

No.

014.0

Federal Reserve Bank

District No. 2

Correspondence Files Division

STRONG PAPERS

SUBJECT

2.)

ARMY WAR COLLEGE

RE: ADDRESSES

1921 - 1924 -

a) Ely, A E

1924

THE ARMY WAR COLLEGE
WASHINGTON

October 31, 1924.

Mr. Benjamin Strong,
15 Nassau Street,
New York City.

My dear Mr. Strong:

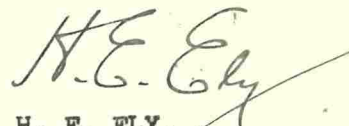
Again I am calling on you to address the War College on the subject of "War Finance." Thursday, January 22, 1925 at 9:10 A.M. has been reserved for you.

While you are, of course, at liberty to treat your subject in any way that seems good to you, the following suggestions are made for your convenience:

We realize that economic force may be as effective as military force in bringing a war to a speedy conclusion. We should like to hear in what ways finance may be used as an offensive and defensive weapon to force our terms on an enemy.

Hoping that you will again favor us, I am

Very sincerely yours,



H. E. ELY,
Major General, U.S.A.,
Commandant.

NOV 3 1924



NOV 3 1924

Army War College

November 4, 1924.

My dear General Ely:

It is very kind of you to invite me again to address the War College on the subject of war finance, and it is, in fact, a real deprivation to me that I am unable to accept the invitation.

As I wrote you last year, the serious trouble which I had with my throat has resulted in the doctor's forbidding me to make any addresses of that character; and only on that account am I sending you this reply.

If I can be of any service in securing a substitute, please do not hesitate to call upon me.

Yours very sincerely,

Major General H. E. Ely,
The Army War College,
Washington, D. C.

THE ARMY WAR COLLEGE
WASHINGTON

Army War College

Read & Noted 11/8/24

November 6, 1924.

B.S.

ms B

My dear Mr. Strong:

I regret exceedingly that your throat trouble still persists and will again deprive us of hearing from you.

I am going to take advantage of your suggestion, however, and request that you select a substitute. Your selection last year of Mr. Snyder was eminently satisfactory.

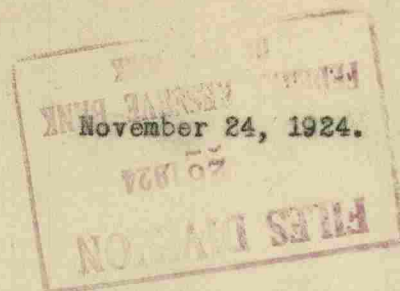
Yours very sincerely,

H. E. Ely

H. E. ELY,
Major General, U.S.A.,
Commandant.

Mr. Benjamin Strong,
Federal Reserve Bank,
New York City.

Army War College



My dear General Ely:

After thinking over your kind suggestion that I might be of assistance by presenting some names for a lecture on War Finance, it occurs to me that Professor Henry A. E. Chandler, who is the economic adviser of the National Bank of Commerce in New York, could make a very interesting talk indeed. I have a high regard for him, and believe that his ability qualifies him for just such a discussion as you wish.

Another suggestion is Colonel Ayres of the Cleveland Trust Company. It may be that he does deliver some lectures at the War College, for, as you know, he was intimately associated with Secretary Baker during the war, and you may have already established that contact. I have not mentioned the matter to either of these gentlemen.

If you would prefer to have Mr. Snyder, he will be available also, but he feels that possibly you would like to have a change, and either of the two names that I have suggested, I believe, would be satisfactory.

Very sincerely yours,

HS
meb

Major General H. E. Ely,
The Army War College,
Washington, D. C.

ES.LS

THE ARMY WAR COLLEGE
WASHINGTON

Army War College
RECEIVED
GOVERNMENT OFFICE



NOV 28 1924
November 25, 1924.

Mr. Benjamin Strong,
Federal Reserve Bank,
New York City.

My dear Mr. Strong:

I wish to thank you for your interest in the War College and for your recommendation of a substitute. I take it that you favor our getting a new angle to the subject and I have therefore requested Professor Chandler to address us.

Regretting that you or Mr. Snyder will not be with us this year, I am

Very sincerely yours,

H. E. Ely

H. E. ELY,
Major General, U.S.A.,
Commandant.

b) McLaughlin, E. F.

1921-1922

THE ARMY WAR COLLEGE

WASHINGTON BARRACKS, D. C.

JAN 10 1922
Dec. 16, 1921.
R S

Mr. Benjamin Strong, Governor,
Federal Reserve Board,
New York, N. Y.


My Dear Governor Strong:

The Army War College looks forward to a talk from you this year on the Financial Aspects of War. As a tentative day, we have set aside Saturday, April 15th, and the hour of 9:10 A.M.

You will understand that the audience will be an entirely new one and a repetition of your remarks of last year will be most satisfactory. If, however, you feel like doing so, I would appreciate it, if you would touch somewhat upon the relation between finance and storage.


It appears that at the outset of the war, goods were rushed to terminals, causing congestion. This led to embargoes, consequent congestion at source and resulting fall off in production. It occurs to me that method of payment was to some extent to blame, - goods were purchased for delivery at certain points and the need of the producer for return of capital urged him to rush shipments. If acceptances had been made at or near source, storage there being required by contract, much confusion might have been avoided. Accepted

P. J. O.

 could have been moved in car or train
lots.

In what I have said, I do not wish to
restrict you, desiring only to indicate a
question which I believe to be pertinent to
our military plans.

Very sincerely,

McGlachlin 

E. F. McGLACHLIN, Jr.,
Brig. General, U.S.A.,
Commandant.

djm

*Explain me illness & Sag
I hope to do so the
Convenient date can
be arranged*



DEC 17 1921



GOVERNORS SECY.

January 10, 1922.

