

a) Barney, Mrs Charles F

From Benj. Strong  
to Mrs. Chas. J. Barney

[From Benj. Strong]

690. 0

There are four or five points to bear in mind in travelling in the East to be observed more particularly in the hot than in the cool season; but nevertheless always important. They apply especially to India, Burma, the Malay States, the Dutch Indies, China and Japan, especially the last named.

(1) The sun, especially in India and in the hot season is dangerous unless the head is suitably covered, and to those who are particularly susceptible to the sun, the back of the neck also should be covered. Sometimes an exposure on a hot clear day will be dangerous, if only for five or ten minutes. It is supposed to be due to the actinic rays which for some reason or other in that part of the world are unusually powerful. Therefore, it is well to wear a suitable hat, and in very hot weather a pad over the back of the neck. This is even true while in the Himalayas.

(2) Mosquitos carry malarial infection throughout the entire East to greater or less degree, but especially in the fever belt, in the foot-hills of the Himalayas, and in all those parts of the East where rice is grown, because the rice paddies are breeding grounds for mosquitos and are frequently fever infected. Those who have lived long <sup>in</sup> the East in hot weather principally depend upon fans at night to keep the mosquitos away from the bed, but a fan is liable to give one a cold which is difficult to get rid of in that climate, and it is better to rely upon a mosquito net. Particular care should be observed in travelling from Calcutta to Darjeeling, or from Delhi to Simla, because the railroads in both cases cross the fever belt, but the trains are always provided with wire netting.

(3) Even in the best hotels it is well not to think of drinking ordinary water even though the hotel claims that it has been carefully boiled. Native servants are atrociously careless about following instructions.

It is perfectly safe to have tea if the water is boiled on the table where you can make sure that it really boils. With that exception, the only real security against polluted water is to drink the well known brands of table water. In Japan, Tan San is the best and can be had everywhere.

(4) Fish is the most dangerous food unless it is thoroughly cooked. It is a good carrier of cholera, but cholera, I believe, is practically unknown in the East except in the summer months. Nevertheless, it is well not to eat fish unless it is surely well cooked. The same precaution should be observed about uncooked vegetables such as one might have in salads. I would advise eating no lettuce, celery, radishes, etc., in the hotels, even the good hotels run by Europeans. These things are not very often served but occasionally they are. On the other hand, the precautions which are observed in private houses, and especially those of Government officials, are such that there is no need for any precaution in regard to food.

I have already explained the need for care about the bathing and toilet arrangements in native hotels in Japan.

Among the letters accompanying this memorandum, is one addressed to K. Nishi, c/o Miyako Hotel, Kyoto, Japan, who is an exceptionally fine courier for Japan. If the trip justifies engaging a separate courier, I can unhesitatingly recommend him, and if he is engaged he will be pretty certain to get an excellent man. It is possible, however, to get women couriers in Japan, although I think they are less dependable than the men. It would be well to notify Nishi well in advance.

Time may not permit a visit to the monasteries at Koya San. The cemetery there is one of the most impressive things in Japan. The trip is not one of much hardship and can be made up a mountain of about 6,000 feet by rickshaw. Should it be possible to make that trip it should be borne in mind that one must stay in the Buddhist monastery, although one can sleep very

comfortably there as they will provide travellers with an ample supply of bedding to put on the floor. Strange to say, they will admit ladies as pilgrims, although it is a very remote place visited by comparatively few travellers, and a little preparation is required for the trip. The rules of the monastery forbid them to cook or eat anything but vegetables, and the Japanese diet is sometimes a little difficult for the American palate. If the trip is made, I suggest taking a supply of eggs, coffee, evaporated cream, butter and bread, and possibly some preserves or canned fruit, on which one can do very well for a day or two. Nishi can do the cooking and will know exactly what to take.

