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Perkins #10

Claridge's Hotel, Brook St., W.,
London, April 2, 1916.

Dear Charlie,

Continuing my general letter which I had brought down through the 29th of March, which was Wednesday:

Thursday morning Merry del Val came in at ten o'clock and had some talk with Straight. I did not see much of him, as I was busy talking with Patten at the time. At twelve we had an appointment with Lord Rhondda, who is Thomas, the coal man, and talked with him for a half to three quarters of an hour. He asked a number of questions and said that he had various problems in mind. We did not get down to anything specific. Stettinius thinks that he has a good proposition in mind, but Rhondda did not say anything to us that gave us a lead that amounted to anything. He did say, however, that when he got things in shape, he might want to talk to us. He is worth following up. He seems to be doing an enormous number of things and he seems to make money out of them.

We lunched with Fleuriau, Counsellor of the French Embassy, Captain Savy, who is head of the French passport department here, and another Frenchman whose name I did not get. They promise to make everything easier for us in our visit to France,

and suggested that we go straight through to Paris, leave word there that we were to stop at Havre on the way back to London, get the permit in line for that purpose, go on to Cannes, see Mr. Stillman, come back to Paris, get the permit, go on to Havre, and then return from that port. We saw General Greene in the afternoon. He had a scheme for getting shipping and making a contract with the French Government and possibly with the Spanish Government for coal, in which there is a great deal of money to be made. The only things that were not definite were (1) a contract with the French Government, (2) the shipping and (3) the possibility of getting shipping that would not be taken over by the Government, if we did get it. This worked out again the next day. We told him that we would have nothing to do with any plan which involved picking up a ship here and a ship there, and that we would have nothing to do with any plan which was not approved by the Morgans, who are fiscal agents for the French Government. I do not think it will amount to anything.

Thursday night we dined with Laughlin, the First Secretary of our Embassy here.

Friday we went to see Felix Schuster, who was not in. We then called on Mr. Eyre, of Grace & Co., and talked with him about several matters, after which we went back to see Schuster. We saw him for about ten minutes and made an appointment to see him later in the afternoon. Lunched with Brand and Kindersley, of Lazard. Kindersley strikes one as being a very forceful and intelligent fellow, of about my age, I should think. Brand is obviously brightminded, scholarly, interested in the "Round Table" work and I think more

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forceful than he appears when you first see him. We then had a talk with Grant Forbes, who is still somewhat tied up with Brazil Railways work, although I think not enough to hurt. Had our second interview with General Greene. Went back to see Schuster, who was dragged off on some Government work after we had been with him about fifteen minutes. Met Robert Fleming on the street. Had Lord Eustace Percy here to dinner. Cam came in about half past eleven and stayed until about one.

Yesterday I went over and had a talk with Cam for about an hour. Then went to see about getting our passports straightened out for our trip to the Continent. Called on Kidston at the Foreign Office. Lunched with Carton. Discussed the question of a "Go Look See" committee. He submitted a draft. Straight is writing you about this. Came back here and outlined to Grant Forbes what we had done and what we had in mind for him to do. Straight went off to see some people. I started to do a little writing, but found it didn't work, so took a short walk in the Park and came home and lay down. We dined with Bobby Grant. Came home and got to bed by midnight. Yesterday and the day before I was in pretty bad shape so far as my temper was concerned. In other respects I was all right.

This morning Dunning has turned up. We had a most satisfactory talk with him for about an hour. He is coming back for lunch. We are planning to start tomorrow afternoon for the Continent, and if we do not get blown up expect to go down to see Mr. Stillman and put in a couple of days with him; then return to Paris, put in enough time there to pay our respects to people, come back to Havre and pay our respects to the Belgians, and then back here. Then we shall have to see some people here with

Dunning, follow up the talk we had with the Barings, and then come home as soon as we can. The business of running around and seeing people is about used up. The sooner we can get the right man on this job and get him here in a position to bide his time, the better.

Very truly yours,

Thos N Perkins

Charles A. Stone, Esq.,
American International Corporation,
New York.

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[4-2-16]

Claridge's Hotel, London.
March second.
1916.

Dear Herbert:

We are off to Paris tomorrow and I trust we shall not be a basis for another international incident. If we are going to die for our country I would a darned sight rather die fighting than I would as a causus belli.

Since writing you I have had several further talks with Kerr and Eustace Percy. Kerr's idea is that there should not be an alliance between the United States and Great Britain but that in the settlement after the war certain definite principles regarding the Far East, South America and possibly Belgium should be laid down to which both Great Britain and the United States should subscribe, engaging to fight if case these principles were disregarded. The effect is the same and the end much more easy to attain. Any such diplomatic arrangement would of course carry with it a virtual understanding that Great Britain and the United States would, as Lord Bryce has suggested, consult with each other fully on any matter of mutual interest.

I discussed with Kerr also his visit to America. I told him I thought it would be an excellent plan for him to go over, provided you could do some spade work before he arrives. He suggested the idea, which we have already discussed, that we form a number of Groups which would consider America's relations to world politics. The study of this general subject would at once bring us bu bang against the most important factor in our international relations, which is our contact with the British Empire. To approach the subject on a basis of advocating an

Anglo-American alliance might defeat the purpose we have in view but to go from the general to the specific would not be open to this objection. I presume it will be impossible for you with all the rush of the campaign coming on to prepare the paper which should be sent around for the basis of discussion. It would seem to me that Beer could probably do this, subject, of course, to your comment and revision. I should think it would be a good plan for us to prepare a paper similar to but much shorter than what they call "The Egg", sending it around to a few well-posted people and asking them to consider it and give us their comment. I should think Beer might very well be much interested in this program. He, it seems to me, would be an excellent man to have in our Group, as would perhaps Baird of Columbia, if he is not scowlddas to offend others whom we should like to have with us. Lamont and Morrow also would be good men. Cameron Forbes might do but perhaps it would be better to confine ourselves to a younger crowd. Perkins, who is over here now would be an extremely sound man to interest, if this could be done, and I presume you would find a most excellent nucleus for such a movement in Boston. Chicago, Minneapolis, St. Louis and San Francisco, will, I am afraid, be more difficult.

I am enclosing herewith an editorial from "The Times", which I suppose is the first one which has mentioned "The New Republic". Jeffry Robinson and Ker were particularly pleased with your article on "Submarines" in you number of March eleventh, which is the last one any of us have seen. The work is started and it only needs going ahead.

Bobby Grant is sailing with Percy on Saturday and I am asking him to talk things over with you. His advice is very sound and I think he will be much interested in joinging in whatever we may try to do.

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He would be a most excellent man to have as "American representative" so to speak, in the Round Table Group.

The Hotel is full of Serbians--the Crown Prince, old Pashitch of the long beard and a lot of satellites. They had a mass meeting in Brook Street this afternoon, with a lot of wild folk songs and unintelligible speaches. It was quite inspiring when one realizes what England's activities mean to the smaller people. They may be making a lot of mistakes but they are acting like real men, not like moral eunucks. After all, conversation about ideals doesn't make much difference unless one is prepared to fight for them. Our stock is very much below par at present. Jeffry Robinson's editorial should be marked "for American consumption only". We have been yelling "wolf" so long that nobody pays any more attention to us. They consider us a negligible quantity. They are not very much excited about what we say to Germany and they care nothing at all what we say to them. This is what Perkins calls "doormat neutrality", Everybody wipes his feet on you, as distinguished from the other kind where you will bang the eye of anybody who interferes with your rights. Personally, I prefer the latter variety.

Hoping you are the same,

Yours,

Herbert Croly, Esquire,
421 West 21st Street,
New York, N. Y.

Claridge's Hotel, London.
April second.
1 9 1 6.

Dear Joe:

We are off to Paris tomorrow and D. V. we will come through without making ourselves into any blooming international incident. I would like to have my country go to war with Germany and I am perfectly willing to die in the trenches or any other old way, but before I pass out I want to have the satisfaction of knowing that I belong to a real fighting ration and not to a conglomeration of jelly-fish, which at present writing I am inclined to believe. I therefore have no desire to have my death bring on another one of your weekly crises.

Your cousin Eyre has been just as nice as he could be. We had a very satisfactory talk with him a day or two ago. We have been with him on one or two occasions and have never seen a man who was more ready to be helpful and quicker on the trigger in knowing exactly what was required. He has not only been of the greatest assistance to Perkins and myself but he has also turned over some of his people to help out de Camp, who is trying to collect information on our behalf.

We called on the Donoughmores one day and spent a most delightful evening at thett house. These people over here are so courteous that they have turned out a New York blizzard for our benefit. Donoughmore was as nice as he could be and his wife was charming. They gave us a most excellent dinner and we both of us became filled with

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enthusiasm on Donoughmore's champagne. We have marked it down as the best time we have had here.

Hoping that all goes well with you, and with repeated thanks for your introductions,

Yours ever,

J. P. Grace, Esquire,
Hanover Square,
New York, N. Y.

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Straight #3

Claridge's Hotel, London.
April second, 1916.

Dear Mr. Stone: BELGIAN EXCHANGE BUSINESS.

In our talk with Francqui, he suggested the desirability of forming an American banking group which would make an arrangement with a group of Belgian banks to handle exchange after the war. He points our that Belgium will be obliged to buy large quantities of material and machinery in order to rehabilitate Belgian industry and expedite Belgian reconstruction. He suggests that an agreement be entered into now between American and Belgian banks regarding handling the exchange and for financing these transactions, probably by some form of drawings and acceptances. This is, of course, banking business but may be worth suggesting to the banks. Apparently the Guaranty Trust has already discussed this matter with the Belgians and Mr. Homphill we understand, has been of considerable service in facilitating certain emergency arrangements in Belgium, such as the exchange between German and Belgian war currency. From what Francqui said to Perkins, he gathered that he made the condition that the Guaranty be included in any Group which might be formed.

We understand that an exchange Committee has been formed here in London to deal with these problems and the Belgian exchange will receive consideration. Doubtless this matter is already being considered by the Guaranty and others but we pass the information on as being something

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which you might wish to take up with your banking friends.

Yours very truly,

(Signed) Willard Straight

Charles A. Stone, Esquire,
American International Corporation,
55 Wall Street, New York, N. Y.

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Straight #4.

Claridge's Hotel, London.
April second, 1916.

Dear Mr. Stone: PETROGRAD ORGANIZATION.

We were much pleased to receive your prompt approval of our recommendation that Mr. Holbrook be appointed the Corporation's representative at Petrograd. We reached our conclusions after a full discussion with Governor Forbes, Patten, Lord Harris, Tait of the Russian Corporation, Lord Eustace Percy of the Foreign Office, and a number of others with whom we talked regarding Russian business. We weighed the respective advantages of purchasing the Wilenkin Corporation, of taking a participation in the Russian Corporation or some other British Corporation organized for Russian business, and decided that for the present at least, a personal representation would most effectively serve our needs. Assuming that the principle of co-operation with British interests in Russian business is a sound one, we feel that it would be wiser to hold ourselves free to arrange for co-operation in specific cases with different individuals rather than to attempt to reach a general understanding with any one interest here. The latter course would have committed us to one partner, where our best interests would, it seems to us, be served by being free to associate ourselves with different partners as circumstances might require. You know Mr. Holbrook so well that we feel sure you will agree with us in considering his appointment a most satisfactory one. Patten has impressed us with his clear-headed and conservative estimate of the Russian situation. He speaks highly of Iatchins, the mining engineer, in whom he states that

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Holbrook has great confidence and we believe that this combination supplemented by such technical assistance as Holbrook may from time to time require, co-operating with Meserve and with the Guaranty's representative, if they maintain one in Petrograd, will place us in a most excellent position. From Patten we gather that Holbrook and himself have made desirable connections. They are apparently on good terms with a certain M. Grube, head of the Siberian Bank, and through him and other Russians should be able to secure desirable business.

We have discussed with Patten in a general way, a basis for arrangement with Holbrook. He feels that Holbrook would probably desire participation in the profits of enterprises initiated by him, both construction and financing, that he would undertake, where needed, to organize construction companies which he would direct and in which he would have a considerable interest. This matter, as indicated in our cable, we feel should be settled between you and Holbrook.

Both Tait and Patten feel that there would be no difficulty in securing from the Russian Government the necessary authorization for a foreign holding company to do business in Russia, a Russian charter for a Russian holding company or to obtain charters for such specific enterprises as we might wish to undertake. They feel, and we agree, that if the Russians desire American capital they will do all they can to encourage it to embark upon Russian enterprises. While we believe it desirable by having individual representation, to retain our independence of action, we feel that friendly co-operation with British interests is absolutely essential. We are now proceeding along these lines in our discussions here and with this plan Patten is in entire accord.

We hope that you have taken the necessary steps to inform the State Department of Holbrook's designation and to have the Russian

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Ambassador and Wilenkin notify the Ministries of Foreign Affairs, Commerce and Communications. We feel it important that Holbrook should be clothed with all the dignity which official recognition can give.

Yours very truly,
(Signed) Willard Straight

Charles A. Stone, Esquire,
American International Corporation,
55 Wall Street, New York, N. Y.

Copy handed to Mr Wm's Patten Apr 4th, to take to Fredk Holbrook, Petrograd.

Straight #10

Claridge's Hotel, London.
April second.
1 9 1 6.

Dear Mr. Stone: Belgian Business

Governor Forbes wrote you on the seventeenth of March, regarding his conversations with the Belgians and Mr. Perkins, under another cover, has expressed our general conclusions regarding this business. In case Mr. Forbes letter should have in some way miscarried,
Enc.1-2. I am enclosing a copy herewith, together with a copy of a memorandum prepared for him by Mr. Jadot, who is in charge of the Societe Generale's Spanish interests.

We have discussed the Belgian situation with Governor Forbes, with Francqui, Carton, Lambert Jadot a brother of the Governor of the Societe Generale, and with Sir Ernest Cassel. As a result we feel that this is probably the best and most specific lead which we have found up to date. Of the three enterprises which have been suggested in Jadot's memorandum, we feel, as we have already cabled you, that the Spanish business presents the best opportunity for immediate action. We hope that the Spanish expedition will reach Madrid in time to meet M. Jules Jadot, who is now there. Naturally, you will wish Doctor Strong and his assistants to look into this proposition. It seems to us, however, that we should be able to accept the Belgian's facts and figures practically as presented. We believe that protracted investigation would be both unnecessary and impolitic. We feel that once you have satisfied yourself as to the general situation, we should be in position to open

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negotiations for co-operation. The Congo business also offers promise and we understand the King of the Belgians is greatly interested therein. From Francqui we gather that he may wish to see us and if so, we shall probably go from Havre to La Pan to see him.

Enc.3. We are also enclosing copy of a draft memorandum and translation prepared by M. Carton de Wiart, regarding the establishment of the Belgian-American Committee, which we discussed when the Minister of Finance and Carton de Wiart were in New York. Carton was apparently impressed with the fact that you did not favor the constitution of this Committee. In our opinion it is good policy to give this body a recognized status. From several sources we have received indications that British industrial interests hope to recoup themselves somewhat for the losses of the war, by undertaking reconstruction in Belgium and Northern France, and we believe that this agreement for the establishment of this Committee, though it commits neither the Belgian Government, the Societe Generale nor ourselves, gives us a position which may later be found greatly to our advantage. We propose, after seeing Mr. Stillman at Cannes and getting his views on the general situation, to go to Havre to see the Belgian Minister of Finance and to discuss with him somewhat more in detail, the establishment of this Committee. A copy of the Societe

Enc. 4. Generale's last statement (in proof) is also enclosed herewith.

As regards China, we can see no prospect for immediate progress in this matter. We feel that an understanding with the Belgians would be desirable, as earmarking business which will ultimately be profitable and strengthen our position in the general China situation, regarding which I am writing you in another letter.

Yours very truly,

(Signed) Willard Straight

Charles A. Stone, Esquire,
American International Corporation,
55 Wall Street, New York, N. Y.

Enclosures:

1. Letter from W. C. Forbes.
2. Copy of Memorandum prepared by M. Jadot.
3. Draft Memorandum of agreement for Belgian-American Committee.
4. Statement (in Proof) of Societe Generale.

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Straight #5.

Claridge's Hotel, London.
April third, 1916.

Dear Mr. Stone: BRAZILIAN IRON ORE.

On leaving New York Mr. Henry wrote me a letter suggesting that while we were in London we engage a competent engineer to make a report regarding the importation of iron into the United Kingdom. This report stated he was required in order to estimate the value of the Brazilian iron ore proposition. In our cable No. 4, we asked whether you desired us to secure this report and have received no reply. Until we hear from you we shall do nothing in regard to this matter.

Yours very truly,

(Signed) Willard Straight

Charles A. Stone, Esquire,
American International Corporation,
55 Wall Street, New York.

Straight #7.

Claridge's Hotel, London.
April third.
1 9 1 6.

Dear Mr. Stone: PURCHASE OF SHIPS.

You will remember that when you and Mr. Baldwin and myself went to Washington and later when Mr. Tinsley and I went to see the British Ambassador, the question of the purchase of ships came up. On leaving New York I left a memorandum with you regarding this subject, and I had rather expected to hear from you by cable with regard thereto.

I am inclined to believe that arrangements could be made with the Admiralty to operate these vessels on terms which would be satisfactory to us. Whether you could secure the boats, I don't know. Spring-Rice apparently has written people here, telling them we were interested in this subject. A good many others are trying to climb the same tree. We have merely told people in the Foreign Office, with whom we talked, that we did not wish to trouble them until we had some definite information from you as to whether the ships could be purchased. Please cable if you wish us to do anything.

Yours very truly,

(Signed) Willard Straight

Charles A. Stone, Esquire,
American International Corporation,
55 Wall Street, New York, N. Y.

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Straight #11.

Claridge's Hotel, London.
April third.
1916.

My dear Mr. Stone: CHINESE BUSINESS.

We are cabling regarding China to give you the picture as we see it. As agreed, we made no move here regarding the Hukuang business which you took up with the American Group. We did, however, call upon Sir Charles Addis of the Hongkong & Shanghai Bank, Mr. Alston who is in charge of Chinese affairs in the Foreign Office, and the Chinese Minister. My personal relations, I felt, made it desirable for me to see them. We discussed China also with Lord Bryce and Lord Eustace Percy and have found a considerable interest in China's future and in the attitude of the United States towards this problem.

Addis was obviously ready to discuss terms of possible American re-entry into the old combination from which the Germans will probably be excluded. We did not get beyond the most glittering generalities, because he felt bound to the old American Group and we informed him that we were not prepared to talk these matters with him unless and until the Corporation and Group had reached an understanding.

In addition to its obligations to China and the other Groups under the Hukuang Agreements the American Group is also a party to the so-called Sextuple Agreement signed in Paris on the 19th of June, 1912. While the original Sextuple agreement provided that the Groups should co-operate in practically all Chinese business, industrial business, railway loans, etc., were subsequently excepted. This Agreement, which was to cover a loan of sixty million pounds to China, a loan of twenty-

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Charles A. Stone, Esquire. Chinese Business. -2-

five million pounds has already been made. In this the American Group did not participate. It has a position in this situation, however, which might prove valuable.

I had hoped that the Corporation and the Group might arrange for the Corporation to act for the Group in China with regard to the Hukuang business and such business, if any, as might later be undertaken, the Corporation also to initiate new business to be financed in New York either by Chinese bonds or debentures of the corporation secured thereby, to be placed upon the market by the Corporation in co-operation with the Group.

Specifically, I had hoped that the American Group might agree to our negotiating with the British and French Groups and the Chinese Government for the amendment of the Hukuang Agreement to enable the Corporation to construct and finance the Railway from Ichang to Chengtu. Although nothing could perhaps be done with regard to this matter until the end of the war, negotiations could be initiated at once for a contract which if secured, would, I believe, prove most valuable.

Apparently this arrangement has not met with the Group's approval. Apparently they would prefer the Corporation to take over their position rather than to co-operate with us.

If it were merely a question of taking over the Group's position in the Hukuang Loan, with the possibility that we might have an opportunity to issue Chinese securities in New York, the disadvantages might more than outweigh the advantage to be gained. This matter, however, it seems to me, cannot be considered apart from its bearing on the general situation.

As regards liability to issue a part of the supplementary Hukuang Loan provided for in the Agreement, we should certainly be able to take our share on such terms as the British and French Groups could accept. The

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present determination to exclude Germany from co-operation in Chinese finance will probably result in the termination of the Inter-Group Agreements regarding Hukuang business. Some other international combination, however, will inevitably take its place, for experience in China has shown and the present attitude here regarding China emphasizes the necessity for international co-operation. Our entry into the Hukuang business on the basis which the American Group apparently proposes, should, therefore, be linked with our entry into the Sextuple situation also. With this agreed upon, we should be in a position, perhaps, to secure the contract for the Ichang-Chengtu line, or failing that, to co-operate with the British and French Groups in the extension of the Hukuang system. By reason of the exclusion of industrial loans from the Sextuple Agreement, we should, moreover, be free to negotiate with the Belgians for an interest in their railway project in China. We would establish a contact with the British and French as well as the Russian and Japanese Groups, which would place us in position to be included in the international finance combination which will operate in China, with the support of the various Governments after the war.

By taking over the American Group's interest, therefore, we would not tie our hands for immediate work which we might wish to undertake and would gain a foothold in a situation which in the next twenty-years is going to be of utmost importance, providing, of course, you wish seriously to enter the Chinese field.

Through the International Banking Corporation and Andersen, Meyer & Company, there will be a steady "bread and butter" business, but if you desire to protect this business and develop it, it will be necessary to secure some representation in the international combination which will exercise a dominating influence on the general development of China.

As we cabled you to-day, the only specific matter which it is desirable to discuss now is the possible amendment to the Hukuang Loan Agreement. The General situation probably will not be cleared up until after the war, but I feel that it would desirable for us to have some arrangement with the old American Group which would make us free to talk to people here regarding the possible basis for a general understanding on Chinese business.

Perkins has approved the form of both our cable No. eleven and this letter, but feels that he is not sufficiently familiar with the Chinese situation to express any opinion thereon.

Very truly yours,

(Signed) Willard Straight

Charles A. Stone, Esquire,
American International Corporation,
55 Wall Street, New York, N. Y.

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London, April third.

Dear Fiedler:

Will you please subscribe for "The Sketch", "Illustrated London News" and "Graphic", for Mrs. Doane and Miss Newkirk, and also have these three papers and "The Round Table" sent to Mrs. Sanborn, at Nutley, N. J.

Sincerely yours,

A. W. Fiedler, Esquire,
120 Broadway,
New York, N. Y.

58 Southwood Lane,
Highgate,
N.

3 April, 1916

Dear Mr Willard Straight,

I have now got the copy of Curtis's privately printed "Problem of the Commonwealth," which I promised you or your friend, whose name I have forgotten and cannot decipher in your letter.

I hope I may see you on your return from Paris.

Yours sincerely,

Jp Graham Wallas

es.

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Paris April 4, 1916.

Lloyd Griscom, Esquire,
Hotel Ritz, London.

Sorry not to have seen you. Tried to make it yesterday afternoon but too busy getting ready to leave. In case you leave before our return, good luck. Will see you at home.

Willard Straight

The New REPUBLIC
421 West 21st Street
New York City

Reed Apr 22 a

April 6, 1916.

Dear Willard:

Your cable about Roosevelt arrived this morning and as Herbert is away this week it is more or less up to me to answer it. Perhaps this is a good opportunity for me to explain to you at least how I feel about Roosevelt and his candidacy.

You know that I started with an immense prejudice in his favor. It goes back a long ways. You know too that in spite of the attitude he has taken towards the New Republic no element of spite has entered into our treatment of him. From the very first we have leaned over backwards in ~~its~~ favor, and if my conscience troubled me about our attitude towards him it would be that we have not been as candid about Roosevelt as we have been about Wilson. We not only were the first paper I think anywhere in the country to give full support to Roosevelt on the Belgian question, we have been one of the papers that has persistently pointed out the superiority of his diplomatic method. Except for the one paragraph about Mexico, which I do not need to go into with you now, we have been praising Roosevelt long before the present boom started. At the time of the libel trial in Syracuse we were one of the very few papers in the East here which from the very start played up his side of the case. At other times when he has been grossly unfair, as for example about Mexico last January, at the time when you yourself felt and I believe said that he "will not do", we refrained from criticising him.

When Root made his speech at the Republican Convention holding up the Belgian issue against Wilson, I began personally to feel that the issue was being used in a cheap partisan way. It seemed to me that since Root was in the Senate at the time Belgium was invaded and since Root said not a word about our duty to protest at that time it was a pretty poor performance for him to criticise Wilson on the matter fifteen or sixteen months after the event. Some time after that I first saw the Outlook article of September 23rd, which proves beyond the shadow of a doubt that six or seven weeks after the invasion of Belgium Roosevelt was not only not advocating an American protest but was accepting the old

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policy of isolation. I feel that since the New Republic had said so often that Roosevelt would have acted in a different way about Belgium than Wilson did, it was clearly our duty to eat our words and if possible make Roosevelt eat his. This is what we did in the article about which you have evidently heard rumors by cable. The publication of this article was followed by an attempt on the part of Lawrence Abbott to explain the whole matter away, and we got a flood of letters here saying that we had done Roosevelt a great injustice. That made it necessary for us to reply in this week's issue and therefrom our part of the matter rests.

It was not a pleasant thing to have to do. Personally there are few things in Roosevelt's career that have shocked me as much as this revelation of how his mind works, and I feel most strongly that the reputation of The New Republic for fair play absolutely required our taking the stand about the matter that we did.

In regard to the future, my feeling is about this: Roosevelt is the best man in sight for the job, and Roosevelt himself is not one man but many men. Now some people and some newspapers think it is their duty to elect Roosevelt and take him any way that he comes. You know that The New Republic was not created to play that kind of a game. If Roosevelt is nominated this campaign is going to be the most crucial test of our independence that has ever been presented to us because as I see it we have got to do two things. We have got to lean towards Roosevelt and we have got to keep up a running fire of criticism about him. You realize that a campaign between Wilson and Roosevelt is likely to be one of the most venemous and heated campaigns that we have ever had. The issues at stake are so indefinite that an inordinate amount of bunkum is going to be talked. Now if we refuse to be partisan about that in that situation we are sure to irritate the people closest to Roosevelt--there is simply no way of avoiding that. For example, if he talks foreign policy we are going to have to push him towards the Anglo-American alliance and show that the logic of his position drives us in that direction. Yet in the heat of a campaign there is no issue that he would less like to have pushed upon him. There is no issue so likely to lose him voted. The same is true of his domestic policy. For any kind of real preparedness he has got to be prepared to do things which I believe will outrage the soul of Mr. Root and if not of Mr. Root then surely of the ordinary political leaders in the Republican party. We have got to push him to commit just those outrages. In other words, we shall be very inconvenient politically. We are bound to be about the most troublesome friend that he has.

I have written all this because I know we are going to have to talk it over many times in the next month.

Warmly yours,

WL/SW. Willard Straight, Esq.

Walter Lippmann

Paris
April eleventh, 1916.

Dear Clark:

Ever so many thanks for the box of cigars, which I shall smoke with great pleasure. It was more than kind of you to send them.

Sincerely,

Robert Sterling Clark, Esquire,
4 rue Cimarosa
Paris.

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Paris, April 12, 1916.

Major & Mrs. Waldorf Astor,
4 St. James's Square, London.

Congratulations. Hope all is going well.

Perkins Straight

Paris, April 12, 1916.

Phillip Kerr, Esquire,
175 Picadilly,
London.

We expect reach London Monday next. Delighted dine with you any time next week or week after except Saturday Sunday.

Willard Straight.

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GRAND QUARTIER GÉNÉRAL
État-Major - 2e Beau S. R.

BUREAU MILITAIRE
de Surveillance des Étrangers

le 13 Avril 1916.

AUTORISATION SPECIALE

En exécution de l'Art.3 de l'Instruction Interministérielle du 10 décembre 1915, fixant la réglementation imposée aux voyageurs se rendant d'ANGLETERRE en FRANCE et vice versa, en pénétrant dans la zône des Armées.

LE GENERAL COMMANDANT EN CHEF LES ARMEES FRANCAISES

Autorise

M Willard Straight, Sujet Américain

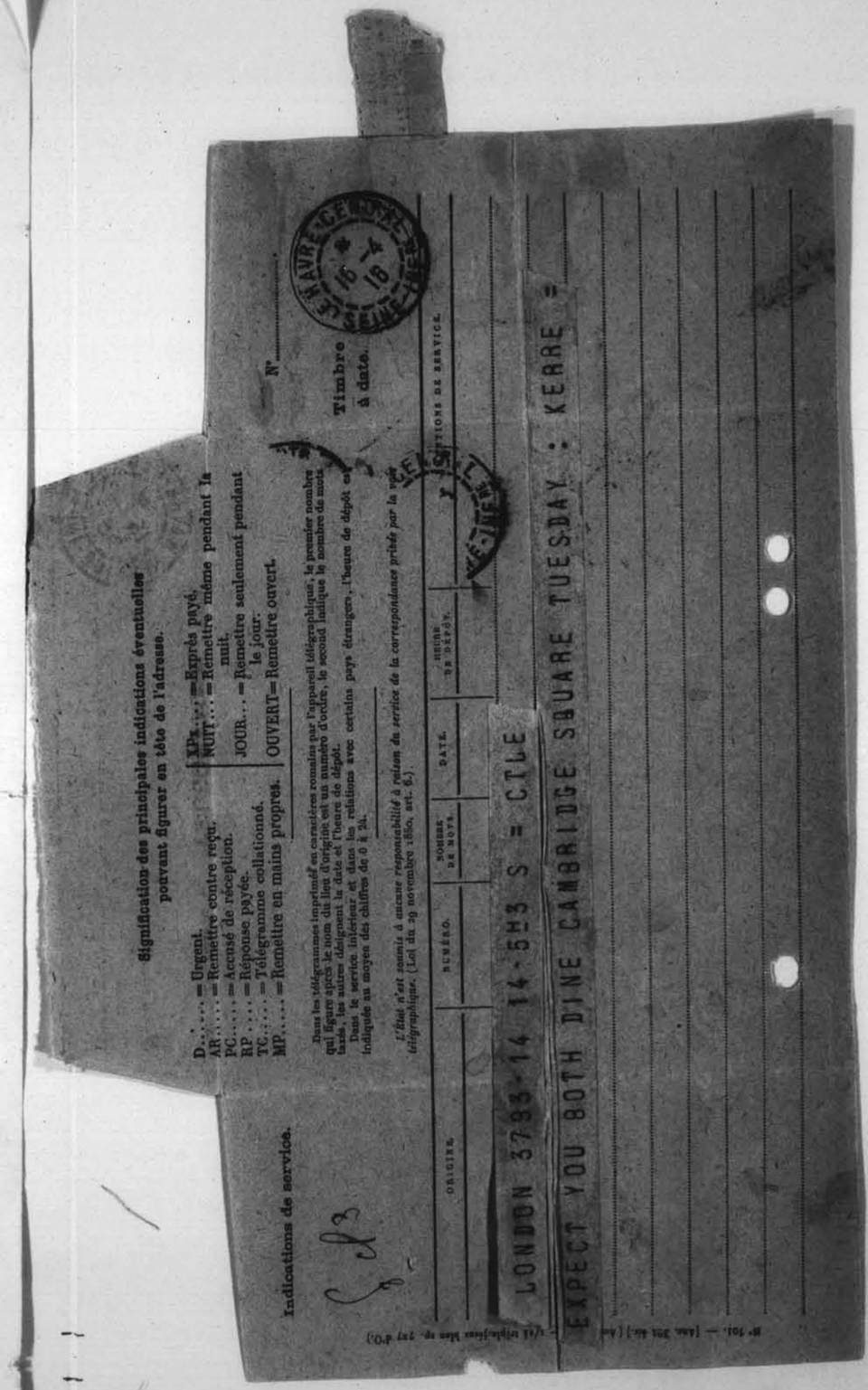
A s'embarquer au HAVRE pour l'ANGLETERRE.

La présente autorisation valable jusqu'au Vingt Avril 1916 -

P.O. Le Chef du Beau Mre de Surve des Etrangers
Délégué du Grand Quartier Général

ETAT-MAJOR GENERAL 2e Bau SURVce DES ETRANGERS

Enregistré sous le N° 15



ght Papers at Cornell University

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22. Old Broad Street.
London, 17th April 1916
E.C.

Messrs. Morgan, Grenfell & Co.
present their compliments to
Mr W.D. Straight
and beg to enclose a cheque
book, an acknowledgment of
which will oblige. as per
telephone message of his
secretary

Claridge's Hotel,
London, 17th April, 1916.

Dear Mr. Wallas,

I have just returned with Mr. Perkins from France and find your kind note of the third, with the book "Problem of the Commonwealth" which you were good enough to send me, and which is very interesting indeed.

I am greatly indebted to you for your courtesy and shall hope to have an opportunity of thanking you in person before we leave.

Very sincerely yours,

Graham Wallas, Esq.,
58 Southwood Lane,
Highgate, N.

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Dear Mr. Grenfell.

I don't know whether you will remember me. I was given a letter to you by Mrs. Charles Steele. I got permission to take some horses back & so that was all right.

I saw in the Paris Herald that Willard Straight had left Paris for London. Shall you see him?

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If so I wonder if you wd. give him my address. I shall be at Chapel Brampton · care John Drage till over Easter Monday. Then I expect to be in town & can always be reached at the Bath Club.

I wonder when Willard is going back.

Will you give him my regards if you see him & tell him how much I shd like to see him.

Yrs ever
Rich. Lindsay

Willard's regards,
Yrs truly
R.C. Cooley.

April 18th 1916.

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Claridge's Hotel, London.
April eighteenth.
1916.

Messrs. Morgan, Grenfell & Company,
22, Old Broad Street,
London, E. C.

Dear Sirs:

I beg to acknowledge receipt of your note of the seventeenth of April, enclosing a cheque book.

Thanking you for your prompt attention to my request, believe me,

Very truly yours,

CABLE ADDRESS
BOLULA, NEW YORK

TELEPHONE
MURRAY HILL 2048

MAX WILLIAMS

RARE ENGRAVINGS, ETCHINGS, SPORTING PRINTS,
REGILDING AND FINE FRAMING

LONDON
33 HENRIETTA STREET
STRAND, W. C.

MADISON AVENUE AT 46TH STREET
(OPP. RITZ-CARLTON HOTEL)

PARIS
17 RUE BONAPARTE

NEW YORK, ~~April 18th~~ 1916

Rec'd May 3rd

Mr. Willard Straight,

Claridge Hotel,

London, Eng.

My dear Mr. Straight,

I cabled you on the 8th, that I had purchased the famous Harbeck collection of American Naval material and I was very glad to hear from you yesterday, regarding same.

I sent you a reply by cable letter last night, stating what I would take for the collection from you. I would not accept that same amount from anybody else; but I am very anxious that you should have this collection, as in conjunction with what you have, will make one of the finest Naval collections in existance, rivaling the Naval Department collection in Washington.

I further enclose a tentative list of some of the principal items in the collection.

Yours very truly,
Max Williams

RR/MW

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CABLE ADDRESS
BOLULA, NEW YORK

TELEPHONE
MURRAY HILL 2048

MAX WILLIAMS

RARE ENGRAVINGS, ETCHINGS, SPORTING PRINTS,
REGILDING AND FINE FRAMING

LONDON
33 HENRIETTA STREET
STRAND, W. C.

MADISON AVENUE AT 46TH STREET
(OPP. RITZ-CARLTON HOTEL)

PARIS
17 RUE BONAPARTE

NEW YORK, April 18th 1916

The Charles F. Harbeck Collection of Books, Autographs,

Documents, Prints and Medals pertaining to the U.S. Navy.

I-The Books.

There are about twelve hundred volumes of books on the American Navy, containing histories, biographies, etc., covering the period of the American Revolutionary War of 1812, Civil War.
The Barnes collection which was presented to the Navy League, was the only collection which could be compared in any way with Harbeck's books There is included the excessive rarties which have an established value at auction.

2- Maclays' History of the American Navy.

Large paper edition printed especially for Mr. Harbeck. Contains hundreds of portraits, views, plans, maps. All nicely inlaid and inserted into the proper places indicated in the text. There are amongst these, portraits and battle scenes of exceeding rarity. Besides this there are 401 autographs inserted. Some of the principal items are letters of G. Washington, John Adams, B. Franklin, Com. Truxton, in fact almost every important name mentioned in connection with the navy. This all is embraced in 14 vol. not bound but placed in especially made boxes. The work represents the life work of Mr Harbeck and his collection of other material was primarily to secure data to complete this work.

3-The Autographs.

There is outside of the collection of autographs contained in the aforesaid a separate collection of 171 letters, containing letters of Bainbridge, Burr, Decatur, Jefferson Davis, Hancock, four letters of J.P. Jones, Lafayette, Lincoln, Mac Dounough, Perry, Preble, Washington;
a collection of ninety letters written by Farragut many of them to his fleet Capt., F.N. Jenkins and to his foster brother Admiral Porter. One of the John Paul Jones letters is dated Feby 1778 and requests the the salute to the U.S. Flag. This is the first salute to the U.S. Flag and is of the greatest importance in the Naval history. It has been estimated to bring $2500 at auction.

4-Documents.

Under this heading is listed the Eaton papers (Eaton was the Amer. Counsul at Tropli) These paper contain all of the offical correspondence with the State Department, all the letter books, bills for tributes paid, all contained in about 15 vol. A unique collection from which may be had the history of the facts leading up to the Tripoli affair at first hand.

[4-18-16]

CABLE ADDRESS
BOLULA, NEW YORK

TELEPHONE
MURRAY HILL 2048

MAX WILLIAMS

RARE ENGRAVINGS, ETCHINGS, SPORTING PRINTS,
REGILDING AND FINE FRAMING

LONDON
33 HENRIETTA STREET
STRAND, W. C.

MADISON AVENUE AT 46TH STREET
(OPP. RITZ-CARLTON HOTEL)

PARIS
17 RUE BONAPARTE

NEW YORK, 191

4 B. Three documents of the first Naval committee, dated Aprl, Aug., Oct., 1776, respectively. The first is three pages and signed by eight signers of the Declartion of Independence, second four pages and signed by eight of the signers. Third one page and signed by five of the signers. All are addressed to the first Admiral of the Navy.

4C The Log Book of the Frigate Boston covering the period of the war with France of which so little is known. There was one Naval Battle fought and an interesting account is given of this and also how the prize was taken into port. The war was then over and the ship was returned.

5. Medals.
The medals are now at exhibtion at the Metropoltain Museum of Art and contains the originals gold medal presented by Congress to Com. Preble also bronze medal of Perry, Paul Jones, etc. The Preble medal is estimated to bring $1500 to $200 at auction.

6. Prints.
Some of the important items are Constitution and Java, Series of four prints by Bachaman, Havell. Chesepeake and Shannon by Lee-Jukes, 1815. Very rare. Perry's victory on Lake Erie by Birch-Lamson, Battle of Lake Champlain by Reinagle-Tanner. Wasp and Frolic by Kearney. Portrait of Thos. Macdonough by Gimbrede. Portrait of Oliver H. Perry by Gimbrede. Perry's victory, aquatint. Paul Jones shooting a sailor by Carrington and Bolds. U.S. Steam Frigate, Princeton by Currier. Sinking of the Cumberland by Merremac, by Newman.

All to-gether there are about 70 prints which comprises this division of the collection.

Note: The estimate of the auction houses are inserted here and there, where valus would be hard to judge unseen.

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London, April 19, 1916

My dear Jimmy:

Grenfell today turned over to me a letter whi you had written him. From Peter Bowditch I had heard that you were in London but when here some two weeks ago, I was so much rushed that I had no opportunity to see you.

I am not at all sure but that I may sail for home next Wednesday, but on the other hand I may be her for some time. When you come back to London I suggest you call me up at Claridge's.

Hoping you have had good luck, believe me,

Very sincerely yours,

J. C. Cooley, Esquire,
care John Drage, Esq.
Chapel Brampton.

London, April 19, 1916.

E. G. Hillier, Esquire,
care Hongkong & Shanghai Banking Corporation,
9 Gracechurch Street, London, E. C.

Have arrived from Continent and will be here until Saturday, returning Monday morning. Presume you will wish stay in country until ~~xfkax~~ Tuesday after Easter. Could we lunch together either Tuesday or Wednesday next week. Happy Easter to you all.

Willard Straight.

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Claridge's Hotel, London.
April twentieth.
1 9 1 6.

My dear Mr. Wilenkin:

It was very kind of you to cable me, stating that you had forwarded certain letters, and I have been awaiting their arrival before replying. There must have been some delay in the mail, as your message was received prior to my departure for Paris and I have not as yet seen or heard anything of the letters. We have spent two very interesting weeks in London and two weeks on the Continent a part of the time being occupied by a visit to Mr. Stillman at Cannes, which was most instructive.

No doubt Mr. Stone has explained to you our views cabled from London, in regard to the situation in Russia. After consultation with a number of people here, we feel that for the time being, at least, it will be the wiser plan for us to have individual representation in Russia rather than to attempt to work through a Corporation. I quite appreciate the great value of your advice in this connection but our best information here, from those who are familiar with the present situation in Petrograd, constrains us to take a somewhat different view.

We have not as yet had an opportunity to meet Count Benckendorf, but expect to do so tomorrow by appointment. I shall take pleasure in conveying to him your messages.

Both in London and in Paris we have been going very slow as both Mr. Perkins and myself feel that it will be necessary to have a

TELEGRAMS & TELEPHONE, REGENT 3586.

14, GREAT RUSSELL MANSIONS,
GREAT RUSSELL STREET, W.C.

20/4 opposite British Museum

Dear Sir,

I was very sorry not to be able to see you on Tuesday or yesterday. I am sorry always over Easter but should be very pleased if you could lunch with me on Thursday next here at 1.15, or, if it is more convenient, come in for a cup of tea in the afternoon about 4.30 — or on Friday.

Yours very truly

A G Quinnell

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permanent representative here and it will be for him rather than for us to establish permanent relationships. Our trip has really been one of reconnaisance and I feel fully convinced that we have learned much that will be of value to the Corporation.

Mr. Perkins is returning next week and I shall probably remain here for some little time longer.

With best wishes and looking forward to seeing you in the near future, believe me,

Yours ever sincerely,

Gregory Wilenkin, Esquire,
care Russian Embassy,
Washington, D. C.

P. S. Please give my respects to the Ambassador and Madame Bakmetieff.

Claridge's Hotel, London.
April twentieth.
1916.

My dear Martin:

It is many a moon since I have heard from you or of you or written to you. We have been here more than a month now and still are going around like a pair of whirligigs, calling on people all day and comparing notes, dictating letters and sending cables all night. It seems one continuous bang. Itwill be glad of the opportunity to get on the steamer and go to sleep, once I can get away from this side of the water.

Perkins and I had expected to return on the twenty-ninth of April, but according to the latest advices from home, I shall probably stay for some little time longer. Needless to say, our experience has been one of most intense interest. We have met many people and have had an opportunity to hear a great many views. We have discussed a great many things which will make a lasting impression. There is no question about it, if one wants stimulation, this is the place to come. Everything is keyed up to concert pitch and people are thinking harder than they have ever thought before. Of course, in London and Paris there is a spirit of optimism and as we have thought from the beginning, there is no question of the ultimate victory of the Allies. Indications, which may be more or less significant, seem to give some ground for hope that Germany is about to crack, but of this you are able to judge just as well in New York as we are here. Naturally, the thought of everything else has more or less given way to the President's message to Congress. As you and I said after the Lusitania, a rupture was inevitable sooner

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or later. Personally, I wish it would come "sooner." Personally, I trust it may come now, but there have been so many "last words" and Germany has always managed to wriggle with such effect, and our people have played so consistently "the jellyfish", that I confess "I am from Missouri," although I am much more encouraged than at any other time.

The Pall Mall Gazette tonight says that your friend, Jim Mann, has made a little play for the German vote by criticising the President for having been too severe on the Germans and too lax on the British. I always knew he was a pin-head. If I saw you now I would tell you just what I think of him, but unfortunately, expressions of that sort don't look well in print, and more than that they would probably corrupt the morals of Mr. Kincaid who is taking this dictation. If the Republican party tries to make capital out of the President's rare exhibitions of back-bone, the Republican party deserves to go out of business.

I have seen Phil Patchin only once. He is very busy and we have been rushed. I saw George Denny the day we arrived at Falmouth, I talked to Bobby Collins over the phone, and we have seen Governor Forbes and Peter and Warwick Green, Peter on only one occasion. We have seen the Governor more frequently as we have had some business to transact together. As a matter of fact, except for the time when I was here with H. P. D. last year, I don't know when I have been so continuously on the job in one way or another. On some occasions it has taken the form of consuming other people's booze, which under other circumstances would be a pleasant relaxation, but here it has been merely a continuance of nerve pressure.

We have had a number of thrills--crossing the Channel between twelve and five A. M. from Folkestone to Dieppe and returning via Boulogne. We got near enough to the front to make it uncomfortable and

when a gun went off within a hundred yards of us, I felt it was about time to beat it for home. We were not under fire but we did see the shrapnel bursting about a mile away, not to the front but to the side. Everything was very quiet, not even a rifle shot. Captive baloons and aeroplanes overhead, however, soldiers everywhere, battered buildings, ragged trees, destroyed dug-outs and the booming of big guns in the distance all gave us an impression which we shall never forget.

Give my love to Ellie and to my friends in the office.

With best wishes always,

Yours ever sincerely,

Martin Egan, Esquire,
23 Wall Street,
New York, N. Y.

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London, April 24th, 1916.

Mrs. Lionel Lambart,
Shorbourne,
Dorset.

Would love to see you. Is there any chance of your coming to London.

What news of Lionel. Answer care Claridge's.

Willard Straight.

Claridge's Hotel, London.
April twenty-fourth.
1 9 1 6.

Dear Mr. Perkins:

Pursuant to our understanding, I am embodying herein certain conclusions with regard to the London and Paris situation.

During our stay in Europe we have discussed with Government officials, with bankers, financiers and others, the policy which the American International Corporation should pursuein order most effectively to enter the so-called foreign investment field.

In both London and Paris it seems to be generally recognized that for some years to come British and French capital will be required to finance the war and the period of reconstruction that must follow. We have been told frankly that an American attempt to take advantage of this situation to displace long established interests abroad would be resented. We have been assured, on the other hand, that the co-operation of American capital on a mutually beneficial partnership basis would be welcomed.

In our various interviews we have stated that the American International Corporation did not wish to attempt even to displace British and French interests, but did wish to reach an understanding with them regarding future and perhaps immediate co-operation. (The question of our relations with the Societe Generale de Belgique is dealt with separately;

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As a result of our enquiries, I believe we are in agreement that, from the standpoint of the American International Corporation, the immediate and important problem in both London and Paris is not the transaction of any specific piece of business, but the establishment of proper relationships.

In view of the increasing control exercised by the British and French Governments over financial matters and the close co-operation of the bankers with the Ministries of Finance and Foreign Affairs, it would seem that the friendly interest of both the British and French Governments is desirable. This can only be obtained if the American International Corporation secures the good will and co-operation of the leading bankers and banking institutions in London and in Paris. To be identified with any but representative institutions would make it impossible for the Corporation to realize its greatest possibilities. Once the Corporation has gained the confidence of the leading bankers and of the governments, desirable business should be developed, for at this time even more than before the war, business gravitates through certain established channels which are dominated by the Governments and the leading bankers.

The London situation would seem to give the greatest promise for immediate business. To secure this business as suggested above, it is essential that the Corporation should enjoy the friendship of the Morgans, Barings, Browns, Lazards and other of the leading houses, as well as the principal joint-stock banking interests. The houses named particularly are intimately connected with New York and their co-operation in London cannot be obtained unless the relationship between the Corporation and their New York affiliations be adjusted also on a co-operative basis.

As regards the firm of Morgan, Harjes & Company, the foregoing applies to Paris also, and, to a lesser extent, as regards the principal

French credit institutions which, although perhaps not so directly connected with New York, will, nevertheless, because of their associations with London, be greatly influenced by the views of the Anglo-American houses. While believing that the question of establishing relations with Paris bankers should be carefully studied, it is felt that for the present this should be undertaken by the representative of the Corporation in London, with the aid of Mr. Grant Forbes and/or some other assistant who may be appointed.

The matter of the most immediate interest to the Corporation in France would seem to be the sale and financing the sale, of materials to French industrial establishments in the occupied region of Northern France. The Allied Machinery Company, now controlled by the Corporation, would, on the basis of a cursory investigation, seem to have an effective sales organization. On the basis of our observation and enquiry it would seem, however, that there is at the present time no one connected therewith competent to establish the most advantageous relationships with the French Government and the leaders of French industry.

In conclusion, therefore, I trust that you will subscribe to the following recommendations:

1. That the Corporation's relationships with the leading New York banking houses be defined.

2. That the Corporation as soon as possible appoint a representative for London, who, with such assistance as may be given him, shall also study the Paris situation.

3. That an agent of the right calibre be appointed to conduct the business of the Allied Machinery Company in Paris.

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[4-24-16]

T. N. Perkins, Esquire, -4-

A Memorandum embodying a resume of our discussions of the various points covered above, is appended hereto.

Very truly yours,

(Signed) Willard Straight

Thomas N. Perkins, Esquire,
Claridge's Hotel,
London, W.

[Encl. 4-24-16]

MEMORANDUM.

London, April 22, 1916.

We have seen in London, either together or separately, in the Government, Mr. Balfour, First Lord of the Admiralty, Mr. Walter Long, President of the Local Government Board, Mr. Lewis Harcourt, Secretary of State for Home Affairs--all members of the Cabinet--Mr. Worthington Evans and Sir Walter Townley, in the Foreign Trade Bureau of the British Foreign Office, Mr. Blackett of the Treasury, Mr. Lancelot Smith of the Board of Trade, Mr. Drummond, Private Secretary to Sir Edward Grey, Mr. Kidston, Mr. Alston and Lord Eustace Percy of the Foreign Office. In business and financial circles, we have seen Mr. Grenfell and Mr. Vivian Smith of Morgan, Grenfell & Company; Lord Revelstoke, Mr. Farrar and Mr. Cecil Baring of Baring Brothers; Mr. Kindersley and Mr. Brand of Lazard Freres; Mr. Charles Seligman of Seligman Brothers; Mr. Chalmers and Mr. Brown of Brown, Shipley & Company; Mr. Grant of Higginson & Company; Lord Harris and his colleagues of the United Goldfields of South Africa; Lord Faringdon of Greenwood & Company; Lord Rhondda, formerly associated with the Ministry of Munitions; Sir Edward Holden of the London City and Midland Bank; Sir Felix Schuster of the Union of London and Smith's Bank, Limited; Sir Charles Addis of the Hongkong and Shanghai Banking Corporation; Mr. Tait of the Russian Corporation; Mr. Frederick W. Baker of the Russian Mining Corporation; W. S. Kyre of Grace Brothers. We have also discussed matters with the American Ambassador, Governor Forbes, Mr. Dunning of the National City Bank, Mr. Benjamin Strong of the Federal Reserve Board, who has been in London making certain investigations, and a number of others, with whom we have talked of the general situation. Our conversations with M. Franqui, Chevalier

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Carton de Wiart and Senor Perez Triana have been referred to specifically elsewhere.

In Paris, either together or separately, we have seen M. Ribot, the Minister of Finance; M.Ms. de Margerie, Berthelot, Gautier and Ponsot of the Foreign Office; M. Chevalier, Director de l'Office National des Valeurs Mobilieres; M. Sergent of the Banque de France; M. Andre Berthelot, head of the Paris Metropolitan Railways; M.Ms. Kulp and Dappels of the Banque Francaise-Italienne pour Sud-Amerique, and with them called upon M.Ms. Griolet, Turetini and Noetzlin of the Banque de Paris. We also on several occasions saw Messrs. Harjes and Carter of Morgan, Harjes & Company, and one or two others.

At Cannes we spent three days with Mr. James Stillman and at Havre and St. Pierre Brouqq saw the Belgian Ministers of Finance and the Colonies, and the Prime Minister and Minister of War, Baron de Brocqueville.

The following is submitted as a resume of these conversations and of the conclusions based thereon:

The vast expenditure of capital incident to the War, the mobilization of national financial resources, and the prohibition of foreign issues on the London and Paris markets, has made and will for some years make, it impossible for British and French financial interests to furnish additional capital for enterprises already established, or to find fresh funds for undertakings already contemplated or in the promotion stage in foreign fields. Many of these enterprises require money. It has been feared by some that American interests might, by taking advantage of these needs, attempt to displace long established connections. This would be resented. The co-operation of American capital on a partnership basis, however, would be welcomed. This, it has seemed to us, is the Corporation's opportunity.

[4-22-16]

Having recognized this fact, the problem is how to deal therewith in order to realize to the full the possibilities of this situation.

The first factor to be considered is the extraordinary control exercised by their Governments over the British and French financial communities. The second is to recognize that because of the close relations between Governments and bankers, the line between banking houses and institutions of the first class and those of lesser importance is more clearly defined than ever before. Because of official influence it is essential to be on good relations with the Governments and this is only possible if the good-will of the leading financial interests be secured.

As the principle result of our enquiries, therefore, we have been impressed with the primary importance of establishing relations with the proper people. They control the channels through which business must inevitably be directed. The Corporation could without doubt find profitable enterprises even though a different policy were followed, but by the establishment of relationships with the leaders, business of the right sort will most surely follow.

In London from the outset, we emphasized our desire to co-operate with British interests in various parts of the world, expressing the hope that the Corporation might utilize its capital in a way which by being mutually beneficial, would enable the Corporation to avail itself of the superior knowledge of the foreign investment field possessed by British interests. This idea seemed to meet with general approval.

The question then arose as to the manner in which this general principle of co-operation would be applied to specific business. Business that might arise was classified under four general categories.

1st. Furnishing capital to enterprises now under profitable operation. Such transactions would probably be loans which would produce merely a

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financial return without an opportunity to acquire an interest in the management and which would carry no collateral benefit such as the sale of materials or stock ownership.

2nd. Furnishing capital to enterprises now being operated successfully or unsuccessfully, where it would be possible to obtain a stock ownership and an interest in the management and arrange for sale of American materials on some basis for the division of the orders.

3rd. Furnishing capital for enterprises which are still in the initial stage, in the hands of construction or promotion syndicates. In such business there should be an opportunity to purchase either partial or entire control, but so doing might entail the necessity of carrying the enterprise until it were found possible to dispose of stock to the public.

4th. Furnishing capital and material for reconstruction in France and Belgium. Transactions of this character will probably require the furnishing of capital to long-established concerns on a financial basis and of financing the sale of materials which they wish to purchase. There would probably be little opportunity to obtain a share in stock ownership.

Enterprises falling under the first three headings represent three phases in the natural development of business, from the promotion to what might be termed the banking stage. They would in general be located in Russia, Spain, South America, China or Africa, where investments have been made by British or French capitalists who now might welcome American financial co-operation.

Business falling under the first two headings, which might be the most immediately profitable, would probably now be controlled in London, either directly or indirectly, by the leading so-called "merchant-banking houses," or the great joint-stock banking interests, or in Paris by the so-called "credit institutions", which represent the best elements in British and French finance. Enterprises falling under the third heading

are apt to be in the hands of the more speculative houses, who, under ordinary circumstances, would hope to carry their propositions until such time as they could turn them over to the public either directly or through the more representative banking interests just mentioned.

In London there would seem to be an immediate opportunity to look into business of the first three classes. In Paris, however, consideration of business falling under the fourth category is of more immediate importance. In considering the question of reconstruction in France and Belgium, however, it should be remembered that British industrial interests with the encouragement of the Foreign Office and Board of Trade are contemplating securing an important position therein.