Dear Sir:

Continued absence on account of illness prevented Mr. Strong from sending you word sooner in answer to your letter of December 16, with regard to his addressing the students of the Army War College, on Saturday, April 15th, at 9:10 a. m.

Although Mr. Strong is expected shortly to return to his office, he has asked me to write you stating that he will be pleased to give the talk you desire and will arrange his engagements so that the date mentioned will be satisfactory to him.

Yours very truly,

Secretary to Mr. Strong.

E. F. McGlashlin, Jr.,
Brig. General, U. S. A.,
The Army War College,
Washington Barracks, D. C.

GB:MM

*Hold this out for me & get out
M.S.S. of former address. I want to make
this address if possible B.D.*

THE ARMY WAR COLLEGE

WASHINGTON BARRACKS, D. C.

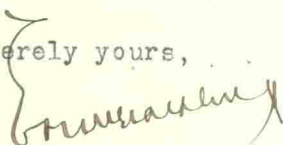
Jan. 16, 1922.

Mr. Benj. Strong,
Gov., Federal Reserve Bank of
New York, N. Y.

My dear Mr. Strong:

The Army War College is very sorry to learn through a letter from your secretary that you have been ill. We are pleased to know that you are now on the way back to full health and that you will meet us again on April 15th.

Very sincerely yours,



E. F. McGlachlin, jr.,
Brigadier General, U.S.A.,
Commandant.

February 6, 1922.

My dear General McGlachlin:

My illness detained me from the bank until last week, and only now am I able to write you in response to your kind letters which indicate that the War College wishes me to make an address this year, as I did with so much pleasure last year.

In your letter of December 16, you emphasize the need for some discussion of the relation between finance and storage as applying to the army supply program. This is a rather difficult matter for me to deal with because in part it is so much out of the line of our direct experience, and in part because in a financial or banking sense it must be dealt with in such broad and general terms. We feel here that the difficulty of transportation, which arose during the war period and which resulted in such congestion at terminals, was more strictly a transportation problem than a financial one. Any interruption in the even flow of goods to market creates financial congestion, that is, the banking up of loans, just as it creates a congestion of goods. But under our present banking system, even as it was in operation during the war, we were able to deal with that matter without serious embarrassment to any one so far as I am aware, except in the limited way that the Treasury was somewhat concerned at one time; and as you know the meat packers encountered difficulty when ocean transportation fell down. It was always our belief at the bank that the inherent defect in the program of supplying material to our own armies and to the Allies lay in the failure to adequately realize how narrow the neck of the bottle was in the year 1917 and the early part of 1918. I am referring of course to shipping. In such a tremendous movement of goods as was then required of us, if cars could not be unloaded and ships

February 6, 1922.

immediately loaded at the ports, especially the Port of New York, as rapidly as goods arrived, the storage and handling facilities along the Atlantic Seaboard in a very short time would, and did, prove quite inadequate to meet the emergency. The congestion at the Port of New York was, of course, tremendous. That is a local problem, which even now, under the present relaxed conditions of our foreign trade, is one of serious moment to the city, and is constantly being studied. What it will be ten or twenty years from now no one can guess, but I apprehend that some radical, far-reaching means for encircling the city with some sort of a belt line, with more adequate facilities for trucking and warehouse storage, and with enlarged literage facilities in the Bay, must certainly be developed if this Port is to continue a growth at all comparable with that of previous years.

It occurs to me that an engineer of considerable note in this city, Mr. J. Kennard Thompson, can speak more authoritatively on these matters than any other man that I know. He has long been studying the subject, has had a vast project before the city authorities from time to time, and I feel sure he can make an interesting address. On the other hand, he is very deaf, and questions from his audience would need to be repeated to him on the platform.

In default of Mr. Thompson, I might further suggest Mr. Irving T. Bush, of the Bush Terminal Company. Mr. Thompson's point of view is theoretical. Mr. Bush has had practical experience in this matter of probably wider extent than any other individual business man, and is a very good speaker.

May not these suggestions afford you the means of getting a better discussion of the subject than could be made by me; and then if you feel quite willing to have me do so, I could present the subject dealt with last year, either in the same form, or in such revised form as you may suggest.

I very much appreciate the honor of being invited to address the College again, and am glad to do so at any time.

Yours sincerely,

E. F. McGlachlin, Jr.,
Brigadier General, U.S.A.,
Washington. D. C.

THE ARMY WAR COLLEGE

WASHINGTON BARRACKS, D. C.

February 8, 1922.

Mr. Benjamin Strong,
Governor, Federal Reserve Bank.
New York City.

My dear Governor Strong:

Please accept my sincere thanks for your very thoughtful letter of February 6th, suggesting that we have Mr. Bush talk to us on storage. I have written him today and hope he may be able to come.

Your talk last year was of very great value and a repetition of the same talk will be most satisfactory to us.

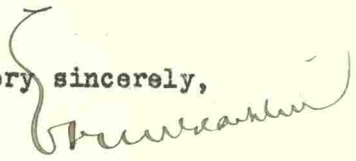
In asking you as I did to talk a little on the connection between finance and storage, my only thought was to drive home from a different angle the absolute necessity of our considering the method of handling goods ordered in large quantities in war.

We cannot forward to the ports or other concentration points the quantities being turned out unless we can store; nor can we refuse to accept goods from contractors as this will cause him financial distress; so we must provide ample storage either at the source of manufacture, or at terminals, or at intermediate points from which solid main shipments to ports may be made.

Please do not talk on this subject if you feel it may be out of place in the scheme of your talk.

I am pleased to know that you are restored to health and look forward with great pleasure to meeting you on April 15th. On your arrival let us know where to send a car for you.

Very sincerely,


E. F. McGLACHLIN, Jr.,
Brigadier General, U.S.A.,
Commandant.

GOVERNOR'S SECY.



