,550.12	20
12735	8,527.06	20
12736	8,402.77	20
M-146	6,745.18	17
17281	8,265.91	20
16076	8,380.43	20
16486	8,065.77	20
16227	8,058.92	20
16226	8,499.53	21
16225	8,524.80	21
16224	8,612.37	21
16223	8,393.17	20
16222	8,295.47	20
16221	7,144.29	17
898	392.69	1
22701	6,929.17	17
22713	8,360.81	20
8707	8,538.67	20
22725	8,561.67	20
22856	7,140.75	17
22804	6,999.98	17
22805	7,957.35	19
22806	7,977.65	19
22807	7,900.53	19
22952	7,003.68	17
22985	7,977.76	19
22986	7,989.57	19
9360	8,409.15	20
22951	3,612.77	9
18755	8,738.30	21
18754	8,482.69	21
18943	8,250.29	20
18942	8,191.54	20
18941	8,121.68	20
18940	8,679.23	21
18939	8,583.80	21
18938	7,987.65	20
18937	8,667.57	21
18936	8,252.48	20
22951	3,225.89	8

Melt No.	Gross Troy Ounces	No. of Bars
12788	1,270.38	3
12800	1,247.54	3
13044	1,689.64	4
5897	384.81	1
5898	385.10	1
5899	384.86	1
5900	377.49	1
5913	397.97	1
5914	376.89	1
5915	379.68	1
5916	382.53	1
5917	385.38	1
5918	378.23	1
5919	387.62	1
5920	386.39	1
10456	398.91	1
5921	389.35	1
5922	390.70	1
5884	364.93	1
5868	394.10	1
5869	382.63	1
5870	393.67	1
5871	389.11	1
5883	368.80	1
5923	382.05	1
5924	372.96	1
5925	373.01	1
5874	392.21	1
5875	383.15	1
5851	412.33	1
5901	378.17	1
5902	390.69	1
5903	368.62	1
5904	377.41	1
5905	382.91	1
5892	374.95	1
5893	378.13	1
5894	380.93	1
5895	385.45	1
5896	392.25	1
5880	390.81	1
5882	394.46	1
5885	382.88	1
5886	361.99	1
5887	381.83	1
5888	390.94	1
5889	376.71	1

Melt No.	Gross Troy Ounces	No. of Bars
5890	374.07	1
5891	372.27	1
5812	412.86	1
5813	404.66	1
5814	405.38	1
5815	409.30	1
5816	374.07	1
5817	400.72	1
5818	379.59	1
5819	418.22	1
M-187A	9,550.75	23
M-173	9,602.94	23
12741	8,402.80	20
12742	7,062.53	17
12728	8,587.65	20
12730	8,527.97	20
12729	8,602.05	20
12733	7,143.48	17
12738	8,336.82	20
12737	8,520.32	20
M-211A	7,757.53	19
M-209A	9,330.58	23
12751	8,453.63	20
12750	8,537.86	20
12749	8,476.16	20
12743	8,473.70	20
12744	7,235.05	17
12745	8,491.94	20
12746	5,911.66	14
12752	7,181.47	17
M-197A	4,115.84	10
13040	2,870.65	7
13036	2,170.29	5
12791	1,275.79	3
13023	1,275.00	3
	574,799.19	1,382

223694

C 252.43 Gold Purchase (Misc) Weight List +
SZ # 383 - # 394 ARGENTINA + MEXICO JUN + JULY 1947

223695

STATEMENT COVERING 1400 MUTILATED UNITED STATES ASSAY OFFICE GOLD BARS RELEASED FROM ACCOUNT OF BANCO CENTRAL DE LA REPUBLICA ARGENTINA ON JULY 14, 1947

Melt No.	Gross Troy Ounces	No. of Bars
1092	8,177.38	21
1093	7,340.02	19
19242	1,231.76	3
192[illegible]	7,829.03	19
797	7,213.60	19
797	755.46	2
1989	6,713.74	17
1989	1,193.46	3
6023	2,342.88	6
6023	1,671.91	4
7290	6,501.83	16
7290	2,040.84	5
12251	424.72	1
12251	8,099.28	19
1261	6,426.23	15
16019	1,283.09	3
7536	1,242.67	3
1088	4,378.76	11
1153	397.89	1
1161	7,925.84	20
1163	7,852.52	20
2979	2,762.93	7
6079	8,458.35	21
6080	8,373.07	21
6081	8,809.46	22
6082	8,417.04	21
6084	8,437.23	21
5908	8,532.29	21
M-46	5,460.16	14
15968	1,688.94	4
15968	6,752.27	16
10286	2,125.24	5
10286	6,437.68	15
962	5,513.73	14
962	2,787.43	7
2979	1,205.81	3
17168	7,883.88	19
7519	7,417.56	18
7420	8,447.23	21
5145	6,233.93	16
2979	1,189.39	3
6099	5,729.66	15
10285	8,492.09	20
10287	8,507.62	20
10288	8,476.90	20
18404	7,247.95	18
8152	7,329.25	17
17568	3,965.55	10
7919	8,273.53	20
8358	8,745.97	20
8375	8,401.87	20
7686	8,327.11	20
15964	8,606.31	20
19563	8,479.68	20
15967	8,555.30	20
15959	8,430.75	20
15960	8,407.72	20
15961	8,431.64	20
15962	8,573.32	20
15966	8,646.68	20
15969	8,308.59	20
15970	8,366.40	20
15971	8,603.27	21
15972	8,619.97	21
15973	8,742.83	21
15975	8,256.04	20
15976	8,301.05	20
15977	8,347.09	20
15978	8,299.28	20
15979	8,251.89	20
15980	8,599.78	20
15981	8,415.60	20
15982	8,328.97	20
20496	3,637.45	9
8131	7,261.58	18
M-362	384.78	1 (080)
M-165	8,477.65	21
M-98	8,526.12	21
M-97	8,445.92	21
M-96	8,516.16	21
M-95	8,[illegible]42.13	21
M-94	8,454.60	21
15725	3,494.63	9
2979	2,361.14	6
M-57	8,354.36	21
M-44	8,364.05	21
12161	2,120.20	5
16019	7,559.28	18
7536	7,043.56	17
1088	3,950.84	10
	574,640.64	1400

FEDERAL RESERVE BANK OF NEW YORK
FOREIGN DEPARTMENT
FOREIGN OPERATIONS DIVISION

223696

MISC. 3 B.2-80M-11-46

FEDERAL RESERVE BANK OF NEW YORK

OFFICE CORRESPONDENCE

DATE July 15, 1947

TO Mr. Jardine

SUBJECT: Sale of 1400 mutilated U. S. Assay Office gold bars

FROM M. Dooney

With reference to the sale of 1400 mutilated U. S. Assay Office gold bars today, the following exceptions were noted:

New Melt No.	Old Melt No.	No. of Bars	Weight
61	6099	15	5,729.66
	1153	1	397.89
	M-362	1	384.75
		17	6,512.30
66	6023	10	4,014.66
	20496	9	3,637.38
		19	7,652.04
69	15725	9	3,494.61
	17568	10	3,965.55
		19	7,460.16
63	12161	5	
	1261*	15	

* The 15 bars were also part of 12161.

70	M-46	14	(Partial melt 14/21)

mf

mf

223697

MISC. 3 B.2-60M-11-46

FEDERAL RESERVE BANK OF NEW YORK

OFFICE CORRESPONDENCE

DATE July 16, 1947

TO Mr. Jardine

SUBJECT: Sale of 1416 mutilated U. S. Assay Office gold bars.

FROM M. Dooney

With reference to the sale of 1416 mutilated U. S. Assay Office gold bars today, the following exceptions were voted.

New Melt No.	Old Melt No.	No. of Bars	Weight
47	5032	13	
	19942	7	
		20	8,214.84
67	7056	11	
	M-46	7	
		18	7,111.08
69	3352	15	
	4825	3	
	3652	1	
	21136	2	
		21	8,223.42
70	5909	17	
	4851	1	
	19024	1	
	10733	1	
	3086	1	
	18025	1	
		22	8,952.76
71	10456	1	
	9343	1	
	M-127	1	
		3	1,216.35

Mr Rose called to say "All single bars were numbered by Augustus"

223698

C 252.43 Gold Purchase (misc)
S2 #415-#436 Sweden Sept 1947 Weight List

223699

223700

STATEMENT COVERING 682 MUTILATED UNITED STATES ASSAY OFFICE GOLD BARS RELEASED FROM ACCOUNT OF BANCO CENTRAL DE LA REPUBLICA ARGENTINA ON SEPTEMBER 29, 1947.

Melt No.	No. of Bars	Gross Troy Ounces
M-300	21	8,620.86
M-164	23	9,457.23
13011	19	8,120.24
13010	20	8,657.97
12803	20	8,180.57
15888	21	8,681.57
14960	14	5,438.65
20690	22	9,071.91
7887	20	8,287.72
12800	10	4,208.60
13037	21	9,049.75
13038	21	9,017.73
13039	21	8,829.86
6284	1	378.26
5941	1	397.47
5934	1	391.43
13071	13	5,570.36
13078	16	6,936.89
13072	3	1,256.03
13040	14	5,830.80
13041	18	7,477.68
13041	3	1,252.26
13042	21	9,126.32
13043	21	8,920.37
13044	17	7,192.48
13115	17	7,158.24
13116	20	8,468.80
13117	21	8,904.17
13118	20	8,564.68
13119	16	6,912.90
13032	21	9,124.65
13129	20	8,475.02
13136	18	7,502.43
13189	18	7,534.36
13120	20	8,447.02
13121	20	8,589.17
13122	20	8,630.48
13191	20	8,399.70
13192	20	8,568.02
13193	6	2,568.37
13092	3	1,194.98
13084	2	866.89
6285	1	378.14
5936	1	385.21
5937	1	381.69
5938	1	394.19
5939	1	376.10
5940	1	389.11
5849	1	400.64
12033	11	4,532.99
	682	287,500.96

C 252.51 Gold Imported for sale to Assay Office / Weight List

Feb 1934 - OCT 1941

223701

223702

No. 8732

FOREIGN

Form 42 A.
TREASURY DEPARTMENT,
U. S. MINT SERVICE.

DUPLICATE

NOTE.—This Report is for the information of the depositor, and is of no other value.

MEMO. REPORT ON {GOLD / SILVER} BULLION deposited at the Assay Office of the United States at New York Feb 4, 193 9, by Manufacturers Press Co.

DESCRIPTION OF BULLION.	WEIGHT. Before Melting. Ounces.	Dec.	After Melting. Ounces.	Dec.	GOLD. Fineness. 1,000ths.	Value. Dollars.	Cts.	SILVER. Fineness. 1,000ths.	Value at ____ Cents per fine oz. Dollars.	Cts.	CHARGES. Dollars.	Cts.	NET VALUE. Dollars.	Cts.
Bars			8 234	77	997.1									
			8 199	19	997.1									
Bars			7 772	70	997.6									
			8 440	85	998.1									
"	40339	90	7 690	69	997.4									
Russian			8 076	69	999.8									
			8 061	60	999.7									
Bars			8 190	38	999.7									
	32413	20	8 082	97	999.7									
	7 153	10	32 411	64		1,184 067	06							
						2,542 350	19				6428	78	2,535,921	41
						72 638	577	fine oz						

The net value of the above deposit is payable as follows:

IN GOLD BARS, . $
IN SILVER BARS, . $
IN CASH, . . . $
BY CHECK, . . . $

Geo Reich
For the Superintendent.

Fine Silver, ozs. ____ fine ____

U. S. GOVERNMENT PRINTING OFFICE 2—6411

No. 6443

DUPLICATE FOREIGN

Form 42 A.
TREASURY DEPARTMENT
U. S. MINT SERVICE

NOTE: This Report is for the information of the depositor, and is of no other value.

223703

MEMO. REPORT ON {GOLD / SILVER} BULLION deposited at the Assay Office of the United States at New York DEC 6 - 1938, 193 , by Manufacturers Trust Co

DESCRIPTION OF BULLION.	WEIGHT. Before Melting. Ounces.	Dec.	WEIGHT. After Melting. Ounces.	Dec.	GOLD. Fineness. 1,000ths.	GOLD. Value. Dollars.	Cts.	SILVER. Fineness. 1,000ths.	SILVER. Value at ___ Cents per fine oz. Dollars.	Cts.	CHARGES. Dollars.	Cts.	NET VALUE. Dollars.	Cts.
Russian Refd Bars			8391	82	999.8									
			8316	79	999.8									
			8339	92	999.8									
			8271	80	999.8									
			8310	70	999.8									
Do	48308	10	6674	72	999.8									
Brit Refd Bars	8074	50	8074	15	997.6									
	56382	60				1972	8013	—	—		4987	20	1967	92 93

The net value of the above deposit is payable as follows:

IN GOLD BARS, . $
IN SILVER BARS, . $
IN CASH, . . . $
BY CHECK, . . . $

G. P. Davis
For the Superintendent.

Fine Silver, ozs. ..... fine .....

U. S. GOVERNMENT PRINTING OFFICE 2—6411

No. 6432

DUPLICATE

Form 42 A.
TREASURY DEPARTMENT,
U. S. MINT SERVICE.

FOREIGN

NOTE.—This Report is for the information of the depositor, and is of no other value.

2237704

MEMO. REPORT ON {GOLD / SILVER} BULLION deposited at the Assay Office of the United States at New York

DEC 6 - 1938, 193 , by Bank of the Manhattan Co.

DESCRIPTION OF BULLION.	WEIGHT. Before Melting. Ounces.	Dec.	WEIGHT. After Melting. Ounces.	Dec.	GOLD. Fineness. 1,000ths.	GOLD. Value. Dollars.	Cts.	SILVER. Fineness. 1,000ths.	SILVER. Value at ___ Cents per fine oz. Dollars.	Cts.	CHARGES. Dollars.	Cts.	NET VALUE. Dollars.	Cts.
British Refd Bars			8670	44	996.9									
			8812	53	996.9									
Do	24603	50	7119	47	996.6									
Russ. Refd Bars			7207	10	999.7									
Do	13824	00	6616	22	999.6									
						1341	989	17			3393	57	1338	595 60

The net value of the above deposit is payable as follows:

- IN GOLD BARS, . $
- IN SILVER BARS, . $
- IN CASH, . . . $
- BY CHECK, . . . $

Fine Silver, ozs. ____ fine ____

For the Superintendent.

U. S. GOVERNMENT PRINTING OFFICE 2—6411

No. 13031 DUPLICATE

Form 42 A.
TREASURY DEPARTMENT,
U. S. MINT SERVICE.

FOREIGN

NOTE.—This Report is for the information of the depositor, and is of no other value.

223705

MEMO. REPORT ON {GOLD / SILVER} BULLION deposited at the Assay Office of the United States at New York

APR 11 1938, 193 , by Bank of the Manhattan Co.

DESCRIPTION OF BULLION.	WEIGHT. Before Melting. Ounces.	Dec.	After Melting. Ounces.	Dec.	GOLD. Fineness. 1,000ths.	Value. Dollars.	Cts.	SILVER. Fineness. 1,000ths.	Value at ___ Cents per fine oz. Dollars.	Cts.	CHARGES. Dollars.	Cts.	NET VALUE. Dollars.	Cts.
British			7177	04	997.2									
Refd.			7427	91	997.1									
			7421	98	997.2									
Bars			7233	05	997.2									
	35813	00	6551	53	997.2									
Russian			5003	97	999.6									
Refd Bar	9533	30	4528	91	999.7									
	45346	30				1,583	400	48	—		4004	00	1,579,396	48

The net value of the above deposit is payable as follows:

IN GOLD BARS, . $
IN SILVER BARS, . $
IN CASH, . . . $
BY CHECK, . . . $

For the Superintendent.

Fine Silver, ozs. _____ fine _____

U. S. GOVERNMENT PRINTING OFFICE 2—6411

No. 6335

DUPLICATE

Form 42 A.
TREASURY DEPARTMENT
U. S. MINT SERVICE.

FOREIGN

NOTE.—This Report is for the information of the depositor, and is of no other value.

223706

MEMO. REPORT ON {COLD / SILVER} BULLION deposited at the Assay Office of the United States at New York

DEC 2 - 1938, 193 , by Bankers Trust Co.

DESCRIPTION OF BULLION.	WEIGHT. Before Melting. Ounces.	Dec.	After Melting. Ounces.	Dec.	GOLD. Fineness. 1,000ths.	Value. Dollars.	Cts.	SILVER. Fineness. 1,000ths.	Value at ___ Cents per fine oz. Dollars.	Cts.	CHARGES. Dollars.	Cts.	NET VALUE. Dollars.	Cts.
Russian			8664	35	999.8									
Refined			8675	78	999.2									
			8660	24	999.5									
Bars	34162	40	8246	37	999.3									
						1949970	14	—			3021	63	1191948	51

The net value of the above deposit is payable as follows:

IN GOLD BARS, . $
IN SILVER BARS, . $
IN CASH, . . . $
BY CHECK, . . . $

For the Superintendent.

Fine Silver, ozs. ____ fine ____

U. S. GOVERNMENT PRINTING OFFICE 2—6411

C261 Spain - Bank of Spain

223707

MISC. 38-2-100M-8-49

FEDERAL RESERVE BANK
OF NEW YORK

OFFICE CORRESPONDENCE

DATE February 6, 1950.

TO Files

FROM H. L. Sanford

SUBJECT Holding of Gold under ~~Earmark for United States~~ Commercial Banks

At a meeting of Messrs. Knoke, Logan, Tiebout and Sanford on Friday afternoon, February 3, Mr. Knoke stated that Mr. Sproul had expressed the following view with respect to our holding gold for United States commercial banks instead of their holding the gold in their own vaults, when they make loans on gold to foreign central banks or similar institutions.

> In the light of our general gold policy — short term — central bank to central bank — and feeling that loans against gold by commercial banks have been and should continue to be rather exceptional cases, we favor continuation of the present setup under which we are the only bank in this country licensed to hold gold in its vaults.

The question had been raised anew by the National City Bank representatives at their conference on Thursday afternoon, February 2, with Messrs. Tiebout, Davis and Sanford. At that meeting they had said that by far the easiest way to arrange the gold collateral provision of their proposed loan to the Instituto Español de Moneda Extranjera would be to hold the gold in their own vaults, but in the same breath they indicated that they were fully conscious of Treasury policy up to this time against the holding of gold by other than the Federal Reserve Bank.

In the meeting on Friday, February 3, it was decided that I should telephone Mr. Eddy of the Treasury and inform him that the National City Bank had raised a question concerning their holding the gold in their own vaults, that we had discussed the matter at this bank, and that we had decided that if we were to be asked to make a recommendation to the Treasury, it would be for a continuation of the present policy, i.e., that only the Federal Reserve Bank of N.Y. is to hold gold serving as collateral for loans to foreign monetary authorities. Mr. Eddy told me that the Chase National Bank representatives, when they had called at the Treasury last week in connection with their loan to the Instituto Español de Moneda Extranjera, had raised the question of holding gold collateral in their own vaults in New York, but that the Treasury had informed them that it's policy is to license the holding of gold only in the vaults of the Federal Reserve Bank of New York.

223708

FEDERAL RESERVE BANK
OF NEW YORK

DATE February 6, 1950.

TO Files

SUBJECT:

FROM H. L. Sanford

Eddy seemed a little surprised when I said that our recommendation, if asked for, would be to continue the present policy, and he said that he had thought that our views would have been otherwise, especially if our vaults were crammed with gold. From the remarks of Mr. Eddy, I take it that Treasury policy in this respect may not be firm in all parts of the Treasury.

HLS:EC

C261 Roumaine - Banque Nationale de Roumania

223710

DRAFT (MAY 16, 1956)
EGG:es

REGISTERED MAIL

Banque Nationale de Roumanie,
Banque de la Republique Populaire Roumaine,
Banque d'Etat,
Banque d'Etat de la Republique Populaire Roumaine,
Bucharest, Rumania.

Gentlemen:

The balance in the account on our books designated "Banque Nationale de Roumanie Account S" and the 930 gold bars held by this bank in an earmarked gold account in the name of Banque Nationale de Roumanie have been vested in the Attorney General of the United States under the authority of Title II of the International Claims Settlement Act of 1949, as amended (69 Stat. 562), Executive Order 10644, November 7, 1955 (20 F.R. 8363), Department of Justice Order No. 106-55, November 23, 1955 (20 F.R. 8993), and pursuant to law, by Vesting Order SA-1 (21 F.R. 1563); and in accordance with directions and instructions issued pursuant to said Vesting Order by the Assistant Attorney General, Director, Office of Alien Property, Department of Justice, said balance and gold bars have been paid, conveyed, transferred, assigned and delivered by us to the Attorney General of the United States. Since we now hold no funds or property for account of Banque Nationale de Roumanie the account of said bank on our books has been closed.

authority 4/27/5 file

Very truly yours,

H. L. Sanford,
Assistant Vice President.

cc: Mr. Anton Moisescu,
Minister of Rumania,
Legation of the Rumanian
People's Republic,
1601 23rd Street N. W.,
Washington, D. C.

223711

MISC. 3 8.2-80M-11-46

FEDERAL RESERVE BANK OF NEW YORK

OFFICE CORRESPONDENCE

See memo 3/21/47 Mr. Davis to Mr. Sanford.

DATE July 8, 1947

TO Confidential Files

SUBJECT: Rumanian Gold

FROM H. L. Sanford

X 7654

X C261 - Rumanian Gov't

At the suggestion of Mr. Aldrich, Chairman of the Chase National Bank, Mr. Barth, Vice President of Chase National Bank, called today on Mr. Rounds, who asked me to attend the meeting. Mr. Barth has just returned from Switzerland and Germany.

Mr. Barth referred to the 15 tons of gold which the Rumanians have pledged to the Chase National Bank as collateral for a loan which was originally made in the amount of $7,000,000 and has now been increased to $15,000,000, the purpose of the loan being to finance the import of needed grain into Rumania from the United States or other Western Hemisphere countries. This gold, according to Mr. Barth, was originally held in the Union Bank in Switzerland but is now held in London in the vaults of the Chase Bank there. Mr. Barth also referred to the 65 tons of additional gold which had been shipped by air by the National Bank of Rumania from its vaults in Bucharest to the vaults of the Union Bank in Switzerland, the purpose of the shipment being to provide cover for further contemplated loans by Chase National Bank and a syndicate of banks to finance shipments of grain and other needed products to Rumania.

Mr. Barth said that, at the request of Assistant Secretary Willard Thorp of the State Department, the Chase National Bank had not proceeded further with additional loans pending investigation by United States Government authorities of the extent of certain Russian

influences in Rumania, including the so-called "sovrom" concerns. Recently, the Union Bank of Switzerland has received instructions to ship back to Rumania the 65 tons of gold sent from Rumania to Switzerland during recent months. Apparently, according to Mr. Barth, the instructions came directly from Bucharest to Switzerland, by-passing the Governor of the National Bank of Rumania, who was conferring with Mr. Barth in Switzerland. Throughout the negotiations Mr. Barth said that the Governor of the Rumanian National Bank was accompanied by a person or persons believed to be Soviet observers. The United States Government has refused to permit planes to pass over the American zone of Germany for the purpose of returning the gold from Switzerland to Rumania, but the French have given permission for planes to fly over its territory in transit from Switzerland to Rumania.

The Rumanians have approached Mr. Barth, stating that they would like to sell some 6 to 7 tons of gold (at the rate of 1 ton or so a month) out of the 65 tons previously sent to Switzerland from Rumania, in order to obtain dollars and Swiss francs to cover shipping, insurance and other miscellaneous charges for goods which would be imported into Rumania from non-Soviet sources. The Rumanians are anxious to receive the higher than statutory price for gold now being quoted in certain markets and to this end have inquired whether the

Chase National Bank could arrange such sale. Chase National Bank, if it did the business, would offer gold in the London market from its gold collateral now held there and the Rumanians would replace such collateral, shipping gold from Switzerland. According to Mr. Barth, to the extent that gold is sold, it would prevent gold from being returned to Bucharest, where it comes more directly under the influence of the Russians. Mr. Barth said that Mr. Aldrich had requested him to bring to our attention the political aspect of the Rumanians' desire to sell gold in international markets, now that he had returned from Switzerland with more information than Mr. Aldrich had in his possession when he discussed with Mr. Sproul the question of the Chase National Bank handling such a transaction, in which conversation Mr. Sproul had pointed out that it was expected that a joint statement of the Treasury and the Federal Reserve System would be issued requesting United States banks to abstain from such operations and in which Mr. Aldrich indicated that he had decided to refuse to handle the sale of Rumanian gold.

I stated to Mr. Barth that the handling of the sale of Rumanian gold at "international market prices" by an American bank would be contrary to the Fund's statement deprecating international transactions in gold at premium prices, with which statement the National Advisory Council had expressed its full accord. I further said that I believed that the British were strongly back of the

International Monetary Fund statement and that I, therefore, had some doubt concerning the capacity of the Chase Bank to sell gold through the London market at premium prices.

Mr. Barth stated that he was arranging to go to Washington to make a full report to Assistant Secretary Thorp on this and other matters and would attempt to ascertain from the State Department its views with respect to the importance of the political consideration versus the view of the International Monetary Fund and of the United States Government concerning the sale of gold at premium prices. Mr. Barth indicated that the Chase National Bank would, of course, wish to be governed by the United States Government's wishes in the matter, but that he did wish to point out that there were two contrary forces operating at the moment, i.e., the political situation of Rumania on the one hand and, on the other hand, the International Monetary Fund's statement concerning gold sales at premium prices, with which the National Advisory Council is in full accord. It was realized throughout the conversation that both Switzerland and Rumania were not members of the Fund, but that the Fund had recommended that members make any representations which, in their judgment, are warranted by the circumstances, to the governments of non-member countries to join with them in eliminating sales of gold at premium prices.

Mr. Barth indicated that the information he had given us should be considered as most confidential.

HLS:EC

223715

H. L. Sanford

MISC. 3 8.2-80M-11-46

FEDERAL RESERVE BANK
OF NEW YORK

OFFICE CORRESPONDENCE

DATE March 24, 1947.

TO Mr. Sproul

SUBJECT: Gold Loans to Rumania

FROM H. L. Sanford

I understand from Mr. Moore that you are interested in the subject of loans on gold to Rumania. The attached copies of two memoranda 3/21/47 set forth what is known here about the matter.

Mr. Kriz' memorandum 3/21/47 indicates that the newspaper report carried in the Business and Financial Summary of March 18 was incorrect; Mr. Knapp has also confirmed to me that it was a false rumor. Mr. Davis' memorandum 3/21/47 indicates that Chase National Bank has agreed to loan up to $7,000,000 to the Rumanian National Bank against gold deposited at the Union Bank of Switzerland, and that it is contemplated that this loan will be supplanted soon by a $50,000,000 loan on gold by a syndicate of United States banks.

H-L-S.

Att. (2)

HLS:EC

Business & Financial Summary shouldn't carry unconfirmed newspaper reports, particularly on subjects in areas where we should know knowledge.

223716

MISC. 3 0.1—60M—4-46

FEDERAL RESERVE BANK
OF NEW YORK

Packer

OFFICE CORRESPONDENCE

DATE November 6, 1946.