In discussing the manner of dealing with the enterprises of these various characters, we were asked whether the Corporation proposed to do a banking business. We replied in the negative. We were asked what form of financing the Corporation proposed to undertake--would it compete with, or supplement the functions of, existing banking houses? We replied that we believed it would be the Corporation's policy to co-operate with and to supplement the activities of existing houses by initiating business, and carrying enterprises until such time as they reached the "bankable" stage.

The question as to whether the Corporation will co-operate or compete with the banking houses is a fundamental one. The future policy of the Corporation both in New York and elsewhere depends upon the answer thereto. The Leading London private bankers, Morgans, Barings, Browns, Seligmans, Lazards, Higginsons, whose good-will we believe to be essential to the realisation of the Corporation's greatest possibilities, are all intimately associated with American bankers. For years, in one form or another, they have been engaged in placing American securities on the

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London market. The former position would now seem likely for some time at any rate, to be reversed for the United States apparently may become a lender rather than a borrower, as heretofore. These banking houses, therefore, will naturally endeavour, through their American connections, to finance in the United States enterprises initiated by British interests in various parts of the world. If the Corporation is to compete in the United States with these American associates of London houses, the London houses will show little desire to co-operate with the American International Corporation, nor does it seem that the Corporation will berable to serve its greatest usefulness or realize its greatest profits if it fails to reach an understanding with the leading bankers in the United States. Such an understanding need not necessarily involve the exact designation of the line where the bankers' activities cease and the Corporation's commence, nor a clear definition of the respective functions of the bankers or the Corporation. It would, however, require the establishment of mutual confidence between the bankers and the Corporation with a clear agreement for co-operation on terms to be arranged. It is submitted that the Corporation's best interests lie in endeavouring to create a field which has not yet been developed in American finance. It may serve as an investigator and initiator of foreign business and be recognized as the instrument of the great banking houses in foreign fields, acting more or less as their representativesand carrying various enterprises until such time as in co-operation with the banking houses they may be financed through public issue.

If such an understanding could be reached between the Corporation and the bankers in the United States, the good-will of the leading London financial interests can, it would seem, be secured, provided the Corporation be represented in London by the right man. Once a satisfactory position is established with the leading London institutions, co-operation in various

[4-22-16]

specific enterprises, which may be arranged with British financial interests, will, it is believed, receive the assistance and approval of the British Government.

In France the inevitable dearth of capital for development, and the necessity of borrowing in the United States is recognized. The suggestion that American and French interests should co-operate was well received. Paris bankers, however, have for years been interested rather in the creation and sale of securities, than in the utilizing of their funds to secure construction and industrial as well as financing profit. The practice of the Paris market is complicated and requires close study. The Paris situation, moreover, is as yet by no means clear and the time does not seem to have arrived to attempt to work out a basis for co-operation with French interests in foreign fields. The most promising immediate prospect for business would seem to be for development of the relations with the owners of the large industrial plants in the occupied region of Northern France, who will require considerable financing and must make large purchases as soon as the War is over.

The London and Paris situations are closely allied and co-operation between the London and Paris agents of the Corporation is essential. For the present it is submitted that it would be wise to have the London representative of the Corporation study the Paris situation with possibly an assistant who could be sent to Paris at the proper time. It is believed that the Allied Machinery Company should send to Paris an experienced man who could be prepared to deal with the business growing out of the reconstruction period, and who can occupy a position which is not now held by the Allied Machinery organization.

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London, April 24th, 1916.

Dear Mr. Perkins:

Referring to my Memorandum, embodying certain conclusions as to dealing with the general situation here, I am enclosing herewith memoranda regarding various specific matters, which I trust you will take up with the Corporation on your return to the United States. They are as follows:

1. Petrograd Sewage System.
2. Colombian Railways. ✓
3. J. G. White & Company. ✓
4. Chile & Argentine Railways.
5. Pernambuco Tramways.
6. Chinese Business.
7. Belgian Business. ✓
8. Sao Paulo Loan.
9. Coal Pulverizer. ✓
10. Allied Machinery Company.
11. Brazilian Iron Ore.
12. Purchase of Ships. (Brazil)
13. " " " (General Greene) ✓
14. Attitude of British Foreign Office toward co-operation with American International Corporation. ✓
15. Attitude of British Foreign Trade Bureau toward co-operation with American International Corporation. ✓ ✓
16. Thames Trading Company.
17. Process for Removing Ink from Paper.
18. Question of Employment of Mr. Paquet as Secretary of Belgian Committee. ✓
19. Chilian Northern Railway.

Very truly yours,

(Signed) Willard Straight

Thomas N. Perkins, Esquire,
Claridge's Hotel,
London, W.

MEMORANDUM NO. 1.

April 22nd, 1916.

PETROGRAD SEWAGE SYSTEM.

Referring to telegrams on this subject, Governor Forbes will doubtless take this question up with Mr. Stone on his arrival. As I understand it, Mr. Forbes and Mr. Patten discussed this matter with Mr. Baker and Mr. Sawyer. Plans and specifications are in Petrograd and these they do not wish to show to Mr. Patten unless they know the Corporation is seriously thinking of undertaking this business. Mr. Theodore J. Cook claims to have secured the concession. He has called, but apparently is not aware that Mr. Baker has already taken the matter up with us. He states, however, that he is co-operating with Mr. Baker.

Governor Forbes and yourself will doubtless discuss with Mr. Stone the question of the personalities involved and the desirability of connecting with them, and no doubt you will obtain Mr. Holbrook's views as to the merits of this proposition as compared with others which he may suggest.

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[4-24-16]

MEMORANDUM NO. 2.

London April 24th, 1916.

COLOMBIAN RAILWAYS.

The question of port works at Buenaventura and financing the Pacific Railway Company of Colombia has been discussed with Mr. W. S. Eyre of Grace Brothers. It seems that for some time Grace Brothers have been in negotiation with Senor Perez Triana, formerly Colombian Minister to London and Madrid, and with others in regard to this matter. From statements made by Mr. Eyre and Senor Perez Triana, it would seem that the basis on which Grace Brothers were negotiating is a more favorable one than that which we discussed in New York with Doctor Alvarez. Reports regarding the Railway and data as to the negotiations are on file with Grace's New York office, with whom we have suggested that the Corporation should get in touch.

Prior to our departure from the United States, Mr. Stone had gained from Mr. Frank Hart, the impression that it would be impossible to undertake any work in Colombia unless the pending treaty between Colombia and the United States were ratified or some satisfactory arrangement reached. It was interesting to note that Senor Perez Triana does not share this view. He feels that Colombia must obtain money to develop her resources; that this money can be obtained only in the United States. He believes that there are two parties in Colombia--one, the political crowd, is making capital out of the disturbance in Colombian and American relations; the other, the commercial, represented by the business interests, desire closer affiliations with the United States. Senor Perez Triana adds that the Cauca Valley is inhabited by the most progressive element in Colombia; that their prosperity depends upon the

construction of the proposed Railway, and that threats have already been made that unless the Government facilitates the obtaining of the necessary funds, they would revolt, as did Panama. Senor Perez Triana believes that the sanitation of, and the construction of port works at, Buenaventura should be undertaken simultaneously with the construction of the Railway. He believes that satisfactory arrangements can be made with the Railway Company as to financing the construction and with the Government in regard to the port works. He has written a long letter, (copy of which is appended hereto) to Mr. McAdoo, a copy of which was sent to Mr. Lansing.

It is suggested that in connection with the letter written by Mr. Straight to Mr. Phillips, it might be desirable to advise the State Department that thesmmatter was being discussed with Senor Perez Triana.

When these negotiations assume more definite shape, it is possible that Senor Perez Triana's assistance might be valuable. Perhaps it would be wise to consult with Mr. Hart regarding his standing.

Enc.
Copy of letter from Senor Perez Triana to Hon Robt. Lansing
" " " " " " " " " " W. G. McAdoo

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[4-24-16]
[enclosed]

(COPY) Undated.

PERSONAL.

Hon. Robert Lansing,
Secretary of State,
Washington, D. C., U. S. A.

Dear Mr. Lansing:

I beg to enclose herewith a copy of a letter which I wrote to Secretary McAdoo on March 11th last. Since then I have received a letter from him from which I gather that he may have left Washington by the time that my above mentioned letter reached your City.

I beg to call your attention to the enclosed letter, which is self explanatory. Since it was written I have received advices that the United States did not make from Colombia the harsh demand which had been reported. This is very favourable news e on the other hand it does not change the situation. The modernization of the port of Buenaventura is an imperative necessity which neither the United States nor Colombia can ignore for long. The fundamental situation remains unchanged and demands an early solution.

I am in direct touch with public men and private institutions in Colombia who are most anxious to maintain and strengthen the cordiality of relations with the United States, and to see that everything should be done to carry out the modernization of the Buenaventura Port and the Pacific Railroad with all possible speed.

Perhaps you will have heard some ugly rumours of revolution and separitism in the Pacific Coast regions of Colombia on account of the suspension of the Pacific Railroad works and the non carrying out of the Buenaventura Sanitation Works; this ought to induce Colombia to do her utmost in the direction of carrying out the works at issue.

I take the liberty of writing to you and I believe that I am not

an intruder in so doing. As a Colombian, as a friend and admirer of the United States and as an American in the integral sense of the word, and as one who has endeavoured to do his utmost for Pan-Americanism, I believe myself with the full right to present suggestions and to make indications in whatever quarter they may seem to do good to the great cause of American cordiality, or Pan-Americanism, and even of the peace of the Continent.

Trusting that at any rate you will do me the justice of viewing the step which I am taking in this broad spirit,

I have the honour to be,

Yours faithfully,

S. PEREZ TRIANA.

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[encl. 4-24-16]

. COPY March 11, 1916.

PERSONAL

Hon. Wm. G. McAdoo,
Secretary of the Treasury,
Washington, D. C., U.S.A.

Dear Mr. McAdoo:

In connection with Colombia and the United States, there appear certain developments which, if not handled carefully, may prove harmful, not only to the amicable relations between the two countries, but to the cause of Pan-Americanism throughout the Continent. The unvarying kindness and cordiality which you have constantly shown to me, encourage me in laying certain remarks before you, in the hope that they may be of some service.

I am not referring to the treaty of April 6th, 1914, relative to Panama matters, now before the Senate. The Administration, by signing the Treaty, has placed on record its conception of the right course to be followed. In that direction there remains nothing to be said.

I refer to the sanitation of the Port of Buenaventura, on the Pacific, in Colombia, South of Panama. The following cases occurred at Ancon, on the Canal Zone, where the scourge had been unknown for several years - which were directly traceable to Buenaventura.

The United States have asked the Colombian Government to proceed immediately to the sanitation of Buenaventura, failing which they themselves will undertake to carry out the task for account, and at the expense of Colombia. In the meantime, if found necessary, the Port of Panama will be closed to ships sailing from Buenaventura. It is evident that the United States are bound to prevent the infection of the Canal Zone at all costs, pecuniary or otherwise. It is evident also that temporary measures such as the closing of the port of Panama to ships coming from the tainted district cannot satisfy the requirements of the case.

[4-24-16]

It follows, therefore, that the immediate sanitation of Buenaventura is a permanent manner, imposes itself as something that cannot be postponed. The question is not whether it should be carried out or not, but how it should be done. If Colombia cannot, or will not, do it, the United States must carry out the sanitation of Buenaventura forthwith.

Colombia's attitude and steps taken by her in the past few years, show her grasp of the situation and her decided intention to convert Buenaventura into a modern port, from the point of view of sanitation, as well as of facilities for the handling of freight and the comfort of passengers. Furthermore, a railroad to the interior of the country is under construction, financed entirely by the Government.

Complete plans and surveys, with the estimates of cost for the port and sanitation works, were made some three years ago by Messrs. Pearson & Sons of London for account of the Government. One half of the customs receipts of the Buenaventura and Tumaco (another Colombian Pacific port) have been set apart by act of Congress, for the sanitation of Buenaventura and the construction of the port and harbour works. That half amounts at present to about one million dollars annually, sufficient to provide interest at the rate of six per cent on more than 15 million dollars. The estimated cost of the required works does not reach that amount.

The revenue from the above mentioned ports has increased by over 75 per cent in the last five years, and bid fair to continue increasing steadily.

In normal times it is probable that Colombia would have been able to raise the funds required for the sanitation of the port and harbour works, without any great difficulty either in England or on the Continent. The war puts any such possibility absolutely out of the way.

The United States are the only financial market available. It is

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not probable that Colombia could raise the sum required - say 10 to 12 million dollars - in the American market at present. American capital is not familiar with Spanish America, and much less with Colombia, securities; furthermore, profitable and gilt-edged investments in domestic industrials and European Government Bonds suffice at present for practically all the American surplus capital, so that the chance for Colombian securities would be a very meagre one. Only through the support - not necessarily official but officious - of the American Government, could it be hoped to place Colombian securities on the American market.

Since the sanitation of Buenaventura must unavoidably be carried out immediately, and since Colombia cannot do it, although she possesses sufficient revenue to guarantee the required capital, the dilemma for the United States is whether they take the matter into their own hands and collect the bill from Colombia in due course, or whether they help Colombia to carry out the work herself, with such safeguards and precautions as circumstances may indicate for the protection of the vital international interests at stake.

If the United States adopt the policy of carrying out the work themselves, that policy will be considered not only as unnecessarily harsh and high handed, but as indicating and demonstrating that Pan-American cordiality is not a genuine and solid sentiment; the enemies of Pan-Americanism both on the American continent and on other Continents, certainly would hasten to exploit the incident to the utmost. If, on the other hand, the United States - irrespective of the Senate decision with reference to the Panama Indemnity Treaty - offer Colombia the financial facilities to carry out the sanitation of Buenaventura, it is to be expected that Colombia would hasten to accept the offer, and that thus all international pernicious developments would be avoided.

Whilst it is undeniable that the sanitation of Buenaventura must

be accomplished forthwith, and that the United States must see to it that it is done at once, it is also undeniable that the right policy and the only policy compatible with the position of the United States, not only in the American Continent but in the family of nations, is the policy of least friction and of the greatest display of friendliness and consideration to a weaker American nation. If for any reason whatsoever Colombia should refuse the proferred help, no one could blame the United States for fulfilling a task which could not be left unaccomplished. Even if Colombia had no resources whatsoever, the policy of helping her to carry out the work would be the right and the only policy, but as matters are the United States - not acting officially but as has been explained - would be only advancing money on good security and avoiding complications of incalculably harmful potentialities.

I have tried to be as concise as possible; should you desire it I can supply you with full information. I may add that besides the harbour works the railroad into the interior should also be constructed.. Over a hundred miles of that railroad have been completed, and the other half of the customs revenues, that is to say another million dollars annually, is available to repay the principal and the interest on the capital that may be raised to construct the railroad, some 400 miles in extent.

I need not add that I am writing this letter out of my own and personal initiative. Should it be deemed worthy of consideration the matter might be treated with the Colombian Government. I would venture to suggest in such a case that it should for the present be dealt with through the American Minister at Bogota and not through the Colombian Legation at Washington. The whole question seems to be of such vast importance and of such a delicate nature that I venture to request of you to show this letter to President Wilson and to Secretary Lansing.

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It occurs to me also that if you should feel unwilling to write at length or in detail in reply to this letter, you might instruct your Ambassador here, Dr. Page, who honours me with his friendship, to talk the matter over with me. At any rate I beg of you that you will see in this step that I am taking, only my ernest and sincere desire for the maintenance of the good relations between Colombia and the United States, and for the cause of Pan-Americanism, in favour of which the present Administration and you yourself most especially, have done such admirable work.

I beg to remain, dear Mr. McAdoo,

Yours Faithfully,

S. PEREZ TRIANA.

MEMORANDUM NO. 3.

London, April 24th, 1916.

J. G. WHITE & COMPANY.

Mr. Stone is doubtless in possession of full data regarding J. G. White & Company. Mr. Connett and Mr. Burton made an excellent impression and the firm has a good standing in London. They have been contractors, operators and consulting engineers, and to a certain extent have acted as a house of issue. If the Corporation desired to finance its enterprises in London, the affirmative reports of J. G. White & Company would apparently be a valuable asset. The issue of foreign securities in London will for some time to come be impossible. British Corporations, moreover, are apt to be heavily taxed after the war. It might be wise for the Corporation to establish close relations with J. G. White & Company to consider propositions submitted by them, to consult with them regarding foreign enterprises brought to the Corporation's attention, or to utilize their men for investigation and operation in foreign fields. There would not, however, seem to be any immediate advantage in buying a stock interest in the Company. The acquisition of such stock interest, moreover, might at some time prove to be embarrassing, as it is conceivable that it might interfere with the Corporation's ability to utilize the services of J. G. White & Company in a consultative capacity.

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[4-24-16]

MEMORANDUM NO. 4.

London, April 24th, 1916.

CHILIAN-ARGENTINE RAILWAYS.

Appended hereto is report prepared by Mr. de Camp regarding the Transandine Railway, to which reference has already been made in my letter number two.

We are advised by Mr. Vivian Smith that the Chilian Government would in every way facilitate the taking over of this Company and the operation of the road by an American corporation, and would be inclined, he believes, to grant such American corporation the right to arrange for the construction on suitable terms, or itself to construct, an extension to the sea. Mr. Vivian Smith also suggested that the Buenos Aires & Pacific Railway had for some time been suffering from bad management. He believes the road is essentially sound and capable of profitable operation. The ordinary stock of the company is now quoted at about 5-4 7/8 - 40 3/8, having been quoted at 92 3/16 - 64 1/2 before the war. He believes that during the next year the stock might be picked up on even more advantageous terms, and that with careful handling it should be possible to acquire say one-third interest, which would, as the stock is widely distributed, in all probability give control. He stated that Morgan, Grenfell & Company would be glad to co-operate with the Corporation in the acquisition of this property and would be prepared to act with and for the Corporation in picking up the stock on the London market.

Mr. Grenfell also stated that the Cordova Central was an excellent property. The stock is held in large blocks and he believed it might be acquired now on a basis which would make an excellent investment.

Chilian-Argentine Railways. -2-

As reported in a separate memorandum, a certain Judge Coyne and a Mr. Samborne have suggested that the American International Corporation acquire control of the Chilian Northern Railway (the northern section of the Chilian Longitudinal). They do not recommend that the Corporation operate this road, but point out that the acquisition of the Company would enable the Corporation to undertake a very profitable banking transaction. The Chilian Northern is crossed by the Antofagasta and some time ago Judge Coyne and his associates were in negotiation with the Antofagasta for the acquisition by the latter of the Chilian Northern. Judge Coyne has also suggested that the Corporation build the port works at Lebu and construct the so-called Chilian Eastern Railway, running east from this point. This line taps the coal and agricultural region of Southern Chile and might, it is suggested, eventually be extended across the Andes into Argentina.

In addition we learn that the Southern Section of the Chilian Longitudinal Railway is in an unsatisfactory financial condition.

With the exception of the Chilian Transandine, we have as yet but little data concerning these properties. From what we have heard, however, there appears to be a situation worthy of careful study, and one which might contain the elements of an important and profitable combination of Chilian and Argentine railroad systems.

Report taken by Mr. deCamp
One copy left in London

See also Mem. #19.

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[4-24-16]

London, April 25, 1916.

CHILIAN NORTHERN RAILWAY

While on board ship enroute to England from New York, Judge Coyne brought to the attention of Mr. Straight and Mr. Perkins the possibility of profit in connection with certain business operations concerning the Chilian Northern Railway Company. Copy of this memorandum is attached.

As matters stand today, it would appear that no profit could be derived from the operation of this line, as everything above expenses is repaid to the Government to make up the amount expended on construction, which money was supplied by the Government by the issuance of "creditos" upon which the company issued their debentures with said "creditos" as collateral. The business would appear to be purely a banking one, and would mean the buying up of these debentures from time to time and exchanging them for the "creditos" at par as they are amortized by the Government 2% sinking fund. There does not appear to be any possibility of loss, as the company is protected in that it may call such debentures at par, and by buying a sufficient number in the beginning would be able to protect itself by other advantageous purchases in the open market without being forced to take such securities at par which some later united action on the part of the bondholders might compel them to do. The present range of these securities and Chilian Government 5% securities is attached hereto, also a description of the undertaking.

R. J. de Camp.

Price Range

		1910	1911	1912	1913	1914	1915
CHILIAN NORTHERN RY							
5% 1st Mtge Debs Guar	H		94 1/4	100 5/8	101	97 5/8	80 1/2
Quot'n Apr 21,'16 = 75	L		93 3/4	94	93 3/4	90	63
CHILIAN GOVERNMENT 5%							
5% 1892	H	103	103 3/4	102	100 1/2	98	90
	L	99 1/2	99 5/8	97 1/4	96	94 1/2	76 1/2
5% 1896	H	103 1/2	104 3/8	103	100 1/2	98 3/8	87
	L	99 1/8	99 1/4	96	95 1/2	92 1/2	76
5% Loan 1905	H	103 1/8	103 1/2	102 1/8	100 1/4	97 1/2	88
	L	99 1/2	98 7/8	97 1/2	95	94	74
5% Bonds 1909	H	103 1/2	103 1/2	102	99 1/2	97 1/8	86
	L	99 1/4	98 7/8	97	95	92 1/2	73 7/8
5% Loan 1910	H	102 1/2	104 1/2	102 1/2	100	97 1/2	86 1/4
	L	99 1/8	97 1/4	97 1/4	95	93	74
5% Loan 1911	H		103 3/4	102 1/4	101 1/8	98 3/4	87 1/2
	L		99 1/8	97	95	92	80
5% Loan 1911	H		99 1/8	100 1/8	100	97 1/2	87 1/2
Second Series	L		98 5/16	95	93	90 1/2	80
5% Ann Series "A"	H			99 3/4	98 3/4	96 3/4	85
	L			95	94	89 1/2	72
5% Ann Series "B"	H				97 1/2	96	82
	L				95	86 1/2	71
5% Ann Series "C"	H					94	82 1/2
Redeemed by purchase or draw						87 3/4	70 3/4

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MEMORANDUM NO. 5.

London, April 24th, 1916.

PERNAMBUCO TRAMWAYS.

At the suggestion of Mr. Farrar of Baring Brothers, we called on Lord Faringdon, who it is stated is the greatest authority in London on South American finance. We discussed with him the g general question of co-operation, which he stated would on terms be welcome. He stated that he had received from M. Kulp, of the Banque Francaise-Italienne pour Sud-Amerique, intimation that the Corporation might be interested in acquiring the Pernambuco Tramways, now controlled by an Anglo-French syndicate. Mr. Connett, of J. G. White & Company, states that this enterprise is of considerable interest. Full information is in possession of Mr. Hough, of the White organization, who is sailing shortly for New York and who will be instructed to take this matter up with the Corporation on his arrival in America.

MEMORANDUM NO. 6

London, April 25, 1916.

CHINESE BUSINESS

Up to the present time three different interests have suggested that the Corporation cooperate with them in China:

(1) The Société Générale group, which desires the Corporation to take an interest in their Chinese railway scheme;

(2) Pauling & Co., who desire the Corporation to join with them in constructing and financing the construction of a railroad in China;

(3) The Banque Industrielle de Chine, which would welcome the cooperation of the Corporation in financing railway construction and undertaking Government loans.

Of the three schemes mentioned, the Pauling proposition would seem to be of the most immediate importance. Mr. Straight will bring back to New York full data regarding the proposition made by the Banque Industrielle de Chine.

An interesting situation with regard to Chinese business has been created by the determination of the British and French Governments to exclude the German Group from cooperation with British and French financial interests in China. American cooperation will doubtless be welcomed. In the memorandum appended hereto this situation is analyzed and certain recommendations made as to the policy which it is suggested the Corporation should follow.

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MEMORANDUM REGARDING CHINESE BUSINESS.

Business in China has been found extremely profitable, as is demonstrated by the success of the Hongkong & Shanghai Banking Corporation, which is dependent primarily upon its Chinese business, by the formation of the Deutsch-Asiatische Bank, which has been controlled by a number of large German banking institutions, the Banque de l'Indo-Chine, which is controlled by a group of French banking interests, the Russo-Asiatic Bank, which is owned by institutions in France and Russia, the Belgian Bank and one or two other institutions in China. The International Banking Corporation has not been as successful as the others because in the first place it has not been able as they have done to draw a steady income from loan service, nor has it been able to offer the facilities for financing such American trade as there is in the Orient, on a competitive basis with the older established institutions.

China trade has stirred the imagination of merchants since the days of the Roman Empire. The rights of foreigners to trade in China have been reluctantly granted by the Chinese Government under political and sometimes under military pressure from the outside world. At the end of the nineteenth century it seemed for a time that China would be divided amongst the great European powers. Save for the acquisition of naval bases by some of the powers prior to 1900 and the occupation of Manchuria and Mongolia by Russia and Japan, the plan of acquiring territory has now seemingly been abandoned and an attempt has been made to obtain a share of Chinese trade through financing the Chinese Government's requirements and by loaning money for Railway construction.

[4-26-16]

Because of the political weakness of China, it has been found necessary by various Governments to extend to an unusual degree support to the banking and commercial activities of their nationals. This has been done in some cases with a view to securing a dominating position and in others to securing equality of commercial opportunity which might be denied if any one Nation obtained a monopoly of rights for Chinese development.

It was a recognition of this situation which prompted President Taft and Mr. Knox to encourage the formation of the American Group for Chinese business, which was organized to secure for American interests participation in Chinese loans and by so doing to obtain for American industry a share in the profits of Chinese development.

Because of the history of the development of foreign business in China; because of the peculiar situation of foreigners in China, living as they do under extra-territorial jurisdiction; because of the commercial rivalry between different nationalities and the activities of the various Governments in attempting to secure for their nationals a share in the China trade, it is essential that the Corporation, if it desires to do business in China, should take these various factors into consideration and while ~~considering~~ dealing with such specific business as may arise, plan to acquire a position in the general situation.

The history of the relations between the various financial Groups now doing business in China is roughly as follows:

Following the Chinese-Japanese War, the Hongkong & Shanghai Banking Corporation and the Deutsch-Asiatische Bank combined to loan to China a portion of the sum she required to pay the Japanese war indemnity. French banks provided the balance, and the Russian Government guaranteed the loan issued in Paris. Both of these loans were secured by the revenues of the maritime customs.

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[4-25-16]

The Hongkong & Shanghai Banking Corporation and the Deutsch-Asiatische Bank reached a general understanding as to financing Chinese loans.

In 1897-98 there occurred what is known as the "Battle of Concessions."

At this time, to avoid too close co-operation with the Germans, the Hongkong & Shanghai Banking Corporation and the great trading firm of Jardine, Matheson & Company, organized what is known as the British and Chinese Corporation, which was formed to secure Railway concessions and undertake the sale of Railway supplies.

Anglo-German interests and this Corporation as well, obtained the right to build certain railways.

During the same period Russian, Belgian, Franco-Belgian, and American interests all obtained contracts to finance Chinese Railroad construction.

In 1900 the Boxer trouble caused the suspension of these activities and in payment for damage done at this time, China was forced to pledge the balance of her customs revenues and a certain portion of her internal taxation to the payment of a huge indemnity, for which she was responsible to the powers acting in unison.

In the next seven years the British and Chinese Corporation and German interests reached a general understanding regarding financing Railway construction, supplementing the earlier understanding between the British and German Banks. British and French interests organized a Company known as the Chinese Central Railways, whose objects were similar to those of the British and Chinese Corporation mentioned above; and finally, British, French and German interests, acting through the Hongkong & Shanghai Banking Corporation, the Banque de l'Indo-Chine and the Deutsch-Asiatische Bank reached a general understanding for Chinese financing, to which the British and Chinese Corporation and the Chinese Central Railways were parties.

[4-25-16]

In 1909 the American Group was organized with the view to securing participation in the loan for the construction of the Hukuang Railway system, for which the British, French and German Groups were then negotiating. Subsequently, the American Group signed a preliminary agreement for the loan for the construction of the Chinchhau-Aigun Railway in Manchuria.

On May 23rd, 1910, the American Group came to an agreement with the British, French and German Groups regarding the basis upon which these Groups, acting jointly, would negotiate with China for the Hukuang Loan. To this Agreement, the British and Chinese Corporation and the Chinese Central Railways and a similar organization created by the German Group were parties.

In October, 1910, the American Group secured from China a preliminary agreement for a loan of ten million pounds to be utilized for currency reform in China and for certain development work in Manchuria.

Following the signature of this preliminary agreement with China the American Group on November tenth, 1910, reached an understanding with the British, French and German Groups for financing and undertaking Governmental financing of all sorts. Two contracts were signed---one the so-called Inter-Bank Agreement, with the Hongkong & Shanghai Banking Corporation, the Deutsch-Asiatische Bank, and the Banque de l'Indo-Chine; and the other the Inter-Group Agreement, to which the British and Chinese Corporation, the Chinese Central Railways and the German organization were parties.

In the spring of 1911, the four Groups, acting jointly, signed with the Chinese Government an agreement for the Hukuang Loan, which was shortly afterwards issued. The final agreement for the Chinese Currency Reform and Manchurian Development Loan was signed by the four Groups with the Chinese Government at about the same time.

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For the latter Loan certain Manchurian revenues were pledged as security. The Russian and Japanese Governments on this ground claimed that this agreement prejudiced their predominating interests in Manchuria.

Before the Currency Loan could be issued, a revolution broke out in China in the autumn of 1911. Following the downfall of the Manchu Government and the creation of the Republic, the four Groups were in negotiation with the Chinese Government for certain advances. Russia and Japan advised the British, French, German and American Governments that they desired Russian and Japanese financial interests to co-operate with the four Groups in financing the re-organization of the Chinese Government. After protracted negotiations, during the course of which the British Government forced the Hongkong & Shanghai Banking Corporation to associate with itself other British banks and banking houses in order to make the British Group truly representative of British financial interests, an agreement was signed between the six Groups in Paris on the 19th of June, 1912.

This so-called Sextuple Agreement provided for a loan of sixty million pounds to China, to be issued in series. It stipulated that the Agreement between the six financial groups should remain in force until the loan had been issued or until a period of five years had elapsed. In the minutes of the conference, which were considered to be equally binding with the Agreement itself, it was provided that any one of the signatories might withdraw from this Sextuple Agreement if continued adherence should be considered inimical to the interests of its Government.

This Agreement although ostensibly financial was quite as much political in character. The signatory Groups were either directly or indirectly designated by their Governments as representatives of their national financial interests for Chinese financial business. The combination had been created with the hope of assuring international political co-operation in China,

[4-25-16]

through the creation of an investment for which the Chinese Government was to be responsible to the six Powers acting in unison. The conclusion of the Sextuple Agreement represented the efforts of the six Governments to adjust their different interests in China on the basis of a common understanding. This Agreement originally provided that in addition to the Re-organization Loan, the various Groups should act jointly both as regards Government administrative financing and loans for industrial (Railway construction) purposes. The provision for co-operation in industrial loans was subsequently eliminated.

When President Wilson assumed office he refused to continue the support which had been granted by President Taft to the so-called American Group. The American Group, therefore, did not participate in the loan of twenty-five million pounds which was made to China early in 1913 by the other Groups co-operating under the Sextuple Agreement. By failing to participate, however, the American Group did not withdraw from the Sextuple Agreement, to which it is still a party. The American Group did withdraw, however, from the so-called Four Group Agreements, signed in London November 10th, 1910. Inasmuch as the Hukuang Loan had been issued, the American Group remained bound by the Inter-Group Agreements for Hukuang business which had been signed in Paris on the 23rd of May, 1910. These Agreements provided for co-operation by the Groups for the construction of the Hukuang system, which embraced lines contemplated but not actually included in the Agreement signed by the Groups with the Chinese Government for the Hukuang Loan.

At the outbreak of the European war, therefore, the British French, German, Japanese, Russian and American Groups were bound (1) to each other regarding Chinese Government financing, (2) the British, German French and American Groups were bound to each other as regards financing

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the construction of the Hukuang Railways and possible extension thereof, and (3) the British, French and German Groups were bound to each other by the Agreement for general co-operation in Government administrative as well as industrial loans, to which they had reverted when the American Group denounced the Quadruple Group Agreements of November 10th, 1910.

The Allied Governments have now determined that their Groups shall no longer act with the German Group in China. Loan Agreements which have been signed with the Chinese Government, have in general provided that each Group takes its share without responsibility to the others. While the Groups, therefore, have been bound to each other by the Agreements above mentioned, they have as regards loans actually issued, been separately responsible to the Chinese Government. The exclusion of the German Group from these international combinations, therefore, while it will not presumably affect outstanding issues, will place the German Group outside the existing combinations for financing China.

From recent press despatches it would appear that the political disturbances caused in China by the attempted assumption and subsequent renunciation of the Imperial title are in a fair way towards settlement. Sooner or later there will be a compromise. Even if the Chinese themselves desired it, a deciding weight of foreign pressure would prevent the erection of two separate Governments in China. In the meantime, apparently, business has gone on about as usual, subject of course to adverse influences owing to the war, and future business in China will probably be even more profitable than has been business in the past.

The principal disturbing element at the present moment is Japanese influence. Its extent is causing some apprehension both in London and Paris. To control it, it is believed that an attempt will be made to induce Japan to subscribe to some policy to be pursued jointly by her present allies in China. The instrumentality through which such co-operation will be made

effective will undoubtedly be an international financial Group.

It is presumed that the Sextuple Agreement, minus the Germans, will be preserved and will form the basis for future financial co-operation by the Allied Powers in China. To this agreement the American Group is a party and Great Britain and France would welcome the active re-entry of American interests in this combination. The American Group is also associated with the British, French and German Groups as regards Hukuang business. Assuming that the American Group desires to continue its association with the British and French and is willing to sacrifice its relations with the German Group, it would only be necessary for the American Group to re-enter the situation to restore the American Group to practically its original position, except that it would no longer be bound to the British and French Groups for any industrial loan business except that arising from the Hukuang contract. Such a restoration, however, would presumably necessitate the appointment of a representative of the American Group in Peking. Whether the Group desires to take this step or not, is a matter to be determined.

If it desires to enter the Chinese field, the Corporation should at the outset consider the relation which it will bear to this network of international financial agreements described above. Its relationship to this International Group will be determined in the first instance by its relations with the American Group. It is believed, moreover, that there exists at the present time a situation which if properly handled will place the Corporation in a position to co-operate with the American Group and the other Groups in the international combination and which at the same time will give the Corporation an independent position of importance. Once such a position were acquired the Corporation could, through the old American Group, enter into a general combination with the other Groups,

for industrial loans,

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or could remain on an independent co-operative or competitive basis as circumstances might dictate. These factors in the situation are:-

1. The American Group is bound by the Sextuple Agreement as regards Chinese Government administrative financing; to the British and French (and German) as regards business arising in connection with the Hukuang lines, but is free as regards all other Chinese industrial business. The American Group presumably does not wish to go to the expense of maintaining an agent in Peking.

2. Lee, Higginson & Company have been designated Financial Agents of the Chinese Government and apparently, with the Guaranty Trust Company, are contemplating the issue of a Chinese loan.

3. It has been suggested that the Corporation co-operate in China:-

(a) With Belgian interests represented by the Societe Generale, which is affiliated with but independent of the Russian representation in the old Six Power Group.

(b) With Pauling & Company, which has secured from the Chinese Government a contract for the construction of a Railway which the British Government desires to see completed by British or by British and American interests.

(c) With French interests represented by the Banque Industrielle de Chine, which has a contract for Railway construction and also for certain Government loans. This Group, although not included in the original French Group for Chinese business, is affiliated therewith and it is believed will eventually be placed upon a co-operative basis through the instrumentality of the French Foreign Office.

It is suggested therefore, that the Corporation proceed along these general lines:-

1. That the Corporation attempt to arrange that the old American

Group, consisting of Messrs. J. P. Morgan & Company, Kuhn, Loeb & Company, First National Bank and National City Bank, admit to membership therein Lee, Higginson & Company, the Guaranty Trust Company and the International Banking Corporation and designate the Peking manager of the International Banking Corporation as their agent.

2. Designate its own representative in Peking, who will, while co-operating with the representative of the American Group, be free to negotiate for Railway and other industrial loans.

3. Enter into negotiations with the Belgian, British and French interests mentioned above, for co-operation with them in Railway construction and that the Pauling contract be given attention in the first instance, as being for political reasons the most desirable.

4. That the Corporation reach with the American Group as described above, an understanding that the Corporation will co-operate with the Group in issuing Chinese loans, contracted for by the Group, on the New York market.

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MEMORANDUM NO. 7.

London, April 24th, 1916.

BELGIAN BUSINESS.

At Le Havre we saw M. Van de Vyvere, Belgian Minister of Finance, and M. Rankin, Minister for the Colonies. Both of them approved of the memorandum prepared by M. Carton de Wiart, and stated that they would amend this memorandum by arranging for the inclusion in the Committee of representatives of the Ministries of Finance and the Colonies. This matter was submitted to Baron de Broqueville, Minister of War and Prime Minister, and was submitted by him to the King of the Belgians, who approved. We are now awaiting amendments to the memorandum, which Mr. Van de Vyvere promised to send. As soon as they are received we believe it wise to organize the Belgian-American Committee.

Both M. Van de Vyvere and the Minister for the Colonies are anxious that the Corporation should as soon as possible send railway and mining engineers and a general commercial representative to study the situation in the Congo. We advised them that following the organization of the Committee we would recommend that men be sent to London as soon as possible to co-operate with the Committee and be directed to proceed to the Congo when the necessary arrangements were made.

More or less similar Belgian business has been presented by M. de la Porte, who has been negotiating with Mr. Dunning of the London Branch of the National City Bank. His memorandum is attached hereto and undoubtedly should be referred to the Belgian Committee when formed and Mr. de la Porte should be communicated with as soon as possible and notified of any decision which may be made regarding his proposition.

MEMORANDUM NO. 8.

London, April 24th, 1916.

SAO PAULO LOAN.

M. Dappels spoke to Messrs. Perkins and Straight regarding a situation in the Brazilian province of Sao Paulo, which he believed presented chances for profitable business. This matter he said he had referred to Governor Forbes, who will probably take the matter up with Mr. Stone. It is suggested that Mr. Perkins on his return to New York follow this matter up.

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MEMORANDUM NO. 9.

London, April 24th, 1916.

COAL PULVERIZER.

As stated in telegrams exchanged with New York, there seems to be considerable interest in England, France and Italy in the coal pulverizing process. It may be impossible to do anything definite in these countries pending the termination of the war, but the installation of such a device might, we believe, receive favorable consideration. Mr. Charles Seligman, of Seligman Brothers, has discussed this matter with Mr. Thornton, of the Great Eastern Railroad, who expresses considerable interest. The prospect for installing these devices on South American Railways and at the same time of developing low grade coal properties is believed to be worth careful study.

If the Locomotive Pulverized Fuel Company is unwilling to part with the foreign rights, it is suggested that it might be possible, with the American International Corporation, Seligman Brothers, and the Locomotive Pulverized Fuel Company, to organize a small corporation to undertake to sell, and to finance the sale of, these devices in foreign fields, or, as an alternative plan, the Allied Machinery Company might be utilized to handle the commercial end on behalf of a syndicate in which the three interests mentioned above would have participation. The necessary financing could be undertaken through the American International Corporation and Seligman Brothers.

MEMORANDUM NO. 10.

London, April 24th, 1916.

ALLIED MACHINERY COMPANY.

We were unable to see Mr. Carpenter in Paris before he sailed for the United States. We did, however, see Mr. Browning and Mr. Ostertag, and visited the offices of the Allied Machinery Company. These are well located and seem satisfactory.

Our enquiries at the American Embassy and Consulate General regarding the representatives of the Company were unproductive. From enquiries outside we learned that the representatives of the Company were well regarded and believed to be doing a good business. Although our examination was but a cursory one, it seemed that it was a fairly effective sales organization. The Company seems to be working on the "salesman" idea and so far as we could learn have not attempted, except through salesmen, to get in touch with those who are likely to become large customers.

We do not believe that this plan of operation will produce the best results. While feeling that the sales organization should be perfected and developed along the present lines, we believe that there should be at the head of the European organization of the Allied Machinery Company a more representative man who will deal with principals direct and not through salesmen. Sales are at present apparently made on a cash basis but we believe there should be an opportunity for placing large orders in connection with the reconstruction in France and Belgium, provided the requisite financing arrangements can be made. As at present advised, we do not feel that the present representatives of the Company are competent to undertake work of this character. As stated in our telegram, a man of the standing and experience of Mr. Muchnic would, we believe, be the type of man required.

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MEMORANDUM NO. 11.

London, April 24th, 1916.

BRAZILIAN IRON ORE.

As stated in our telegrams, it was understood on our departure that this matter would require some delicate handling. When we saw Sir Ernest Cassel, therefore, we did not mention this subject, and in reply to New York's suggestion that we make general enquiries, we have requested further instructions, which have not been received.

Mr. Dunning is sailing for New York on Sunday and is, we understand, familiar with this business. We have therefore felt that we could not acquire information of any particular value without making enquiries which might complicate the situation. We have, therefore, not attempted to carry the matter further.

MEMORANDUM NO. 12.

London, April 24th, 1916.

PURCHASE OF GERMAN SHIPS
NOW IN BRAZILIAN PORTS

Appended hereto there is correspondence with Mr. Lage regarding co-operation with his Company in the possible purchase of German ships now in Brazilian ports. According to our latest advices it seems unlikely that the Brazilian Government will seize the ships. On the other hand, if the United States should sever diplomatic relations with Germany and seize the ships now in American ports, it is probable that Brazil might follow suit. Available tonnage, however, would be largely increased by American action and the prices at which vessels could be purchased in Brazil should be somewhat lowered. It is believed that on terms, the transaction should prove profitable. Mr. Lage is prepared to go to New York if necessary. Doubtless, the Corporation, through the City Bank's representative at Rio de Janeiro, has already obtained data to enable it to consider the merits of this business.

Note:

This business, as indicated by the letter of March 27th, 1916. written by Mr. Lage to Messrs. Morgan, Harjes & Company, was first submitted to Mr. Harjes in Paris, was referred by him to New York and on being informed that New York was not interested therein, he suggested to Mr. Lage that the Corporation might desire to take up this matter.

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[4-24-16]

HOTEL BRISTOL. PARIS MARCH 27, 1916.

MESSRS. MORGAN HARJES & CO.
31 Bd. Haussmann,
PARIS.

Gentlemen:

On the 23rd instant I had an interview with a member of your firm respecting the purchase by my firm of certain German steamers at present interned in Brazilian ports and, for your information, I now write in order to set out more fully the proposal I then made.

As is well known, the Brazilian Government are contemplating the acquisition, for utilization in oversea commerce, of all German steamers at present lying idle in Brazilian water, of which there are about 40 of various tonnage, and this measure will in all probability soon be an accomplished fact. The motive for their act is to besought not merely in a desire to obtain payment for the large quantity of Brazilian coffee seized by Germany in Europe at the beginning of the war but also in the equally legitimate motive to remedy so far as possible, in the interests of Brazilian as well as other overseas commerce, the present shortage in the carrying capacity of shipping. While therefore the majority of the ships seized will no doubt be disposed of to purchasers of other nationalities, the Brazilian Government will undoubtedly wish to see some of these steamers retained to navigate under the Brazilian Flag in the overseas trade, and, for this purpose, they will be readily disposed to sell a substantial proportion of these steamers to a Brazilian Company possessing the necessary standing, organization and reputation.

The Companhia Nacinal de Navegacao Costeira, which we own and operate, is the only Brazilian Company satisfying these conditions. It owns twenty-two steamers which, under contract with the Brazilian Government, ensure the

coasting trade of Brazil and maintain a regular mail service between the north and south of that Republic. It is, therefore, exceedingly well known in the shipping world as the best medium for the distribution of European and American goods all over Brazil while its undoubted high standing, its privileged position and close business connection with the Brazilian authorities render it practically certain not only that it can purchase the steamers if so minded but that it will be asked to do so, and that the price of transfer will be favourable.

It might of course be possible for my Company, to acquire these steamers from the Brazilian Government without any initial outlay of capital and by some system of deferred payments which would be easily met out of the profits; but it is obvious that this would involve some degree of governmental control and interference thus hampering our freedom of action and militating against the success of the scheme. I therefore propose that my Company should buy the steamers outright and for this I invite the financial co-operation of your firm.

My proposal is that your firm should advance to my Company the funds for the purchase of three steamers of the suitable tonnage for the requirements of the South American trade.

But, whilst your firm, interested as it is in the prompt transport of supplies to the Allies, would more readily finance an undertaking which would tend to facilitate such transport, I merely suggest then, that four steamers be acquired for this service alone.

I have figured that on the basis of four round trips a year the running expenses of the steamers engaged in the South American Trade would be $ 5.25 per ton of merchandise carried; the running expenses of those engaged in the North American trade, calculated on a basis of seven round trips a year, would be $ 6.32 per ton of merchandise carried,-the difference being due to the fact that coal is carried on the return trips to South America, while to North America the ships have practically to return in ballast.

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It will therefore easily be seen that at the present rates ruling in the freight market the profits on the first two voyages will be sufficient to repay the initial outlay of capital employed in financing such an undertaking. In addition to the practical certainty of rapid repayment my Company will be ready to mortgage the steamers to you, deposit the insurance policies with you and generally to make such other arrangements with regard to security and financial profit as will be mutually satisfactory.

I do not give any further or detailed figures in this letter, as this would serve no useful purpose unless and until you are good enough to inform me that the scheme interests you. The foregoing will suffice to show you the general outlines of the scheme and all further details will be gladly submitted by me should you entertain my proposal.

In order that I may take all necessary steps in this matter I must complete my arrangements as soon as possible and I should therefore esteem it a favour if you would reply at your earliest convenience.

I am, Gentlemen,

Yours truly,

(Signed) Renaud Lage.

[4-24-16]

HOTEL BRISTOL Paris, April 10, 1916.

J. R. CARTER, ESQ.

Morgan Harjes & Co.

PARIS.

Dear Mr. Carter :

Enclosed please find the statement of general expense confirming the figures given in my letter of March 27th, 1916.

I believe I have been very liberal in estimating the running expenses for steamers of the size proposed and trust that by so doing I am met with your approval.

If you require a more minute statement containing practically every item of expenditure I am willing to prepare it to submit to your appreciation.

Yours very sincerely,

(Signed) Renaud Lage.

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[4-24-16]

ESTIMATE OF EXPENSES FOR THREE

STEAMERS TRADING TO SO. AMERICA.

This estimate is made on the assumption that the three steamers have a Deadweight of 800 tons or thereabouts, and on the supposition that the capital expenditure for their purchase and repairs they require in order to put them in service will be in the neighborhood of $ 1,300,000.

Rate of interest on capital 6%	$ 78,000.
War risk insurance will probably be less than 4% but we will assume it to be at that rate.....	52,000
F.P.A. insurance on hull and Machinery about 1%.....	13,000
The crew's wages and feed will amount to about $ 38,600 per ship per annum. We will take it to be (in round figures) for three steamers.....	116,000
Engine room supplies such as oils, grease, waste, water, small tools, etc. and deck supplies such as paints, ropes canvas, etc. will be about $ 8000 per ship per trip, which will make for the three steamers per annum the sum of	96,000
Sundry repairs to engines, boilers, and deck department, such as are required to keep the steamers in their class to run them efficiently will be about $ 20,000 per ship per annum or for three steamers the sum of.....	60,000
	$ 415,000

[4-24-16]

Transfer	$ 415,000

Coal Consumption

This is based on the duration of the sea voyage from England or France to So. America, to Rio and return lasting about 80 days, 54 of which are spent at sea, the balance in port, for leading and discharging the cargoes and on the assumption that at sea the coal consumption per day is 35 tons while in port it is about 6 to 7 tons per day. 2050 tons of coal will be the total consumption per steamer per round trip and 8200 tons will be the yearly consumption per steamer while 24,600 tons will represent the coal consumed by three steamers. In order to make round figures we will say 25,000 tons at $ 6 per ton will cover the expenses for fuel..... 150,000

Port dies, pilot fees, towage and other minor expenses will amount to $2500 per steamer each trip making this expense per annum for three steamers be.....	30,000
Expenses for leading and discharging a total of 150,000 tons carried per annum by three ships can be assumed to be about 60 cents per ton which amounts to.....	90,000
Unforeseen expenses, taxes, brokerage (probably none) office expense in Europe, etc. about.....	100,00
THE TOTAL EXPENSES ARE.....	$ 785,000

COST PER TON $\frac{785,000}{150,000}$ = $ 5.23

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In the North Atlantic these same steamers will surely make six round trips a year and some will undoubtedly make seven, and during that period of time they transport a minimum of 125,000 tons of cargo.

We can consider the running expenses to be the same as before without committing any appreciable error, because while the expenses for handling the cargo will be smaller, the port dues pilot charges, etc. will become greater, for the number of trips is greater, therefore the gain on one side is balanced by the extra expenses on the other.

The same occurs with the coal expenditure, this item is cheaper in North America but the daily consumption is increased because the caloric power of American coals is inferior to that of Cardiff, All the other items will remain the same.

Under these conditions the cost of transportation per ton will be:

$$\frac{785,000}{125,000} = \$\ 6.30$$

Coal freight to South America (Brazil & River Plate) now range between 60/ & 70/ per ton and homewards freight vary from 150/ to 160/ per ton. In the North Atlantic Wheat in bulk is quoted at 16/ to 18/ per quarter or 75/ to 85/ per ton. Oats are quoted at 15/ to 17/ per quarter or 105/ to 119/ per ton. Steel is at ~~$15/ctarriy/quarquarter~~ $ 23.00 per ton. Provisions are carried for $ 25,00~~$~~

[4-24-16]

(COPY)

Hotel Bristol

Paris, 12th April 1916.

Willard Straight, Esqre.,

Hotel Crillon,

P a r i s.

Dear Sir:-

Confirming our conversation of yesterday, I beg to state that the terms I would suggest to the INTERNATIONAL TRADING COMPANY for financing the purchase of steamers now interned in Brazilian ports might be done along the following lines:-

1. The steamers to be purchased and owned by the COMPANHIA NACIONAL DE NAVEGACAO COSTEIRA of Rio de Janeiro: they will, however, perform an entirely different service, their accounts of expenses and earnings will be kept separately from the other steamers belonging to said Company.

2. The INTERNATIONAL TRADING COMPANY to hold the war risk, other insurance policies, and a lien on the steamers acquired with their financial assistance to fully protect their interests in the event of casualty to any of the steamers.

3. The interest on the loan to be at the rate of six per cent (6%) per annum.

4. The participation of the INTERNATIONAL TRADING COMPANY to be twenty-five per cent (25%) on the profits.

5. But, before any division of the profits can be made,

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twenty-five per cent (25%) of the total net earnings is to be set aside for the purpose of repayment of the capitalloaned.

6. Once the loan is repaid the INTERNATIONAL TRADING COMPANY is to give up the lien as well as the other documents of the insurance, their twenty-five per cent (25%) participation also ceasing.

7. If, however, at the end of the first year the INTERNATIONAL TRADING COMPANY should desire to enter into more permanent relations with the COMPANHIA COSTEIRA we will be willing to entertain a further proposition.

8. The COMPANHIA COSTEIRA can, if it sees fit, apply any part of its share of profits to the repayment of the loan.

I am at your disposal to discuss the matter more fully and suggest another conference, to-day or tomorrow, should be held before you leave for England.

Yours very truly,

(Signed) Renaud Lage.

[encl. 4-24-16]

COPY

HOTEL BRISTOL. PARIS, April 18, 1916.

WILLARD STRAIGHT, ESQ.
Claridge's Hotel,
London.

Dear Mr. Straight:

Enclosed please find copies of the telegrams received from Rio on the 15th. I suppose it interests you to know their contents as the cable of the 14th is not very clear I have cabled RIO for explanations as follows:

YOUR CABLES 13th 14th RECEIVED CONTENTS LATTER
NOT VERY CLEAR EXPLAIN MORE FULLY.

Before you sail for New York I will ask you to forward me your firm's address in that city so as to enable me to corrpspond with you either by cable or by letter.

If while you are in London you happen to receive any instructions with regards to our affairs, you would oblige me by putting that information at my disposal in order to enable me to take the necessary steps before sailing, or at any rate that I may judge whether my going to New York is indispensable.

Yours very sincerely,

(Signed) Renaud Lage.

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[encl. 4-24-16]

Copy of cable rec'd on the 15th/4/16

DE RIO DE JANEIRO 13/4

LAGE HOTEL BRISTOL PARIS

REFERENCE TES TELEGRAMMES DOUZE ET TREIZE SOMMES ACCORD SIX POUR CENT SUR AVANCE ET VINGT CINQ SUR BENEFICE NET STOP AVONS OBTENU GOUVERNMENT SANCTIONERRA ACHAT EN CAS REQUISITION STOP CROYONS CEPENDANT IDEE REQUISITION POUR LE MOMENT MISE DE COTE STOP PARLERONS BANQUE AMERICAINE STOP SI CROIS NECESSAIRE VA AMERIQUE * LAGE*

Copy of cable rec'd on the 15th/4/1916

DE RIO DE JANEIRO 14/4/12h 10

LAGE HOTEL BRISTOL PARIS.

AMERICAN BANK EST NOTRE AVIS SUJET REQUISITION BATEAUX RADE STOP. NA RECU AUCUNE INSTRUCTIONS NEW YORK STOP LETTRE SUIT * DEMERARA LAGE.

MEMORANDUM NO. 13.

London, April 24th, 1916.

PURCHASE OF SHIPS.

Proposition submitted by General Greene.

Mr. Perkins will take up with New York the proposition discussed with us by General Greene and Mr. Hessler.

Correspondence in regard to this matter is appended hereto.

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THE PICADILLY HOTEL, LTD.

Picadilly & Regent Street,

London, W.

15th April, 1916.

Dear Mr. Straight:

This will introduce Mr. J. Hessler of the firm of Hessler & Co., West Hartlepool.

Mr. Hessler has been in the shipping business all his life. He is associated with me in all the matters I have had under discussion with you and is authorized to act for me in my absence at Rome.

I expect to be back between the 10th and 15th May and to be in Paris about May 3rd.

Yours very truly,

(Signed) F. V. Greene,

Willard Straight, Esquire,
Claridge's Hotel,
London.

(COPY)

Claridge's Hotel, London

April 20, 1916.

Hon. W. Cameron Forbes,

Ritz Hotel,

London.

Dear Cam:-

I hand you herewith certain papers in connection with a shipping scheme which has been proposed by General Greene that, I think explain themselves, and will, I believe, interest you.

The substance of the matter is stated in a letter from Mr. Hessler to me, a copy of which I enclose.

Very truly yours,

Thos. N. Perkins.

Enc. Memorandum of conference with Mr. Hipwood, Apr. 8, 1916
Copy of letter from Mr. Hipwood to Major General Greene, Apr. 13, 1916
Copy of letter from General Greene to Mr. Perkins, Apr. 18, 1916
Memorandum of conversation with Mr. Hipwood, Board of Trade, Apr. 13 '16
Copy of letter from Mr. Hessler to Mr. Perkins, Apr. 19, 1916.

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Conference with Mr. Hipwood, at Board of Trade, Saturday, April 8th, 1916.

