

ADDRESS OFFICIAL COMMUNICATIONS TO
THE SECRETARY OF STATE
WASHINGTON, D. C.



DEPARTMENT OF STATE
WASHINGTON

N°	Date
1425	27. 2. 39
Remise à M	le
H. Elm.	
Repondu le	1/3/39
February	10, 1939.

Heineman

Personal

Dear Friend:

I have your letter of January 28 and have noted with interest what you say concerning the possibility of a change in the rules and practice of this Government with regard to gold holdings. I have gone into this matter with one of my colleagues in the Department who has very close touch with the Treasury and with Mr. Morgenthau. He tells me that he believes it would be useless to approach the Treasury in this matter. He says that the rules and practice of the Treasury are such that the relaxation which you refer to would inevitably involve a change in practice with regard to American citizens. He does not believe that the Treasury could consider such a rule with respect to American citizens and, under these circumstances, that it would not consider a change in the rule with respect to other persons and firms.

My colleague in the Department here suggests that the only procedure which he could see practicable for the present would be for foreign firms and holders of gold to purchase dollars for deposit in this country. He says that this is all that American citizens can do under the present practice and that they must take any risks which may be involved therein.

I quite appreciate all the considerations which you have in mind and they are very real ones. I will at my first opportunity discuss this in a very informal way with Mr. Morgenthau. I do not think it would be advisable to have the matter examined officially at this time or to put it up to him in an official way. I will, however, I am sure, have an opportunity to see

him

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him shortly and I will see what his reaction is. I can only say that for the present I doubt, in view of what my colleague tells me, that it would be a favorable one.

I am hoping that we may have news from you that you will be over here shortly. I hope there has been no change in your plans which involved your coming here in the near future. I continue to keep very much occupied.

With all good wishes to you both,

Cordially and faithfully yours,

A handwritten signature in black ink, appearing to be 'G. J. Grant', written in a cursive style.