TO Mr. P. P. Lang

SUBJECT: Attachments on Banque Nationale de Roumanie.

FROM G. C. Martenson

The records of the Foreign Department indicate that the F.R. Bank of N.Y. has been served with three warrants of attachments in connection with court actions against the account on our books of Banque Nationale de Roumanie. The first of these attachments has been released but the last two are still pending determinations of suits. The three attachments can be summarized as follows:

First Served on us on December 19, 1940 in an action in the Supreme Court of the State of New York, County of Kings, wherein the Commission for Polish Relief, Ltd. is Plaintiff and the Banca Nationala a Romaniei (National Bank of Rumania) is Defendant, the sum claimed in the action being $3,060,704 with interest from May 2, 1940, at the rate of 6 per cent per annum and costs and expenses. In our letter of January 29, 1941 to the Sheriff we certified, among other things, that we had an account on our books in the name of Banque Nationale de Roumanie; that the dollar account credit balance was $247,609.22 and gold bars in the earmarked gold account contained in excess of 180,000 fine ounces, valued in excess of $6,300,000. This attachment was released on February 21, 1941 on receipt of an order of the same date from the Sheriff.

Second Served on us on November 19, 1941 in an action in the Supreme Court of the State of New York, County of Kings, wherein Ehag Eisenbahnwerte Holding Aktiengesellschaft is Plaintiff and the Banca Nationala a Romaniei (National Bank of Roumania) is Defendant, the sum claimed in the action bein $4,264,089.34 with interest, costs and expenses. In our letter of December 18, 1941 to the Sheriff we certified, among other things, that we had an account on our books in the name of Banque Nationale de Roumanie; that the dollar account credit balance was $250,831.24 and gold bars in the earmarked gold account

223717

contained in excess of 243,000 fine ounces, valued in excess of $8,505,000. The Supreme Court extended to February 17, 1943, the plaintiff's time to commence an action on the above suit.

Third Served on November 2, 1942 in an action in the City Court of the City of New York, County of New York, wherein Israel Blum is Plaintiff and Banque Nationale de Roumanie (National Bank of Rumania) is Defendant, the sum claimed in the action being $2,250 with interest, costs and expenses. In our letter of November 6, 1942 to the Sheriff we certified, among other things, that we had an account on our books in the name of Banque Nationale de Roumanie; that the dollar account credit balance was $250,811.24 and gold bars in the earmarked gold account contained approximately 374,889.341 troy ounces of fine gold valued at approximately $13,121,126.90; and that all of the property in said bank's account is or may be subject to the "Second" attachment above. The Sheriff, in his communication of November 10, 1942, demanded that we turn $4,000 of Rumania's property (or money) over to him before November 16, 1942 but we replied in our letter to him of November 14, 1942 that we were not in a position to comply with his demand citing (1) the prior "Ehag" attachment (2) the Trading with the Enemy Act, as amended (3) Executive Order No. 8389 and (4) the necessity of a specific license from the Secretary of the Treasury issued under the Gold Reserve Act of 1934 in the event we were to transfer gold. We did however apply to the Treasury for a license to turn over the $4,000 to the Sheriff but the application was denied.

FEDERAL RESERVE BANK OF NEW YORK

OFFICE CORRESPONDENCE

cc Messrs. Rounds and Logan

TO Mr. Knoke

DATE October 24, 1946.

SUBJECT:

FROM Allan Sproul

copy - C262.2
X C 262.1

Cat

See file C261 Roumanian Govt memos - 9/6/46; 10/25/46

Messrs. Kleitz and Grant of the Guaranty Trust Company called this afternoon to discuss with me a cable which they had received from their Brussels office (copy attached) concerning a possible loan on gold to the Banque Nationale de Roumanie. They said they realized that there were political implications connected with this proposed transaction and that they would have to discuss it with Washington, but before doing so they wanted to talk with me and to find out whether, for any reason, I thought they should go no further with it. I told them that the first or underlying question seemed to me to be the distribution of our surplus grains (assuming that the Roumanians meant wheat and oats when they spoke of corn) at a time when various countries of the world are still short of food and UNRRA is going out of existence and the United Nations Assembly is supposed to be setting up an organization to take its place. I said that it seemed to me to be not just a question of who had the dollars, borrowed or otherwise, with which to buy our surplus grain, but how it is to be distributed to meet hunger and famine wherever it may exist.

Having explored that aspect of the problem, I said that there were then other political aspects which they would want to discuss with the State Department. They mentioned the recent pronouncement of the State Department with respect to loans of dollars to countries which shouted about "dollar slavery". After the State Department, I said, would come the Treasury Department because if they were to proceed with the loan, or any part of it, they would have to have, first, a license which would permit them to have a beneficial interest in the gold pledged by the Roumanians and, second, they would have to have a license freeing Roumanian funds to that extent because Roumanian funds in this country are still frozen. I said that I assumed they would want to have the gold in this country and they said that they most certainly would; that they would want to have it right in our vaults.

That brought us down, I said, to the credit problem which, at this stage at least, seems to be a minor one because if the Roumanians have $100 million of gold (and I indicated that we had no figures to support such gold holdings by the Roumanians), and if it can be brought here, the only credit risk remaining is the remote one of a reduction in the dollar price of gold. I told them, however, that I had my own views about loans on gold; that ordinarily I thought that such loans were the business of central banks, or central banks and governments, and not business for the private banking system, at least under present conditions. I said that we made loans on gold but that we made them for short periods to meet temporary needs over a harvest or shipping season and that we would not be interested in a five year loan on gold. Neither did I think, however, that the Roumanians should borrow for five years on gold; that what they would be trying to do is to leave with us the whole responsibility of carrying what is left of the gold standard. They would get their dollars with which to buy our cereals on the basis of the present price of gold and if, later, the price of gold were increased they would have a windfall profit and a further substantial

OFFICE CORRESPONDENCE

cc Messrs. Rounds and Logan

DATE October 24, 1946.

TO Mr. Knoke

SUBJECT:

FROM Allan Sproul

call on our goods. I said that if they have $100 million of gold and cannot see their way clear to meet their situation within five years I thought they ought to sell gold as and when they need dollars.

Mr. Kleitz asked me if I thought the Guaranty Trust should go no further with the inquiry and I told him that while I was dubious about the whole transaction, I did think he ought to take it up with Washington so as to be sure that he had all of the available facts at his disposal. Mr. Kleitz said that he would do this, trying to get in touch with Mr. Clayton at the State Department and then, if necessary, with Mr. Overby at the Treasury Department.

(During the conversation Mr. Kleitz and Mr. Grant mentioned the fact that there had been some question about a Roumanian purchase of gold from Switzerland which involved bars suspected to have come from German hands after the markings and numbers had been changed, and also to the fact that the Roumanians mentioned petroleum in connection with repayment, and that this would raise the question of American petroleum properties in Roumania.)

AS:EAV
Att.

Misc 'S' 5 year retention

223721

O
P
Y

CONFIDENTIAL

FROM: Beirut, Lebanon
DATED: January 26, 1948

Gold

Gold is ingrained in the psychology of the Levant. Merchants think in terms of it. Paper money is valuable only as far as it is exchangeable for it. Gold will buy property, which is as close to speculation as some Arab financiers like to come, or even better, it can be buried in a kerosene tin in the back yard.

Fluctuation of the gold market is not an apt expression; it is the paper money which fluctuates. But even gold can be affected by psychological phenomena. The Queanshead sovereign equals the Kingshead in weight, but sells for one pound less, because a woman's likeness is forbidden in the Hejaz, where Lebanese Moslems spend 40,000 pounds sterling of gold each year.

Lebanese banks can neither sell gold nor lend on it, and its export (except by pilgrims) is forbidden; the import of gold, and its transfer by private individuals, is not restricted. That private individuals capitalize on this freedom is manifest from the current selling price of the gold sovereign--nearly three times the official rate of 17.4640 Lebanese pounds.

Central position and freedom from restriction have made Beirut one of the world's gold capitals. Widespread interest in gold is attested by frequent articles on the subject in Le Commerce du Levant. The January 7, 1948 issue proclaimed Macao, Tangier, and Beirut and Bombay, respectively, as the price-fixing centers for gold shipments to China, Egypt, and India.

Concerning Beirut's interest in the Indian gold market there is little question. Gold prices in Syria and Lebanon are kept uniform by intercity telephone. Price variations between Beirut and other Near East capitals are not much greater. But 400,000,000 currency-distrusting Indians have an insatiable appetite for gold, and Beirut is midway between this gold-magnet and the gold-producing areas of the western hemisphere.

Gold-traders flourished in 1947, despite IMF restrictive efforts, and the Lebanese Minister of National Economy's attempt to subject importation of gold to license. His opponents held that gold sales were too profitable to be stopped. August termination of sales of United States gold to Mexico may have diminished transfers, but the price of gold was apparently not affected.

The efforts of gold shippers to circumvent restrictions on the importation of gold into India were acrobatic. At first gold was flown to Teheran or Khatmandu, to be smuggled over the frontier. After the transit of gold over Indian territory was banned, at least one determined shipper consigned gold via North America to Bangkok, although insurance fees were five per cent.

Gold Resources Of the gold which has entered Lebanon, it is estimated that the equivalent of 20,000,000 sovereigns still remains. Gold available for monetary use is a far different figure--3,706,607 Lebanese pounds' worth, at the official rate, on December 31, 1946, The Syrian pounds, legally 100 per cent gold-covered, is actually only one per cent. The statutory, gold cover of the Syrian pound is 10 per cent of note circulation in Lebanon and 15 per cent in Syria.

223722

Market Rates In terms of gold, the Syrian pound is overvalued. However, gold prices are stimulated by foreign demand. Moreover, the graph of open market gold prices in 1947 bore out the thesis of optimistic Lebanese economists that official and open-market currency rates will eventually meet. The sovereign, which rose from 17.00 in 1949*to 59.25 in 1943, reached a maximum of 41.00 in 1944, 51.00 in 1945; 54.75 in 1946, and then fell nearly two Syrian pounds to 45.60 at the end of 1947.

The 1947 pattern was one of general decrease, accentuated temporarily in April, and interrupted temporarily in November. At first this decrease was explained by constant imports of Mexican pesos. This trend, combined with Indian import restrictions and a shortage of paper currency, culminated in April and early May in an inexplicable but short-lived "flight" from gold. The sovereign returned to "normal," only to be precipitated in the opposite direction by a two-week panic in November, when pessimistic reports from Paris indicated immediate devaluation.

On the whole gold in 1947 was stable, and reflected increasing confidence in the Syrian pound, or perhaps in the IMF.

Controls Many economists agree with Minister Naufal that traffic in gold does more harm to Lebanon than good. One writer named illegal traffic in gold Lebanon's chief commercial occupation, and estimated that gold worth 16,000,000 Lebanese pounds entered Lebanon during the first quarter of 1947. All this was for export to Egypt and India, whereby the dollars used to purchase the gold were degraded into rupees or sterling pounds.

Future Trends Le Commerce du Levant of December 13, 1947, printed a graph showing that gold prices in Beirut were, except for two short periods, lower throughout 1947 than prices in Cairo and Baghdad. An accompanying article noted that the Beirut market is the most sensitive in the Near East, and the most active in the world gold trade. In the absence of official control there is little reason to expect a change in this situation.

* copies as appeared in original.

223723

Syria - Gold

SYRIA

For News

Gold Imports. In 1947 Syria imported 17 tons of gold to a value of £S 38 million. The greater part of the gold has bee re-exported to the Middle and Far East.
(Agence Economique & Financiere - 27.10.48 - France)

223724

C261 Belgium

223725

July 7, 1952.

ack 7/17/52

Banque Centrale du Congo Belge
et du Ruanda-Urundi,
54, Rue de Namur,
Brussels, Belgium.

Gentlemen:

With reference to our letter of June 24, 1952 quoting our terms and conditions that will govern the operation of the account in your name we would inform you that, while we make no charge for holding gold under earmark for your account, we shall, until further notice, charge you for the actual labor costs of receiving, checking, weighing, delivering, and handling gold for your account on the following basis:

33.57 cents per bar or its equivalent, for gold received by us for earmark.

21.62 cents per bar or its equivalent, for gold released by us from earmark for export or sale to the Assay Office.

15.24 cents per bar or its equivalent, for gold transferred in our vaults from one foreign account to another - (one-half payable by the transferor and one-half by the transferee).

11.60 cents per bar or its equivalent, for gold received by us directly from abroad for sale to the Assay Office.

These charges will be reviewed by us from time to time and adjusted, if necessary, with advice to you. In addition to the above-mentioned charges we shall also request reimbursement for all other necessary out-of-pocket expenses incurred by us in connection with any gold operation undertaken in your behalf.

We are enclosing a copy of this letter which you may wish to send to your head office at Leopoldville.

Yours faithfully,

H. L. Sanford,
Assistant Vice President.

Enclosure

CRA:mr FCA AIR MAIL

223726

C261 Brasil - Banco de Brasil

223727

FEDERAL RESERVE BANK
OF NEW YORK

OFFICE CORRESPONDENCE

DATE

TO

SUBJECT:

FROM

Appendix

TABLE I

BRAZIL'S GOLD AND FOREIGN EXCHANGE HOLDINGS 1/
(in million dollars)

End of	Gold Held by Banco for Treasury	Net Foreign Exchange Holdings of Banco do Brasil	Non-Official Brazilian Holdings in 2nd FR District	Total Brazilian Gold & Foreign Exchange Holdings
1939 Dec.	39.5	27.1		66.6
1940 Dec.	50.7	5.0		55.7
1941 Dec.	69.9	34.9		104.8
1942 Dec.	114.8	126.6	16.3	257.7
1943 Dec.	253.9	213.9	15.2	483.0
1944 Dec.	329.1	264.0	26.5	619.6
1945 Dec.	353.9	276.4	42.5	672.8
1946 Aug.	356.4	397.6	47.0	801.0
Sept.	355.3	392.9	41.6	789.8
Oct.	354.2	372.7	38.8	765.7
Nov.	354.2	365.8	43.5	763.5
Dec.	354.2	370.1	42.1	766.4
1947 Jan.	354.2	353.2	43.0	750.4
Feb.	354.2	347.8	47.1	749.1
Mar.	354.2	319.6	45.6	719.4
Apr.			46.4	

1/ Gold valued at $35. per ounce. Net foreign exchange of Banco do Brasil valued at average annual exchange rate, weighted according to exchange control regulations in force at various times. From 1939 until December 1945 the rate used is 19.00 cruzeiros equals one U.S. dollar; after that 18.50 cruzeiros per dollar.

223728

it could be absorbed through imports financed with a foreign loan. This adjustment might take the form either of credit contraction, which probably will be possible only on a moderate scale, or of exchange depreciation, which would tend to raise the price level and in that form absorb the monetary overhang and reduce pressure on the balance of payments. Under these circumstances, it is rather a mute question whether a consumption loan should be granted to postpone and somewhat facilitate the readjustment or whether Brazil would not be better off by tightening her belt right away and avoiding the burden of additional foreign debt.

The second point relates to the importance which foreign monetary authorities at present seemingly are attaching to the possibility of showing a spuriously large gold reserve, by borrowing on this gold instead of selling it. Undoubtedly there are important psychological factors which favor this procedure, even though it involves a very dubious kind of bookkeeping. The belief that large gold reserves are available strengthens confidence and limits inflationary speculation at home; it also forestalls the panicky cutting of credit lines to which foreign suppliers and bankers some times resort when they see a sharp drop in reserves. From the large number of applications for gold loans, however, it appears that these factors are acquiring more weight in the minds of foreign authorities than they deserve. The more frequently these authorities succeed in obtaining a gold loan, the more they may be driven to delude themselves into thinking that they have

really accomplished something material, and the more reluctant will they be ever to sell their gold. It would be better if some way could be found to encourage the sale of gold and thereby try to return to the old idea that fluctuations in gold holdings are something normal, of which no one needs to be ashamed.

These considerations are of a minor character when weighed against others entering into the Brazilian loan picture, but they do have their place in it.

hcw;rs

C261 Belgium - Banque Nationale de Belgique

223731

FOR. 77A
(FOR. 77 A.3—2M—4-57)

FEDERAL RESERVE BANK
OF NEW YORK

FOREIGN DEPARTMENT

TRANSLATION

FROM Banque Nationale de Belgique **DATE** May 23,1958

TO Federal Reserve Bank of New York

ack. 6/3/58

Gentlemen:

We refer to the schedule of charges applicable by Mints and Assay offices in the United States, and request you to clarify the points listed below:

1) Assay of gold bars negotiated by the United States Treasury

a) What is the minimum fineness for gold bars offered to the United States Treasury in order to be accepted without melting, it being understood that bars of "various refiners" must be melted and assayed beforehand?

b) Does the United States Treasury ever deliver to buyers "U.S. Assay Office" gold bars less than 0.995 fine?

2) Refining charges

In what cases does the United States Treasury have bars offered to it for sale melted for which the cost is paid by the seller.

3) Assay charges

We understand that each bar from "various refiners" is melted and assayed before it is bought by the United States Treasury. According to the tariff the cost of the assaying amounts to $ 5.- for gold bars free from platinous metals. We should like to have more precise information on the manner of application of these assay charges. Is the amount of $ 5.- sufficient in case of an unlimited number of bars which on the basis of fineness belong to the same cathegory? On the other hand, if a lot contains bars of different fineness, i.e., 0.899, 0.916, 0.995, do the assay charges amount to as many times $ 5.- as the number of categories of bars of different fineness?

4) Would the combining of our gold deposits "A" and No.2 cause a charge to us? If so, how much would it be?

Yours,etc.

DG
GL

ATTENDED TO
[illegible] 1958
FOREIGN OPERATIONS DIVISION
By

223732

FEDERAL RESERVE BANK
OF NEW YORK
CABLE DIVISION

INCOMING CABLEGRAM CONTROL NO.

EXECUTIVE VICE PRESIDENT

RECEIVED ON OCTOBER 2, 1959 [illegible]

BRUSSELS 0/2759 [illegible]

FEDERAL RESERVE BANK OF NEW YORK
NEW YORK
NO. 232

DATE OCTOBER 6

REQUEST FROM OUR ACCOUNT [illegible] AND [illegible] BROKAL OF BANK FOR
INTERNATIONAL SETTLEMENTS BASLE UNDER ISSUE CASUE DTOGA [illegible]
GOVERNMENTS-STAMPED BARS CONVENTIONAL [illegible] 0/3/75 [illegible] CHANGES
[illegible] GOLD TRANSFERRED [illegible]

BANQUE NATIONALE DE BELGIQUE

[illegible]
[illegible]

AMENDED TO

[illegible] 1959

RECORDS DIVISION

223733

[illegible] CORRECT
[illegible] INCORRECT
NO TEST

[illegible] WORDS
[illegible]
[illegible] WHEN RECEIVED WILL BE
COMMUNICATED PROMPTLY

CABLE DIVISION

MISC. 3B
(MISC. 3B.2-30M-1-59)

FEDERAL RESERVE BANK
OF NEW YORK

Barker

OFFICE CORRESPONDENCE

DATE October 5, 1959

TO Mr. T. J. Roche

SUBJECT Splitting of melt

FROM G. C. Martenson
(Prepared by T. J. Fay)

As you know, in order to more closely approximate the fine ounce figure that Banque Nationale de Belgique in its cable No. 232 of October 2, 1959, requested us to transfer from its Account A to the account of Bank for International Settlements, it was necessary to release melt No. 3293 from Banque Nationale de Belgique's Account A and deliver it to the U.S. Assay Office for the purpose of assigning individual weights to the bars comprising said melt. The bars were then returned and re-earmarked to Banque Nationale de Belgique, Account A.

In connection with this operation, a trucking charge was not incurred for our correspondent. However, it was necessary to insure the shipment from the Bank to the Assay Office and return at a cost of $5.88.

Will you please indicate your approval for us to debit this amount to the account of Banque Nationale de Belgique and also to waive our labor cost charges in connection with this operation.

J J Roche

ca

223734

XC 252.4
XC 252.5

June 3, 1958.

Banque Nationale de Belgique,
5, boulevard de Berlaimont,
Brussels, Belgium.

Gentlemen:

Most of the answers to the questions raised in your letter of May 23, 1958, requesting clarification on certain points regarding sales of gold to and purchases of gold from the United States Treasury, are contained in a memorandum recently prepared by us, entitled "Information regarding gold transactions on behalf of foreign correspondents", a copy of which is enclosed.

In the paragraph entitled "Sales of Gold by Foreign Correspondents" in the enclosed memorandum, you will find answers to your questions 1(a) and 2. In this paragraph we outline the conditions under which we are prepared to offer gold for sale to the United States Treasury on your behalf. You should note especially that mutilated United States Assay Office bars, as defined on page two of the memorandum, are purchased by the Treasury under the same conditions that it purchases bars of various refiners and that all unmutilated United States Assay Office bars, regardless of the fineness, would be accepted for redeposit upon sale to the United States Treasury.

In the paragraph entitled "Purchases of Gold by Foreign Correspondents" you will find the answer to your question 1(b).

223735

You will note that the current practice of the United States Assay Office is to deliver to purchasers gold bars which assay not less than .995 fine.

We should like to inform you, in answering question 3, that it is not customary to melt and assay each bar of gold separately, when bars of various refiners are sold to the United States Treasury, unless the seller specifically requests separate assay reports on each bar. Normally, when such bars are sold, we separate them first according to their finenesses, i.e. .900 .916 and .995, and then divide them into groups of approximately 20 bars each. We receive assay reports on each lot or group only and no assay charges are incurred in these instances. Such charges apply only when special assay samples are requested of the Assay Office on gold deposited with it for that specific purpose. Neither are refining charges incurred in these instances except when bars of unusual finenesses, say between .917 and .995 fine or less than .899 fine, are deposited for sale. Thus the only additional charge that is normally assessed, on sales of regular coin (.900 fine), sovereign (.916 fine), and fine (.995 fine) gold bars to the United States Treasury, is the melting charge of 25 cents per 100 gross ounces or fraction thereof.

With regard to your question 4, we would make no charge to transfer all of the gold in one of your subsidiary accounts to another because no physical movement or preparation of weight lists would be required to effect such a transfer. However, if only a portion of the gold holdings in one subsidiary account is to be transferred to another, our regular transfer charge of 15.24

cents per bar would be assessed.

We hope that the foregoing and the enclosure will satisfactorily clarify the points on which you raised questions.

Yours faithfully,

Norman P. Davis,
Assistant Vice President.

Enclosure.

AIR MAIL

EWC:ALS:cl

223737

8/57

August 1957
c

INFORMATION REGARDING GOLD TRANSACTIONS
ON BEHALF OF FOREIGN CORRESPONDENTS

This statement explains in some detail the various services which the Federal Reserve Bank of New York is prepared to provide its foreign correspondents with respect to gold transactions. The information therefore is supplementary to that contained in Section IIIA of its letter of terms and conditions.

Explanation of Terms

It should be noted at the outset that gold bars earmarked by us are classified in two basic groups, namely, "U.S. Assay Office Bars" and "Bars of Various Refiners." The first group, "U.S. Assay Office Bars", consists of all gold bars which, if sold to the United States Treasury, would be accepted at the U.S. Assay Office at New York as a redeposit and thus command full and immediate payment. The only gold bars that qualify as redeposits are those originally issued by the United States Assay Office which have not been mutilated and which, if originally issued in the form of a melt, are redeposited as a complete melt.* The designation "United States Assay Office Gold Bars" is used in the heading on the weight lists furnished by the Federal Reserve Bank of New York in connection with transactions in which bars of this type are involved. Inasmuch as the United States Assay Office accepts such gold bars as redeposits without melting or assaying them and therefore utilizes the weights and finenesses pre-

* Generally a melt consists of 18 to 20 bars; each bar of a melt is stamped with the fineness and the melt number but the bars are not necessarily numbered individually.

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believe that such a description proves helpful to our correspondents and would request that weight lists covering gold forwarded to us for earmark contain a similar description. We do not, of course, attempt to give a full description of all assayers' stamps, numbers or other markings that may appear on bars received by us for earmark, nor do we undertake as a general practice to identify the assayer where it is not also the refiner. In this regard, we rely primarily on the weight list furnished us by the shipper. Where the refiner of a bar is shown on our weight list to be "U.S. Assay", it is necessary to refer to the heading of the weight list in order to determine whether particular bars are "United States Assay Office Bars" or "Bars of Various Refiners", as defined above.

Instructions from Correspondents

Because of the large over-all quantity of gold held by us for our correspondents and the shifting of bars in our vaults that is occasionally required, the accessibility of particular bars is a matter of real concern to us. We would therefore request our correspondents to bear in mind the following considerations when instructing us to effect gold transactions.

Instructions from correspondents generally should be received by us at least one day prior to the date the transaction is to be effected in order that preliminary work may be completed. We request that our correspondents leave to us the selection of bars to be released from an account for transfer or sale; instructions should accordingly indicate only the type of bars to be transferred, that is to say, whether "U.S. Assay Office Bars" or "Bars of Various Refiners" are to be used, and an approximate number of fine troy

cribed when the bars were issued, the fine gold content of such bars is certain; in cable advices and weight lists, this Bank accordingly uses the term "containing troy ounces of fine gold" when U.S. Assay Office bars are involved.

The term "Bars of Various Refiners" is used to designate all other gold bars, including mutilated United States Assay Office bars. Such bars, if offered for sale to the U.S. Treasury, are subject to charges as set forth in the "Table of Charges at the Mints and Assay Offices of the United States", a copy of which is attached. Mutilated U.S. Assay Office bars include those which bear any markings or numbers other than those of the U.S. Assay Office, or have been altered in any way, or which, when originally issued as a complete melt, are not returned as a complete melt. In addition, it may be noted that the United States Treasury reserves the right to consider as mutilated any of its bars that have at any time been exported from the United States. If such bars bear only the markings of the U.S. Assay Office, and are otherwise in order, they usually will be accepted as redeposits. We nevertheless consider such bars to be "Bars of Various Refiners" inasmuch as their status remains uncertain until such time as they may be offered for sale to the U.S. Assay Office and the latter has had occasion to inspect and pass upon their acceptability as a redeposit. In cable advices and weight lists describing "Bars of Various Refiners", the term "said to contain troy ounces of fine gold" is employed.

As a service to its correspondents, the Federal Reserve Bank of New York recently began to put on its weight lists the name of what it believed to be the refiner of each particular bar. We

ounces (i.e., approximately_____troy ounces of fine gold; not more than_____troy ounces of fine gold; not less than_____ troy ounces of fine gold, etc.). It will be noted that the cable code phrases established between this Bank and its correspondents employ the terms explained earlier and provide the basis for clear and certain instructions.

Although we will, at a correspondent's specific request and in connection with a transfer to another account, endeavor to select bars that are "good delivery London", it will be understood that the Federal Reserve Bank of New York cannot undertake the responsibility for determining whether particular gold bars meet the standard of acceptability in any particular gold market.