Net Tonnage		100% roughly	
Gross tonnage		12% Approximately.	
Dead Weight		200% "	
		Net	D.W.
ex Gulland Abalguash ex Rygia		Amer 2,000	5,000
Ausable ex Laura		Amer 2,000	4,000
Falkland ex Wiarte No.4		Dane 1,364	2,700
ex Finland Genesee ex Condylis		Amer 1,800	3,600
ex Gronland Hocking ex Ameland		Amer 1,632	3,200
ex Lapland Kanhakee ex Hero		Amer 2,400	4,800
ex Spyros Vallianos Manitowac ex Housatonic		Amer 2,900	5,800
ex Domsland Maumee ex Venland		Amer 1,600	3,200
ex Gotland Muskegon ex Leonidas ex Cambania		Amer 2,100	4,200
ex Vinland Seneca ex Rage		Amer 2,300	4,600
Winnebago ex Hangatland		Amer 2,700	5,400
ex Hogland Winnecomme ex Grovener		Amer 1,100	6 2,200
		12 ships	48,400

Hugo Stimer, German Millionaire, bought these ships in 1915

Jensen and Wagner ships.

BOARD OF TRADE

WHITEHALL GARDENS.

S. W.

13th April, 1916.

Dear Sir:

I confirm what I said to you at our interviewswith regard to the Jensen and Wagner ships.

The conditions on which the British Government would be prepared to consider an application to remove all restrictions in the cases of these ships are: that the application must embrace all the Jensen and Wagner ships; that the ships must be time chartered to an approved British firm for the period of the war at a fixed reduced rate of hire, and must be run in approved trades.

The rate of hire must not in any case exceed 30/- per ton dead weight per month, and itiis possible that no more than 25/- will be allowed.

Yours faithfully,

C. Hipwood,

Major General Greene.

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THE PICADILLY HOTEL, LTD.

Picadilly & Regent Street.

London, W.

18th April, 1916.

Nelson Perkins, Esquire,
Claridge's Hotel, W.

Dear Mr. Perkins:

Referring to my interview with you to-day regarding purchase of steamers, I suppose this will be arranged by creating premier stock for the value of the steamers and ordinary stock for services rendered. I did not discuss with you the amount of ordinary stock to be reserved for me, but I leave this to you to arrange in a fiar and reasonable manner with my attorney, Mr. John Lindley.

Yours very truly,

(Signed) F. V. Greene.

MEMORANDUM OF CONVERSATION with MR. HIPWOOD, Under-Secretary of the Board of Trade, in Charge of the Marine Department, at his office at 3:45 p. m., Thursday, April 13th, 1916.

1. There are several people, some of them of great influence in the United States, who desire to purchase these ships.

2. Five of the ships have been captured and proceedings taken against them in the Prize Courts.
At the request of the American Ambassador, the British Government has not captured the other eight ships, and has agreed to let them continue operations unless they give fresh offence, until the cases against the 5 captured already have been decided by the Prize Courts.

3. The British Government has told the owners that the matter must be disposed of without further delay, as it has been dragging along for a great many months. The Government has therefore made its final decision, to wit: the charter price is raised to not exceeding 30/- and the proceedings in the Prize Courts will not be pressed for two weeks from this date. If the ships are not then disposed of to the satisfaction of the British Government, the proceedings in the Prize Court will be pushed vigorously, and the law officers of the Government feel very confident that they will win and the ships be forfeited. If, on the other hand, the ships are satisfactorily disposed of during that time, the proceedings already instituted against the five ships will be abandoned, as well as the possible proceedings against the eight other ships.

4. The limiting price not exceeding 30/- per ton of capacity is the only money factor in which the Government is interested. It is for the intending purchasers to decide what price they can afford to pay for the ships, knowing that it must be chartered at not exceeding 30/-. In the purchase prices the Government is not interested, nor in any other price, except only the charter price.

5. Mr. Hipwood made a memorandum and faithfully promised to write to me an official letter on the subject before he left his office to-day.

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THE PICADILLY HOTEL, LTD.

Picadilly & Regent Street,

London, W.

19th, April, 1916.

Nelson Perkins, Esquire,
Claridge's Hotel
London, W.

Dear Sir: re STEAMERS AMERICAN FLAG.

In case we should not be successful in securing the twelve steamers belonging to the American Transatlantic Coy. of New York, I wish to tell you, that we have a chance of buying other steamers which can be transferred to the American Flag, but these steamers are more costly. Still, they might be well worth buying, as in that case we shall be free to act without the consent of the British Government, and the steamers can therefore be chartered at the full current market rates, which will make up for the difference in price.

I am prepared to put such proposition before you if required.

Yours faithfully,

J. Hessler, (Signed)

PICADILLY HOTEL LIMITED.

Picadilly & Regent Street,

London, W.

19, April, 1916.

Nelson Perkins, Esquire,
Claridge's Hotel,
London.

Dear Sir:

Referring to my interview today with you and Mr. Willard Straight, I beg to record the following. The 12 steamers as per list handed you by General Greene are blacklisted by the British Government, and the prize Court, to deal with this matter, has been fixed for the 29th of May.

From what I can understand, there is no doubt about the Court deciding against the present owners, and if so the ships are liable to be seized at any future time except an agreement is arrived at to the contrary.

The 12 boats will carry about 62,000 tons dead weight.

The British Government are willing to withdraw their charge against these steamers provided the present owners (I believe it is the American Transatlantic Coy of New York) will agree to sell the boats at a reasonable price, so that the buyers or new owners may agree to charter the steamers on time charter with a British firm approved by the British Government at 25/- to 30/- per ton per month on the dead weight for the period of the war for the purpose of running in approved trades.

I think under these conditions that a fair price would be $90 to $100 per ton dead weight and such a price will certainly leave a very handsome profit to the present owners, as they are not likely to have paid above $50 per ton for the ships and after the prize Court decides against the owners the ships are practically unworkable to them.

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A price of not exceeding $100 per ton dead weight should practically leave sufficient profits to pay for all the ships in about two years under a time charter at 25/- to 30/- per ton.

For your guidance, I enclose an estimate for working the S/S "Manitowoc" - 7400 tons d. w. based upon a purchase price of $90 per ton, and a time charter at 30/- per ton per month.

I believe this estimate will prove to be fairly correct, although the rate of war risk might fluctuate.

The same estimate will apply proportionately to the other steamers.

The time charterers par for bunker coals and all port charges connected with the trading.

If your corporation takes this business up on the lines of redeemable preferred stock for their cash outlay, then these shares ought to be redeemed within a short period, say two or three years, after which the common stock will become valuable as shipping is sure to remain good for a few years after the war.

General Greene is quite willing to leave the adjustment of the common stock between your corporation and his attorney, Mr. John Lindley, of 32 Nassau Street, New York.

I understand there are several people bidding for the steamers, especially the Norwegians, but I am afraid they do not understand the difficulties and dangers they are up against.

It might perhaps be prudent for you to cable your people and prepare them for what is coming.

General Greene is now on his way to Rome and he expects to be back at this Hotel about the 10th of May, but if you will kindly cable "Hessler Westhartlepool" I shall attend to matters immediately by going to London and arrange the following:

1. Get the consent of the British Government to the withdrawal of the steamers from the Black List.
2. Arrange a time charter for the period of the war, and probably six months after, with Messrs. Furness, Withy & Co., Ltd., of Furnace House, Billiter Street, London, E.C. at between 25/- and 30/- per ton per month on the d.w., and get the British Government's approval of same.
3. The above shall be done subject to your cable confirmation that you have purchased the ships and got clean transfer and title to same.

I believe the steamers can be insured most favourably in London.

The business is good and well worth your serious consideration.

Wishing you a pleasant journey, and awaiting to hear from you,

I remain,

Yours faithfully,

J. Hessler (Signed)

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19th April, 1916.

s.s. "Manitowac" 7,400 tons d. w. on time charter, say for 2 years with Messrs. Furness Withy & Co., Ltd., or for six months beyond the duration of the war:-

7,400 tons d.w. at 30/o per ton per month	£11,100
Less 5% commission	555
Nett monthly hire	£10,545

Cost of working steamer upon a valuation of £18 or $90 per ton, or say £135,000

Marine risk, say 8% on £135,000: £10,800 - per day	£30
Freight, or Total loss - £10,000 @ 5% £500.....	2
Premiums reducing	2
Protection & Indemnity	2
Wages, American, say	17
Victualling	6
Stores	6
Sundries, and management, say	6
War risk on £150,000 at 50/-% per voyage with say 5 voyages per annum - 12½% - £18,750	51
per day	£122
30½ days at £122	3,721
	£ 6,824
x 12 months	12
	£ 81,888
and if 2 years	£163,776

From this should be deducted any interest payable to financiers on the purchase price.

It is difficult to estimate at present owing to the fluctuations in the rates of premium of insurance, especially on war risk.

This is one out of the twelve steamers offered for sale by the American Transatlantic Co. of New York. The remaining steamers will work proportionately, according to size.

J. Hessler.

(COPY)

HESSLER & CO.

Norwegian Vice-Consulate — West Hartlepool, England

20th April 1916

Nelson Perkins, Esq.,
Claridge's Hotel,
Brook Street,
London W.

Dear Sir:- Re American Steamers.

Referring to my interview with you this morning, I shall feel obliged if you will kindly let me know by what steamer you leave for New York and when.

I should like to send you a list of other steamers we have in view for purchase in case the 12 blacklisted steamers should go past us.

I shall write the Secretary of the Board of Trade and request him to prolong the date of negotiations with the American Transatlantic Company beyond the 1st May, but before doing so I should like to know definitely from you when you expect to arrive in New York so that I can give Mr. Hipwood an idea of when I can expect to hear from you.

Yours faithfully,

F. Hessler.

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TELEGRAM

London, April 22, 1916.

J. Hessler,
Hessler & Co., West Hartlepool.

Perkins out of town. Expects sail Wednesday, leaving London Tuesday afternoon. Should arrive New York about fifth May. Suggest you send list here to reach him Monday.

STRAIGHT

(COPY)

HESSLER & CO.

Norwegian Vice-Consulate.

West Hartlepool, 24th April, 1916.

Willard Straight, Esq.,
Claridge's Hotel,
Brook St. W.,
London.

Dear Sir:-

Thanks for telegram, from which I understand Mr. Perkins expects to leave for New York on Wednesday. Mr. John Lindley (General Greene's attorney) has just sent the enclosed list of steamers, and he writes in another letter on the 7th April as follows:

> "Re list of steamers - The English Ambassador here says his Government will release from the blacklist if actually sold to a bona fide purchaser. I expect to get an option upon the ships at $117.50 per ton deadweight."

I hope you have cabled your firm in New York and that they will be able to obtain a firm offer of the steamers at a reasonable price.

I have cabled Mr. John Lindley that General Greene is treating with you and the American International Corporation.

I enclose a list of 18 American steamers for sale; the prices asked run on an average $150. per ton deadweight, and I shall not be surprised to see $175. to $200. per ton before long.

The blacklisted steamers are the best for our purpose and I hope you will secure them.

Yours faithfully,

P.S. Kindly see that Mr. Perkins gets the enclosed and oblige.

(Signed) J. Hessler.

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(COPY)

West Hartlepool, 24th April, 1916.

AMERICAN STEAMERS FOR SALE

Name	Built	Decks	DW/Draft	Dimensions	Cubic
Steamer	1900	2 dks	8300/29'0"	406'8"x51'1"x33'6"	420,000
Aztec	1894	2 dks	5100/	349'2"x43'0"x29'3"	
Camino	1912	1 dk	4/5000/	296'5"x43'9"x28'5"	
Nevadan & Nebraskan	1902	2 dks & shelter	5300/	360'0"x46'2"x27'2"	
Melrose, Malden Everett	1907	1 dk	8000/	373'2"x52'7"x29'8"	
Newton	1911	1 dk	8000/	389'0"x54'6"x28'0"	
Californian	1900	2 dks	9150/	413'0"x51'0"x33'6"	
American	1900	2 dks	9150/	406'8"x51'1"x33'6"	
Hawaiian	1901	2 dks	9150/	406'8"x51'1"x33'6"	
Oregonian	1901	2 dks	9150/	406'0"x51'1"x33'6"	
Pacific	1914	1 dk	9340	388'0"x54'3"x31'6"	
Coastwise	1910	1 dk	7000/	359'0"x49'3"x30'0"	
Suffolk	1911	1 dk	7900/	365'7"x50'1"x28'1"	
Southerner	1906	1 dk	7066/	359'8"x50'2"x29'0"	
Georgiana	1909	1 & Spar	7320/23'7"	385'0"x51'1"x29'0"	411,256

Average price asked about $150. per ton D.W.

(COPY)

JOHN LINDLEY,

32 Nassau Street, N. Y.

April 7th, 1916.

Dear General,

Note change on the enclosed list.

Will you lay the foundation for an order to issue from England directing, or ordering, the release of the ships mentioned on proof of a bona fide sale, to a neutral power, or citizens thereof. Two of the above mentioned ships are now held in England - Kirkenwall, I believe.

Sincerely yours,

JOHN LINDLEY

West Hartlepool,
Apr. 24, 1916.
J. Hessler.

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(COPY)

Name	Date of Registry	Nationality	Dead Weight
Manitowac	Aug. 13, 1915	Greek	7,400
(a) ~~Saginaw~~	~~" 13, 1915~~	~~Norwegian~~	~~7,300~~
Winnebago	" 13, 1915	"	7,130
Allagnash	" 13, 1915	"	6,700
Kankakee	Sept. 1915	"	6,200
Waukeegan	Oct. 1915	Danish	5,660
Au Sable	Aug. 1915	Dutch	5,200
Genessee	Aug. 1915	Danish	4,800
Maumee	Aug. 1915	"	4,215
Hocking	Aug. 1915	"	4,100
Winneconne	Aug. 1915		3,200
			61,705
			7,300
			54,405

(a) Sold.

Apr. 24,1916
C. Hipwood also mentions
Falkland
Seneca - This is a good ship
Muskegon

I believe these steamers are all owned in New York and probably transferred to the American flag -
J.H. Apr.24,1916.

MEMORANDUM NO. 14.

London, April 24th, 1916.

ATTITUDE OF BRITISH FOREIGN OFFICE

TOWARD CO-OPERATION WITH AMERICAN INTERNATIONAL CORPORATION.

As a result of several discussions, Lord Eustace Percy, of the Foreign Office, suggested that we write to him a letter stating in a general and entirely personal way the views we had expressed in regard to the desire of the Corporation to co-operate with British capital in foreign fields. At Mr. Patten's request we specifically requested that the Foreign Office consider the possibility of advising the British Ambassador at Petrograd of the Corporation's policy, in order that the work of Mr. Holbrook and Mr. Patten at Petrograd might be facilitated. A draft letter, copy of which is appended hereto, was accordingly prepared and handed to Lord Eustace Percy. It was sent by him to Mr. Drummond, Private Secretary to Sir Edward Grey, and was referred by the Foreign Office to the Prime Minister, the Chancellor of the Exchequer and the President of the Board of Trade. Mr. Drummond has stated that he has already received replies from the two former and expects shortly to receive the answer from the President of the Board of Trade.

Our impression is that the idea of co-operation will receive the approval of the British Government and that in addition to advising Sir George Buchanan, as requested, it should be possible for the Corporation to work in close relations with British diplomatic representatives in other fields, provided of course, that the Corporation at the same time co-operates in specific matters with British interests.

Enc. Letter to Lord Eustace Percy.

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[4-14-16]

(COPY)

Claridge's Hotel, London,

April 2nd, 1916.

My dear Percy,

As Perkins and myself have told you, our Corporation will be glad whenever possible to cooperate with British Interests established in foreign fields. This general policy was outlined to Spring-Rice shortly after the Corporation was organized. We have now come to London, hoping to establish relationships which will produce results along the lines indicated. In view of your present situation and the restrictions which your Treasury has placed upon foreign issues in the London market, we have felt that we might be able to furnish capital on mutually beneficial terms, and thus establish a common interest. Our activities, however, have no political significance, and our purposes can only be vitalized by giving them concrete expression in specific enterprises. We must find business in which we are invited or which we desire to enter, and in each case arrange the terms for cooperation. It is not unlikely, however, that in some cases the British interests with whom we are negotiating may seek from your Government some expression of its views as to the desirability of their working with us. If, as a general policy, you approve of Anglo-American cooperation, an indication to that effect, in case your opinion were requested, would undoubtedly be helpful.

As you know, at the present time there is some feeling that American interests may attempt to take advantage of your situation to obtain a foothold for future competition with you. Competition along certain lines may be desirable and competition along certain lines is

[4-14-16]

inevitable, but we conceive it to be both in your interest and in our own to bring about cooperation wherever possible.

We are interested in Russia, as a field for future trade expansion. It is a field to which we understand your financial and industrial interests are now giving their attention. We believe cooperation in Russia should prove to be wise. We have discussed this matter with a number of people here in London. We have felt, however, that it would be desirable to arrange for cooperation in each case as it arises. It would seem probable that our contact with your people, for the time being at any rate, will be in Petrograd rather than in London. The Corporation has recently appointed Mr. Frederick Holbrook its representative in Petrograd. Mr. Holbrook is an American of the best type, an engineer and contractor and the head of the Holbrook, Cabot & Rollins Corporation of Boston. He will be assisted by Mr. William S. Patten, his partner, - who is now in London, but who will return shortly to Russia - and probably by a technical staff which will be increased as circumstances require. If the idea of cooperation in Russian enterprises between British and American interests is favorably regarded by the Foreign Office, it might see its way clear to advise Sir George Buchanan, your Ambassador at Petrograd, of Mr. Holbrook's appointment and of the attitude in which your Corporation desires to approach the subject. This would enable Mr. Holbrook to keep in touch with your Ambassador and put your Ambassador in position to explain the friendly nature of our activities and motive should occasion arise. The result might well be that possible misunderstandings would be avoided.

Mr. Patten would be very glad to have an opportunity to call upon you before he returns to Petrograd.

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[enc. 4-24-16

I have attempted at some length to describe our general purposes, but naturally you will appreciate that this is a personal expression and in no wise clothed with official character.

Yours very sincerely,

(Signed) Willard Straight.

Lord Eustace Percy,
Foreign Office,
London.

MEMORANDUM NO. 15.

London, April 25, 1916.

ATTITUDE OF THE BRITISH FOREIGN TRADE BUREAU TOWARD COOPERATION WITH THE AMERICAN INTERNATIONAL CORPORATION.

We saw Mr. Worthington Evans, M. P., head of the Foreign Trade Bureau, created by the British Foreign Office, at one o'clock on April 25th. We discussed with him, first, the general question of the activities of American banking institutions handling German exchange. Mr. Evans felt that very considerable transactions had taken place. He said that this was of course entirely proper for neutral institutions, but stated that if American banks refused to do work of this sort for the enemy their attitude would be very greatly appreciated and recognized. Mr. Perkins discussed this question with him at some length.

As regards specific enterprises, Mr. Evans spoke of the possible cooperation of the Corporation with a small British bank which had been organized to do business in Venezuela. He said that the German firm of Blohm now very largely control the situation in Venezuela, and that the British Government would welcome the creation of some strong Anglo-American interest to offset the German influence. It was agreed that this matter should be taken up in detail with Mr. Straight and Mr. Forbes and that Mr. Evans would arrange for them to meet the manager of the British bank in question.

Mr. Perkins arranged to take up with New York the general question of the attitude of American banks toward German interests. In this connection, it should be noted that the cable which Mr. Stone, in one of his messages, stated would be sent by Mr. Westerman to Mr. Straight, was never received. The business which they may have desired to propose is

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probably the one referred to in the article printed in the London TIMES, appended hereto. It would seem not unlikely that German interests, feeling that their business in Russia will be curtailed after the war, are now attempting to work into Russia through Dutch channels. Mr. Perkins and Mr. Straight are in entire accord that it would be a serious mistake for the Corporation to have anything to do with any such plan or any plan which might be suspected of having a purpose such as that described.

—

London "Times"
April 24-1916.

A NEW RUSSIAN-DUTCH BANK.

PROPOSED CAPITAL, ONE MILLION.

We hear from our Special Correspondent at Amsterdam that a Dutch combination, headed by the Rotterdamsche Bankvereeniging, in co-operation with a group of important Russian merchants, is setting up a new bank at Petrograd, to be called the Petrogradski Kupetscheski Bank (Petrograd Merchants' Bank). It will begin its work in June with a capital of 5,000,000 roubles, of which 55 per cent. has been taken over by the Dutch combination. The intention is to increase the capital as soon as possible to 10,000,000 roubles. As members of the Council of Commisioners, in addition to a number of leading representatives of Russian trade and industry, are mentioned the following:—W. Westerman, vice-president, president of the Rotterdamsche Bankvereeniging; A. J. M. Goudriaan, director of Van Nievelt Goudriaan and Co.'s Shipping Company; A. G. Kröller, member of the firm Wm. H. Müller and Co.; J. P. van Tienhoven, director of the Rotterdamsche Bankvereeniging; J. Rypperda Wierdsma, director of the Holland-America Line; and Prince P. Wolkonsky. On the directorate are:—N. Tolmatcheff, formerly director of the Banque Russe pour le Commerce et l'Industrie; P. Schulman, formerly sub-director of the Banque de Commerce Privée de St. Pëtersbourg; P. E. Shram, formerly partner of the firm E. H. Brandt and Co., timber exporters and bankers; H. Roeper, representative in Russia of Wm. H. Müller and Co.; J. D. de Man Lapidoth, formerly general proxy at the Rotterdamsche Bankvereeniging; and F. W. van Spengler. It is intended to make the bank serviceable in the first place to the promotion of trade relations between Holland and Russia. The Dutch directors are leaving on May 1 for Petrograd.

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MEMORANDUM NO. 16

London, April 25, 1916.

THAMES TRADING COMPANY

Mr. William F. Baker, Managing Director of the Thames Trading Company, called on the afternoon of April 26th to discuss his organization, which apparently has been established in the hope of securing foreign agencies for placing foreign goods in England, and possibly in Belgium and France, as well as in Russia. This feature of the plan would not seem to be of any particular interest to the Corporation, although it is conceivable that this concern might, upon investigation, prove to be a valuable agency for the Allied Machinery Company.

Mr. Baker also discussed the construction of port works at Harwich, full plans and specifications for which he said are in the hands of Mr. Sutphen, now in New York, who he believes is now in touch with the American International Corporation.

—

MEMORANDUM NO. 17.

London, April 25, 1916.

PROCESS FOR REMOVING INK FROM PAPER.

Mr. Paquet has suggested that the Corporation might be interested in a process which has been invented in Holland for removing ink from paper.

This plan seemed to be of interest and one of the directors of the Dutch company which controls the patents is shortly to visit the United States. Mr. Paquet is giving him a card to Mr. Stone.

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MEMORANDUM NO. 18

QUESTION OF THE EMPLOYMENT OF MR. PAQUET AS SECRETARY OF THE BELGIAN COMMITTEE.

—

This will be taken up with Mr. Stone by Mr. Perkins.

MEMORANDUM NO. 19.

London, April 25, 1916.

CHILIAN NORTHERN RAILWAY

As stated in Memorandum No. 4, a certain Judge Coyne, who travelled with Mr. Perkins and Mr. Straight on the ROTTERDAM, discussed the possibility of acquiring control of the Chilian Northern Railway. It would seem that this control carries with it the right to undertake a banking transaction which should apparently prove profitable.

The Chilian Northern Railway Company is under contract with the Chilian Government to operate this road, but Judge Coyne believes that the Chilian Government would be willing to relieve it of this responsibility. If this were done, the interests in control of the Chilian Northern would have no responsibility and would have no outstanding obligations save one with regard to the guarantee of £50,000; they would be able to handle the banking business which is discussed at length in a memorandum prepared by Mr. deCamp regarding conversation with Mr. Samborne. This memorandum is appended hereto, as are also certain documents submitted by Mr. Samborne, the Chairman of the Chilian Northern Railway Company. Attention is directed also to Mr. deCamp's report on the Chilian Eastern Railway, which should be on file in the bond department of the National City Bank.

—

Accompanying is copy of letter from Mr. J. S. P. Samborne, and copy of Mr. Straight's reply. Please note that the enclosures mentioned are to be returned to Mr. Samborne.

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[4-24-16]

Memorandum of conversation between Mr. J. S. P. Samborne, Chairman of the Board of Directors, Chilian Northern Railway Co., Ltd., Mr. Perkins and Mr. Straight, April 21, 1916.

The concession and final negotiations for the Chilian Northern Railway Company were carried out by Mr. Samborne personally after the preliminary negotiations had been started by Judge Coyne and a Mr. William. The latter, proving unsatisfactory, did not enter into the final negotiations.

The concession provides that as each section of 60 kilometres of railway is delivered to the government, the government shall issue in favor of the railway company a "credito" guaranteeing the payment of interest at the rate of 5% per annum and a cumulative sinking fund of 2% per annum, making in all 7% per annum on the capital cost of each section as fixed by the concession. The concession expressly provides that a "credito" once issued shall be altogether independent of any further obligation on the part of the company under the concession. The sinking fund payment commences four years from the date of the "credito" and continues until the whole price of the section to which the "credito" relates has been repaid.

The line is some 719 kilometres in length and the company has received from the Chilian government £3,055,750 of "creditos" which have been transferred to the trustees for the debenture holders, the Royal Exchange Assurance Co., as collateral for an equal amount of debentures.

After securing the concession, Mr. Samborne returned to London

[4-24-16]

and organized two companies, the Chilian Northern Railway Company, Ltd., and the Chilian Construction Company, the latter to carry on the construction under the concession, the former to operate the line on the completion of the contract.

The railroad was built by Messrs. Macdonald, Gibbs & McDougall and upon the completion of the work a rather handsome profit of over £800,000 was realised by the construction company.

The Chilian Northern Railway Company has a contract for twenty-five years to operate this line and as a guarantee of good faith have given security to the Chilian Government of £50,000. This security was arranged through the National Bank of Chile with the Canadian Agency Company and Chaplin, Milne, Grenfell & Co. as guarantors. Both of these companies are now in liquidation and the Bank alone at present obligated to the Government. No profit to the company is expected from the operation of this line, as the profits above operating expenses go to the Chilian Government until the "creditos" are amortised.

The proposition as outlined is purely a banking one and calls for the taking over of the £500,000 stock of the Chilian Northern Railway Co. at a nominal price amounting to £25,000, plus the appraised value of stores and supplies at present in stock by the railway company. The profit will be derived from the purchase of the debentures at or near their present price, i.e., 75 upward, and turning them in to the trustee for exchange of "creditos" at par, which "creditos" are amortised by the Chilian Government's 2% sinking fund. In taking over the stock of the company it would be necessary to take over the operation of the road and assume the guarantee of £50,000. The liabilities of the railway company to the Chilian Construction Company would be written off and the company turned over free and clear of all liabilities.

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The road has operated at a small loss up to July, 1915, since which time it has shown a small profit. Mr. Samborne and Judge Coyne would wish to have a participation in the profits to the new company and will be able to locate the present debenture holders and would assist in the picking up of these securities at or near their present market price. It is possible that the company may be relieved from their operating contract and the £50,000 guarantee, arranging with the Chilian government to take over such operation on their own account. If such an arrangement could be arrived at, the new interests would be relieved of all possibility of loss, provided the credit of the Chilian government was maintained. In any event, such loss would be limited by the amount of the guarantee, plus the operating loss which might determine the surrender of the operating contract.

Some difficulty may be encountered in picking up these bonds at or near their present price through protective action by a bondholders' committee.

To limit the liability of the new interests, it might be well to secure an option for a period of say six months or one year at a very reasonable consideration on this stock of the Chilian Northern Railway Co., with the idea of completing negotiations with the Chilian government in that time for transferring the operation of this line to the government direct, thereby being relieved of the £50,000 guarantee.

[4-24-16]

X

(From the Stock Exchange Year Book, 1916)
London.

CHILIAN NORTHERN RAILWAY COMPANY, LIMITED.

Directors: J. S. P. Samborne (Chairman)
Col. Sir H. Jekyll, K.C.M.G.
G. G. Milne

Secretary: H. G. Clarke.

Office: 8 Princes Street, E. C., London.

The company was registered August 25, 1910, to acquire a concession granted by the government of Chili for the construction of a railway 719 kilometres in length, the line to revert to the government at the end of the concession. This concession provides that as each section of 60 kilometres of railway is delivered to the government, the government shall issue in favour of the railway company a"credito", guaranteeing the payment of interest at the rate of 5 per cent. per annum, and of a cumulative sinking fund of 2 per cent. per annum, making in all 7 per cent. per annum on the capital cost of such section as fixed by the concession. The cumulative sinking fund payments will commence four years from the date of the "credito," and continue until the whole price of the section to which the "credito" relates has been repaid. The concession expressly provides that a "credito" once issued shall be altogether independent of any further obligation on the part of the company under the concession. The whole of the line has been accepted by the Chilian government.

The authorised capital is £500,000 in shares of £1, all of which,

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except the signatories' shares, has been issued to the construction company. In December, 1911, Chaplin, Milne, Grenfell and Co., Limited (now in liquidation), were authorised by the purchasers to receive subscription for £1,000,000 5% first mortgage debentures to bearer, of £20, £100 and £500 each, at the price of 93 per cent.; in July, 1912, Chaplin, Milne, Grenfell and Co., Limited, were authorised by the purchasers to receive applications for a further £1,000,000 of similar debentures at the price of 96 per cent.; in May, 1913, Chaplin, Milne, Grenfell and Co., Limited, were authorised by the purchasers to receive applications for a further £1,000,000 of similar debentures at the price of 96 per cent.; and further debentures for £55,750 have since been placed privately, making an aggregate issue of £3,055,750 (the total authorised). The debentures are specially secured on the "creditos" for a similar amount issued by the government in respect of the 719 kilometres of road. Interest on the debentures is payable June 30 and December 31, and they are repayable at par by 1940 from the sinking fund referred to, which is to commence in 1915, and to be applied in purchasing debentures for cancellation at or below par, or in redeeming debentures at par by drawings on one month's notice. Moreover, the company has reserved the right to redeem all or any of the debentures at par on any interest date on one month's notice. The accounts are made up annually to June 30, and submitted about the following June. In the year to June 30, 1914, a debit balance of £3,920 brought down was increased to £8,476, after providing for debenture interest. The debentures are to bearer, but may be registered as to principal only, and registered debentures may be re-converted into debentures to bearer, the fee for either operation being 2s. 6d. per

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debenture. The debentures are quoted in the official list; latest price, 71 3/4.

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[4-14-16]

(COPY)

THE LONGITUDINAL RAILWAY

In view of its geographical formation, it might well have been expected that the first steps taken by Chile in railway construction would have been in the direction of providing herself with a line traversing the country north and south. The project certainly has formed part of the programme of every President since 1860, and has been timidly carried out in parts by successive Governments; but for various reasons, mainly political, its complete realization has been retarded for half a century. At long last, in 1908, a loan of £7,500,000 was raised, and two years later definite arrangements were made for finishing the work, which, as we have said, was divided into two sections, one north and one south of the Government built line from Inca to Chulo. The southern section is interestingly dealt with on another page of this issue; here it remains to describe the long northern section, from Pueblo Hunido to Pintados.

The Northern Longitudinal.

The northern section was built by Messrs. Macdonald, Gibbs and Macdougal, financed by the Chilean Construction Company, for the Chilean Northern Railway Company (Limited), the concern which will operate the line for the next 25 years. The guage of the line is one metre, its total length is 440 miles, and it has cost £3,055,750. It was begun in April, 1911, and finished on March 25 of this year, ten months ahead of contract time, and at the rate of one kilometre for every day in the year. This, we believe, is easily the record for railway building in South America.

From its southern terminus, Pueblo Hundido, the route lies through mining country, rising with a maximum gradient of 2 per cent. to Balcameda, the

highest point of the line (8,500 ft.). Thence it descends gradually to Palestina (2,700 ft.) past which it rises to Los Dones (5,000 ft.); after Los Dones it descends again to Toco and continues practically on a level to its northern terminus, Pintados. Its heaviest gradient is 2 1/2 per cent., and its minimum curvature 137 yards radius.

Throughout its length the line traverses country which is perhaps the most desolate in the world, but which is exceedingly rich in nitrate beds and minerals; the mineral wealth of the mountains, both of the coast and of the cordillera, is known to be enormous. For the past year sections aggregating 186 miles have been in operation, the traffic, which is rapidly increasing, consisting mainly of machinery and material for the construction of nitrate factories along the route. Two new oficinas have been opened since the line was begun.

Beyond much heavy rock cutting and embankment work, the construction of the line was not technically difficult, but the utter absence of water and the lack of labour threatened at first to cause trouble. The first problem was solved by boring wells, water being found almost everywhere en route; the second was overcome by the importation of 1,000 Spanish laborers at the contractors' expense.

At Catalina the northern Longitudinal meets the Taltal Railway; at Aguas Blancas the line of the same name belonging to the Antofagasta railway; at Palestina the Boquate branch of the latter, and at Baquedano its main line. At Toco it picks up the Tocopilla line, and its terminus in the north is on the Nitrate Railways. Owing to difference of guage between these lines and the Longitudinal, the Chilean Government have voted funds for surveys for other lines to the Coast. The survey for the prolongation of the line to Arica is com-

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pleted.

It may be mentioned that the constructors are to hand over the line completely equipped as to rolling stock. The locomotives are from England and Germany, the coaches and wagons from England and the United States.

[incomplete - copy follows] [4-25-16]

This business including the Port of Lebu is very interesting, not only on account of the large area of coal which the railway would serve, but it also passes through the richest agricultural part of Chile, but the main attraction would be that the people who built this line and the Port of Lebu would be in a very strong position to obtain the Concession for a Transandine railway connecting up the line at Los Sauces with the Argentine Great Southern on the other side of the Andes.

I shall be obliged if you will acknowledge receipt of the above documents and if you will return the same when finished with, and if you do not require it I shall be glad to have back the long map I sent you by Judge Coyne, showing the location of the Chilian Northern Railway.

I understand that Mr. Perkins is leaving for New York tomorrow and that he will let you know whether they will do the business.

If you wish to see me at any time please write or telephone me at the above address.

Yours faithfully,

John S. P. Samborne

n.c'6 a.7

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J.S.P.Samborne.

35, Queen Victoria Street,

London, E. C. 25th April, 1916.

Willard D. Straight, Esquire.,
Claridge's Hotel,
Brook Street, W.

Dear Sir:

Chilian Northern Ry. Co. Ltd.

I have pleasure in enclosing the following documents in connection with the above:-

1.....Memorandum
2.....Copy of concession in Spanish & English.
3.....Memorandum & Articles of Association.
4.....Trust Deed & 4 supplemental trust deeds.

Chilian Eastern Central Ry.Co.Ltd.

I enclose copy of my petition to the Minister made in November, 1913.

At that time it was proposed to purchase the outstanding Debentures and in exchange for them and the concession to botain a new concession from the Government of Chile, but as things are now the work done under the original Concession is practically of no value, and I should suggest that a new Concession be obtained for the railway, as the G vernment would have no difficulty in cancelling the old Concession, as the terms have not been carried out.

This business including the Port of Lebu is very interesting, not only on account of the large area of coal which the railway would serve, but it also passes through the richest agricultural part of Chile, but the main attraction would be that the people who built this line and the Port of Lebu would be in a very strong position to obtain the Concession for a Transandine railway, connecting up the line at Los Sauces with the Argentine Great Southern on the other side of the Andes.

I shall be obliged if you will acknowledge receipt of the above

[4-25-16]

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documents and if you will return the same when finished with, and if you do not require it I shall be glad to have back the long map I sent you by Judge Coyne, showing the location of the Chilian Northern Railway.

I understand that Mr. Perkins is leaving for New York tomorrow and that he will let you know whether they will do the business.

If you wish to see me at any time please write or telephone me at the above address.

Yours faithfully,

(Signed) John S. P. Samborne

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(COPY)

MEMORANDUM ON THE CHILIAN NORTHERN RAILWAY COMPANY, LIMITED.

This is an English registered Company with a capital of £500,000 in £1 shares issued and fully paid.

There are also issued £3,055,750 5% Debentures secured on "creditos" or Treasury Notes issued by the Chilian Government guaranteeing interest @ 5% per annum and 2% per annum cumulative amortization on the sum of £3,055,750 until the amount has been redeemed.

These "creditos" have all been received by the Company and transferred to the Royal Exchange Assurance as Trustees for the Debenture holders, the "Creditos" are independent of any liabilities of the contract.

It will be seen under Article VI of the Concession a copy of which is enclosed, that the Chilian Government are to pay 7% on each year on £3,055,750 until the amount is extinguished. Of this 7% a sufficient sum will be used for paying 5% interest on the outstanding amount of Debentures and the balance (which will be 2% in the first year but will largely increase in subsequent years) will be used for redeeming the "Creditos" which will take about 25 years.

From this it will be seen that the Chilian Northern Railway Company will receive £3,055,750 from the Government with which it will have to redeem a similar amount of Debentures, but as these Debentures which have never been above £95 per £100 bond can be bought today for £75, but taking an average price of say 85 the Company would make an eventual profit of over £450,000 on the purchase of its Debentures, but as under the Debenture Trust Deed all the

[4-25-16]

money received from the Government has, after paying 5% interest on the outstanding Debentures, to be invested in purchasing the Debentures, the profit would not be available until the end of the 25 years, but as in the unlikely event of the Debentures going over par, they can be drawn at par, the Company cannot be caught.

The Chilian Construction Company are prepared to sell the 500,000 £1 shares being the whole of the shares of the Chilian Northern Railway Company Limited, for £25,000 and all its stores and materials on the railway at a fair valuation, the purchasers to put up or arrange with the Banco de Chile for the deposit of £50,000 required in accordance with Article VIII of the Concession.

The operation of the railway will have to be continued in the name of the Chilian Northern Railway Company Limited, as the Government of Chile will pay the 5% interest and 2% amortization to the Company.

The following are the figures of the Revenue and Expenditure for the last 15 months, showing a small profit has been made in each of the recent months.

Statement of Revenue and Operation Expenses (including Santiago Office Expenses) from the 1st. January, 1915, to the 31st March, 1916:

1915	Revenue	Operation expenses (including Santiago Office expenses)		
January	£1,496 9 4	£2,129 10 2	Def.	£633 0 10
February	1,253 0 2	1,833 5 10	"	580 5 8
March	1,636 1 8	2,156 4 3	"	520 2 7
April	1,626 10 0	1,863 19 1	"	237 9 1
May	2,139 6 0	2,417 10 9	"	278 4 9
June	1,472 18 9	1,886 16 0	"	413 17 3
July	2,247 11 0	2,277 12 5	"	30 1 5
August	2,077 2 10	1,991 3 7	Excess	85 19 3
September	1,943 13 2	2,016 17 7	Def	73 4 5
October	2,604 3 0	2,501 15 1	Excess	102 7 11
November	2,437 2 3	2,429 12 6	"	7 9 9
December	3,385 19 1	2,888 15 10	"	497 3 3
1916				
January	2,666 13 4	2,533 6 8	"	133 6 8
February	3,066 13 4	2,633 6 6	"	433 6 8
March	3,150 0 0	2,766 13 4	"	383 6 8

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The railway has opened up a large area of new nitrate lands, and two officinas have come into operation since the line has been built, and more will be established when general financial conditions improve. The railway has given access to a large and well mineralised territory, and is well equipped with rolling stock of all descriptions with very fine workshops at Baquedano and two other stations, and there is no doubt that the railway will pay well as soon as normal conditions are restored.

So the whole business resolves itself into a small sum of money having to be found for expenses of operation and maintenance and carrying on the Company possibly for a few years until the railway pays its way, and either putting up the deposit of £50,000 in cash or securities or coming to an arrangement regarding the same with the Banco de Chile, and for doing this the Syndicate would make a certain profit of from £300,000 to £450,000 or over, in 25 years time.

It would seem advisable to try and get the operation of the railway taken over by the Government which no doubt can be arranged within a reasonable time. When this is done it resolves itself into a plain banking business. But it must always be remembered, that the total liability for not continuing the operation or maintenance of the railway is limited to the forfeiture of the deposit of £50,000. This has been done by the French Syndicate in the case of the Southern Section of the Longitudinal, who allowed the deposit of £50,000 to be forfeited and so have terminated all their liabilities under their Concession.

(Signed) John S. P. Samborne

London, 25th April 1916.

(COPY)

THE CHILIAN NORTHERN RAILWAY CO., LTD.

TRANSLATION

29.Nov.1913.

Senor Ministre,

I have the honor of informing your Excellency that the Chilian Eastern Central Railway Company, Limited, Concessionaire of the Lebu to Los Sauces Railway has failed to pay the interest on its bonds which fell due on the 1st. May and the 1st. of November of the present year, and, in consequence, the English Courts have appointed Mr. Peat Receiver for the assets of the Company.

Having exhausted all of its resources and it being impossible to obtain more capital, the Receiver has approached the Chilian Northern Railway Co., Ltd., in order to find out if the Company would be disposed to take over the concession and finish the works.

Under the existing concession it is impossible to complete the construction of the railway; first, because the Government guarantee only amounts to £832,500, on account of which sum there have already been issued bonds of the value of £690,000, the remaining balance being absolutely insufficient to finish the work; second because there is no possibility of securing capital on a guarantee of interest only.

In view of the foregoing and confirming what I stated to your Excellency, I can say that the Company which I represent would be disposed to study the business on the following conditions:

(1) That there be given by special law a guarantee of 5% interest and 2% amortization on the maximum amount of £2,550,000 to carry out the following works:

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Railway from Lebu to Los Sauces	£1,300,000
Branch to Curanilahue via Pilpilco	400,000
Port of Lebu	850,000
	£2,550,000

I repeat what I had the honor of expressing verbally to your Excellency that none of our engineers have been able to study the works and make up a definite estimate of their cost and therefore the following figures are only approximate; but as soon as the surveys have been made we would present exact estimates and propose a definite price.

Should the price to be authorized by law appear high it can be stated that it is the maximum figure and that the proper price would be fixed in a definite contract.

(2) That in case no agreement should be reached for the making of a definite contract with the Company it shall be reimbursed for the cost of the surveys and examinations necessary for the preparation of the plans and estimates for the projected works.

Should it be deemed more convenient to make two contracts, one for the railway from Lebu to Los Sauces with branches to Pilpilco and Curanilahua, and another for the Lebu port works, it would be indispensible that both be made with one Company in order to avoid the possibility of conflicting interests.

As the Chilian Eastern Central Ry Co. will sell the present concession and the outstanding bonds to the Chilian Northern Ry Co. the latter would, in the event of the above mentioned concession being granted and the contract entered into, deliver the present concession for cancellation.

Should the Company secure the contract for the works above mentioned, it would be disposed, should the Government so desire, to study the

possibility of continuing the line from Los Sauces to the Argentine frontier and also the union with the lines between Zapala and Neuquen with a view of entering into negotiations for the construction of these lines. It might be stated that the joining up of these lines would give the shortest and most easily operated route between the Argentine Atlantic ports and Chilian Pacific ports.

For the Chilian Northern Ry. Co.

(Signed) John S. P. Samborne.

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[4-25-16]

COPY

8, Princes Street, (Bank)
London, E. C.
19th August, 1915.

John S. P. Samborne, Esquire,
35, Queen Victoria Street,
E. C.

Dir Sir:

I am directed by the Board of this Company to furnish you with a copy of resolutions passed at a meeting of the directors held this afternoon at 3 p. m. as follows:

"The Chairman reported to the Board that as the result of the termination of the option granted to the Antofagasta (Chile) & Bolivia Railway Co., Ltd., he had on his own account cabled to Judge Coyne in New York to approach certain parties there with a view to the formation of a syndicate to purchase the shares of the Chilian Northern Railway Company, Ltd., and the stock of stores and spare parts, and that Judge Coyne had replied that the parties in question desired to know the terms on which the Company would be prepared to deal.

The Chairman stated to the Board that if such a Syndicate were formed he would be interested in it, and for this reason could not take part in any discussion as to the terms to be put forward.

After some discussion between the other members of the Board, it was resolved (the Chairman not voting) that the terms on which the Company would be prepared to negotiate for such sale are as follows:

> The purchasers to relieve this Company from all liability in respect of the £50,000. deposit and to purchase the whole of the shares of the Chilian Northern Railway Co., Ltd., and all stores and materials on the Railway belonging to this company, for the sum of £40,000. in cash.

and that if the parties approached by Mr. Samborne are interested, they should be requested to send a representative to this side to discuss and agree details.

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It was further resolved that Mr. Samborne be furnished with a copy of this Resolution, and that it be left to Mr. Samborne to communicate this Resolution to the parties concerned.

I am, dear Sir,

Yours faithfully,

THE CHILIAN CONSTRUCTION COMPANY, LTD.,

(Signed) H. G. Clarke,

Secretary.

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Claridge's Hotel, Brook Street, W.
London, April 25, 1916.

Dear Mr. Somborne,

I beg to acknowledge receipt of documents forwarded with your letter of 25th April, as follows:-

Chilian Northern Ry. Co., Ltd.
1. Memorandum (in duplicate)
2. Copy of concession in Spanish and English
3. Memorandum and Articles of Association
4. Trust Deed and 4 supplemental trust deeds.

Chilian Eastern Central Ry. Co. Ltd.
Copy of petition to the Minister in Nov. 1913.(in duplicate)

I have handed to Mr. Perkins for transmission to our New York office all of the foregoing with the exception of the duplicate copies of the Chilian Northern memorandum and the Chilian Eastern Central petition, which I am retaining here. I am returning herewith the map of which you spoke, which was handed to me by Judge Coyne, and have requested Mr. Perkins to advise our New York office to return documents referred to above, which I take it you desire for your own files.

Very truly yours,

(Signed) Willard Straight

J. J. P. Somborne, Esq.,
35, Queen Victoria Street,
London, E. C.

London, April 25th, 1916.

My dear Lord Colebrooke:

Herewith a clipping from "The Times" containing the article which we spoke of at Eastbourne. To-day's quotations from the German press look as if they were considering the advisability of meeting Mr. Wilson's demands. Personally, I hope they will not do so, though as a matter of common sense, it seems that with your very effective anti-submarine arrangements, they are not gaining very much by the use of these vessels, while they would be in a very much worse position than they are to-day in case we should enter the war.

With best wishes, believe me,

Yours very sincerely,

The Right Honorable
Lord Colebrooke,
House of Lords, Westminster.

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London, April 25th, 1916.

Dear Almeric:

Herewith I am sending you a clipping from "The Times", quoting the article from "The New Republic" which we have discussed. Apparently, from recent telegrams, it looks as if the Germans might come pretty near crawling. I have been rather disappointed by the subdued tone of the reported utterances of the German press. Of course, if they look at it in a sensible way and compare the advantages of submarine warfare with the disadvantages of the situation if we should come in, there can be no question as to their decision. Granted, of course, that they can control public opinion in Germany.

I hope for the best anyway.

Yours,

Almeric Paget, Esquire, M.P.
39, Berkeley Square,
London.

London, April 25th, 1916.

Robert Willis, Esquire,
China Department, Foreign Office,
London.

Will be in London until end of week, stopping at Claridge's.

Hope will have a chance see you.

Willard Straight

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London, April 25th, 1916.

Dear Mr. Zimmern:

Very many thanks for your note of the twentieth. I am sorry I cannot lunch with you on Thursday but shall hope to get in to see you in the afternoon about four-thirty, as you suggest.

Very truly yours,

A. Zimmern, Esquire,
14, Great Russell Mansions,
Great Russell Street, W. C.

London, April 26, 1916.

A. Zimmern, Esquire,
14, Great Russell Mansions,
Great Russell Street, W. C.

Will it be equally convenient if I come in at four-thirty Friday instead of four-thirty Thursday.

Willard Straight.

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April 25th /16.

Avondale, Hunstanton
Norfolk.

My dear Straight,

Your telegram has just arrived - a very pleasant surprise. Of course I must see you somehow.

I have had a very

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bad time for nearly two years past, and the first six months or so of my leave I spent in a Nursing Home on a milk diet. The trouble is spent and the knowledge thereof of the medical fraternity is nil or thereabouts.

However I am now gradually getting better and for the past six or seven days have struggled daily round the excellent golf course here. I have no particular wish to come to town - railway journeys tire me fearfully, and if you can manage it

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I wish you could come down
here. In May 2nd we
go to Cambridge. Could you
by any chance pay us a
visit here. Cambridge is
worth a visit anyway if
you don't know it.
However if the mountain
will not come to Mahomet,
Mahomet must go to the
mountain. So please

write me a line or
wire. If I come to London
Friday or Saturday
would suit me. I'd
arrive about lunch
time.

Ever yours sincerely.

Robert Underwood.

Violet and the kiddies

[4-25-16]

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TELEGRAPHIC ADDRESS.
BONIFACE.GRACE, LONDON.

ALL LETTERS TO BE ADDRESSED
AND
REMITTANCES MADE PAYABLE TO THE
"HONGKONG & SHANGHAI BANKING CORPORATION."
NOT TO INDIVIDUALS.

White Cottage, Angmering, Sussex,
April 11, 1921.

Hongkong & Shanghai Banking Corporation.
9, Gracechurch Street. London, E.C.

My dear Straight,

I have just received a note from Murray Stewart, of the Bank, telling me that he was able to get on to you by telephone yesterday, and I hope he explained to you fully why I was unable to accept your kind invitation to lunch yesterday, nor reply to your telegram passed on to me by the Bank. The fact is that the latter reached me when I was still in a nursing home, recovering from an operation; and, as your wire gave no address, I was in doubt where to reply to. I am at home again now, and feeling quite fit, except for the natural weakness resulting from a fortnight in bed. I have just received an invitation from Alfred Sze, asking me to meet you at lunch tomorrow, which I am also sorry it is not possible for me to accept; but I intend to come up to London about the 8th of May, for a short stay, and if you are then in town we must arrange to meet. I hope you had a pleasant time in Paris; I am sure at least that it must have been an interesting one, and I look forward to hearing your impressions. The weather here is lovely, and is a sample ot one of England's best efforts; I sincerely trust we may have a good spell of it.

Yours sincerely,

E.G.Hillier.

O O

are here - all flourishing -
and needless to say
V. would like anxiously
to see you, & for you
to see them. Mindi is
quite a pretty young
woman - thirteen at
present. Love

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London, April 26th, 1916.

T. N. Perkins, Esquire,
care S. S. Finland,
Liverpool.

Have received note from Dunning written yesterday. He is still waiting Falmouth
Claridge's seems like a desert. A safe trip to you and all good things.

Willard Straight.

Claridge's Hotel, London.
April twenty-sixth.
1 9 1 6.

My dear Hillier:

On enquiry at the Bank the other day I learned that you were not well and that you might not be in London until about the eighth of May. I certainly do not want to go back to the United States without having had a talk with you. My own plans are as yet uncertain. I may go to the Continent at the end of this week and on the other hand I may remain here until the third of May, sailing on the "New York" for home. In any case, if there is no chance of your coming to London and would care to see me in the country, I might run down, providing it is not too far away.

I hope there is nothing serious the trouble with you.

With best wishes and hoping to see you, believe me,

Yours sincerely,

Guy Hillier, Esquire, C.M.G.,
White Cottage,
Angmering, near Worthing,
Sussex.

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TELEPHONE
GERRARD 2317

20, DOVER STREET,
PICCADILLY, W.

27th April 1916.

Willard Straight Esq.
Claridges Hotel,
Brook Street, W.

Dear Sir,

I hear that you may be coming to London shortly, so I write to remind you that I had a letter from Mrs. Willard Straight some time ago about some books. I have now a very good collection at the above address and if you could make it convenient to call in when you are near by, I should be much obliged.

Yours truly,
Owen G. Evan-Thomas.

London, April 27th, 1916.

Robert Willis, Esquire,
Avondale, Hunstanton,
Norfolk.

Thanks your note. Will try to motor down to see you at Cambridge. May have to go to Continent end of this week. Will advise you when I can come.

Willard Straight

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Avondale
Cliff Terrace:
Hunstanton
Norfolk.
27. April 1916

Dear Mr. Straight,

It was nice to hear you were in England & we shall be delighted if you will look us up in Cambridge, we return there on the 3rd. next Wednesday. Our address is: —

12 Brookside &
You'll find us on the East side of the

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3.

road when like my Lord Castlewood + Esmond you ride into Cambridge by the Trumpington Road.

We've been here a fortnight + it has done Robert more good than anything

4.

else for the past two years - he has had Spruce, you know + though he has now well turned the corner, he can't get his weight to do anything but waver from 10½ to 11½ stone, which isn't right, you know.

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5.

At present we've got extension of leave until October; of course he's sick he can't work at the I. O. but ..... I think he ought to stay in Europe over next winter. [4-27-16]

[4-27-16]

6

we shall be pleased to see you. All Cambridge has gone to the Front, or at any rate is in khaki, I am ashamed to say there are a number of - oh we 'conscientious objectors' - it must

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7.

be on their valuable accounts that I am. bridge remains untouched by enemy bombs. I maintain one walkens of the dullest, greyest, wettest morning with infinite cheerfulness on finding one has it been disturbed by a Zeppelin during the night.

I wonder if Madame is with you - we have a spare room, you know, + a welcome awaits you.

Yours very Sincerely

Violet Willis.

—

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White Cottage, Augmering, Sussex,
28th April, 1916.

Victoria via Worthing.
A.M. 10.5 arr Augmering 12.16.P.M.

Augmering. Victoria
P.M. 4.42 arr. 6.45 P.M.

My dear Straight,

I have your note of the 26th instant, which appears to have crossed mine to you of the same date. I am sorry your stay in this country is drawing to a close so soon, and I would very much enjoy a talk with you; but it is not possible for me to get up to London before the 8th May, and by that time I am afraid you will be off. If you can spare a day to run down here, we would be delighted to see you at lunch any day; it is not a long journey, and all you have to do is to send me a wire to above address to say you are coming. I enclose a memo of direct trains herewith. If you care to come to Arundel, which is 3½ miles from here, you will find the train service in the "A.B.C.", and you can easily get a trap or motor in Arundel and drive over. I hope you will be able to manage it.

Yours sincerely,

E.G.Hillier.

Claridge's Hotel, London.
April twenty-eighth.
1916.

My dear Sir Ernest:

It seems a far cry from old Peking days to Latin-America, but strangely enough I have just heard of you through our mutual friend, Senor Perez Triana.

I have been in London for several weeks and expect to return to the United States within the next ten days. It would give me very great pleasure, indeed, to see you again and I should be very grateful if you could let me know whether you expect to be in London, in order that if you should come to town I may have an opportunity of calling upon you.

With best wishes and grateful recollections of your kindness to me in Peking, believe me,

Yours ever sincerely,

His Excellency
Sir Ernest Satow,
Beaumont, Ottery, St. Mary.

The Willard Straight Papers at Cornell University
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Claridge's Hotel, Brook Street, W.,

29th April, 1916.

Dear Hillier,

Thanks for your note of the twenty-eighth, and also for your letter, which crossed mine.

My present plans are to sail on the sixth and I shall do my very best to run down to see you before I go.

Sorry you have been under the weather, and hope you are better.

Yours sincerely,

E. G. Hillier, Esquire,
White Cottage,
Angmering, Sussex.

London, April 30th, 1916.

W. G. Max-Muller, Esquire,
7 Northam Gardens,
Oxford.

Have been trying to reach you on the telephone for several days. Have just discovered where you are. Can you both dine with me any night next week except Wednesday or Friday. I expect sail Saturday. Hope to see you. Please reply Claridge's.

Willard Straight.

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April 30/16

CULFORD HALL.
BURY ST EDMUNDS.
TELEGRAMS CULFORD.

Dear Willard
Will fine Thursday 1.15
R.T.Y.C. 80 Piccadilly.
at present
Sir Gilbert Parker M.P.
Shirley Benn M.P.
both know Ime country well.
then I see
Walter Long
General Ladd Stuart Wortley
just back from front
My nephew Edward Packe Mowbray
Mr Asquith's private Secy.
Yes in haste
Always Ian Hamilton

[March-April, 1916]

Letters held by Mr. Perkins.