FEB 10 1922

THE ARMY WAR COLLEGE

WASHINGTON BARRACKS, D. C.

February 10, 1922.

Mr. Benjamin Strong,
Governor, Federal Reserve Bank,
New York City.

My dear Governor Strong:

Please accept my sincere thanks for
your helpful letter of the 6th instant.

In accordance with your suggestion I
am asking Mr. Bush to talk to us on terminal
storage.

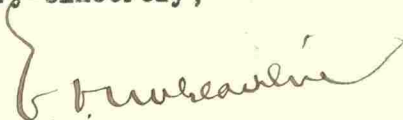
The lecture which you delivered last
year was of great value to the College, and
a repetition of that talk is most desirable.

My thought in asking you to touch a
little on the relation between finance and
storage was prompted by a knowledge that
embargoes declared in order to free bottle
necks or terminal points frequently cause
congestion at the source, and that in war
we must arrange, in contracts or otherwise,
to finance storage at source or at some
intermediate point, or production will slow
down. My only thought was that if this
point of view is a correct one, we should
hammer it home from all points of view.

Please do not touch on the matter un-
less you feel like doing so.

I look forward with great pleasure
meeting you on April 15th.

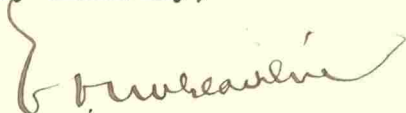
Very sincerely,

A handwritten signature in dark ink, appearing to read "E. F. McGLACHLIN, JR.", written in a cursive style.

E. F. McGLACHLIN, JR.,
Brigadier General, U.S.A.,
Commandant.

I look forward with great pleasure
meeting you on April 15th.

Very sincerely,

A handwritten signature in dark ink, appearing to read "E. F. McGLACHLIN, JR.", with a large, stylized initial "E" and a long, sweeping underline.

E. F. McGLACHLIN, JR.,
Brigadier General, U.S.A.,
Commandant.

Army War College

March 4, 1922.

My dear General McGlachlin:

Very reluctantly, I find it necessary to ask if the date for my addressing the War College may not be postponed until later in the year. I had no doubt when I last wrote you of my ability to attend the meeting and to deliver an address, but unfortunately, because of a recent operation, my doctor is unwilling to have me speak at meetings where it is possible that I might strain my voice. I should hope, however, to be able to deliver the address before the College closes this summer.

Yours sincerely,

Brig. Gen. E. F. McGlachlin,
The Army War College,
Washington Barracks, D. C.

BS.MM

THE ARMY WAR COLLEGE

WASHINGTON BARRACKS, D. C.

RECEIVED
March 6, 1922.

MAR 7 1922

Mr. Benj. Strong,
Gov., Federal Reserve Bank
Of New York, N. Y.

B. S.

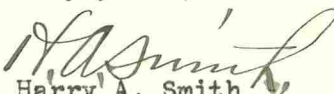
My dear Gov. Strong:

Gen. McGlachlin is absent from the College and, therefore, unable to reply to your letter in person. I am, however, authorized to speak for him and to assure you that we of the College appreciate your willingness to help us so fully that we will make any rearrangement in the course necessary to meet the demands of your health or business.

The course in Supply, of which your conference forms a part, closes May 27th. The College, however, does not close until June 15th. Any date before June 15th will, therefore, be suitable to us. After June 15th this particular class of student officers will be in the field at summer camps or other similar duty.

However much we desire you to talk to us, we feel that we must make no request which might induce you to strain your voice, and if the dates of May 27th or June 15th are both too early, we will rest content in this year's work with an issue to the class for study of your last year's talk, looking forward to a new meeting with you next year.

Very sincerely yours,


Harry A. Smith,
Colonel, Inf. (D.O.L.),
Acting Commandant.

*Army War
College*

May 6, 1922.

My dear General McGlachlin:

It now appears that it will likely be impossible for me to make the address before the War College, which I had hoped to do, and I am writing to inquire whether you would care to have me revise the address which I made last year, bring it somewhat up-to-date, and put it in a form rather more suitable for circulation as a document than it is at present.

I am very sorry to be obliged to send you this word.

Yours sincerely,

Brig. Gen. E. F. McGlachlin,
The Army War College,
Washington Barracks, D. C.

BS.MM

THE ARMY WAR COLLEGE

WASHINGTON BARRACKS, D. C.

May 23, 1922.

FILES DIV.
MAY 31 1922

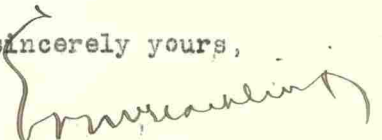
Mr. Benjamin Strong,
Governor, Federal Reserve Bank,
New York City.

My dear Governor Strong:

I regret very much that it will be impossible for you to address the War College in person this term, but I shall be very glad to have you revise your address of last year, as you suggest, and send it to us for circulation in the College.

We appreciate your willingness to help us out in this matter, and thank you for the attention you have given it.

Very sincerely yours,



E. F. McGLACHLIN, JR.,
Major General, U.S.A.
Commandant.

THE ARMY WAR COLLEGE

WASHINGTON BARRACKS, D. C.

March 13, 1922.

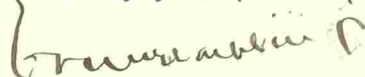
Mr. Benj. Strong,
Governor,
Federal Reserve Bank,
New York, N.Y.

My dear Governor Strong:

I am delighted to learn that you feel you may be able to be with us by June 15th and appreciate your thoughtfulness in accepting the task of preparing an article for us to help out if you can not come.

With many thanks to you for your courtesies, I am

Very sincerely yours,



E. F. McGlachlin, jr.,
Brigadier General, U.S.A.,
Commandant.

Army War
College

June 15, 1922.