Earmark and Custody

The Federal Reserve Bank of New York is prepared to earmark or hold in custody for your account, gold which is your property or the property of your government or its exchange equalization or stabilization fund. It will be understood that gold which you request us to earmark is your property unless you advise us that it is the property of your government or its exchange equalization or stabilization fund; in the latter event you should request us to earmark such gold in a special gold account in your name with a distinguishing symbol (for example, "Account G"), and advise us that it will be understood that any gold which you may request us to earmark in such special gold account belongs to your government, or its exchange equalization or stabilization fund, as the case may be.

Transfers

Transfers of gold from the account of one correspondent to

that of another require appropriate instructions to us from both the transferor and the transferee.

It is our practice to send cable advices to both the transferor and the transferee, as soon as possible after the appropriate instructions are received, giving information as to the fine ounces to be transferred; on the value date, a brief execution cable is sent. As soon thereafter as possible, we forward to each party a weight list of the gold bars transferred.

Purchases of Gold by Foreign Correspondents

The Federal Reserve Bank of New York does not sell gold for its own account. This Bank however is prepared, upon instructions from its correspondents, to purchase gold on the latter's behalf from the United States Treasury. The Treasury selling price is $35 (plus one-fourth of 1 per cent) per troy ounce of fine gold.

It has been the practice of the United States Assay Office at New York to deliver gold bars which bear its stamp, weigh approximately 400 troy ounces, have a fineness of .995 or better, and are in complete melts.

Single bars of standard size are issued by the United States Assay Office only to the extent necessary to complete an order for a given amount of gold. Such bars are individually stamped with a bar number and fineness. When bars of a particular fineness or size are requested, a bar charge is imposed as indicated in the attached "Table of Charges".

Sales of Gold by Foreign Correspondents

The Federal Reserve Bank of New York does not purchase gold for its own account but is prepared to offer for sale to the

United States Treasury any gold held under earmark in our vaults or which is consigned to us for sale. The Treasury buying price is $35 (less one-fourth of 1 per cent) per troy ounce of fine gold. The terms upon which the U.S. Treasury buys gold depends in part upon the type of bars offered.

"U.S. Assay Office Bars", as defined earlier in this memorandum, are accepted as redeposits at the United States Assay Office at New York; full and immediate payment is accordingly made when such bars are offered for sale.

"Bars of Various Refiners" (including mutilated United States Assay Office bars) are purchased subject to determination of fine gold content by the United States Assay Office and are accordingly subject to various charges for melting, treating, and assaying as specified in the attached "Table of Charges". With regard to gold bars bearing stamps of recognized refiners, advance payments of from 90 to 98 per cent of their estimated value may be made immediately. Final settlement is made after melting and assaying at the U.S. Assay Office, a process usually taking some ten days to three weeks.

Whenever we, for the account of a correspondent, purchase gold for earmark or sell gold from earmark, we also act as Fiscal Agent of the United States and all such purchases and sales generally are made for delivery at the United States Assay Office at New York. Gold must accordingly be moved between our vaults and the Assay Office. It is therefore our practice, when instructed to buy or sell gold, to make the necessary arrangements covering insurance and trucking and to debit the charges to the account of our correspondent. Occasionally it is possible for gold held under earmark

in the form of "U.S. Assay Office Bars" to be sold or purchased for delivery at our vaults.

Correspondents should bear in mind that United States gold coins offered for sale to the United States Treasury are eligible for payment only at face value. Other gold coins are purchased by the Treasury as gold bullion.

Exports and Imports of Gold by Foreign Correspondents

The Federal Reserve Bank of New York is prepared to make, on behalf of its correspondents and at their expense and risk, all necessary arrangements for the transportation and insurance of gold shipped to us either for earmark or for direct sale to the United States Treasury, and for the exportation of gold from the United States. Usually such shipments of gold can be made most conveniently, rapidly and economically by using air transportation; when sizeable amounts are to be moved, generally the most economical method is air transportation under a charter contract, involving full plane loads.

Such exports and imports of gold are made under the terms of the license, referred to in Section III of our letter of terms and conditions, issued by the United States Treasury Department to the Federal Reserve Bank of New York. Inasmuch as we are prepared to make all arrangements, including those relative to customs' formalities, there is no necessity for our correspondents to employ customs' brokers or other firms providing such services. In case of shipments to us, the gold should be consigned directly to the Federal Reserve Bank of New York.

223744

Conversion

The Federal Reserve Bank of New York is prepared to arrange with the United States Assay Office to have gold converted into United States Assay Office bars. The United States Assay Office generally returns gold bars which contain, as nearly as possible, the fine content of the gold deposited less the charges imposed by the Assay Office. Any difference between the gold due in settlement and the gold actually issued is adjusted by means of a cash payment credited to the account of our correspondent. Trucking and insurance costs incurred in moving the gold to and from the United States Assay Office are charged to the account of our correspondent.

The charges involved in such conversions are set forth in the attached schedule.

Loans on Gold Collateral

This Bank is prepared to receive requests for loans secured by acceptable gold bars held in its vaults. Such loans are generally made for the purpose of assisting foreign monetary authorities in meeting dollar shortages of a seasonal or other temporary nature. It should be borne in mind that such loans require the formal approval both of the Board of Directors of the Federal Reserve Bank of New York and the Board of Governors of the Federal Reserve System. Requests should accordingly be submitted sufficiently ahead of the time when funds are required, to permit the completion of such formalities.

Charges and Expenses

No charge is made for the custody of gold held under earmark with us. Charges are made however to cover the labor cost involved in receiving, checking, weighing, delivering and handling

223745

gold for the account of our correspondents on the following basis:

33.57 cents per bar (or its equivalent) for earmarking gold.

21.62 cents per bar (or its equivalent) for releasing gold from earmark for export or sale to the U.S. Treasury.

15.24 cents per bar (or its equivalent) for transferring gold in our vaults from one foreign account to another; unless instructed otherwise, one half of the charges are payable by the transferor and one half by the transferee.

11.60 cents per bar (or its equivalent) for receiving gold from abroad for direct sale to the Assay Office.

Such charges are reviewed by us from time to time and adjusted, if necessary, under advice to our correspondents. It is of course understood that we will debit the accounts of our correspondents for all other necessary out-of-pocket expenses incurred in connection with any gold operation effected on their behalf.

With regard to earmarked gold, we provide the same facilities for the custody of such gold as we provide for the custody of our own similar property, but beyond that we assume no responsibility. It may also be noted that there is no insurance coverage provided on gold held in our vaults.

Attachment.

223746

TABLE OF CHARGES AT THE MINTS AND ASSAY OFFICES OF THE UNITED STATES

TITLE 31—MONEY AND FINANCE: TREASURY

Chapter I—Monetary Offices, Department of the Treasury

PART 90—TABLE OF CHARGES AT THE MINTS AND ASSAY OFFICES OF THE UNITED STATES [1]

The Bureau of the Mint finds that it is necessary, because of increased costs of labor and material, and in order to conform to amendments made in the Gold Regulations and to administrative changes in procedure, to revise its Table of Charges for various services performed by the Mint. It also finds that notice and public procedure thereon is impracticable, unnecessary and contrary to the public interest because such revisions are required by statute (R. S. 3524, as amended, R. S. 3546; 31 U. S. C. 332) which requires the Director of the Mint with the concurrence of the Secretary of the Treasury, to fix mint charges so as to equal but not exceed, in their judgment, the actual average cost to each mint and assay office of the material, labor, wastage, and use of machinery employed. Accordingly, Part 90, Chapter 1, Title 31 of the Code of Federal Regulations of the United States of America, is hereby revised to read as follows:

Sec.
90.1 Melting charge.
90.2 Eligibility, withdrawal and rejection of deposits.
90.3 Parting and refining charge.
90.4 Bar charges.
90.5 Assays of gold or silver bullion or jewelry free from platinum group metals.
90.6 Assays of plated and filled goods (over 800 base metal) and white gold free from platinum group metals.
90.7 Assays of ores.
90.8 Assaying and stamping charges.
90.9 General provision.

AUTHORITY: §§ 90.1 to 90.9 issued under R. S. 3524, as amended, R. S. 3546; 31 U. S. C. 332, 360.

§ 90.1 *Melting charge.* (a) On each deposit of bullion a melting charge of $2.50 shall be imposed for the first 1,000 gross troy ounces or fraction thereof, and 25 cents additional for each 100 ounces or fraction thereof in excess of 1,000 ounces, computed on the after-melting weight: *Provided*, That no melting charge shall be imposed on deposits consisting of uncurrent United States coin or unmutilated stamped United States mint bars; or on silver bullion free from gold, of the fineness of 999 thousandths or over when received in conformity with official regulations for monetary purposes and a satisfactory assay can be obtained without melting.

(b) When the melting loss exceeds 15 percent, an additional charge of $1.50 for each deposit shall be imposed when the deposit weighs 100 gross troy ounces or less; on deposits weighing over 100 ounces the charge shall be $1.50 for the first 100 ounces and 45 cents for each 100 ounces or fraction in excess of 100 ounces. Such additional charge shall be computed on the before-melting weight of the deposit.

(c) On each deposit containing white gold alloys, as determined by the assayer, an extra melting charge of $1.50 for 100 gross troy ounces or fraction thereof and $1.50 for each additional 100 gross troy ounces or fraction thereof shall be imposed. Such additional charge shall be computed on the before melting weight of the deposit.

(d) Deposits which fail to give concordant assays and those requiring an excessive amount of treatment, shall, at the discretion of the officer in charge, be subject to an additional charge equal to the cost to the Government for additional fuel, labor, and materials used in melting and treatment, as well as in remelting and retreatment, if necessary, by the deposit melter. Impure deposits which fail to give concordant assays on dip samples from the second melting shall be returned to the depositor and the expenses incurred in treatment collected. When such actual costs are assessed the charge set forth in paragraph (b) of this section shall not be made.

§ 90.2 *Eligibility, withdrawal and rejection of deposits.* (a) A gold deposit must contain one troy ounce of fine gold, at least 100 parts of gold in 1,000, and not less than 200 parts of gold or gold and silver combined in 1,000. If the deposit fails to meet these requirements or if the report of the assayer indicates it to be unsuitable for mint operations, it shall not be purchased. Deposits are not accepted in Washington, D. C.

(b) If otherwise permissible,[2] deposits may be withdrawn by depositors at any time before payment is tendered therefor, and thereafter at the option of the officer in charge of the mint or assay office, subject to payment in cash of such charges for melting, etc., as have been incurred up to the time of withdrawal.

(c) Rejected deposits are subject to payment in cash of such charges as have been incurred up to time of rejection and should be returned to the depositor unless the metal may not be received by the depositor.

§ 90.3 *Parting and refining charge (rate per gross troy ounce or fraction).*

CLASS A—BULLION CONTAINING GOLD

Base content (thousandths)	Gold content (thousandths)		
	Up to 250	250¼ to 500	500¼ to 949¾
	Cents	*Cents*	*Cents*
Up to 50	2	4	8
Over 50 to 150	3	5	9
Over 150 to 250	5	7	11
Over 250 to 350	7	9	13
Over 350 to 450	9	11	15
Over 450 to 550	11	13	17
Over 550 to 650	13	15	
Over 650 to 750	16	17	
Over 750	17		
Base content disregarded	Gold content 950 to 99934		4
Base content disregarded	Gold content 995 and over		0

CLASS B—SILVER BULLION FREE FROM GOLD

Silver content:	*Charge (cents)*
600 thousandths or less	8
600½ to 850 thousandths	6
850½ to 998¾ thousandths	2

Gold contained in deposits of silver. Gold contained in deposits of silver, eligible at a mint for return in bar form, may be purchased by the mints: *Provided*, That such silver contains not less than 600 parts of silver in 1,000 and not more than 99 parts of gold in 1,000.

CLASS C—MISCELLANEOUS

Upon gold bullion from 899 to 917 thousandths fine, having but one precious metal present and having base content of good copper, including foreign coins and domestic mutilated or uncurrent coin, a refining charge will be imposed only when payment is to be made in fine bars, in which case a charge of 9 cents per gross ounce, or fraction, will be imposed. Domestic gold coin will be received only in accordance with the provisions of § 92.1 of this chapter.

No refining charge will be imposed on domestic mutilated or uncurrent silver coin received in accordance with Part 100 of this chapter.

When bullion contains less than one-fourth thousandth of gold or less than 8 thousandths of silver, the gold or silver content respectively shall not be reported for the benefit of the depositor.

Gold coin containing 8 thousandths or over of silver acquires the status of bullion as regards charges and is subject to the appropriate charge for refining.

§ 90.4 *Bar charges*—(a) *Charges on gold bars issued in exchange for gold bullion.*[3] (1) When payment in gold bars is requested without specification as to size, no bar charge will be imposed; except that when fine gold bullion of 0.995 or higher fineness is deposited in exchange for Government-stamped bars, a bar charge of 6 cents per $100 value of bars issued will be made; and with the further exception that when fineness of 999.9 is requested and available, a charge of 18 cents per $100 value of bars issued will be made.

(2) When special size bars are requested and are available, the bar charges will be:

Bar sizes (gross troy ounces):	*Rate per $100 value (cents)*
Large, over 50 ounces	6
Medium, 25 to 50 ounces	8
Small, below 25 but not less than 15 ounces	10
Special, below 15 but not less than 5 ounces	12

(b) *Charges on silver bars issued in exchange for silver bullion.*[3] No bar charges are imposed except when special size bars are requested and are available, in which case the bar charges will be:

Items	*Rate per troy ounce gross (cents)*
Bars of standard silver	1
Bars of fine silver, not less than 500 ounces	¼
Bars of fine silver, between 125 and 500 ounces	½
Bars of fine silver, 125 ounces or less	1

Silver bars may not be sold except upon special authorization. (Secs. 92.7, 92.8 of this chapter.)

[1] Coinage mints are located at Philadelphia, Pennsylvania; San Francisco, California; and Denver, Colorado. A United States Assay Office is located at New York, New York. No deposits are accepted at the Office of the Director of the Mint in Washington, D. C.

[2] See § 90.9.

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(c) *Charges on gold bars sold.*[2] (1) Gold bars may be sold only in lots of not less than 25 fine troy ounces and only when of a fineness of 899 thousandths or above.

(2) No bar charge will be imposed on any gold bars of a fineness below 999 thousandths when particular sizes or finenesses are not requested.

(3) The following bar charges will be made for bars of a fineness of 999 thousandths or above, for bars of particular fineness, and for bars of particular sizes, when any of such bars are requested and available:

Fineness (thousandths)	Bar sizes (gross troy ounces)	Rates per $100 value
		Cents
999 and above, but below 999.9; also below 999 when particular sizes or finenesses are requested.	Large, over 50 ounces	6
	Medium, 25 to 50 ounces	8
	Small, below 25 ounces but not less than 15 ounces.	10
	Special, below 15 but not less than 5 ounces.	12
999.9	Any size	18

§ 90.5 *Assays of gold or silver bullion or jewelry free from platinum group metals.*

	Charge
Gold	$5.00
Silver	5.00
Gold and Silver (same sample)	8.00

An extra charge of $2 for each assay of gold or silver will be imposed when the sample contains any of the platinum group metals.

§ 90.6 *Assays of plated and filled goods (over 800 base metal) and white gold free from platinum group metals.*

	Charge
Gold	$6.00
Silver	6.00

An extra charge of $2 for each assay of gold or silver will be imposed when the sample contains any of the platinum group metals.

§ 90.7 *Assays of ores.* Assays of ores will be made at the United States Mint at Denver, Colorado. The charge for each metal determined will be:

	Charge
Gold	$2.00
Silver	2.00
Gold and Silver (same sample)	3.00
Lead	4.00
Zinc	4.00
Copper	3.50

§ 90.8 *Assaying and stamping charges.*[2] On bullion deposited for the purpose of receiving the Government assay and stamp the melting and assay charges above specified shall be imposed.

§ 90.9 *General provision.*[2] Nothing herein provided shall be applied in a manner inconsistent with, or deemed to amend, modify, or repeal, any acts, orders, proclamations, regulations, or instructions, relating to gold or silver.

[2] Sections 54.44 and 54.52 set forth the purchase and sale price of gold purchased and sold to the United States Mints and Assay Office under Subparts F and G of the Gold Regulations (§§ 54.35–54.44, 54.51, 54.52 of this chapter).

The one-fourth of one percent charge referred to therein shall be in addition to all other mint charges in connection with purchases or sales of gold by the United States.

This revision shall become effective March 1, 1955.

[SEAL] WM. H. BRETT,
Director of the Mint.

Approved: January 21, 1955.

H. CHAPMAN ROSE,
Acting Secretary of the Treasury.

[F. R. Doc. 55-791; Filed, Jan. 26, 1955; 8:51 a. m.]

223748

GPO 887342

V 350

AIR MAIL

July 15, 1949.

Mr. Pierre Kauch, Inspector General,
Département d'Etudes et de Documentation,
Banque Nationale de Belgique,
Brussels, Belgium.

Dear Sir:

We have your letter of May 6, 1949, in which you ask whether there is any provision either in our organic law or in any other statute respecting the place where the reserves of the Federal Reserve Banks must be held.

The reserves of a Federal Reserve bank consist of gold certificates. The Federal Reserve Act (Section 16, 3rd paragraph) provides that every Federal Reserve bank shall maintain reserves in gold certificates of not less than 25 per centum against its deposits and reserves in gold certificates of not less than 25 per centum against its Federal Reserve notes in actual circulation. Only to a limited extent does the statute provide where or how these reserves shall be held. They may be held in the vaults of the Federal Reserve banks and a portion of them is so held. As indicated below, in certain circumstances a portion of them is required to be deposited with the Treasurer of the United States.

The Federal Reserve Act (Section 16, 3rd paragraph) provides that when a Federal Reserve agent holds gold certificates as collateral for Federal Reserve notes issued by the agent to the Federal Reserve bank to which he is accredited, such gold certificates shall be counted as part of the reserve which such bank is required to maintain against its Federal Reserve notes in actual circulation. Such gold certificates may be held in the vaults of the Federal Reserve bank, in which event they must be held in the joint custody of such Federal Reserve bank and the Federal Reserve agent accredited to such bank (Section 16, 8th paragraph). They may also be deposited by the Federal Reserve agent with the Treasurer of the United States for credit to his account (known as the Federal Reserve Agents Fund) with the Board of Governors of the Federal Reserve System (Section 16, 16th paragraph).

The Federal Reserve Act (Section 16, 6th paragraph) also provides that, upon the request of the Secretary of the Treasury each Federal Reserve agent shall be required to transmit to the Treasurer of the United States so much of the gold certificates held by such agent as collateral security for Federal Reserve notes as may be required for the redemption of such notes, and such gold certificates when so deposited must be counted and considered as if collateral security on deposit with the Federal Reserve agent, or in other words, as part of the reserve which the Federal Reserve Bank to which

such Federal Reserve agent is accredited is required to maintain against its Federal Reserve notes in actual circulation. These deposits, known as the Federal Reserve Agents Redemption Fund, have not been maintained for many years.

The Act (Section 16, 4th paragraph) also requires each Federal Reserve bank to maintain on deposit in the Treasury of the United States a sum in gold certificates sufficient in the judgment of the Secretary of the Treasury for the redemption of the Federal Reserve notes issued to such bank, but in no event less than 5 per centum of the total amount of notes issued less the amount of gold certificates held by the Federal Reserve agent as collateral security, and such deposit of gold certificates must be counted and included as part of the 25 per centum reserve required to be maintained against such Federal Reserve bank's notes in actual circulation. Deposits of gold certificates by the Federal Reserve banks pursuant to this provision constitute the Federal Reserve Note Redemption Fund. Since gold certificates are no longer paid out to the public, this redemption fund has lost its former significance. It is currently used primarily for the redemption of unfit Federal Reserve notes received by the Treasury from sources other than the Federal Reserve banks.

The Secretary of the Treasury is required (Section 16, 16th paragraph) to receive deposits of gold or of gold certificates with the Treasurer of the United States when tendered by any Federal Reserve bank for credit to its account with the Board of Governors of the Federal Reserve System. Deposits made under this provision standing to the credit of any Federal Reserve bank are counted, at the option of said bank, as part of the lawful reserve which it is required to maintain against outstanding Federal Reserve notes, or as a part of the reserve it is required to maintain against deposits. Deposits of gold certificates by the Federal Reserve banks pursuant to this provision constitute the "Interdistrict Settlement Fund" through which settlements between the Federal Reserve banks are effected daily on telegraphic advices. Transfers are also made between this fund and the Federal Reserve Note Redemption Fund and the Federal Reserve Agents Fund as occasion requires.

We trust that the foregoing gives you the information you desire.

Very truly yours,

O. Ernest Moore,
Manager, Research Department.

TUT:RHB:OEM/AMC

223750

MISC. 49A 75M-5-41

FEDERAL RESERVE BANK OF NEW YORK

orig copy file C 796.11

April 20, 1942

Mr. S. R. Carpenter, Assistant Secretary,
Board of Governors of the
Federal Reserve System,
Washington, D. C.

Dear Mr. Carpenter:

Thank you for your letter of April 17, addressed to Mr. Sproul, with copy of censorship intercept relating to gold holdings of the National Bank of Belgium deposited with the Banque de France. We fully appreciate the confidential nature of these intercepts and particularly the fact that they may not be used in litigation without the consent of the Office of Censorship.

Very truly yours,

COPY

L. W. Knoke,
Vice President.

LWK:BOC

223751

(COPY) EXTRACT

UNITED STATES OF AMERICA
NATIONAL CENSORSHIP

COMMENT

FRENCH ECONOMIC
ENGLISH

RE: GOLD HOLDINGS OF THE NATIONAL BANK OF BELGIUM DEPOSITED WITH THE BANQUE de FRANCE

The matter of this letter concerns the deposit of the NATIONAL BANK of BELGIUM'S gold with the BANQUE de FRANCE, which the latter has transferred at the time of the German invasion in June 1940, to Dakar.
Contents: Letter confirming cable sent by BANQUE de FRANCE on Dec. 6, 1941, to MESSRS COUDERT BROTHERS, Attorneys, 2 Rector St., New York.
In this cable it is stated that while MR. JANSSEN, governor of the National Bank of Belgium, authorized delivery of gold to British Admiralty (his letter of June 18, 1940), the gold was shipped by French Admiralty to Africa. Banque de France did not concur in decision of French Admiralty. Janssen was informed by FOURNIER (then governor of Banque de France) in June 1940, that Belgium gold is treated in same way as French gold. This is proved by cable sent by Janssen on June 26, 1940, to Federal Reserve Bank designed to allow exchange of Belgium gold in Africa against French gold in Canada.
In reply to COUDERT'S cable of Nov. 15, 1941, to Banque de France, the latter authorizes COUDERT, in case they deem it necessary, to declare that Banque of France has complied with an injunction of French government in transferring Belgian deposits to the REICHSBANK who was commissioned to receive it for account of National Bank of Belgium.
In consequence Banque de France makes the following statement: QUOTE-

1. "We consider ourselves still responsible of the deposit towards National Bank of Belgium."

2. "No representative of this institute has asked for withdrawal of the deposit as yet."
3. "If such demands were uttered we could neither restore deposits nor repay its value even if we had kept custody of deposit and that for reason stated in our cable of Nov. 29."
4. "In order to prove that we do not plead any de jure or de facto impossibility in order to evade our obligation we authorize you to reiterate officially our offer to settle a guaranty for the benefit of whoever could when time had come represent National Bank of Belgium."

Sender request addressee to confirm text of this cable to COUDERT BROTHERS.

223752

COPY

#7

November 7, 1941

Mr. Foley

Mr. B. Bernstein

Mr. Dulles of Sullivan and Cromwell called and said that Coudert Brothers had called him and asked for a discussion of the possibility of settlement in the suits by the Belgians and the Polish against the Bank of France in connection with the gold; that he, Dulles, did not want to have any such discussions until he first knew that it was all right with the Government that he had no idea as to what kind of settlement Coudert Brothers might offer or why they might be offering any settlement. He felt that his clients would not be interested in a settlement involving much less than all the gold they were claiming.

I told him that we would want to discuss this matter with the State Department and then let him know; that just as an offhand reaction perhaps the thing to do would be for him to go ahead with the discussions to see what Coudert Brothers have in mind and keep us advised, and take no definitive steps without letting us know. He thought this was good sense. He will not return until next Wednesday. I said I would try to give him some word at that time.

I suggest you send a copy of this memorandum to Mr. Acheson and ask him to be prepared to discuss it at the next Foreign Funds meeting.

(Signed) Bernard Bernstein

BB:nrd - 11/7/41

223753

C O P Y

May 23, 1941.

MEMORANDUM FOR THE FILES:

John Foster Dulles and Mr. Houston, of Sullivan & Cromwell, attorneys for the plaintiffs in the Belgian Bank gold case, came in to see me today at their request. Mr. Dulles stated that a number of problems had arisen which he is taking up with counsel for the defendant, that he had hoped that these problems would have been resolved by now but that they are not as yet resolved and that, therefore, his visit to me was perhaps a bit premature. He stated that around $700,000,000 worth of gold and dollars at the Federal Reserve Bank in the name of the Bank of France was blocked under the attachment and that the question that was now being considered was which of the property should be released from the attachment. The question has arisen immediately in connection with funds needed to pay off on June 1st certain French Government obligations. He had told counsel for the defendant plaintiff was willing to release necessary funds if defendant would indicate which of the attached property belonged to the French Government and which belonged to the Bank of France so that the plaintiff could be sure that enough property would remain under the attachment that belonged to the Bank of France. Although this problem was cabled about two weeks ago to France, no definitive answer has as yet been received by the plaintiff on the matter. Dulles thought that the defendant will admit that the gold belongs to the Bank of France and that the attachment should be limited to $300,000,000 of this gold. Dulles also asked whether the Treasury had any preference as to whether the attachment should be applied to gold or dollars and I said that I didn't think the Treasury was in a position to pass on such questions or indicate whether it had any views on the matter at all, in view of the present uncrystallized state of the facts in the case.

Mr. Dulles also raised the question as to whether, under Section 2(a) of the Gold Reserve Act, the Government can claim title to gold held under earmark for foreign central banks and say that the foreign central bank merely had some right to possession. I told him that the Treasury had not made such claim as to the meaning of Section 2(a) of the Gold Reserve Act and that we had indicated before Congressional committees that title to gold held under earmark for foreign central banks, etc., was not in the United States.

Mr. Dulles asked whether we would issue a license permitting the sheriff to reduce the attached property to possession. I suggested that they consider the possibility of getting an indefinite extension of time from the courts so that it did not become necessary for the sheriff to reduce the attached property to possession. I discussed with him the practice that we had been following in this case up to the present time

and both Mr. Dulles and Mr. Houston said that they felt that the court could indefinitely extend the time within which the sheriff had to obtain possession of the property and nevertheless retain jurisdiction in the court for the action. After Mr. Dulles left, Mr. Houston asked whether it would be possible for the Treasury somehow to indicate that its failure to issue license permitting sheriff to reduce to possession was not intended by the Treasury as indicating its attitude on the plaintiff's claims but that the Treasury merely wanted to leave the litigation in the status quo so far as the freezing control was concerned. I pointed out that the Treasury, up to the present at least, had been taking the position that no license was required in order to commence a law-suit or to issue a writ of attachment. I said that I did not know whether the Treasury would be willing to make the statement Mr. Houston requested but that we would consider the matter.