LONDON.

Baring Brothers & Company, From Kidder, Peabody & Company.	Joint Letter.
Brown, Shipley & Company, From Brown Brothers, Boston.	Joint Letter.
Viscount Bryce, From Robert Bacon.	Personal.
Joseph L. Colby, From S. W. Wilder.	Personal.
Coutts & Company, From Lee, Higginson & Company.	Joint Letter.
Granville Farquhar, From Henry L. Higginson.	Personal.
Fruhling & Goschen, From Lee, Higginson & Company.	Joint Letter.
Emile Garcke, From Stone & Webster.	Personal.
Robert Grant, Jr. From Henry L. Higginson.	Personal.
Robert Grant, Jr. From Henry L. Higginson re necktie.	Personal.
E. C. Grenville, From Robert Bacon.	Personal.
Higginson & Company, From Lee, Higginson & Company.	Joint Letter.
Arthur Lee, From Robert Bacon.	Personal.
W. R. Malcolm of Coutts & Company, From Henry L. Higginson.	Personal.
Seligman Brothers. From J. & W. Seligman.	Personal

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Letters held by Mr. Perkins.

PARIS.

Comptoir National d'Escompte de Paris,
From Lee, Higginson & Company. Joint Letter.

Crèdit Lyonnais,
From Lee, Higginson & Company. Joint Letter.

Herman Harjes,
From Robert Bacon. Personal.

Herman Harjes,
From Henry L. Higginson. Personal.

Maurice Lewandowski, c/o Comptoire National d'Escompte de Paris.
From Henry L. Higginson. Personal.

Morgan, Harjes & Company,
From Lee, Higginson & Company. Joint Letter.

M. L. Lamy.
From R. L. Agassiz. Personal.

Letters held by Mr. Straight.

LONDON.

Letter to His Majesty's Officers,
From the British Ambassador for Mr. Perkins & Mr. Straight.

General Letters to Bankers.

Sir Felix Schuster, Union of London & Smith's Bank.

Lord Rhonda, ✓

D. A. Thomas, all from Mr. Woodward.

Lord Harris, Consolidated Goldfields of South Africa, also Lena ✓
Goldfields of Russia.

Lord Reading.

Sir Edward Holden, London City and Midland Bank. All from Mr. Stone.

Brown, Shipley & Company, from Brown Brothers. ✓

Morgan, Grenfell & Company, from J. P. Morgan & Company. ?

All above are Joint Letters.

Seligman Brothers,
From J. & W. Seligman. Personal
(Identical copy for Mr. Perkins)

R. C. Wise,
From Mr. Sabin, Guaranty Trust Co. Personal.

Mr. Connett,
From J. G. White & Company. Joint Letter.

Special Letters.

W. S. Eyre. ✓ Personal

The Earl of Donoughmore, ✓
From J. P. Grace. Personal.

Colonel Frederick Browning,
From George Wolseley Personal.

Count Benckendorf,
From Mr. Bakmetieff and Mr. Wilenkin.

M. Flourieu, ✓
From M. Jusserand & M. Casenave. Personal.

The Honorable Eric Drummond, at Foreign Office,
From the British Ambassador. Joint Letter.

Frederick Lane, (Russian Oil)
From Mr. Wilenkin.

Social Letters.

Lord Eustis Percy ✓

Mrs. Waldorf Astor. ✓

Mr. Phillip Carr. ✓

Mr. Graham Wallace. ✓

FRANCE.

Letter from French Ambassador for General Reference.

M. Ribot, Minister of Finance

M. Chevalier.

Office National de Valeur Mobiliers

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[March-April 1916]

-4-

M. Sergent, Bank of France. All from M. Homberg. Personal.

Vicomte Piloux,
From Mr. Woodward. Joint Letter.

M. Andre Berthelot, Paris Subways.

M. Ponsot, Press Bureau, Foreign Office.

M. Gauthier, Foreign Office. All from M. Casenave.

M. Bloch, Procureur Generale,
From M. Bloch.

Pierre Girod,
From Walter Rosen.

RUSSIA.

General Letter to American Consuls and Diplomatic Officers.

Mr. Artsimovitch,
From Russian Ambassador, Mr. Bakmetieff.

"Laisser Passer" for Frontier.

SPAIN.

5 Letters from Spanish Ambassador, Washington.

Claridge's Hotel, London.
May first.
1916.

Dear Herman:

Up to last night I have been expecting to come over again to see your gay city and have the pleasure of conversing with your charming partners and yourself, and absorbing some of your wines, liquors and cigars, but some kind Providence has intervened to save you from this invasion and I am rather expecting to sail for home on the sixth of May. Perkins went off on the"Finland"last Wednesday. There is no significance in the break-up of our party as cordial relations were maintained until the last, and he said (and I flatter myself that he told the truth) that he was very sorry to leave me alone. This, he assured me, was not because he did not trust me, but because he would regret no longer being able to enjoy my company. I am sure that you will understand his feelings in this respect.

This, however, is a serious letter, as you may have judged. There may very well be, and I hope there will be, some matters which you may care to take up with the Corporation. I presume that you would in the ordinary course, refer them to us through J. P. Morgan & Company in New York. If, on the other hand, you desired to talk the matter over before taking it up in this way, I hope that you will communicate with Mr. Grant Forbes, whose address will be "Claridge's Hotel". He is a cousin of Cameron Forbes and has for some time been associated as Counsel for the Brazil Railways. He will probably be free of this work within another month or two and will likely join our organization in some

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[5-1-16]

Herman Harjes, Esquire. -2-

capacity or other, possibly remaining on this side as adviser to whomever may be appointed for London. Mr. Forbes will be back and forth between London and Paris and I have taken the liberty of giving him a note to you. You will find him a nice person, and I hope you will have occasion to talk to him, not only on business.

Please present my compliments to Mrs. Herman and to the Carters.

With best wishes always, and hoping to see you before many moons, believe me,

Yours ever sincerely,

Herman Harjes, Esquire,
31, Boulevard Haussmann,
Paris.

London, May 1st, 1916.

My dear Almeric:

Thanks for your note of the thirtieth. It is very good of you to arrange the luncheon for Thursday. I shall be glad to meet Sir Gilbert Parker and the other and shall be at the "Royal Thames" at one-fifteen.

I hope you had a pleasant time.

Sincerely yours,

Almeric Paget, Esquire, M. P.
39 Berkeley Square,
London, W.

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#1260

POST OFFICE TELEGRAPHS.

WESTERN DISTRICT OFFICE 4 2 MY 16 M

Handed in at	Office of Origin and Service Instructions	Words	Charges to pay
4/4	guildford	26	

THIS FORM MUST ACCOMPANY ANY ENQUIRY RESPECTING THIS TELEGRAM. Received here at 4.54 P M

TO Willard Straight Claridges Hotel Brook St Lon 1545

Cant you come down for a night any day this week telephone one three five guildford Daughter

May 2/16

Dear Mr. Straight

It will give me great pleasure to see you & have another talk. Could you come down at 3 Buckingham Gate on Thursday afternoon between 11 and 12 if that time suits you? I cant be sure whether mrs wise will be in then,

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though I hope so, but shall
arrange to be in myself.
We are living much in the
country, and have to go out
of London by an afternoon
train, so I very much hope
may be able to come
on Thursday. Believe me
Sincerely yours
James Bryce

The Statist.
51, CANNON STREET, LONDON, E.C.
EDITOR'S OFFICE.

May 2. 1916.

Dear Straight,

I should very much like to see you while you are over. What would be a convenient time for me to call? Trusting you and Mrs. Straight are well

Yours sincerely
James Bryce

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London, May 2, 1916.

Irwin Laughlin, Esquire,
Great Tangley Manor,
near Guildford.

Many thanks your telegram. Am afraid it will be impossible to come down this week. Expect to get away on Saturday and am full up until then. Possibly will be obliged to wait over in which case hope you will let me come down see you.

Willard Straight.

London, May 2nd, 1916.

Mrs. Almeric Paget,
Empire Hotel,
Bath.

Not going to the Continent. Expecting to sail on Philadelphia Saturday. Hope surely get down to see you but plans very uncertain.

Willard Straight.

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[5-2-167]

Cable No. 31

CABLE
Willard Straight to Charles A. Stone

LONDON, May 2, 1916.

STONE
AMERICAN INTERNATIONAL CORPORATION
NEWYORK

Our thirty-one. Refer my memorandum of last January regarding South American securities. Although many difficulties to overcome, have reason believe proposition if made now might receive careful and sympathetic consideration. Suggest offering suggestion on following general lines:

Point one: First class South American railway securities to be mobilized through Government machinery, stock control to be vested in British syndicate or company organized under Government sanction.

Point two: American banking syndicate headed by Morgans to purchase one-half or so much thereof as British syndicate desired sell and to loan against portion retained by British syndicate.

Point three: Funds for purchase and loan to be obtained through issue Corporation debentures to be offered to public by American bankers syndicate and to be secured by South American securities deposited with Corporation and held by British syndicate.

Point four: This would give American bankers their profit and meet their views as to Corporation undertaking industrial not purely Government financing, while making Corporation partner of British syndicate in South American railway situation.

Point five: This would alleviate pressure here by facilitating general British American understanding as to such financing as

Cable
Willard Straight to Charles A. Stone

Page 2.

South American railways might require pending removal Treasury restriction on this market and would form basis for discussion as to division orders for materials which railways might require now and hereafter (Stop).

Securities being held strong hands could be more easily substituted in market for debentures when advisable (Stop). Details of taxation of British syndicate or company other matters would of course require careful study (Stop). Operation such magnitude could only be successful if all parties Newyork in hearty accord. For this reason have not discussed here. If you approve however, would like sound out situation. Expect meet Chancellor Exchequer within next three days. Am dining with Grenfel Wednesday.

STRAIGHT.

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TELEGRAMS:
"CONSTITUTE, PHONE, LONDON."
TELEPHONE:
GERRARD 5720.

UNIONIST CENTRAL OFFICE.
ST STEPHEN'S CHAMBERS,
WESTMINSTER, S.W.

3rd May, 1916.

Dear Willard,

I hope you remembered to order the half a dozen copies of the"New Republic" to be sent to this office and incidentally I may tell you that I shall send one copy to Mr.F.S.Elkington of Culford Hall, Bury St. Edmunds who writes for the"East Anglian Times" - a powerful paper in the Eastern Counties - and who very much appreciated the number I was able to show him while at Culford the last week end.

Yours very truly,

Willard Straight Esq.,
Claridges Hotel,
W.

Claridge's Hotel, London.
May third, 1916.

My dear Sir George:

Very many thanks for your note of the second of May. It would give me great pleasure to see you, and I should be glad to stop in at your office, or if it would be more convenient for you to come in at Claridge's, whichever suits you best. I am generally in the City in the morning and will be there tomorrow afternoon from three o'clock on. I have an appointment at four o'clock and could call to see you afterward, or I could see you here at Claridge's late in the afternoon.

Mrs. Straight unfortunately is not with me, but I shall be glad to forward your message to her.

With best wishes and looking forward to seeing you, believe me,

Very sincerely yours,

Sir George Paish,
The Statist,
51, Cannon Street,
London, E. C.

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Claridge's Hotel, London,
Third May, 1916.

Dear Mrs. Astor,

The bearer represents Selfridge's, and has instructions to ascertain from you where you desire the soda fountain installed. I have arranged with him for the installation of the fountain complete with stock of soda and syrups. All you have to do is to let him know where you wish it placed, send a man in to their store to learn how to work it, and when the present stock of syrups, etc., is exhausted arrange for continued supply. Everything else has been attended to.

Yours very sincerely,

Mrs. Waldorf Astor,
Cliveden, Taplow,
Bucks.

London, May 3rd, 1916.

E. G. Hillier, Esquire,
White Cottage,
Angmering, Sussex.

Am staying over for another week. Very much pressed here now. If you are coming to London on eighth, would like to lunch with you then.

Willard Straight.

The Willard Straight Papers at Cornell University

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London, May 3rd, 1916.

Mrs. Almeric Paget,
Empire Hotel,
Bath.

Thanks telegram. Just received word must remain here at least another week so hope to see you.

Willard Straight.

POST OFFICE TELEGRAPHS.

Office Stamp.

WESTERN DISTRICT OFFICE MAY 3 P

Handed in at	Office of Origin and Service Instructions	Words	Charges to pay
2	Wonersh	21	

THIS FORM MUST ACCOMPANY ANY ENQUIRY RESPECTING THIS TELEGRAM.

Received here at

TO Willard Straight Claridges Hotel Brook St- Lon 4.25.P

We go Back to town Monday cant you come for this week end Laughlin

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London, MAY 4th, 1916.

Irwin Laughlin, Esquire,
Great Tangley Manor,
near Guildford.

My departure postponed for another week. Should love to spend night with you if you can have me. Would prefer Tuesday or Thursday, if agreeable to you.

Willard Straight.

London, May 4th, 1916.

E. G. Hillier, Esquire,
White Cottage,
Angmering, Sussex.

Hope to see you Monday. Will meet you Claridge's at one o'clock.

Willard Straight.

The Willard Straight Papers at Cornell University

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[5-1-16]

Dear Mr. Straight.

Jam La Delightful that I'm on coming down to Ls to-morrow. The last train is the five o'clock from Paddington to Hungerford. I shall Reward, luggage had taken Ps by the three o'clock (also Padd - Hungerford) Bring some tennis things.

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I am writing from the hospital to borrow this note-paper.
Lothrop left back to-night - he may way he like have a day or two at Chilton.
Yr. ty Lincoln Steffens

May 4 th 1916

The New
REPUBLIC
A WEEKLY REVIEW OF CURRENT AFFAIRS

NEW YORK: 421 WEST 21ST STREET

London Representative:
S. K. RATCLIFFE
Telephone: Central 11552

21 BUCKINGHAM STREET
STRAND · LONDON · W.C

4 May 1916.

Dear W. Straight,
I have just heard from Graham Wallas that you are in London. I unfortunately am just on the point of leaving for Manchester. I mentioned your being here to G.H. Main, head of one of the special Departments of the Press Bureau concerned with the neutral countries. The expressed a very strong wish to meet you. I enclose his address: perhaps you will call him up. He will probably be able to arrange lunch if you are free. He can be of use and is of extremely good service to

The Willard Straight Papers at Cornell University
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[encl. Ratcliffe 5-4-16]

WHITEHALL HOUSE.
WHITEHALL, S.W.

FROM G. H. MAIR

Kindly note that the address of this Office will be changed to

82, VICTORIA STREET.
S.W.

Telephone: VICTORIA 3363.

from February 1st.

the H. R. in the matter of the mails.

I am ~~join~~ joining the Manchester Guardian for the summer & our address will be frequently in London. My new private address is:

2 Palatine Road
Withington
Manchester.

Yrs sincerely,
S.K. Ratcliffe.

LONDON, May 4, 1916

IRWIN LAUGHLIN
GREAT TANGLEY MANOR, NEAR GUILDFORD.

Many thanks. Sorry cannot come down for Sunday. Am going to the Wards.

Hope to see you next week.

WILLARD STRAIGHT

Willard Straight, Claridge's Hotel, Brook St., W.

The Willard Straight Papers at Cornell University

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Claridge's Hotel, London, W.,
Fifth May, 1916.

My dear Washburn,

Herewith three letters of introduction - one to the Ambassador, one to Dearing and one to Holbrook, our representative.

It was a very great pleasure to see Mrs. Washburn and yourself last night, and I shall look forward to seeing you both again in the near future, and hearing of your fresh experiences. I need not wish you success in your corresponding, for that you have already achieved, but I do most heartily wish you both the best of luck and I trust that you will come safely through the next few months, returning hale and hearty to the United States. Your life, after all, you know, is not exactly what one would call placid.

With very best wishes,

Yours sincerely,

(Signed) Willard Straight

Stanley Washburn, Esquire,
Carlton Hotel,
London.

Claridge's Hotel, London, W.
May fifth, 1916.

My dear Mr. Holbrook:

I take great pleasure in giving this note of introduction to my friend Stanley Washburn, correspondent of "The London Times". Mr. Washburn is greatly interested in the development of trade relations between Russia and the United States, and I am sure you will find him able to make suggestions of value.

Very sincerely yours,

Frederick Holbrook, Esquire,
care American Embassy,
Petrograd, Russia.

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Claridge's Hotel, London, W.
May fifth, 1916.

My dear Fred Morris:

This will serve to introduce to you Mr. Stanley Washburn, correspondent of "the London Times". You may already know him by reputation, but I should like to have you know him personally. He is an old friend of mine and I hope that you will find many matters of mutual interest to discuss.

I trust you have received the various letters I have written you from time to time. I am sure that you are finding your work tremendously interesting and hope everything is going well with you. If at any time I can be of service, please don't hesitate to call upon me.

Please remember me to Sterling, and with best wishes, believe me,

Yours ever sincerely,

Fred Morris Dearing, Esquire,
First Secretary, American Embassy,
Petrograd, Russia.

Claridge's Hotel, London, W.
May fifth, 1916.

My dear Mr. Ambassador:

When I left the United States I hoped that it might be possible for me to visit Petrograd and I had looked forward to the pleasure of seeing you there. My plans, however, have worked out along different lines and I am shortly returning to the United States.

This letter will be presented to you by Mr. Stanley Washburn, who, I am sure, needs no introduction. Mr. Washburn, as you doubtless know, is an American who has made a great reputation as correspondent of "The London Times." He is greatly interested in developing Russian and American relations and I feel sure that you will be glad to meet him and discuss matters of mutual interest.

We were all very much pleased that you finally consented, despite pressure of other matters, to accept the Russian post, as we have all felt it to be a matter of the highest importance for the United States to be well represented in Russia at the present time.

Trusting that you will find your work as pleasant as I know it must be interesting, believe me, my dear Mr. Ambassador,

Yours sincerely,

Vice-President.

His Excellency,
David R. Francis,
The American Ambassador,
Petrograd, Russia.

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Claridge's Hotel, London.
May 5th, 1916.

My dear Senor Zuloaga:

The days seem to have slipped by and I have failed to write you as I had intended to do. In the first place, pray let me assure you again how much Mrs. Straight will appreciate your picture, and how grateful I am to you for enabling me to take it to her. As an ardent admirer of your work it was a great pleasure to meet you and to see you in your Paris studio. Some day I shall hope to have the opportunity of visiting your Castle in Spain. In the meantime I am ashamed to say that I am rather muddled in my recollection of our arrangement as to the two pictures - one the head of "Pepita la Gitana" is mine definitely, is it not? My recollection is that the price was Fr. 25,000, but I have a vague idea that in this I am mistaken and that it was Fr. 40,000. Will you please set me straight on this point.

The other picture of the two charming young ladies on the balcony-is ours -is it not, subject to Mrs. Straight's approval - and the price Fr. 80,000? My hesitation as to making a definite statement regarding this picture is due to my desire to consult Mrs. Straight before purchasing a picture for which just the right place must be found.

I hope you will write me to New York regarding these matters - my address is 120 Broadway, New York City. I am expecting to sail for home on May 13th and shall hope to find a letter from you on my arrival.

Though I understand your reluctance to undertake a sea voyage, I sincerely trust that we may see you in the United States, when your pictures come over. If at any time I can serve you, please do not fail to call upon me. It would be a pleasure to do anything for you. With my compliments to Senora Zuloaga and warm regards to yourself, believe me,

Sincerely yours,

(Signed) Willard Straight.

copied from ms.

May fifth, 1916.

Dear Almeric:

Thanks for your note of the third of May. I have cabled "The New Republic" to send you six copies each week, as you suggested.

I enjoyed your lunch yesterday very much.

Looking forward to seeing you next week, believe me,

Sincerely yours,

Almeric H. Paget, Esquire, M. P.,
39 Berkeley Square,
London, W.

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May 5th, 1916.

My dear Mr. Ratcliffe:

Many thanks for your note of the fourth of May. I am sorry not to have seen you. It was very good of you to take the trouble to suggest that I see Mr. Mair, which I shall endeavour to do.

I trust your trip to Manchester will be successful, and with best wishes, believe me,

Sincerely yours,

S. K. Ratcliffe, Esquire,
2, Palatine Road,
Withington, Manchester.

London, May 6th, 1916.

P. A. de Laslo, Esquire,
3, Palace Gate,
London, W.

Sorry to trouble you but have been wondering if you received my note asking whether you could possibly arrange some mornings next week.

Willard Straight.

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[c. 5-6-16] PG

CARLTON HOTEL,
PALL MALL,
LONDON.

My dear Straight,

Many thanks for your flattering letters and kind wishes. We have both greatly enjoyed meeting you again and shall look foward to seeing you in New York one of these days.

Mrs Washburn joins me in best wishes,

Sincerely yours,

Stanley Washburn

Mr Willard Straight,
Claridge's Hotel,
London.

#1260

May 7/16

HINDLEAP,
FOREST ROW,
SUSSEX.

Dear Mr. Straight

Thank you for your letter. I am trying to find time to write a short article for the New Republic and shall send it to you (if I can finish it) by Tuesday or Wednesday to Claridge's, as you are kind enough to say you will take charge of it.

I am ever truly
James Bryce

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London, May 7th, 1916.

Sir John McLeavy Brown,
Langham Hotel,
Portland Place, W.

Will you dine with me at Claridge's on Tuesday evening, eight-fifteen.

Hope you will come. Please reply to Claridge's.

Willard Straight.

TELEGRAPHIC ADDRESS, "LANGHAM, LONDON." CODES: "A.B.C." AND "UNICODE." TELEPHONE No. 5080 MAYFAIR, 7 LINES.

LANGHAM HOTEL.
LONDON.

Sunday night
May 7th 1916

Dear Straight

Thanks for your Telegram. I shall be delighted to dine with you at Claridges on Tuesday Evening (the 9th) at 8.15.

Yrs Sincerely
J McLeavy Brown

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[5-7-14] PG

TELEPHONE. 2712 WESTERN.

Sunday

3, PALACE GATE, W.

Dear Mr. Straight

Just returned to town from my Easter Holiday - and have received your kind note and telegram -

I would be pleased if you could give me the pleasure in my studio Friday and Saturday - morning from 9.30 till 11.30 hoping this will suit you - may I ask you also if possible to call at my studio on Tuesday morning 9.45 for a few minutes - as I would very much like to make your acquaintance before starting your portrait sketch -

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#1260

May 8/16

HINDLEAP,
FOREST ROW,
SUSSEX.

Dear Mr. Straight

Here is the article which you have kindly suggested I should send to the New Republic & which you are good enough to endorse and if it comes to hand you need not do anything but to elsewhere to Mr. Collins of the Associated Press that he may select as much of it as he thinks

my studio address is
West House, Campden Hill Road,
Kensington
(opposite the Water Tower)
Sincerely Yours

P.S. de Lazlo

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most suitable for transmission by cable. What goes by cable will of course be described as having extracted from the article, not complete in itself: and Mr. Collins will of course see that no passages are so detached from the rest as to affect their meaning and render them liable to be misunderstood or misrepresented. I am of course particularly anxious that we are should suppose I am presuming to offer advice upon the present crisis.

If there is any point on which you wish to communicate with me, I expect to come up to Buckingham Gate for a few hours on Wednesday next, May 10th.

Believe me
Sincerely yours
James Bryce

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#1260 [end. 5-8-16] May 1916 /1.

The Changed Relations of the United States to Europe

Europeans are frequently asked by their american friends what they, as impartial observers, think of the position towards the Old World into which the United States has been brought by the events of the last half century, & in particular how far the United States can now be guided by the counsels which Washington gave in his Farewell Address, recommending a policy of complete detachment from, & non intervention in, the political affairs of Europe. This question has so often been addressed to me, as having lived for some time in America & studied American history, that I have been led to put together in a very brief form some of the considerations which seem to bear upon it. They are the fruits of a reflection which began long before the outbreak of the present war, & they are written down, it need hardly be said, with no intent to express any opinion on the course the United States ought to follow

in any particular conjuncture, but only to suggest some general principles which would, supposing them to be sound, be applicable irrespective of any such particular conjuncture.

Washington's Address was recognised in his own time, & has been recognised ever since, as a masterly document. No single utterance by any American statesman has had more influence — perhaps none has had so much influence — upon the mind of the american people. The advice it contained was wise advice, eminently suitable to the moment, & for long afterwards. It was followed by his earlier successors to the great benefit of the young Republic. It was the parent, or foreshadowing, of that declaration of policy in which John Quincy Adams & the English George Canning agreed, & which was delivered by President Monroe. It outlined a course of action which the United States could then safely follow & which, one may say, was prescribed both by its circumstances & by the circumstances of contemporary Europe.

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Consider what those circumstances were. In Washington's day North America was distant from Europe by a voyage of some weeks — often of many weeks — & often perilous. American commerce with Europe was already important but how small compared with that of our times! Very few persons went to & fro. News came slowly & what did come became imperfectly known to the American people. They could afford to think little & care little about Europe, not only because their relations, personal & commercial, were comparatively slender, but also because they were then, & for two generations afterwards, mainly occupied in colonising their vast western territory & developing their own resources. They were, moreover, in Washington's day a population of only five millions. And what were then the circumstances of Europe? From Washington's day until the middle of last century the Great Powers of the European Continent were involved in a conflict of dynastic interests in which the

all these Powers showed themselves equally selfish & equally hostile to the principles of liberty. They had little to do with the United States, except for that short period in which the Holy Alliance threatened an interference with the efforts for independence of the Spanish American Colonies — an interference averted by the efforts of the United States & of Great Britain. The United States could well think in those days that it had little to do with European complications, & the less to do the better.

But at last things changed in Europe, & the revolutions of 1848 marked a decisive stage in the change. (In changing) since then, & the greatest change of all has been the extension of the power & influence of the leading civilised states beyond the boundaries of Europe. The whole world has now become one, by the enormous development of trade due to new & swift means of transportation & communication, & by the interest which every country has in the weal or woe of every other country directly commercial but the financial relations of all

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civilised countries are closely interwoven. Capital has become so great a power, & capital in one country is so interlocked with capital in another, that whatever affects it anywhere affects it everywhere. No country escapes this influence, & the United States can escape it as little as any because it is the wealthiest of all.

Moreover the range of offensive warlike action has been immensely enlarged. Every state has now become the neighbour of every other, for evil as well as for good. Were an aggressive & ambitious military & naval power, restrained by no scruples disposed to embark on a policy of conquest (overseas) at the expense of weaker nations, she could do now what would have been impossible in the days of Washington. We in England till lately used to set down as mere "pipe dreams" the fears that (such an aggressive) European power would threaten (like) countries, Brazil or Argentina, But we must now confess ourselves mistaken. Neither of those countries, nor the islands of the West Indies, would be safe

from attack were the other Powers, which possess navies & would be interested in checking aggression, unable to intervene. Suppose their navies out of the way the field would be clear.

Thirdly, European wars have now almost lost their old dynastic character. Austria is an exception, for the Hapsburgs are still allowed to play for their own hand, but the Austro-Hungarian Monarchy, an ill-assorted congeries of races, not one of which is attached to the dynasty & some of which dislike it, is an anachronism in the modern world. Wars are now undertaken partly for colonies & commerce, but mainly for the sake of nationality & liberty. This war has arisen from a quarrel over nationality, but it involves the principle of liberty also, because every one knows that if Germany had been a free country in the sense in which France & Italy, Switzerland & Holland, are free there need have been no conflict. The course which the war has taken has involved not only the principle of liberty but the maintenance of international right, & these principles interest all the world — the two Americas hardly less than Europe. They too have a stake in the struggle.

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Fourthly, Never before has the power of public opinion in neutral nations been so fully recognised (as it is in this war). Each of the belligerents has shown itself anxious to win the favour of that opinion, recognising its moral influence as well as the possibilities of its action. Thoughtful men in every neutral nation feel that the results of the war must affect for good or evil their own moral standard & their own political development. This is a proof of how near the one another are the Old & the New World of to-day.

Lastly, there is another way in which the position of the United States has been entirely changed. She now numbers more than twenty times the population of Washington's day. She has become a great Power to which the world looks as the strongest & most impartial exponent of neutral opinion. The United States stands in an especial degree for the principles of international justice & international law. It has done more than any other nation to advocate the substitution of arbitration for war & to improve the rules & assert the value of the principles of public law as governing international relations. Less than ever before can the United States view with an indifferent eye the conflict, wherever in the world it may be waged, for principles which it has done so much

to promote — principles intertwined with its own life & growth. Its greatness & its history alike impose on it a unique responsibility. Were Washington alive now would he not recognise such a responsibility? He certainly could no longer say in the words of his message "Europe has a set of primary interests which us have none, or a very remote relation."

This brings us back to the point whence we started. Have not the changes of 120 years so altered the relations of North America to Europe as to make (lines of action) some right & even necessary now which would have been uncalled for & even dangerous, in 1796?

These are submitted as several considerations. Of their applicability to the present crisis this is not the time or place to speak. No sensible man on this side of the Atlantic would venture to offer argument or advice upon matters which are entirely for the judgement of the government & people of the United States. The more anyone knows of the conditions under which the Executive & Congress have to act, & the complicated facts they have to weigh, the less would he presume to offer advice. But there is one point on which a word may be said, because it relates not to the present war, nor to that Treaty-

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#1760

[5-8-16]

-ment which the belligerent powers will have to make when the war ends, but to the further question, what is to be done after the settlement has been reached & completed? This is a matter on which Europeans are entitled to address their American friends, inviting their cooperation in a work to be done for the benefit of the world. All thoughtful men both in Britain & (as we are told) in the United States, also, feel that some effort must be made to provide machinery calculated to prevent the recurrence of such a frightful calamity as this war has proved to be. The difficulties of such a scheme are obvious. But they need not be insuperable with the cooperation of the United States, which would bring to any concerted plan for the amicable settlement of disputes, and for the maintenance of peace by a league to restrain aggression, its authority, its strength & that disinterestedness which belongs to its position outside the circle of European jealousies. Here is an undertaking which the changes of the last seventy years have made a matter of common concern to every part of the world. No great nation, whatever its maxims of policy have heretofore been, can, if it approves the end in view, stand aloof from the effort to attain that end now more than ever urgent. Here is a service in which the United States is called upon to join because it is to be rendered to mankind at large, to the New World as well as to the Old.

James Bryce

London, May 8th, 1916.

P. A. de Lazlo, Esquire,
3, Palace Gate,
London, W.

Thanks your note. Will call at your studio tomorrow morning Tuesday nine forty-five. Could you make sittings for Thursday and Friday. Expect sail Saturday.

Willard Straight.

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#1260
Bx.5
FW.119-A

London, May 8th, 1916.

The Right Honorable
Viscount Bryce,
Hindleap, Forest Row,
Sussex.

Thanks your note. Wednesday too late for this week's issue. If I receive it Friday will be soon enough for next week. Hope you will be able to let us have it. stop. Would you like to see summary before transmission by associated press.

Willard Straight.

London, May 8th, 1916.

Robert Willis, Esquire,
12, Brookside,
Cambridge,

Am pretty busy winding up business matters but hope to get down for tea either Wednesday or Thursday afternoon. Will wire you later what train.

Willard Straight.

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#1260
BX. 5
Fld. 119-17

POST OFFICE TELEGRAPH

Handed in at	Office of Origin and Service Instructions	Words	Charges to pay
1/17	West Row	8	

THIS FORM MUST ACCOMPANY ANY ENQUIRY RESPECTING THIS TELEGRAM.

Received here at 11-59 M

TO Willard Straight Blaridges
Hotel Lan

Article mailed you this morning wish to see Buckingham summary late tomorrow
Bryce

9/5/16

My dear Straight,

How does the following idea strike you as to the form which America's participation in the war should take, supposing that she is drawn in?

America to take over responsibility for the expenditure of Belgium & Serbia on the war, raising a U.S.A. government loan & (1) repaying the allies the amounts heretofore advanced by them to Belgium & Serbia & (2) financing further expenditure by Belgium & Serbia.

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If the idea is worth passing on, I claim no copyright.

Jas. Knox
Basil Blackett

London, May ninth, 1916.

My dear Mr. Evan-Thomas:

The measurements of the New York telephone books are 9½ x 11¼ x 1¼ inches. If you get hold of bindings which could be made into telephone-book covers, I wish you would let us have four or five.

Yours very truly,

Owen G. Evan-Thomas, Esquire,
20, Dover Street,
Picadilly, W.

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London, May ninth, 1916.

Dear Charlie:

On my return yesterday morning they told me that you had tried to get me for dinner on Saturday night. I am sorry we couldn't have connected but I had gone off for the week-end to the country. I am expecting now to get away from here on Saturday and shall be stopping in at the office one of these afternoons to say good-bye. I hope certainly to see you and wonder what time would be best to get a look at you.

Yours,

Charles Whigham, Esquire,
Messrs. Morgan, Grenfell & Company,
22, Old Broad Street,
London, E. C.

So short! Pm summary is myself ready (I might, it had better be sent to 3 Buckingham Gate

May 10/16

Dear Mr. Straight.
With you
kindly mail done at
Hindleap. Forest Row
Sussex
the summary of the article &
I will return it by next mail!
I hope to come up on Friday from
Forest Row. On which I am re-
turning tonight. With
best thanks for all you are
kindly doing. Sincerely yours
James Bryce

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#1260

TELEGRAMS & CABLES.
"ASSOCIATED, LONDON."
TELEPHONES.
CITY 1084
(2 LINES)

LONDON BUREAU.

The Associated Press.

OF AMERICA.

ROBERT M. COLLINS.
CHIEF OF BUREAU.

24. OLD JEWRY. E.C. May 10th, 1916.

My dear Straight :

I have read the Bryce article, and am sure our people will be very glad to send out a very complete summary. But I think there is merit in your suggestion that our people in New York make up the summary. I apprehend I would be strongly rebuked for extravagance if I cable it over at much length, and they learn that it might have been obtained there. Why enrich the cable company by a repetition of a message, or duplication ? Particularly as I have just received an injunction to economy in the matter of cable tolls because the Irish uprising made our cable bills larger last month than for any month since the first one of the war.

Would it not serve every purpose if I cable our people about the article, with a strong recommendation to use it fully, and tell them to arrange with the "New Republic" for its publication on the eighteenth ? You could also cable the journal to co-operate in the arrangement.

Did you know that we are negotiating for the purchase of the Danish West Indies, with prospects of a bargain this time.

Yours very truly,

Robert M. Collins.

TELEPHONE
GERRARD 2317

20, DOVER STREET,
PICCADILLY, W.

10th. May 1916.

Willard Straight Esq.
Claridges Hotel,
Brook Street, W.

Dear Mr. Straight,

I am so sorry for my seeming rudeness to you when you came in yesterday but I did not recognise you at first as an American lady, a friend of yours, had told me that you had already gone back and I was disappointed at not having seen you.

Thank you for your letter regarding the telephone books which I will certainly have sent out with the other things.

I am also sending you with the other things, if you will kindly accept it, a box that will hold your Coronna Cigars and also a box for Mrs. Straight's cigarettes, which I hope she will accept.

If you have time to call in again before Saturday, there are one two or two things which I particularly wished to show you and forgot yesterday afternoon, especially a fine early large binding which would hold music for putting on a grand piano, also one or two other little devices. You could also see some of the books which I propose to send out

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[5-10-16]

TELEPHONE
GERRARD 2317

20, DOVER STREET,
PICCADILLY, W.

-2-

to you.

I was very glad to see you and hope you will find time to come in again before you leave,

Yours sincerely,

Owen C. Evan-Thomas

mc

TELEPHONE No
755 REGENT.

20, CARLTON HOUSE TERRACE.
S.W.

10th May 1916.

Dear Mr. Straight,

I am expecting you here to-morrow, Thursday, for lunch at 1-45. There will be no one else here so that we can have a quiet hour to ourselves, which I much want.

With kind greetings and the hope that you are having a good time in London,

Yours sincerely,

Elliot Baker

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#1260
Box 5
Folder 69

London, May 10th, 1916.

The Right Honorable
Viscount Bryce,
Hindleap, Forest Row, Sussex.

Hope you received my note. Collins suggests summary be arranged by New Republic with Associated Press New York. He will arrange by cable from here, stop. Although this arrangement will make it impossible for you see summary, feel sure Croly can be relied upon see that your ideas properly presented, stop. If this procedure followed Associated Press would probably handle longer summary than from London. Please advise me if this satisfactory.

Willard Straight.

#1260
Box 5
Folder 69

P.S.- added by Mr. Straight:- The only difficulty about this is that Lord Bryce wants to see the summary himself. Perhaps we'd better do it from here.

Claridge's Hotel, London,
Tenth May, 1916.

My dear Collins, or
My dear Denny,

Herewith the article from Lord Bryce, which I have had typewritten, in order to simplify your labors. I am enclosing also copy of a letter which I received from him regarding the summary. Apparently he wants to get the gist of his idea before the American public.

This note is being addressed to you both, in case Collins should be absent. My understanding with Collins was that he would be glad to send a summary over the wire, stating that the article itself would be published in the "New Republic." I presume that the article will appear in the issue of Saturday, May 20th, and should think that the summary might appear somewhere around the eighteenth, if that is agreeable to you.

I am cabling the entire article deferred rate to the "New Republic" in New York. It occurs to me that there might be some merit, perhaps, in having the summary made up in the United States, instead of here. On the other hand, there are certain very definite advantages in giving it a London headline. Please let me know your views, and in case you do decide to prepare the summary let me have it as soon as possible, as I believe Lord Bryce is anxious to see it.

Yours,

Robert Collins, Esq.,
George Denny, Esq.,
24, Old Jewry, E.C.

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LCO London, May 10th, 1916.

Croly,
Four twenty-one West twenty-first.
Newyork.

Title The Changed Relations of the United States to Europe. stop. Europeans are frequently asked by their American friends what they, as impartial observers, think of the position towards the Old World into which the United States has been brought by the events of the last half century, and in particular how far the United States can now be guided by the counsels which Washington gave in his Farewell Address, counsels recommending a policy of complete detachment from and non-intervention in, the political affairs of Europe. stop. This question has so often been addressed to me, as having lived for some time in America and studied American history, that I have been led to put together in a very brief form some of the considerations which seem to bear upon it. stop. They are the fruits of a reflection which began long before the outbreak of the present war, and they are written down, it need hardly be said, with no intent to express an opinion on the course the United States ought to follow in any particular conjuncture, but only to suggest some general principles which would, supposing them to be sound, be applicable irrespective of any such particular conjuncture. stop. Washington's address was recognized in his own time and has been recognized ever since, as a masterly document. stop. No single utterance by any American statesman has had more influence, perhaps none has had so much influence, upon the mind of the American people. stop. The advice it contained was wise advice, eminently suitable to the moment and for long afterwards. stop. It was followed by his earlier successors to the great benefit of the young Republic. It was the parent or foreshadowing of that declaration of policy in which John Quincey Adams and the English George Canning agreed, and which was delivered by President Monroe. stop. It outlined a course of action

[5-10-16]

which the United States could then safely follow and which, one may say, was prescribed both by its circumstances and by the circumstances of contemporary Europe. stop. Consider what those circumstances were. stop. In Washington's day North America was distant from Europe by a voyage of some weeks, often of many weeks, and often perilous. stop. American commerce with Europe was already important but how small compared with that of our times. stop. Very few persons went to and fro. stop. News came slowly and what did come became imperfectly known to the American people. stop. They could afford to think little and care little about Europe, not only because their relations, personal and commercial, were comparatively slender, but also because they were then and for two generations afterwards, mainly occupied in colonising their vast western territory and developing their own resources. stop. They were, moreover, in Washington's day a population of only five millions. stop. And what were then the circumstances of Europe? From Washington's day until the middle of last century, the Great Powers of the European continent were involved in a conflict of dynastic interests in which ~~the~~ these Powers showed themselves equally selfish and equally hostile to the principles of liberty. stop. They had little to do with the United States, except for that short period in which the Holy Alliance threatened an interference with the efforts for independence of the Spanish American colonies, an interference averted by the efforts of the United States and of Great Britain. stop. The United States could well think in those days that it had little to do with European complications, and the less to do the better. stop. But at last things changed in Europe and the revolutions of 1848 marked a decisive stage in the change. stop. They have gone on changing fast since then, and the greatest change of all has been

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the extension of the power and influence of the leading civilized states beyond the boundaries of Europe. The whole world has now become one by the enormous development of trade due to new and swift means of transportation and communication and by the interests which every country has in the weal or woe of every other country. stop. Not only the directly commercial but the financial relations of all civilized countries are closely interwoven. Wars affect the trade and the welfare generally of neutrals more than ever before. Capital has become so great a power, and capital in one country is so interlocked with capital in another that whatever affects it anywhere affects it everywhere. stop. No country escapes this influence and the United States can escape it as little as any because it is the wealthiest of all. stop. Moreover the range of offensive warlike action has been immensely enlarged. Every state has now become the neighbour of every other, for evil as well as for good. stop. Were an aggressive and ambitious military and naval power restrained by no scruples, disposed to embark on a policy of conquest overseas at the expense of weaker nations, she could do now what would have been impossible in the days of Washington. stop. We in England used till lately to set down as mere "pipe dreams" the fears that such an aggressive European power would threaten countries like Brazil or Argentina, but we must now confess ourselves mistaken. stop. Neither of those countries, nor the islands of the West Indies, would be safe from attack were the other Powers, which possess navies and would be interested in checking aggression unable to intervene. stop. Supposing their navies out of the way the field would be clear. stop. Thirdly European wars have now almost lost their old dynastic character. stop. Austria is an exception for the Hapsburgs are still allowed to play for their own hand. But the Austro-Hungarian Monarchy an ill-assorted congeries of races, only one of which is attached to the dynasty and some of which dislike it, is an anachronism in the modern world/ stop.

[5-10-16]

Wars are now undertaken partly for colonies and commerce but mainly for the sake of nationality and liberty. stop. This war has arisen from a quarrel over nationality but it involves the principle of liberty also, because everyone knows that if Germany had been a free country in the sense in which France and Italy Switzerland and Holland, are free, there need have been no conflict. The course which the war has taken has involved not only the principle of liberty but the maintenance of international right, and these principles interest all the world--the two Americas no whit less than Europe. stop. They too have a stake in the struggle. stop. Fourthly, Never before has the power of public opinion in neutral nations been so fully recognized as it is in this war. stop. Each of the belligerents has shown itself anxious to win the favour of that opinion, recognizing its moral influence as well as the possibilities of its direct action. stop. Thoughtful men in every neutral nation feel that the results of the war must affect for good or evil their own moral standard and their own political development. stop. This is a proof of how near to one another are the Old and the New World of to-day. stop. Lastly there is another way in which the position of the United States has been entirely changed. stop. She now numbers more than twenty times the population of Washington's day. stop She has become a great Power to which the world looks as the strongest and most impartial exponent of neutral opinion. stop. The United States stands in an especial degree for the principles of international justice and international law. stop. It has done more than any other nation to advocate the substitution of arbitration for war and to improve the rules and assert the value of the principles of public law as governing international relations. stop. Less than ever before can the United States view with an indifferent eye the conflict, wherever in the world it may be waged, for principles which it has done so much to promote, principles intertwined with its own life and growth.

the observance of rules laid down by international Conventions and the principles of humanity towards non-combatants,

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Its greatness and its history alike impose on it a unique responsibility. Were Washington alive now would he not recognize such a responsibility? He certainly could no longer say in the words of his message quote Europe has a set of primary interests, which to us have none, or a very remote relation end quote. stop. This brings me back to the point where we started. Have not the changes of one hundred and twenty years so altered the relations of North America to Europe as to make some lines of action right or even necessary now which would have been uncalled for and even dangerous in seventeen ninety-six? stop. These are submitted as general considerations. stop. Of their applicability or any other specific to the present crisis it is not for me to speak. this is not the time or place to speak. stop. No sensible man on this side of the Atlantic would venture to offer argument or advice upon matters which are entirely for the judgement of the Government and people of the United States. stop. The more anyone knows of the conditions under which the Executive and Congress have to act, and the complicated facts they have to weigh, the less would he presume to offer advice. stop. But there is one point on which a word may be said, because it relates not to the present conjuncture, nor to that Treaty settlement when the war ends which the belligerent powers whoever they may then be, will have to make, but to the further and subsequent question, what is to be done after the settlement has been reached and completed. stop. This is a matter on which Europeans are entitled to address their American friends, inviting their cooperation in a work to be done hereafter for the benefit of the world. stop. All thoughtful men both in Britain and as we are told in the United States, also feel that some effort must be made to provide machinery calculated to prevent the recurrence of such a frightful calamity as this war has proved to be. stop. The difficulties of such a scheme are obvious. stop. But they need not be insuperable with the cooperation of the

United States, which would bring to any concerted plan for the amicable settlement of disputes and for the maintenance of peace by a league to restrain aggression, its authority, its strength and that disinterestedness which belongs to its position outside the circle of European jealousies. stop. Here is an undertaking which the changes of the last seventy years have made a matter of common concern to every part of the world. stop. No great nation whatever its maxims of policy have heretofore been, can, if it approves the end in view, stand aloof from the effort to attain that end, now more than ever urgent. stop. Here is a service in which the United States is called upon to join because it is to be rendered to mankind at large, to the New World as well as to the Old. signed James Bryce.

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[encl. 5-10-16]

(COPY)

Hindleap,
Forest Row,
Sussex.

May 8, 1916.

Dear Mr. Straight,

Herewith is the article which you have kindly suggested I should send to the "New Republic" and which you are good enough to propose not only to convey to that journal but to shew here to Mr. Collins of the Associated Press, that he may select so much of it as he thinks most suitable for transmission by cable. What goes by cable will of course be described as being extracted from the article, not complete in itself, and Mr. Collins will of course see that no passages are so detached from the rest as to affect their meaning and render them liable to be misunderstood or misrepresented. I am of course particularly anxious that no one should suppose I am presuming to offer advice upon the present crisis.

If there is any point on which you wish to communicate with me, I expect to come up to 3 Buckingham Gate for a few hours on Wednesday next, May 10th.

Believe me,

Sincerely yours,

James Bryce.

London, May 10th, 1916.

My dear Mr. Evan-Thomas:

Many thanks for your note of the tenth of May. It was very kind of you to send the box for Mrs. Straight and also one for myself. I very much appreciate your courtesy. If possible I shall stop in to see you either Thursday or Friday.

I congratulate you upon what you call your "little dodges". They are certainly most attractive.

Thanking you again for your courtesy,

believe me,

Sincerely yours,

Owen G. Evan-Thomas, Esquire,
20, Dover Street,
Picadilly, W.

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Mrs. Robert Willis,
12 Brookside,
Cambridge.

London, May 10th, 1916.

Very sorry Robert unwell. So much pressure here absolutely impossible get down to see you. Terribly sorry but hope better luck next time. If my sailing postponed will come Saturday but boat seems sure to go. Love to you all.

Willard Straight.

#1260
BX.5
F.3.119A

POST OFFICE TELEGRAPHS.

Office Stamp.

Handed in at	Office of Origin and Service Instructions	Words	Charge to pay
11/55	Forest Row	22	

THIS FORM MUST ACCOMPANY ANY ENQUIRY RESPECTING THIS TELEGRAM.

Received here at

TO Straight Claridges Hotel London

12.43.P

Can you and Collins meet me at his office tomorrow Friday at eleven to arrange please wire Bryce

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#1260

May 11/16

HINDLEAP,
FOREST ROW,
SUSSEX.

Dear Mr. Straight On receiving
your telegram here this morn-
ing I wrired for brothers wife
to come to Mr. Collins'
office in Old Jewry to-
morrow. Friday, at 11 A.M.
if you & he could meet
me there. We could
then settle the matter at

a very few words.

Yours very truly

Bryce

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ance. Of course I can
equally well meet you
& him at 3 Buckingham
Gate. But the old fancy
arte probably be more con-
venient for you both
his idea is that I could
indicate the points o
from which to me best

write emphasizing in
the summary: that done.
I see no objection to
letting her. Carolyn make
it as you & Mr. Collins
suggest. I should like
to run my eye over the
article & indicate the
material points. which
could be indicated in

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#1260
Box 5
Alb 11.1.A

London, May 11, 1916.

The Right Honorable
Viscount Bryce,
Hindleap, Forest Row, Sussex.

Very sorry have appointment tomorrow at eleven. Have seen Collins this afternoon and will wire you later.

Willard Straight.

#1260
Box 5
Alb 11.1.A

London, May 11, 1916.

The Right Honorable
Viscount Bryce,
Hindleap, Forest Row, Sussex.

Have seen Collins who is cabling Melville Stone, explaining to him your views as expressed to me in your letter, with regard not wishing to give advice to American people, etc., and asking Mr. Stone to give summary his personal attention. I will advise Croly in same sense. Please let me know if this satisfactory.

Willard Straight.

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Claridge's Hotel, Brook Street, W.,
London, 11th May, 1916.

Messrs. Morgan, Grenfell & Co.,

22, Old Broad Street,

London, E. C.

Gentlemen:-

I have arranged for the installation of a soda fountain at Major Waldorf Astor's place at Cliveden, Taplow, for the benefit of the convalescent soldiers quartered there, and Selfridge's are very kindly looking after this for me. As I will have left for New York before the work is finished, I am instructing Selfridge's to refer the bills to you for payment, and I will be obliged if you will pay the same and charge to my account. I understand that the fixtures and work of installation, including plumbing, etc., will cost between one-hundred and ten and one-hundred and twenty pounds sterling.

With many thanks for the courtesy, believe me,

Sincerely yours,

(Signed) Willard Straight

#1260

May 12/16

3, Buckingham Gate,
S.W.

Dear Mr. Stewart
Shaw
seen Mr. Collins of your
Secretary & have arranged
with the latter that he
should call for you this
afternoon with a memorandum
sections which may have to
make it clear. With Mr.
Collins I have arranged

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that he would indicate
by cable to his people on
the U. S. the hunts of the
markets - nearly one half of it
- which seem best with the
hunting in a summary: Good
these hunts I have numbered
with a pencil line in the
margin. Mrs. Collins tells
me that he can by cable

indicate to
~~tell~~ the Assoc. Press in
New York by reference to
the numbers of the words
which these hunts are, so
he wishes for a code containing
the whole as corrected, as
this will give the numbering
of the words. Thanks for
again. Yours sincerely
James Boyd

The Germans with hands

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molest my hirers at present.
I can well believe that, as
the bakers say, times are
hetty angry to-day. But they
will probably be cautious.

Whatever the "New Re-
public" may wish to print
as a honorarium I should
wish the guinea to the Armenian
Relief Fund in which I
am deeply interested, not
sent to me.
It will always be a pleasure to
me to hear from you -

CABLE London, May 12th, 1916.

LCO.

CROLY,
Four twenty-one West Twenty-first.
Newyork.

Title. The Changed Relations of the United States to Europe. stop. Europeans are frequently asked by their American friends what they, as impartial observers, think of the position towards the Old World into which the United States has been brought by the events of the last half century, and in particular how far the United States can now be guided by the counsels which Washington gave in his Farewell Address, counsels recommending a policy of complete detachment from and non-intervention in, the political affairs of Europe. stop. This question has so often been addressed to me, as having lived for some time in America and studied American history, that I have been led to put together in a very brief form some of the considerations which seem to bear upon it. stop. They are the fruits of a reflection which began long before the outbreak of the present war, and they are written down, it need hardly be said, with no intent to express an opinion on the course the United States ought to follow in any particular conjuncture, but only to suggest some general principles which would, supposing them to be sound, be applicable irrespective of any such particular conjuncture. stop. Washington's address was recognized in his own time and has been recognized ever since, as a masterly document, stop. No single utterance by any American statesman has had more influence, perhaps none has had so much influence, upon the mind of the American people. stop. The advice it contained was wise advice, eminently suitable to the moment and for long afterwards. stop. It was followed by his earlier successors to the great benefit of the young Republic. It was the parent or foreshadowing of that declaration of policy in which John Quincey Adams and the English George Canning agreed, and which was delivered by President Monroe. stop. It outlined a course of action

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which the United States could then safely follow and which, one may say, was prescribed both by its circumstances and by the circumstances of contemporary Europe. stop. Consider what those circumstances were. stop. In Washingtonís day North America was distant from Europe by a voyage of some weeks, often of many weeks, and often perilous. stop. American commerce with Europe was already important but how small compared with that of our times. stop. Very few persons went to and fro. stop. News came slowly and what did come became imperfectly known to the American people. stop. They could afford to think little and care little about Europe, not only because their relations, personal and commercial, were comparatively slender, but also because they were then and for two generations afterwards, mainly occupied in colonizing their vast western territory, and developing their own resources. stop. They were, moreover, in Washington's day a population of only five millions. stop. And what were then the circumstances of Europe? From Washington's day until the middle of last century, the Great Powers of the European continent were involved in a conflict of dynastic interests in which all these Powers showed themselves equally selfish and equally hostile to the principles of liberty. stop. They had little to do with the United States, except for that short period in which the Holy Alliance threatened an interference with the efforts for independence of the Spanish American colonies, an interference averted by the efforts of the United States and of Great Britain. stop. The United States could well think in those days that it had little to do with European complications, and the less to do the better. stop. But at last things changed in Europe and the revolutions of 1848 marked a decisive stage in the change. stop. They have gone on changing fast since then, and the greatest change of all has been

the extension of the power and influence of the leading civilized states beyond the boundaries of Europe. The whole world has now become one by the enormous development of trade due to new and swift means of transportation and communication and by the interests which every country has in the weal or woe of every other country. stop. Not only the directly commercial but the financial relations of all civilized countries are closely interwoven. Wars affect the trade and the welfare generally of neutrals more than ever before. Capital has become so great a power and capital in one country is so interlocked with capital in another than whatever affects it anywhere affects it everywhere. stop. No country escapes this influence and the United States can escape it as little as any because it is the wealthiest of all. stop. Moreover the range of offensive warlike action has been immensely enlarged. Every state has now become the neighbour of every other, for evil as well as for good. stop. Were an aggressive and ambitious military and naval power restrained by no scruples, disposed to embark on a policy of conquest overseas at the expense of weaker nations, she could do now what would have been impossible in the days of Washington. stop. We in England used till lately to set down as mere quote pipe dreams end quote the fears that such an aggressive European power would threaten such countries like Brazil or Argentina, but we must now confess ourselves mistaken. stop. Neither of those countries nor the islands of the West Indies would be safe from attack were the other Powers, which possess navies and would be interested in checking aggression unable to intervene. stop. Supposing their navies out of the way the field would be clear. stop. Thirdly, European wars have now almost lost their old dynastic character. stop. Austria is an exception for the Hapsburgs are still allowed to play for their own hand. But the Austro-Hungarian Monarchy an ill-assorted congeries of races, only one of which is attached to the dynasty and some of which dislike it, is an anachronism in the modern

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world. stop. Wars are now undertaken partly for colonies and commerce but mainly for the sake of nationality and liberty. stop. This war has arisen from a quarrel over nationality but it involves the principle of liberty also, because everyone known that if Germany had been a free country in the sense in which France and Italy, Switzerland and Holland, are free there need have been no conflict. The course which the war has taken has involved not only the principle of liberty but the maintenance of international right, the observance of rules laid down by international conventions and the principles of humanity towards non-combatants, and these principles interest all the world-- the two Americas no whit less than Europe. stop. They/have a stake in the struggle. too stop. Fourthly, Never before has the power of public opinion in neutral nations been so fully recognized as it is in this war. stop. Each of the belligerents has shown itself anxious to win the favour of that opinion, recognizing its moral influence as well as the possibilities of its direct action. Thoughtful men in every neutral nation feel that the results of the war must affect for good or evil their own moral standard and their own political development. stop. This is a proof of how near to one another are the Old and the New World of to-day. stop. Lastly there is another way in which the position of the United States has been entirely changed. stop. She now numbers more than twenty times the population of Washington's day. stop. She has become a great Power to which the world looks as the strongest and most impartial exponent of neutral opinion. stop. The United States stands in an especial degree for the principles of international justice and international law. stop. It has done more than any other nation to advocate the substitution of arbitration for war and to improve the rules and assert the value of the principles of public law as governing international relations. stop. Less than ever before can the United States view with an indifferent eye the conflict, wherever in the world it may be waged, for principles which it has done so much to promote, principles intertwined with its own life and growth.

