SCHOEBERLEIN & LOBENHOFFER,

TELEGRAMS: PELOPIDAS, FEN, LONDON.

TELEPHONE: Nº 6321 ROYAL.

CODES:
BENTLEY'S.
A.B.C.5TH EDITION.
LIEBERS.
PRIVATE.

Market Buildings,
29, Mincing Lane,
London, E.C.3.

Copy of a report which we have sent to a friend
who has asked for our opinion on the financial situation.

As regards Sterling you can well imagine that we are keeping in touch with our own financial advisers, who have all information, including inner political information, at their disposal, and on whose judgement absolute reliance can be placed.

The step was necessitated by the Policy on the part of the U.S.A. and France to corner Gold. Under the Gold Law the Bank of England was obliged to deliver in exchange for Notes & other Securities, bar Gold at a fixed price. American & Continental interests availed themselves of this Law to obtain whatever Gold they could get and have it shipped. When the stock of Gold at the Bank of England reached the minimum safety line this demand for Gold had to be stopped. The next step, as the Chancellor of the Exchequer himself mentioned in a speech which was broadcast, was to leave Sterling to itself to find its natual level. As the economical position is quite sound it was certain that the fall would not be catastrophic. There are very stringent Laws forbidding the gambling in Exchanges in this country and foreign currencies are allotted only for business purposes. But no hindrance is placed on legitimate business. All that need be done is to give the Bank a satisfactory explanation

SCHOEBERLEIN & LOBENHOFFER,

TELEGRAMS: PELOPIDAS, FEN, LONDON.

TELEPHONE: Nº 6321 ROYAL.

CODES:
BENTLEY'S.
A.B.C.5TH EDITION.
LIEBERS.
PRIVATE.

Market Buildings,
29, Mincing Lane,
London, E.C.3.

that the foreign currency is required for business.

The Chancellor of the Exchequer mentioned two days ago that no steps would be desirable to stop foreign gambling in the Excahnge as such short sellers would soon experience heavy losses.

So far the business, and specially the Export Trade, has greatly benefited by the lower exchange, and business which would not have been possible under the Gold Standard can now be done.

It appears that foreign holdings of Sterling & British Securities have been greatly reduced, and as there is a considerable export now, such sales having been made in Sterling a demand for Sterling is bound to follow before long.

The Government guarantee that there will be no inflation, there is moreover no need for it as the £ has still its old purchas--ing value in this country and there is no increase in the prices of the necessaries of life.

The highest authorities are firmly convinced that Sterling will eventually settle down on a higher basis than the present.

There is a talk of a General Election. This will be decided very shortly. Pending the result of the Election there will probably be a time of unsettlement and Exchanges will fluctuate considerably.

SCHOEBERLEIN & LOBENHOFFER,

Telegrams: PELOPIDAS, FEN, LONDON.

Telephone: Nº 6321 ROYAL.

Codes:
BENTLEY'S.
A.B.C. 5TH EDITION.
LIEBERS.
PRIVATE.

Market Buildings,
29. Mincing Lane,
London, E.C.3.

Leaf 3.

Periods of weakness of the Sterling xxxxx should be made use of for purchases as such opportunities to buy cheaply in foreign currencies will not last long. There is no doubt that the next Government will be of a very strong National character, which will have the necessary authority to carry through all measures for economy & also scientific tariff reform, & it is also absolutely certain that in this case Sterling will become much steadier & it will be shown that British Currency & British Banking Institutions are the safest in the World.

It is quite possible that England will return to the Gold Standard later on, but mot for the moment, as it would not be to the interest of any party in this Country to do so, nor would it be to the interests of the world at large, as the policy of hoarding Gold by the States and France has certainly contributed as much as any other factor to the fearful depression through which the world h has passed recently.

It may be that both France and the States will soon find out that the policy which they have followed hitherto is not even to their own interest nor to the benefit of their Nationals.

This opinion is based on conversations which we personally had with leading authorities.