My dear General McGlachlin:

LOOSE IN FILE

At last I am able to send you the article which I promised you sometime ago, and which I hope will take the place of the address which I had hoped to be able to deliver.

Let me explain in regard to the authorship of this paper. I found it impossible to give the necessary time to its preparation and entrusted it to one of my associates in the bank, Mr. George B. Roberts. We had discussed the article, which in its inception was intended to be simply a recasting of the paper which I read last year, but which you will observe has taken a considerably different form.

References to literature that has been quoted will be found in footnotes, and will enable you if you desire to get direct access to some of the more interesting literature bearing upon this subject.

I hope that the delay in sending you this paper has caused no inconvenience. Assuring you of my deep interest in the work of the College, and with kindest regards, believe me,

Yours sincerely,

Brig. Gen. E. F. McGlachlin,
The Army War College,
Washington Barracks, D. C.

BS:MM

THE ARMY WAR COLLEGE

WASHINGTON BARRACKS, D. C.

ACKNOWLEDGED

June 19, 1922

JUN 20 1922
R S
JUN 20 1922

Mr. Benjamin Strong,
Federal Reserve Bank,
New York City.

My dear Mr. Strong:

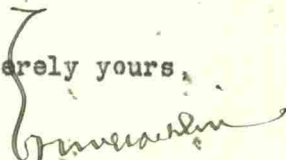
LOOSE IN FILE

The article that you sent me under date of June 15 arrives in good time, as the class will not leave the College until the last day of the month. The paper will be read to the class by one of the faculty after its return from a reconnaissance to which this week is devoted. It will also be furnished the students for study hereafter.

General Williams has told me of your interest in the college. On behalf of the faculty I want to thank you for this evidence of that interest, and to wish you an early and complete recovery of excellent health.

We shall ask you again next year to be present in person.

Very sincerely yours,



E. F. McGLACHLIN, JR.,
Major General, U. S. A.,
Commandant.

FILES DN:
JUN 20 1922
FEDERAL RESERVE B
OF NEW YORK

Army War
College

June 20, 1922.

My dear General McGlachlin:

Thank you for your kind note of the 19th instant just received. I am indeed interested in the work of the College and I hope you will not misunderstand my saying that I am especially interested in the intention which seems to characterize the work of the College to place good sound fundamental ideas on war finance in the minds of a highly trained group of men who will, if such an emergency as war again arises, furnish a background of sound opinion on this most important subject.

You may command me at any time and I shall consider it an honor.

Yours sincerely,

Major General E. F. McGlachlin, Jr.,
Commandant, The Army War College,
Washington Barracks, D. C.

BS.MM

October 6, 1922.

My dear General McClachlin:

It will be a great pleasure to address the War College at some convenient date this year, as you were kind enough to suggest in your letter of October 4. The date you name, October 30, presents some difficulties, but I am expecting to be in Washington all of next week and will telephone you probably on Monday.

Yours sincerely,

E. F. McClachlin, Jr.,
Major General, U. S. A.,
The Army War College,
Washington, D. C.

BS.MM

Charge to the account of Benj. Strong, 15, Nassau St.

\$

CLASS OF SERVICE DESIRED	
Day Letter	
Night Message	
Night Letter	
Patrons should mark an X opposite the class of service desired; OTHERWISE THE MESSAGE WILL BE TRANSMITTED AS A FULL-RATE TELEGRAM	

WESTERN UNION TELEGRAM

NEWCOMB CARLTON, PRESIDENT

GEORGE W. E. ATKINS, FIRST VICE-PRESIDENT

Receiver's No.

Check

Time Filed

Send the following message, subject to the terms
on back hereof, which are hereby agreed to

October 16, 1922

Major General E. F. McGlachlin Jr.


The Army War College
Washington Barracks
Washington, D. C.

Regret inability to reach you last week Shall be in
Washington part of next week and could arrange lecture then or a few
weeks later as you prefer Kindly reply New York

Benj Strong

CLASS OF SERVICE	SYMBOL
Telegram	
Day Letter	Blue
Night Message	Nite
Night Letter	N L
If none of these three symbols appears after the check (number of words) this is a telegram. Otherwise its character is indicated by the symbol appearing after the check.	

WESTERN UNION



TELEGRAM

NEWCOMB CARLTON, PRESIDENT

GEORGE W. E. ATKINS, FIRST VICE-PRESIDENT

CLASS OF SERVICE	SYMBOL
Telegram	
Day Letter	Blue
Night Message	Nite
Night Letter	N L
If none of these three symbols appears after the check (number of words) this is a telegram. Otherwise its character is indicated by the symbol appearing after the check.	

RECEIVED AT

1922 OCT 16 PM 3 30

WB311 17 GOVT Q NEW YORK

WASHINGTON DC 16 324P

BENJAMIN STRONG 639

FEDERAL RESERVE BANK NEWYORK NY

ANY DATE NEXT WEEK EXCEPT MONDAY OR TUESDAY WILL BE SATISFACTORY

YOU TO SET DATE PLEASE WIRE

MCGLACHLIN.

1922 OCT 16 PM 3 30

ACKNOWLEDGED

OCT 17 1922

Charge to the account of Benj. Strong, 15 Nassau St.

\$

CLASS OF SERVICE DESIRED	
Telegram	
Day Letter	
Night Message	
Night Letter	
Patrons should mark an X opposite the class of service desired; OTHERWISE THE MESSAGE WILL BE TRANSMITTED AS A FULL-RATE TELEGRAM	

WESTERN UNION TELEGRAM

NEWCOMB CARLTON, PRESIDENT

GEORGE W. E. ATKINS, FIRST VICE-PRESIDENT

Receiver's No.
Check
Time Filed

Send the following message, subject to the terms
on back hereof, which are hereby agreed to

October 17, 1922

Major General E. F. McGlachlin, Jr.
Army War College
Washington Barracks, D. C.