Its greatness and its history alike impose on it a unique responsibility. Were Washington alive now would he not recognise such a responsibility? He certainly could no longer say in the words of his message quote Europe has a set of primary interests, which to us have none, or a very remote relation end quote. stop. This brings me back to the point where we started. Have not the changes of one hundred and twenty years so altered the relations of North America to Europe as to make some lines of action right or even necessary now which would have been uncalled for and even dangerous in seventeen ninety-six? stop. These are submitted as general considerations. stop. Of their applicability to the present or any other specific crisis it is not for me to speak. stop. No sensible man on this side of the Atlantic would venture to offer argument or advice upon matters which are entirely for the judgement of the Government and people of the United States. stop. The more anyone knows of the conditions under which the Executive and Congress have to act, and the complicated facts they have to weigh, the less would he presume to offer advice. stop. But there is one point on which a word may be said, because it relates not to the present conjuncture, nor to that Treaty settlement when the war ends which the belligerent powers whoever they may then be, will have to make, but to the further and subsequent question, what is to be done after the settlement has been reached and completed. stop. This is a matter on which Europeans are entitled to address their American friends, inviting their cooperation in a work to be done hereafter for the benefit of the world. stop. All thoughtful men both in Britian and as we are told in the United States also, feel that some effort must be made to provide machinery calculated to prevent the recurrence of such a frightful calamity as this war has proved to be. stop. The difficulties of such a scheme are obvious. stop. But they need not be insuperable with the cooperation of the

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[5-12-16]

United States, which would bring to any concerted plan for the amicable settlement of disputes and for the maintenance of peace by a league to restrain aggression, its authority, its strength and that disinterestedness which belongs to its position outside the circle of European jealousies. stop. Here is an undertaking which the changes of the last seventy years have made a matter of common concern to every part of the world. stop. No great nation whatever its maxims of policy have heretofore been, can, if it approves the end in view, stand aloof from the effort to attain that end, now more than ever urgent. stop. Here is a service in which the United States is called upon to join because it is to be rendered to mankind at large, to the New World as well as to the Old. stop. Signed James Bryce.

[Issue of New Republic April 15, 1915]

Add to Croly cable.

Congratulations your Leader "Through Thick and Thin."

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London, May 12, 1916.

Dear Sirs,

Enclosed please find my check for fifty pounds, to be utilized in connection with your work.

This check is sent by the "NEW REPUBLIC," a weekly published in New York, at the request of Lord Bryce, who has recently made a contribution to this journal.

I suggest that you acknowledge receipt to Lord Bryce himself, and please also advise me at Claridge's Hotel of the receipt of the check.

Yours very truly,

Armenian Relief Fund,

Donoughmore is just off to France on a visit to Lord Bryce. Yours very truly, Louis Dolphin

May 12th 1916.

5, CHESTERFIELD GARDENS, W.

Dear Mr Straight-

Thankyou so much for your kind letter. Donoughmore is very well now & was very lucky to get off without being hurt more. The bullet that hit him however went through two friends of ours, who were in the car with us, before getting him. Another inch to the left and all three would have been

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killed. It has been a heart breaking rebellion, for any who love Ireland + we all feel so bitter about it. The papers are mumming the whole situation + no doubt will soon make martyrs of the rebel leaders, but it is only those who were in the country at the time who fully realize that if the military had not arrived in time, there would have been a whole sale massacres all over the country. No difference was made, as it was, between men + women, + the rebels simply shot all they could indiscriminately without any reason. I hope so much you will have a good crossing + a safe one, + I wish so much we could have seen you before you sailed, but have been so rushed.

MEMORANDUM May 12, 1916.

Regarding trunk of baby linen belonging to Mme. Homberg, if Mr. Forbes can take it over to Paris I shall be grateful. If not, Mr. Shryock can send it by express. The Homberg residence, 18 Place des Etats-Unis, is probably in charge of a caretaker, but at this address they will be able to tell where M. Homberg's mother lives. His daughter is living there and her governess gave me the trunk. I suggest that Mr. Forbes find out the address of the governess from 18 Place des Etats-Unis. If Mr. Forbes takes the trunk he can send it to the governess. If not, he can give the address to Mr. Shryock, who will express it.

Willard Straight

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[c. 5-12-16]

MEMORANDUM

Mrs. Lionel Lambart will telephone to Mr. Forbes or Mr. Shryock, asking either one of them to send a cable to Mr. Straight in New York, regarding the shipment of polo ponies belonging to Mr. Lionel Lambert. Please send this as a personal cable.

May 12 1916

Memorandum

Mr. Lloyd-Owen will telephone Mr. Shryock tomorrow regarding cable to New York which has been ~~approved~~ drafted, which Mr. Shryock is to send in case ~~Mr. Lloyd-Owen~~ Lord Rhondda approves.

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May 12th, 1916.

My dear Laughlin:

Herewith a note for Bliss, with a note and cigars for Jaccaci. It is very good of you to send these on for me.

I greatly enjoyed last evening with you and was particularly interested in what you have had to say about some of our mutual friends. If you get any further "dope" on similar situations in the United States, perhaps you would be good enough to drop me a confidential line. I share your apprehensions in this matter and want to do anything I can to put spokes in the wheels.

With best wishes always, and my compliments to Mrs. Laughlin.

Sincerely,

Irwin Laughlin, Esquire,
Belgrave House,
Belgrave Square, S. W.

London, May 12th, 1916.

My dear Bliss:

Herewith some cigars which are sent to you under false pretenses for transmission to Mr."Jack". I wonder if you would be good enough to send them on to him. I should not have the face to trouble you on behalf of any other person, but I am sure you will be glad to see that he gets some good smokes.

I hope that Mrs. Bliss is much better. I was extremely sorry not to have seen her in Paris.

Perkins sailed about ten days ago and I am off on Saturday.

With best wishes to you both, my dear Colleague, believe me,

Sincerely yours,

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London, May 12, 1916.

My dear Mr. "Jack":

Herewith a box of cigars which I trust you will enjoy. They bear my most affectionate wishes.

I am off for Home on Saturday and I hope I shall soon see you over there, or if not there, I shall hope to come back again and meet you in Paris.

With kindest regards, believe me,

Sincerely yours,

M. A. Jaccaci,
Hotel de Crillon,
Paris.

WESTMINSTER HOUSE,
7, MILLBANK,
LONDON, S.W.

12th. May 1916.

Willard D. Straight, Esq.,
Claridge Hotel,
Brook Street, W.

My Dear Straight,

I thank you for your letter of the 11th inst. which is quite in order.

Trusting that you will have a pleasant journey and wishing you everything that is good.

I am,

Yours sincerely,

Ja Thomson

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London, May 13th, 1916.

Her Grace
The Duchess of Rutland,
16 Arlington Street, London.

Many thanks your note. Extremely sorry unable lunch ~~with~~ Tuesday.

Am leaving for New York this morning.

Willard Straight.

[May, 1916]

Under of the dossier with the Memoranda -
Hue are sent by de Camp & Ree Memo to Mr. V.

BRITISH FOREIGN OFFICE AND BOARD of Sept 23rd.
OF TRADE.

Referring to memorandum No. 14, handed Mr. Perkins with letter of April twenty-fourth, also memorandum handed Mr. de Camp on May third, 1916, transmitting memorandum of conversation and copies of correspondence with Mr. Runciman, also to cables thirty-four and thirty-six, there are appended hereto:-

(a) Copy of letter addressed to Mr. Holbrook, regarding the attitude of the British Foreign Office.

(b) Memorandum of conversation with Mr. McKenna.

(c) " " " " Count Benckendorff.

As anticipated in the memorandum handed Mr. de Camp, Mr. Vassar-Smith, Chairman of the Board of Lloyd's Bank, called a meeting of the leading joint-stock bankers, of whom the following were present:

Sir Felix Schuster, Union of London & Smiths Bank.
Mr. Hambling, London & South Western Bank.
Mr. Leaf, London County & Westminster Bank.
Mr. Goschen, of Fruhling & Goschen and the London Joint Stock Bank.
Mr. Martin-Holland, of Martin's Bank and Secretary of the London Clearing House.
Mr. Goodenough, of Barclay & Company, Ltd.,
Mr. Currie, of Glyn-Mills-Currie & Company.
Mr. Wise of the Guaranty Trust and Parr's Bank.

At this conference Mr. Vassar-Smith requested Mr. Straight again to state his ideas as to possible co-operation. Mr. Straight referred to his conversation with Mr. Runciman, saying that he hoped that if a combination of joint-stock banks was organized in London, along the lines of Mr. Runciman's suggestion, it might be possible for the International Corporation to work in harmony therewith. This idea seemed to be favorably received. Sir Felix Schuster and Mr. Walter Leaf made a few remarks favoring co-operation, but

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stating that it should be arranged through an understanding and not attempted joint control. Sir Edward Holden was not present at this meeting but Mr. Straight saw him on the following day. He also expressed his desire to co-operate with the American International Corporation.

Both Sir Edward Holden and Mr. Hambling informed Mr. Straight that they had suggested to the Chancellor of the Exchequer and President of the Board of Trade, that the joint stock banks should call in a certain amount of additional capital to be utilized in subscribing for stock of the new combination. Mr. Hambling believes that the interest on the capital of the new combination should be guaranteed by the Government shatthat the new combination should as soon as possible send its representatives to various parts of the world to co-operate with the representatives of British industry. Mr. Kindersley and Mr. Brand of Lazards, Mr. Vassar-Smith of Lloyds Bank, and Mr. Leaf of theLonndon County and Westminster have also been active in these discussions. The guarantee which the Government extended at the outbreak of the war, through the joint stock banks and through the Bank of England to acceptance houses, bill brokers and exporters have created a relationship between the Government and the business community, which will be used to facilitate some new combination.to secure joint action by the Government with the joint stock banks and the merchant banking houses grouped about the Bank of England.

Plans for co-operation by a group of British and Italian banks for financing Anglo-Italian trade, have already taken definite shape and a similar combination with Swedish interests is now being discussed.

Despite the general discussion of the more comprehensive scheme, however, plans therefor as yet seem to be embryonic. The most that can be said is that the Government officials, the leading joint-stock bankers

and some of the merchant banking houses are trying to work something out in their own minds, without as yet having reached any conclusion.

Mr. Hambling suggested that probably the best way to bring matters to a head would be for the Corporation to make a definite suggestion for co-operation, not to any one of the joint-stock banks themselves but to Mr. Runciman, President of the Board of Trade, who might perhaps galvanize the bankers into action.

Enclosures.

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MEMORANDUM REGARDING LONDON OFFICE.

(1) Personnel.

Pursuant to cable authority received from New York, Mr. Grant Forbes and Mr. Paquet have been engaged to serve the Corporation in London, to receive payment at the rate of Five Thousand Dollars and Seven Hundred Pounds per annum respectively. Mr. S. S. Shryock has been instructed to remain in London to act under Mr. Forbes' direction.

(a) Copy of a letter to Mr. Grant Forbes, appointing him to act temporarily for the Corporation in London and Paris, is appended hereto.

(b) Copy of letter to Mr. Paquet, appointing him to act as Secretary of the Belgian-American Committee, is appended hereto.

(c) The arrangement with Mr. S. S. Shryock has been held in abeyance pending discussion in New York.

(2) Finances.

Prior to Mr. Straight's departure from London, he left with Mr. Grant Forbes, for his salary and office expenses, the sum of One Thousand Pounds. This amount Mr. Forbes has deposited to his personal account with Morgan, Grenfell & Company, it being deemed wiser not to open an account in the name of the Corporation, pending the appointment of the Corporation's London representative and the designation of the Corporation's London Bankers.

(3) Office Accommodation.

Inasmuch as Mr. Perkins and Mr. Straight had been located at Claridge's, and inasmuch as the Corporation's permanent representative in London will probably desire temporary quarters in a hotel pending selection

of a regular office, it was felt wise to avoid too frequent change of address by continuing for the time being at Claridge's. Two rooms occupied by Mr. Shryock and Mr. Kincaid have therefore been retained. Mr. Shryock will continue to live in one and use the other for an office. The charge for these rooms will probably be about Five Dollars a day.

(4) Business left in hands of Mr. Forbes.

Appended hereto are copies of two memoranda which were left with Mr. Forbes, together with copies of accompanying letters of introduction, etc. The first records the names of firms and persons with whom various matters were discussed, and the second enumerates propositions taken up with Mr. Straight and Mr. Perkins in London and which may in future require Mr. Forbes' attention.

(5) Legal position of the Corporation's representative in London.

It was deemed wise to secure opinion of counsel as to the status of the Corporation's representative in London and the taxation to which he would be subjected, both personally and in his capacity as the Corporation's representative. Copy of letter addressed by Mr. Grant Forbes to Messrs. Paines, Blyth and Huxtable, and copy of their opinion is appended hereto.

(6) Names suggested in connection with London representation.

Mr. Thornton, formerly of the Long Island Railway, now of the Great Eastern Railway, would be interested in receiving some proposition from the International Corporation.

In connection with the selection of the London representative, the name of Mr. Boyleston Beale is suggested for possible consideration.

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Memo. regarding London Office.

Enclosures:

Copy of letter to Mr. Grant Forbes.

Copy of letter to Mr. Paquet.

Copies to two memoranda with accompanying letters of introduction.

Copy of letter from Mr. Grant Forbes to Messrs. Paines, Blyth and Huxtable.

Copy of legal opinion of Messrs. Paines, Blyth and Huxtable.

BELGIAN BUSINESS.

Referring to Mr. Straight's letter No. 10, to Mr. Stone, and memorandum No. 7, handed Mr. Perkins with Mr. Straight's letter of April twenty-fourth, 1916, there are appended hereto:-

(a) The original of note of agreement signed by Chevalier Carton de Wiart on behalf of the Societe Generale de Belgique and by Mr. Straight on behalf of the International Corporation.

(b) Copy of letter addressed to Chevalier Carton de Wiart by Mr. Straight, regarding the personnel of the Committee established in accordance with terms of the note of agreement above mentioned.

(c) Copy of letter to Mr. Paquet, engaging him on behalf of the Corporation to act as secretary of the Belgian-American Committee.

(d) Copy of a memorandum on exchange, being the first proposition submitted through the Belgian-American Committee by the Societe Generale.

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COAL PULVERIZER.

Referring to memorandum #9, handed Mr. Perkins with Mr. Straight's letter of April twenty-fourth, there is attached hereto copies of correspondence with Mr. Seligman of London, together with copy of letter written to M. Betim Pass Lane in Paris, in regard to this matter.

Enclosures.

GENERAL GREENE'S SHIPPING PROPOSITION.

Referring to Memorandum No. 13, handed Mr. Perkins with Mr. Straight's letter of April 24th, appended hereto are copies of correspondence with Mr. Hipwood, of the Board of Trade, also from Mr. Hessler of Furness, Withy & Company.

An additional list of the so-called Wagner ships, with Mr. Herains's note as to the price thereof (seven million dollars) and possible profits to be made from their purchase is appended. Further details it is understood are embodied in a letter written by General Greene to the American International Corporation in New York.

Enclosures.

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J. G. WHITE & COMPANY.

Referring to Memorandum #3, handed Mr. Perkins with Mr. Straight's letter of April twenty-fourth, there is appended hereto a short report of the history of J. G. White & Company, of London, and certain explanatory data furnished by them.

Enclosures.

THE COMMERCIAL BANK OF SPANISH AMERICA, LTD.

Referring to memorandum No. 15, handed Mr. Perkins with letter of April twenty-fourth, at the invitation of Mr. Worthington Evans, Mr. Straight and Mr. Forbes called upon him at his office on Tuesday, the ninth of May, and there met Mr. Matts of the Commercial Bank of Spanish America, Limited. Mr. Evans pointed out that the British Government was very much disturbed by the preponderating influence held in Venezuela by the German firm of Blohm & Company. He stated that this firm was importing a certain amount of goods from Manchester and arranging credits through the firm of Amsink & Company of New York. It was suggested that the Corporation furnish the Commercial Bank of Spanish America with the additional capital which it now required. If with these fresh funds the Bank could take over the Manchester business now done by Blohm and Amsink, both of which despite their German affiliations were allowed to do business in England, these firms would be black-listed. Mr. Straight and Mr. Forbes met Mr. Matts on the eleventh, and received certain data regarding his bank which is appended hereto.

Mr. Matts stated that his New York office was now doing a good business. He felt that British taxation might perhaps constitute an objection to an investment in the British Bank. He suggested that possibly an American Company might be organized, capitalized for the amount which the bank now required, the American company from New York and the British Company from London maintaining joint offices in South America. This suggestion is worthy of consideration.

Enclosures:
Data regarding Commercial Bank of Spanish America.

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ASUNCION PORT WORKS.

Mr. Straight and Mr. Forbes have had several conversations with Sir Robert Perks, of MacArthur, Perks & Company, who has submitted certain data regarding the Asuncion Port Works, which as we informed him, has already been taken up with the Corporation in New York.

Enclosures.

COLOMBIAN RAILWAYS.

Referring to memorandum No. 2, handed Mr. Perkins with letter of April twenty-fourth, Mr. Straight and Mr. Forbes have had several conversations with Senor Perez Triana, who on more than one occasion has suggested the desirability of working in Colombia with an Anglo-American organization. In this connection he has frequently mentioned the name of Sir Robert Perks, whom Mr. Straight and Mr. Forbes have met. Copy of letter written to Senor Perez Triana is appended hereto; also copy of memorandum of Senor Perez Triana's conversation with Mr. Forbes in which the former stated that Doctor Camacho was now ready to go to New York.

Messrs. Grace Brothers, of London, would be interested in discussing with the Corporation the formation of a construction Company to do this business. It might be an American company to avoid British taxation and at the same time be given an Anglo-American name.

Enclosures.

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SPANISH BUSINESS.

Appended hereto are copies of letters to Doctor Vedits, the American Commercial Attache in Paris.

Enclosures.

RUSSIAN BUSINESS.

Appended hereto is copy of letter written to Mr. Holbrook regarding Russian business in general, and also letter of introduction given Mr. Pusch of Lazard Freres; also attached hereto is memorandum of conversation between Mr. Forbes and Mr. F. W. Baker regarding Mr. Holbrook's conversations with Mr. Hutchins, the mining engineer.

Enclosures.

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METZEN, VINCENTE & CIA., LOAN.

The memorandum regarding this matter did not reach London with Mr. Henry's letter. Mr. Straight and Mr. Forbes went to see William Brandts & Sons, and asked them whether they would be willing to consider the transfer of their loan as suggested by Mr. Henry. No definite conclusion was reached.

Appended hereto is memorandum of conversation between Mr. Forbes and Mr. Brandt.

This matter will be taken up in New York

Enclosures.

PROPOSED TOBACCO SALES ORGANIZATION IN CHINA.

Mr. Thomas of the British-American Tobacco Company, stated that a representative of this Company had for some time been discussing with the Chinese Government the formation of a company which would take over the China business of the British-American Tobacco Company. This Company would be under the management of the British-American Tobacco Company. In this organization the Government was to have an interest, and was simultaneously to create a tobacco revenue board, which was to consolidate national, provincial and municipal tobacco taxes under its control, revenues to be paid by the purchase of stamps, which were to be affixed to all packages of tobacco.

Mr. Thomas suggested that the Chinese Government would probably be prepared to enter into this contract at the present time, providing they obtained a loan of ten million dollars, which he suggested the Corporation might be willing to furnish, if the loan was secured by the revenue collected by the new tobacco revenue board, and if the Corporation at the same time were given an interest in the new tobacco sales company.

At Mr. Thomas' suggestion Mr. Straight enquired at the Foreign Office whether they thought it would be desirable to go ahead with this transaction at the present time. Mr. Lyons, who had been in Peking with Mr. Thomas when he was there, stated that the Government approved the plan and had given and would continue to give the project its support. He felt, however, that in view of political unrest in China and the present dominant Japanese influence, it would be a mistake to press the matter at this time. Mr. Thomas therefore cabled to Peking, instructing the British-American

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Tobacco Company's representative to keep the negotiations open but without attempting to reach any conclusion for the time being.

Copies of the proposed agreement are in the hands of Mr. G. C. Allen, of the British-American Tobacco Company, in New York.

AGRICULTURAL BANK IN FRANCE.

Mr. Mater and Mr. Kahn, who is in charge of the foreign exchange department of the London County and Westminster Bank, state

(1) That the loss of life amongst farm labourers and the loss of capital by the land-owning classes in France will necessitate improved agricultural methods, irrigation, use of electric power and employment of agricultural machinery.

(2) That the scarcity of labour will necessitate the combination of small holdings and the cultivation on a comprehensive scale.

(3) That many of the larger estates will in the future be operated as stock companies.

They propose therefore to organize an agricultural bank which will make loans against farm mortgages, finance crops, improvement of agricultural methods and the sale of agricultural machinery. Details of their plan are set forth in the accompanying memorandum.

Enclosure.

Memorandum by Mr. Mater on Agricultural Bank in France.

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JACOB HOLTZER & COMPANY.

Steel Manufacturers.

Mr. Mater, whom Mr. Straight met through the French Embassy, is a director of the Jacob Holtzer & Company steel mills. The factory is at Unieux, Loire. This mill is owned by two families and manufactures fine tool steel.

Mr. Mater has in mind various improvements in the plant and the extension of its business which will require fresh capital. He desires to know whether the Corporation would be interested in considering a proposition to furnish the sums now needed. Mr. Straight informed him that the Corporation would be glad to discuss with him any propositionswhich he might care to submit. Mr. Mater proposes to consult with his colleagues and may later submit some definite proposition. He also contemplates a possible combination with the Firmini and Girand Steel Works.

THE EAST ASIATIC COMPANY, LIMITED.

Appended hereto is Bradstreet's Report dated May 4, 1916.

This Company is believed to have made handsome profits during the war and enjoys a first class reputation in London.

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THE INTERNATIONAL RUSSIAN CORPORATION.

This Corporation has an authorized capital of two hundred thousand pounds, and two hundred thousand shares of one pound each, of which one hundred thousand pounds have been subscribed, fifty-five thousand pounds paid up. It has important Russian connections and among others Messrs. Morgan, Harjes & Company of Paris, and Messrs. J. G. White & Company of London, are interested therein. The principal interest is held by Lazards of London, one of whose partners, a Russian by birth, gives this business his particular attention. Prior to the war this Corporation has shown handsome profits.

No definite proposition has been made to the Corporation by the International Russian Corporation but Mr. Pusch of Lazards proposes shortly to go to Russia and he has been handed a letter to Mr. Holbrook. The connections of this Corporation in London, Paris and Petrograd make it one in which it might be desirable for the International Corporation to take participation if opportunity offers.

THE GROOTFONTEIN MINE.

Letter from the Consolidated Gold Fields of South Africa, is appended hereto.

The Consolidated Gold Fields of South Africa, Limited, proposes that the Corporation join with them in creating a syndicate to prospect the Grootfontein mining area, a mining claim located in the Heidleburg District of the Transvaal, containing about 9,500 acres. If the reports are favorable, they propose the formation of an operating Company, to be capitalized on the basis of their engineers' reports, the Consolidated Gold Fields of South Africa to have the right to retain an amount to be determined of vendors' shares and have the right to participate in the subscription to the working capital shares.

Details regarding this proposition, reports on other mining companies, a study of which may give a basis for judgement as to the present proposal, are appended hereto.

Enclosures.
Letter from Consolidated Goldfields of South Africa, Ltd.
Statements and reports on mining companies.

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INVESTMENT IN TRANSCONTINENTAL CONSOLIDATED OIL COMPANY.

Appended hereto is a proposal from the Consolidated Gold Fields of South Africa, of which Lord Harris is Chairman, on behalf of the Transcontinental Oil Company, that the Corporation furnish capital required to proceed with the development of oil fields near Tampico, now being operated by the Transcontinental Petroleum Company. The Transcontinental Consolidated Oil Company, which is the holding Company, is prepared to sell the unissued one hundred and ninety thousand pounds of its sbven per cent preference shares and give a bonus of forty per cent in ordinary shares to the purchaser. Details are to be obtained from the New York office, thirty-sixth floor of the Woolworth Building.

Enclosure.
Letter from Consolidated Gold Fields of South Africa.
Data regarding Transcontinental Oil Company.

MEMORANDUM ON ATTITUDE OF BRITISH GOVERNMENT TOWARD ANGLO-AMERICAN COOPERATION IN CHINA.

(1) Situation as regards International Groups.

In response to an enquiry at the Foreign Office, Mr. Gregory and Mr. Lyons, in charge of Chinese affairs, stated that the British Government would welcome a revival of American interest in the international combination for Chinese business, from which the Germans have now been excluded. They stated that they had been advised by the other interested parties, presumably the other Governments concerned, that they also would welcome the re-entry of American interests in this field. The Foreign Office did not seem certain as to whether the old Sextuple Agreement had been terminated by the exclusion of the Germans, or whether the other parties thereto were still bound.

Sir Charles Addis also stated that the British Group would be glad to have the American Group re-enter Chinese business. Sir Charles felt that the old Sextuple Agreement was still in existence, that it would terminate automatically in the Spring of 1917 and that the American Group is a party thereto. He stated that any joint issue with German banks would as far as he could foresee, be impossible in the future. He added, however, that no issue of the Reorganization Loan was for the time being possible in any case. He saw no necessity, therefore, for taking any active steps to expel the German Group from the Consortium. He considered that the American Group was still a party to the Agreement of 1910 for Hukuang business. He felt that British and French Groups would be glad to reach a general understanding with the American Group regarding industrial business in China.

Mr. Straight informed Mr. Gregory and Mr. Lyons, and Sir

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Charles Addis that he was not in position to speak for the Group, but desired to ascertain the attitude of the British Government and of the British Group, in order to be able to talk these matters over in New York.

(2) Pauling & Company's Railway scheme.

In response to an enquiry as to whether the British Government was prepared to support Pauling & Company in connection with their contract for Railway construction in China, and if so, whether the British Government would approve of co-operation between the American International Corporation and Pauling and Company in that undertaking

(a) Mr. Drummond, Private Secretary to Sir Edward Grey, as well as Mr. Gregory and Mr. Lyons of the Chinese Department of the Foreign Office, stated that Pauling & Company had the full support of the British Government for this enterprise, and that

(b) The British Government approved in principle of co-operation between Pauling & Company and the American International Corporation but would desire information as to the exact terms of such co-operation prior to extending to such co-operation their full support.

This reservation, Mr. Gregory explained, indicated that the British Government desired that the construction should be undertaken by a British Company and that provision should be made for the sale of British materials. Mr. Gregory stated that the Japanese had endeavoured to interfere with Pauling's project, but that this obstacle had now been removed.

[May 1916?]

QUERIES.

(1) The proposal to purchase the Transandine Railway, Buenos Aires and Pacific, Cordova Central, possibly the Antofagasta and the Chilean Northern. Does the Corporation propose to undertake the control and operation of Railways in South America? If so, it would be necessary to issue securities far in excess of the amount of any possible issue of Corporation debentures. What would be the nature of such securities? How would they be distributed if issued? Would the Corporation attempt to handle the distribution itself or would it act as the initiator and promoter, participating in the distributing syndicate to be organized by a group of banking houses?

(2) How would the Corporation place foreign Government bonds which it may accept in payment for construction work done? How will it distribute debentures issued against foreign obligations deposited as collateral?

(3) Proposal submitted by Lord Harris for mining in South Africa or by Mr. Baker for Russian mining. Does the Corporation consider it feasible to go in for mining enterprises? If so, how will they be financed? Will there be a separate mining corporation in which the American International will take an interest?

(4) The proposal to establish a Russian Trading Company in co-operation with Lloyds Bank, and the proposal that the Corporation take an interest in the Thames Trading Company. Does the Corporation

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[May. 1916?]

propose to undertake business of this kind?

(5) Other typical propositions, the Pernambuco Tramways, Asuncion Port Works, Buenaventura Port Works, The Pacific Railway of Colombia and Pauling's Railway scheme in China, all seem to be of a character which the Corporation has already determined to undertake, while the proposal for investment in the Commercial Bank of Spanish America seems to be in harmony with the general plans regarding Central American development.

Queries similar to the foregoing have already been developed by our conversations in London. Similar questions will be asked the Corporation's representative, who should be able to reply.

CABINET CIVIL DU MINISTRE
BURGERLIJK KABINET VAN DEN MINISTER

Le Havre
14 Mai 1916

My dear M Straight

I was deeply touched in receiving the lovely souvenir you were so kind to send me in remembrance of your visit to the Belgian army. I will keep it with pleasure as the gift of a friend who in there trying times understood so well the spirit of my country. I sincerely hope that I will have later on the opportunity of meeting you again. I am con-

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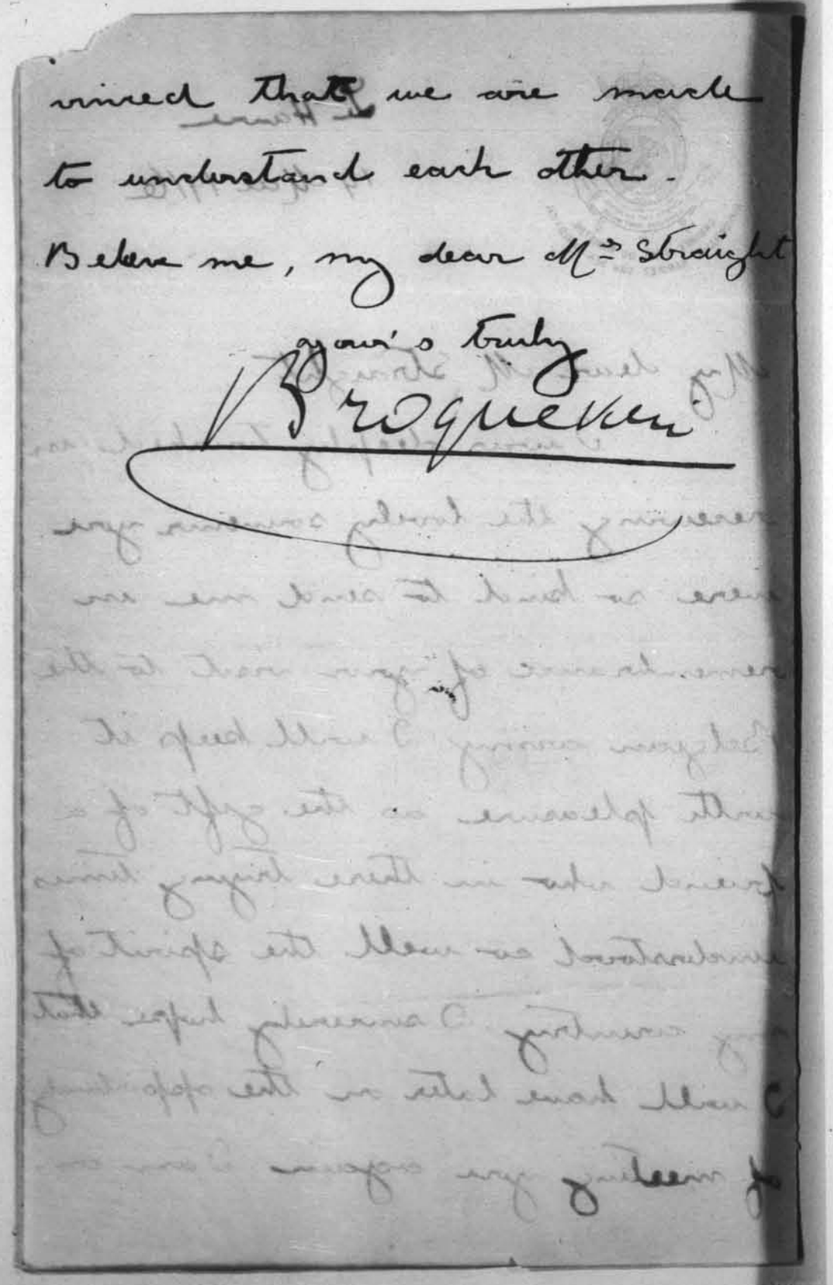
vinced that we are made
to understand each other.
Believe me, my dear Mr Straight
yours truly
Roquette

June first
1916

My dear Excellency:

Upon my return from Europe I find your two letters of the twenty first of February and the third of April, which I am delighted to have.

I presume by this time that your friends the Paes Lemes are back in Rio. I saw them again in Paris and I am afraid that I failed to get things started as quickly as Paes Leme wanted me to do. That, however, was not my fault and although I am afraid he doesn't appreciate it, his schemes would have been turned down flat had I not made a more than usual effort to keep them alive. I believe something may be developed later but this will have to be a matter of time and cannot be settled in five minutes. One hears that Americans going abroad are always anxious to settle things with extraordinary speed and that our impatience is one of the reasons why we do not get on more happily with our foreign friends. While I do not question this, my own experience would rather lead me to believe that others who come into the United States are just about as anxious to tie things up as we are when we go abroad. After all, human nature is very much the same.

I am very much interested in receiving the copies of the flowery telegrams, which add to the "hot air" literature of Pan-Americanism. I am glad to hear that our friends made such an impression in Brazil. Apparently, they did not do quite as well in Peru. At least that is the impression I gathered from the telegram appearing in the British papers when I was in London.

With Nelson Perkins of Boston, I spent two months in London and on the Continent. I had a most interesting and instructive time and we are convinced that there is going to be a great opportunity for the Corporation, but our belief is that we can best take advantage of this opportunity if, despite the difficulties, we try to co-operate with our British friends in the various parts of the world. As you know, the British idea of co-operation is that the other fellow does what the Britisher wants him to do, takes

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His Excellency Edwin V. Morgan

as much of the profit as he can get and for this, in the Englishman's mind, he ought to be thankful. This, however, is not co-operation but it seemed to us that London was a little more chastened than usual and that for the future some basis may be worked out if we take cognizance of the susceptibilities which are all the more noticeable because of the dawning consciousness that Great Britain has not made as good an exhibition as might have been wished. I should be glad to have your reaction as to this general policy.

In your letter of the third of April I note that you have given a letter of introduction to Herrick and myself to Walmsley, of the Sao Paulo Light and Power Company. As far as I know, he has not yet turned up here but I shall hope to see him and discuss the business which he desires to take up. We are now about to consider a loan to the State of Sao Paulo and while all we can learn regarding the present condition of finances in Brazil is rather discouraging, I am hoping that we may be able to work something out.

I am glad to have your remarks as to the Menocals and shall take pleasure also in passing on your remarks regarding the City Bank's representatives. I think this may help the situation, not that Mr. Vanderlip does not realize that he has not sent the best men abroad--the truth of the matter is he has not been able to find them--but it never does any harm to drive these things in, for some of our leading business men do not appreciate the desirability of having house-broken representatives abroad.

In Europe I saw a number of your friends, all of whom asked after you with great interest. While there I heard a rumor that you might be coming home in the near future. You have been away a long time and you will find a warm welcome when you do arrive. I have been home only a short time and consequently have not yet formed many impressions as to the general situation. General opinion seems to be that Mr. Wilson will be re-elected. The Hughes boom is going strong but Roosevelt is gathering strength every minute and may be able to carry it off. If he secures the nomination there

His Excellency Edwin V. Morgan

should be a very good chance for his election, but that is all in the laps of the gods.

Dorothy and the children are well and we all join in love.

Yours ever sincerely

His Excellency
Edwin V. Morgan
The American Ambassador,
Rio de Janeiro, Brazil.

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June fourteenth
1916

My dear Lord Bryce:

Mr. Robert M. Collins, of the Associated Press, sent me a wireless to the steamer, to which I replied suggesting that he advise you as to just what had happened in connection with your article. I was very much disturbed my our inability to have your article summarized through the Associated Press. Mr. Collins and Mr. Croly used every effort with Mr. Stone, but for reasons the nature of which I do not know, he seemed to feel that it would be impossible for him to handle it as this time. Doubtless pressure of pre-convention news was responsible for his position. I was especially sorry that I should have been on the ocean at the time the matter came up, as I should have preferred not to publish your article in "The New Republic" if it might have been given wider publicity in some other manner. This view I sent by wireless to Mr. Collins and I presume you agreed that it would be best to proceed as arrahged. As a matter of fact, Mr. Croly tells me that your article was widely re-printed and I believe he has already sent to you newspaper clippings giving the comments thereon. We were very glad indeed that youmade "The New Republic" a vehicle for your statement, which Mr. Croly tells me was very well received.

Things here are in a great turmoil. There seems to be a general feeling that Mr. Hughes should win, but it is, of course, too early to prophesy. Colonel Roosevelt will, we expect, support Mr. Hughes, although he has as yet made no statement in this regard. There is, of course, no question but that Mr. Wilson will be renominated by the Democrats.

I need not assure you what a pleasure it was again to meet you and Lady Bryce. I trust that you are both well and I shall look forward to seeing you in London in the near future.

With kindest regards to Lady Bryce and yourself, believe me,

Yours sincerely,

The Right Honorable
Viscount Bryce,

June fifteenth
1916

My dear Sir Gilbert:

You have probably thought me unmindful of my promise to write you a weekly letter. Since my return I have been so greatly occupied with an accumulation of business, which I found upon my arrival, that I have had little time to write, much less to think.

My net impression after three weeks in this country is that the public as a whole has been entirely occupied with the excitement preceding two party conventions and speculation as to who the Presidential candidates would be. Now that the Republicans have met and nominated Mr. Hughes and with the nomination of Mr. Wilson by the Democrats practically a certainty, it seems not improbable that our relations both with yourselves and with Germany will be brought into the campaign discussions. Both sides are claiming "Americanism", so called, as their own particular virtue. It is as yet too early to form anything like an accurate opinion, but as the situation is developing it would seem likely that the Democrats will try to take advantage of the attitude of the German-American Alliance to make Hughes appear as the hyphenate dandidate, while the Republicans may try to brand Wilson as too pro-British. This possibility creates a chance for misunderstanding. To forestall such criticism the Administration may feel obliged to make representations regarding incidents which might otherwise pass unnoticed. Inevitably, however, these questions will be brought before the public and will be bandied about in uncomplimentary phrases by a great number of "red-fire" orators. If the statements which will surely be made are reproduced in your own papers, this again will create uncomplimentary comment which will as surely be telegraphed back to the United States and add fresh fuel to the

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flames. If your correspondents on this side keep their heads and refuse to cable much that is going on, there will be no great harm done. Most of these remarks will be made for domestic consumption and nothing else. The German correspondents, however, will undoubtedly make the most of every opportunity and you may find some inflammatory material coming back to London by way of Paris or Berlin. This, however, it would seem you could easily prevent by instructions to your correspondents here and by an understanding with your editors in London.

Interefernce with the mails and seizure of securities have been greatly resented, the former rather than the latter. I have it on good authority, without proof, that in some cases offers from American firms to foreign customers have been held up in the mails and foreign buyers have later advised their American connections that they had been approached regarding the same business by British merchants, who could have learned of the proposed transaction only by having access to the American offer. It is asserted also that what seems to be a symstmatic effort has been made by the Board of Trade, to secure for Liverpool houses much of the cotton business which has been done by American firms. There seems every disposition to believe that the Foreign Office has acted in good faith, but it is felt in some quarters that the Admiralty and especially the Board of Trade are deliberately utilizing information secured through the Censor to further British commercial interests at the expense of our own. I am merely giving you the impression here, without any knowledge myself of the facts. It is, of course, inevitable, where you have drawn upon the business community for those who now act in your Censorate, that you should find some who may utilize the information which they thus secure for the benefit of themselves or their friends. Nevertheless, the suspicion that this sort of thing is being done will more quickly than anything else arouse resentment in this country.

[6-15-16]

You, of course, must be the judges as to what you are or are not obliged to do. I could readily understand that the penalty which you have paid for your former tolerance has been so great that you may now feel obliged for self-protection to adopt methods which are unnecessarily inquisitorial. Nevertheless, I wonder whether it is really worth while, whether you really gain enough, for instance, by your interference with the mails to offset the bad feeling which it arouses. Information is, in many cases, a more valuable form of contraband than any other. However, the application of the doctrine of "continuous voyage" to correspondence is so radical that you cannot expect the man in the street to accept it without a protest. I have always felt that a good many of your difficulties in this respect would have been obviated had you declared and maintained an effective blockade of Germany. Personally, I have considered that having declared the blockade as you have in the present instance, you are entitled to make it as light as you might deem convenient, but by rendering it less rigorous you have laid yourself open to criticism even for the restrictions which you do impose.

There has also been much bitterness about Ireland, fomented of course, by the Germans as well as the Irish-Americans. Only the most partisan have condoned the offenses of the Rebels, but even your friends have felt that it was unnecessary to shoot so many men, who are now regarded as martyrs, but who were in reality, I suppose, sincere though perhaps wrong-headed Idealists. The Irish issue, however, has I believe been forgotten. Tolerance in the future may do much to eradicate the unfortunate impression created by the executions.

Many people are watching with great interest the gradual development of your program for an economic Entente between the Allies and are wondering what the attitude of such an Entente, if created, will be towards the United States and other neutral powers. It would help the situation materially if before your delegates go to the Conference there could be some statement that

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no attempt would be made to discriminate against American trade. This is especially important in view of what I understand to be your desire within the next few months to borrow again in this market. Mr. Sazanoff's recent declaration regarding the intimate relations between Russia and Great Britain aroused a good deal of comment here and some people have even gone so far as to express an opinion that your Government desires to force those who wish to trade with Russia to do so through London. This suspicion might be largely dispelled by a declaration such as that suggested above.

You asked me to write you quite frankly my views as to the situation. You will see that I have taken you at your word and I trust that you may find this somewhat rambling letter of some interest.

With kindest regards, believe me,

Yours very sincerely,

Sir. Gilbert Parker,
20, Carlton House Terrace,
London, S. W.

#1260

June twenty first
1916

My dear Lord Bryce:

Very many thanks for your letter of the sixth of June, which just reached me. Before hearing from you I had already written you regarding your article in "The New Republic". I trust that by this time you have also received from Mr. Croly clippings of the article which appeared in the American press.

As to your query regarding the effect in this country of the Irish executions, I am afraid that at the time there was a great deal of criticism of your Government. It was felt pretty generally, apparently, that your authorities had endeavoured to make up for past weakness and incompetence by sudden and unnecessary severity. While a lasting impression may have been made in the minds of some, I think that the general public has forgotten these matters in the excitement of the gradually developing Presidential campaign. I hope, therefore, that the Casement trial will be handled in a manner which will not open up sores which are now healing.

During the next few months I am very much afraid there may be a great deal of criticism of Great Britain, and frequently incidents caused by the lack of tact by subordinate officials may be magnified for political reasons. Both political parties are endeavouring to appeal to the public on that somewhat indefinite plank "Americanism". The Democrats are attempting to saddle Mr. Hughes with German support and to point out to the public that Mr. Wilson is the original enemy of the hyphen. To strengthen this case politicians are always apt to attempt to twist the lion's tail, especially if the Republicans, while spurning the German vote with one hand should attempt with the other to retain it by criticising the Administration for being too pro-British. Nothing very definite has happned as yet and I am merely analyzing the situation in order that you may be prepared at some future time for more or less of an anti-British outbreak. As a matter of

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fact, it will mean very little and will be merely a weapon in domestic politics, but I hope that should such an outbreak occur, you will use your great influence to prevent its being regarded too seriously.

I am glad that you feel that the Germans are reaching the end of their tether. I had felt that while they really suffered by the recent naval action, they might have been able to dress it up to their public in such a way as to encourage the German people to go on longer than they otherwise would have done. You would, I know, be greatly interested in events here. Unwittingly, we are all being influenced more and more by your great struggle. Should you return to the United States, I believe you would find a very noticeable transformation in the public attitude towards international affairs. The sad part of it is that we seem to be benefiting, while you are paying dear for our as well as your own instruction. I pray that the Allied arms may soon be victorious.

With best wishes to Lady Bryce and yourself, believe me,

Ever sincerely yours,

The Right Honourable
Viscount Bryce,
Hindleap, Forest Row,
Sussex.

WILLARD STRAIGHT
ONE TWENTY BROADWAY
NEW YORK

June twenty-first.
1916.

My dear Mr. Minister:

On my return from Europe I found your very interesting letter of the twelfth of February, to which I have been unable to reply before. I quite understand your point of view in regard to the matter which you discussed. As you will, of course, recognize, most people who are doing business have to do it under conditions as they find them. It is undoubtedly humiliating for our people to have to submit to onerous regulations imposed by another Power, especially when we are not at war and when we are trading in a country which is not at war. At the same time, do you not agree, that inasmuch as non-conformity with these regulations would merely mean that our people would be black-listed and get no business at all, it is perhaps better not to kick against the bricks? A stone wall is a stone wall and half a loaf is better than no bread. It is perhaps cowardly to argue from the point of view of expediency, but I confess that I see no other way out at the moment.

As regards the prospects for our undertaking the construction of the Ichang-Chengtu Railway, you are, of course, aware that this loan is covered by the old Hukuang Agreement and we could not undertake this construction without first reaching an agreement with the American Group and securing the approval of the other Groups. I sincerely hope that if the Carey railway construction contract goes through, we will be able to arrive at an understanding with the International combination and we may then be able to make this line one of the roads which Carey can build. In the meantime, pending such an arrangement with the Groups, I cannot

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[6-21-16]

see any way in which we can proceed with this matter.

Carey, Bruce and Gregory are all here in New York and we have been concentrating our attention on China for the last two weeks. I hope very much that we shall accomplish something which will be of permanent value.

I wish to take this opportunity of thanking you for all the courtesy and kindness which you have shown our representatives and to express our appreciation of the great assistance you have been to them in their negotiations.

With kindest regards, believe me,

Yours very sincerely,

Willard Straight

Honorable
Paul S. Reinsch,
The American Minister,
Peking, China.

#1260

8/17/16

August seventeenth
1916

My dear Lord Bryce:

Very many thanks indeed for your letter of the twentieth of July. The agitation with regard to interference with the mails, of which I spoke in my last letter, seems to have subsided somewhat. A tempest in a teapot was created by your Black List, but the Teutonic names which appeared thereon, as well as the obviously German character of the various Committees appointed to protest against the invasion of American rights did very much I think to counteract the original impression. In this connection also, statements from the British Ambassador in Washington and by Lord Robert Cecil in London removed some of the apprehension by explaining that there was no desire, through the Black List, to organize what was tantamount to a secondary boycott. On the other hand, many thinking people, I believe, feel that the military advantage to be gained by this measure is comparatively insignificant and are therefore inclined to view it with a great deal of suspicion. It has been considered in connection with the resolutions adopted by the Paris Conference and the recent appointment of a Committee, of which I believe Lord Balfour of Burleigh is the head, as an evidence of your determination to eliminate the Germans from world trade, not so much during, as after the war. While I think that the majority of our people would be very tolerant of your desire to capture German commerce, I believe that they are a little inclined to wonder whether this move is not significant of a general plan to utilize your sea power, your coaling stations throughout the world and your vast foreign investment not only against the Germans but against all trade other than that of Great Britain and the Allies. If this be so, of course, it will seriously affect our own increasing foreign commerce and viewed from that angle you will, I am sure, recognize that there is some cause for uneasiness. As you probably know, resolutions have already been introduced in the Senate and House to look into this matter and I cannot but

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feel that unless some very definite statement is made by your side, this situation will be utilized by the pro-Germans in stirring up anti-British feeling.

The note which Mr. Wilson sent with regard to the Black List was primarily a political document, calculated for home consumption, and serves as an evidence of what might be expected should other similar occasions arise.

We have all of us, I think, been a little disappointed in the progress of the presidential campaign thus far. Mr. Hughes, of course, has a very difficult task before him. To be elected he must secure the support of the old line Republicans, as many of the Progressives as possible- but the Democrats are making strenuous efforts to secure Progressive support --those who advocate "Preparedness", and those who are inclined to support Mr. Wilson because, forsooth, "he has kept the country out of war". Therefore, practically the only issue on which all these elements will join is the anti-Wilson platform and up to date, Mr. Hughes has confined himself to criticising Mr. Wilson's administration rather than forcing the country to consider some of the larger issues, on which I believe Mr. Roosevelt would have made his campaign. Were the election to be held tomorrow, I believe that Mr. Wilson would win.. You, who are so familiar with American politics, of course realize that a mid-August prophecy is really of very little value, but the good old Republican campaign cry of "a full dinner-pail" can no longer be used and for that reason I very much fear that unless some unforeseen circumstance should occur, Mr. Wilson will remain for another four years in Washington.

As far as I know there has been a comparatively small amount of American capital sent abroad either to England or France. The proceeds of the Anglo-French loan, the recent French credit and the proposed new British credit of Two Hundred and Fifty Millions of dollars have, I understand, been held in this country and utilized in the payment of supplies

purchased here. We have, I understand, bought back from you something over Two Billion Dollars of American securities. Funds derived from your sale of these obligations have, I suppose, been held in England and been invested in your own Government issue. We have also, I understand, bought back a number of American securities held in France, but certainly there has been very little investment by Americans for industrial enterprises either in Great Britain or in France. Many of the banking interests, however, are now considering the possibility of reconstruction in France and it is probable that as soon as the war is over, or even before, there will be a considerable amount of American capital available for this purpose.

As regards the possibility of the United States joining in some arrangement such as that suggested by the League of Peace, you will remember I believe, that President Wilson made a speech along these lines which was very well received in this country, although criticised somewhat on your side. It is pretty generally felt by those who are thinking along such lines that the United States would be more likely to join with you in an arrangement of this sort than any other.

As regards the Associated Press, I have not yet been able to learn why they refused to carry part of the article which you wrote for "The New Republic". For all I know, it might have been prejudiced against "The New Republic", although I can hardly believe this to be the case. It may also have been that just at that juncture the Associated Press being a non-partisan organization, may not have wished to handle anything which would perhaps have been regarded by a certain section of the public as a British propaganda. If I have an opportunity to do so, I shall be very glad to see Mr. Stone and ask him for his reasons and shall let you know his reply.

We have all been delighted with the progress made on the Western front and it must have been a great satisfaction to you to feel that matters

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are moving. We get the impression here that the psychology of the war at least has changed and that the loss of the offensive marks the beginning of the German downfall. Whether they will be able to read the handwriting on the wall and try to come to some arrangement now, or whether they will fight on and sacrifice the chance of industrial recovery after the war because of their reluctance to yield to the inevitable, one cannot of course, say, but I sincerely trust that your prophecy of last Spring that the war would not last beyond Christmas, will be realized.

Trusting that you are in the best of health, and with warmest regards to Lady Bryce and yourself, believe me,

Yours ever sincerely,

The Right Honorable
Viscount Bryce
3, Buckingham Gate,
London, S. W.

August seventeenth
1916

My dear Excellency:

Menocal tells me that you came very nearly starting north with him but that at the last moment you decided to remain at your post a little while longer. I am sorry you did not come up. We should all have been delighted to see you and I am sure that your visit here would have been profitable and interesting.

I am glad to hear that the Paes Lemes were pleased with their visit to New York and only regret that we could not have done more for them. I am also glad to hear that his coal interests are booming and I have heard that some arrangement has been made for Brazil for the pulverizer in which he was interested.

Your comments on the possibility of co-operation with our British cousins were very interesting. I know the question of division of orders for materials and equipment will naturally cause difficulty in many negotiations. Whether this difficulty is insurmountable or not remains to be seen. Personally, I hope that something along the lines indicated can be worked out. Certainly, it is worth the effort and if we approach even competition in that spirit, we might accomplish something. As regards Sao Paulo, the City Bank has been looking into a possible loan and we have been discussing the matter more or less. I doubt very much, however, if anything will develop therefrom.

By the time you receive this letter you will probably have seen Doctor Strong and some other representatives of the Corporation who have gone to South America looking for business. Personally, I am rather bearish on the whole South American field. I am inclined to think we can do better in Russia and China than in the whole of South America. In the meantime, however, we are expending a good deal of money in investigation and even if we don't acquire any business as a result, we shall at least know where we want to do business and feel that we are in position to determine the most profitable fields therefor, on the basis of knowledge

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His Excellency
Edwin Morgan

8/17/16

rather than guess work.

I don't believe I agree that a month in Brazil would do me more good than two months in Europe. One of us must be wrong. I have great respect for your judgment but people are thinking so fast on the other side at the present time and so many moves are being made which are going to determine the whole course of events for the next hundred years that I cannot but feel that a study of the European situation is well worth while. Opportunities for investment there are plenty and those I am sure we can find in Brazil, but the conditions which are going to govern investment are being determined elsewhere.

Our friend Fletcher has been here and about and seems to be in great form. He did a turn of duty in the Department with very marked success and is, I believe, primarily responsible for the present willingness of the Mexicans to submit matters to a Commission. Whether that Commission will be any more successful than the old Niagara Falls outfit I don't know. I cannot feel that anything short of intervention is going to solve that problem. Lauro Müller has been here and I believe shortly will be in Washington. I have not seen him, nor do I expect to see him.

Dorothy is at Southampton with the children, and as you know, we are expecting an arrival very shortly. Everything seems to be going well and when you next return here we shall have quite a family.

Looking forward to seeing you soon, and with affectionate regards, believe me,

Yours ever sincerely

His Excellency,
Edwin Morgan,
The American Ambassador,
Rio de Janeiro, Brazil.

August seventeenth
1 9 1 6.

My dear Sir Gilbert:

Thank you for your letter of the twenty seventh of June. I should have replied earlier but there have seemed no matters of moment regarding which I could have been helpful. I was tempted at the time your Black List was announced to cable with regard to the re-action in the United States. Very bitter feelings were aroused in some quarters and the move was severely criticised. Of course, the list itself consisted principally of our best Teutonic families and the Committees which were at once organized to protest against this invasion of American rights were so obviously German that their action did not stir up as much trouble as I had feared. We in New York, however, are poor judges of what the rest of the country is feeling. We are able to gauge with a reasonable degree of accuracy the immediate effect of any move and the probable re-action of Congress but we are unable really to judge as to how far sentiment throughout the country has been affected. As a matter of fact, I don't know that it really very much matters for there is certainly no danger of an embargo on the export of munitions; the French credit recently issued was a decided success and there seems every prospect that the British credit about to be issued will be snapped up very quickly.

The note which our Government sent as a protest against the Black List is the sort of thing I had anticipated might happen. It was a political document and I think that that is all that can be said for it. I judge from the comments of the British Press, that you had properly estimated its importance.

While there may be very little further difficulty with regard to the Black List per se, I believe that many people are inclined to regard it, not so much as a part of a military policy, but as an evidence that your Government is utilizing the situation created by the war not only to exterminate German trade throughout the world but as affording an opportunity

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more firmly to fix your own grasp on trade with countries which are now neutral. The Black List, considered in connection with resolutions adopted by the Paris Conference and the recent appointment of the Committee, of which I believe Lord Balfour of Burleigh is the head, has aroused considerable apprehension amongst many of our most intelligent people. Mr. Asquith, I believe, recently made a statement which was calculated to be reassuring with regard to your economic policy but I don't believe it has allayed the suspicion which has been aroused. Lord Robert Cecil's statement with regard to the Black List was helpful and Spring-Rice in Washington has pointed out that the fears that the Black List might be used as sort of a secondary boycott were not justified. This also has had an excellent effect. Nevertheless, I cannot help but feel that a more definite statement as to your future policy, if such a statement could be made, would be desirable from the point of view of those of us over here, who hope for a closer future understanding.