A visit to Koya Sen implies that one will make an honorable contribution to the monastery where the traveller stops. This means possibly 100yen apiece. The temple then puts a little tablet in the room where the morning service is conducted and the traveller can thereafter rely upon intercession for the security and happiness of his ancestors for a few thousand years hereafter. By all means stop at Shojo-Shin-In which is the best monastery. As a precaution I am sending a note of introduction to one of the priests there who is a good friend of mine, and with whom I correspond. He will show Mrs. Barney every possible attention.

One word of caution about letters of introduction to official people. Many travellers carry letters of introduction to them and it is a great convenience to them to receive information well in advance of the date of arrival which might be accompanied in advance by the letter of introduction and advice of the name of the hotel where the traveller expects to stop.

5) Belmont Mrs. Uegach

*From B Strong*

FEDERAL RESERVE BANK  
OF NEW YORK

*Accepted  
Mar 28*

March 26th, 1918.

Mrs. August Belmont,  
820 Fifth Avenue,  
New York City.

Dear Mrs. Belmont:

I am much disappointed to hear from Mrs. Baines that you have an engagement to address the Red Cross of Buffalo on April 11th, for I hoped that we would be fortunate enough to get you to speak at our Liberty Loan Rally in Carnegie Hall that evening, when the Archbishop of York and George W. Pepper of Philadelphia are to be the other speakers.

I wonder if you could not rearrange your Buffalo engagement. I would not ask it if I did not feel that your message was a vital part of this particular meeting.

We have not written you earlier for the reason that we were in doubt until today whether the Campaign would start on April 6th.

I very much hope you will be able to help us out.

Sincerely yours,

*B. Strong*

Governor.

[From B Slimey Jr]

FEDERAL RESERVE BANK  
OF NEW YORK

March 29th, 1918.

File

Mrs. August Belmont,  
820 Fifth Avenue,  
New York City.

Dear Mrs. Belmont:

I cannot sufficiently thank you for your very kind response to my letter of Wednesday.

I am only sorry that it means for you another trip to Buffalo later on.

Assuring you of my deep appreciation of what you are doing for our organization, believe me

Sincerely,

*Wm. H. Wood*  
Governor.

1115 Fifth Avenue

MRS. AUGUST BELMONT

April 18

To B. S.

Going over some old files  
I came across the enclosed  
and decided to send it to  
you. Do not return - I do  
not need an aide memoire



[From B Slingsh. J]  
690.

File

EQUITABLE BUILDING  
NEW YORK

April 12th, 1918.

My dear Mrs. Belmont:

I feel quite incapable of expressing our appreciation of your address last night, particularly after it has been so much better done by the Archbishop.

Notwithstanding the worst weather possible, the meeting was a tremendous success and it is going to help us in placing the loan much more than you realize.

Of course, you must understand that I do not feel that any one is really justified in sending thanks to those who undertake the work that you are doing. We are all working for our country and it brings its own reward.

With warmest regards, believe me,

Sincerely yours,

*Res: Arreng*

Mrs. August Belmont,  
820 Fifth Avenue,  
New York City.

BS\*VCM-

c) T. J. Folber  
Pres.  
1919

Hotel Ritz, London,

September 8, 1919.

Dear Tom:

I am writing to advise you of my safe arrival in London, and also to thank you and Mrs. Felder for your many courtesies to me while I was in Paris. It was a great pleasure to see some old American friends.

With every good wish,

Sincerely yours,

Thomas J. Felder, Esq.,  
114, Faubourg St. Honore,  
Paris.

BS/V

W. H. Hays

Nation Picture Producers  
& Distributors of America

1925 - 1926

[Formerly Postmaster General  
[1921 -

BENJ. STRONG

1718 H Street, N. W.,  
Washington, D. C.  
November 2, 1925.

[From B. Strong Jr.]

My dear Will:

This is a quite personal, unofficial and confidential reply to your note of the 27th, because, in the absence of opportunity to talk the matter over with you on account of my absence from New York, I must write you a very frank letter.

The questions raised by the reports which you have sent me, and which I have read with great care, are partly questions of trade, competition, and profit, but they are also partly questions which are essentially economic, and, in a sense, with the world in the condition which it now is, they are almost moral questions.

