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.


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.

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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 considered 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.

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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.

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RSC to Norman