Some of my Irish and Jewish friends tell me that the Dublin executions and the execution of Sir Roger Casement have postponed for some time to come the possibility of any understanding between Great Britain and the United States. Whether their statements are justified or not I don't know. I am rather inclined to think they were inspired by prejudice rather than by knowledge but the point of view is at least interesting.

We seem to be embraking on a rather dull presidential campaign. Mr. Wilson is sitting tight and saying very little while Mr. Hughes is making a number of speeches with about the same net result. It would appear that his campaign managers are forcing him to do what we call "pussy-foot" in order that he may offend as little as possible the various elements to which he must appeal. These can be reconciled to each other only

through their common opposition to Wilson and they would jump at each others throats over any of the larger issues which we should be discussing at this time.

If there is any specific subject upon which you desire information I shall always be glad to have you call upon me, and if failing any specific comment you would care for a rather rambling letter such as this, from time to time, I should be extremely glad to keep you posted in a general way so far as I can.

With best wishes always, believe me,

Very sincerely yours,

Sir. Gilbert Parker,
20, Carlton House Terrace,
Lond, S. W.

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[Aug 1916]

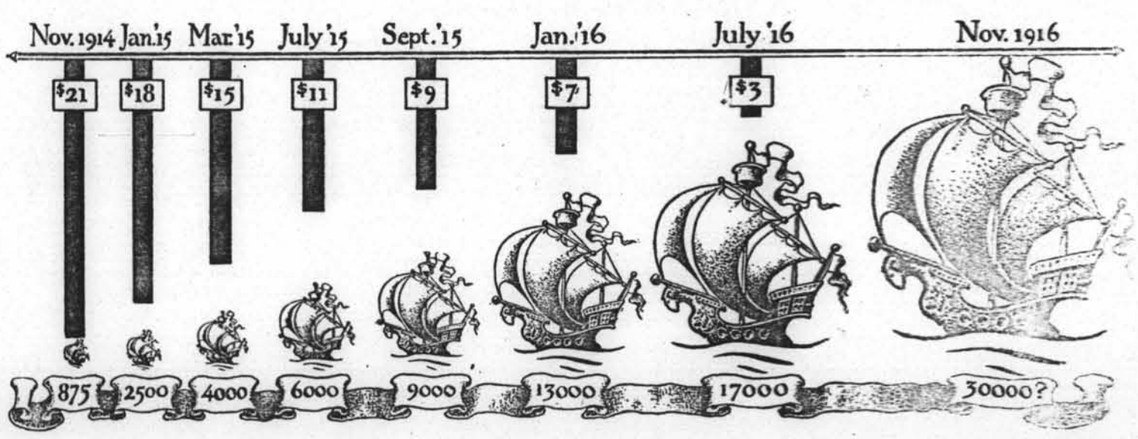
A REVIEW of the Growth and Prospects of The New Republic

With a Plan for Reaching an Estimated Required Growth

AUGUST 1916

ISSUED PRIVATELY
TO THE SUBSCRIBERS OF
THE NEW REPUBLIC

HERBERT CROLY, President
ROBERT HALLOWELL, Treasurer



THE ships show how The New Republic's circulation has grown. The black bars show how much more than the $4 received for it every subscription has nevertheless cost us to fill.

And is costing. Black bar July 1916, shows your present subscription still costing the paper $3 more than the $4 you pay.

The phantom ship lies where there are no more black bars. Its mast touches 30000 paid readers. At this point if there is no profit at least there is no loss. It is the point that we shall have to reach to keep on with the voyage.

Friend and passenger! Speed the ship toward the mark with one subscription more.

[Aug 1916]

THE NEW REPUBLIC began publication on November 7, 1914, with 875 subscribers. At the end of its first year 10000 people—subscribers and newsstand patrons—were buying it each week. To-day these 10000 have increased to 17000. On account of its large library, club and college circulation, and because of the extraordinary frequency with which it is quoted in the responsible press, it is fair to assume that at least 50000 people see the paper each week and read some part of it.

¶It is pleasant to recall our early subscribers—Justice Holmes, Justice Brandeis and ex-Justice Hughes were among them, and such varied and different-minded men and women as John Mitchel, Jane Addams, Franklin MacVeagh, Brand Whitlock, Secretary Baker, the German Ambassador, the Italian Ambassador, the Premier of Canada, the President of Guatemala, Florence Kelley, Julia C. Lathrop, Margaret Deland, Owen Wister, Winston Churchill, President Hibben of Princeton, and those thoughtful people whom Mary Antin, describing New Republic subscribers as she had found them throughout the country, called "the effective members of their respective communities."

¶Subscriptions keep coming from literally all over the world.* At the end of six months every State in the Union was represented, and a score of foreign countries. "The New Republic is

*Largely through the activity of our own subscribers. Fully a third of our subscription list is traceable to them.

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the best American magazine that has found its way to France during the past year," wrote a subscriber over there. "Already it is well known in Petrograd and Paris." And from Cambridge University, England, Sir Charles Waldstein wrote, "I know of no periodical published in any of the civilized states with the opinions of which, as well as with the literary form in which they are expressed, I am more fully in sympathy." We had a fine practical word from Cresco, Iowa: "My subscription is the best investment I ever made."

¶Yet as a publishing venture, and despite its 17000 paid readers, The New Republic continues to be what Mr. Hilaire Belloc recently described it—"a journal soberly read by the instructed few." Ideally, no paper could wish for anything better than to be read by the "instructed few"—except by the instructed many; and it is the many it must have if it is to live and work on.

¶The New Republic is not an expensive paper to buy, but it is an expensive paper to publish. Not the cost of printing it, nor even the cost of selling it, but the cost of editing it is what makes it expensive. And as long as the paper maintains its editorial standard, this cost is the same whether one person buys it or 50000. Only by adding to the buyers can we reduce the cost.

¶For instance, ten months ago it actually required an outlay of $13 to fill a subscription for which we received $4. Since that time the number of subscriptions has been doubled, yet the cost of filling a subscription is still $3 more than the $4 we receive. Until this deficit is removed we are not paying our way. Profit is not a necessity with The New Republic, but being self-supporting is. We must pay our way or we can scarcely hope to survive. A magazine begins to exist, as the publishers say, when it is two years old and has 30000 subscribers. This magazine to-day is at that turning point. If every reader would secure one new subscriber now, we should be close the mark of breaking-even by November 7th, the end of our second year. Will you help us toward this by signing and mailing the blank below?

As our acknowledgment *of a new subscriber when you send one, you will receive three books intended for Americans*—

WALTER LIPPMANN'S A Preface to Politics
Drift and Mastery, and The Stakes of Diplomacy*

The volumes are sold at $1.50 *each and the subscription at* $4. *This means a return to you of* $8.50 *for an outlay of* $4.50.

For the enclosed $4.50 please send Mr. Lippmann's three books to me postpaid,† and enter the following name as a new subscriber to The New Republic:

‡Subscriber to whom books are to be sent:

Name _____

Address _____

in _____

full _____

‡New subscriber to whom subscription is to be sent:

Name _____

Address _____

in _____

full _____

* *For any two of these one of the following may be substituted, "The Promise of American Life" by Herbert Croly; "Progressive Democracy" by Herbert Croly; "The New Democracy" by Walter E. Weyl.*

† *Except to foreign countries and Canada. Extra postage for both subscription and books to Canada* 60 *cents; foreign* $1.50. *Subscription alone to Canada* 60 *cents; foreign* $1. *Books alone to Canada* 10 *cents; foreign* 50 *cents.*

‡ *Since this offer is designed to increase the number of New Republic subscribers, only new subscriptions and not renewals will be accepted. (But you may name yourself as the new subscriber if your subscription lapsed six months ago.)*

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PRESIDENT
SECY. TREASURER

THE REPUBLIC PUBLISHING CO., INC.
TELEPHONE 8393 CHELSEA

The New
REPUBLIC
421 West 21st Street
New York City

Dear Willard,

Here is a clipping that I think you'll like to see. It appeared on the Editorial page of to-night's "Evening Mail."

Sincerely yours.

Robert Hallowell.

September 6, 1916.

EDITORS

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WALTER E. WEYL
WALTER LIPPMANN
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LONDON REPRESENTATIVE—S. K. RATCLIFFE, 21 BUCKINGHAM STREET, STRAND, LONDON, W.C., ENGLAND

[9-6-16]

"The New Republic."

More remarkable, perhaps, than any statement made by a prominent magazine about itself was that of the "New Republic" the other day. It told how it started November 7, 1914, with 875 subscribers and newsstand purchasers. The public has little idea of the expense of magazine making. For each subscriber the "New Republic" got twenty-months ago there was deficit of $21. Gradually, as the circulation broadened, this was lessened. In January, 1915, with 2,500 circulation, the loss per subscriber was $18. Since then this has been the record:

Date.	Circulation.	Deficit per Subscriber.
March, 1915	4,000	$15
July, 1915	6,000	11
September, 1915	9,000	9
May, 1916	13,000	7
July, 1916	17,000	3

Among the early subscribers were President Hibben, of Princeton; Jane Addams, Supreme Court Justices Hughes, Holmes and Brandeis, Margaret Deland, Owen Wister, Winston Churchill and Brand Whitlock.

It cost money, a great deal of money, to produce such a publication as the "New Republic." Few magazines of its size pay so much on the editorial account.

The editor laid these facts before his readers and told them that while profit was not a necessity being self-supporting was, and the paper had to pay its way or scarcely could hope to survive.

It is an axiom in the trade that a magazine does not begin to live until it has 30,000 subscribers. He asked his readers if they would help to make the "New Republic" break even by obtaining one new subscriber by November 7—the end of the second year.

November 7 is more than two months off, but the response to this call is said to have been overwhelming. It should be. The "New Republic" is a power for good in America. In thought and in expression it commands admiration. It is not true, as Hilaire Belloc said and its editor declared that it is "a journal soberly read by the instructed few." That characterization may have been fitting six months or a year ago, but not now. The "New Republic" reaches far, far beyond "the instructed few." Rare is the editor who knows how far thought strongly but gracefully phrased spreads or how it makes others think—and appreciate.

It is heartening to learn that a magazine conducted on so high a plane, having such character and independence and capable of doing so much for the benefit of "the instructed few" and the uninstructed many should get such solid proof of the esteem and worth in which it is held.

Few publications would have had the courage to make so frank a statement to the public. Few deserve more such a response.

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September 29th, 1916

My dear Sir Gilbert:

Very many thanks for your letter of the first of September, together with the enclosed copy of communication from the Foreign Office with regard to the blacklist, which I have read with much interest.

Of course we appreciate the difficulties under which your Government must labour in handling the censorship, which must necessarily contain a large number of volunteers who have affiliations with the various financial and commercial interests. Under the circumstances, it is inevitable that some of these men should communicate information of value to their friends and prejudicial to those from whom it has been obtained. The fact remains that although instances of this character may not be the result of any government policy, the impression to the contrary is constantly increasing in this country.

You will remember that sometime ago Mr. Lloyd George referred to the fact that information obtained through the censor was passed on to the Government departments concerned. This attracted wide notice over here, and a subsequent assertion that this information was not utilized for the benefit of British commercial interests did not offset the harm that had been done, for his previous statement was regarded as a confirmation of what many had already believed. Instances which tended to confirm this view are becoming more and more widely discussed.

We are receiving also from South America and China information regarding the application of the blacklist. For example, I have heard on undeniable authority of incidents, both in Peru and in Brazil, where Americans or local firms have been blacklisted for dealing with German interests with whom British firms have dealt, and continue to deal, with impunity. I know furthermore that many representatives of American concerns in London have sent word to their principals that it was impossible for them to write fully regarding business matters as they felt sure that

information transmitted through the mails would be utilized for the benefit of British competitors.

All of these instances should, perhaps, be regarded as isolated cases but the fact remains that there seems to be a growing resentment against your Government. This feeling has probably always existed to a certain extent but remained comparatively inactive because of the general pro-Ally sentiment throughout the country, as well as the intensity of the feeling against Germany immediately after the outbreak of the war, during the period when the Germans were actively endeavouring to stir up trouble in this country and before the virtual abandonment of their submarine campaign. Now that we have had no particular difficulty with Germany for sometime, greater emphasis is being laid upon our controversies with Great Britain. It is unfortunate that our discussions always seem to be with London, rather than with the Allies as a Group, but this nevertheless seems to be inevitable under the circumstances.

It seems, however, that the war is entering upon its last phase. Our industrial leaders realize that production has been stimulated to an extraordinary degree during the past two years. We have enjoyed the utmost prosperity, and as a result we have been extravagant. With the cessation of your demands for munitions and other supplies, production will necessarily be curtailed and this curtailment will force a readjustment, which in any case will be difficult. Our manufacturers recognize the necessity for a continued export market and for that reason they are particularly sensitive to the possibilities of the post-bellum policies which you are now discussing.

Public attention, therefore, is becoming concerned with the possibility of trade rivalry between Great Britain and the United States after the war. The recommendations of the Paris Conference, followed by the formation of the Anglo-Italian Corporation, with its Government guarantee of

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5% for ten years, the proposed formation of the Ten Million Pounds foreign trade bank, the apparent acceptance by your Free Traders of Imperial preference, combined with a general understanding amongst the Allies, have aroused increasing interest. It is reported, moreover, that your Government has been negotiating with some of the South American Governments for reciprocal advantages under your post-bellum tariff system. For sometime past, a number of people have been asking why it was that American bankers continue to loan funds to Great Britain, France and to Russia, instead of utilizing this investing power in building up their position in South A merica. This discussion would have assumed still larger proportions had it not been for the fact that the money loaned was used for purchases in the United States. It is not impossible, however, that within the near future the bankers will be criticized for the fact that had they looked to the future they would have obtained from your Government some assurances that there would have been no discrimination against American trade after the war. I mention this fact not as of immediate importance, but as indicative of the line along which some people are thinking.

The recent conferences between Sir Richard Crawford and leading New York interests have been helpful. One hears it said, however, that now that the tide has turned your way, you will care very little about neutral opinions but will be inclined to ride rough-shod over any protests which may be made. While this would not be unnatural, I believe it to be unfortunate that this impression should gain ground. It seems to me that your people have shown an extraordinary desire to conciliate American opinion and I hope that they will continue to deem it desirable to attempt to keep us in a good humour, annoying and troublesome though we may be.

As regards the Presidential campaign, the present indications would seem to favour Mr. Hughes. Mr. Hughes active criticism of Mr. Wilson's action in urging Congress to yield to the labor unions in the railroad

dispute, has brought into the campaign a live domestic issue, which will tend to remove the matters mentioned above from the field of political discussion. The Democrats apparently are aware of this, for they have induced Mr. Wilson to abandon his policy of dignified silence and have persuaded him to go on a speaking tour in order to put "punch" into the campaign.

Some of my friends here have recently expounded the theory that there was a very great possibility of a war between the United States and Japan, and that Japan was bound to settle the question of race equality and to establish once and for all her domination of the Pacific. It is claimed that she will take advantage of some excuse in order to attack us before our new naval programme is well under way. I should be very much interested in your views on this subject.

This is a somewhat rambling letter and perhaps some of the statements therein may seem rather baldly made. I am sure, however, that you will appreciate the spirit in which I write and I shall be grateful for equal frankness on your part.

Very sincerely yours,

Sir Gilbert Parker,
20, Carlton House Terrace,
London, S. W.

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[N.R. 10-14-16 pp.255-56]

The appointment of Field Marshall Count Terauchi as Premier of Japan was not unexpected. His predecessor, Count Okuma, had aroused the active opposition of two different elements--those who resented his failure to extract from China recognition of the entire schedule of Japanese demands presented in January, 1915, and those who criticised him for having incurred the suspicion of China and the foreign Powers through inept diplomacy. The recent conclusion of the new Treaty with Russia, further defining the interlocking Russian and Japanese spheres in Manchuria and Mongolia, enabled Count Okuma to resign with a certain definite accomplishment to his credit. Had he attempted to retain his portfolio he might have been forced from office. With his retirement an attempt is being made in this country to revive the Japanese "Bogey." The appointment of Count Terauchi has been regarded as indicative of Japan's intention to press for a settlement of the land question in the United States and to extend her influence in China. The fact that Count Hayashi, the present Japanese Minister in Peking, negotiated with the Emperor of Korea the various Treaties which paved the way for the annexation of Korea, where Count Terauchi until recently held the position of Governor General, lends colour to the view that Japan may attempt to follow in China a program similar to that adopted in what was once the "Hermit Kingdom."

The question of Japanese-American relations has been brought to the fore by these events and by the remarkably frank interview given to "The New York Times" by Baron Sakatani, formerly Japanese Minister of Finance. Ever since the conclusion of the so-called "Gentlemen's Agreement",

under which the Japanese Foreign Office agreed to restrict the emigration of Japanese to America, the numbers of Japanese in this country have decreased. In California and one or two other states nevertheless, there have been recurring attempts to pass legislation especially directed against the Japanese. This has been galling to their pride. More than that it has given them a just ground for diplomatic controversy with this country. This issue is raised from time to time, not so much perhaps because the Japanese expect a permanent settlement but because it serves as an admirable counter to the American Government's enquiries regarding Japan's intentions concerning the "Open Door" in China. Many people in this country feel that that "Door" is being closed to American trade and demand that the policy enunciated by Secretary Hay should not be disregarded. Count Terauchi as Premier may adopt a strong course in China and at the same time cause us some embarrassment by protesting against the treatment of the Japanese in this country. Our Government would be better able to insist that Japan respect the potential rights of other nations to share in the development of China if we were less vulnerable to attack because of the unjust treatment of Japanese in this country.

Original in private hands.

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The New
REPUBLIC
421 West 21st Street
New York City

October 17, 1916.

Willard Straight, Esq.,
120 Broadway,
New York City.

Dear Willard:

I am sending you herewith two enclosures. One consists in an unrevised proof of the article which I am publishing this week which expresses my own personal attitude towards the election. I know, of course, that you will disagree with what I have been saying, but I should like to add that the two suggestions which started me on this line of thought both came from you. At the time of the Convention, you said to me that you did not believe that the Republican party had passed through the discipline which it needed in order to entitle it to a renewal of popular confidence; and a little later, you quoted what Cazenave said about the impression which the Democrats made upon him at St. Louis. Those ideas, the more I thought about them, seemed to me to be right and my own article is nothing more than an elaboration of them. It is unconscionably long, but I thought it

important to explain myself as fully as I could. I have left unsaid a lot of things which I would have liked to say as a modification of the general point of view expressed.

The other enclosure is the paragraph separating you from the present editorial policy of the paper of which we talked over the telephone this morning. If you want this, or any other similar, paragraph published this week, it shall of course be published, but my own preference would be to postpone dealing with the matter until the issue of the week following which would still be ten days before the election. I wish in thinking this over that you would carefully consider some aspects of it.

In the first place, before publishing the paragraph I should like to have an opportunity of talking about it with you and with Dorothy for it is a matter very carefully to be considered. I am very much afraid that if we separate you from the editorial policy of the paper just in this way that the Democrats might seize upon it as a juicy piece of political gossip, and use it in a way that might be harmful both to The New Republic and to you. On the other hand, I should like you to consider whether there is not another way of accomplishing the same result which will not incur the same danger. Would it not be well for you to write a letter to me which we could publish in the paper stating your own preference for Hughes, giving your reasons for that preference, and explaining from

your own point of view why you thought it worth while to lend support to a journal of whose underlying purposes you approved but which you differed from, and expected to differ from, in certain special decisions relating to its editorial policy. It would, I think, be a fine thing for you to come out and state over your own signature the value which you attach to the preservation of intellectual independence on the part of people with whom you are generally in sympathy, but with all of whose opinions you do not agree. In that case, your own position would not be subject to any possible misinterpretation, and it would strengthen both the paper and yourself in the eyes of all disinterested and liberal readers.

I hope you will consider this suggestion very seriously. I shall be at home tomorrow morning until about 11 o'clock and I hope you will call me up about it and let me know your decision. Whether you decide to write a letter or not, I think you ought to have an opportunity of talking the matter over both with me and with the other members of the Board before putting out any definite statement. Of course I am submitting the enclosed paragraph as a suggestion which I shall expect you to modify in certain respects.

Faithfully yours,
H. Croly

HC/L
(Encs)

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began publication

When The New Republic was ~~started~~ there was an express understanding between Mr. Willard Straight who arranged for the financing of the undertaking and the Board of Editors to the following effect. All decisions respecting the editorial conduct of the journal were to be made by the Board of Editors, subject only to the obligation of consulting Mr. Straight; and this understanding has been loyally observed by both parties to the agreement. Mr. Straight has always been consulted, but the ultimate decision has always rested with the Board of Editors. He has frequently disagreed with these decisions. He disagrees now with the qualified preference which The New Republic has gradually reached for the election of Mr. Wilson rather than the election of Mr. Hughes, and it is because he and because his own attitude has been misunderstood disagrees that we venture upon this explanation. Mr.Straight has not been responsible in ~~any respect~~ that for the editorial policy of The New Republic and he is not responsible now. He undertook to procure a specific sum towards the financing of the enterprise, not because he wished to start a vehicle for the purveying of his own personal opinion, but because he

believed in the possible educational value of an independent weekly paper which sought to interest American public opinion in a ~~well-considered~~ program of social and political reconstruction.

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[N.R. 10-28-16
pp.313-14]

October 23rd, 1916.

The Editors of The New Republic,
421 West 21st Street,
New York City.

Gentlemen:

In recent issues you have printed articles in which two of your editors stated the reasons why they personally proposed to support Mr. Wilson rather than Mr. Hughes. Although these were the expressions of individual opinion, the fact that your editors hold, and that you publish, such views, inevitably commits The New Republic as an advocate of Mr. Wilson's re-election.

Personally, while recognizing the force of much that has been said, particularly in Mr. Croly's recent article on "The Two Parties in 1916", I have supported and propose to vote for Mr. Hughes and not for his opponent. I give Mr. Wilson full credit for his achievement in integrating the Democratic Party. I agree that Mr. Wilson and the Democratic Party have enacted certain admirable pieces of legislation. I believe, however, that this Administration has lowered the prestige of the United States and in so doing has aggravated the problems which the American people will be called upon to face in connection with the world re-adjustment after the European War.

I believe that the President of the United States should be more than a Party Chief. He should be a national leader. I believe that the Chief Executive should so conduct his Administration as to command respect both at home and abroad. I believe that he should guide the popular will by being able accurately to anticipate and to gauge conditions. A man who despite his preconceived theories is able to adjust his views to meet new situations is to be congratulated on his capacity for growth and may be safely entrusted with the responsibilities of leadership. A man who ignores conditions which should have long been manifest and who denies their very existence until recognition thereof is forced upon him by popular clamor, is not in my judgement entitled to confidence. Mr. Hughes has been Governor of the State of New York. Mr. Wilson has been President of the United States. Mr. Hughes may be inexperienced in the broader field. Mr. Wilson has nearly four years of experience behind him. Personally, I prefer Mr. Hughes' record and his promise to Mr. Wilson's performance.

In a recent circular to your subscribers, you referred to the fact that The New Republic has been financed for a certain period, during which you hope that it may be made self-supporting. Some of your readers, although perhaps not all, are aware that I have been responsible for the financial support which you require. The New Republic was an experiment. We believed that there was both a place and need for a publication of this sort. You assumed the editorial and I the financial responsibility. During the two years just past your success has been as gratifying to me

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The Editors of The New Republic.

[10-23-16]

as it has been to you. Your success has given you an influence the importance of which I fully realize. You would have been unwilling to embark upon this experiment had your editorial policy been subject to financial control. This fact should, I think, be known and I believe it to be particularly important that it should be known at this time, when you, because of your convictions have elected to support Mr. Wilson and when I, because of my convictions and with such resources as I may have at my command, shall endeavour to assist in the election of Mr. Hughes. In the main, I believe we are in essential agreement, both as to our aspirations for The New Republic and as to the general cause which it should serve. In this instance we differ as to the agencies which we believe to be best calculated to accomplish the results which we desire. I trust, therefore, that you will feel as I do, that our relationship should be made clear. We neither of us wish to be charged with attempting to carry water on both shoulders.

Very truly yours,

WILLARD STRAIGHT
ONE TWENTY BROADWAY
NEW YORK

October Thirtieth,
1916.

My dear Doctor Reinsch:

Very many thanks indeed for your courteous note of the third of October.

I am glad you feel that our men are acquitting themselves satisfactorily. The situation seems to be very interesting as well as very delicate. We are doing our best at this end to try to work our something that will be satisfactory to all concerned. From the messages coming from Peking, however, I am afraid that the Chinese are attempting again to involve us in a political controversy with Russia, which would have only one result, i. e., the humiliation of China.

We are trying to work these things out here as best we can, but the task is not an easy one. I should like very much to have an opportunity to discuss the whole question with you personally.

With kindest regards, believe me, my dear Doctor Reinsch,

Very sincerely yours,

Willard Straight

His Excellency
Paul S. Reinsch,
The American Minister,
Peking.

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October thirty first
1 9 1 6

My dear Excellency:

Very many thanks for your letters of the twenty sixth of September and seventh of October. I quite appreciate that you have had every reason to misunderstand the attitude of the Corporation. As a matter of fact, when Strong's speech and luncheon remarks were received here, they created quite a sensation. Although I had little to do with the conversations with Strong and Streeter just prior to their departure, it is my understanding that they were informed that we did not wish to go into straight government financing; that we would only be interested in loans that carried with them some construction or collateral benefits. We rather get the impression that on their arrival in Brazil, both Strong and Streeter somewhat lost their heads. As soon as we received a copy of Strong's speech we cabled him not to talk along these lines in the future, and I am extremely sorry that through your courtesy he should have been placed in a position to make statements, which he later failed to make good.

It is our understanding that the Bragilian Government has been attempting to secure a Federal Loan in this country for some time. All the bankers who have been approached have been endeavouring to avoid this issue. Many attempts have been made along the lines of your suggestion, to interest the Steel Corporation, American millers, importers, etc., in handling foreign securities. In every case they fall back on the bankers. Their Boards of Directors will not allow them to attempt them to take and hold securities in this way.

My dear Excellency, if you had lived as long in New York as I have, you would realize that there are darned few statesmen in industry, and that while questions of policy may form interesting subjects for after-dinner conversations, there are very few who care about and less who know about them.

I have heard the situation summed up many times, "We are out to make money, not history". Some day perhaps we will learn better.

With best wishes always, believe me,

Yours sincerely,

His Excellency,
Edwin V. Morgan,
The American Ambassador,
Rio de Janeiro, Brazil.

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003333

November tenth
1916

My dear Sir Gilbert:

Many thanks for your letters of the sixteenth and twenty-third of October, which reached me at about the same time. I am glad to have your views as to the censorship and black-list.

I believe Viscount Grey's recent address to the Associated Newspaper correspondents, and Mr. Asquith's speech, which is recorded in today's papers, have received very favourable comment. I think the latter especially, in which reference is made to the British Government's desire to maintain the most friendly and intimate trade relations with neutrals, will, when its full significance is appreciated, be very helpful. In this connection I am sending you herewith, a dozen copies of a publication of the National Foreign Trade Council of which I am a member, relating to economic alliances in Europe, which may perhaps be of some interest. In conducting its propaganda, the Foreign Trade Council is endeavouring to awaken public opinion in this country to the necessity of dealing with our foreign trade situation in an intelligent and comprehensive manner. We have felt that the surest way of avoiding misunderstandings with you would be to direct public attention to the general line of the discussions which are taking place on your side. If these be understood we may be prepared for the creation of machinery required to enter into some mutually satisfactory agreement. We have felt that unless this programme were followed out, there was likelihood that what you are doing might be misunderstood and that attempted retaliation by some of our distinguished legislators might involve us in a controversy which both sides would desire to avoid. In making one or two addresses recently, copy of one of which I enclose, I have had the same object in view. I hope that the appointment of our Tariff Commission will pave the way for legislation which will make the tariff a flexible instrument and place us in a position where we shall be able to enter into some preferential arrangement with the British

Empire and her Allies and thus bring about a closer political understanding. This I believe to be essential for the future development of this country, just as I feel that it would be advantageous also to you.

You have so many things of your own to think of at the present moment, that you may have given no particular consideration to this Presidential campaign just closed. Certain aspects thereof, however, may be of interest. German-American opposition to Mr. Wilson has been so intense for the past two years and the dislike of this element for Mr. Roosevelt has been so great, that for some time prior to the Chicago Convention, the German press advocated the nomination of Mr. Hughes. During the campaign Mr. Hughes has received the support of certain Germans who have urged all German-Americans to vote for him and against Mr. Wilson. The Democrats at once took advantage of this situation to attach to Mr. Hughes the odium of being the German candidate. Although I supported Mr. Hughes, I, myself, have regretted that he did not at the outset repudiate support of this character. His friends have urged that certain declarations of his did in fact constitute such repudiation. It is doubtless true, however, that some of the managers of his campaign have not been adverse to receiving all the support they could. Incidentally, it might be remarked that the Democrats also flirted with the German vote. An analysis of the election returns would seem to indicate that the German-Americans, like most of the rest of the country, split practically even and that their rumored organization, as most of us believed to be the case, proved to be a myth. Had Mr. Hughes been elected, however, the Germans would undoubtedly have claimed that he owed his success to their support and this, I feel sure, would have been found extremely embarassing on his party's accession to office. This German support of Mr. Hughes undoubtedly made many votes for Mr. Wilson amongst those who resented even the suggestion of hyphen denomination. On the other hand, many of the followers of Mr. Roosevelt and

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those who share his views, voted against Mr. Wilson because he had failed to take more drastic action against Germany. Others were frightened by Mr. Roosevelt's support of Mr. Hughes and voted for Mr. Wilson because they felt that Mr. Hughes' election would place too much power in the hands of Mr. Roosevelt, through whose influence they believed the country might be involved in war. The labor vote was divided also, some voting for Mr. Wilson because of the Eight Hour Law, and some voting against him because they felt that by advocating the Eight Hour Law for a favoured few, he had betrayed the interests of labour as a whole. In fact the results of the election present an extremely interesting study, because aside from the solid Democratic South, the division of opinion throughout the rest of the country has been along the lines of vertical rather than horizontal cleavage. It is yet too early to forecast the results of the election and if it shall have any effect on Mr. Wilson's foreign policy. I believe, however, that the endorsement which he has received and the fact that he cannot again be a candidate, will be apt to stiffen his general attitude.

Gerard and one or two others are just back from Berlin and I rather gather the impression - not directly from Gerard - that there is great likelihood that the U-Boat campaign will be renewed and that one of the plans which the Germans now contemplate is that of involving the United States in war. This also is borne out by Villa's recent activity in northern Mexico, which is supposed to have been instigated by German influence. This latter I have on the best of authority.

With best wishes, believe me,

Yours ever sincerely,

The Right Honorable
Sir Gilbert Parker, Bart,,
20, Carlton House Terrace,
London, S. W.

November thirteenth
1 9 1 6

My dear Blando:

Yours of October twenty first received. We were delighted to hear from you. From the Menocals we heard of your cheery presence in South America but from you no word. We are all going strong and have recently had another son added to the family. I remember that four years ago you were here at the time the first male progeny arrived. If you would only come over again I don't know that we could turn on a presidential election or a family party, but I can assure you of a warm welcome, and we could put/up, which unfortunately, we could not do when you were last here.

We shall look forward to reading of your South American experiences with much interest. I wonder if you really think this is such an attractive field as some would have us believe. Personally, I cannot but feel that there are many other openings which are far more attractive.

Things in China seem to be going from bad to worse. We have recently concluded a contract for Railway construction which may or may not result in some lines being built. Personally, I am not particularly sanguine as to the outcome. The Russians, as you doubtless know, have protested against the northern line. This is not surprising and I do not believe it will involve us in any particular difficulty with them, as I feel certain that some adjustment can be made. The Japanese protest against the dredging of the Grand Canal in Shantung was also anticipated and it seems to me not altogether unjustified. In view of our past experience, there is no use attempting to stir our Government into action. I think in Washington they rather regret that we did not give them the chance to show what Government support really could be. I feel, however, that should support really be extended, we should become involved in some long drawn-out diplomatic controversy, the conclusion of which would be humiliating to China as well as ourselves, and the results would be heavy cable expenses and no business.

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All our information here leads us to believe that your Government has practically recognized Japanese domination in China. Whether you are going to take this attitude after the war, I don't know, but I rather imagine you have gone so far along the road, that it will be difficult for you ever to get back. Take it all in all, I am not sure that it is a bad thing. We love our China but our Chinese friends seem to be so persistently inept and so incorrigibly foolish, that I don't believe they can ever work out their own salvation, nor do I believe they will ever let their friends do it for them. The world is a rather hard master, and God does not seem to be particularly anxious to help those who cannot help themselves. In the long run, if Japan does take over China, it will mean the end of Japan. The Banderlog will go the way of the Manchus and the Tartars.

I have taken up the matter of Murray Campbell with the City Bank and see no reason why he should not land a job with them. I shall cable to our office in Petrograd to get in touch with him.

****

JOP Bland, Esquire,
Thatched House Club,
St. James, London.

WILLARD STRAIGHT
ONE TWENTY BROADWAY
NEW YORK

November sixteenth.
1 9 1 6.

My dear Doctor Reinsch:

I am taking the liberty of giving this letter of introduction to you to Doctor Walter E. Weyl, an intimate friend of mine and one of the editors of "The New Republic", a weekly publication in which I am very much interested.

Doctor Weyl is visiting the Far East in order to secure at first hand, information regarding the general situation. I should be grateful for any courtesy which you may be able to show him during his stay in Peking.

With kindest regards always, believe me,

Very sincerely yours,

Willard Straight

His Excellency
Paul S. Reinsch,
The American Minister,
Peking, China.

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WILLARD STRAIGHT
ONE TWENTY BROADWAY
NEW YORK

November sixteenth,
1 9 1 6.

My dear Mr. Boldt:

Many thanks for your letter of the fifteenth of November.

I am extremely sorry that I failed to attend the meeting on Tuesday, as I promised to do. As I told you over the telephone, I have no excuse. I forgot it. I did not make a memorandum of the meeting, and not having it on my calendar, thought I was free to do something else, which I did. I greatly regret that I should have failed you.

Sincerely yours,

George C. Boldt, Esquire,
Waldorf-Astoria,
New York City.

#1260

December second
1 9 1 6

My dear Lord Bryce:

Your letter of the second of November has just reached me and I am dictating a reply on the train, on the way back from Hot Springs, where Mrs. Straight and I have been spending the last few weeks.

Since you wrote, of course, Mr. Wilson has been re-elected and speculation, therefore, as to the probable attitude of Mr. Hughes is no longer profitable. Whether or not Mr. Wilson's re-election will mark any material change in his policy or not, it is as yet too early to determine. From various sources, which are usually inspired, however, we are given to understand that there will be a number of alterations in the Cabinet and that the Administration's policy will be generally stiffened as regards Mexican and foreign relations generally, and also with regard to the administrative branches of the Government at home.

The irritation growing out of the "Black-List" and apprehension arising from your discussions of "the war after the war", have I think been very widely spread. Mr. Asquith's declarations regarding the attitude of Great Britain toward the trade of neutral countries after the war, however, was in a measure reassuring, and your own utterances and those of Viscount Grey with regard to the ideas which have been advocated here, as to the League of Peace, have aroused great interest. Working out a policy along the lines which you discuss, I really believe that Mr. Wilson would be apt to show more constructive vision than Mr. Hughes would have done had he been elected. Furthermore, Mr. Wilson will, I believe, be able to count upon the united support of the Democratic Party, as well as upon a very considerable measure of Republican approval. Congressional action would, of course, be essential in order to commit the country to any such policy. While I myself

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voted for Mr. Hughes, the hope that Mr. Wilson may be able to accomplish something in the direction above mentioned makes me feel that his re-election is by no means a calamity. I really feel that the prospects are very good and when the time comes you will find that Mr. Wilson will, with the support of the whole country, be prepared to join in a policy with Great B ritain and with France in the formulation of an international organization.

The Japanese scare, as you know, is always with us. Some two or three months ago we had a number of reports that in Japan there was a determination to fight the United States in order to settle for once and for all the question of race equality. Subsequent developments have made me believe that this, like other reports of a similar nature, was, if inspired at all, inspired by the desire to prevent the United States from taking any too active steps in China. Reviewing the history of the controversies between Japan and the United States over the immigration question, I think it will always be found that Japan has raised this issue at a time when it was feared that the extension of American interest in China might interfere with the consummation of her own plans.

For several months past we have been approached at frequent intervals by leading Japanese who have happened to be in this country, all of whom have discussed with us the question of co-operation between A merican and Japanese interests in China. Their idea seems to be that American financiers should lend their capital to Japan in order that Japan might in turn exploit China. This view has not been very heartily welcomed, although our people are entirely prepared to discuss the question of co-operation in China with Japanese interests. The question is an interesting one, for while apparently the Japanese are approaching us, they are at the same time bending every effort to prevent the old American Group from taking participation in the international combination for financing China. It would appear that

#1260

Japan does not wish a continuation of the old "Six Power" agreement with Germany excluded, but would prefer to enter into some special arrangement with the United States. Personally I think that such an arrangement would be an unfortunate one both for China and for us, and also that it would not be very beneficial for the extensive British interests in China. China may some day be able to pull herself together and establish a reasonably efficient Government, if she be protected in the meanwhile by an international combination.. If, on the other hand, because of your own requirements, both Great Britain and France are unable to undertake any Chinese financing for a considerable period following the war and Japan does enter into an arrangement with American bankers, she will utilize American money to fortify her own position to the ultimate prejudice, I believe, of the interests of the other trading nations.

Trusting that you are in the best of health, and with warm regards to Lady Bryce and yourself, believe me,

Yours ever sincerely,

The Right Honorable
Viscount Bryce
3, Buckingham Gate, S. W.,
London.

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December fourteenth
1 9 1 6

My dear Blando:

Your letter of the twenty seventh of November has just been received. I cabled you regarding the illustrations, and shall await your reply before doing anything further.

You speak as if Murray Campbell has made some connection with The National City Bank in Petrograd. If so, I am very much pleased. I cabled him suggesting that he see Meserve, the National City Bank representative in Petrograd, but have heard nothing further from either party.

I have communicated with Miss Jean Wick who advises she is sailing for London within the next week or two. She says she has already written you to this effect.

As regards Hillier's communication in the Peking Daily News - to the best of my knowledge the French statement is correct. I am not of course any longer connected with the Group and, therefore, feel some hesitation in requesting any information regarding this matter; but I am informed that when the State Department approached the Group relative to this matter, the Group cabled London stating that they would be very glad to take the matter up in cooperation with the other members of the consortium, or any of them, and that Addis replied that the Japanese were the only people who could do anything; that of course it would be necessary to get the opinion of the Germans; that he could not communicate with the Germans; and that until the Americans had been in touch with the Germans and received their reply, he proposed to do nothing further in the matter. This, to the best of my knowledge, is what occurred - which I think coincides with the French statement. This, however, is for your confidential information.

****

Yours ever sincerely,

J.O.P. Bland,
London

1 January, 1917.

Dear Mr. Straight

In common with Morse Stephens's other friends here I was very appreciative of your thoughtfulness in telegraphing and afterwards telephoning me about his condition, and have written to those who were particularly concerned about him at Cincinnati:

C. M. Dutcher, Wesleyean University, Middletown, Conn. (with whom you are probably in communication)
W. A. Dunning (Columbia), Hotel Ansonia
A. C. Coolidge, Harvard University Library
Max Farrand, Yale U. (F. was not at Cinci. but is a good friend of Morse's
F? J. Turner (of Harvard, but now at) 2123 California Street, Washington, N. W., D. C.

A young man named Chapman, a pupil of Morse's, and I think now an instructor in the University of California, is somewhere in the East, and there was a plan that they were to go back together? He was to write Morse at the Century Club.

If only we had appreciated how serious a turn things might take, I should have called in Dr. C. R. Holmes there, whom I know, in spite of Morse's most vigorous veto when I made the suggestion. The trip to New York was in itself bad for him I fear, though undertaken (at his insistence, and in spite of many attempts to dissuade him) with the best of intentions. At any rate it is a comfort to know that he is now in loving and competent hands.

Pardon, if you can, my atrocious typewriting. My Miss Oates don't turn up on holidays.

I might add that the telegram sent you from Cincinnati went, of course, at Morse's direction, and in

[incomplete]

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1 January, 1917.

Dear Mr. Straight

In common with Morse Stephens's other friends here I was very appreciative of your thoughtfulness in telegraphing and afterwards telephoning me about his condition, and have written to those who were particularly concerned about him at Cincinnati:

C. M. Dutcher, Wesleyean University, Middletown, Conn. (with whom you are probably in communication)
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[incomplete]

CITY OF NEW YORK
OFFICE OF THE MAYOR.

January 6, 1917 K

Dear Froelick:

I have asked both Mr. Stimson and Major Landon to accept appointment on the Executive Committee of the Defense Committee. I think it would be a very good idea if Mr. Straight would speak with them.

Sincerely yours,

T. Roosevelt

Mr. Louis D. Froelick
Mayor's Committee on National Defense
Room 2028, Municipal Building
New York City

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CITY OF NEW YORK
OFFICE OF THE MAYOR.

January 9, 1917 R

My dear Mr. Straight:

Major Francis G. Landon, 29 Broadway, accepts appointment as a member of the Executive Committee of the Mayor's Committee on National Defense.

Very truly yours,

Theodore Roosevelt

Secretary to the Mayor

Mr. Willard Straight
120 Broadway
New York City

GEO.W. PERKINS
71 BROADWAY

Jan. 10th, 1917.

My dear Mr. Straight:-

Congratulations on the fine publicity our report has received in the papers. It ought to do some good. After all the work you have put in on it you must feel very well repaid.

Sincerely yours,

G. W. Perkins

Mr. Willard D. Straight,
120 Broadway,
New York City.

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APPLETON, PERRIN & HOYT
COUNSELLORS AT LAW
60 WALL STREET
NEW YORK

LEE J. PERRIN
LYDIG HOYT
FRANCIS R. APPLETON, JR.

TELEPHONE HANOVER 1125
CABLE ADDRESS "COUNSELLING"

January 12, 1917.

Willard Straight, Esq.,
120 Broadway,
New York City.

Dear Willard:-

I have read with great interest the report which you have had prepared as Chairman of the Executive Committee of the Mayor's Committee of One Thousand, of which I am a member, and I want to tell you how much I have enjoyed your remarks on the mobilization of the National Guard, and I want to congratulate you on the very able and interesting way in which you have handled the subject.

With best regards, and hoping to have the pleasure of seeing you soon, I remain

Very sincerely yours,

Francis R. Appleton Jr.

Tryon N.C.
Jan. 14-1917

Dear Willard:-
The beautiful book came all while I was looking at it the wrapper containing your address was thrown away, so I had to wait to tell you how much I enjoy it, and how much more than the book itself I care for it as coming from my boy Willard who will always be to me the handsome, adorable little wretch who was always head over heels in some mischief.

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I get occasional glimpses of you through the newspapers and all that I can see makes me proud and happy.

You can have no idea how happy your success makes me.

Hazel says it is you who sent me The New Republic which began mysteriously to appear almost a year ago and which I value above almost anything else I get. It has been such a way of getting to the bottom of things, and letting me see the real men behind the mask. I get a better idea in a week than I could in a month from the daily papers. It is fabulously clever from start to finish. I do not always agree with it, but I do not always disagree with it. I do not always understand it, but I do not always misunderstand it. I do not always like it, but I do not always dislike it. I do not always believe it, but I do not always disbelieve it. I do not always approve of it, but I do not always disapprove of it. I do not always know what it is driving at, but I do not always fail to know what it is driving at. I do not always know what it is going to say next, but I do not always fail to know what it is going to say next. I do not always know what it is going to do next, but I do not always fail to know what it is going to do next. I do not always know what it is going to be next, but I do not always fail to know what it is going to be next. I do not always know what it is going to become next, but I do not always fail to know what it is going to become next. I do not always know what it is going to turn into next, but I do not always fail to know what it is going to turn into next. I do not always know what it is going to evolve into next, but I do not always fail to know what it is going to evolve into next. I do not always know what it is going to develop into next, but I do not always fail to know what it is going to develop into next. I do not always know what it is going to grow into next, but I do not always fail to know what it is going to grow into next. I do not always know what it is going to change into next, but I do not always fail to know what it is going to change into next. I do not always know what it is going to transform into next, but I do not always fail to know what it is going to transform into next. I do not always know what it is going to metamorphose into next, but I do not always fail to know what it is going to metamorphose into next. I do not always know what it is going to transmogrify into next, but I do not always fail to know what it is going to transmogrify into next. I do not always know what it is going to transfigure into next, but I do not always fail to know what it is going to transfigure into next. I do not always know what it is going to transubstantiate into next, but I do not always fail to know what it is going to transubstantiate into next. I do not always know what it is going to transmute into next, but I do not always fail to know what it is going to transmute into next. I do not always know what it is going to transform into next, but I do not always fail to know what it is going to transform into next. I do not always know what it is going to transmogrify into next, but I do not always fail to know what it is going to transmogrify into next. I do not always know what it is going to transfigure into next, but I do not always fail to know what it is going to transfigure into next. I do not always know what it is going to transubstantiate into next, but I do not always fail to know what it is going to transubstantiate into next. I do not always know what it is going to transmute into next, but I do not always fail to know what it is going to transmute into next.

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[1-14-17] [2]

willard, and bear laffing for you, that you and in the big things, buzzing away at the center.

That is life. May you climb to the very tip top twig of the tree, and then fly up yet higher.

With love
Aunt Margaret

Hazel tells me you have three babies. Wouldn't I just love to see a picture of them!

best of me was left unin-
I can write the same
much interest as through
in it. (This what a (same it is!
Like civilization thro-
How I envy those who
giving life and
long enough to be
counts of
through the
of civilization
time, but the
to beat it.
How I envy

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CITY OF NEW YORK
OFFICE OF THE MAYOR.

January 15, 1917 R

Dear Mr. Chairman:

Major-General H. L. Scott, Chief of Staff, U.S.A., Washington, D. C., requests that you mail him one hundred additional copies of the report of the Executive Committee of the Mayor's Committee on National Defense on the Mobilization of the National Guard. He has written the Mayor a very complimentary report about the copy, which I send.

Very truly yours,

Theodore Roosevelt

Secretary to the Mayor

Willard Straight, Esq.
120 Broadway
New York City

[enclosed 1-15-17]

WAR DEPARTMENT

Office of the Chief of Staff
Washington, D. C.

January 13, 1917.

Hon. John Purroy Mitchel
Mayor of the City of New York.

Dear Sir:

I have the honor to acknowledge receipt of the Report of the Executive Committee of the Mayor's Committee on National Defense on the Mobilization of the National Guard, 1916, and to request that you mail me one hundred additional copies.

It is very gratifying to receive this evidence of civilian interest in our national defense problem. The independent inquiry made by the committee and its unbiased and able report on the subject should have great weight with the American people and with Congress in the discussion now in progress on the subject of universal service. All thoughtful students of the problem, whether they are military men or civilians, must reach the same conclusion; that is, that universal military training and service is the only solution of the grave problem of national defense now pressing for solution.

The splendid work being done by the State of New York along this line encourages the hope that other States in all sections of the country will shortly follow its example.

Very sincerely yours,

H. L. SCOTT

Major-General
Chief of Staff

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HEADQUARTERS EASTERN DEPARTMENT,
GOVERNORS ISLAND, N. Y.

January 19, 1917. LW-sm

My dear Mr. Straight:

I thank you very much for the report on the mobilization of the National Guard submitted by the Mayor's Committee. I am very glad indeed to have it. I will read it carefully.

Very sincerely,

Mr. Willard Straight,
Room 2028, Municipal Bldg.,
New York City.

WAR DEPARTMENT
OFFICE OF THE CHIEF OF STAFF
WASHINGTON, D.C.

January 19, 1917.

My dear Mr. Straight:

I want to thank you very much indeed for the hundred copies of the Mobilization of the National Guard in 1916, which have just arrived. It gives me great pleasure to know that you feel as the rest of us do about this subject, and I want to distribute these copies where they will do the most good.

With every wish for a successful and happy New Year, I am,

Very sincerely yours,

Major General,
Chief of Staff.

Mr. Willard Straight, Chairman,
Mayor's Committee on National Defense,
Municipal Building,
New York, N. Y.

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[1917]

Mayor's Committee on
National Defense
Room 2028, Municipal Building
New York City

RELEASED SATURDAY, JANUARY 20.

Employers Give Views
On Preparedness

As an appendix to its report upon the mobilization of the National Guard, the executive committee of the Mayor's Committee on National Defense made public yesterday a digest of the replies to a questionnaire circulated among employers. The employers were asked to tell whether they paid their employees absent with the National Guard, how much time off they would be willing to give their men each year for military training, and what in their opinion was the correct National military policy.

The executive committee of the Mayor's Committee on National Defense is composed of Willard Straight (Chairman), Cleveland H. Dodge, William N. Dykman, John Mitchell, George W. Perkins, Alfred E. Smith and Alexander M. White.

The digest made public yesterday was as follows:

Communications from Employers

In seeking information and opinions from employers, the Mayor's Committee on National Defense circulated question blanks among corporations, firms and individuals in all the important branches of commerce and industry. Banking, insurance, transportation, mining and manufacturing, telephone and telegraph communication, the wholesale and retail mercantile trades,-- all these were represented in the letters that came back. It appears, therefore, that the replies may be taken as a fair reflection of the experiences and views of employers in general.

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The effect of the mobilization of the National Guard upon business varied widely as between employers; and, as was to be expected, there was a difference of opinion as to what constituted a proper military policy. Yet there was a close approach to unanimity on the main questions at issue. If the 431 who wrote to the Committee are representative, there are three things that the employers of the country are substantially agreed upon:

1. The country must have adequate military preparation.
2. The National Guard system is not satisfactory.
3. There must be inaugurated some form of universal training, under Federal control, so devised that all citizens shall contribute to the public defense, either by actual military service or by bearing a fair share of the cost.

Continuance of Pay While on Military Duty.

The policy of employers with regard to the payment of men absent with the National Guard varied between the allowance of full pay during the entire period of service and the failure to continue either pay or position. Between these two extremes were numerous compromises. Some Guardsmen had their positions kept for them but had their pay cut off. Others received three-quarters, or half, or one-quarter pay. There were sliding scales under which full pay kept up for a certain time, and then a reduction was made to three-quarters or half. In some cases full pay was allowed for, say, six weeks, and after that none. One would make a distinction between men with dependents and men without, while another would not take this into account. In paying Guardsmen employees, one would deduct, and another would not deduct, the amount of the Government military pay.

Of the 484 employers who reported that they had employees in the Guard 357 said that they allowed full pay and 79 that they allowed

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part pay; the other 48 did not answer this question. Two hundred and seven said that pay continued during the entire period of service; the others were uncertain how long it would continue.

When the War Department announced that men with dependents might be discharged, many employers revoked their original offers; and more revocations followed the appropriation by Congress of $2,000,000 for the relief of Guardsmen's dependents.

Sixty-five per cent. of the Guardsmen who answered the Committee's question about the continuance of their regular civilian pay, said that it had been cut off entirely. Since more than 3,000 employers failed to reply to this same question -- and it is to be supposed that those who cut off their men's pay would be less likely to reply than those who continued it-- the Committee assumes that the Guardsmen's own reports reflect the actual experience.

In their comments upon military policy the employers laid stress upon the very lack of uniformity of practice, in the matter of continuance of pay, that was disclosed by the filled-in-blanks returned to the Committee. It was the hit-or-miss character of the whole National-Guard, voluntary-enlistment scheme that impressed them most. They declared themselves willing to make sacrifices for National defense -- but they wanted to have some way of estimating what the nature of the sacrifices was to be. And, particularly, they wanted the end of a condition which, they said, failed to distribute the burden equitably among employers.

Time off for Training.

One of the questions addressed to employers was: "Would you be willing to give time off, with pay, to employees to obtain military training each year?"

Those who replied were divided as follows:

Employers who advocated universal service or training and who were willing to give time off with pay----------	238
Employers who advocated universal service or training and declared themselves willing to bear their proportionate share of the cost of defense, but who held that the burden, instead of being placed on employers, should be imposed upon the country's business as a whole through general taxation----------	98
Employers who were opposed to universal service or training but advocated other forms of military preparation and were willing to give time off with pay------	5
Employers who expressed no opinion on universal service or training but advocated some form of military preparation and were willing to give time off with pay--	25
Employers who were not willing to give time off and made no suggestion as to method of meeting cost of defense----------	4

The effect of the volunteer system in taking away from their work mature men, who had made themselves necessary in the machinery of business, was criticized by many employers who wrote to the Committee. This threatened to touch the Government's own interests when it developed that munitions companies had lost some of their highly skilled men through the mobilization. One arms manufacturer informed the Committee that 185 of his employees had gone to the border, of whom 48 were classed as skilled. Appeals were made by this manufacturer and others for the release of some of the most valuable of their workers.

"The Chief of Ordnance", says a report on the mobilization issued by the War Department, "suggested the relief from military service of persons occupying positions of importance to the successful operation of private establishments which might be needed to serve the Government in the execution of the same purposes for which the troops were called, and whose withdrawal from their positions might interfere with such execution to a greater extent than their services with the troops would forward it."

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The subsequent General Order (July 29, 1916), providing for discharges for employees engaged in the manufacture of war materials, applied, however, only to concerns that were actually under contract to supply the Government.

On a small scale, here was reproduced the condition that prevailed for awhile in England: lack of any plan of selection that conserved the specialized talent and skill upon which the Nation must depend for its munitions. Because of the relatively small number of men called out, and the fact that the threatened hostilities were averted, the summoning of these skilled workers did not have the serious consequences that it might have in the event of war.

Summary of Employers' Replies.

(1)	Total number of replies received	1,274
(2)	Employers who had one or more employees in the National Guard	484
(3)	Employers who had no employees in the National Guard	790
(4)	Total number of employees of the 484 employers in (2) above	1,025,100
(5)	National Guardsmen employees of the 484 employers in (2) above	7,857
(6)	Employers who allowed full pay to Guardsmen employees	357
(7)	Employers who allowed part pay to Guardsmen employees	79
(8)	Employers who continued pay during entire period of service	207
(9)	Employers who stated money loss per month from continuance of Guardsmen employees	273
(10)	Total loss per month of 273 employers in (9) above	$305,399
(11)	Employers who favored military preparedness	429
(12)	Employers who opposed military preparedness	2
(13)	Employers who expressed opinion on universal service or training	369
(14)	Employers in favor of universal service or training	356
(15)	Employers against universal service or training	13
(16)	Employers advocating continuance of present National Guard system	5

FROM A FURNITURE MERCHANT:

"I was formerly an officer in the National Guard. I am for universal training for one year. After that, each individual should train for two weeks a year for several years. We should be willing to give two weeks off with pay to our employees, on a basis applicable to other employers."

FROM THE PRESIDENT OF ONE OF THE LARGEST SOAP MANUFACTURING COMPANIES IN THE COUNTRY:

"No voluntary system will ever be satisfactory. Too much dual control in present system. We would give time off to our employees."

FROM THE PRESIDENT OF A SPORTING GOODS MANUFACTURING COMPANY:

"Our National Guard is composed of 48 different armies. It does not have sufficient training or equipment. We are short of officers and reserve supplies. I believe in compulsory service from men 18 to 24 years old, and in an adequate standing army with eventually no National Guard."

