

Reel 26

Letter from Chief Cashier, Bank of
England, to Governor of National
Bank of Greece:

Nov. 14, 1923

Drossopoulos yesterday began signing the £6 000 000
Greek bonds.

Bank of England awaits letters from RSC, Hambros bank,
agents for the payment of the coupons, and the Internat'l
Financial Commission.

Suggestions that Bank of Greece give Bank of England
general authority to credit the Bank of Greece account
with the advance in instalments and simultaneously to
transfer from the National Bank's account to that of the
RSC each instalment as provided.

Norman to Diomede

Nov. 15, 1923

One condition of proposed advance was no further
Greek external indebtedness.

"Judge of my surprise to hear a rumour today that
proposals are under consideration for your Government
to incur heavy expenditures for navy armaments, the
financing of which may be provided by means of external
credits. Such credits, which have doubtless been con-
sidered without your knowledge, are, I am sure you will
agree, entirely contrary to the spirit of the conditions
governing the proposed refugee advance: the position of
this advance is surely imperilled if this rumour should
prove to be well founded" ... "if you are in touch with
Mr. Morgenthau you are at liberty to show this letter to
him alone.

Nov. 15, 1923

Morgenthau cabled to Norman

Notifies that RSC is duly organized and functioning;
gives undertaking required by Norman's letter of Aug. 1
to National Bank. RSC requests immediate advance of
£1 000 000 under this agreement.

RSC to Norman