In the course of the discussion in reply to a question from Mr. Dulles, I indicated that so far as I could recall, we had not issued any licenses authorizing transfer to the sheriff of property attached prior to judgment. Mr. Dulles referred to the court's opinion in the Nemeroff Case as indicating that such a license might have been granted. On examining the file on the Nemeroff Case, it became clear that a license to pay the sheriff was granted only after judgment was entered.

Mr. Dulles has also mentioned the possibility that if he filed an application for license to pay over the attached property to the sheriff, it might be preferable from the plaintiff's point of view if the Treasury merely refrained from taking action on the application rather than to deny the license, which denial might be interpreted by the court as evidencing disapproval on the part of the Government of the plaintiff's claim.

Mr. Anderson attended the conference with me.

(Signed) Bernard Bernstein

BB:nrd - 5/23/41.

MISC. 3-1-30M 240

FEDERAL RESERVE BANK
OF NEW YORK

X 9.57 " 29/13

OFFICE CORRESPONDENCE

DATE May 10, 1941

TO Files

FROM D. J. Cameron

SUBJECT: De Gorter and Wild as assignees of Banque Nationale de Belgique v. Banque de France - Affidavit of Ansiaux attached to complaint.

In paragraph 14 of the affidavit of Hubert Ansiaux dated April 23, 1941, it is stated in part, "He (Governor Fournier) said that the Banque de France did not question its responsibility to the Banque Nationale de Belgique and as evidence of that fact he stated that Banque de France contemplated earmarking for the account of the Banque Nationale de Belgique gold at New York owned by the Banque de France to an amount equivalent to the gold of the Banque Nationale de Belgique which Banque de France then held at Dakar. He said that he had actually cabled the Federal Reserve Bank of New York on this matter but had just that morning received a reply indicating that nothing could be done at the moment because of the American freezing legislation which prevented the transfer without a license."

I have had a search made through the Banque de France files, and nothing could be found to indicate that Governor Fournier had cabled us as stated above. However, I attach copies of cables exchanged between ourselves and Governor Janssen of the National Bank of Belgium, through the Treasury and State Departments, which may have some connection with this case. There is also attached copy of a memorandum of a telephone conversation with Mr. Theunis.

DJC:EU

ATTS.

223756

C O P Y

PARAPHRASE OF TELEGRAM RECEIVED

FROM: American Embassy, (Paris) Bordeaux, France

DATE: June 26, 1940, 6 p.m.
Rec'd 10:15 p.m., June 28th.

NO: 101

RUSH

FOR THE TREASURY FROM MATTHEWS

This afternoon Governor Janssen of the Belgian National Bank, in company with Cariguel, called on me. The Governor said that because it is impossible for him to communicate direct and in confidence with the New York Federal Reserve Bank, he would appreciate it if the following message could be delivered to them -

(Message in paraphrase)

New York Federal Reserve Bank: Would your Bank accept gold deposit for our account but under your Bank of Canada dossier; would transfer subsequently to New York be (omission). Would you please send your answer to the National Bank of Belgium, in care of the Bank of France, Tarbes Hautes Pyrenees. (signature of Governor Janssen).

French gold is now "outside of metropolitan France" and the Belgian gold is with it.

I asked Governor Janssen what was the Belgian Government's present status, and he answered that as yet no contact had been made with German representatives. However, they expected to make contact immediately. Decision had

been reached that the Belgian Government could "not go farther than the French Government" and that in order to facilitate the return to their homes of the millions of Belgian refugees, presumably an "armistice" would promptly be signed with Germany.

Governor Janssen also told me - and I had not previously heard this - that some days ago a secret message "confirming the legality of the Belgian Government now in France" had been sent by King Leopold, via Switzerland.

BIDDLE

EA:LWW

COPY

223758

C O P Y

July 1, 1940.

To: Treasury Department

From: L. W. Knoke

Kindly arrange with the State Department to request Ambassador Biddle that he advise Governor Janssen of the Belgian National Bank as follows:

"Referring your message of June 26 through Matthews it is contrary to our policy to hold any of our own gold abroad and we would not wish to earmark abroad in our name gold belonging to other parties Stop If gold should be shipped to us to hold in our vaults under earmark for your account it would of course be subject to current regulations.

Federal Reserve Bank of New York"

223759

THE NEW YORK TIMES, FEBRUARY 7, 1941

GOLD AT DAKAR

The suit of the National Bank of Belgium to attach $260,000,000 of funds of the Bank of France here as a means of restraining France from delivering to the Germans a like amount of Belgian gold held in Dakar, French West Africa, has disclosed some very interesting facts, which help to illuminate recent events and conditions abroad.

The case throws a harsh light upon the pliant attitude of the French Government toward the conquerors. Faced with the German invasion last Spring, Belgium had sent $260,000,000 gold to France for safekeeping. After the collapse of the Belgian Army an effort was made to obtain the return of the gold. But the Bank of France refused to give up the metal. Instead, it was shipped to Dakar, whence, in response to German pressure, it is now being transshipped by airplane for delivery to the Germans. Whatever may be said of the difficult position of the Pétain Government, the action is a violation of trust. Belgian law, enacted prior to the invasion, specifically reserves control over Belgian assets outside occupied territory to Belgian officials outside occupied territory.

Even more illuminating is the light cast upon the ill-fated attempt last September of the British fleet and free-French forces under General Charles de Gaulle to capture Dakar. It now appears, according to information received in financial circles here from reliable sources, that in addition to the Belgian gold a large amount of French reserves and the smaller Polish gold reserves were sent to Dakar prior to the collapse of France. According to these reports, no less than 1,250 metric tons of gold was being held at the village of Thies, a short distance inland from Dakar, at the time of the British-French siege. This would be equal, assuming the metal to be of standard fineness, to the very large sum of $1,400,000,000. That was a prize fully important enough to explain the attempt on Dakar.

Finally, the Belgian gold case throws an ironic light upon the protestations of the New Reich that gold has ceased to have any usefulness or any interest for Germans beyond a mere "historical interest." Regardless of the place planned for gold in Germany's projected new order, the Reich is obviously very anxious to keep the metal from falling into enemy hands.

The Belgian gold case might easily prove the forerunner of other suits involving "refugee gold," for, in the face of the German invasions, gold took flight from Europe last year in all directions. France, apart from her holdings in Dakar, has about $200,000,000 of the metal in Martinique, and it is supposed that a large part of the $1,800,000,000 of gold under earmark at the Federal Reserve Bank here belongs to France. Total French dollar assets in this country are generally believed to be in excess of current total British dollar assets.

223760

WASHINGTON BACKS BELGIAN GOLD SUIT

$260,000,000 Attachment of French Funds Is in Line With Policy, Is Unofficial View

ISSUE SEEN UP TO COURTS

Surrender of Metal to Nazi Commander, Even Under Duress, Causes Surprise

Special to THE NEW YORK TIMES.

WASHINGTON, Feb. 6—While official circles here would not comment for publication on the action of the Belgian Government yesterday in attaching $260,000,000 worth of French gold to replace Belgian gold being surrendered by France to Germany, it was admitted frankly that it was in line with the intention of the United States Government to see that national moneys were not reft from the hands of their rightful owners by force of arms.

Secretary of State Cordell Hull, when asked about the matter, confined himself to the statement that he believed representatives of the exiled Belgian Government had mentioned it earlier to the State Department. The attitude taken by the department, however, is that it is an issue for the courts to decide.

Others Take Like Stand

The same stand was taken at the Federal Reserve Board. It was recalled, however, that the board had tried unsuccessfully to have passed by Congress at the last session a bill making Federal Reserve Banks immune from suit by the owners of earmarked gold for any action taken at the instance of the State Department.

At the Treasury it was said that there was no intention to intervene in the case, although it was admitted that some of the department's representatives might be subpoenaed to testify regarding the freezing regulations to which the French gold involved is subject.

The prediction was made that it would probably prove easier to see that Belgium indemnified herself at the expense of France than to keep Germany from getting the Belgian gold involved. There is more than enough French gold in the United States to cover the amount involved, should the courts decide that the Bank of France must make good here to the exiled Belgian Government what it has surrendered to Germany from Dakar.

On the island of Martinique in this hemisphere, within reach of the guns of warships of Belgium's ally, Great Britain, is an amount of French gold estimated as somewhere between $200,000,000 and two to three times that figure. But since Germany cannot now lay her hands on either source, it is believed the Nazis will persist in forcing France to hand over the gold stored at Dakar, since this will be a net gain to them.

Surprise was expressed that the French Government should have acted as it did, even under duress. To accept receipts from General von Falkenhausen, German military commander for Belgium and Northern France, as acknowledgments on behalf of Belgium, it was pointed out, was equivalent to recognition of the German right by conquest to all Belgian possessions and, by analogy, to all French possessions. It could be extended to mean that France recognized German ownership of the French gold stored at Martinique, as well as Belgian gold at Dakar.

Speculation on German Plans

The question also was raised what disposition Germany proposed to make of the gold she was taking over and how far the American Government might have to try to block it. She might spend it in Russia, Japan or South America. From all three territories the gold might be shipped eventually for sale to the United States. It would be difficult, it was added, to identify it, since gold is already being purchased from such sources.

The view was expressed that use of the extorted gold for the purposes of the Nazi war effort could better be blocked by the "economic blockade" plan which the Treasury has fostered, but so far has been unable to get past the State Department.

Part of this plan would be the freezing of German and Italian funds here. It is admitted that already there has been a flight of such capital to South America. It is believed, however, that a lot of it is still hidden here under ostensible Swiss, Swedish and other neutral ownership. This could be met, however, by putting on the owner of all foreign funds the onus of proving that transactions in them were for his own, not for other account.

If the courts should decide that France must make good here for the Belgian gold she had handed over to Germany, it will be possible, under the present powers of the Treasury, to let the Belgian Government have and use such gold, since although it is generally subject to the freezing order, the Treasury may make exceptions by license.

French Officials Here Silent

Representatives of the French Government in New York declined to comment yesterday on the attachment obtained in Supreme Court on Wednesday on behalf of the National Bank of Belgium against funds of the Bank of France here up to the sum of $260,000,000.

Service of the attachment on the Federal Reserve Bank of New York was delayed yesterday. John Foster Dulles of the law firm of Sullivan & Cromwell, attorneys for the National Bank of Belgium, said this was done because the Belgian representatives wanted to "handle the matter in an orderly way, and not to interfere with funds being withdrawn for ordinary transactions of the French Government representatives here." He said that as a matter of courtesy he wanted to talk first to a French representative, and pointed out that the French funds were "frozen" anyway by Presidential order.

At the office of the French Consulate General it was said there would be no comment since the office had no direct connection with the case. Herve Alphand, French financial attaché, was in Washington, and it was said at his office that there would be "no comment for the moment." Jean Martial, representative of the Bank of France in New York, was not available.

A $50,000 bond for court costs and possible damages to the defendant was filed by the National Bank of Belgium.

223761

$260,000,000 GOLD OF FRANCE SEIZED BY BELGIUM HERE

Court Attachment Granted to Replace Metal Entrusted to Paris at Time of Invasion

FRENCH SENT IT TO DAKAR

Complaint Says It Is Now Being Turned Over to the Nazis Under Pressure

A total of about $260,000,000 of the gold of the National Bank of Belgium, entrusted to the Bank of France for safe keeping when Germany invaded Belgium, was sent by the French over Belgian opposition to Dakar, in French West Africa, and is now being shipped by air back to France for delivery to the Germans, it was revealed here yesterday when representatives of the exiled Belgian Government obtained an attachment against funds of the Bank of France here.

The writ of attachment was obtained from Supreme Court Justice Morris Eder, covering funds of the Bank of France held here up to $260,000,000. The writ will be served on the Federal Reserve Bank of New York, which is believed to hold large amounts for the Bank of France.

Belgian Envoy Explains

The action was taken, according to a statement issued by Georges Theunis, Ambassador Extraordinary of the Belgian government-in-exile on special mission to the United States, "with a view to establishing that if the Bank of France persists, it will have to make good with its own gold for every ounce of Belgian gold which it delivers to the Germans."

The $260,000,000 in Belgian gold that was sent by the French to Dakar was more than a third of the gold reserves listed in the last published figures of the National Bank of Belgium at the end of May, 1940. Most of the balance of the reserves went to England and the United States, with smaller amounts going to Canada and South Africa, Mr. Theunis said.

The Belgian government-in-exile, which is established in London, has been informed, Mr. Theunis said, that the Belgian gold at Dakar is being transhipped by air to Marseille for delivery to the Germans, and that part of it already has been delivered against the receipt of General Baron Alexander von Falkenhausen, German military commander for Belgium and Northern France, "who presumes to receipt for the gold on behalf of the Bank of Belgium."

This step, Mr. Theunis added, was "doubtless due to continued German pressure upon the French authorities."

Attack on Dakar Recalled

In connection with the revelation that a third of the Belgian gold reserve had been shipped to Dakar, it was recalled that British forces and the "Free French" under General Charles de Gaulle made a determined but unsuccessful effort last year to capture that important port, the capital of French West Africa. At the time it was assumed that the attempt was due solely to a mistaken belief that French residents of the city would welcome "Free French" control.

During the collapse of France there were rumors that French and Belgian gold was being shifted to North Africa, but it was thought then that this meant French Morocco. There was speculation yesterday as to whether some of the French gold might also have been sent to Dakar. Mr. Theunis revealed that the French had refused to ship the Belgian gold to England and that the Germans even then made it plain that they would want the Belgian gold.

Gold reserves of the Bank of France were listed at the end of May, 1940, as the equivalent of about $1,700,000,000. Much of it is believed to have reached the United States and to be earmarked for the account of the Bank of France at the Federal Reserve Bank of New York, but Federal Reserve authorities have declined to reveal how much.

All French and Belgian accounts in the United States, together with those of all countries occupied by Germany, are frozen in accordance with the executive orders of President Roosevelt, subject to withdrawals only under special licenses issued by the United States Treasury. A license would, therefore, have to be obtained for transfer of the funds to the account of the National Bank of Belgium.

Court Action Here

The writ of attachment was obtained on the basis of a summons and complaint in a Supreme Court suit by the National Bank of Belgium against the Bank of France, seeking the recovery of the $260,000,000 gold transferred to the Bank of France last year, or its equivalent.

John Foster Dulles of the law firm of Sullivan & Cromwell, who drew up the papers and obtained the writ, said he did not know how large were the funds of the Bank of France here, but believed they were at least sufficient to cover the amount sought. He pointed out that French funds belonging to the Anglo-French purchasing missions had remained in this country after the French collapse.

Mr. Dulles said no Treasury license had as yet been sought, but that the State Department had knowledge of the suit. He said one purpose of the action was to let the people of France know that steps were being taken here to prevent the transfer of French possessions to Germany, and thus to help strengthen the elements in France opposed to yielding to the Germans.

The Belgian government in London is recognized by the United States as the legitimate government of Belgium, and those bringing the suit expect that the Washington government will look with favor upon the action.

Mr. Theunis said this was the first large suit involving gold brought in the present war, as far as he knew.

Justice Eder said he believed the writ of attachment was for the largest amount ever sought in the history of the court here. Under the writ, he said, other assets of the Bank of France could be attached, if funds at the Federal Reserve Bank were insufficient.

Statement by Theunis

In his prepared statement, issued at the Commercial Counselor's office of the Belgian Embassy, 630 Fifth Avenue, Mr. Theunis said:

"When Germany invaded Belgium the National Bank of Belgium entrusted a large part of its gold (about $260,000,000 worth) to the Bank of France for safe-keeping. The primary and agreed purpose was to prevent the gold from falling into the hands of the Germans.

"The Bank of France shipped the gold to Bordeaux, and when, in June, the fall of France occurred and armistice negotiations were under way between Germany and France, the Bank of Belgium sought to take back its gold for shipment to London. M. Georges Janssen, the governor of the National Bank of Belgium, and M. Camille Gutt, the Minister of Finance of Belgium, were both then at Bordeaux.

M. Rene Boel, who was then acting in official capacity for the Belgian Government at London, arranged, with the collaboration of the Belgian Embassy at London, for a British cruiser to be sent to Bordeaux to receive the gold, and for a high official of the Bank of Belgium to be flown to join the British cruiser with a view to supervising the loading and to accompany the gold back to London.

"But, contrary to the instructions of Governor Janssen, reinforced by Minister Gutt, the Bank of France refused to deliver the gold to the British cruiser, but put it on a French vessel, which took it to Dakar, Africa.

"It now appears that even before the Germans had made plain to the French that, under the armistice they would want the Bank of France to turn over the Belgian gold which had been entrusted to it.

Reports of Shipment to Nazis

"The Belgian Government in London is now informed that, doubtless due to continued German pressure upon the French authorities, the gold of the National Bank of Belgium is now being transshipped by airplane from Dakar to Marseille for delivery to the Germans, and that part has already been so delivered against the receipt of General von Falkenhausen, the German Commissioner General in Belgium who presumes to receipt for the gold on behalf of the Bank of Belgium.

"The Bank of Belgian, with the approval of the Belgian Government intends to take all proper measures available to it to make clear that it does not acquiesce in these occurrences. As an initial step, the National Bank of Belgium has instructed its attorneys in New York, Messrs. Sullivan & Cromwell, to institute legal proceedings against the Bank of France with a view to establishing that if the Bank of France persists, it will have to make good with its own gold for every ounce of Belgian gold which it delivers to the Germans.

"On the basis of a summons and the complaint of the National Bank of Belgium, and the supporting affidavits of myself and Mr. Boël, Mr. Justice Eder, of the New York Supreme Court, has authorized the issuance of a writ of attachment of funds of the Bank of France up to $260,000,000, and this writ will be served on the Federal Reserve Bank of New York, which is believed to hold large amounts for the Bank of France."

Louis A. Goffin, a consul attached to the Belgian Embassy disclosed also that the Belgians have several divisions of troops fighting with the British in Kenya in East Africa.

He said there were apparently Belgian units fighting also with the British in Libya. The Belgian government is still buying war supplies here, he revealed, but the funds are coming from the Belgian Congo, and the gold involved in the suit is not immediately required for purchase of these war supplies. There are 95,000 men under arms in the Belgian Congo, he said.

223762

MISC. 3B-15M-7-40

FEDERAL RESERVE BANK
OF NEW YORK

C. FICE CORRESPONDENCE

DATE January 20, 1941

TO Mr. Knoke

SUBJECT Distribution of Belgian Gold

FROM O. E. Moore

Referring to the Belgian data which was sent to you in confidence by Governor Janssen through Mr. Clayborne, a comparison with our estimates of the distribution of the gold holdings of the Belgian National Bank indicates that our own figures are substantially correct. The Bank's gold reserve as of December 10, 1940 (22 billion Belgian francs, equivalent to $733 million), seems to be the same amount reported in the semi-annual balance sheet of the Bank as of June 25, 1940. Subsequently, we estimated the geographical distribution as of September 30, 1940, to be as follows (see attached copy of Mr. Feuerlein's memorandum of December 10, 1940, page 3):

Gold Holdings of the Belgian National Bank
as of September 30, 1940

	Millions of Dollars	Millions of Belgian Francs
In the United States	167	4,919
In Dakar (approximate)	233	7,000
In British Empire or otherwise unaccounted for	333	9,728
Total Holdings	733	21,647

You will note, however, that the gold in the United States, according to this tabulation, was not one-third of the total, as stated by Mr. Clayborne, but actually less than one-fourth, whereas 45 per cent (instead of one-third) of the gold was held by the British or unaccounted for. On the other hand, the Clayborne statement that one-third of the Belgian gold was deposited in France (from where it was shipped to Dakar, instead of to England) jibes with our figures.

In this connection, I note that the comments and figures which you placed in parentheses in your memorandum, are not entirely in agreement with Clayborne's statements, nor with the geographical distribution as estimated in the above tabulation,

223763

because you used as a basis our later estimates as of December 31, 1940. These later estimates (see attached copy of Mr. Feuerlein's memorandum of January 7, 1941) we made when it was reported to us that the Belgian gold at Dakar had been turned over to Germany. We then revised our figures of the Belgian gold holdings, deducting from the total the amount turned over to Germany, as follows:

Gold Holdings of the Belgian National Bank
as of December 31, 1940

	Millions of Dollars	Millions of Belgian Francs
In the United States	167	4,919
In the British Empire or otherwise unaccounted for	329	9,705
Total Holdings	496	14,624

Estimated total gold holdings of Belgium thus decreased by 7 billion Belgian francs, or by about one-third between December 10 and December 31, 1940. Considering the fact that the Belgian National Bank did not authorize the transfer to Germany,* it seems quite possible that the semi-annual balance sheet as of the end of December 1940 may still report gold holdings in the amount of 22 billion Belgian francs. (3496 M) However, the actual amount owned seems to be only about 15 billion Belgian francs. Thus, about one-third of the gold is now in the United States and about two-thirds in the British Empire or otherwise unaccounted for.

*Cable No. 1190 from the American Embassy at Vichy of December 28, 1940 reported that "The French authorities, under the terms of an agreement which was reached at Wiesbaden, consented to turn over to the Germans the Belgian gold which was being held at Dakar provided the transaction was approved by the National Bank of Belgium; the latter, however, refused to give its sanction. A new agreement was therefore signed at Wiesbaden - under German pressure - under which the French consented to deliver the Belgian gold at Dakar without the Bank of Belgium's agreement. The military Governor of Belgium, General von Falkenhausen, thereupon issued an ordinance which gives the German authorities the right to sign receipts for the gold on behalf of the Belgian National Bank."

223764

OEM:MM

MISC. 3.2 60M 9-40

FEDERAL RESERVE BANK
OF NEW YORK

OFFICE CORRESPONDENCE

DATE January 10, 1941.

TO Files

SUBJECT:

FROM L. W. Knoke

Mr. Clayborne, Assistant Manager of the Brussels branch of the Guaranty Trust Company, called today to deliver an oral message from Governor Janssen of the Banque Nationale de Belgique whom he had seen the day before he departed from Brussels on December 11. Governor Janssen, Mr. Clayborne explained, had felt that we would be interested in the following figures: the national bank circulation as of December 10 was 33 billion (all figures in Belgian francs), the bank's gold reserve the same day was fr. 22 billion, one-third of which was in the United States, one-third in England (he hoped) and one-third in France. When he was still in France, Mr. Janssen had instructed that the last third be shipped to England but did not know whether his orders had been executed. (N.B. We know that one-third is actually here ($167,000,000). We estimate, on fairly reliable information received via the State Department, that the French instead of executing Janssen's orders shipped Belgian gold in the amount of probably close to $137,000,000 to Dakar. This would leave just short of $100,000,000 in England.)

Levies so far imposed upon Belgium by the conquerors are fr. 3 billion in October and fr. 2 1/2 billion in December. They took the form of a credit in favor of the Germans at the Banque d'Emission created by delivery to the bank of Belgian Treasury notes. The levies represent payments on account of the occupation, in other words they will continue to be made as long as the occupation lasts.

223765

MISC. 38-15M-7-40

FEDERAL RESERVE BANK
OF NEW YORK

OFFICE CORRESPONDENCE

DATE January 7, 1941

TO Mr. Knoke

SUBJECT: Distribution of Belgian Gold.

FROM W. Feuerlein

Copies to Messrs. Sproul, Williams, Roelse (Sanford) and McKeon (Cameron)

In our memorandum of December 10, 1940 entitled "Balance Sheet of the Banque Nationale de Belgique as of June 25, 1940" we estimated that Belgian gold amounting to about 7 billion francs (approximately $237 million) was located at Dakar in French West Africa. Confidential information received recently from the American Embassy at Vichy confirms this estimate, but indicates that this gold has been turned over by the French authorities to the Germans without the consent of the Belgian National Bank. The distribution of Belgian gold at the end of December 1940 is thus as follows:

	In millions of dollars	In millions of Belgian francs
In the United States	167	4,919
In the British Empire or otherwise unaccounted for	329	9,705
Total Gold Holdings	496	64,624

It is not known how or whether the Germans compensated Belgium for this gold seizure but we may perhaps assume that the Germans will use part of these Belgian gold payments to cover the cost of occupation.

According to the balance sheet of the German Reichsbank, their gold holdings at the end of December 1940 amounted to only RM 76 million or approximately $30 million. However, in our estimates of unreported gold holdings we calculated that at the end of October German gold holdings amounted to about $181 million; due to the acquisition of the Belgian gold German gold stocks should now amount to approximately $418 million or about RM 1,036 million. As far as we know no French gold has been turned over to the Germans as yet.

223768

WF:AK

MISC. 58-5M-7-40

FEDERAL RESERVE BANK
OF NEW YORK

OFFICE CORRESPONDENCE

DATE December 10, 1940

TO Mr. Knoke

SUBJECT: Balance Sheet of the Banque Nationale de Belgique as of June 25, 1940.

FROM W. Feuerlein

Copies to Messrs. Sproul, Williams, Roelse (Sanford) and McKeon (Cameron)
(Prepared at the request of Mr. Knoke)

A few days ago we received the semi-annual balance sheet of the Belgian National Bank, as of June 25, 1940. Since this is the first report concerning that bank since May 8 it may be of interest to analyze briefly the changes that have taken place. A condensed statement of the balance sheet, together with comparative data from earlier statements, will be found in Appendix I. Before analyzing the figures, two comments should be made:

(1) The semi-annual balance sheet is drawn up in Belgian francs only, whereas the Bank's weekly statements had always been presented in both belgas and Belgian francs. For the comparison made in Appendix I, the belga has been used in accordance with our customary practice.

(2) In the Bank's weekly statements, gold and foreign exchange holdings were not reported separately, as they are in the balance sheet. Moreover, our classification of foreign exchange holdings includes the item "Bills on Foreign Countries", which is not included as "devises" in the balance sheet. (Proper adjustment has been made in Appendix I.)

Comparison of the figures as of June 25 with those of May 8 reveals that gold and foreign exchange holdings were 285 million belgas ($48.3 million) lower on June 25. In other words, following the invasion of Belgium on May 10 the National Bank lost only about 6 per cent of these holdings, and the amount on June 25 was still higher than at the end of June 1939 when gold and foreign exchange holdings amounted to 3,929 million belgas ($666.0 million). The decline during May and June 1940 is probably due to payments made to the Bank of France and to the Bank of England in connection with Belgian refugees in these countries.