FROM THE PRESIDENT OF A PUBLISHING FIRM:

"I am willing to pay my men while they do military duty, and hold their places for them. I believe military training should be compulsory. There is now a criminal lack of preparedness in men, munitions, supplies and transportation."

FROM THE PRESIDENT OF AN ELECTRIC LIGHT AND POWER COMPANY:

"It seems to me that the Guard should not be called upon for duty outside of the State except in time of war. The National Government should maintain an army sufficient to provide necessary National service. There are many reasons why we should adopt some system of universal service similar to the Swiss plan."

FROM A LAWYER:

"I was a member of Squadron A for many years and I was in the Volunteers in the Spanish War. After the Spanish War I was in an infantry regiment for a year and a half. I am totally opposed to the present National Guard system. I believe in compulsory military training for all male citizens over 18 years of age. Under a system of universal training the men will be looked after by the Federal Government and not by the individual employer. But we must face facts as they are and therefore, with the present system, I will be willing to contribute a reasonable amount towards the support of dependents on my employees in case of war."

FROM A COTTON BROKER:

"If first training is at 18 years of age then the question of pay need not be considered for that period; in after years the time required each year should be short, and we can see no reason why all employers should not pay for the time."

FROM A METAL MINING AND SELLING COMPANY:

"If a system of universal training were in force we should give our employees necessary time off with pay; but it is obvious that the system should call for training at an age when it would not seriously interfere with business duties."

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FROM A LEATHER COMPANY:

"We believe in compulsory universal training to fit everyone for service in case of need modeled on the Swiss or Australian system. The recent military law, in our opinion, is entirely inadequate."

FROM A MANUFACTURER OF IRON ARTICLES:

"We think the present system is a crime, and think there ought to be universal training on the Australian plan. Our natural inclination is to give time off, but we cannot go on record as promising to do so under the present conditions."

FROM A STEEL MANUFACTURER:

"The present military system of our country is entirely inadequate. We think there should be universal service, and we are disposed to favor the Swiss system."

FROM A MANUFACTURER OF UPHOLSTERY FABRICS:

"We see very little merit in the present National Guard system, and we favor a modified universal service somewhat on the order of the Swiss system. More important, however, is the creation of a complete permanent organization for an army of at least a million men with a fully trained and educated corps of officers."

FROM A JEWELER:

"My objection to the present system is that the burden is unevenly distributed. I believe in general conscription as practised in Switzerland."

FROM A COMPANY MANUFACTURING ABRASIVE AND SANDPAPER:

"In our opinion the present system is undemocratic and inadequate. We believe universal service is essential for the existence of the country in the future as a democracy. Training should take place before the citizen reaches 21."

FROM A LIFE INSURANCE COMPANY:

"We would be willing to give two weeks with full pay each year for training under universal service, and we think other employers ought to be able to do likewise."

FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS OF A LIGHT AND TRACTION COMPANY WHICH HAS FOURTEEN SUBSIDIARY COMPANIES:

"We favor universal service. The fact that we have continued the pay of Guardsmen while in the service indicates the spirit and sentiment of our companies. The positions of all our Guardsmen have been held for them."

FROM A MANUFACTURER OF BRAIDS:

"The present system is inadequate and inefficient. We believe the best solution is universal training of young men before they acquire economic value. We should be willing to give men from two to four weeks off with pay."

FROM THE PRESIDENT OF A SAVINGS BANK:

"We consider that there is an utter lack of system now and that there ought to be universal service. We should be willing to give our men time off with pay."

FROM THE PRESIDENT OF A FIREPROOFING COMPANY:

"By all means let us have universal training. The present system of National defense has proved unfit."

FROM THE PRESIDENT OF A TRUST COMPANY:

"I should be willing to give time off with pay for training, but if we had universal training at an early age there would be no necessity for the employer to assume the cost."

FROM AN ELECTRICAL CONTRACTING CO.:

"If there were compulsory service for all men at the age of 19 the employer would not have to pay during that period. For the two weeks' service every year thereafter, the employer should be made to pay in full with a heavy penalty for evasion."

FROM THE PRESIDENT OF A RAILWAY COMPANY:

"The present system (or lack of system) is deplorably inefficient. There should be compulsory military training. I believe our directors would approve giving time off with pay."

FROM A MANUFACTURER OF INKS:

"We favor universal service and we would be willing to give time off with pay up to 30 days."

FROM A PETROLEUM REFINING COMPANY:

"The present system provides practically no defense. The men are not trained and could not be equipped for a long time. I think the young men should all have military training. Our company would undoubtedly be willing to give time off with pay."

FROM A MANUFACTURER OF TELEPHONES:

"Without in any way belittling the work done by the men in the Guard, we think the present system absolutely unreliable."

FROM A MANUFACTURER OF PAINTS:

"I served 17 years in the National Guard and I consider I know something about that institution. The National Guard does not and cannot take the place of a regular army. It is a mixture of business and pleasure together. When a man joins the National Guard it is often for pastime. He must attend first to his regular business, and devote his spare time to military duties. The great amount of work required of an officer in the Guard prevents many a good man from taking a commission, as it is impossible to attend to his business and military duties. We should have a standing army of at least 250,000, and there should be a law compelling every young man to have at least three years of military educational training. The National Government should pay for National defense by tax fair and just to all, and not make fish of one and flesh of the other."

FROM THE PRESIDENT OF A SHIPBUILDING AND DRY DOCK COMPANY:

"The National defense is the business of the National Government and should be paid for by the Government and not by private companies."

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FROM A MANUFACTURER OF KNITTING MACHINERY:

"The employer will not have to pay if the proper system is worked out. I think there is a moral obligation upon the employer, however, to keep positions open for the men in training."

FROM A FIRM OF COTTON MERCHANTS:

"While we are willing to pay employees while they are being trained we maintain that the entire system is wrong and should not be dependent upon the willingness of employers to support employees in training. Every man should be compelled to serve and the Government should pay for it."

FROM THE PRESIDENT OF A MACHINERY MANUFACTURING COMPANY:

"Employers should not be asked to give time off with pay to employees. There is no reason why those who employ men should contribute to the cost of National defense while those who employ women do not. Defense should be paid for by the Government and not by any one class."

FROM A MANUFACTURER OF CLOCKS:

"Though a former member of the National Guard, I do not believe the Guard provides adequate defense. It has all the bad features of a volunteer service. The expense of maintaining it is out of proportion to its usefulness. I believe in service to the State by every male citizen. We have been willing to pay our employees in the Guard, but I do not feel that it is a fair tax to put upon individuals or corporations."

FROM AN EXPORTING AND IMPORTING COMPANY:

"We want to see a system adopted which bears on all employers alike. It is not right that the payment of a tax of this kind should be left to discretion any more than the payment of any other tax."

FROM A WHOLESALE LUMBER COMPANY:

"We oppose training men after they have reached an age where they have economic value and are married and have children---except, of course, in time of war. If universal training at an early age is instituted the employers will not have to pay their men except indirectly through Federal taxes."

WILLARD STRAIGHT
ONE TWENTY BROADWAY
NEW YORK

January twentieth.
1 9 1 7.

Professor George Lincoln Burr,
Cornell University,
Ithaca, N. Y.

My dear Professor Burr:

I have your letter of the seventeenth. I think that the letter at the Century must have been overlooked, and I am to-day making enquiries, as to whether or not there is anything there for Professor Stephens.

Professor Stephens' general condition has not, I regret to say, improved. The fever has abated somewhat but it has naturally left him very weak and without the power of resistance which he should have to prevent the aggravation of the trouble in his lung. Everything is being done that can possibly be done. Doctor Lambert came in in consultation yesterday, which is the second time. There is nothing else we cna do except hope that Morse's power of resistance will be sufficient to throw off the danger. He has not been really rational for some days past. I will give him your message and I know he will appreciate your affectionate thought.

I will keep you posted from time to time as to his condition.

With best wishes from Mrs. Straight and myself to you both,

Sincerely yours,

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Bordentown Military Institute
Bordentown, N. J.

THE REV. T. H. LANDON, A. M., D. D., PRINCIPAL
COL. T. D. LANDON, 3D N. J. INF. VICE-PRIN. AND COMMANDANT
SEALAND W. LANDON, A. M HEADMASTER

23 January 17

Willard Straight, Esq.,
Equitable Bldg.,
New York, N.Y.

My dear Mr. Straight:

I appreciate very much your letter of January 22nd in regard to my work as a representative of the Mayor's Committee on National Defense on the border. I fear, however, that my personal contribution to the excellent report was very slight. Nevertheless, I enjoyed the work very much. I am very glad to have been associated with a Committee which produced a military report of such a sound and practical nature.

It is also gratifying to have had the Chairman of the Committee an old B.M.I."boy".

Colonel Landon joins me in best regards.

Very sincerely,

Richard Sheldon Hartley Jr.

RS/FC

Hôpital St Luc 26 Janvier 1917.

Mon cher ami, Voici trois semaines que je me vous ai point écrit, ne me trouvant dans l'incertitude de le faire à cause de mon opération. Elle fut (il paraît qu'on m'a fait à estomac une incision de 20 cms) était chose assez délicieuse mais nécessaire et soignée à laquelle je suis très heureux de m'être décidé. Je me sens actuellement un autre homme: j'ai repris déjà un mine excellente: les forces reviendront vite - Du reste, je suis bien décidé à me ménager pour ne pas compromettre une guérison complète par des imprudences - Je sortirai de l'ici dans deux ou trois jours, sans regrets je vous prie de le croire, car, bien que tout le monde ait été très aimable pour moi et que je n'aie pas manqué de visites, six semaines d'hôpital ne sont pas un plaisir.

Dans ma dernière lettre (ou dans celle que j'ai écrite un peu avant à Berthelot) je crois avoir exprimé l'opinion que le Président Wilson ne s'en tiendrait pas à sa première note, qu'il n'était pas loin de s'imaginer que les gouvernements qui font la guerre aux peuples ne veulent que la paix et que dans ces conditions il continuerait ses efforts vers la paix. Je n'étais point mauvais prophète. Ce qu'il y a d'extraordinaire c'est (ce qui a Washington on semble avoir été complètement surpris - Je ne sais si l'ambassadeur n'avait pas fait entrevoir au Départ la possibilité de ce qui s'est produit, car je n'ai pas été en rapports avec lui depuis deux semaines que je suis malade. Malheureusement, lui et son ambassade vivent de plus en plus confinés dans cette chancellerie qui semble coupée de toutes communications avec l'extérieur. Et ils semblent de plus en plus décidés à continuer cette vie de reclus. Dernièrement, l'ambr est venu à New York et son ami Murray Butler l'a prié très instamment d'accepter de dîner avec quelques Américains dévoués à notre Cause et qui avaient un vif désir de le voir - Il a répondu d'une façon très sèche et dont M. B. s'en est blessé quelque peu "qu'il ne pouvait se départir du principe de ne jamais accepter de dîner en ville pendant la guerre!"

Bien qu'assurément on ne fut dû à quelle date la bombe éclaterait, car l'agression était prise très longtemps pour une affaire faite — comme la première fois — dormir bien à une chose était sûr que quelque

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Avec cela, les relations avec le White House ne ~~sont cordiales~~ s'améliorent évidemment pas: vous savez que les rapports entre l'administration et le parti républicain où l'ambassadeur ~~a~~ compte tous ses amis sont devenus si mauvais qu'au White House — ce qui ne ~~se fait~~ s'est jamais fait — on a coupé de la liste d'invitation le Senateur Lodge et les autres chefs des G.O.P. On dit — je ne sais si c'est vrai — que le Président ~~ne se cache pas pour~~ aurait exprimé ses regrets de ne jamais voir les ambassadeurs qui ne traitent plus la maison Blanche comme au temps de ses prédécesseurs. Enfin, tout cela est bien fâcheux, mais il n'y a pas de remède, car jamais Jusserand ne changera maintenant: c'est inutile d'y penser.

[1917]

Mayor's Committee on
National Defense
Municipal Building,
New York.

RELEASED MONDAY, JANUARY 29.

Physically Unfit Guardsmen

Cost Government Two Million.

A loss of at least $2,000,000 was suffered by the Government as a result of having to accept for muster last summer National Guardsmen who were physically unfit, according to an estimate of the Executive Committee of the Mayor's Committee on National Defense. The Committee issued yesterday a statement concerning physical standards in the Guards, embodying information gathered not only from the War Department but also at State headquarters and camps from Army officers, Guard officers and others familiar with this phase of the mobilization.

The Executive Committee is composed of Willard Straight (Chairman), William N. Dykman, Cleveland H. Dodge, John Mitchell, George W. Perkins, Alfred E. Smith and Alexander M. White.

According to law, the troops of the States that had adopted the physical standards prescribed for the Regular Army were mustered in without examination. All but four States had adopted these standards, but most of them had done so only on paper; few had made any serious attempt to enforce them.

Twenty-five per cent., or 28,500, is stated as the lowest possible estimate of the physically unfit among the 114,000 officers and men subject to the President's call. This was in spite of the relatively low rejection rate in Massachusetts, New York and a few other States. The Committee found that New York had gone much further than most of the other States toward maintaining proper physical standards.

In making its estimate of money loss, the Committee said that this could not be stated accurately at present, because complete infor-

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mation on this point was not available; but consultation with those most conversant with the facts led the Committee's investigators to believe that the loss, though it might have been more, was surely not less than $2,000,000.

"At one of the mobilization camps,' says the Committee," the Army inspector-instructor estimated that each man rejected had represented, at a conservative estimate, a loss to the Government of $40. In the case of men carried to the border without thorough examination and sent back home because of disability, the cost was of course far greater. In other cases, where men were discharged at their home stations soon after the call, it was less.

"Assuming that the average of $40. held good throughout, and that 25,000 Guardsmen were eliminated by physical examinations after muster, the mustering of unfit men cost the Government, for transportation, subsistence and pay, $1,000,000 -- an absolute waste.

"This takes no account of important elements of cost: the pay of medical officers and their assistants; the pay of line officers, commissioned and non-commissioned, for the time they had to expend in equipping, instructing and often helping to examine the unfit; the use of clothing issued to men who afterward had to be rejected; and the great volume of 'paper work' in Washington, at department headquarters, and at mobilization camps, involved in the wholesale discharges for physical disability. What the total loss amounted to must, of course, be largely a matter of guess work; but consultation with persons most familiar with this phase of the mobilization leads the Committee's representatives to believe that, altogether, a loss of at least $2,000,000 must have been suffered by the Government by reason of the presence of physically unfit men in the National Guard organizations presented for muster."

Besides, there was the current loss to the Government and the States, from year to year, through the support of the physically unfit Guardsmen who were provided with instruction, clothing and other equipment, armory accommodations, ammunition for target practice, transportation and food and pay during encampment periods, and all the other facilities for such training as the Guard afforded. This loss is

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estimated at a minimum of $1,638,000 in the fiscal year 1916.

The Committee's statement is as follows:

Physical Condition of National Guardsmen as Revealed by The Mobilization.

When the National Guard was called into the Federal Service on June 18, 1916, the State governments were directed to raise their organizations at once to war strength. But as they launched recruiting campaigns, they found that a large proportion of the men already on the rolls, and supposed to be ready for service, had to be dropped for physical unfitness. In many cases the men so eliminated outnumbered the recruits, so that, instead of reaching war strength, organizations were actually reduced below the required minimum, or peace, strength.

The War Department has issued reports and bulletins containing information about the rejection of Guardsmen already mustered into the Federal service. But it has not been possible to make a definite statement of the exact proportion of the physically unfit to the entire strength of the Guard as it stood on June 18, 1916. The reports that have come to the Mayor's Committee on National Defense from State officers and through unofficial channels, however, and the War Department data examined by the Committee's representatives, indicate 25 per cent. as the lowest possible estimate. This was despite the relatively low rejection rate in New York, Massachusetts and a few other States.

Of 128,517 enlisted men examined after entrance into the Federal service, 23,721, or 18.45 per cent., were rejected. But the War Department report containing this statement adds that the figure "did not include those who were eliminated by the State authorities prior to muster-in, the number of whom is not known." That is, it did not include (1) the Guardsmen who were dropped by the officers of Guard organizations for physical disability before muster, (2) those who were excused by Governors on the same ground, or (3) the unfit among those who failed to respond to the mobilization call. Including the 7,258 who failed to respond, there were 23,936 unaccounted for.

On the other hand, the 23,721 men reported as rejected included an unknown number of recruits taken in subsequent to June 18 but prior to muster.

The 128,517 men covered by this inspection belonged to organizations with an enrolled enlisted strength on June 18 of 95,000, about seven-eighths of the enlisted strength of all the organizations embraced in the President's call. Including officers, the number of Guardsmen subject to the call was 114,000. At least 28,500 of these were physically unfit.

Laxity in Enforcing Physical Standards.

The direct cause of this condition was the laxity in enforcing proper physical standards in National Guard organizations in ordinary times of peace. If the cause be traced further back, it is found to be the difficulty in obtaining recruits. Only by keeping on the rolls men below the established physical standard could Guard organizations maintain the minimum strength necessary to recognition by the Federal Government; even as it was, many of them were short of the required minimum. The demand for men was so much greater than the supply that conformity to proper standards was not compelled.

Where a genuine effort was made by State authorities to maintain physical standards, the good results were plainly shown at the time of muster. In Massachusetts the Chief Surgeon, supplied

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with a force of clerks, was able to keep close track of the work of medical officers and prevent the admission of recruits with physical defects; and in consequence the Federal examinations eliminated not more than two or three per cent. of the Guardsmen there. New York, by enacting the law requiring physical examination upon re-enlistment, had weeded out hundreds of unfit; and it would probably have made a still better showing at the mobilization if it had provided its Chief Surgeon with proper clerical assistance and sent through his office the complete records of the examinations of recruits.

Cost of Rejections to the Government.

Quite apart from the loss of a soldier who had been counted upon, every rejection caused money loss to the Government. The physically disqualified were transported and fed by the Government, in addition to receiving the regular soldier's pay to the time of discharge. At one of the mobilization camps the Army instructor-inspector estimated that each man rejected had represented, at a conservative estimate, a loss to the Government of $40. In the case of men carried to the border without thorough examination and sent back home because of disability, the cost was of course far greater. In other cases, where men were discharged at their home stations soon after the call, it was less.

Assuming that the average of $40. held good throughout, and that 25,000 Guardsmen were eliminated by physical examination after muster, the mustering of unfit men cost the Government, for transportation, subsistence and pay, $1,000,000 -- an absolute waste.

This takes no account of important elements of cost: the pay of medical officers and their assistants; the pay of line officers, commissioned and non-commissioned, for the time they had to expend in equipping, instructing, and often helping to examine the unfit; the use of clothing issued to men who afterward had to be rejected; and the great volume of 'paper work', in Washington, at department headquarters, and at mobilization camps, involved in the wholesale discharges for physical disability.

What the total loss amounted to must, of course, be largely a matter of guess-work; but consultation with persons familiar with this phase of the mobilization leads the Committee's representatives to believe that, altogether, a loss of at least $2,000,000 must have been suffered by the Government by reason of the presence of physically unfit men in the National Guard organizations presented for muster.

The Loss from Year to Year.

There is to be added the loss incurred by the National Government and the States, from year to year, by the retention on the rolls of men who proved to be useless when needed. For these men were instructed, and they were provided with clothing and other equipment, armory accommodations, ammunition for target practice, transportation and food and pay during encampment periods, and all the other facilities for such training as the Guard afforded.

In the fiscal year 1916 the Government disbursed $6,467,522 for the support of the National Guard, an average of $49 for each of 132,000 officers and men enrolled. Though this included appropriations for supplies of a permanent character, the wear and tear on such supplies represented a current expense; and there were other items of cost -- such as the expenses of non-commissioned officers on duty with the Guard, and of Guardsmen sent to the service schools -- not included in the total of $6,467,522. If the Government spent $35 per man for the current support of the Guard, and the States $22.50 -- about half of what the last New York State legislature appropriated for the maintenance of the New York Guard -- the amount disbursed in one year on account of 28,500 Guardsmen who were physically unfit was $1,638,750. (The cost of support of the unfit among the 18,000 Guardsmen not embraced in last summer's mobilization call are not considered here).

The Law About Physical Standards and How It Was Observed.

According to the law -- a section of the Dick law not repealed by the present National Defense Act -- the troops of every State that had adopted the physical standards prescribed for the Regular Army had to be mustered into the Federal Service "without further medical examination." The theory was, of course, that the adoption of these standards meant the enforcement of them. The fact was that all but four states (Delaware, Kansas, New Mexico and North Carolina) had adopted them at the time of the mobilization, but none had enforced them strictly. Some had made a better attempt at it than others; but, with a few notable exceptions, the States that had gone through the formality of adoption had their troops in no better physical condition than the others; the adoption had been merely "on paper"; the actual weeding-out of the unfit had not taken place.

In Kentucky 40 per cent. of the Guardsmen presented for muster failed to pass the physical test; in Ohio, more than 25 per cent.; in Arkansas the combined strength of two infantry regiments was reduced 44 per cent., from 2076 to 1156 officers and men. Similar conditions were found in a majority of the States.

Contradictions between the law and Army Regulations were complained of by officers at mobilization camps. One of these officers stated in an official report:

> "The second sentence of paragraph 28, Mustering Regulations, provides that the mustering officers before accepting organizations presented for muster will satisfy himself that all officers and men thereof are fit for military service, while under reiterated instructions from the chief mustering officers of the department I must disregard this requirement and muster all who are presented, regardless of the fact that some of them are practically blind, some almost totally deaf, and the like. It is needless to say that this is rather confusing."

But in such a case the chief mustering officer was simply carrying out the law in ordering the muster of the unfit Guardsmen.

Not Enough Army Medical Officers

In seeking to carry out the purpose of the National Defense Act, the Militia Bureau of the War Department has recently directed that the records of physical examinations of National Guardsmen shall henceforth be passed upon by medical officers of the Regular Army. But there are not now, and there is no prospect that there will be for some time to come, enough medical officers in the Army to perform this duty.

One of the main sources of trouble at the time of the mobilization was the insufficiency of the force of Medical officers on duty with the National Guard; and even though the withdrawal of the expeditionary army from Mexico would release some, there would still be too few to permit of complete Army supervision of the physical condition of the officers and enlisted men of the entire Guard.

Physical Standards in the New York Guard.

As in other respects, the New York Guard was well in advance of most of the other States in the physical condition of its Guardsmen. The good effect of the law requiring physical examination upon re-enlistment has already been referred to. And for several years previous to the mobilization, the quality of performance by medical officers had shown steady improvement. But these officers, being called upon to render professional services without pay, and subject when on military duty to a loss of private practice, were naturally not as thorough and

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strict as Regular Army officers would have been. Sometimes they would yield to the persuasion of commanding officers who were anxious to keep their organizations enlisted up to the prescribed strength; and sometimes through carelessness they would let unfit men slip through.

Of the 14,099 officers and men enrolled on June 18, in the New York organizations called into the Federal service, 802, or 5.7 per cent., failed to pass the final physical examination. In addition, there were the unfit among the 598 Guardsmen who failed to respond to the call, and among those Guardsmen who, before the Federal examinations took place, were released by the Governor or other State officials.

Report to War Department on New York Guard.

In his report to the War Department on the physical inspections of the New York troops, Major Wadhams of the Army Medical Corps said, in part:

"It will be noted that the rejection rate is very low. This is due to several causes, but the three most important will be mentioned:

"(a) The adoption by the State some time ago of the War Department standards and a fairly rigid adherence thereto, which resulted in excluding from the National Guard many who formerly would have been accepted.

"(b) The great haste with which examinations were made rendered it impossible to detect all disqualifying effects.

"(c) Immediately upon the publication of the President's call for the National Guard, practically every organization in the State began to eliminate, either by discharge or by transfer to the depot batallion, those men known to be unfit."

Major Wadhams emphasized, as did many other officers who reported to the War Department, the fact that there were not enough medical officers of the Army to examine properly the National Guard troops. This Committee's representatives were witnesses to the excessive volume of work imposed upon Major Wadhams himself at the New York State mobilization camp, where he was the only Army medical officer and had to serve as medical examiner and camp surgeon, and was in charge of the hospital as well. The Committee has been informed from reliable sources, that the force of medical officers at other camps was similarly inadequate.

The War Department has made the statement that "the majority of the medical officers of the regular service were in Mexico or on the border, so that only one medical officer was available for duty at each of the several mobilization camps." The statement adds, "It is reasonable and safe to assume that the interests of the Government were not properly safeguarded where State troops were sent to the border within ten days after mobilization."

But it is agreed that the real remedy for such a situation as developed last summer is not more examiners at the time of mobilization--although they are needed -- but a genuine adherence in ordinary times, by the National Guard or any other citizen force that may be created, to the physical standards prescribed for the Regular Army. It is only through such adherence that wholesale rejections, and the practical disruption of the citizen-soldier organizations, can be avoided when the call to service comes.

Extracts from Reports of Army Inspector-Instructors.

A number of reports from Army inspector-instructors, on the subject of the physical condition of the Guardsmen, have been made available at the War Department. The names of the States are omitted, but the name of the inspector-instructor is given in each instance. Extracts from some of these reports are as follows:

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"In one company the loss was as high as 77 per cent. of the officers and men. # # # # # # In one regiment one-fourth of the strength was lost through physical rejections. # # # # # Twenty-eight per cent. of the enlisted personnel was found physically disqualified at muster-in, in the case of the _____ Regiment." (Report of Major J. C. Johnson)

"An incident of the week was the ordering into this camp at State expense of Company I. This company is not recognized by the War Department. Its strength was 3 officers and 65 men. # # # On physical examination the 3 officers and 13 men were found disqualified. It was then desired to have the enlisted personnel enlist for the other companies, but this they refused to do, and the whole organization was sent back to _____. The expense to the State for this was about $1,500." (Report of Capt. W. T. Bates).

"The personnel as a whole is good, but company commanders brought several men who were absolutely unfit for service; one of the men had double inguinal hernia and another was unable to count the fingers of a hand held up before him at a distance of 3 feet. Although provided by the legislature of _____ that physical requirements should conform to Regular Army standards, there has been non-observance rather than observance of this statute from the beginning." (Report of Capt. Albert B. Sloan).

"If the character of the physical examination required for enlistment in the National Guard of other States -- even though the law prescribes that it must be the same as that required for enlistment in the Regular service -- has been the same as that in _____, then in practice it has been farcical and the Government has spent thousands of dollars in bringing men who are absolutely unfit for military service to the mobilization camps and in sending them home because of the failure to pass a physical examination by the examining surgeons." (Report of Capt. Albert B. Sloan).

"Approximately 700 out of the 3,000 or more examined physically were found unfit for service. These included 3 officers." (Report of Capt. Hughes).

"I desire to emphasize strongly the need for holding the States strictly to the standards of physical requirements; also the need for Federal supervision of the legality and regularity of enlistments. From the experience here in _____ it seems impossible to exaggerate the importance of these points. Rejections on account of physical disqualifications have been about 33 per cent. Roughly, there have been 1,000 officers and men accepted and 500 rejected. An estimate of the cost to the Government of the latter may be placed conservatively at $40, and thus we find a waste of $20,000 for one regiment of infantry and a battery of Field Artillery." (Report of First Lieut. B. F. Ristine.)

"Fifty-six officers and 1,427 enlisted men were mobilized. Of these, 5 officers and 405 enlisted men (27 per cent.) were rejected." (Report of Capt. Niles).

"Out of a total of 1,181 enlisted men, 387 (33 per cent.) have already been discharged as physically disqualified. Seven officers have been found unfit; this out of 50 mustered in. Two troops of cavalry lost 50 men, the field hospital 4, the regimental infirmary 5, the company of engineers 25." (Report of First Lieut. W. G. Murchison.

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"It was inevitable that much pressure was brought to bear upon the medical officers who conducted the examination, and as a result many recruits were enlisted who were rejected for physical disabilities; every effort was made by organization commanders to take to the mobilization camp their companies recruited to the maximum. # # # # A recruiting officer and party was left in each armory to continue the work of recruiting. The recruiting officers were generally inexperienced and the medical examination was conducted by physicians ignorant of the requirements of the physical examinations. In many cases men were enlisted and sent forward who should have been rejected by a line officer without the assistance of a medical officer or a physician." (Report of Maj. Edward A. Shuttleworth).

"Eleven per cent. of the officers mustered in were rejected. Twenty-five per cent. of the enlisted men were rejected." (Report of First Lieut. James G. McIlroy.)

"While this State had adopted the Regular Army form for physical examinations, 50 per cent. of the enlisted force had not been examined on June 19, 1916; this made it necessary to have the examinations made prior to organizations leaving home stations, and the surgeons were not available for proper duty." (Report of Capt. W. B. Wallace).

"About May 20, 1916, a rigid system of physical examinations, corresponding to those for the Regular Army, was instituted, and all members of the Guard were required to take them. This resulted in the elimination of at least 15 per cent. of the men examined. The Guard was being practically reorganized, to comply with the provisions of the Army reorganization bill, and the order for mobilization came before this was completed." (Report of First Lieut. Max R. Garber).

"The entire time for the last two weeks has been given up to the physical examination of the troops of the National Guard of _____ at Camp _____. The men that have been examined by the civilian doctors used in the previous examination have not been seen by the doctors with their clothes off. Men have been sent to me who weighed 91 pounds and are 5 feet 1 inch high. Others with double inguinal hernia." (Report of Maj. E. L. Ruffner.)

"I consider it a just criticism of both Federal and State authorities that avoidable delays occurred; that men taken in wholesale were, by reason of physical disability that should have been largely predetermined, gotten rid of only by retail measures. They were a menace and a nuisance." (Report of Col. Delamere Skerrett).

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(Page I)

Percentage Figures of Personnel.

(Set "A" Figures.)

1)Percentage of enlisted men of Guard on June 18th who had served not more than 6 months to total on June 18th..... 34%

2)Percentage of enlisted men of record June 18th who were excused or released from service before and after reporting but not including those discharged after muster-as compared with total enlisted men. (The National Guard Collective Figures.)..... 6%

3)Percentage to total enrolled strength on June 18th of number of men who failed to pass physical examination,excused because of family dependents,failed to report and refusal to take Federal Oath before Muster.(only for units mustered) The seperate figures as given by Guard are here added together..... 13%

4)Percentage to total on June 18th of failure to report and refusal to take Federal Oath.(only of units mustered.)..... 4%

5)Percentage to total on June 18th of failure to pass final physical examination.(only of units mustered.)..... 8%

6)Percentage to total on June 18th of men rejected because of having dependent families at time of muster..... 1%

7)Percentage to total on June 18th of those discharged after muster because of dependent families..... 1%

8)Percentage to total mustered including recruits after 30 days of total released from service before and after muster(dependents,physical rejections,refused to take Federal Oath etc.,(only for reiments mustered.)..... 12%

9)Percentage to total strength after 30 days recruiting(discharges subtracted.) of number of recruits got within 30 days.(mustered only.). 33%

10)Percentage to total recruits enrolled within 30 days of applicants after June 18th rejected for physical reasons.(mustered units only.)... 33%

11)Percentage to recruits obtained in 30 days of total number of men discharged..... 40%

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Percentage Figures of Personnel.

(Set "A" Figures.)

12)Percentage to total recruits enrolled within 30 days of applicants after June 18th rejected because of dependent families.(mustered only.). 2%

13)Percentage of men with former service in the Militia who applied after June 18th and were admitted to total recruits who were admitted. (mustered units only.)..... 12%

14)Percentage of men with former service in the Militia and Army or Navy who applied after June 18th and were admitted,to total who were recruited in 30 days. (mustered units only.)..... 16%

15)Percentage of increase in strength of enlisted men men on date of muster, over strength on June 18th. (mustered units only.)..... 30%

16)Percentage to total mustered including recruits enrolled within 30 days of total men of less than 6 months experience.(mustered units only) 57%

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WILLARD STRAIGHT
ONE TWENTY BROADWAY
NEW YORK

January Thirty-First,
1917.

Dear Mr. Burr:

Many thanks for your note of the thirtieth of January.

Professor Stephens seems to be a little better this morning, and we all have strong hopes for the future. I shall not fail to remember to tell Professor Stephens of your kindly inquiries.

Yours ever sincerely,

George L. Burr, Esquire,
Cornell University,
Ithaca, New York.

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WILLARD STRAIGHT
ONE TWENTY BROADWAY
NEW YORK

February fifth.
1917.

My dear Mr. Minister:

Very many thanks indeed for your letter of the third of December, which reached me a few days ago. I appreciate your writing me in long hand and I assure you that I should reply in the same manner did I not have too much regard for you. It might be a compliment but it would be a compliment paid to your ingenuity and I fear that you would not be able to decipher that which I should like to say.

I feel sure that there are many matters developing in Peking, which we at this end find it quite impossible to appreciate, and I hope very greatly that it may be possible for me to visit China some time this spring. Matters here, however, are so pressing that I do not know that it will be possible for me to get away. If some of the negotiations which we now have under way develop satisfactorily, however, I should like nothing better than to go to Peking to make final arrangements.

We all appreciate the assistance which you are rendering our people in China and hope that your efforts to develop a real American investment may be successful. In discussing any issue of Chinese securities, however, we are always hampered by the fact that the Chinese bonds would be

extremely difficult to sell, as the public is distrustful. There is a widespread feeling that Japan must be conciliated in some way, and as you are no doubt aware, I myself feel that the best way to build up an American interest in China is to co-operate in one or two enterprises with the Japanese. Personally, I am convinced that this is also in the interest of China and that such co-operation, especially where the Americans are in the lead as it has been suggested in the case of the loan for the improvement of the Grand Canal, should go far towards reassuring the Chinese that the enterprise was commercial and not political in character.

With best wishes, and thanking you again for your courteous note, believe me,

Yours very sincerely,

Willard Straight

His Excellency
Paul S. Reinsch,
The American Minister,
Peking, China.

THE HISTORICAL SOCIETY OF WISCONSIN
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1697 CAMBRIDGE STREET
CAMBRIDGE, MASS.

Feb. 26 1917.

Dear Thurston Straight -

I keenly want to enlist your aid. There is a man here who has need of two hundred dollars and ought to be lent that sum. He is an assistant in a Cambridge book-shop who is writing what will be a thoroughly sound and useful history of American astronomy. Sarton, the Belgian authority, who is lecturing here, knows him well and assures me of his competence. He used to be a librarian at deland Stanford; but they wanted him to do their work where his interest was in science and dismissed him when he refused to change. He came East and in default of a Harvard vacancy sells books till four, computes at the Observatory till nine and then works at his own book till the small hours. But he had no money to pay the manufacturing of his books which consequently are in storage & have been since July. The charges amount to two hundred dollars and the book cannot be written without them. I would lend him the money myself but $200 is about as remote from my means as ten times that sum. But if you will lend it to me, I will lend it to him and guarantee that he repays it within two years. I am absolutely convinced that it would be a fine thing to help him. It is one of those cases where to keep up a man's heart is to make him trust in himself. Felix knows and approves my request.

The change in the N. R. tone does my heart good. Justice Holmes the other day was apologetic because he was two numbers behind.

Very cordially yours,

Harold J. Laski

Somehow I hope we can have a lengthy talk.

Statement
by the
Executive Committee
of the
Mayor's Committee on National Defense

(To be issued at the time the Loyalty Pledge is submitted to the citizens of New York for their signatures on or about Saturday, March 10, 1917.)

At this time when at any moment we may find ourselves forced into a war that we have steadfastly sought to avoid, it is fitting that American men and women should have the opportunity, as unquestionably they have the will, to give assurance of their loyal support to the government in its measures to uphold American rights and protect the lives of American citizens.

It may be said that public approval of protective measures is to be taken for granted. But what is understood at home may easily be misunderstood abroad. The great stir raised by small but energetic groups whose cry is surrender, is calculated to encourage new aggressions upon our national rights. These groups hold meetings, circulate petitions, and wait upon the President and Congress, while the vast body of citizens, not organized for such demonstrations, remain inarticulate. We may be sure that the clamor of the disloyal,—and of the misguided few who believe that perpetual yielding is the solution of all our national difficulties,—is heard abroad. It is now time that the voice of the great majority of Americans be heard, and that its meaning be unmistakable.

To that end the Defense Committee appointed by the Mayor of the City of New York in November, 1915, acting through its Executive Committee, will afford to the citizens of New York an opportunity for individual expression through a pledge of loyalty and support to our government, addressed to the President of the United States. Through the cooperation of the Mayor and City Government this pledge will be available for signature at municipal offices, police and fire stations, schools, hospitals, clubs, other institutions where people gather in considerable number, and prominent places in the streets and parks. The pledge will read as follows:

"To the President of the United States: As an American, faithful to American ideals of justice, liberty and humanity, and confident that the Government has exerted its most earnest efforts to keep us at peace with the world, I hereby declare my absolute and unconditional loyalty to the Government of the United States and pledge my support to you in protecting the vessels and citizens of the United States against unlawful violence in the exercise of their rights upon the high seas, in guarding the Nation against hostile attacks, and in upholding international right."

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Declaration

To the President of the United States:

As an American, faithful to American ideals of justice, liberty and humanity, and confident that the Government has exerted its most earnest efforts to keep us at peace with the world, I hereby declare my absolute and unconditional loyalty to the Government of the United States and pledge my support to you in protecting American rights against unlawful violence upon land and sea, in guarding the Nation against hostile attacks, and in upholding international right.

NAME	ADDRESS

To the Citizens of New York:

AT THIS time of crisis in the affais of the Nation, when at any moment we may find ourselves forced into a war that we have steadfastl sought to avoid, it is fitting that American men an women should have the opportunity, as unquestionably they have the will, to give assurance of their loyal supprt to the Government in its measures to uphold American rightsand protect the lives of American citizens.

IT MAY be said that public approval of protective measures is to be taken for granted. But what is understood at home may easily be misunderstood abroad. The great stir raised by small but energetic groups whose cry is surrender, is calculated to encourage new aggressions upon our National rights. These groups hold meetings, circulate petitions, and wait upon the President and Congress, while the vast body of citizens, not organized for such demonstrations, remain inarticulate. We may be sure that the clamor of the disloyal,—and of the misguided few who believe that perpetual yielding is the solution of all our National difficulties,—is heard abroad. It is now time that the great majority of Americans should speak, and that their meaning should be unmistakable.

TO THAT end the Defense Committee appointed by the Mayor of the City of New York in November, 1915, acting through its Executive Committee, will afford to the citizens of New York an opportunity for individual expression through a declaration of loyalty and support to our Government, addressed to the President of the United States. This declaration, which appears below, will be available for signature in the leading hotels, at the district headquarters of both political parties (in Manhattan), Western Union Telegraph offices, Municipal offices, police stations, and other accessible places.

Executive Committee of the Mayor's Committee on National Defense

Lewis L. Clarke
Cleveland H. Dodge
William N. Dykman
Francis G. Landon
Martin W. Littleton
Philip J. McCook,
John Mitchell
Morgan J. O'Brien
Herbert Parsons
Elihu Root
Alfred E. Smith
John B. Stanchfield
Henry L. Stimson
Willard Straight,
Alexander M. White
Geo. W. Wickersham

Declaration

To the President of the United States:

As an American, faithful to American ideals of justice, liberty and humanity, and confident that the Government has exerted its most earnest efforts to keep us at peace with the world, I hereby declare my absolute and unconditional loyalty to the Government of the United States and pledge my support to you in protecting American rights against unlawful violence upon land

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and sea, in guarding the Nation against hostile attacks, and in upholding international right.

John Adikes
E. F. Albee
Charles W. Anderson
Joseph Aspinall
Fred W. Atkinson
Frank Bailey
Otto T. Bannard
Joseph Barondess
Charles Barsotti
Willard Bartlett
Edward M. Bassett
Edward A. Bates
George Gordon Battle
Howard R. Bayne
Rev. John L. Belford
Mrs. O. H. P. Belmont
W. C. Bergen
Charles L. Bernheimer
S. R. Bertron
Cornelius N. Bliss, Jr.
Charles A. Boody
John M. Bowers
John McE. Bowman
John J. Boylan
Rev. Nehemiah Boynton
Dr. Joseph P. Brennan
Dr. W. B. Brinsmade
Edward W. Brown
Samuel A. Brown
Mrs. William Grant Brown
John Scott Browning
Rt. Rev. Frederick Burgess

George W. Burleigh
Dr. Glentworth R. Butler
James Butler
Nicholas Murray Butler
James Byrne
Rev. S. Parkes Cadman
William M. Calder
Newcomb Carlton
Francis X. Carmody
Carrie Chapman Catt
William Hamlin Childs
Alice Hill Chittenden
Joseph H. Choate
Rev. L. Mason Clarke
Irvin S. Cobb
Maurice E. Connolly
Ercole Contelmo
John D. Crimmins
George Cromwell
Thomas H. Cullen
R. Fulton Cutting
Dr. Charles L. Dana
J. Clarence Davies
Henry K. Davis
Joseph P. Day
Joseph H. De Bragga
Dr. D. Bryson Delevan
John Dewey
Rev. Edward Arthur Dodd
Mrs. Arthur M. Dodge
Edward J. Dowling
Frank L. Dowling

Victor J. Dowling
Bernard Downing
Helen Fidelia Draper
Ethel E. Dreier
W. E. B. Du Bois
Rev. Howard Duffield
Alexander Dujat
Rev. Charles A. Eaton
Rev. George Drew Egbert
George Ehret, Jr.
Otto M. Eidlitz
Robert Erskine Ely
Julian P. Fairchild
James A. Foley
Joseph N. Francolini
Hugh Frayne
John J. Freschi
Daniel Frohman
Frank Frugone
Michael Furst
Charles E. Gehring
James L. Gernon
Franklin H. Giddings
Alfred J. Gilchrist
Albert Goldman
Dr. S. S. Goldwater
Joseph P. Grace
Thomas D. Green
Louis N. Hammerling
Walter Hammitt
Mrs. Learned Hand
Mary Garrett Hay

William Hayward
Timothy Healy
William J. Heffernan
Very Rev. Mgr. David J. Hickey
Robert W. Higbie
Rev. Newell Dwight Hillis
Stuard Hirschman
James P. Holland
Charles E. Hughes
Adolph Hupfel, Jr.
Dr. A. Jacobi
Darwin R. James
Nathan S. Jonas
Isaac M. Kapper
Charles H. Kelby
Rev. W. H. Kephart
Darwin P. Kingsley
George W. Kirchwey
Marc Klaw
John J. Knewitz
Samuel S. Koenig
F. J. H. Kracke
Adolph Kuttroff
Arthur J. Largy
Jesse Lasky
Richard W. Lawrence
Robert R. Lawson
Jacob A. Livingston
C. C. Lockwood
William Loeb, Jr.
Rev. Alexander Lyons

Thomas F. McAvoy
Anson G. McCook
Eugene McGuire
James A. MacDonald
Alrick H. Man
David B. Manning
Rev. William T. Manning
Marcus M. Marks
Louis Marshall
Francis J. Martin
Douglas Mathewson
Julius M. Mayer
Edwin P. Maynard
Richard W. Meade
S. Stanwood Menken
Edward W. Meurer
Sidney E. Mezes
H. F. Mollenhauer
William Fellowes Morgan
Henry Morgenthau
Henry Moskowitz
George V. Mullan
Arthur H. Murphy
Charles F. Murphy (New York)
Charles F. Murphy (Brooklyn)
Benjamin H. Namm
Lewis Nixon
Joseph F. O'Grady
William Church Osborn
Albert Ottinger
E. H. Outerbridge
Alton B. Parker

Nathaniel Phillips
Dr. Antonio Pisani
Leopold Plaut
Dr. William M. Polk
C. Augustus Post
Lewis H. Pounds
William A. Prendergast
Walter W. Price
Anthony J. Pugliese
Charles E. Reid
Rev. Karl Reiland
William H. Remick
Eugene Lamb Richards
Rev. E. J. Richardson
Victor F. Ridder
Dr. E. P. Roberts
Otto A. Rosalsky
Eugene H. Rosenquest
John Godfrey Saxe
W. L. Saunders
Michael Schaap
H. B. Scharmann
William J. Schieffelin
Charles A. Schieren
Jacob H. Schiff
Carl L. Schurz
August F. Schwartzler
G. S. Scofield
Marsden G. Scott
Isaac N. Seligman
Lee Shubert

Pierre A. Siegelstein
Thomas F. Smith
Nathan A. Smyth
Charles Steckler
Meier Steinbrink
Olin J. Stephens
Mrs. William Cumming Story
Grace Strachan
Henry W. Taft
Frederick C. Tanner
Charles G. M. Thomas
F. S. Tomlin
William H. Truesdale
Oscar Tschirky
Frank A. Vanderlip
W. C. Van Antwerp
James C. Van Siclen
Robert F. Wagner
Alfred T. White
Mrs. Norman de R. Whitehouse
Thomas W. Whittle
John A. Wilbur
William G. Willcox
William R. Willcox
Timothy S. Williams
Walter I. Willis
Henry A. Wise
Frederick A. Wurzbach
Dr. John Allen Wyeth
Rev. John C. York

They Have Signed-Will You?

Sheets available for signature in the leading hotels, at the district headquarters of both political parties (in Manhattan), Western Union Telegraph offices, Municipal offices, police stations, and other accessible places throughout the Greater City.

General headquarters, 50 East 42nd Street (Louis Graves, Executive Secretary). Organizations desiring sheets for their members should address any one of the following Borough Headquarters: Manhattan, 50 East 42nd Street (Major Francis G. Landon, Chairman); Brooklyn, Brooklyn Trust Company Building, Montague & Clinton Sts. (William N. Dykman, Chairman); Bronx, 391 East 149th Street (Edward Koch, Chairman); Queens, Chamber of Commerce, Long Island City (C. C. M. Thomas, Chairman); Richmond, "Staten Islander" Building, St. George (Walter W. Price, Chairman).

Put Your Name Down Today

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Proclamation!

To the Citizens of New York:

Upon just grounds and after long and patient forbearance, the President and the Congress of the United States have declared that by the act of the autocratic government which rules in the Empire of Germany war exists between the two countries, and the free people of America are about entering into the great World Conflict. Millions of the people of this city were born in the countries engaged in this great war. No part of the earth is without its representatives here.

I enjoin upon you all that you honor the Liberty which so many of you have sought in this land, and the free self-government of the American Democracy in which we all find our opportunity and individual freedom, by exercising kindly consideration, self-control, and respect to each other and to all others who dwell within our limits, that you one and all aid in the preservation of order and in the exercise of calm and deliberate judgment in this time of stress and tension.

There will be some exceptional cases of malign influence and malicious purpose among you, and, as to them, I advise you all that full and timely preparation has been made adequate to the exigency which exists for the maintenance of order throughout the City of New York; and, for the warning of the ill-disposed, I quote the Statute of the United States which is applicable to all residents enjoying the protection of our laws whether they be citizens or not: "Whoever owing allegiance to the United States levies war against them or adheres to their enemies giving them aid or comfort within the United States or elsewhere is guilty of treason." The punishment prescribed by law for the crime of treason is death or at the discretion of the court imprisonment for not less than five years and a fine of not less than $10,000. All officers of the police have been especially instructed to give their prompt and efficacious attention to the enforcement of this law.

John Purroy Mitchel

MAYOR.

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1697 CAMBRIDGE STREET
CAMBRIDGE, MASS.

March 14. 1917.

My dear Mr Willard Straight -

This enclosed book comes as a token of friendship; it is not a cultural burden. But sometime when either of you is unduly watchful, you will find it possesses most admirable soporific qualities.

Very cordially yours,
Harold J. Laski

[1917] ?

The New
REPUBLIC
421 WEST 21ST STREET
NEW YORK CITY

April ninth.

Dear Willard,

I am proud to have your letter and to believe that Dorothy and you feel that way. You are both generous beyond words, and I am happy to be working with you.

What have the Anti-Republicans done in all this? I do not know. If it has had to big a one the responsibility is enormous. I know how short the harvest, the more painful and more the most puzzling part of the road remains to be travelled. It is an immense comfort to know that we travel so it together.

Affectionately,
Walter Lippmann

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my dear Willard! Sorry
the next few years, under
the stimulus of the war
& its consequences there
will be a chance to focus
the thought & will of the
country on high and fine
& fruitful purposes such
as occurs only once in
many hundred years. We
must all try humbly
and indefatigably and
resolutely to make good
& use of it!

Faithfully yours
H.C.

[Herbert Croly]

[4-11-17] ?

The New
REPUBLIC
421 West 21st Street
New York City

Wednesday

Dear Willard:

How much Walter & I desire & all you & said in your letter. I honestly do not know. We have. I think, in spite of all our errors been more nearly right than any other paper in the country; and we have made results a little actual influence. But in any event the great thing for me is that you & Dorothy should be & have been with Croly. It would have been easier for you & for other people to do it & a useful & profitable way than it would have been for us to find two friends who would have furnished us with such generous, intelligent & helpful support.

But what a rare opportunity is now handed up,

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THE WHITE HOUSE
WASHINGTON

April 11, 1917.

My dear Mr. Straight:

I am very much heartened by your generous letter of April 8th, and I thank you warmly for it. I appreciate your assurance of support.

Cordially and sincerely yours,

Woodrow Wilson

Hon. Willard Straight,
Old Westbury,
Long Island, New York.

April thirteenth
1917

Dear Prather:

I have your letter of the twenty eighth of March and also your very good letter received sometime ago, which I do not happen to have with me at the moment. I am glad to see that your new dignity as the White Hope South of the Rio Grande, and the gentleman who is expected to put the "can" in Mexico, has not in any way deprived you of your habitually ribald use of the English language, although from the two exemplars now before me, I apprehend that your conversation is somewhat less purple than of yore.

Your furniture will be sent down to you when you telegraph for it.

If you will give Bonillas a note to me or give me a note to Bonillas, I shall be glad to see him. From present appearances, your friend "Whiskers" seems to be flirting with the sausage. He is apt to get something tied to his tail unless he changes his attitude.

You wouldn't have believed it, but apparently Mr. Wilson has done it, and the country is now in the throes of war. Various committees are now being organized all over this broad land, everybody wants to be of service and the skinners are being skinned. From present indications it would appear that not only will the big corporations be obliged to furnish goods at a low figure, but the income of stockholders will be cut in half and the whole market deluged with Government bonds to knock the value off what little stock one may own. I tell you war is hell. I have just been in Washington and found things going on as usual. Congress is still talking and the Department seems very busy. At the War Department, one is only admitted on passes, but once you get in and see the man with whom you have an appointment, you can wander around for the rest of the day if you wish.

That little tip about the Embassy in Japan caused quite a stir among some of my Democratic friends. My own guess is that my friend "Old Schoolhouse" merely passed this on as a bit of persiflage, expecting me to

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say that I could not under any circumstances accept. When he found that I felt that if my country called me I must go, he immediately began to find excuses why my country could not call me. Some mutual friends pointed out that his position did not hold water, but apparently political policy would not permit them to give such a plum to a Republican. Personally, I should have loked very much to undertake this job, although on account of my past and present business connections it would probably have been a mistake for the Department to send me and a mistake for me to have gone in case the job were offered to me. I have had other information from the same source, that I was on a small list of those who would be called to service as soon as war begun, presumably in some high and confidential capacity. I decided, however, not to wait to be kissed and yesterday sent in my application for a commission in the officers' reserve corps. If I get called out I shall be doing something anyway and if later on the powers that be feel that my peculiar abilities are being wasted in khaki, they will have a full opportunity to call me from the pup-tents of Plattsburg and put me on the job. In the meantime we are trying to put the lid on various turbulent committees which are being organized in New York, doing a little co-ordinating of co-ordinators. Everybody wants to save the country themselves. Instead of badges and committee membership being a distinct honor, I think we will soon see buttons being distributed to the few people in the community who are not members of any committee and who have not some plan for immediate adoption to save the country. Seriously, however, there is really a very fine spirit being shown. Committees of investigation of all sorts are being called in to make contracts with the contractors satisfactory to both. How satisfactory they will be to the ordinary consumer who has to pay the market prices and take slow deliveries, I do not know.

I saw Bill and Frank in Washington but only for a moment. I lunched with Senator Knox who spoke of you in his usual affectionate

manner. He is a great old boy.

The most popular thing just now seems to be breaking off relations with Germany. Brazil and Cuba seem to have done it first and Argentine seems to be trying to get on the band wagon. What has happened to your old friend Chile. They certainly need your presence to stir them up. I should be interested to have your reaction on this subject. With Peru, Panama, Guatemala, Bolivia and China all coming in, it looks very much as though the League of Peace were in a fair way towards realization. It is certainly going to be some job for the men who are fortunate enough to be delegated to the first peace conference. I wish I might land the job as Secretary of the American delegation, but I suppose there will be no such luck.

****

Yours,

His Excellency,
H. Prather Fletcher,
The American Ambassador,
Mexico City, Mexico.

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April 25, 1917.

My dear Mr. Straight:

I was much disappointed that you could not be with us at the Trustees' meeting on Saturday. A good deal of business was precipitated on us because of the war, and the session lasted from ten in the morning until half after six in the evening.

As regards the Adviser of Women, about which you wrote, the following action was taken:

Trustee Moody presented a request that the title "Adviser of Women" be changed to "Dean of Women" and that the annual appropriation to cover the salary of the office be not less than $3,000 and moved that Article 13 of the Statutes be amended by striking out the word "Adviser" wherever the same appears and substituting therefor the word "Dean" treatment. It was Resolved that further consideration of the motion be deferred until the June meeting of the Board, that Mrs. Moody be invited to present the matter at that time, and that the question be referred to the University Faculty for an expression of its opinion.

The matter would I think, the attendance in the University will be immensely reduced next year, and if 2,000 tuition-paying students drop out it will mean a shortage of $300,000 in our income. In view of that contingency the Board adopted the following resolution:

Very truly yours,

Resolved, that in view of the grave and embarrassing financial situation which the war has created for the University this Board deems it inadvisable at the present time to increase the salaries of any professors or assistant professors.

I also told the Trustees that I thought it advisable to fill with assistant professors one or two professorships which have recently been vacated, - one of them now held by Professor Comfort, who leaves to take the Presidency of Haverford College.

Finally I need scarcely point out to you that at the time when we adopted such a rigorous policy with regard to the salaries of professors it would be rather anomalous thing to take the salary of one of the unfilled professorships, add $1,000 to it, and turn it over to a new official to be called a "Dean of Women", when it is a simple matter to conduct the University for another year with no other officials for the women students than the acting Advisor, who has done so well this year, and the Wardens of the two Halls.

Very sincerely yours,

[J. G. Schurman]

W. Straight, Esq.,
120 Broadway,
New York City.

May fourth
1 9 1 7

Dear Prather:

There seems little time for letter writing these days. Events are moving rapidly, and it is hard to see where we are going to end up. I have been spending most of my time of late in the City Hall of New York and at 1718 H in Washington. We are gradually organizing the Mayor's Committee and are in shape now, I think, to perform fairly effective work. In Washington Bert Patchin and I, and some of our friends higher up, have been endeavouring to induce the Government to adopt some form of shipping control which, while mobilizing our tonnage for the purposes of the war, will at the same time safeguard as far as possible our trade with South America and the Far East. We have attempted at the same time to induce them to adopt a present policy which will result in the establishment of an American Mercantile marine and which will assure the development of our foreign trade in the future.

Just at present everyone is very much up in the air hobnobbing with the British and French Commissions. Mr. Balfour and Marshal Joffre are apparently in the saddle. I am afraid that our people in Washington will be no match in the trading which our British friends will now attempt to put over. They know exactly what they want. We do not know what we want because so few of our people know what we should have. This places us at a disadvantage.