Get it
Can address War College Thursday next week if satisfactory

to you Am writing

Benj Strong

ALL MESSAGES TAKEN BY THIS COMPANY ARE SUBJECT TO THE FOLLOWING TERMS:

To guard against mistakes or delays, the sender of a message should order it repeated, that is, telegraphed back to the originating office for comparison. For this, one-half the unrepeated message rate is charged in addition. Unless otherwise indicated on its face, this is an unrepeated message and paid for as such, in consideration whereof it is agreed between the sender of the message and this company as follows:

1. The company shall not be liable for mistakes or delays in the transmission or delivery, or for non-delivery, of any message received for transmission at the unrepeated-message rate beyond the sum of five hundred dollars; nor for mistakes or delays in the transmission or delivery, or for non-delivery, of any message received for transmission at the repeated-message rate beyond the sum of five thousand dollars, *unless specially valued*; nor in any case for delays arising from unavoidable interruption in the working of its lines; nor for errors in cipher or obscure messages.
2. In any event the company shall not be liable for damages for mistakes or delays in the transmission or delivery, or for the non-delivery, of any message, whether caused by the negligence of its servants or otherwise, beyond the sum of five thousand dollars, at which amount each message is deemed to be valued, unless a greater value is stated in writing by the sender thereof at the time the message is tendered for transmission, and unless the repeated-message rate is paid or agreed to be paid, and an additional charge equal to one-tenth of one per cent of the amount by which such valuation shall exceed five thousand dollars.
3. The company is hereby made the agent of the sender, without liability, to forward this message over the lines of any other company when necessary to reach its destination.
4. Messages will be delivered free within one-half mile of the company's office in towns of 5,000 population or less, and within one mile of such office in other cities or towns. Beyond these limits the company does not undertake to make delivery, but will, without liability, at the sender's request, as his agent and at his expense, endeavor to contract for him for such delivery at a reasonable price.
5. No responsibility attaches to this company concerning messages until the same are accepted at one of its transmitting offices; and if a message is sent to such office by one of the company's messengers, he acts for that purpose as the agent of the sender.
6. The company will not be liable for damages or statutory penalties in any case where the claim is not presented in writing within sixty days after the message is filed with the company for transmission.
7. Special terms governing the transmission of messages under the classes of messages enumerated below shall apply to messages in each of such respective classes in addition to all the foregoing terms.
8. No employee of the company is authorized to vary the foregoing.

THE WESTERN UNION TELEGRAPH COMPANY
INCORPORATED
NEWCOMB CARLTON, PRESIDENT

CLASSES OF SERVICE

TELEGRAMS

A full-rate expedited service.

NIGHT MESSAGES

Accepted up to 2:00 A.M. at reduced rates to be sent during the night and delivered not earlier than the morning of the ensuing business day.

Night Messages may at the option of the Telegraph Company be mailed at destination to the addressees, and the Company shall be deemed to have discharged its obligation in such cases with respect to delivery by mailing such Night Messages at destination, postage prepaid.

DAY LETTERS

A deferred day service at rates lower than the standard telegram rates as follows: One and one-half times the standard Night Letter rate for the transmission of 50 words or less and one-fifth of the initial rates for each additional 10 words or less.

SPECIAL TERMS APPLYING TO DAY LETTERS:

In further consideration of the reduced rate for this special Day Letter service, the following special terms in addition to those enumerated above are hereby agreed to:

A. Day Letters may be forwarded by the Telegraph Company as a deferred service and the transmission and delivery of such Day Letters is, in all respects, subordinate to the priority of transmission and delivery of regular telegrams.

B. Day Letters shall be written in plain English. Code language is not permissible.

C. This Day Letter is received subject to the express understand-

ing and agreement that the Company does not undertake that a Day Letter shall be delivered on the day of its date absolutely, and at all events; but that the Company's obligation in this respect is subject to the condition that there shall remain sufficient time for the transmission and delivery of such Day Letter on the day of its date during regular office hours, subject to the priority of the transmission of regular telegrams under the conditions named above.

No employee of the Company is authorized to vary the foregoing.

NIGHT LETTERS

Accepted up to 2:00 A.M. for delivery on the morning of the ensuing business day, at rates still lower than standard night message rates, as follows: The standard telegram rate for 10 words shall be charged for the transmission of 50 words or less, and one-fifth of such standard telegram rate for 10 words shall be charged for each additional 10 words or less.

SPECIAL TERMS APPLYING TO NIGHT LETTERS:

In further consideration of the reduced rates for this special Night Letter service, the following special terms in addition to those enumerated above are hereby agreed to:

A. Night Letters may at the option of the Telegraph Company be mailed at destination to the addressees, and the Company shall be deemed to have discharged its obligation in such cases with respect to delivery by mailing such Night Letters at destination, postage prepaid.

B. Night Letters shall be written in plain English. Code language is not permissible.

No employee of the Company is authorized to vary the foregoing.

October 17, 1922.

My dear General McGlachlin:

From your letter I have gathered that the paper which I sent to you last year has not been used with this year's course at the War College, and therefore I shall use that on Thursday of next week (the 26th instant), and prepare myself with some information and comments in regard to conscripting labor, as you were good enough to suggest, although it would possibly be better to let any statement on that subject be made in response to inquiries.

I shall be stopping at 1718 - H Street, and await word from you at your convenience as to the hour of the meeting.

Greatly appreciating your courtesy in desiring me to make this address, and with kindest regards, I am,

Faithfully yours,

Major General E. F. McGlachlin, Jr.,
c/o Army War College,
Washington Barracks, D. C.

BS.MM

THE ARMY WAR COLLEGE

WASHINGTON BARRACKS, D. C.

RECEIVED
OCT 18 1922

Oct. 17, 1922.