223767

Although the balance sheet as of June 25 still reported 4,329 million belgas of gold, all but an insignificant part of this was held abroad. Governor Janssen was quoted as saying "this gold is in the vaults of foreign central banks in the United States, in England, in France and in South Africa." He said further that the Bank's gold reserves had been transferred abroad at the formal request of successive finance ministers. The exact distribution of the gold abroad cannot be determined, although we know that $171 million or 1,007 belgas is held in the United States. Under date of November 18, 1940 the American Legation in Bern reported that according to a Swiss banker, Belgium has half of its gold holdings, amounting to 700 million Belgian gold francs, at Dakar and the other half in the United States. Since our figures indicate that less than one-fourth of the Belgian gold is in the United States, and since the figure of 700 million Belgian gold francs would be only an insignificant part of the Belgian National Bank's gold holdings, one must assume that the information from Switzerland is not very reliable, despite the fact that the cable states that the British Minister in Switzerland has in the past found the informant to be reliable. It is possible, however, that the Swiss banker meant that either 7 billion Belgian francs ($237 million) or 700 million Swiss gold francs of pre-1936 value (about $229 million) are at Dakar. Mr. Willis, in his memorandum of November 26, "Further Information on Distribution of Unreported Gold," estimates the distribution of Belgian gold at the end of September as follows:

	Millions of Dollars
In the United States	167
In Dakar	233
	400
In British Empire or otherwise unaccount for	333
	733

223768

The balance sheet states that a "provision" of 111 million belgas of gold is at the Bank of France; the exact nature of this item is not known although it seems that this is the remainder of the gold put at the disposal of the Bank of France in May. Governor Janssen stated that:

> "On June 25 the Belgian treasury disposed of no gold for free handling. But from May 8 to June 25, the bank had put at the disposal of the government over 65 million belgas and of the National Bank of France approximately 200 million belgas for the exchange of Belgian bank notes. Part of this latter sum may be recuperated."

The report from the Legation in Switzerland further states that according to the Swiss banker "title has been acquired by Germany to one-half of the National Bank of Belgium's gold . . . (which is now at Dakar)." Since this information came to us late in November, the balance sheet of June 25 would not indicate whether this report is true, but should we receive either later weekly statements or the semi-annual report as of December 25, 1940 we might be able to verify the statement. If it is true that Germany has acquired title to the gold held at Dakar it would mean that the French authorities at Dakar have agreed to act on orders given by the officials of the Belgian National Bank in Belgium and not on those issued from London.

WF:AK

APPENDIX I

BANK OF BELGIUM
(Millions of belgas)

Date	Gold	Foreign Exchange	Loans & Discs.	Advances to State	Gov't Sec's	All Other Assets	Notes	Deposits Gov't	Deposits Other	Bank Rate	Exchange Rate	Dollars in FRB (inc.gold)
8/31/39	3622	932	647	142	261	32	5299	4	247	2 1/2	1712	223,720
1940												
June 25	4329	71	1680	457	296	284	6690	14	273	2	-	171,444
19												
12												
5												
Mo. Ago												
May 29												
22												
15												
8		4685	1075	139	296	72	5961	1	181	2	1667	174,945
1		4654	1097	139	297	74	5955	1	180	2	1682	171,525
Apr. 25		4615	1060	139	297	75	5885	1	182	2	1688	170,130
1939												
June 29	3187	742	361	144	242	86	4442	37	161	3	1700	129,640
22	3184	698	410	144	242	89	4408	12	224	3	1701	124,561
15	3153	674	433	144	242	86	4409	14	188	3	1700	119,761
8	3153	642	487	144	242	83	4438	9	183	3	1703	115,621
1	3151	573	590	144	242	83	4469	34	157	3	1702½	116,982
May 25	3089	559	603	144	242	85	4425	20	156	3	1702½	112,571

223770

APPENDIX II

GOLD AND FOREIGN EXCHANGE HOLDINGS OF THE BANQUE NATIONALE DE BELGIQUE
JUNE 25, 1940

	Value			Weight
	In millions of Belgian francs	In millions of belgas	In millions of U.S. dollars	In thousands of ounces
Gold Abroad:				
legal minimum cover*	13,955	2,791	473.06	13,516
excess over minimum requirement	7,134	1,427	241.85	6,910
at the Bank of France	558	111	18.91	540
Gold in Belgium	(0.2)	(0.03)	(0.005)	(0.2)
Total	21,647	4,329	733.82	20,966
Foreign Exchange				
holdings abroad	328	66	11.11	
holdings in Belgium	5	1	0.17	
foreign bills	19	4	0.65	
Total Foreign Exchange	352	71	11.93	
Total Gold and Foreign Exchange	21,999	4,400	745.75	
of which:				
Gold in the F.R.B.	5,036	1,007	170.72	4,878
Dollars in F.R.B.	21	4	0.72	

* The Bank must maintain a reserve of gold or foreign exchange convertible into gold equivalent to 40 per cent of total sight liabilities; of this at least 30 per cent must be gold.

License No. NY-18-1

2 pages

223772

SPECIAL
FORM TGL-18

License No. NY-18-1

TREASURY DEPARTMENT
Office of the Secretary

LICENSE TO TRANSPORT, IMPORT, MELT AND TREAT,
EXPORT, EARMARK AND HOLD IN CUSTODY FOR
FOREIGN OR DOMESTIC ACCOUNT

(Granted under authority of Section 34 of the Provisional
Regulations issued under the Gold Reserve Act of 1934)

Federal Reserve Bank of New York
(Name of licensee)

March 24, 1937
(Date of issue)

New York, New York
(Address of licensee)

Sirs:

1. You are hereby licensed to transport, import, melt and treat, and export gold now held by you under earmark for any foreign government or foreign central bank or sent to you after January 30, 1934 from abroad by any foreign government or foreign central bank, or delivered to you for account of any foreign government or foreign central bank by the United States or pursuant to a license granted by the Secretary of the Treasury, and to earmark such gold and to hold it in custody for any foreign government or foreign central bank. Gold received by you for earmark hereafter must be the property of the institution for whose benefit the earmark is created.

2. You are also hereby licnesed to transfer earmarks of gold between the treasuries, exchange equalization or stabilization funds, or fiscal agencies of such countries, or such central banks, as may be designated from time to time by the Secretary of the Treasury. Gold transferred by you hereunder must be the property of the institution for whose benefit the earmark has theretofore been created and must become the property of the institution for whose benefit the earmark is to be created.

223773

The phrase "foreign central bank" is used herein to denote any foreign bank performing the functions of a central bank, including the Bank for International Settlements.

Reports of the disposition of the gold herein licensed to be held shall be made on Form TGR-18.

This license is not transferable and is subject to the provisions of the Gold Reserve Act of 1934 and the regulations issued thereunder.

This license supersedes license No. NY-18-1 on Form TGL-18 issued to you on February 5, 1934, and amended on March 23, 1934.

Issued with the approval of the President:

Henry Morgenthau Jr.
Secretary of the Treasury

This license may be terminated, revoked or modified at any time in the discretion of the Secretary of the Treasury.

223774

MISC. 12 60M 7-37

FEDERAL RESERVE BANK
OF NEW YORK

OFFICE CORRESPONDENCE

DATE May 10, 1938

TO Mr. D. J. Cameron

SUBJECT: Shipment of coin bars to Belgium.

FROM J. L. Kilduff

Reviewed with files 6/11/41

Reference is made to the attached correspondence with the National Bank of Belgium regarding their acceptance of gold bars below .995 in fineness.

According to Belgium's letter of February 17, 1938, they will purchase gold bars weighing about 12.5 kilograms (400 ounces) of a minimum fineness of .995. Bars which do not meet these requirements are purchased only if the seller defrays melting and refining costs which are fixed as follows:

Melting - Belgas 2.50 per gross kilogram

Refining - Belgas 20.00 per gross kilogram

As is shown on the attached schedule, these charges would increase the cost of shipping coin bars to Belgium by about .13 cents per fine ounce, which is so much out of line with customary melting and refining charges that one must conclude the intention of the National Bank of Belgium was to prohibit entirely the importation of bars below .995 fine. Either that, or they have made a mistake in their letter and have used the term belga when they may have meant belgian franc.

747

Their letter stated that the new conditions were being inserted in their gold regulations, a copy of which they promised to send us. It was felt that perhaps the regulations would clarify their letter but not having received the regulations as yet, it may be desirable to write to the National Bank of Belgium and inquire regarding the regulations as well as the correctness of the melting and refining costs.

ok

223775

FEDERAL RESERVE BANK
OF NEW YORK

OFFICE CORRESPONDENCE

DATE May 10, 1938

TO Mr. D. J. Cameron

SUBJECT:

FROM J. L. Kilduff

GOLD EXPORT POINT
NEW YORK TO BRUSSELS

1) If shipment consists of bars .995 or better weighing about 400 ounces.

.2500% - Assay Office Handling charge
.0039 - Packing in New York
.0030 - Trucking in New York
.0714 - Insurance on cost plus 2%
.2500 - Freight - N.Y. to Antwerp
.0031 - Handling & miscellaneous in Belgium
.0035 - Transportation - Antwerp to Brussels
.0118 - Assay charges in Brussels

.5967% = $35.208845 - $.171113

2) If shipment consists of coin bars (.899 or .916 fine) weighing about 400 ounces.

.5967% - Expenses as above
.0422 - Melting charge in Brussels
.3379 - Refining charge in Brussels

.9768% - $35.341880 - $.171760

223776

C 252.51 Gold Imported for sale to Assay Office / Weight Lost
Feb 1939 - OCT 1941

2237777

No. 6567

DUPLICATE

Form 42 A.
TREASURY DEPARTMENT,
U. S. MINT SERVICE.

NOTE.—This Report is for the information of the depositor, and is of no other value.

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2237778

MEMO. REPORT ON {GOLD / SILVER} BULLION deposited at the Assay Office of the United States at New York

JAN 8 - 1941, 193 , by New York Trust Co.

Description of Bullion.	Weight. Before Melting. Ounces.	Weight. Before Melting. Dec.	Weight. After Melting. Ounces.	Weight. After Melting. Dec.	Gold. Fineness. 1,000ths.	Gold. Value. Dollars.	Gold. Value. Cts.	Silver. Fineness. 1,000ths.	Silver. Value at ___ Cents per fine oz. Dollars.	Silver. Value at ___ Cents per fine oz. Cts.	Charges. Dollars.	Charges. Cts.	Net Value. Dollars.	Net Value. Cts.
Sweden Refd Bars			4767	5	999.8									
	9645	20	4877	3	999.7									
						337	482	70			853	41	336 629	29
			9644	78									853	41
													337 482	70
											843	71
											9	70
											853	41

The net value of the above deposit is payable as follows:

- IN GOLD BARS, . $
- IN SILVER BARS, . $
- IN CASH, . . . $
- BY CHECK, . . . $

For the Superintendent.

Fine Silver, ozs. _____ fine _____ 9,642 3632

U. S. GOVERNMENT PRINTING OFFICE 2—6411

No. 9194

DUPLICATE

Form 42 A.
TREASURY DEPARTMENT
U. S. MINT SERVICE

FOREIGN

NOTE.—This Report is for the information of the depositor, and is of no other value.

223779

MEMO. REPORT ON {GOLD / SILVER} BULLION deposited at the Assay Office of the United States at New York

FEB 16 1939, 193 , by Bank of the Manhattan Co

DESCRIPTION OF BULLION.	WEIGHT. Before Melting. Ounces.	Dec.	After Melting. Ounces.	Dec.	GOLD. Fineness. 1,000ths.	Value. Dollars.	Cts.	SILVER. Fineness. 1,000ths.	Value at ____ Cents per fine oz. Dollars.	Cts.	CHARGES. Dollars.	Cts.	NET VALUE. Dollars.	Cts.
German 900 Bars	7446	20	7444	84	900.2	234564	57				593	91	233970	66
						6701845								

The net value of the above deposit is payable as follows:

- IN GOLD BARS, . $
- IN SILVER BARS, . $
- IN CASH, . . . $
- BY CHECK, . . . $

Geo Ulrich

For the Superintendent.

Fine Silver, ozs. _____ fine _____

U. S. GOVERNMENT PRINTING OFFICE 2—6411

No. 919 ✓

DUPLICATE

Form 42 A.
TREASURY DEPARTMENT,
U. S. MINT SERVICE.

FOREIGN

NOTE.—This Report is for the information of the depositor, and is of no other value.

223780

MEMO. REPORT ON {COLD / SILVER} BULLION deposited at the Assay Office of the United States at New York

FEB 16 1939, 193 , by Bank of the Manhattan Co

DESCRIPTION OF BULLION.	WEIGHT. Before Melting. Ounces.	Dec.	After Melting. Ounces.	Dec.	GOLD. Fineness. 1,000ths.	Value. Dollars.	Cts.	SILVER. Fineness. 1,000ths.	Value at ___ Cents per fine oz. Dollars.	Cts.	CHARGES. Dollars.	Cts.	NET VALUE. Dollars.	Cts.
Swiss														
900 Bars			6042	81	899.1									
Do	12931	90	6886	73	899.2									
						406	897	33	—		1030	24	405	867 09
						11	6	38						

The net value of the above deposit is payable as follows:

- IN GOLD BARS, . $
- IN SILVER BARS, . $
- IN CASH, . . . $
- BY CHECK, . . . $

For the Superintendent.

Fine Silver, ozs. _____ fine _____

U. S. GOVERNMENT PRINTING OFFICE 2—6411

C 252.01 Gold Imported for Sale to Assay Office Weight Lwt
S.S. Europa - S.S. Exochorda May 1936-Sept 1940

223781

No. 38482 DUPLICATE

Form 42 A.
TREASURY DEPARTMENT,
U. S. MINT SERVICE.

NOTE.—This Report is for the information of the depositor, and is of no other value.

MEMO. REPORT ON {GOLD / SILVER} BULLION deposited at the Assay Office of the United States at New York May 1, 1936, by Bank of London & South America Ltd.

DESCRIPTION OF BULLION.	WEIGHT. Before Melting. Ounces.	Dec.	After Melting. Ounces.	Dec.	GOLD. Fineness. 1,000ths.	Value. Dollars.	Cts.	SILVER. Fineness. 1,000ths.	Value at 45 Cents per fine oz. Dollars.	Cts.	CHARGES. Dollars.	Cts.	NET VALUE. Dollars.	Cts.
German Ref. Bars	3722	20	3722	00	999	130139	73	—			329	15	129810	58
British 916 Bars	2490	90	2490	43	916½	79886	76	—			202	22	79684	54
			5262	41	899.8									
French 900 Bars	11236	80	5972	22	899.9	353833	09	—			895	88	352937	21
Fine Gold Ozs.	16110	274				563859	58				1427	25	562432	33

The net value of the above deposit is payable as follows:

- IN GOLD BARS, . $
- IN SILVER BARS, . $
- IN CASH, . . . $
- BY CHECK, . . . $

Fine Silver, ozs. _____ fine _____

G. E. Nichols
For the Superintendent.

U. S. GOVERNMENT PRINTING OFFICE: 1936 2—641A

2237782

No. 4222

DUPLICATE

Form 42 A.
TREASURY DEPARTMENT,
U. S. MINT SERVICE.

NOTE.—This Report is for the information of the depositor, and is of no other value.

MEMO. REPORT ON {GOLD / SILVER} BULLION deposited at the Assay Office of the United States at New York

Aug 28, 1936, by The Chase National Bank of the City of New York

DESCRIPTION OF BULLION.	WEIGHT. Before Melting. Ounces.	Dec.	After Melting. Ounces.	Dec.	GOLD. Fineness. 1,000ths.	Value. Dollars.	Cts.	SILVER. Fineness. 1,000ths.	Value at 44 Cents per fine oz. Dollars.	Cts.	CHARGES. Dollars.	Cts.	NET VALUE. Dollars.	Cts.
German Refd Bars	4048	00	4047	85	999 3/4	141 639	33	—			358	20	141 281	13

The net value of the above deposit is payable as follows:

- In Gold Bars, . $
- In Silver Bars, . $
- In Cash, . . . $
- By Check, . . . $

Geo Sick

For the Superintendent.

Fine Silver, ozs. _____ fine _____

U. S. GOVERNMENT PRINTING OFFICE: 1936 2—6411

2237783

No. 2034 DUPLICATE FOREIGN 118

Form 42 A.
TREASURY DEPARTMENT,
U. S. MINT SERVICE.

NOTE.—This Report is for the information of the depositor, and is of no other value.

MEMO. REPORT ON {GOLD / SILVER} BULLION deposited at the Assay Office of the United States at New York Aug 6, 1940, by Swiss Banking Corp New York Agency

DESCRIPTION OF BULLION.	WEIGHT. Before Melting. Ounces.	Dec.	After Melting. Ounces.	Dec.	GOLD. Fineness. 1,000ths.	Value. Dollars.	Cts.	SILVER. Fineness. 1,000ths.	Value at ... Cents per fine oz. Dollars.	Cts.	CHARGES. Dollars.	Cts.	NET VALUE. Dollars.	Cts.
Portugal														
916 Bars	2243	50	2	243	09	916½								
				861	84	899½								
900 Bars	882	00		881	84	899½								
Refd Bars	1209	90	1	209	84	999								
												✓		
	4335	40					142 009	58	✓		359	63	141 649	95
													3√9	63
		✓												
											3√5	03	1√1 009	√8
											2	30		
											1			✓
											1	30		
											3√9	63		

The net value of the above deposit is payable as follows:

In Gold Bars, .	$ 1057.416⁵
In Silver Bars, .	$
In Cash, . . .	$
By Check, . . .	$

Fine Silver, ozs. _____ fine _____ 40√7.416⁶

Geo Eslick
For the Superintendent.

U. S. GOVERNMENT PRINTING OFFICE 2—6411

223784

No. 3285 DUPLICATE

Form 42 A.
TREASURY DEPARTMENT,
U. S. MINT SERVICE.

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NOTE.—This Report is for the information of the depositor, and is of no other value.

MEMO. REPORT ON {GOLD / SILVER} BULLION deposited at the Assay Office of the United States at New York

SEP 17 1940, 193 , by Manufacturers Trust Co.

DESCRIPTION OF BULLION.	WEIGHT. Before Melting. Ounces.	Dec.	After Melting. Ounces.	Dec.	GOLD. Fineness. 1,000ths.	Value. Dollars.	Cts.	SILVER. Fineness. 1,000ths.	Value at .34 Cents per fine oz. Dollars.	Cts.	CHARGES. Dollars.	Cts.	NET VALUE. Dollars.	Cts.
Portugal														
3 Bars 999	1322	95	1 322	69	999½	41 630	01	✓			105	48	✓ 41 524	53 ✓
1 Bar 999	347	75	347	70	991½	12 063	02	✓			38	11	12 024	91 ✓
						53 693	03	✓			143	59	53 549	44 ✓
4 Bars	1670	70											105	48
													38	11
	✓										104	08	✓ 53 693	03
											1	40		
											105	48		
											30	16	✓	
											1			
								347.70 oz			6	95		
											38	11		

The net value of the above deposit is payable as follows:

- IN GOLD BARS, . $
- IN SILVER BARS, . $
- IN CASH, . . . $
- BY CHECK, . . . $

Fine Silver, ozs. _____ fine _____

1189.4289
344.6576
1534.0865

For the Superintendent.

U. S. GOVERNMENT PRINTING OFFICE 2—6411

2223785

130

No. 3163

DUPLICATE FOREIGN

Form 42 A.
TREASURY DEPARTMENT,
U. S. MINT SERVICE.

NOTE.—This Report is for the information of the depositor, and is of no other value.

MEMO. REPORT ON {GOLD / SILVER} BULLION deposited at the Assay Office of the United States at New York Sept. 13, 1940, by Hallgarten & Co

DESCRIPTION OF BULLION.	WEIGHT. Before Melting. Ounces.	Dec.	After Melting. Ounces.	Dec.	GOLD. Fineness. 1,000ths.	Value. Dollars.	Cts.	SILVER. Fineness. 1,000ths.	Value at ____ Cents per fine oz. Dollars.	Cts.	CHARGES. Dollars.	Cts.	NET VALUE. Dollars.	Cts.
Switzerland Refd Bars	803	74	803	71	999 3/4	28 122	81				71	31	28 051	50
													71	31
													28 122	81
											70	31		
											71	31		

The net value of the above deposit is payable as follows:

- IN GOLD BARS, . $
- IN SILVER BARS, . $
- IN CASH, . . . $
- BY CHECK, . . . $

Geo E Sicks
For the Superintendent.

Fine Silver, ozs. _____ fine _____ 803.509

U. S. GOVERNMENT PRINTING OFFICE 2—6411

2237786

C252.43 Gold Purchase (Misc) Weight List
S2 # 383 - # 394 Argentina + Mexico JUN + JULY 1947

223787

July 8, 1947

The Superintendent,
United States Assay Office at New York,
New York, New York.

Dear Sir: Attention: Mr. Tobin

We, as fiscal agent of the United States, are today delivering to you the following gold for account and subject to the order of the "Federal Reserve Bank of New York as fiscal agent of the United States (Secretary's Special Account)":

No. of Bars	Gross Troy Ounces	Said to Contain Troy Ounces of Fine Gold
1085	431,072.57	429,756.035

After melting and assaying the above gold, please hold gold in an equivalent amount in safekeeping for account and subject to the order of the "Federal Reserve Bank of New York as fiscal agent of the United States (Secretary's Special Account)."

Kindly deliver to our representative your receipt for the above described gold delivered to you.

Very truly yours,

per pro

O. R. Pricher,
Foreign Department.

223788

ARGENTINA

Melt No.	No. of Bars	Gross Ounces
1154	20	7.892.15
1155	20	7.914.81
1156	20	8.068.84
1157	20	8.080.93
1158	20	8.055.56
1159	20	8.073.60
1160	21	8.113.95
1162	20	7.890.14
1164	22	8.792.70
5909	4	1.847.23
5910	21	8.558.88
5911	22	8.643.77
5912	22	8.615.71
5913	22	8.646.17
5914	22	8.536.22
5915	22	8.554.32
5916	21	8.093.86
5917	21	8.399.58
5594	13	5.027.21
5702	20	8.003.17
5703	20	7.841.83
5704	20	7.752.03
5705	20	7.778.92
5706	20	7.904.69
5707	20	7.714.61
5708	19	7.367.07
5736	20	7.984.58
5737	20	7.959.15
5738	20	8.105.09
5739	20	7.971.20
5740	19	7.407.58
5741	20	7.871.82
5742	20	7.959.91
5920	21	8.501.80
5921	21	8.417.44
5923	21	8.476.18
5924	21	8.507.25
5925	21	8.550.53
5928	22	8.501.61
5930	21	8.116.89
5892	21	8.482.99
5893	22	8.502.61
5894	22	8.476.69
5896	22	8.463.43
5897	22	8.307.02
8979	1	391.27
20155	22	9.255.57
20153	21	8.566.18
20112	21	8.545.93
20100	20	8.027.55
20054	19	7.590.84
20009	19	7.479.78
19944	21	8.516.58
19943	20	8.043.23
19942	13	5.314.32
	1.085	431.072.57

223789

ARGENTINA [redacted]
6-27-47

Melt No.		No. of Bars	Gross Ounces
[redacted]		[redacted]	[redacted]
16786		2	777.93
12255		20	8,532.27
12256		20	8,409.24
12257		20	8,488.03
12258		20	8,435.79
12259		20	8,390.54
12260		20	8,532.50
12273		20	8,478.90
12276		20	8,562.32
12279		20	8,440.60
16002		20	8,442.14
15929		21	8,656.65
M-303		23	9,061.02
15827		20	8,350.15
4825	065	1	405.23
19024	0263	1	409.47
9436	0166	1	411.23
15826		20	8,512.91
15825		20	8,495.90
15824		20	8,430.80
15823		20	8,474.63
15822		20	8,562.03
15821		20	8,423.07
18453		15	6,015.59
15820		19	8,051.33
15819		20	8,639.97
15818		20	8,542.99
15817		20	8,620.55
15816		20	8,687.88
15815		22	9,139.77
15814		20	8,408.35
17916		18	7,277.50
17813		20	8,006.42
D-28		19	7,385.17
12253		20	8,580.08
7704		16	6,669.92
12826		9	3,643.76
17170		19	7,930.53
17169		19	7,950.47
[redacted]		[redacted] 109	[redacted]
685	287,233.63	286,191.626	$10,016,706.93

223790

C252.51 Gold Imported for Sale — Assay Office

Feb 1934 - Sept 1940 Weight List

2233791

No. 3487 DUPLICATE

Form 42 A.
TREASURY DEPARTMENT,
U. S. MINT SERVICE.

NOTE.—This Report is for the information of the depositor, and is of no other value.

223792

MEMO. REPORT ON {GOLD / SILVER} BULLION deposited at the Assay Office of the United States at New York

MAY 31 1932, 193 , by THE NATIONAL CITY BANK OF NEW YORK

DESCRIPTION OF BULLION.	WEIGHT. Before Melting. Ounces.	Dec.	After Melting. Ounces.	Dec.	GOLD. Fineness. 1,000ths.	Value. Dollars.	Cts.	SILVER. Fineness. 1,000ths.	Value at 4 Cents per fine oz. Dollars.	Cts.	CHARGES. Dollars.	Cts.	NET VALUE. Dollars.	Cts.
Gumm Refe Bars	3295	00	3294	85	999 3/4									
Belg Refe Bars	1207	30	1207	25	999 1/2									
	4502	30				157053	54				398	41	157125	13
						4580	67							

The net value of the above deposit is payable as follows:

- IN GOLD BARS, . $
- IN SILVER BARS, . $
- IN CASH, . . . $
- BY CHECK, . . . $

Geo Ziebs
For the Superintendent.

Fine Silver, ozs. ..... fine .....

U. S. GOVERNMENT PRINTING OFFICE 2—6411

No. 5351 DUPLICATE

Form 42 A.
TREASURY DEPARTMENT,
U. S. MINT SERVICE.

NOTE.—This Report is for the information of the depositor, and is of no other value.

223793

MEMO. REPORT ON {GOLD / SILVER} BULLION deposited at the Assay Office of the United States at New York Sept 21, 1936, by Bank of the Manhattan Co

DESCRIPTION OF BULLION.	WEIGHT. Before Melting. Ounces.	Dec.	After Melting. Ounces.	Dec.	GOLD. Fineness. 1,000ths.	Value. Dollars.	Cts.	SILVER. Fineness. 1,000ths.	Value at ~~.71~~ Cents per fine oz. Dollars.	Cts.	CHARGES. Dollars.	Cts.	NET VALUE. Dollars.	Cts.
German Refd Bars	8360	70	8360	31	999.6	592-493	80				739	63	591 752	17

The net value of the above deposit is payable as follows:

IN GOLD BARS, . $
IN SILVER BARS, . $
IN CASH, . . . $
BY CHECK, . . . $

Geo Essick
For the Superintendent.

Fine Silver, ozs. _____ fine _____

U. S. GOVERNMENT PRINTING OFFICE: 1930 2—6411

No. 73552 **DUPLICATE**

Form 42 A.
TREASURY DEPARTMENT,
U. S. MINT SERVICE.

NOTE.—This Report is for the information of the depositor, and is of no other value.