I went down to Washington the day before yesterday with the Burgomaters' Committee of prominent citizens. We listened to the Mayor make pretty speeches at Balfour, Viviani and papa Joffre, to all of which speeches the aforesaid gentlemen suitably replied. On a previous visit I had the pleasure of dining with Balfour at the residence of our mutual friend Hugh Wallace, and later went out to the French Embassy where I met the French Commission. We expect them all over here in New York next week, at which

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time there will be high doings. My only fear is that some active citizens will put poison in their tea or skids under their automobiles, but I trust the visiting firemen will escape unscathed.

There has been a good deal of intrigueing about the formation of the Russian Commission. Mr. Root has, as you know, consented to accept the Chairmanship thereof. Having designated him, the busy little politicians are now at work, and I think we shall see a fine assortment of deserving Democrats and leading Hebrew financiers. The outlook does not look very promising to me. Mr. Root, I understand, was reluctant to accept the appointment, but was impelled by patriotism to do so, with the usual result that a number of German-American Socialists and Russian anarchists are now endeavouring to can him. It is a great thing to attempt to serve a Democracy.

From what I can gather a fine young storm is brewing in Washington. Everything seems topsy-turvy. The Metropolitan Club is full of leading financiers who have come down to safeguard the country; the Advisory Commission of the Council of National Defense, composed as you know of prominent business men, are as busy as a lot of bird dogs, investigating supplies of raw materials and all manner of production. From that I can learn these gentlemen are really attempting to work out some practical scheme, but they have no authority and find themselves ham strung at every turn by the inaptitude of the Departments. The members of the Council of National Defense, to wit six distinguished Cabinet officers, are most of them jealous of the ability and reputations of their civilian advisers and instead of realizing that the situation demands constructive action and making their own reputations by adopting the recommendations of the men who really know, these pompous or weak-kneed gentlemen are either afraid or too proud to take any practical advice. The result is that they are gradually losing ground and know it. They are now apparently afraid that the country will wake up

to the fact that they are not delivering the goods and that the business men are able to do so. The politicians are afraid that the business men will sooner or later get control. As long as they have not the sense to attempt to ride the wave, they are inevitably bound sooner or later to be submerged.

From all the dope I can gather from the British and French Commissions, the submarines are raising the very devil. Where a week ago everybody was sort of running around throwing a chest and still being thrilled over the fact that the country was really at war, they are now beginning to pull long faces, and to realize that they are probably in for a bad time. One heard less about riots in Germany, and more about the disappearance of tonnage and the good, coal and supply shortage of the Allies. The situation in Russia, moreover, is very serious. Russia is by no means free from German intrigue, which is at present apparently trying to stir up an anarchistic and socialistic revolt against the Liberals who are still, it would seem, in control. If Germany can get access to the Russian food supply and at the same time keep her submarines going we shall find ourselves in a pretty mess.

From your part of the world varying reports come to our attention. I am wondering, however, if your forest-faced friend won't see the possible advantage in getting a part of that $7,000,000,000 while the going is good. I have no doubt that this possibility has occurred to you some weeks ago, and that was the reason for the seeming change in recent reports from your part of the world.

All the boys at 1718 seem to be very busy running around after the British Commission. Lansing, Frank and Bill are carrying the whole weight of the State Department as far as one can make out, and I do not see how they can stand it. As tactly as possible I have on several occasions and through various circuitous channels suggested that I might be useful to the

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Department, and have through the same circuitous channels been advised to sit tight, that there was something very big in store. This may or may not be, but at any rate I have not felt it wise to sit around indefintely waiting to be kissed. I have therefore gone ahead and have passed my examinations, whatever that may be, for a Majority in the Adjutant General's Corps. I have been told my commission will be issued forthwith, and I shall probably be called in about ten days and assigned to one of the department headquarters, pending the organization of the new camps where the various divisions will be formed. It seems rather a joke that a person like myself should land in the service in this way, but with the vast increase in the army I suppose before long all of the regular army officers will be Generals, and that they will then be forced to rely upon pikers like myself to do the executive work under their direction. Tell Mac I wish he would come up and take command of a Division and take me on as his Adjutant. If he waits two or three months, and I work hard, perhaps I will be able to act with a certain, though modest, degree of intelligence.

****

Yours,

His Excellency,
H. Prather Fletcher,
The American Ambassador,
Mexico City, D. F.

THE COUNSELOR
FOR THE DEPARTMENT OF STATE
WASHINGTON

May 7, 1917.

Dear Willard:

Every time I have seen you I have intended to thank you for your letter, but we were so rushed I overlooked it. I can not tell you how much I appreciate your thought and how much I would like to have you with me. Grant Smith and Grew are arriving next week so we are taking them on as we have to give them first call.

Thank you again for your thought. Of course I know it was prompted by pure good-heartedness and charity.

Yours sincerely,

Willard Straight, Esquire,
120 Broadway,
New York City.

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Chamber of Commerce of the State of New York

65 Liberty Street, May 10, 1917

DEAR SIR:

PRESIDENT OUTERBRIDGE requests you to act as escort to

Ian Malcolm, Esquire

at the Special Meeting and Luncheon to the British Commission at the Chamber of Commerce on Saturday next, May 12th at 12 o'clock, noon.

I send herewith a diagram of the Great Hall of the Chamber on which you will find checked in red ink the number of the seat assigned to the guest you will escort. I am also sending herewith a diagram of the luncheon table in the Library of the Chamber and on this you will find written the name of the guest you are to escort and your own name, indicating where both are to be seated.

Kindly bring these diagrams with you on Saturday.

If for any reason you cannot attend on Saturday, please communicate with me immediately and oblige.

Yours very truly,

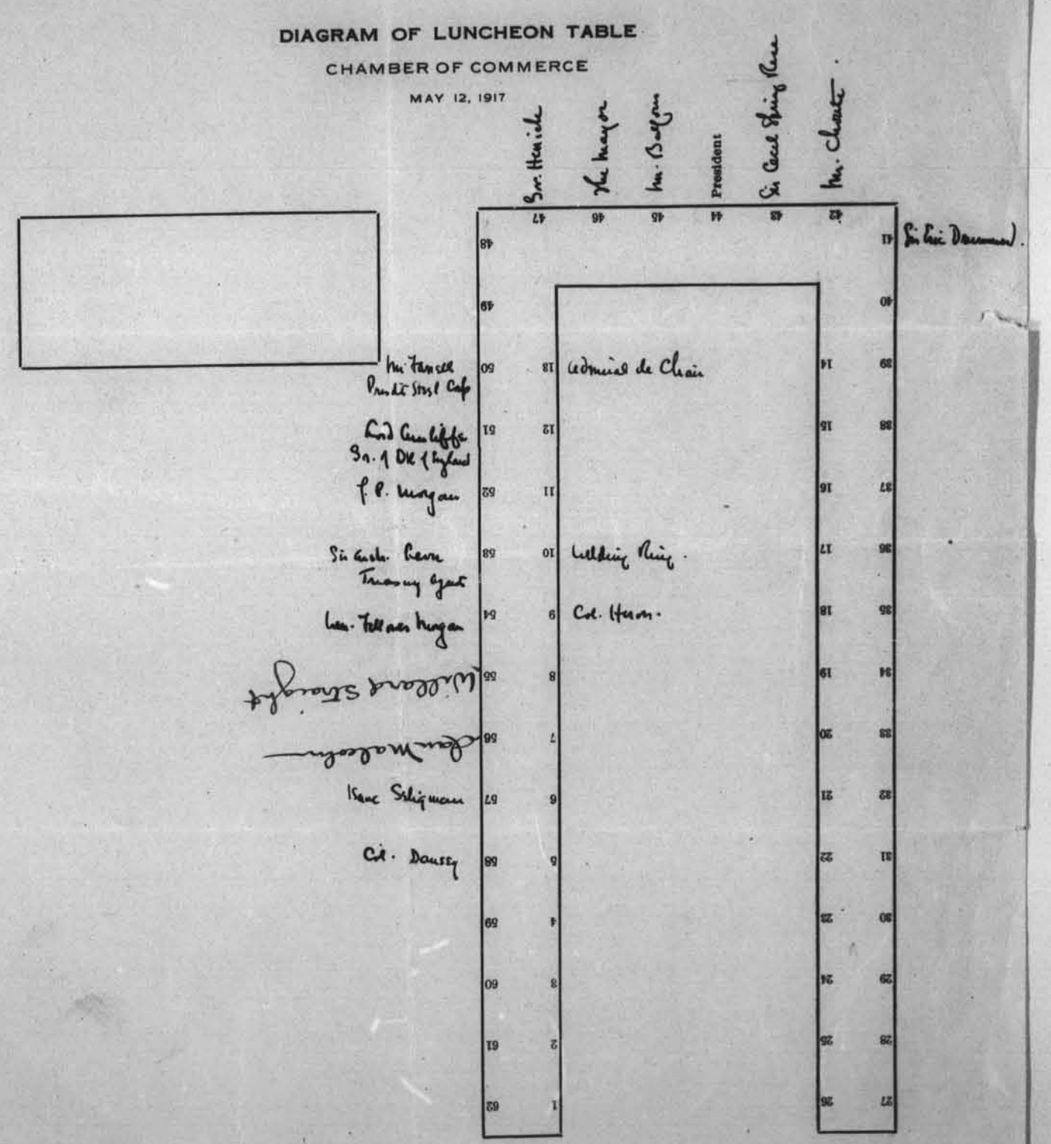
CHARLES T. GWYNNE,
Secretary.

Willard Straight, Esquire

DIAGRAM OF LUNCHEON TABLE

CHAMBER OF COMMERCE

MAY 12, 1917



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ST. BARTHOLOMEW'S CHURCH

FUNERAL SERVICE 9.30 A. M.

THURSDAY, MAY 17, 1917

PEW No. 24

THIS CARD MUST BE PRESENTED NOT LATER THAN 9.15 A. M.

May twenty third
1 9 1 7

Dear Prather:

Thanks for your ribald telegram of the seventeenth. I am just coming up from Washington, where Bill Phillips tells me that Mac has been relieved in Mexico and is on his way up. The Adjutant General's Department tells me, however, that the State Department would not let Mac go. It looks to me as though somebody did not know what was going on, but I presume that is inevitable in the present situation.

I had an inspiration the other day and wrote to General Pershing asking him to take me to France with him if he went. I got a letter from him on the morning of the announcement of his appointment, stating that he would request that I go with him. Apparently I committed a faux pas in going to him direct instead of applying through the Adjutant General. At least, that was the dope handed to me today, and I imagine that some of our regular army friends feel it incumbent upon themselves to discipline fresh young civilians coming into the service. No doubt they are right but nevertheless I still hope I may pull it off, although Pershing tells me that his staff is made up and he fears there will be no chance of taking me along this trip. He assures me, however, that I will be assigned to his headquarters before long, and will probably go with the second bunch which means a wait of two or three months or perhaps more. Of course, if I can wait two or three months I might as well wait a year, for my chief desire was to go with the first expedition, and be in France while things were working out here. However, I suppose join/ing the army is a whole lot like joining the Catholic Church --put your faith in the Lord and do what you are told. It will be a great relief to get into the service, however, for I have been carrying the burden of the entire nation around in my vest pocket for the last six months, and the load has been somewhat embarassing.

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Reports from your neck of the woods seem to be more encouraging. It would appear to the casual observer that your whiskered friend realizes that some good gold simoleons could be secured if he was good; also that he would get his trousers warmed if he tried to be naughty. I presume the combination of these circumstances has influenced the situation.

I have just been down to Washington after about three weeks absence and it appears to me that things are now really beginning to clear up. The appointment of Hoover as food administrator is one step in the right direction. Shipping control will be centralized, I have no doubt. Goethals has already been made practically dictator of shipping construction with the control of operations the next step. It looks now as if a Commission of Munitions would also be appointed to take charge of purchasing for the United States Government, and also for the Allies. With these three things done and with Railway administration centralized, and with the new army well under way, it seems to me that really satisfactory and remarkable progress has been made.

The visit of the British Commission has been most helpful, but I have a suspicion that they got away with everything except our trousers. I don't really know how much they have put over but no doubt they tried all sorts of things. They have left some people here to carry on when Balfour goes. The reception for Joffre and Viviani was most inspiring. Balfour did not get as good a hand, but the dinner at the Waldorf-Astoria at which Balfour, Viviani and Joffre were all present, was a most inspiring occasion. Now that they have gone, everybody is settling down to their regular work.

1718 H Street strikes me as a pretty sad place these days. Since George went away, nobody is keeping up the book. All manner of things are happening in which 1718 H plays a part -- yourself in Mexico, Bill Phillips, Nemo and Fred Sterling, Ben Strong, Eliot Wadsworth and everybody very much on the job, but no historian to keep up the family record, nor do the young

men show any particular disposition to get people of the right kind to come and sit around, to give the house that atmosphere of importance and intrigue for which it is so justly famous. I suppose there is no help for it unless George comes home soon. Old Casenave is located permanently in Washington. He has taken a house for the French Finance Commission, where he houses the Naval Attache and one or two other spare parts. All the boys are trying to get on the band wagon and save the country. The Metropolitan Club of Washington now looks like a second edition of Wall Street. Everybody is discovering their responsibilities as citizens. I don't think the Liberty Loan is going very well because it has been man-handled somewhere. It is not at all surprising that when the newspapers are full of the excess profits tax, confiscation of all incomes over two hundred thousand per annum, purchase of supplies below the market rates, taxes on the breakfast table, etc., the public isn't very sure of itself in putting its spare cash in Liberty Bonds. I think it would have been very much wiser if they had postponed until they had prepared their tax programme, the issue of this loan, or if that could not be done, if they had called for say Five Hundred Million to begin with, which would have gone right off the bat, and then come back for a second issue. However, as I said before, having now joined the Army, I should cease worrying. I have received orders to proceed to Governor's Island, which I shall probably do forthwith. In the meantime I am going to pull all known strings to get off with General Pershing.

Yours,

His Excellency,
H. Prather Fletcher,
The American Ambassador,
Mexico City, Mexico.

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#1260

May twenty fourth
1917

My dear Lord Bryce:

Your letter of the fourteenth of February was received long ago and it was very greatly appreciated. Frequently, since hearing from you, I have intended to write, but conditions have been in such a state of flux that I have always been tempted to wait until it was possible more definitely to analyze what was going on.

It is almost two months since the President declared a state of war to exist between this country and the German Government. This consummation was inevitable from the date of Germany's definite declaration of her purpose to wage a relentless submarine warfare. We had many anxious days, however, wondering whether or not the President would find it possible to count on the support of Congress definitely to enter the war. His task was by no means easy, and the difficulties which he has encountered and is now encountering merely go to show that he, rather than his critics, had accurately gauged the state of public opinion in this country. We in the East and those who have from the outset felt that the United States must enter the war, have been too prone to believe that our own opinions were echoed by people in the central, southern and western states. Even now they are hardly aware that thiscountry is at war, nor will they be until our troops are fighting in France and until the elaborate and centralized machinery now being organized in Washington is put into operation.

The visit of the British and French Commissions has been of great service. Joffre and Viviani stirred the country. I am afraid, however, the result of their visit was more spectacular and sentimental than effective in arousing a serious appreciation of what the United States must now contribute. The French tell me, nevertheless, that their discussions in Washington had certain very practical results. Mr. Balfour and his associates created a deep impression in Washington as well as in New York. It has been felt in

#1260

certain quarters, I understand, that our own government did not take advantage as fully as it should, of the presence of your Commissioners to secure information of vital importance to us at this time. On the whole I believe, however, that, while all details may not have been worked out, general lines were laid down, and this, it seems to me, is as it should be. While our fundamental problems are the same, contributing factors are different in this country. Our own people, therefore, must work out in their own way the machinery for dealing with this new situation. As a matter of fact, I think remarkable progress has been made already. The passage of the selective draft bill, the decision to send troops to Europe, the appointment of Mr. Hoover as Food Commissioner, the control of exports, the centralization of railway administration, centralization of control over ship yards and ship construction, and the plan now under way to centralize the control of all oceanshipping, make a record that is by no means unimpressive.

I myself have been in Washington a good deal during the last two months and in visiting there today, after a three week's absence, it seemed that everything was shaking down, that certain major principles have been decided upon, and that definite policies are gradually emerging from what has heretofore been a fog of rhetoric and confusion.

We have been following the Russian situation closely and have been much disturbed by the inevitably chaotic conditions in Petrograd. Many of my friends were disturbed by Lord Robert Cecil's recent speech, which seemed to indicate a reluctance at this time to define the purposes for which the Allies are fighting. It would be very unfortunate, I think, should there be a disposition in either France or England to take advantage of the American entry into the war to insist that Germany be crushed. Such a policy, I fear, might force a separate peace between Russia and Germany. If pursued it would certainly gradually aggravate latent opposition in this country to the

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war; it would strengthen what Hoover calls "Germany's defense psychology," and thus it seems to us, force the German Liberals to fight on where a less drastic policy might induce them to force their own government to come to terms.

In your last letter you refer to Japan's financial plans. Japan's dominant position in China, I believe, has been greatly weakened, both by the Russian Revolution and by the entry of the United States into the war. Supported by an autocratic Russia and allied with France and England, Japan could well afford to oppose in China the activities of a neutral United States. With a liberal or a chaotic Russia, however, and with the United States allied with France and England, Japan, it seems to me, will be forced to join in a truly international arrangement which will virtually neutralize China, rather than subject her, as might otherwise have been the case, to Japanese control.

I am very much interested in the news in today's papers of the proposed Irish Convention. One argument in favour of this convention seems to me to have been overlooked; to wit: that if the different Irish factions cannot agree amongst themselves on a plan for their future government, how could they expect effectively to carry on such government were they granted Home Rule. The proposed plan seems to me to have the great advantage of placing the responsibility upon them, where it belongs.

I have also been much interested in learning recently of your activities in connection with the "League of Peace". Do you not feel that the entry of the United States into the war and the co-operation between France, England, Russia, Italy and the United States, will inevitable give the soundest possible economic basis for future internationalism?

You yourself, who have done so much to build up an Anglo-American understanding, must be greatly pleased by the present situation. Your work and your influence during a long period of years have done much to create the relationship which has made the present consummation possible.

#1260

With warmest regards to Lady Bruce and yourself, believe me,

Ever sincerely,

[Willard Straight]

The Right Honorable
Viscount Bryce,
3, Buckingham Gate, S. W.,
London, England.

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#1260

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#1260

With warmest regards to Lady Bruce and yourself, believe me,

Ever sincerely,

[Willard Straight]

The Right Honorable
Viscount Bryce,
3, Buckingham Gate, S. W.,
London, England.

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General Orders)
No.)

WAR DEPARTMENT
Washington, June 1, 1917.

It has become apparent, through the ill considered action of certain officers in sending private telegrams, that information as to the movements of troops intended for service abroad, whether publication is desired or not, will become public. In order to prevent suc information becoming public, officers of the Army are directed not to transmit, by telegraph or otherwise, information as to movements of troops which it is not desired to make public, or in advance of the publication of the information by the War Department.

By order of the Secretary of War:

TASKER H. BLISS,
Major General, Acting Chief of Staff.

OFFICIAL:

H. P. McCAIN,
The Adjutant General.

(cb) Hq. E. Dept June 7th 1917
Thanks much for loan
(sgd) W.
In. also USR

June sixth,
1917.

Dear Herbert:

These paragraphs are hastily written. You can chuck them out or cut them up as you wish, but they are the best I could do.

Yours,

W. D. S.

Herbert Croly, Esquire,
421 West 21st Street,
New York City.

Original in private hands.

The Willard Straight Papers at Cornell University

003382

[6-6-17]

There seems to be another Revolution in China. Peking, Tokyo and Shanghai cables are confusing in the extreme, but one deduction seems to be inevitable. The President, Li Yuan Hung, will probably retire. His choice is limited to the manner thereof. As was pointed out in these columns some months ago, with the death of Yuan Shih Kai China lost her strong man. President Li has been a figure head since he first came into prominence as the nominal leader of the revolt at Wuchang in October, 1911. Hsu Shih Chang is another amiable gentleman, now put forward as Dictator by those who pull the strings. President Li didn't want to break with Germany, and he refused, as did the Chinese Parliament, to declare war. The President is reported to be an honest man. Parliament was blatantly corrupt. German money was spent freely and resulted in an outburst of rhetoric on the blessings of peace and the folly of war. The Military Party demanded drastic action. Its head, Tuan Chih Jui, the Premier, having failed for the moment to dictate the Government's policy, retired. The Generals in several Provinces have declared their independence of

[6-6-17]

of Peking. Peking will shortly, and probably without bloodshed, confess that it has been in error and submit to the mandate of the Generals. [NR, 6-9-17, pp. 144-45] Hsu Shih Chang may or may not be placed in nominal control pending another constitutional fiasco which may result in the pro forma election of another President, or the restoration of the Manchu throne, which has been plotted for some time. The suggestion from Tokyo that China may shortly be in a state of anarchy is ominous, for if this should be the case, Japan might feel obliged to assume the task of maintaining order. In the meantime, however, business in China will continue as usual. Trade will probably in this, as in recent revolutions, be but little disturbed. Customs Revenues and the Salt Gabelle, which are administered by foreigners, will be collected, and the people as a whole will mind their own affairs and let the politicians play their own game. It is a coup d'etat rather than a revolution. The army is a political organization in which many thousands find a livlihood, rather than a military machine. The army has dismissed a President who wasn't

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"regular", and will substitute another figure head who will do its bidding. How this political skyrocketing will affect China's international status is a matter which remains to be seen.

[6-6-17]

Since the departure of Marechal Joffre, Mr. Balfour and Mr. Viviani, of Senator Root and Mr. John F. Stevens, we have heard little of the various High Commissions which were to visit London and Paris, and probably Rome. Special representatives are here from Italy, and others are coming from Russia and Japan. A Cuban Mission has come and gone. But for American Ambassadors Extraordinary there seems no urgent call. Europe doubtless can do well enough without. The destroyers with the Allied fleets and the promised troops for France; the Red Cross units that have already gone, will be for the moment our most fitting plenipotentiaries on the other side of the Atlantic. In the bustle of receiving distinguished foreign visitors, and with the pressure of administrative reorganization in Washington, however, one situation of vital importance seems to have been overlooked. What of the Pan-Americanism of yesteryear? In Central America Costa Rica and Guatemala have followed [illegible] lead and that of Cuba in breaking with Germany. Brazil may declare war at any moment. Bolivia too has severed relations with the Kaiser's Government. Is it not time that we should recognize this demonstration of the reality of what

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[6-6-17]

we have preached so long? Would it not be well to vitalize Pan Americanism by sending to Brazil and to Cuba and Central America missions competent to lay before the nations that have broken with Germany, and possibly others which may do so, the aims of the United States, our plans of cooperation with the Allies, and the significance of it all to the future of the American Republics?

(Check up Costa Rica, Guatemala and Bolivia.)

June ninth
1917

My dear Colonel:

Very many thanks for your frank letter of the sixth of June. I appreciate your writing me as you have done. Neither Dorothy nor myself are responsible for the utterances of "The New Republic". The editorial conduct of the paper has been entirely in the hands of the editors. I have not approved of all that has been said during the past two and one half years, but I am, nevertheless, in hearty accord with most of the editorial policies. I am sorry that we disagree. I feel sure, however, that you will respect my motives, even though you disapprove of my views.

With admiration and affection as always, believe me,

Very sincerely yours,

Colonel Theodore Roosevelt,
The Metropolitan,
432 Fourth Avenue,
New York City.

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WAR DEPARTMENT,

THE ADJUTANT GENERAL'S OFFICE,

WASHINGTON.

From: The Adjutant General of the Army.

To: Major Willard D. Straight, Adjutant General, O.R.C.,
120 Broadway, New York City.

Subject: Photograph of officers of the Officers' Reserve Corps.

The Secretary of War is desirous of having the photographs of all commissioned officers of the Officers' Reserve Corps for confidential file with their efficiency records. It is, therefore, requested that you forward one as soon as practicable.

Such photograph should, if practicable, be taken in uniform and, if possible, be unmounted, not more than four inches in width and six inches in height, and upon the back of the photograph should be plainly written or printed the name, rank, and organization of the officer, and as nearly as possible the date when the photograph was taken. The more recent the photograph the better. The photograph should be forwarded to The Adjutant General of the Army, carefully secured against breakage, in separate envelope, marked in upper left-hand corner "Photograph." Group pictures, for obvious reasons, would not meet the purpose and should not be sent.

H. P. McCAIN.

3—4229

IN REPLY REFER TO

HEADQUARTERS EASTERN DEPARTMENT

GOVERNORS ISLAND, NEW YORK CITY

June 22, 1917. WDS-cm

From: Major W. D. Straight, Adjutant General, U.S.R.

To: The Adjutant General of the Army.

Subject: Forwarding photograph.

Pursuant to printed undated instructions from The Adjutant General of the Army, there is forwarded herewith photograph of myself in uniform. This photograph, as noted on the back, was taken on or about May 22, 1917.

The Willard Straight Papers at Cornell University

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June twenty fourth
1917

Dear Prather:

This being Sunday, I am holding down the Department of the East while the Commanding General, the Chief of Staff and the Adjutant General, including Augustus Peabody Gardner, are all disporting themselves in various parts of the country. There are a lot of things I ought to do, but I am going to take a crack at you for just a minute.

Your ribald telegram came, and for some reason or other was not acknowledged, why I do not know. I think I must have been in a state of mental abberation, and have lost the pep required.

Mac turned up here and was due to sail the following morning. I finally got over to see him on Monday, the 11th, and reached the dock just about fifteen minutes before the boat left. If I had only known it, I could have seen him on Sunday, but he could not get off the boat and I thought he was out at sea. He gave me only a very brief account of what you have been doing together, but from what I can gather, you are, as usual, delivering the goods in large brown paper packages.

I have had one or two communications from George. Apparently Mac had it fixed up so that if George got to Paris he would be able to do something on General Pershing's staff, and then Mac got Arthur Page enthused to a point where he said he would pay George's expenses over, but between Washington and New York it died on Arthur Page and he telegraphed nothing doing, which nearly broke George's heart, and drove him, as usual, to slip off the tail of the water cart, since when he has been disporting himself in the usual manner in Washington. Poor old fellow, I am afraid he is pretty disconsolate. I have a word from him occasionally. He has been expecting to come over, but he has not yet turned up.

[6-24-17]

Ethel Harriman sails tomorrow on the "Rochambeau" to work with Mrs. Astor in Paris looking after American sailormen on the other side. Mrs. Bordie nearly decided to go herself, and then made up her mind to look after some relief work in connection with the American Council of Defense. She showed us a picture which she had received, of you and your staff on the Embassy steps. Why don't you pass prosperity around? We would like to have one to put on our piano.

I am still here, and expect to be until some time in August, at which time a little bird tells me I shall be sent over to join Pershing's staff. The General himself promised to take me on. I came very nearly going with him, but, as I think I wrote you, I got my dope in the wrong way. In many ways I am very glad, for when I do go I will know something about the game, while if I had gone over at once I would have been as green as grass and would have been nothing but a high class interpreter, full of good intentions, and very much inclined, undoubtedly, to spill over the bean bag. I am now getting more or less the hang of army red tape and, while by no means an adept, I have a certain notion of how things run, or should run. Lloyd Griscom has just been taken in also as a Major in the Adjutant General's Corps, and he is probably going over to join Pershing. Ogden Mills I expect will also be in the job. Henry Stimson is a Major in the Judge Advocate General's Department and will probably go over and have something to do in connection with the Intelligence work. Ted Roosevelt, Archie Roosevelt and Arnold Whitredge have already gone over to Join Pershing. Major Robert McCormick of the First Illinois Cavalry, whom you may know, is leaving in a day or two. Everybody's doing it now.

I lead a very dull life. I get up early in the morning, take a half hour's hard gallop, catch a train at Jamaica and get the quarter past nine boat for the Island, generally leaving here anywhere from five-thirty to six-thirty and getting home just in time for dinner.

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[6-24-17]

-3-

I think inside of a week or ten days I will try to take a week off and go up to Syracuse where they have a big camp, where three regiments of the regular army are having pups, two pups to a regiment, where I can spend a few days with troops and see how the game goes there. With that done I should be in fairly good shape to go over/to the other side.

Washington is full of gossip and one gets echoes of it occasionally, but I am not getting as much of it as I used to. Your friend Denman, as you have no doubt read in the papers, has been making a hell of a row and there is a great fight on between Denman and Goethals. Goethals has been rather unwise, but I expect he will win out in the long run. Barney Baruch, they say, will probably be made head of the Munitions Commission. Davy is doing a great job as head of the Red Cross, and he has Martin Egan in Washington as his understudy. Jim Perkins has gone to France with Grayson Murphy in connection with the Red Cross. As you know Cheney, and of course Blogie, are already over there. I get no news of the Department except that I understand Gordon Auchincloss has gone in as Frank Polk's assistant, which seems an admirable arrangement. They dangled a carrot in front of my nose the other day when our friend through Patchin, suggested that I might take on the work of the War Trade Bureau here in New York. I told them to go to blazes. I would have been glad to go into the Department of Commerce or the Department of State, and did my darnedest to do so, but on account of my political and big business affiliations they apparently did not want me, and now I will see them all blowed before I leave the Army for them, especially if there is any chance of my getting over to France.

Old George Casenose is very busy, and Tradieu is doing great stunts in connection with coordinating the work of the French Missions. The same work will be done by Northcliffe for the British Missions, and inasmuch as Tardieu and Northcliffe are bosom friends and have been playing each others games for years, even before the war, there will probably be some pretty good team play. My only hope is that we will come out with some hair left. Good bye, ole top, keep your tail up. Let me know how things go with you.

Yours,

H.P. Fletcher.

1.

COYF

No. 128 Washington, D.C.
COPY TELEGRAM. July 14,1917.

Commanding General,
Central Department,
Chicago,Illinois.

Until further orders troops designated for duty with expeditionary forces in Europe may take with them to ports of debarkation the following personal baggage:

(a) Each officer above the grade of captain the field allowance given in paragraph eleven thirty six Army Regulations nineteen thirteen. This allowance includes equipment "C", professional books, and all necessary clothing and bedding for extended field service.

(b) Each officer below the grade of major and each contract surgeon, acting dental surgeon and veterinarian two hundred fifty pounds. This allowance includes equipment "C" (exclusive of horse equipment), professional books and all necessary clothing and bedding for extended field service.

(c) Each non-commissioned officer down to include color sergeant and each civilian employee of the classified service not exceeding one hundred pounds in weight. This allowance is in addition to equipment "C" and shall include with equipment "C" all necessary clothing and bedding for extended field service.

(d) Each enlisted man below the grade of color sergeant and each civilian employee not in the classified service shall be allowed not to exceed seventy-five pounds of baggage in addition to equipment "C" , the two together embracing all clothing and bedding necessary for extended field service .

2. Containers for personal baggage shall be as follows:

First. For officers, contract surgeons, acting dental surgeons, veterinarians, and civilian employees the standard trunk locker and bedding rolls or their equivalent in similar containers.

Second. For all enlisted men the standard barrack bag of its equivalent.

Troops designated for overseas service will be provided with at least two suits of olive drab woolen clothing, light wool socks, overcoats, field shoes, winter gloves, wool underwear, and three blankets each. Mosquito bars, head nets and khaki clothing will not be taken.

K McCain

Hq.Cent.Dept., Chicago,Ill., July 15,1917 - To All concerned for this information and guidance. By command of Major General Barry:

H.S.S.Heistand,
Adjutant General,
Department Adjutant.

(This amends telegram dated A.G.O., June 25,1917)
A.

The Willard Straight Papers at Cornell University

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Typewrite for me to sign [8-1-17]
Structure Loan.

Dear Hubert:-

I have read Hardy's communication which I return herewith - By all means publish it if you think it wise to do so. Far be it from me to stifle discussion of these matters, for the more they are discussed the ~~more better~~ more quickly will facts be light out. Some light they be found to understand.

~~The Harding~~ Harding is all right in his explanations ~~in his exclusions~~ but he seems has no knowledge of or no disposition to carefully to weigh facts. His a great Britain in China weighs all ~~and that British to an absolute & a cost old water no~~ ~~fact~~ but as a friend of China I believe in recognizing China's limitations and in trying to save her from herself. I think that any true friend can do so.

Harding speaks of Chinese success in getting along without any big loan since 1913. Quite so - and entirely because the agreement for the loan of 1913 stipulated that the Salt tax should be administered under foreign supervision. This was the ~~chief~~ feature of the Six Power contract that Mr. Wilson ~~refused~~ found "objectionable." The chinese objected most strenuously to the "control" exercised by the bankers - but by foreign employes when the bankers insisted China should comply. The Chinese Govt & then the presence of foreign employes in the meantime

[8-1-17]

(2)

Customs service also although they too are Chinese ~~employees~~ Civil servants. The fight in to hold the Salt Gabelle as to the maintenance Customs Administration are two-fold. In the part of young China, because these customs of them are administered in completeness upon their finds; in the part of old China, because it ~~they~~ their chances for profit ~~are~~ which they, it should be ~~they~~ consider perfectly legitimate, are greatly handicapped thereby.

I personally believe that it would be necessary safe to lend China a considerable sum without "control". But it would be wasted as was the $ 5, 000, 000 from the International Financial Bank - and then China would have to borrow again. In the meantime no construction work would have been undertaken. Ultimately there would necessarily be foreclosure, which would be infinitely more humiliating to China than the limited and efficient supervision to her ~~System of~~ revenue collection which now gives ample return for loyalty in increased borrowings.

Mr. ~~Old~~ Whitney Straight has explained it is true that the ~~two~~ British, French, Russian & Japanese Members ~~that~~ of the Six Power Consortium in Peking. Japan today is in the ascendant. China must borrow & borrow here money. She must obtain it from Japan or from us.

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Japan was to go at length to procure any considerable American loan, especially if as was suggested in the case of the ¥30,000,000 from the International Banker of Chicago, the security pledged was to be the land tax - administered by an American, claim may be based I believe. ~~by~~ from Japanese Government, solely by international financial experts in, backed American bankers Jim ~~Stillman~~ an international group. ~~Now only problem~~

Mr. Hitchcock felt I was warned in favour ignorance of the ~~two~~ facts regarding China. His objections ~~and~~ can be made ineffective to China only if the American Government itself loans to China. No guarantee a loan by American bankers. Otherwise I do not believe we before we undertake China financing. except the Railway materials & industrial enterprises. The game is too risky.

Mr. Harding tries to take a crack at me by referring to Messrs. Davison, Schiff & the American International as if also were party to some scheme of high finance for ruining China. Neither of the gentlemen mentioned an interest in the American International, & neither as far as I know care a cuss about China finance. I tried to persuade the A.B.C. to go into the International Corp & frankly to say its biggest failure. As far as I know I am about the only

person who interested in ~~the~~ pushing this idea of international China finance - which ~~he~~ is I believe the only sound safeguard for China's future.

As to the Continental & Commercial Bank. ~~the~~ Mr Abbott remark that Harding puts on the last confirmation of the statement that China pledges secured already assigned. Abbott declined Care as they ~~give~~ gave him something else which he thought equivalent good. As I have stated they favor the land tax under American administration but Japan of greater stateswork - & the C & C. people do not make anything as an investment unless I am very much mistaken.

The H.S. Bank took part of the domestic loan. to the tune. So much easy the Bank in China that plagues their silver markets & has large silver deposits.

I like Harding but he takes up too much time. Send him a copy of this if you want to.

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The Willard Straight Papers at Cornell University
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Typewrite Send to N.R. 15th Henry this AM

[N.R. 8-4-17]
p. 2

In Peking General Tuan chih Jui - Premier of China is again trouble at the old stand. During the brief period of his absence a Parliament was disbanded, and a President ousted by an ~~ill starred~~ incident at Tientsin which stiffled and fell before the Republican armies. ~~The conflict caused bloodshed~~ This, apparently, is what happened. The Parliament influenced by German money refused to enter the war. The President Li Yuan Hung standing with Parliament ~~too~~ of the Premier, Tuan, resigned and left the capital. ~~with his military colleague Tuan~~ The issue was drawn between Tuan and the military party on the one hand, and Li and the Parliament on the other. Suddenly an ancient and recalcitrant old general chieftain Chang Hsün who had with his troops lived off the Country in a state of semi-independance ever since the down-fall of the Manchus, entered Peking and forcing the boy ex-Emperor from the hidden courts of the Forbidden City placed him on the throne. Parliament ~~was~~ vanished, the President ~~was~~ ousted to be a refugee in the Japanese Legation. The military leaders then appeared as the champions of Republican Government and drove, or with a semblance of driving, bought Mr Tuan Chi Jui and Chang Hsün and/or his followers. The Emperor ~~visited~~ having boomed the news, retired like the cuckoo on the clock, the President apologized for having held Miss S. long, and the Generals assumed control - which they now hold. There have been sporadic street fights here and there, chiefly clashes between rival groups of the soldiers. The Chinese public apparently has been profoundly unmoved throughout all. Peking settled in Business as usual.

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The Willard Straight Papers at Cornell University

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The New
REPUBLIC
421 West 21st Street
New York City

To Mrs. Straight

Dear Willard,

Never in all my life have I got a letter that means to me what yours does. No one could help be inspired to his best by what the group here is doing. But splendid as their work is, there has been for me from the beginning a thing equally splendid, and perhaps more significant, in your attitude toward the paper, and Mrs. Straight's. That has been something worth every bit of effort possible. More than anything else I have wanted, so far as it was within my province to do so, to prove to both of you that that attitude was justified. You cast your bread on the waters, Willard – and they weren't very hopeful looking waters at that. You didn't turn in a string to it. Of course we have done our darndest. That was to be taken for granted. It is a joy and a delight to know how warmly it has been appreciated. I knew it anyhow. Perhaps that is why your letter and what it brought with it were so moving. Neither will be deserved until the game is wholly won. I am deeply grateful to you and Mrs Straight for both – and for that even greater thing that has come to me through you and Herbert Croly, the opportunity to serve where I could serve whole heartedly.

Sincerely yours,

Robert Hallowell.

August second 1917.

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The Japanese Mission.

The Tokyo Foreign Office has announced that the Japanese mission to the United States would not attempt to undertake any very definite negotiations. Without being acquainted with the nature of Viscount Ishii's instructions, it would seem safe to affirm that this official statement while doubtless correct is nevertheless misleading. There are certain matters of questions between Japan and the United States that require frank discussion and settlement. Japan desires steel plates for ship construction. The United States and the allies desire the Japanese Government to place Japanese shipping in common service against Germany. Important as these matters may be, however, it is doubtful unlikely that they furnish the raison d'etre for the absence of these distinguished visitors. The Japanese Government is now formulating its plans for the Settlement after the war. Japan has one chief interest, and one only. All other questions are subordinate, and all policies are shaped with a view to one end. That end is China. and Japan's relation thereto. The Japanese mission therefore, it is safe to assume has come to study rather than to negotiate. Information gathered will serve to guide Japan the development of Japan's policy in the great Peace conference. ~~that sole key to the task for statement~~

~~The task of the mission is difficult~~

If this be the task of the mission it is a difficult, There is no intelligent public opinion in this country on Far Eastern affairs. There is undoubtedly prejudice against, and suspicion of, Japan. ~~Instead of the~~ There is ~~often~~ admiration for and ~~insultingly~~ patronizing praise of the Japanese as "the wonderful little People". But there is little comprehension of modern Japan, of her needs & her ambitions. Much of the prejudice and suspicion are unwarranted, and much of the praise both patronizing to the point of being offensive to a ~~free~~ sensitive and justly proud People. ~~In this connection Japan's long history~~ ~~has~~ and comprehension ~~has~~ missing ~~perhaps was the fact~~ ~~may easily have to be misleading~~. Our People, as a whole are indifferent at present indifferent. Events may so shape themselves that

a real interest in the Orient may be aroused, and with it' awakening there must inevitably be a change of attitude which must be reflected in our diplomacy.

For the moment, however, American attention is focussed on the war, in its first bearing on our domestic situation, second its development in Europe. ~~Our people are little concerned with the situations which may develop in the Far East with the beginning~~ Japan's ~~present~~ statesmen is mainly concerned with the possible effects of (war) the war and the peace that is to come on the position in the Far East.

~~Japan's Statesmen, Past and Contemporary Policy~~

timber Japan is comparatively poor in natural resources. She is ~~poor~~ in coal & iron ore and cotton. ~~Japan is entirely lacking in future materials for future development~~ Japan must rely largely on her own forests. Her industry has ~~developed rapidly in recent years. Such~~ made rapid strides in recent years. Its ~~continued~~ development ~~depends upon~~ is dependent upon a supply of raw material, & facilities for distribution and markets. China furnishes the iron ore, coal, and other basic articles, and a great market. ~~The Japanese merchant marine has been created with foreign and Japanese~~ a merchant marine has been created and is certainly increasing in relative importance owing to the ravages of the submarine.

China therefore is the keystone of the Japanese diplomatic arch: ~~Japan's China Policy has been Japan feels that she must not be~~ But in Japan there have been two schools of thought. The ~~military party~~ group of Soldier-and-~~Sailor~~ Sailor-Statesmen, representatives of the Satsuma & Choshiu clans that has so long controlled Japan's destinies has felt that to assure ~~the~~ its future ~~of their Sufferings~~ the Sufferings and markets which (This attitude & their writings are responsible for much of the anti-Japanese suspicion both in this country & in England.) she required: Japan must dominate China. Another group of younger men who - strangely enough - ~~at present by those~~ by the present Premier ~~has~~ Marshal Count Terauchi, himself a soldier, has advocated a less chauvinistic course. ~~Now, desire recognition for the special interest of Japan in China~~, they recognize that ~~in fact~~ Japan will inevitably profit by the development of China: that

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Japan alone cannot finance this development. They realize that European & American capital might be reluctant They realize that the Chinese resent Japanese domination and that European and American capital would be reluctant to enter China under Japanese auspices. For these reasons they have hope that occidental bankers may increase their investments. But they are fearful lest in the future as in the past the Chinese may endeavor to utilize the support which such investment might bring to thwart attempt to exclude Japanese enterprise from China. The present Japanese Government therefore while wishing to encourage foreign investment in China, desires to co-operate, insofar as Japanese reasons permit, Hereto and desires at the same time to prevent Furthermore to prevent the control of future China from balancing one foreign power against the other by granting exploiting contracts or concessions, Japan desires recognition of her special interest in China. This she feels would assure peace in the Far East. In return she is prepared again to reaffirm her support of the principle of the "Open Door" and the equality of commercial opportunity.

During the last three years Japan has greatly strengthened her position in China. Her influence is exerted powerfully exerted upon all the outstanding questions in Chinese politics. The manner in which this influence is obtained may be open to question. But it is safe to say that is another story. The fact remains that troubles in China are act as barriers against extension foreign investment, that Japan fears such foreign investment for the reasons above stated. It might not be too a safe speculation, though probably a speculation, to assume that troubles in China would be greatly lessened in case Japan's relations with China were reorganized on the basis just mentioned in the preceding paragraphs.

Because of the sentiment as regards foreign in this country, and because American diplomacy and finance has not formulated American finance to not encouraged American finance to of late encouraged

American finance to play a free hand in China - the

Since the war came German activity in China has been directed to intrigues the British, French, Russian and Japanese Governments and their bankers were willing to make, within certain bounds, common cause. European financial markets were closed to Chinese loans. The United States however was not neutral, benevolent, and American bankers were looking to foreign fields. Japan as China to encourage + American finance, moreover, was encouraged to play a free hand in China.

So long as the United States

Until the United States entered the war Japan's advance in China was hampered by two factors. First, the practical certainty that in offering contracts to American bankers the Chinese would endeavor to create a conflict in some already existing claim; and Second, reliance upon the support of her allies in case issue arose with the United States over Chinese affairs. The United States moreover was steadily unprepared for war. If such an eventuality were contemplated. The Japanese statesmen nevertheless recognizing the limitations of Japanese finance, made returns to secure American Co-operation in China.

Then came first the Russian Revolution, which deprived Japan of the support of the Russian an anti-autocratic Government at Petrograd. Finally the United States entered the war and by so doing became an ally instead of a foe. Our naval programme was increased, the selective conscription act was passed. The United States that the United States could be free to pursue unhampered independent policy in China, the Japanese statesmen found their problem greatly aggravated. Great Britain France & Russia were exerting a American support. With these forces Japan found herself allied with the United States. Japan's need for securing recognition of her position in China was greatly great. Yet the statesmen found themselves in a position where they were obliged to treat with the United States primarily as an ally rather than as a neutral rather than as a potential neutral.

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(5) [8-20-17]

~~In the meantime~~ Preceded by a strange coincidence

~~Shortly thereafter the disturbances in China~~

In the meantime disturbances in China became known

Such that a large American loan which had been discussed ~~between parties~~ could not have been issued. Conditions in China are still chaotic and the Japanese mission has come to make a survey of the situation.

Ship-plates, tonnage, immigration, ~~and~~ the right to ~~of~~ Japan to hold Chinese land tenure are all matters that may or may not be considered. The real problem between Japan and the United States is the future of China. ~~Yet it is scarcely a problem~~ Yet it is difficult to call it a problem between the two countries. To Japan it is so vital. To the United States and ~~Italy it is not a~~ just ~~as~~ understanding ~~from~~ of ~~Italy~~ just to Japan and to China ~~as~~ but is important to the United States, the factors are to be weighed and ~~solved~~ not appreciated. ~~Yet~~ It ~~The Ishii mission~~ is wise therefore ~~is~~ to discount in advance its possible accomplishment. Japan is endeavoring to consolidate her position prior to the Peace Conference. She may then already obtained assurances from her other allies. But there would seem to be no reason why the American Government should definitely commit itself, as yet, until this question is threshed out in at the international council table. By the same token known as our diplomacy should avoid ~~offending Japan~~ needlessly offending Japan by failure to be more than frank with regard to our relations with China. Otherwise China may again be encouraged to count upon American support in ~~what~~ against what she considers Japanese aggression. It may or may not be wise to exercise our influence on China's behalf at this or some future time. But if ~~at all~~ it should be ~~done~~ practically and effectively by financial ~~and~~ aid and administration guidance. Otherwise history may repeat itself and the Chinese may again make bids to stand against Japan only to find that their rainbow has been dissipated and that are left under the cloud of Japanese displeasure. Hey

(2)

COPY

WAR DEPARTMENT,
THE ADJUTANT GENERAL'S OFFICE,
Washington.

000.77 Misc.

August 20, 1917.

From: The Adjutant General of the Army.

To: Commanding General, 35th Division, National Guard, Fort Sill, Oklahoma.

Subject: Newspaper correspondents.

The Secretary of War directs that camp commanders be informed that they are to permit the freedom of the camps to newspaper men, including the privilege of establishing offices and private wires into the camps, under such regulation and supervision as the camp commanders may deem appropriate and advisable.

H. G. LEARNARD.

Adjutant General.

Original in private hands.

The Willard Straight Papers at Cornell University

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COPY

WAR DEPARTMENT
THE ADJUTANT GENERAL'S OFFICE,
WASHINGTON. Aug. 28, 1917.

(3)

From: The Adjutant General of the Army.

To: Commanding General, 35th Division, Camp Doniphan, Fort Sill, Okla.

Subject: Distribution of Confidential Publication.

1. There are being mailed to you, confidential publications in numbers sufficient for the distribution as hereinafter provided:-

2. Eight hundred copies each of "Notes on Bayonet Training", "Notes on Training for Rifle Fire in Trench Warfare" and "Notes on the German Army in the War" for distribution to all officers, except medical officers.

3. Nine hundred copies each of "Notes on the Offensive Conduct of Small Units", "Notes on Liaison in Modern Warfare", "Notes on the Methods of Attack and Defense in Modern Warfare", "Notes on Grenade Warfare", "Notes on the Use of Machine Guns in Trench Warfare", "Notes for Infantry Officers on Trench Warfare", "Notes on Gas as a Weapon in Modern Warfare", and "Notes on the Construction And Equipment of Trenches" for distribution to all officers.

4. Three hundred and ten copies each of "Instructions Concerning Battle Maps", "Instructions Concerning Battle Maps Annexes", "Notes on the Use of Foreground Illumination", Foreground Intercommunication in Battle", and "Notes on the Use of Signal and Illuminating Devices" for distribution to all Engineer and signal officers, Field Officers of the line and all staff officers and aides at division and brigade headquarters.

5. Two hundred and fifty copies each of "Notes on the Employment of Artillery in Trench Fighting", "Notes on Cover against Shell Fire", "Maps and Artillery Boards" and "Field Artillery Notes Nos. 1, 2 and 3" for distribution to all staff officers and aides at division and brigade headquarters, all field artillery officers and colonels of other arms.

6. Six hundred copies of "Specimens of British Trench Orders" and "Notes on Anti-aircraft Guns" for distribution to all officers of the rank of first lieutenant and above.

7. One hundred and fifty copies each of "Notes on Railroad and Wagon Transport", "Training and Employment of Bombers" and "Summary of the French Instructions for Higher Formation in the attack" for distribution to all field officers, except medical officers and all staff officers and aides at division and brigade headquarters.

8. One hundred and sixty copies of "Memorandum on Gas Poisoning" for distribution to all medical officers and all staff officers and aides at division and brigade headquarters.

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9. Eighty copies each of "Instructions on the Research and Study of Information" and "Laison Instructions Concerning all Arms" for distribution to all staff officers and aides at division and brigade headquarters, one to each regimental commander and in the Field Artillery Arm, one to each battalion and battery commander.

10. Four hundred and ten copies of "Field Artillery Notes No. 5, for distribution to all staff officers and aides at division and brigade headquarters, all field artillery and Signal Corps officers and fifty to each regiment of Field Artillery.

11. Fifty copies of "Cavalry Notes" for distribution to all staff officers and aides at division and brigade headquarters.

12. The confidential nature of these publications should be impressed upon all officers and in this connection, it should be mentioned that these confidential publications are not for distribution to organizations.

By order of the Secretary of War:

(Signed) Henry C. Cabell
Adjutant General.

The Willard Straight Papers at Cornell University

003396

(4.)

COPY

WAR DEPARTMENT

Hdqrs. Central Department
Chicago.

August 29, 1917.

From: Commanding General,

To: Maj. Gen. W. M. Wright, Camp Doniphan, Ft. Sill, Okla.

Subject: Report as to strength, equipment, etc.

In complaince with your telegraphic request August 19th, am including herewith a report as to strength of Missouri and Kansas National Guard troops. There is no available data at hand in these headquarters as to equipment, etc.

(Signed) Wm. H. Carter
Major General, U.S. Army

1 incl.

	Officers		Enlisted Men	
	Present	Absent	Present	Absent
Missouri Troops	415	27	12,697	1,384
Kansas "	282	4	9,019	497

(5)

COPY

Commanding General, 35th Division, National Guard, Camp Doniphan, Fort Sill, Okla.

August 29, 1917.

From: The Adjutant General of the Army.

To: Commanding General, Eastern Department.
Governors Island, New York.

Subject: Disposition of sick of troops ordered on foreign service.

1. It appearing that organizations upon entraining for the port of embarkation frequently bring with them men awaiting discharge on surgeon's certificate of disability, or known to be permanently incapacitated for service, the Secretary of War directs that you instruct all subordinate commanders of mobile troops in your department, ordered on foreign service, to give to their surgeons as much notice of the proposed departure of their commands as considerations of secrecy permit, and to direct these medical officers to exercise especial vigilance to keep themselves informed as to the exact physical condition of the sick, in order that, on the one hand, those unfitted for military service shall not accompany the command, and, on the other, that no one shall be left behing who is but temporarily disabled.

2. Early recommendation should be made for the discharge on surgeon's certificate of disability of men believed to be permanently incapacitated for active service, or, in appropriate cases, their transfer to the Army and Navy General Hospital, Hot Springs, Arkansas, or to the United States Army General Hospital, Fort Bayard, New Mexico.

3. When the order of entrainment for the port of embarkation is received, all the sick believed to be permanently incapacitated for active service, whether they have been recommended for discharge or not, should be at once reported by the surgeon to the commanding officer, who will issue the necessary instructions with regard to their retention and disposition.

By order of the Secretary of War:
John S. Johnston, Adj. Gen.

1st Ind.

Hq. 35th Division, Camp Doniphan, Fort Sill, Okla., Sept. 3, 1917.-
Copy to the Division Surgeon for his information and guidance.
By command of Major General Wright:
A. Walter V. Gallagher, Major, Inf. Acting Adjutant.

COPY.

The Willard Straight Papers at Cornell University

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(6.)

COPY

WAR DEPARTMENT,
THE ADJUTANT GENERAL'S OFFICE,
WASHINGTON.

August 31, 1917.

From: The Adjutant General of the Army.

To: The Commanding General, 35th Division, National Guard, Camp Doniphan, Fort Sill, Oklahoma.

Subject: Assignment of drafted men to organization.

A careful study will be made of the abilities of the men of your command who have been drafted into the service with a view to ascertaining special qualifications for duty in the different branches of the service; and drafted men who have graduated from, or been students in scientific or technical departments of colleges or universities should be assigned to the branches of the service for which their previous training qualifies them.

By order of the Secretary of War:

(Signed) John S. Johnston
Adjutant General.

(7.)

352.04 E.M.

WAR DEPARTMENT,
THE ADJUTANT GENERAL'S OFFICE,
WASHINGTON.

August 31, 1917.

From: The Adjutant General of the Army.

To: Commanding General, 35th Division, Camp Doniphan, Fort Sill, Okla.

Subject: Recommendation of noncommissioned officers for appointment as commissioned officers.

1 A number of noncommissioned officers who have received training in machine gun work at the School of Musketry, Fort Sill, Okla., and with respect to whom it is desired to determine which of them possess the requisite qualifications of commissioned officers, have been assigned to divisions for duty as instructors in machine gun work per Par. 5, Special Orders, No. 195, War Department, August 22, 1917.

2. After you have observed the soldiers who have been assigned to your division you will recommend for appointment as commissioned officers such as are qualified and in the grades for which they are considered most suitable.

By order of the Secretary of War:

(Signed) G. B. Conly
Adjutant General.

The Willard Straight Papers at Cornell University

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WAR DEPARTMENT

THE ADJUTANT GENERAL'S OFFICE.

WASHINGTON.

August 31, 1917.

680.234

From: The Adjutant General of the Army.

To: Commanding General, 35th Div. Natl. Guard, Camp Doniphan, Fort Sill, Okla.

Subject: Release of photographs taken at Cantonments.

You are informed that there permits are issued by the Adjutant General, Through the Committee on Public Information from Washington, to photographers to take pictures within their respective commands, they may release such pictures for publication if no military reason exists to the contrary, under the following conditions:

Still photographs should be submitted in triplicate to the commanding general; one print, if approved, will be released by him to the owner, and the other two sets will be mailed by the commanding general, addressed:

Committee on Public Information,
Division of Photographs,
Washington, D. C.

the photographs to be marked or initialed in such manner as will signify his action and showing the name of the photographer.

Of the two sets received in this way by the Committee one will be for the War Department and one for the Committee's files.

By order of the Secretary of War:

(Signed) John S. Johnston
Adjutant General.

9.

COPY

August 31,1917.

400. Port of Emb. Newport News, Va.
(Miscl. Div.)

From: The Adjutant General of the Army.

To: The Commanding General,35th National Guard Division, Camp Doniphan, Fort Sill,Okla.

Subject: Lack of preparation of enlisted man for foreign service.

All detachments of organizations sent to the port of embarkation, Newport News, Virginia, should be provided to care for themselves from the time of their arrival until they depart for overseas service. Facilities do not exist at the port of embarkation, nor is it contemplated to inaugurate facilities to care for detachments. They must be self-sustaining and organized along those lines before they are sent from their regiments.

By order of the Secretary of War:

H.G.Learnard

Adjutant General.

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