Governor Benjamin Strong,
Federal Reserve Bank,
New York City, N. Y.

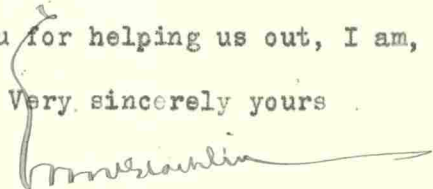
My dear Governor Strong:

The date you suggest in your telegram of this date suits us perfectly. We will, therefore, schedule you for 11:15 A.M., Thursday, October 26.

If you will let me know where to meet you in Washington I will provide an officer and automobile to conduct you to the War College in time for the lecture.

Thanking you for helping us out, I am,

Very sincerely yours


E. F. McGLACHLIN, Jr.,
Major-General, U. S. A.,
Commandant.

October 18, 1922.

My dear General McGlachlin:

Your note of the 17th instant is just received.
I am going to Washington on Wednesday the 25th instant,
and shall be at 1718 - H Street Thursday morning prepared
to attend the lecture at 11:15.

Yours sincerely,

Major General E. F. McGlachlin, Jr.,
The Army War College,
Washington Barracks, D. C.

BS.MM

Wash

THE ARMY WAR COLLEGE
WASHINGTON BARRACKS. D. C.

acknowledged

*Oct 6
by
B. D.*

October 4, 1922.

Governor Benjamin Strong,
Federal Reserve Bank of N. Y.
New York City.

My dear Governor Strong:

May we not look forward to a talk from you on War Finance
on or about October 30th?

I presume you have a retained copy of the paper you so
kindly prepared for us last year and then, on account of illness,
were unable to deliver in person. If you have no copy, I will
be pleased to send you our file copy for your use.

There has been considerable discussion, pro and con, at
the College and elsewhere of the desirability of a general draft
of labor and industry in the event of another great war coupled
with a "freezing of all prices" at the outset of the war. You
are doubtless aware of some of the proposals which have been made.

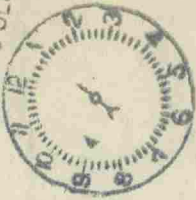
If you do not touch on this point in your talk, you may
expect that some one in the audience will question you along
such lines. It is hoped that you may feel at liberty to give
your personal ideas in the matter from a practical business
viewpoint.

Very sincerely yours,

E. F. McGLACHLIN, Jr.

E. F. McGLACHLIN, Jr.,
Major General, U.S.A.,
Commandant.

RECEIVED BY
GOVERNOR'S SECY



OCT 6 1922

THE ARMY WAR COLLEGE
WASHINGTON, D.C.

Governor Benjamin Strong,
Federal Reserve Bank of N. Y.,
New York City.

My dear Governor Strong:

~~My letter last evening to a talk from the War Finance~~
on or about October 30th.

I presume you have a retained copy of the paper you so
kindly ordered for us last year and then, on account of illness,
were unable to deliver in person. If you have no copy, I will
be pleased to send you my file copy for your use.

There has been considerable discussion, and even at
the College and elsewhere of the desirability of a general draft
of labor and industry in the event of another great war caused
with a "framing of all citizens" at the outset of the war. You
are doubtless aware of some of the proposals which have been made.

If you do not touch on this point in your talk, you may
expect that some one in the audience will question you along
such lines. It is hoped that you may feel at liberty to give
your personal ideas on the matter from a practical business
viewpoint.

Very sincerely yours,

W. E. McGlachlin
W. E. McGlachlin, Jr.,
Major General, U.S.A.,
Commandant.

THE ARMY WAR COLLEGE
WASHINGTON BARRACKS. D. C.

NOV 16 1922

ACKNOWLEDGED

November 14, 1922.

Mr. Benjamin Strong,
Governor, Federal Reserve Bank of New York,
New York City, N.Y.

My dear Governor Strong:

In the conversation I had with you at the close of the very valuable talk you gave us recently, you agreed to come again and discuss "The Draft of Industry and Capital - Will It Produce? How Demobilize After the War?"

I have formed no fixed opinion in the matter. It does occur to me, however, that many of those who are pressing this idea are doing so not so much because such a system will produce more supplies for the fighting forces but rather because such a system will avoid profiteering.

It seems to me that the tests of any supply system should be:
Will it supply the needs of the fighting forces in a manner to give the Commander the utmost possible freedom of action against the enemy?


Will it permit the nation to emerge from the war with a sound economic and political structure and a virile people?

It may very well be that in the event of a great war while the memory of the last one persists with the people that to pass a Selective Service Law we would need to include a clause for the Selective Service of Industry and Capital. It would remain to work out the detailed procedure under such a law which would cause the least dislocation of our economic structure.

I know you will understand that I am not pressing my opinions upon you and that I do not wish to restrict you in any manner as to what you may wish to say. I have felt it only fair to state a few questions which may be put to you.

Tentatively I have set aside the date of Tuesday, January 16th, and the hour of 11:15 A.M. However we shall be glad to arrange for the talk during some time when you are in Washington and to suit your convenience.

Very sincerely yours


E. F. McGLACHLIN, JR.,
Major-General, U. S. Army,
Commandant.

November 14, 1922.

Mr. Benjamin L. ...
Governor, Federal Reserve Bank of New York,
New York City, N. Y.

My dear Governor:

In the memorandum I sent you on the 11th of the year
valuable facts you gave me recently, you seemed to have
discussed "The Draft of Industry and Capital" - Will it be possible to
mobilize after the war?

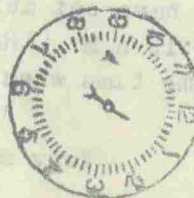
I have formed a fixed opinion in the matter. It does occur to
me, however, that many of those who are planning this idea are doing
so not so much because such a system will produce more supplies for
the fighting forces but rather because such a system will avoid the
fluctuating.