2237794

MEMO. REPORT ON {GOLD / SILVER} BULLION deposited at the Assay Office of the United States at New York

Sept 21, 1936, by Bank of the Manhattan Co

DESCRIPTION OF BULLION.	WEIGHT. Before Melting. Ounces.	Dec.	After Melting. Ounces.	Dec.	GOLD. Fineness. 1,000ths.	Value. Dollars.	Cts.	SILVER. Fineness. 1,000ths.	Value at 47 Cents per fine oz. Dollars.	Cts.	CHARGES. Dollars.	Cts.	NET VALUE. Dollars.	Cts.
German Refil Bars			7	214	04	999.5								
			8	175	41	999.6								
do	30	960	90	6	900	58	999.5							
			8	169	43	998.2	108	696	23		2737	74	1079	958 49
Brit 916 Bars	3	194	00	3	193	43	916½	102	437	25	259	29	102	177 96
French 900 Bars		920	10		919	92	899½	28	961	38	73	40	28	887 98
								1214	094	86	3070	43	1211	024 43

The net value of the above deposit is payable as follows:

- IN GOLD BARS, . $
- IN SILVER BARS, . $
- IN CASH, . . . $
- BY CHECK, . . . $

Geo E Sicks
For the Superintendent.

Fine Silver, ozs. _____ fine _____

U. S. GOVERNMENT PRINTING OFFICE: 1932 2—6411

No. 39366 DUPLICATE

Form 42 A.
TREASURY DEPARTMENT,
U. S. MINT SERVICE.

NOTE.—This Report is for the information of the depositor, and is of no other value.

223795

MEMO. REPORT ON {GOLD / SILVER} BULLION deposited at the Assay Office of the United States at New York May 13, 1936, by Guaranty Trust Co. of N.Y.

DESCRIPTION OF BULLION.	WEIGHT. Before Melting. Ounces.	Dec.	After Melting. Ounces.	Dec.	GOLD. Fineness. 1,000ths.	Value. Dollars.	Cts.	SILVER. Fineness. 1,000ths.	Value at 71 Cents per fine oz. Dollars.	Cts.	CHARGES. Dollars.	Cts.	NET VALUE. Dollars.	Cts.
French Ref. Bars			8800	07	996.6									
			8398	28	996.3									
			8830	60	996.6									
			8430	74	996.8									
			8586	06	996.6									
			8367	09	997.1									
			7653	99	996.4									
			8772	22	996.1									
			8831	99	996.5									
			8395	97	996.8									
			7994	50	996.4									
do	101	044	80		7974	44	996.5							
German Ref Bar	6	975	35		6975	00	999.8							
Fine Gold Oz.	107	665	856					3,768	30474	—		9528	86	3,758	775	88

The net value of the above deposit is payable as follows:

IN GOLD BARS, . $
IN SILVER BARS, . $
IN CASH, . . . $
BY CHECK, . . . $

Geo Wick
For the Superintendent.

Fine Silver, ozs. ..... fine .....

U. S. GOVERNMENT PRINTING OFFICE: 1930 2—6411

No. 38834

DUPLICATE

Form 42 A.
TREASURY DEPARTMENT,
U. S. MINT SERVICE.

NOTE.—This Report is for the information of the depositor, and is of no other value.

223798

MEMO. REPORT ON {GOLD / SILVER} BULLION deposited at the Assay Office of the United States at New York May 6, 1936, by Guaranty Trust Co. of New York

DESCRIPTION OF BULLION.	WEIGHT. Before Melting. Ounces.	Dec.	After Melting. Ounces.	Dec.	GOLD. Fineness. 1,000ths.	Value. Dollars.	Cts.	SILVER. Fineness. 1,000ths.	Value at 44 Cents per fine oz. Dollars.	Cts.	CHARGES. Dollars.	Cts.	NET VALUE. Dollars.	Cts.
French			8877	15	996.4									
and			8457	63	996.5									
German			8480	28	997.0									
			8543	11	997.5									
Refd			7968	49	997.0									
			8823	17	996.9									
Bars			8236	70	996.9									
			8769	07	996.9									
			8385	79	996.9									
			7699	70	997.1									
			8414	61	999.6									
do	98	437	50		5777	15	998.2							
Fine Gold Oz	98	156	748				3,435	486	18	—	—		8687	22	3,426	798	96

The net value of the above deposit is payable as follows:

IN GOLD BARS, . $
IN SILVER BARS, . $
IN CASH, . . . $
BY CHECK, . . . $

Geo Sticks
For the Superintendent.

Fine Silver, ozs. ..... fine .....

U. S. GOVERNMENT PRINTING OFFICE: 1936 2—6411

No. 10863

DUPLICATE

Form 42 A.
TREASURY DEPARTMENT
U. S. MINT SERVICE.

FOREIGN

NOTE.—This Report is for the information of the Depositor, and is of no other value.

223797

MEMO. REPORT ON {GOLD / SILVER} BULLION deposited at the Assay Office of the United States at New York

APR 25 1940, 193 , by ~~THE NATIONAL CITY BANK OF NEW YORK~~

DESCRIPTION OF BULLION.	WEIGHT. Before Melting. Ounces.	Dec.	After Melting. Ounces.	Dec.	GOLD. Fineness. 1,000ths.	Value. Dollars.	Cts.	SILVER. Fineness. 1,000ths.	Value at ... Cents per fine oz. Dollars.	Cts.	CHARGES. Dollars.	Cts.	NET VALUE. Dollars.	Cts.
Switzerland Refd Bars	6838	50	6 828	21	997.0									
900 Bars	1302	70	1 302	46	899½									
						279 275	07				706	49	278 568	58
	8131	20							698	19			706	49
									6	90				
									1	40			279 275	07
									706	49				

The net value of the above deposit is payable as follows:

IN GOLD BARS, . $ 7.979 58
IN SILVER BARS, . $
IN CASH, . . . $
BY CHECK, . . . $

Fine Silver, ozs. _____ fine _____

For the Superintendent.

U. S. GOVERNMENT PRINTING OFFICE: 1930 2—6411

No. 9762

DUPLICATE

Form 42 A.
TREASURY DEPARTMENT,
U. S. MINT SERVICE.

FOREIGN

NOTE.—This Report is for the information of the depositor, and is of no other value.

223798

MEMO. REPORT ON {GOLD / SILVER} BULLION deposited at the Assay Office of the United States at New York
MAR 28 1940, 193 , by Swiss Bank Corp. New York Agency

DESCRIPTION OF BULLION.	WEIGHT. Before Melting. Ounces.	Dec.	After Melting. Ounces.	Dec.	GOLD. Fineness. 1,000ths.	Value. Dollars.	Cts.	SILVER. Fineness. 1,000ths.	Value at .34 Cents per fine oz. Dollars.	Cts.	CHARGES. Dollars.	Cts.	NET VALUE. Dollars.	Cts.
#2 Switzerland 916 Bars	3 597	40	3 596	74	914½									
900 Bars	2 627	30	2 676	81	899½									
	143 549	10				4,300 564	89				10,875	01	4,289 689	88

The net value of the above deposit is payable as follows:

IN GOLD BARS, . $ 4,289,689.88
IN SILVER BARS, . $
IN CASH, . . . $
BY CHECK, . . . $

Geo. Oliver
For the Superintendent.

Fine Silver, ozs. ..... fine .....

U. S. GOVERNMENT PRINTING OFFICE: 1930 2—6411

No. 9762

DUPLICATE

Form 42 A.
TREASURY DEPARTMENT,
U. S. MINT SERVICE.

FOREIGN

NOTE.—This report is for the information of the depositor, and is of no other value.

223799

MEMO. REPORT ON {GOLD / SILVER} BULLION deposited at the Assay Office of the United States at New York

MAR 28 1940, 193 , by Swiss Bank Corp. New York Agency

#1 Description of Bullion.	Weight. Before Melting. Ounces.	Dec.	Weight. After Melting. Ounces.	Dec.	Gold. Fineness. 1,000ths.	Gold. Value. Dollars.	Cts.	Silver. Fineness. 1,000ths.	Silver. Value at ____ Cents per fine oz. Dollars.	Cts.	Charges. Dollars.	Cts.	Net Value. Dollars.	Cts.
Switzerland Refd Bars			8 722	56	999.8									
			8 575	89	999.8									
			8 121	28	999.8									
			8 480	91	999.8									
			8 497	96	999.5									
			8 852	07	999.0									
			8 878	71	999.5									
			8 463	66	999.8									
			8 300	33	999.8									
			7 902	10	999.2									
			7 695	25	999.2									
			8 194	26	998.8									
			8 256	32	998.9									
do	117	254	40	8 308	07	998.5								

(Cont)

The net value of the above deposit is payable as follows:

- In Gold Bars, . $
- In Silver Bars, . $
- In Cash, . . . $
- By Check, . . . $

Fine Silver, ozs. _____ fine _____

G. O. Estick

For the Superintendent.

U. S. GOVERNMENT PRINTING OFFICE: 1936 2—6411

No. 9752 DUPLICATE

Form 42 A.
TREASURY DEPARTMENT,
U. S. MINT SERVICE.

FOREIGN

NOTE.—This Report is for the information of the depositor and of no other value.

223800

MEMO. REPORT ON {GOLD / SILVER} BULLION deposited at the Assay Office of the United States at New York

MAR 28 1940, 193 , by THE NATIONAL CITY BANK OF NEW YORK

Description of Bullion.	Weight. Before Melting. Ounces.	Dec.	Weight. After Melting. Ounces.	Dec.	Gold. Fineness. 1,000ths.	Gold. Value. Dollars.	Cts.	Silver. 34 Fineness. 1,000ths.	Silver. Value at ___ Cents per fine oz. Dollars.	Cts.	Charges. Dollars.	Cts.	Net Value. Dollars.	Cts.
Switzerland Refd Bars	3	225 10	3	224 96	999½	112 788	94				285	27	112 503	67

The net value of the above deposit is payable as follows:

- In Gold Bars, . $ 3 225 10
- In Silver Bars, . $
- In Cash, . . . $
- By Check, . . . $

Geo Weicks
For the Superintendent.

Fine Silver, ozs. _____ fine _____

U. S. GOVERNMENT PRINTING OFFICE: 1930 2—6411

No. 8792

DUPLICATE - FORE

Form 42 A.
TREASURY DEPARTMENT,
U. S. MINT SERVICE.

NOTE—This Report is for the information of the depositor, and is of no other value.

223801

MEMO REPORT ON {GOLD / SILVER} BULLION deposited at the Assay Office of the United States at New York

MAR 1 - 1940, 193 , by THE NATIONAL CITY BANK OF NEW YORK

MAR 1 - 1940

DESCRIPTION OF BULLION.	WEIGHT. Before Melting. Ounces.	Dec.	After Melting. Ounces.	Dec.	GOLD. Fineness. 1,000ths.	Value. Dollars.	Cts.	SILVER. Fineness. 1,000ths.	Value at .34 Cents per fine oz. Dollars.	Cts.	CHARGES. Dollars.	Cts.	NET VALUE. Dollars.	Cts.
Switzerland Refd Bars	3219	70	3219	57	996½	112290	55	—			284	03	112006	52
						3208	301							

The net value of the above deposit is payable as follows:

- IN GOLD BARS, . $
- IN SILVER BARS, . $
- IN CASH, . . . $
- BY CHECK, . . . $

Fine Silver, ozs. ..... fine .....

For the Superintendent.

U. S. GOVERNMENT PRINTING OFFICE: 1939 2—6411

No. 8799

DUPLICATE ORIGINAL

Form 42 A.
TREASURY DEPARTMENT,
U. S. MINT SERVICE.

NOTE.—This Report is for the information of the depositor, and is of no other value.

223802

MEMO. REPORT ON {GOLD / SILVER} BULLION deposited at the Assay Office of the United States at New York

MAR 1 - 1940, 193 , by Swiss Bank Corp
New York Agency

DESCRIPTION OF BULLION.	WEIGHT. Before Melting. Ounces.	Dec.	After Melting. Ounces.	Dec.	GOLD. Fineness. 1,000ths.	Value. Dollars.	Cts.	SILVER. Fineness. 1,000ths.	Value at 34 Cents per fine oz. Dollars.	Cts.	CHARGES. Dollars.	Cts.	NET VALUE. Dollars.	Cts.
Swiss Refd Bars			8 287	06	996.4									
			8 169	59	996.3									
			8 232	41	996.4									
			8 042	43	996.5									
			7 413	35	996.8									
			7 769	61	997.9									
			8 243	80	996.9									
Do	64591	10	8 430	07	997.1									
						2,253 315	08				5,697	89	2,247 617	19
						64 380	Rd							

The net value of the above deposit is payable as follows:

- IN GOLD BARS, . $
- IN SILVER BARS, . $
- IN CASH, . . . $
- BY CHECK, . . . $

Fine Silver, ozs. ..... fine .....

For the Superintendent.

U. S. GOVERNMENT PRINTING OFFICE: 1938 2—6411

FOREIGN DEPARTMENT 46
FOREIGN OPERATIONS FEDERAL RESERVE BANK
NEW YORK

SEARMARKED GOLD RECORD

ACCOUNT OF BANCO CENTRAL DE LA REPUBLICA ARGENTINA

223803

TOTAL DOLLAR VALUE	1948 DATE		DESCRIPTION	GOLD COIN AND GOLD BARS: Number of Bags of Coin	Total No. of Bags of Coin Held	Number of Bars	Total No. of Bars Held	GROSS TROY OUNCES	TOTAL GROSS TROY OUNCES HELD	TROY OUNCES OF FINE GOLD	TOTAL OF FINE
			BALANCE TRANSFERRED FROM 1947 LEDGER		12 888		- o -		3 305 262 697		3 02
	JAN	2	Released at shippers wts today & re-earmarked at Cash Custody wts today	3 500	9 300			897 529 900	2 407 732 797	822 735 7408	220
		2	Re-earmarked at Cash Custody Div. wts today (see above entry)	3 500	12 888			897 701 95	3305434 747	822 893 452	302
		6	Earmarked at shippers wts today. Rec'd f. Arg. per S/S Rio Parana on 1/5/48 Ship # 96 Re Arg. cable #856 of 11/26/47	1460	14 348			374 308 235	3679742 982	343 115 881	337
		7	Released at shippers wts & re-earmarked at Cash Custody Div. wts today.	1235				316 689 249	3363053 733	290 298 4806	308.
		7	Re-earmarked at Cash Custody wts today (see release ticket No 1107 dated today)	1235	14 348			316 709 00	3679 762 733	290 316 582	337
		15 X	Released at shippers wts & re-earmarked at Cash Custody Div wts today	3542				903 904 203	2775858 530	828 578 8528	254
		15 X	Re-earmarked at Cash Custody Div. wts today (see release ticket No 1112 dated today)	3542	14 348			904 024 02	3679882 550	828 688 683	337
	Feb.	2	Released for sale to Secy of Treasury's Spec. a/c Cable #63 of 1/29/48 as amended by Cable #71 of 1/31/48 from Arg.	1219	13 129			312 679 57	3367 202 980	286 622 938	308
		10	Released for sale to Secy. Treas. Spec. a/c Ref. Arg. cable #85 of 2/7/48	1219	11 910			312 610 29	3054 592 690	286 559 429	280
		17	Released for sale to Secy of Treasury's Spec. a/c. Ref: Cable #96 dated 2/14/48 from Argentina	1219	10 691			312 594 45	2741 998 24	286 544 913	251
	MAR	15	Released for export in accordance with Argentina's Cable No. 146 dated 3/11/48	1219	9 472			312 610 29	2429 387 95	286 559 431	2221
		16	Released for export in accordance with Banco Central de la Republica Argentina's Cable No. 157 dated 3/16/48	1218	8 254			312 440 81	2116947 14	286 404 025	1940
	Apr.	1	Released for sale to Secy. Treas. Spec. a/c Ref. Argentina's cable # 183 of 3/31/48	1829	6 427			468 638 09	1648 309 05	429 584 916	1510
		12	Released for export in accordance with Banco Central de la Rep. Argentina Cable # 196 dated 4/9/48	1219	5 208			312 650 05	1335 658 80	286 596 063	122

EARMARKED GOLD RECORD

ACCOUNT OF BANCO CENTRAL DE LA REPUBLICA ARGENTINA

223804

FOREIGN DEPARTMENT
FOREIGN OPERATIONS DIVISION

30-rep.

RECAP.

GOLD COIN AND GOLD BARS

DESCRIPTION	Number of Bags of Coin	Total No. of Bags of Coin Held	Number of Bars	Total No. of Bars Held	GROSS TROY OUNCES	TOTAL GROSS TROY OUNCES HELD	TROY OUNCES OF FINE GOLD	TOTAL TROY OUNCES OF FINE GOLD HELD	DOLLAR VALUE	TOTAL DOLLAR VALUE
LANCE TRANSFERRED FROM 1947 LEDGER	-	12 888		-0-		3305 262 697		3 029 824 1362		106 043 344 74
d at shippers wts today + re-earmarked at Cash Custody wts today	3 500	9 300			897 529 900	2407 732 797	822 735 7408	2207 088 3954	28 795 750 94	77 248 093 80
earmarked at Cash Custody Div. wts today (see above posting)	3 500	12 888			897 701 95	3305 434 747	822 893 452	3029 981 8474	28 801 270 80	106 049 364 60
marked at shippers wts today. Rec'd fr. per S/S Rio Parana on 1/5/48 Ship #96 g. Cable #858 of 11/26/47	1460	14 348			374 308 235	3679 74[illegible] 98[illegible]	343 115 881	3373097[illegible]84	12 009 055 83	118 058 420 43
ed at shippers wts + re-earmarked at Custody Div. wts today.	1235				316 689 249	3363053 733	290 298 4806	3082799 2478	10 160 446 82	107 897 973 61
earmarked at Cash Custody wts today release ticket No. 1107 dated today)	1235	14 348			316 709 00	3679 762 733	290 316 582	3373 115 8298	10 161 080 36	118 059 053 97
ased at shippers wts & re-earmarked at Custody Div wts today	35[illegible]				903 904 [illegible]03	[illegible]775 858 [illegible]30	828 578 8[illegible]8	[illegible]544 538 9770	[illegible]9 000 [illegible]58 85	89 058 794 1[illegible]
earmarked at Cash Custody Div. wts today release ticket NO. 1112 dated today	35[illegible]5	14 348			904 074 0[illegible]	3 679 88[illegible] [illegible]550	828 688 683	3 373 [illegible]5 6600	[illegible]9 004 103 89	118 062 898 01
ased for sale to Secy of Treasury's Spec. a/c Cable of 1/29/48 as amended by Cable #710 of 1/31/48 from Arg	1219	13 129			312 679 57	3367 202 980	286 622 938	3086 602 7220	10 031 802 79	108 031 095 22
ased for sale to Secy. Treas. spec. a/c Ref. cable #85 of 2/7/48	1219	11 910			312 610 29	3054 592 690	286 559 429	2800 043 2930	10 029 580 05	98 001 515 17
ased for sale to Secy of Treasury's Spec. a/c. Ref: #96 dated 2/14/48 from Argentina	1219	10 691			312 594 45	2741 998 24	286 544 913	2513 498 380	10 029 071 92	87 972 443 25
ased for export in accordance with Argentina's Cable 46 dated 3/11/48	1219	9 47[illegible]			312 610 29	2429 387 95	286 559 431	2226 938 949	10 029 580 05	77 942 863 20
ed for export in accordance with Banco Central de la Blica Argentina's Cable No. 157 dated 3/16/48	1218	8 254			312 440 81	2 116 947 14	286 404 075	1940 534 874	10 024 142 66	67 918 720 54
ased for sale to Secy. Treas. Spec. a/c Ref. entina's cable # 183 of 3/31/48	1829	6 427			468 638 09	1 648 309 05	429 584 916	1 510 949 958	15 035 472 08	52 883 248 46
ased for export in accordance with Banco Central Ref. Argentina Cable #196 dated 4/9/48	1[illegible]19	5 208			31[illegible] 650 [illegible]5	1 335 658 80	[illegible]86 [illegible]96 063	1[illegible]4 353 895	10 030 86[illegible] 18	4[illegible]85 2 386 [illegible]8
ased: Shipt. No. 98 rec'd from Argentina on 4/13/48 per FAMA) marked at shippers wts today. Re: Argentina Cable		5 208	464	464	210 630 738	1 546 299 5[illegible]	198 [illegible] 963	[illegible]	[illegible]	[illegible]

223805

		——— 0507 11/26/47	1460	14 348			374 308 235	367974 98	343 115 881	3373097784	12 009 055 8
	7	Released at shippers wts & re-ear marked at Cash Custody Div. wts today.	1 235				316 689 249	3363053 733	290 298 4806	3082799 2478	10 160 446 8
	7	Re-earmarked at Cash Custody wts today (see release ticket No 1107 dated today)	1 235	14 348			316 709 00	3679 762 733	290 316 582	3373115 8298	10 161 080 3
	15 X	Released at shippers wts & re-earmarked at Cash Custody Div wts today	35 25				903 904 203	2775 858 530	828 578 8528	2544 538 9770	29 000 259 8
	15 X	Re-earmarked at Cash Custody Div. wts today (see release ticket No. 1112 dated today	35 25	14 348			904 024 02	3679882 550	828 688 683	3373 255 6600	29 004 103 89
Feb.	2	Released for sale to Secy of Treasury's Spec. a/c Cable #63 of 1/29/48 as amended by Cable #71 of 1/31/48 from Arg.	1 219	13 129			312 679 57	3367 202 980	286 622 938	3086 602 7220	10 031 802 79
	10	Released for sale to Secy. Treas. Spec a/c Ref. Arg. cable #85 of 2/7/48	1 219	11 910			312 610 29	3054 592 690	286 559 429	2800 043 2930	10 029 580 05
	17	Released for sale to Secy of Treasury's Spec. a/c. Ref: Cable #96 dated 2/14/48 from Argentina	1 219	10 691			312 594 45	2741 998 24	286 544 913	2513 498 380	10 029 071 92
MAR	15	Released for export in accordance with Argentina's Cable No. 146 dated 3/11/48	1 219	9 472			312 610 29	2429 387 95	286 559 431	2226 938 949	10 029 580 05
	16	Released for export in accordance with Banco Central de la Republica Argentina's Cable No. 157 dated 3/16/48	1 218	8 254			312 440 81	2116 947 14	286 404 025	1940 534 874	10 024 142 66
Apr.	1	Released for sale to Secy Treas. Spec a/c Ref Argentina's cable # 183 of 3/31/48	1 829	6 427			468 638 09	1 648 309 05	429 584 916	1 510 949 958	15 035 472 08
	12	Released for export in accordance with Banco Central de la Rep. Argentina Cable # 196 dated 4/9/48	1 219	5 208			312 650 25	1 335 658 80	286 596 063	1 224 353 895	10 030 862 18
	14	Earmarked Shipt No. 98 rec'd from Argentina per FAMA on 4/13/48 earmarked at shippers wts today. Re: Argentina Cable No. 204 dated 4/10/48		5 208	464	464	210 630 738	1 546 289 538	198 227 969	1 422 581 864	6 937 978 97
	15	Released for export in accordance with Argentina's cable # 212 of 4/13/48	1 219	3 989		464	312 608 85	1 233 680 688	286 658 109	1 136 023 755	10 029 533 82
	21	Released for sale to Secy. Treas. Spec a/c Ref. Arg. cable # 224 of 4/19/48		3 989	464	-0-	210 630 738	1 023 049 950	198 227 969	937 795 786	6 937 978 92
	27	Earmarked: Shipt No 99 rec'd from Argentina on 4/26/48 earmarked at shippers wts today, ref. Argentina's cable 234 of 4/23/48			248	248	101 077 471	1 124 127 421	98 638 156	1 036 433 947	3 445 335 46
	27	Earmarked Shipt No 99 rec'd from Argentina on 4/26/48 earmarked at shippers wts today, ref Argentina cable 234 of 4/23/48	180	4 169		248					

...on 1/5/48 Recp # 76												
...# 856 of 11/26/47	1460	14 348			374 308 235	367974 198	343 115 881	3373097 7184	12 009 055	83	118058420 43	
...shippers wts & re-ess marked at												
...ry Div. wts today.	1 235				316 689 249	3363053 733	290 298 4806	3082799 2478	10 160 446	82	107897973 61	
...ked at Cash Custody wts today												
...ticket No 1107 dated today)	1 235	14 348			316 709 00	3679 762 733	290 316 582	3373115 8298	10 161 080	36	188059053 97	
...shippers wts & re-earmarked at												
...Div wts today	35 25				903 904 203	2775 858 530	828 578 8528	2544538 9770	29 000259	85	89058794 12	
...d at Cash Custody Div. wts today												
...ticket No. 1112 dated today	3525	14 348			904 024 02	367988 2550	828 688 683	3373 225 6600	29 004 103	89	118062898 01	
...cable to Secy of Treasury's Spec. a/c Cable												
...as amended by Cable # 71 of 1/31/48 from Arg.	1 219	13 129			312 679 57	3367 202 980	286 622 938	3086 602 7220	10 031 802	79	108 031 095	22
...ale to Secy. Treas. Spec a/c Ref.												
...# 85 of 2/7/48	1 219	11 910			312 610 29	3054 592 690	286 559 429	2800 043 2930	10 029 580	05	98 001 515	17
...ale to Secy of Treasury's Spec. a/c. Ref.												
...ed 2/14/48 from Argentina	1 219	10 691			312 594 45	2741 998 24	286 544 913	2513 498 380	10 029 071	92	87 972 443	25
...ort in accordance with Argentina's Cable												
...3/11/48	1219	9 472			312 610 29	2429 387 95	286 559 431	2226 938 949	10 029 580	05	77 942 863	20
...ort in accordance with Banco Central de la												
...entina's Cable No. 157 dated 3/16/48	1 218	8 254			312 440 81	2 116 947 14	286 404 075	1 940 534 874	10 024 142	66	67 918 720	54
...ale to Secy. Treas. Spec. a/c Ref.												
...able # 183 of 3/31/48	1 829	6 427			468 638 09	1 648 309 05	429 584 916	1 510 949 958	15 035 472	08	52 883 248	46
...port in accordance with Banco Central												
...ina Cable # 196 dated 4/9/48	1 219	5 208			312 650 25	1 335 658 80	286 596 063	1 224 353 895	10 030 862	18	48 852 386	28
...on 4/13/48												
...Shipt. No. 98 rec'd from Argentina per FAMA)												
...shippers wts today. Re: Argentina Cable		5 208	464	464	210 630 738	1 546 289 538	198 227 969	1 422 581 864	6 937 978	92	49 790 365	20
...d 4/10/48												
...report in accordance with												
...able # 212 of 4/13/48	1 219	3 989		464	312 608 85	1 233 680 688	286 658 109	1 136 023 755	10 029 533	82	39 760 831	38
...ale to Secy. Treas. Spec. a/c												
...able # 224 of 4/19/48		3 989	464	-0-	210 630 738	1 023 049 950	198 227 969	937 795 786	6 937 978	92	32 822 852	46
...Shipt No 99 rec'd from Argentina on 4/16/48												
...shippers wts today, ref Argentina's cable 234 of 4/23/48			248	248	101 077 471	1 124 127 421	98 638 156	1 036 433 942	2 455 335	46	36 275 187	92
...Shipt No 99 rec'd from Argentina on 4/26/48 ear												
...s wts today, ref Argentina's cable 234 of 4/23/48	180	4 169		248	46 150 879	1 170 278 300	47 304 976	1 078 738 918	1 480 674	16	37 755 862	08
CARRIED FORWARD		4 169		248		1 170		1 078 738 918			37 755 862	08

