

POOR PRINT
Epreuve illisible

Secret

C 277223
September 7th, 1940.

Re:

- I. BANK OF FRANCE GOLD.
- II. FRENCH GOVERNMENT DOLLAR ACCOUNTS.
- III. POLISH GOLD.
- IV. ITALIAN PROPERTY.

I. BANK OF FRANCE GOLD

The Government of the United Kingdom have informed us that they intend shortly to convert to their own use gold entrusted by the Bank of France to the Bank of England for custody. This will be done by the Custodian selling the gold to the government for sterling, the government to account for this asset at its reduced gold value in the settlement with France after it has been freed from German domination. They suggest that we should do "the same thing", or rather a quite different thing, - sell the gold in our possession to another government, the government of the United Kingdom, for its promissory note in sterling. This gold was deposited by the Bank of France with the Bank of Canada before the war, for safekeeping and availability on the North American Continent.

II. FRENCH GOVERNMENT DOLLAR ACCOUNTS

The Government of the United Kingdom also suggest that we undertake to hand over to them, at the appropriate time, in return for a similar promissory note in sterling, United states dollars held by the Bank of Canada in New York for the credit of France. This account originated in an agreement by French representatives just before the armistice (?), to turn over to the United Kingdom planes and other munitions on order in the United States, (for which France had already paid the manufacturers) in return for an undertaking by the United Kingdom to deposit to the