It seems to me that the needs of any supply system should be:
Will it supply the needs of the fighting forces in a manner so
give the Commander the utmost possible freedom of action against the
enemy?
Will it permit the nation to emerge from the war with a sound
economic and political structure and a viable people?

It may very well be that in the event of a great war while the
necessity of the last one persists with the people that to pass a Select
ive Service law we would need to include a chapter for the selective
drafting of industry and capital. It would be better to work out the de-
tailed procedure with a few years before the last draft-
ing of our economic structure.

I know you will understand that I am not presenting my opinions
upon you and that I do not wish to restrict you in any manner as to
what you may wish to say. I have left it only fair to state a few
questions which may be put to you.

For the date of Tuesday, January 16th,
and the hour of the day, I shall be glad to arrange for
the talk but I am in Washington and so will
commence.



RECEIVED BY
GOVERNOR'S SECY

NOV 16 1922

W. H. McCLINTOCK, JR.,
Major-General, U. S. Army,
Commandant.

*no yellow copy
received*

November 16, 1922.

My dear General McGlachlin:

Replying to your letter of November 14, so far as I am now able to tell, January 16 will be a convenient date for me to address the War College, with the sole possible exception so far as I can now forecast that I may be called upon to attend a meeting in San Francisco sometime during the month of January, but the date has not yet been fixed and will not be until probably the middle of December.

I would like very much to accept your suggestion and discuss the question which I understand is very much in your mind just now, namely, whether conscription - which was so successful in raising the fighting forces - may not be extended to industrial workers, to the products of industry, and to capital.

It is a subject which is filled with perplexities, and frankly will require considerable study and preparation. One of the difficulties in the approach to such a subject is that which is encountered in discussing the quantity theory of money. Students and critics approach the subject with a strong desire to develop an exact formula, mathematically accurate, in expressing the problem, and with the hope that it will be equally accurate in producing the result.

Unfortunately, human nature is too often left out of account. The attitude of the public will not always accept and be governed by sound doctrine. While I personally believe that the most convincing arguments can be advanced to justify the extension of the principle of conscription in time of war to practically all the activities of the people, I am equally convinced that it would meet with failure just because the public would not understand it, because human weaknesses, such as ignorance, selfishness and fear would not support the plan, and in the long run any nation which undertook such a program would shortly be forced back to the older methods, inefficient, extravagant and faulty though they may be.

I shall try, however, to prepare something that would be of interest even though I may not be able to take a definite position myself. What I had in mind was to provoke some discussion without attempting to be quite as definite and dogmatic as I may have been the last time I addressed the College.

Thank you very much for inviting me to come again.

Yours sincerely,

Major-General E. F. McGlachlin, Jr.,
Commandant, The Army War College,
Washington Barracks, D. C.

BS.MM

THE ARMY WAR COLLEGE

WASHINGTON BARRACKS, D. C.

Nov. 18, 1922.

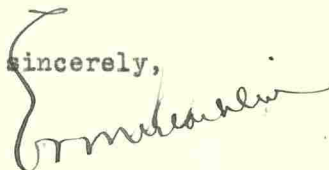
Mr. Benjamin Strong,
Governor, Federal Reserve
Bank of New York,
New York City, N.Y.

My dear Governor Strong:

We are very pleased to know that you will be able to talk to us on January 16th, except for the possibility of your presence being required in California.

In case you are called away in January I will, of course, alter the engagement to suit.

Very sincerely,


E. F. McGLACHLIN, JR.,
Major-General, U. S. Army,
Commandant.

cb

RECEIVED BY
GOVERNOR'S SECY



NOV 21 1922

January 3, 1923.

My dear Sir:

Mr. Strong regrets that on the advice of his doctor he is obliged to cancel his arrangements to address the students of the War College on Tuesday, January 16.

He unfortunately contracted a severe cold which has settled in his sinus and has so affected his voice that he can hardly speak above a whisper. The doctor feels that it would be unwise for Mr. Strong to attempt to use his voice to any extent for the next few weeks. I know you will thoroughly appreciate the circumstances which compel Mr. Strong to defer his visit, but he hopes to soon again set a date when it will be mutually agreeable for him to address the students.

Yours very truly,

Secretary to
Mr. Benj. Strong.

Major-General E. F. McGlachlin, Jr.,
Commandant, The Army War College,
Washington Barracks, D. C.

GB:MM

THE ARMY WAR COLLEGE

WASHINGTON BARRACKS, D. C.

January 5, 1923.

Mr. George Beyer,
Secretary to Mr. Benjamin Strong,
Governor of the Federal Reserve Bank
of New York,
New York City.

Dear Sir:

Please convey to Mr. Strong my regret at his indisposition and the hope that he may soon recover. I also regret his inability to visit us at the time scheduled, but we shall be very glad to have him at some time later in the year and hope that he will let us hear from him with regard to it when he is better and at his convenience.

Very sincerely yours,

E. F. McGLACHLIN, Jr.
E. F. McGLACHLIN, Jr.,
Major General, U.S.A.,
Commandant.

FILES DIV.
JAN 17 1923
FEDERAL RESERVE BANK
NEW YORK

January 17, 1923.

Dear General McGlachlin:

Thank you very much for sending me copy of the address
on War Finance which I delivered at the Army War College in
October, and which I am pleased to have for my personal file.

Yours very truly,

Major-General E. F. McGlachlin, Jr.,
c/o Army War College,
Washington Barracks, D. C.

-740 A.S.

c) Simonds, G A

1923 - 1924

IN F REFER TO
AWC 264-39

THE ARMY WAR COLLEGE
OFFICE OF THE COMMANDANT

ACKNOWLEDGED

NOV 19 1923

R S

WASHINGTON BARRACKS, D. C.

November 13, 1923.

Mr. Benjamin Strong,
Federal Reserve Bank,
New York City.