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223806

FOR. 59.2 420 11-46

FEDERAL RESERVE BANK OF NEW YORK

ACCOUNT OF

p. 30A

- RECAPITULATION -

1948 DATE		DESCRIPTION	Number of Bags of Coin	Total No. of Bags of Coin Held	Number of Bars	Total No. of Bars Held
Apr	27	BALANCE BROUGHT FORWARD		4169		248
	27	Earmarked: Shipt No. 100 received from Argentina on 4/26/48 earmarked at shippers wts today, ref Argentina cable 271 of 4/24/48	800	4969		248
	30	Released for export in accordance with Banco Centr. de la Rep Argentina's Cable No. 244 dated 4/28/48.	1218	3751		248
	30	Earmarked: Arg's Cable #244 of 4/27/48. Shipt No. 101 recd from Bco Centr. d. Rep. Arg. per PANAM on 4/29/48 Shipmt dpS Episcopate today	794	4545		248
MAY	3	Earmarked: Centr. de la Rep Argentina's Cable No 245 of 4/28/48 Shipt. No. 102 recd. from Argentina per FAMA + earmkd at shippers wts today	620	5165	-	248
	4	Released: Bco. d. Rep. Argentina's Cable No 234 dated 4/22/48 - Shipt. recd. from Arg. per FAMA + earmkd. at shippers wts 4/27/48 Re-earmkd. at Cash Cust. Div. wts today (see earmk ticket #1806 of today.	180	4985	-	248
	4	Earmarked: Bco Centr. d. l Rep Argentina Cable No. 234 dated 4/22/48 Shipt recd from Arg. per FAMA + earmkd. at Shippers weights 4/27/48 - Re-earmkd. at Cash Custody Div. wts today (See earmk ticket 1223 of today.	180	5165	-	248
	5	Released for export in accordance with Banco Centr. d. l Rep. Argentina's cable No. 256 dated 5/3/48.	1219	3946		248
	7	Earmarked; Shipt #103 recd from Argentina per FAMA & earmarked at shippers wts today. Argentina's Cable #258 of 5/4/48		3946	116	364
	7	Earmarked: Shipt recd from Argentina per FAMA & earmarked at shippers wts. today. Argentina's cable #258 dated 5/4/48	200	4146.	.	364
	10	Earmarked: Shipt #104 recd from Argentina per PANAM & earmarked at shippers wts. today. Re Argentina Cable No 266 dated 5/8/48	128	4274		364
	12	Re-earmarked at Cash Custody Div wts today (See earmark ticket No. 1815 dated today)	1594	2680		364
	12	Re-earmarked: shipment received from Banco Centr. de La Rep Argentina on 4/29 earmarked at shippers wts on 4/30/48 re-earmarked at Cash Custody Div wts today	575	4274 2680		
	12	Re-earmarked at Cash Custody Div wts to				
	17	Released to be re-earmarked today (See earmark ticket No. 18				
	17	Re-earmarked at Cash Custody Div release ticket No. 1237 dated				
	17	Released for export in accordance cable No. 275 dated 5/13/48				
	18	Released to be re-earmarked at				

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		for export in accordance with Banco Centr. de la											BOTTOM 30 A
		Rep Argentina's Cable No. 246 dated 4/28/48.	1 218	3 751		248	312 556	28	1 062 830	478	286 509	924	980 245 089	10 027 847 33
	30	Earmarked: Arg's Cable # 244 of 4/27/48. Shipt No. 101 recd												
		from Bco Centr. d. Rep. Arg. per PANAM on 4/29/48 Shipmt kept & Shipment today	794	4 545		248	204 991	429	1 267 821	907	185 428	121	1 165 673 210	6 489 984 23
MAY	3	Earmarked: Centr. de la Rep Argentina's Cable No 245 of 4/28/48												
		Shipt. No. 102 recd. from Argentina per FAMA + earmarked shipment today	620	5 165	–	248	160 500	139	1 428 322	046	144 450	135	1 310 123 345	5 055 784 73
	4	Released: Bco. d. Rep. Argentina's Cable No 234 dated 4/22/48.												
		Shipt. recd. from Arg. per FAMA + earmkd. at shippers wts 4/27/48												
		Re-earmkd. at Cash Cust. Div. wts today (see earmk. ticket 1806 of today.	180	4 985	–	248	46 150	879	1 382 171	167	42 304	976	1 267 818 369	1 480 674 16
	4	Earmarked: Bco Centr. d. l Rep Argentina Cable No 234 dated 4/22/48												
		Shipt recd from Arg. per FAMA + earmk'd. at Shippers weights 4/27/48.												
		Re-earmkd. at Cash Custody Div. wts. today (See earmk. ticket 1223 of today.	180	5 165	–	248	46 153	760	1 428 324	927	42 307	613	1 310 125 982	1 480 766 45
	5	Released for export in accordance with Banco Centr. d. l Rep.												
		Argentina's cable No. 256 dated 5/3/48.	1 219	3 946		248	312 553	64	1 115 771	287	286 507	502	1 023 618 480	10 027 762 56
	7	Earmarked, Shipt # 103 recd from Argentina per FAMA &												
		earmarked at shippers wts today: Argentina's Cable # 258 of 5/4/48		3 946	116	364	46 702	735	1 162 474	022	42 025	507	1 065 643 982	1 470 892 57
	7	Earmarked: Shipt recd from Argentina per FAMA & earmarked												
		at shippers wts. today. Argentina's cable # 258 dated 5/4/48	200	4 146	–	364	51 773	434	1 214 247	456	46 596	103	1 112 240 085	1 630 863 60
	10	Earmarked: Shipt # 104 recd from Argentina per PANAM												
		& earmarked at shippers wts. today. Re Argentina Cable No												
		266 dated 5/8/48	128	4 274		364	33 134	137	1 247 381	593	29 820	714	1 142 060 799	1 043 724 99
	12	Re-earmarked at Cash Custody Div wts today (See												
		earmark ticket No. 1815 dated today).	1 594	2 680		364	410 049	887	837 281	706	373 444	216	768 616 583	1 307 047 55
	12	Re-earmarked: shipment received from Banco Centr. de La Rep												
		Argentina on 4/29 earmarked at shippers wts on 4/30/48												
		re-earmarked at Cash Custody Div wts today	575	4 274			148 848	17	986 129	876	133 963	353	902 579 936	4 688 717 35
	12	Re-earmarked at Cash Custody Div wts today (release ticket # 1820)	1 019	2 680		364	261 297	01	1 247 426	886	239 522	259	1 142 102 195	8 383 279 06
	17	Released to be re-earmarked at Cash Custody Div wts												
		today. (See earmark ticket No. 1825 dated today).	948		–		245 407	710	1 002 019	176	220 866	952	921 235 243	7 730 343 32
	17	Re-earmarked at Cash Custody Division weights today (See												
		release ticket No. 1237 dated today.)	948	4 274	–	364	245 422	73	1 247 441	906	220 880	457	1 142 115 700	7 730 815 99
	17	Released for export in accordance with Argentina's Bco												
		cable No. 275 dated 5/13/48	1 219	3 055		364	312 572	84	934 869	066	286 525	103	855 590 597	10 028 378 59
	18	Released to be re-earmarked at Cash Custody Div wts. today												
		(See earmark ticket No. 18[illegible] dated today)			364	– 0 –	147 780	206	787 088	860	140 663	658	714 926 939	4 923 228 03
	18	Earmarked: Re-earmarked at Cash Custody Div wts today												
		(See release ticket No. 1238		3 055	364	364	147 772	60	934 86[illegible]		[illegible] 656	483	855 5[illegible]	[illegible]

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1948 Gold Ledger FROM

Cable No. 246 dated 128148.	1218	3 131		248	312 556 28	1 062 850 478	286 559 924	980 245 089	10 021 847 35	34 308 518 01
Arg. Cable # 244 of 4/27/48. Shipt No. 101 recd										
d. Ref. Arg. per PANAM on 4/29/48 Shipmt. at Shippers wts today	794	4545		248	204 991 429	1 267 821 907	185 428 121	1 165 673 210	6 489 984 23	40 798 562 30
Centr. de la Rep Argentina Cable No 245 of 4/28/48										
recd. from Argentina per FAMA + earmarked at shippers wts today	620	5165	-	248	160 500 139	1 428 322 046	144 450 135	1 310 123 345	5 055 754 73	45 854 317 03
d. Ref. Argentina's Cable No 234 dated 4/22/48										
Arg. per FAMA + earmarked at shippers wts 4/27/48										
at Cash Cust. Div. wts today (see earmk. ticket 1806 of today	180	4985	-	248	46 150 879	1 382 171 167	42 304 976	1 267 818 369	1 480 674 16	44 373 642 87
o Centr. d. l Rep Argentina Cable No 234 dated 4/22/48										
Arg. per FAMA + earmarked at Shippers weights 4/27/48.										
ash Custody Div. wts today (See earmk. ticket 1223 of today	180	5165	-	248	46 153 760	1 428 324 927	42 307 613	1 310 125 982	1 480 766 45	45 854 409 32
export in accordance with Banco Centr. d. l Rep.										
cable No. 256 dated 5/3/48.	1219	3.946		248	312 553 64	1 115 771 287	286 507 502	1 023 618 480	10 027 762 56	35 826 646 76
Shipt # 103 recd from Argentina per FAMA +										
shippers wts today. Argentina's Cable # 258 of 5/4/48		3.946	116	364	46 702 735	1 162 474 022	42 025 507	1 065 643 982	1 470 892 57	37 297 539 33
Shipt recd from Argentina per FAMA + earmarked										
ts today. Argentina's cable # 258 dated 5/4/48	200	4.146.	-	364	51 773 434	1 214 247 456	46 596 103	1 112 240 085	1 630 863 60	38 928 402 93
Shipt # 104 recd from Argentina per PANAM										
d at shippers wts today. Re Argentina Cable No										
5/8/48	128	4 274		364	33 134 137	1 247 381 593	29 820 714	1 142 060 799	1 043 724 99	39 972 127 92
ked at Cash Custody Div. wts today (See										
ket No. 1815 dated today)	1594	2680		364	410 099 887	837 281 706	373 444 216	768 616 583	1 307 054 55	26 901 580 37
Q: shipment received from Banco Central de la Rep										
on 4/29 earmarked at shippers wts on 4/30/48										
ed at Cash Custody Div. wts today	575	4 274			148 848 17	986 129 876	133 963 353	902 579 936	4 688 717 35	31 590 297 72
d at Cash Custody Div. wts today (see ticket 1 of today)	1019	2680		364	261 297 01	1 247 426 886	239 522 954	1 142 102 195	8 383 279 06	39 973 576 78
to be re-earmarked at Cash Custody Div. wts										
earmark ticket No. 1825 dated today)	948		-		245 407 710	1 002 019 176	220 866 952	921 235 243	7 730 343 32	32 243 233 46
ked at Cash Custody Division weights today (See										
ket No. 1237 dated today.)	948	4 274	-	364	245 422 73	1 247 441 906	220 880 457	1 142 115 700	7 730 815 99	39 974 049 45
export in accordance with Argentina's Bo[illegible]										
275 dated 5/13/48	1219	3 055		364	312 572 845	934 869 066	[illegible] 525 103	855 590 597	10 028 378 59	29 945 670 86
[illegible] at Cash Custody Div. wts today										
[illegible]			364	-0-	147 780 206	787 088 860	[illegible] 663 [illegible]	714 926 939	4 923 228 03	25 022 442 83
[illegible] at Cash Custody Div. wts today										
		3 055	364	364	147 772 60	934 861 460	[illegible]	855 583 422	4 922 976 90	29 945 419 73
		3 055		364		934 861 460		583 422		29 945 419 73

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EARMARKED GOLD RECORD

ACCOUNT OF BANCO CENTRAL DE LA REPUBLICA ARGENTINA

223810

FOREIGN
FOREIGN OPS
BANK

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GOLD COIN AND GOLD BARS

	Number of Bags of Coin	Total No. of Bags of Coin Held	Number of Bars	Total No. of Bars Held	GROSS TROY OUNCES	TOTAL GROSS TROY OUNCES HELD	TROY OUNCES OF FINE GOLD	TOTAL TROY OUNCES OF FINE GOLD HELD	DOLLAR VALUE	TOTAL DOLLAR VALUE
RD		4169		248		1 170 278 300		1 078 738 918		37 755 862 08
d from Argentina on 4/24/48										
Argentina cable 271 of 4/24/48	800	4969		248	205 108 458	1 375 386 758	188 016 095	1 266 755 013	6 580 563 32	44 336 425 40
with Banco Centr. de la										
4/28/48	1 218	3 751		248	312 556 28	1 062 830 478	286 509 924	980 245 089	10 027 847 33	34 308 578 07
/27/48. Shipt No. 101 recd										
/29/48 Shipped & Shipments today	794	4545		248	204 991 429	1 267 821 907	185 428 121	1 165 673 210	6 489 984 23	40 798 562 30
do Cable No 245 of 4/28/48										
FAMA + earmarked shipments today	620	5165	-	248	160 500 139	1 428 322 046	144 450 135	1 310 123 345	5 055 754 73	45 854 317 03
le No 234 dated 4/22/48.										
mbd. at shipper's wt 4/27/48										
day (see earmk. ticket 1806 of today	180	4985	-	248	46 150 879	1 382 171 167	42 304 976	1 267 818 369	1 480 674 16	44 373 642 87
ino Cable No 234 dated 4/22/48										
bd. at Shippers weight 4/27/48.										
(See earmk. ticket 1223 of today	180	5165	-	248	46 153 760	1 428 324 927	42 307 613	1 310 125 982	1 480 766 45	45 854 409 32
with Banco Centr. de la Rep.										
5/3/48.	1 219	3 946		248	312 553 64	1 115 771 287	286 507 502	1 023 618 480	10 027 762 56	35 826 646 76
Argentina per FAMA +										
Argentina's Cable #258 of 4/4/48		3 946	116	364	46 702 735	1 162 474 022	42 025 507	1 065 643 982	1 470 892 57	37 297 539 33
ina per FAMA + earmarked										
cable #258 dated 5/4/48	200	4 146		364	51 773 434	1 214 247 456	46 596 103	1 112 240 085	1 630 863 60	38 928 402 93
n Argentina per PANAM										
day. Re Argentina Cable No										
	128	4 274		364	33 134 137	1 247 381 593	29 820 714	1 142 060 799	1 043 724 99	39 972 127 92
Dion wgt today (see										
today)	1 594	2 680		364	410 099 887	837 281 706	373 444 216	768 616 583	13 070 547 55	26 901 580 37
Banco Central de la Rep										
shippers wgt on 4/30/48										
wgt today	575	4 274			148 848 17	986 129 876	133 963 353	902 579 936	4 688 717 35	31 590 297 72
wgt today (see earmk ticket 4/30)	1 019	~~2 680~~		364	261 297 01	1 247 426 886	239 522 454	1 142 102 105	8 383 279 06	30 073 581 78

EARMARKED GOLD RECORD

ACCOUNT OF BANCO CENTRAL DE LA REPUBLICA ARGENTINA

223811

FOREIGN DEPARTMENT
FOREIGN OPERATIONS DIVISION

TITULATION -

31

GOLD BARS AND GOLD COIN

DESCRIPTION	Number of Bags of Coin	Total No. of Bags of Coin Held	Number of Bars	Total No. of Bars Held	GROSS TROY OUNCES	TOTAL GROSS TROY OUNCES HELD	TROY OUNCES OF FINE GOLD	TOTAL TROY OUNCES OF FINE GOLD HELD	DOLLAR VALUE	TOTAL DOLLAR VALUE
ROUGHT FORWARD -		3055	-	364		934 861 460		855 583 422		29 945 419 73
for sale to Secy. Treas. Spec. a/c cable # 324 of 6/25/48.		3055	364	-0-	147 772 60	787 088 860	140 656 483	714 926 939	4 922 926 90	25 022 442 83
for export - Ref. Arg. Cable # 324 8.	1532	1523		-0-	392 817 96	394 270 900	360 083 129	354 843 810	12 602 909 49	12 419 533 34
ed - Imported per Panagra at weights. Ref. Arg. cable # 361 of 7/20/48.		1523	22		8 816 060		8 812 616		308 441 56	
ed - Imported per Panagra at eights. Ref. Arg. cable # 361 of 7/20/48.		1523	508	530	204 185 053	607 272 013	189 533 439	553 189 865	6 633 670 37	19 361 645 27
to be re-earmarked at Cash Custody Div. e earmark ticket No. 1922 dated today).			530		213 001 113		198 346 051		6 942 111 93	
: Re-earmarked at Cash Custody Division y. (See release ticket No. 1314 dated today)		1523	530	530	213 024 780	+23 607 295 680	198 344 287	- 1 768 553 188 097	6 942 050 04	- 61 89 19 361 583 38
ed - Imported from Argentina per t shippers weights Ref. Arg. cable 8/27/48 - Shipment # 107		1523	468	998	188 488 419	795 784 099 - 401 513 199	169 620 486	722 808 583 - 367 964 773	5 936 717 01	25 298 300 39 - 12 878 767 05
Sold to Secy of Treasy's Special Account dated 8/31/48 from Bco Central de la Rep Argentina.			530		213 024 780		198 344 287		6 942 050 04	
Sold to Secy of Treasy's Special Account ated 8/31/48 from Banco Central de la Rep. Argentina		1523	468	-0-	188 488 419	394 270 900	169 620 486	354 843 810	5 936 717 01	12 419 533 34
TRANSFERRED TO 1949 LEDGER		1523		-0-	—	394 270 900	—	354 843 810		12 419 533 34

EARMARKED GOLD RECORD

ACCOUNT OF BANCO CENTRAL DE LA REPUBLICA ARGENTINA

223812

31

- RECAPITULATION -

GOLD BARS AND GOLD COIN

1948 DATE		DESCRIPTION	Number of Bags of Coin	Total No. of Bags of Coin Held	Number of Bars	Total No. of Bars Held	GROSS TROY OUNCES	TOTAL GROSS TROY OUNCES HELD	TROY OUNCES OF FINE GOLD	TOTAL TROY OUNCES OF FINE GOLD HELD	DOLL VAL
MAY	18	BALANCE BROUGHT FORWARD -		3055	-	364		934 861 460		855 583 422	
JUNE	29	Released for sale to Secy. Treas. Spec. a/c Ref. Arg. cable # 324 of 6/25/48.		3055	364	-0-	147 772 60	787 088 860	140 656 483	714 926 939	4 922
	29	Released - for export - Ref. Arg. Cable # 324 of 6/25/48.	1532	1523		-0-	392 817 96	394 270 900	360 083 129	354 843 810	12 602
JULY	22	Earmarked - Imported per Panagra at Shippers weights, Ref. Arg. cable #361 of 7/20/48.		1523	22		8 816 060		8 812 616		308
	22	Earmarked - Imported per Panagra at Shippers weights, Ref. Arg. cable #361 of 7/20/48.		1523	508	530	204 185 053	607 272 013	189 533 439	553 189 865	6 633
AUG.	11	Released: to be re-earmarked at Cash Custody Div. weights. (See earmark ticket No. 1922 dated today).			530		213 001 113		198 346 055		6 942
	11	Earmarked: Re-earmarked at Cash Custody Division weights today. (See release ticket No. 1314 dated today)		1523	530	530	213 024 780	+23 667 607 295 680	198 344 287	-1 768 553 188 097	6 942
	30	Earmarked - Imported from Argentina per Panam at shippers weights Ref. Arg. cable # 403 of 8/27/48 - Shipment #107		1523	468	998	188 488 419	795 784 099	169 620 486	722 808 583	5 936
SEP	2	Released: Sold to Secy of Treasy's Special Account Cable No. 405 dated 8/31/48 from Bco Centr de la Rep Argentina.			530		213 024 780	-401 513 199	198 344 287	367 964 773	6 942
	2	Released: Sold to Secy of Treasy's Special Account Cable No. 405 dated 8/31/48 from Banco Central de la Rep. Argentina.		1523	468	-0-	188 488 419	394 270 900	169 620 486	354 843 810	5 936
		BALANCE TRANSFERRED TO 1949 LEDGER		1523		-0-	—	394 270 900	—	354 843 810	

1968 Gold Ledger

FRBNY.

LINE NO.	1950 DATE		DESCRIPTION	GOLD COIN Number of Bags	GROSS TROY OUNCES	SAID TO CONTAIN TROY OUNCES OF FINE GOLD	DOLLAR VALUE	Number of Bars	GROS TROY OU
1	Apr.	24	Earmark (132) Shipt recd per s/s Matanar					43	16 32
2		24	Balance					43	16 322
3		27	Release (82) Re-earmarked at Cash Custody Div wts					43	16 32
4		27	Balance						—
5		27	Earmark (138) Re-earmarked at Cash Custody Div wts					43	16 32
6		27	Balance					43	16 32
7	May	8	Earmark (144) Shipt recd per s/s Magellanes Earmarked at shippers wts					43	16 32
8		8	Balance					73	29 99
9		11	Release (89) Re-earmarked at Cash Custody Div wts					116	46 322
10		11	Balance					73	29 997
11		11	Earmark (145) Re-earmarked at Cash Custody Div wts					43	16 323
12		11	Balance					73	30 00.3
13		17	Earmark (152) Bars recd from Assay Office, N.Y. in settlement of gold bars deposited on 4/24/50 for conversion					116	46 326
14		17	Balance						
15		18	Earmark (153) Shipt recd per s/s Castillo Ampudia earmarked at shippers wts						
16		18	Balance					315	127 104
17		31	Release (98) Re-earmarked at Cash Custody Div wts					431	173 430
18		31	Balance					315	127 104
19		31	Earmark (170) Re-earmarked at Cash Custody Div wts					116	46 326
20		31	Balance					315	127 104
21		31	Earmark (167) Bars recd from Assay Office, N.Y. in settlement of gold bars deposited on 5/8/50 for conversion					431	173 430
22		31	Balance						
23		31	Earmark (168) Bars recd from Assay Office, N.Y. in settlement of gold bars deposited on 5/18/50 for conversion						
24		31	Balance						
25	June	5	Earmark (173) Shipt recd per s/s Marques de Comillas Earmarked at shippers wt					177	70 292
26		5	Balance					608	243 722
27		8	Release (99) Re-earmarked at Cash Custody Division wts					177	70 292
28		8	Balance					431	173 430
29		8	Earmark (174) Re-earmarked at Cash Custody Division wts					177	70 290
30		8	Balance					608	243 721
31		16	Earmark (175) Bars recd from Assay Office, N.Y. in settlement of gold bars deposited on 6/6/50 for conversion						
32		16	Balance						
33		16	Release (101) Transferred to the National City Bk of N.Y. (Domestic a/c)					86	34 579
34		16	Balance					522	209 141
35		16	Release (101) Transferred to the National City Bk of N.Y. (Domestic a/c)						
36		16	Balance					522	209 141
37	July	3	Release (102) Transferred to the National City Bk of N.Y. (Domestic A/c)					522	209 141
38		3	Balance					0	0
39		3	Release (102) Transferred to the National City Bk of N.Y. (Domestic a/c)						
40		3	Balance						

223813

UNITED STATES

Number of Bars	GROSS TROY OUNCES	SAID TO CONTAIN TROY OUNCES OF FINE GOLD	DOLLAR VALUE	Number of Bars	GROSS TROY OUNCES	TROY OUNCES OF FINE GOLD	DOLLAR VALUE	SAID TO CONTAIN TROY OUNCES OF FINE GOLD HELD	DOLLAR VALUE	LINE NO.
43	16 322 646	16 277 695	569 719 32					16 277 695	569 719 32	1
43	16 322 646	16 277 695	569 719 32					16 277 695	569 719 32	2
43	16 322 646	16 277 695	569 719 32					16 277 695	569 719 32	3
	— o —	— o —	— o —					— o —	— o —	4
43	16 322 56	16 277 592	569 715 72					16 277 592	569 715 72	5
43	16 322 56	16 277 592	569 715 72					16 277 592	569 715 72	6
73	29 997 66	28 829 987	1 009 049 55					28 829 987	1 009 049 55	7
116	46 320 22	45 107 579	1 578 765 27					45 107 579	1 578 765 27	8
73	29 997 66	28 829 987	1 009 049 55					28 829 987	1 009 049 55	9
43	16 322 56	16 277 592	569 715 72					16 277 592	569 715 72	10
73	30 003 97	28 829 915	1 009 047 02					28 829 915	1 009 047 02	11
116	46 326 53	45 107 507	1 578 762 74					45 107 507	1 578 762 74	12
				389	133 469 24	122 265 635	4 279 297 23	122 265 635	4 279 297 23	13
				389	133 469 24	122 265 635	4 279 297 23	167 373 142	5 858 059 97	14
315	127 104 66	125 991 717	4 409 710 09					125 991 717	4 409 710 09	15
431	173 431 19	171 099 224	5 988 472 83					~~293 364 859~~	~~10 267 770 06~~	16 ✓
315	127 104 66	125 991 717	4 409 710 09					125 991 717	4 409 710 09	17
116	46 326 53	45 107 507	1 578 762 74					167 373 142	5 858 059 97	18
315	127 104 17	125 991 421	4 409 699 73					125 991 421	4 409 699 73	19
431	173 430 70	171 098 928	5 988 462 47					293 364 563	10 267 759 70	20
				351	133 284 30	127 225 238	4 452 883 33	127 225 238	4 452 883 33	21
				740	266 753 54	249 490 873	8 732 180 56	420 589 801	14 720 643 03	22
				55	18 970 96	17 079 509	597 782 82	17 079 509	597 782 82	23
				795	285 724 50	266 570 382	9 329 963 38	437 669 310	15 318 425 85	24
177	70 292 259	70 209 505	2 457 332 68					70 209 505	2 457 332 68	25
608	243 722 959	241 308 433	8 445 795 15					507 878 815	17 775 758 53	26
177	70 292 259	70 209 505	2 457 332 68					70 209 505	2 457 332 68	27
431	173 430 70	171 098 928	5 988 462 47					437 669 310	15 318 425 85	28
177	70 290 79	70 210 113	2 457 353 95					70 210 113	2 457 353 95	29
608	243 722 49	241 309 041	8 445 816 42					507 879 423	17 775 779 80	30
				240	94 282 38	93 328 535	3 266 498 74	93 328 535	3 266 498 74	31
				1035	380 006 88	359 898 917	12 596 462 12	601 207 958	21 042 278 56	32
86	34 579 76	34 575 758	1 210 151 53					34 575 758	1 210 151 53	33
522	209 141 73	206 733 283	7 235 664 89					566 632 200	19 832 127 01	34
				795	285 724 50	266 570 382	~~10 540 114 91~~ 9 329 963 38	266 570 382	9 329 963 38 ~~10 540 114 91~~	35
				240	94 282 38	93 328 535	3 266 498 74	300 061 818	10 502 163 63 ~~9 909 012 10~~	36
Sw	209 141 73	206 733 283	7 235 664 89					206 733 283	7 235 664 89	37
— o —	— o —	— o —	— o —					93 328 535	3 266 498 74	38
				240	94 ~~326~~ 282 38	93 328 535	3 266 498 74	93 328 535	3 266 498 74	39
				— o —	— o —	— o —	— o —	— o —	— o —	40