My dear Mr. Strong:

The War College is anxious to have you lecture to the new class this year on the subject of "War Finance."

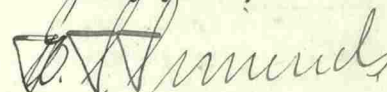
There has been tentatively set aside for you the date of Tuesday, February 15, 1924, at 9:10 A.M.

We would be glad if you could tell us of the strategical use of money in war making, both offensively and defensively as:

- Drafting the dollar.
- Cutting off the credit of an enemy.
- Cornering market in supplies essential to enemy.
- Financing internal dissention of enemy.
- Borrowing for the purpose of obtaining allies.
- Financing neutrals to become allies.

In other words, looking on money as an arm of the service, in which ways can it be used to attack the enemy and to defend against him?

Very sincerely yours,



GEO. S. SIMONDS,
Colonel, Infantry (D.O.L.),
Assistant Commandant.

ACKNOWLEDGED

NOV 12 1933

THE ARMY WAR COLLEGE

OFFICE OF THE COMMANDANT

NOV 12 1933

NOV 12 1933

WASHINGTON, D. C.

November 12, 1933

NOV 14 1933

Mr. Benjamin Strong,
Federal Reserve Bank,
New York City.

The War College is anxious to have you lecture to
the new class this year on the subject of "War Finance."

There has been tentatively set aside for you the
date of Tuesday, February 15, 1934, at 9:10 A.M.

We would be glad if you could tell us of the
local use of money in war making, both offensively and de-
fensively as:

Draining the dollar.
Cutting off the credit of an enemy.
Cornering market in supplies essential to enemy.
Financing internal dissension of enemy.
Borrowing for the purpose of obtaining allies.
Financing neutrals to become allies.
In other words, looking on money as an arm of the service,
in which ways can it be used to attack the enemy and to
defend against him?

Very sincerely yours,

CHAS. E. SIMONDS,
Colonel, Infantry (D.S.I.),
Assistant Commandant.

Referring to
AWC 264-39

November 19, 1923.

*Army
War College*

My dear Colonel Simonds:

It has always been a great pleasure for me to address the War College, and I have felt much complimented that you have been kind enough to renew the invitation from year to year. The subject selected for this year has peculiar interest and appeals to me strongly.

Unfortunately, I have just recovered from a serious difficulty with my throat, which has kept me away from my work at the bank for nine months, and I have been warned by my physicians that addresses for a time are absolutely prohibited. It may be that by next February they will feel that it will be safe for me to make the address; but of course I should be able to let you know well in advance of that so that another speaker on that topic could be selected in case I cannot deliver the address.

It would be quite possible for me to suggest a substitute - even some one from our own organization, who has made a special study of these matters and who would be able to give you an interesting discussion.

Reluctant as I am to forego the opportunity, how would it do for you to advise me by what date - say at the end of the year - a definite reply would not inconvenience you; or if you need to conclude your arrangements now, I might suggest someone to make the talk in my place.

If the latter plan appeals to you, I would be very glad indeed to join in the preparation of the lecture.

Assuring you of my appreciation of your courtesy, I beg to remain,

Very sincerely yours,

Colonel Geo. S. Simonds,
Army War College,
Washington Barracks, D. C.

IN REFERENCE TO

THE ARMY WAR COLLEGE
OFFICE OF THE COMMANDANT

WASHINGTON BARRACKS, D. C.

November 22, 1923.

Mr. Benjamin Strong,
Federal Reserve Bank,
New York City,

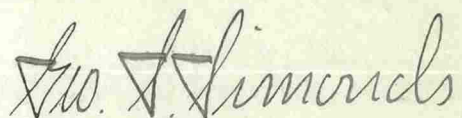
My dear Mr. Strong:

Your letter of November 19th has just been received. I wish to thank you for the interest you take in this work. The College fully appreciates your position and we are very sorry to hear of your illness.

We are particularly anxious to have you talk in person and the matter will be kept open until two weeks before the date set. If in the meantime you decide that it is impracticable for you to be with us, we will be glad to have you select the substitute and it is hoped that in such case you can join in the preparation of the lecture.

Hoping that February will find you completely recovered and thanking you again for the interest you take in the Army War College, I am

Very sincerely yours,



GEO. S. SIMONDS,
Colonel, Infantry (D.O.L.),
Assistant Commandant.

THE ARMY WAR COLLEGE

OFFICE OF THE COMMANDANT

IN REPLY TO

WASHINGTON BARRACKS, D. C.

November 23, 1923

Mr. Benjamin Strong,
Federal Reserve Bank,
New York City.

My dear Mr. Strong:

Your letter of November 19th has just been received. I wish to thank you for the interest you take in this work. The College fully appreciates your position and we are very sorry to hear of your illness.

We are particularly anxious to hear from you in person and the matter will be kept open until we hear from you before the date set. If in the mean time you are unable to do so, it is impracticable for you to be with us, we are glad to have you select the substitute and we will be glad to have you join in the preparation of the report.

Hoping that February will find you completely recovered and thanking you again for the interest you take in the Army War College, I am

Very sincerely yours,

Geo. S. Simonds,
Colonel, Infantry (U.S.A.),
Assistant Commandant.

Army War College

January 4, 1924.

My dear Colonel Simonds:

I have delayed writing you so long in regard to the possibility of my delivering a lecture at the War College this year, until developments enabled me to send a definite advice.

After consulting my physician, he tells me that there is too much hazard to my throat to enable me to think of doing so. I am very sorry indeed because I have always enjoyed the meeting very much. Is there anything I can do to further your program? If so, please do not hesitate to let me know.

With cordial regards, believe me,

Yours sincerely,

Colonel Geo S. Simonds,
Army War College,
Washington Barracks, D. C.

BS.MM