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FEDERAL RESERVE BANK OF NEW YORK

EARMARKED GOLD RECORD

ACCOUNT OF INSTITUTO ESPANOL DE MONEDA EXTRANJERA

FOREIGN

LINE NO.	1950 DATE		DESCRIPTION	GOLD COIN Number of Bags	GOLD COIN GROSS TROY OUNCES	GOLD COIN SAID TO CONTAIN TROY OUNCES OF FINE GOLD	DOLLAR VALUE	VAR Number of Bags	VAR GROSS TROY OUNCES
1	Apr.	24	Earmark(132) Shipt. recd. per s/s Matomar					43	16 322 646
2		24	Balance						
3		27	Release(82): Re-earmarked at Cash Custody Div. wts.					43	16 322 646
4		27	Balance					43	16 322 646
5		27	Earmark(138): Re-earmarked at Cash Custody Div. wts.						— o —
6		27	Balance					43	16 322 56
7	May	8	Earmark(144): Shipt recd per s/s Magallanes. Earmarked at shippers wts.					43	16 322 56
8		8	Balance					3	29 997 66
9		11	Release(89): Re-earmarked at Cash Custody Div. wts.					46	46 320 22
10		11	Balance					3	29 997 66
11		11	Earmark(145): Re-earmarked at Cash Custody Div. wts					43	16 322 56
12		11	Balance					3	36 603 97
13		17	Earmark(152) Bars recd. from Assay Office, N.Y. in settlement of gold bars deposited on 4/24/50 for conversion					44	46 326 53
14		17	Balance						
15		18	Earmark(153) Shipt. recd. per s/s Castillo Ampudia earmarked at shippers wts					3	127 104 66
16		18	Balance					44	173 431 19
17		31	Release(98) Reearmarked at Cash Custody Div. wts.					3	127 104 66
18		31	Balance						46 326 53
19		31	Earmark(170) Reearmarked at Cash Custody Div. wts.					3	127 104 17
20		31	Balance					44	173 430 70
21		31	Earmark(167): Bars recd. from Assay Office, N.Y. in settlement of gold bars deposited on 5/8/50 for conversion						
22		31	Balance						
23		31	Earmark(168): Bars recd from Assay Office, N.Y. in settlement of gold bars deposited on 5/10/50 for conversion						
24		31	Balance						
25	June	5	Earmark(173): Shipt recd per s/s Marques de Comillas. Earmarked at shippers wts.						70 292 259
26		5	Balance					44	243 722 959
27		8	Release(99): Reearmarked at Cash Custody Division wts						70 292 259
28		8	Balance					44	173 430 70
29		8	Earmark(174): Reearmarked at Cash Custody Division wts.						70 290 79
30		8	Balance					44	243 721 49
31		16	Earmark(177) Bars recd. from Assay Office, N.Y. in settlement of gold bars deposited on 6/6/50 for conversion						
32		16	Balance						
33		16	Release(101) Transferred to the National City BK of N.Y. (Domestic a/c)					46	34 579 76
34		16	Balance						209 141 73
35		16	Release(101) Transferred to the National City BK of N.Y. (Domestic a/c)						
36		16	Balance						
37	July	3	Release(102): TRANSFERRED to the National City BK of N.Y. (Domestic A/c)					44	209 141 73
38		3	BALANCE						— o —
39		3	Release(102): TRANSFERRED to the National City BK of N.Y. (Domestic a/c)						
40		3	Balance						

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EARMARKED GOLD RECORD

ACCOUNT OF INSTITUTO ESPANOL DE MONEDA EXTRANJERA

FOREIGN DEPARTMENT
FOREIGN ACCOUNTS DIVISION

VARIOUS REFINERS				UNITED STATES				GRAND TOTAL		
Number of Bars	GROSS TROY OUNCES	SAID TO CONTAIN TROY OUNCES OF FINE GOLD	DOLLAR VALUE	Number of Bars	GROSS TROY OUNCES	TROY OUNCES OF FINE GOLD	DOLLAR VALUE	SAID TO CONTAIN TROY OUNCES OF FINE GOLD HELD	DOLLAR VALUE	LINE NO.
43	16 322 646	16 277 695	569 719 32					16 277 695	569 719 32	1
43	16 322 646	16 277 695	569 719 32					16 277 695	569 719 32	2
43	16 322 646	16 277 695	569 719 32					16 277 695	569 719 32	3
— o —	— o —	— o —	— o —					— o —	— o —	4
43	16 322 56	16 277 592	569 715 72					16 277 592	569 715 72	5
43	16 322 56	16 277 592	569 715 72					16 277 592	569 715 72	6
13	29 997 66	28 829 987	1 009 049 55					28 829 987	1 009 049 55	7
116	46 320 22	45 107 579	1 578 765 27					45 107 579	1 578 765 27	8
13	29 997 66	28 829 987	1 009 049 55					28 829 987	1 009 049 55	9
43	16 322 56	16 277 592	569 715 72					16 277 592	569 715 72	10
13	30 003 97	28 829 915	1 009 047 02					28 829 915	1 009 047 02	11
116	46 326 53	45 107 507	1 578 762 74					45 107 507	1 578 762 74	12
				389	133 469 24	122 265 635	4 279 297 23	122 265 635	4 279 297 23	13
				389	133 469 24	122 265 635	4 279 297 23	167 373 142	5 858 059 97	14
315	127 104 66	125 991 717	4 409 710 09					125 991 717	4 409 710 09	15
431	173 431 19	171 099 224	5 988 472 83					293 364 859	10 267 770 06	16
315	127 104 66	125 991 717	4 409 710 09					125 991 717	4 409 710 09	17
116	46 326 53	45 107 507	1 578 762 74					167 373 142	5 858 059 97	18
315	127 104 17	125 991 421	4 409 699 73					125 991 421	4 409 699 73	19
431	173 430 70	171 098 928	5 988 462 47					293 364 563	10 267 759 70	20
				351	133 284 30	127 225 238	4 452 883 33	127 225 238	4 452 883 33	21
				740	266 753 54	249 490 873	8 732 180 56	420 589 801	14 720 643 03	22
				55	18 970 96	17 079 509	597 782 82	17 079 509	597 782 82	23
				795	285 724 50	266 570 382	9 329 963 38	437 669 310	15 318 425 85	24
177	70 292 259	70 209 505	2 457 332 68					70 209 505	2 457 332 68	25
608	243 722 959	241 308 433	8 445 795 15					507 878 815	17 775 758 53	26
177	70 292 259	70 209 505	2 457 332 68					70 209 505	2 457 332 68	27
431	173 430 70	171 098 928	5 988 462 47					437 669 310	15 318 425 85	28
177	70 290 79	70 210 113	2 457 353 95					70 210 113	2 457 353 95	29
608	243 721 49	241 309 041	8 445 816 42					507 879 423	17 775 779 80	30
				240	94 282 38	93 328 535	3 266 498 74	93 328 535	3 266 498 74	31
				1 035	380 006 88	359 898 917	12 596 462 12	601 207 958	21 042 278 56	32
86	34 579 76	34 575 758	1 210 151 53					34 575 758	1 210 151 53	33
527	209 141 73	206 733 283	7 235 664 89					566 632 200	19 832 127 01	34
				795	285 724 50	266 570 382	9 329 963 38	266 570 382	9 329 963 38	35
				240	94 282 38	93 328 535	3 266 498 74	300 061 818	10 502 163 63	36
527	209 141 73	206 733 283	7 235 664 89					206 733 283	7 235 664 89	37
— o —	— o —	— o —	— o —					93 328 535	3 266 498 74	38
				240	94 282 38	93 328 535	3 266 498 74	93 328 535	3 266 498 74	39
				— o —	— o —	— o —	— o —	— o —	— o —	40

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We now have about 22.8 billion dollars of gold. There is in addition to that several billion dollars of gold held in New York on earmark. The title to that gold, however, does not rest with the United States and therefore is not included among our gold holdings. This 22.8 billion dollars of gold represents approximately 2/3 of the world's monetary gold supply. The Second largest owner of gold is probably France, who has over 1 billion dollars in London, Montreal, New York and elsewhere. During the first few years after the war, gold production will probably run around 1-1/2 billion a year.

How much of our present gold stocks are we going to keep? How much of the additional production of gold are we going to get?

During the very early months it is not at all unlikely that many of the foreign governments and central banks or residents of foreign countries will want to withdraw substantial portions of their dollar balances. There are at present over 4 billion dollars worth of balances belonging to foreign governments or the residents of foreign countries that are blocked here. The release of these funds will doubtless be soon followed by a withdrawal of very substantial amounts. There are other funds which have been sent to the United States on deposit for reasons of safety. Much of these too will be repatriated after the war. The outflow of repatriated funds may run as high as 5 billion dollars during the first couple of years after the war.

To offset this outward movement there will be an enormous demand for American goods. The only limiting factor to the demand for American exports will be the ability of foreign countries to pay for them. A glance at the table below reveals that many countries have gold and dollars in excess of

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what might be regarded as their minimum requirements. The total amounts to several billion dollars.

There are a number of countries, however, whose available assets are already close to the minimum. These will be able to buy very little in excess of what they can buy for with their exports. For them the only solution is to obtain goods on credit or as a gift. In the years before the war the most we have ever exported was about 4 billion dollars a year. At prices likely to prevail after the war, the same volume of exports may be valued at 5 billion dollars.

The limiting factor on trade during the early months will be the lack of shipping. Ship capacity will be needed to transport tremendous amounts of food needed to supply our troops who will then run into millions and be located all over the world. Doubtless much more shipping will be required to supply Europe and Asia with food until they can harvest their new crops. The return shipping will be taken up mostly with the return of troops. It is doubtful whether during the first year after the war there will be shipping capacity adequate to carry even 2 billion dollars worth of imports to the United States. In the subsequent years shipping situation shall rapidly improve. Enormous ship production capacity which we will have attained here and in the U.K., coupled with the cessation of the sinking of ships, will quickly augment the supply to the point where it can carry all that may be asked of it. The limiting factor then will become neither the shipping nor their ability to pay for imports, but rather the goods which the war-torn countries can export.

Our imports from South America have never been more than 1 billion dollars. The first years after the war will likely see this amount surpassed. Our

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contracts call for a continuation of the purchases of tin, rubber and copper. We have our stores of coffee to replenish. How soon Europe and Asia will be able to turn out goods for export in large quantities is uncertain, but the progress will be rapid and within a very few years after the cessation of hostilities, the limiting factor to our imports will be our own demand and not the ability of foreign countries to produce what we wish to order. Taking the first five years after the war, we may expect to export an aggregate of 35 billion dollars worth of merchandise. During that same period we shall import about $30 billion. The remaining 5 billion will be met by our tourist expenditures abroad and some gold receipts.

If the Government adopts a policy of facilitating the granting of long-term loans to foreign countries and if there is set up an international stabilization fund, we are likely to export another $5 billion worth of goods on credit and some $5 million of the estimated 35 billion of exports will likwise be sold on credit. The consequence of that development will be that instead of losing one or two billion dollars worth of gold over the period, we shall export possibly 5 to 10 billion dollars worth of gold.

It is impossible to forecast the balance of payments situation beyond five years. There are too many uncertain factors and too many ways of modifying the situation to make any attempt at prophecy worthwhile.

The important thing, however, is to recognize that there are no priorities for expecting balances of payments of the United States to continue to yield an inflow of gold. On the contrary, there are some grounds for believing that an unfavorable balance of payments will characterize our international accounts

for many years to come. There are two reasons for this expectation: (1) we expect the expenditures by American tourists to be very heavy during the next decade; (2) we expect the high level of business activity to result in a large volume of imports.

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Division of Monetary Research,
U. S. Treasury Department.

THE FUTURE OF GOLD

H. D. White

Section III.

As pointed out earlier, the question is not whether trade can be conducted without gold but whether it can be conducted as effectively and as conveniently without gold as with it. Electricity, for example, is not useless because it is possible to obtain light, power and heat from other sources. The value of electricity as a means of creating light, power and heat depends upon its ability to produce those services for the particular purpose in hand more effectively or more cheaply than they can be produced in any other way. So it is with gold. Though it is possible to conduct trade and finance without the use of gold, the important thing is that it is possible to do so <u>only at great inconvenience and only with substantial reduction in trade and financial transactions</u>, and increased cost of conducting business across national boundaries.

Import quotas, exchange controls, and floating exchange rates are crude instruments which countries resort to in order to adjust their balances only when the more efficient and smooth-working instruments, namely, gold and foreign credit, are unavailable to them in sufficient quantities. It is quite true that under special circumstances, and from time to time, good results may be obtained from any one of several instruments resorted to when gold is acarce. There are times, for example, when some barter transactions may be undertaken with mutual benefit to the bartering

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countries; when import quotas, clearing agreements, export subsidies and exchange controls will either increase a country's trade or help improve domestic business. There are even times when alteration of currency values in terms of other currencies may be warranted, and always tariff schedules may be adjusted so as to reduce or increase specific imports or total imports to the country's advantage.

All these methods have been and are being used both singly and in combination, and all may serve under certain circumstances to increase trade, or to reduce the size of the balances that must be settled either in gold or credit, but they do not operate to eliminate those balances. They could be wholly depended upon to eliminate balances (i.e., to equate the debit and credit transactions without use of gold and credit) but only at a sacrifice of some of the gains from trade, or in the volume of trade, or in the stability of domestic business. When the various methods of conducting trade (other than with the aid of gold shipments) are employed to increase the level of trade or to attain certain objectives at home with respect to specific commodities, the results may be easily obtained and may well be beneficial. For example, a special barter arrangement providing for an exchange of some of our surplus cotton for reserve rubber stocks may be a good way of increasing our exports of cotton and increasing our imports of rubber. When, however, those methods are constantly resorted to for the purpose of keeping inpayments and outpayments equal, or when these methods are forced upon a country because of lack of gold with

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which to balance its international accounts, then the gains are definitely smaller than would be the case could countries import when, where and under what conditions they like -- conditions possible only when gold can be used to pay for the balance.

The gross total of world international transactions is somewhere in the neighborhood of $50 billion a year. That is, if one were to add all the inpayments and outpayments negotiated by each country we would have a sum roughly approximating that magnitude. In contrast, the gross movements of gold (i.e., the total exports of all countries -- not net exports) amount to roughly $5 billion a year. In other words, 80 percent of the world's international business is conducted by offsetting or net credit transactions and only 20 percent by what might be called compensatory payments (i.e., gold shipments) and a goodly portion of these gross movements of gold is accounted for by newly mined gold entering the usual channels of trade, e.g., South African gold exports.

With the development of international banking facilities and improved communication the proportion of gross gold shipments to total business transactions has been declining, and there is reason to believe that the downward trend will continue after the war. But there is a profound difference between the development of procedures designed to economize on gold shipments, and the adoption of methods designed to eliminate ~~that~~ the use of gold. It is the same difference as would exist between the development of technical devices to drive an automobile with ~~less~~ increased consumption of lubricating oil and the attempt

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It is quite possible to ~~devise~~ develop helpful methods of reducing the spread between inpayment and outpayment, but it

to get along without lubricating oil. ~~It~~ would be very difficult to raise the proportion of offsetting (~~and~~ including credit) transactions to 100 percent. To bring the last 10 or 15 percent of world trade of goods and services in balance for each country would introduce obstacles and strains which would prove quite expensive to international trade. It is just that margin of flexibility that spells the difference between extreme government control over foreign trade and free movement of goods, services and capital among nations. It is usually much cheaper to settle the balances due with gold shipments than to eliminate or prevent balances through import, exchange controls, etc.

Those who are worried about the future of gold forget that gold is the best medium of international exchange yet devised. No other practical method is in sight which can perform nearly so well the essential function gold performs in the international field. With adequate gold holdings, a country can permit its outpayments to be greater than its inpayments for a long period of time without being forced to attempt to raise foreign funds by borrowing abroad or by liquidating the foreign assets of its nationals, and to do so without being forced to curtail imports, depreciate its currency, subsidize exports, or resort to complicated multiple currency devices in order to help balance its international accounts. Gold holdings constitute one of the effective cushions for insulating the domestic economy from the adverse repercussions of economic changes abroad. Though this insulation is only a partial one, it is far better than no cushion at all.

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It is ~~quite~~ true that gold is for many countries an expensive tool. Though it has great usefulness as a stabilizing element and though it yields large dividends because of its convenience as an international medium of exchange a poor country can ill afford to have much of it. Yet the misfortune is not that the instrument is frequently costly but rather that many countries under present circumstances are too poor to take advantage of so efficient an instrument. Many a farmer, for example, may be forced to use a horse and wagon because he has neither the credit nor the cash with which to buy an auto truck, or because community has so low a standard of living as to make human labor less expensive than machines such as are freely used in other countries. That deplorable fact does not make the auto truck a useless vehicle; it simply means that many farmers cannot acquire so expensive a means of transportation, efficient though it may be.

Gold is like that. For some countries to acquire any substantial amounts of gold (or foreign exchange as good as gold) is too costly under their present circumstances. Thus, countries having to curtail imports - either through import or exchange control - because adequate amounts of foreign exchange at prevailing rates are not available, may need the imports of merchandise so badly that any increase in the foreign exchange availabilities should be used to buy more imports rather than to acquire gold. For some countries at war it is also important to utilize every possible foreign exchange resource for the purpose of paying for more imports needed to conduct the war. Such countries may keep their gold holdings low for a long time.

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which calls for a minimum of exports and a maximum of imports

It is

to wage the war

However, they do not decide against accumulating gold because their trade can be better conducted without gold; but only because the most effective conduct of the war is the determining factor, ~~and~~ obviously more important to increase or maintain ~~at such times~~ than ~~is the advantage of having larger~~ gold holdings. Just as a country at war sacrifices butter for cannons, so if necessary it sacrifices much needed gold for materials to make the cannons.

A second fact that persons who fear for gold's future overlook is that not only does gold constitute by far the best medium of international exchange but it also constitutes the best medium in which general purchasing power may be stored or saved. The purchasing power of an ounce of gold has, on the whole, more stability over a long period than has the unit of currency of any country. In terms of real purchasing power over goods, an ounce of gold today purchases more nearly what an ounce of gold did 50 years ago than is true of dollars or sterling or francs or yen or any other currency unit. And with so much of the world at war or preparing for one, an ounce of gold is very likely to increase in purchasing power over goods and services, while most other currency units are likely to decrease in purchasing power.

More important, however, is the fact that <u>every country in the world will sell goods for gold and no country will refuse gold in settlement of debt or in payment for services rendered</u>. Every country in the world wishes it had more gold and every country attempts to accumulate some gold as soon as it feels it can afford to do so. The same cannot be said of

The usefulness of gold in wartime is one of the reasons that justifies its accumulation.

Because it is wise for ~~but as~~ an individual to dispute his savings to obtain a necessary ~~general~~ operation to no argument against the wisdom of accumulating [illegible] is an accurate [illegible] to the [illegible]

any other commodity, nor any other currency (except those freely exchangeable for gold at par.)

I say that every country in the world will sell its goods and services for gold and would be glad to be paid in gold for all sums due it. But that does not mean that all countries will hold the gold after they have acquired it. Some, or many, may export gold soon after receiving it, in order to buy imports or to liquidate claims against it; others may accumulate for decades all the gold they readily can. Whether a country will hold much or little gold, or hold newly acquired sums for a long or short period of time, depends upon a variety of conditions, including the trend in its international accounts, the state of business, the prospects of foreign trade, the movements of prices, the eagerness to eliminate or relax exchange controls and import quotas, the prospects of continued peace, the availability of capital, and the state of confidence in the currency. All these conditions enter into the calculations of a government when it is making the decision whether or not to encourage gold inflows and build up gold reserves. The situation with each country will differ, and the situation with any one country will vary from period to period. But almost always the desire of the government will be to accumulate gold if the country can possibly afford it.

Monetary authorities here (as elsewhere) are fully cognizant of the need to leave inviolate the unquestioned acceptability of gold as a means of international payment. There is no danger that they will do anything

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to diminish in the slightest its unquestioned general acceptability. Hence arises the adamant opposition to give even serious consideration to proposals coming from those who know little of the subject that we stop purchasing gold, or that we stop buying the gold of any particular country, for this or for that or for any particular reason.

Another important consideration overlooked by those who fear that gold will cease to be acceptable as money is that numerous countries have a large and continuing stake in maintaining the value of gold, and will do nothing to jeopardize the use of gold as a medium of international payments. The British Empire, for example, produces half the world's gold supply. It is a source of vital revenue to one of the Dominions and of considerable revenue to several other parts of the Empire and the shares of the British gold mining companies constitute an important block in the London Stock Exchange. Therefore, she would never refuse to accept gold in settlement of debts or in payment for her goods and services. And there are other countries that produce gold. Mexico, Peru, Colombia, Venezuela, Japan and Russia likewise produce gold in large enough quantities to prevent those countries from doing anything to interfere with the efficacy of gold as means of international payment.

In addition to the gold-producing countries, there are the gold holding countries. Just which countries will have gold in large quantities after the war cannot be forecast but it is certain that there will be many billions held outside of the United States and that it will be held by at

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least a score of countries. Countries holding gold will be as little desirous of jeopardizing its value as countries producing gold. Sweden with its stock of $300 million of gold, or Argentina with its $400 million, will be no less reluctant to have gold lose ~~any of~~ its purchasing power than would the Netherlands with her $700 million, or South Africa with its $100 million of holdings and $1/2 billion of annual output.

Moreover, it is not in the interests of any country to attempt to destroy the monetary value of gold. It is true that countries at war which have little or no gold themselves but which have enemies that do have large holdings might wish gold had no monetary value so that the enemy would not have the important advantage that results from having large gold stocks, but they are powerless to do anything about it. In fact, they are so aware of the absurdity of even making the attempt that they make every effort to secure more gold, or hold on to what they have. The statements emanating from Germany and Japan, for example, to the effect that unless the United States alters its trade policy we will have all the gold which will then be of no use to us nor to anyone else are crude attempts to obtain a dual gain. They hope, by exploiting public confusion and partisan political forays on the subject of gold, firstly, to induce us to adopt a commercial policy which will make it easier for Germany and Japan to sell us more goods, and secondly, to discourage us from selling freely to England and ~~France~~ Canada in exchange for their gold. Actually, Germany perhaps more than any other country, appreciates how difficult it is to operate without gold and how

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much better off she would have been during the past five years had she not had to resort so completely to strict exchange and import controls, clearing agreements and barter transactions, in order to keep its inpayments and outpayments so closely in balance.

German authorities themselves give so little credence to their own statements of demonetization of gold, that despite their desperate need for imports, they prefer to sell exports and tighten the belts of their people still further, rather than part with the gold they have.

So little is the future purchasing power of gold in doubt among governments that we actually find them insisting on part payment in gold (rather than in goods or in blocked currencies) in exchange for political allegiance. And why shouldn't it be so? As stated above, gold can be saved for an emergency, and can be spent anywhere at any time for goods and services -- a statement that can hardly be made of any other commodity or instrument. Furthermore, the value of gold (i.e., its purchasing power over goods and services) is more apt to increase in the next decade than diminish.

While war continues gold is more essential than ever because at such times international movement of credits, and promotion of exports are much more difficult than in times of peace. On the other hand, paradoxically, resumption of peace can only enhance the monetary prestige of gold because peace will be accompanied by the desire to relax import quotas and exchange controls, to reduce barter transactions and clearing agreements, and also

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to maintain stable exchanges. To make such relaxation possible gold will be more necessary than ever as a medium of settling international balances.

The less gold a country has the more important it is for it to obtain more. But unfortunately when a country has little or no gold, it finds it difficult to accumulate more, because the fact of its having little or no gold is usually a reflection of a desperate exchange situation. It is usually proof that the country has been in such straitened circumstances that it has been forced to give up badly needed gold for even more acutely needed goods. When a country having small reserves of gold ~~parts with gold when it has little of it~~, the alternative must indeed be bad. Thus, Japan is holding on desperately to her remaining gold reserves and has drastically curtailed needed imports and done everything she possibly could to increase her exports in an effort to conserve the gold she has left. A similar situation prevailed with Italy and Germany, and now we find that England, and Canada are likewise embarking on a course in which they will sacrifice imports in order to conserve their gold. If the war continues for many years they too will probably be forced, however reluctantly, to part with ~~a large share~~ most or all of their gold in exchange for imports vital to their existence. Russia, too, despite her well known need for additional equipment and consumers' goods, has preferred to go without these rather than use up her gold holdings. And several Latin American countries are desperately trying to hold on to the gold they have despite their acute need for more imports of our merchandise. Were any government asked whether it would

permits a continued drain on its small holdings

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prefer a loan of goods or gold it would unhesitatingly elect to take gold because with gold it could buy where and when it pleased, as well as protect its exchange rates and domestic economy against the effects of a changing balance of payments.

The value of gold as a means of international payments rests on much firmer ground than does its value as part of any country's monetary system. Its use as required reserves against note issues or against deposits rests largely on psychological grounds, upon historic precedent, upon traditional faith in gold, and upon prejudice buttressed by a foggy understanding of the principles underlying the role of metallic reserves in modern monetary systems. In its role as a medium of international payments, however, the prestige of gold rests on something far more substantial than faith, or confidence, or historical precedent, or prejudice. It rests on performance and on logic. Its superiority over any other means of settling balances is easily demonstrable and is fully known by those in all governments who have any responsibility for the proper functioning of their monetary system. It rests on the common experience of nations which has revealed time and again in many quarters of the globe that a country with adequate gold can engage more freely and more effectively in international trade and finance than can a country with little or none.

Streamline international transactions as you will, introduce foreign balances in place of gold holdings, earmark gold abroad instead of keeping

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it at home, extend trading arrangements on a bilateral basis, develop banking facilities which will permit large overdrafts, build up portfolios of foreign securities when necessary -- do all of these, yet gold remains the essential ingredient which makes them workable. Sweden, Switzerland and Argentina may keep part of their reserves of international payments in the form of dollar balances or even in the form of United States Government securities, but they feel safe to do so only because they know they can convert those dollars into gold if and when necessary.

The more gold a country has in relation to its total economy, the more confidence will other countries have in its currency and the more easily will they use balances in its currency instead of actual gold as part of their reserves. Many modifications have been introduced during the past decades, both by force of circumstances and by choice, to reduce the amount of gold shipments necessary to transact international business, (e.g., gold held on earmark, adoption of gold exchange standards, foreign balances in strong currencies, etc.) but it is only because some countries have large gold holdings that substitutes for gold can be readily employed for a large part of international transactions.

There may possibly come a time when gold will no longer retain its superiority over other devices, but that can be only when <u>national</u> monetary systems and <u>national</u> monetary policies cease to exist and are replaced by an inter-governmental authority which will decide the monetary, credit and trade policy that each nation is to pursue. A sort of monetary

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League of Nations which would control world economic policy. If and when that time arrives gold possibly will be no more needed to settle international balances than gold is now needed to settle balances among States within the country. But until that millennium arrives gold will continue to be sought by various governments because gold serves better than anything else as a combination war chest and protective cushion against the shocks of international change, as well as an efficient and smooth instrument for balancing international payments, and a reserve stock of international purchasing power.

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