Disregarding for a moment the various arguments advanced in the report to Dr. Young as to the methods adopted by the German Government to restrict the importation of foreign films into Germany, the fundamental fact is that the producers of films in the United States desire to increase the sale of films in Germany because by doing so the profits of their business are enlarged. On the other hand, the effort of the German Government is directed by an absolute embargo, or limitation upon importation, to restrict the importation of films into Germany.

The essential fact to be considered is whether the effort to restrict importation shall be effective or not, and whether the moral or economic grounds for the restriction are sound; Whether that restriction is imposed by absolute embargo, or whether it shall be made effective by the imposition of a tariff is altogether a question of method. If a tariff is imposed high enough to restrict importation, the result is the same as is accomplished by an embargo. To the extent that a tariff is not effective in restricting importation, just to that extent American producers of films are able to profit.

As I look at it, the only question raised by the report is whether the importation of films into Germany should be restricted or prohibited, or whether it should not be restricted or prohibited.

The facts in the German economic situation today are briefly as follows: The German Government is obligated, under the provisions of the Dawes Plan, which has been accepted by Germany's creditors, including the United States, to pay to her creditors a total of \$625,000,000 a year, or so much of that amount as it is possible to pay without breaking down the economic life of Germany.

After a rather exhaustive discussion of this matter with the most responsible people in the German Government, and in the organization which is charged with the execution of the Dawes Plan, this past summer,

I am homeconvinced that the German Government is intending, by every means in its power, to live up to these obligations. No one knows as yet whether it will be possible for Germany to do so. It depends upon the extent, and the rapidity, of the economic recovery not only of Germany, but of those nations where Germany must find a market for the goods which she produces, and which have themselves suffered as the result of the war. If the German trade, - by which I mean the capacity of Germany to sell goods in foreign markets - increases, the measure of Germany's capacity to pay foreign debts will, likewise, increase. If Germany's export trade does not increase, the only possible method by which these payments can be met will be by progressively and effectively increasing the restrictions upon imports, so that such export trade as Germany is able to develop will be sufficient to cover the reparation payments, after paying for those absolutely essential imports of food stuffs and raw materials which Germany must buy abroad.

The problem, in a word, is either to increase German exports, or to decrease German imports, so that there may be left a balance between income and outgo out of which these obligations may be met.

Now the important thing for Germany, and for the rest of the world, is much less that Germany should meet the last dollar of these obligations, and much more that the evidence of Germany's sincerity in attempting to do so shall be convincing and conclusive to her creditors.

So far as my observation goes, there is only one way by which this convincing evidence can be afforded, and that is by showing a willingness, in the event that exports do not increase, to so restrict the expenditures of the German people for luxuries and extravagances, - in other words, so to reduce the standard of living in Germany - that there will be no question whatever as to the sincerity of her purpose.

Expending the problem to apply to all of Europe, in fact to the whole world, instead of to Germany alone, it means that the world today is faced with a very simple choice: Shall the work of restoration and recovery be directed towards increasing production, increasing trade between the nations, increasing consumption and thereby elevating standards of living; or shall it be directed towards the development of a system of brutal and cruel international restriction upon consumption, - that is a ruthless and heartless system of restraint upon expenditures practiced between the nations - or shall it be directed, as I say, towards the development of trade and commerce.

Now it so happens that at the moment, for monetary and other considerations which seem to be controlling, the policy of many of Germany's neighbors has been to impose various tariff and other restrictions upon imports from Germany. We are not ourselves entirely free from the pressure to impose restrictions upon imports to this country by increased tariffs. Under these circumstances, the tendency in Germany will be to impose restrictions by tariff or otherwise upon her own imports.

I do not think I would write you this letter were it not for the fear which I have of the effect of a nation-wide propaganda through all of

the theatres, or the great bulk of them, which reach the public to an enormous extent, and which might have the effect of building up a sentiment of hostility towards Germany because of the effort of the German Government to impose restrictions upon luxury expenditures by her citizens, principally for the purpose of meeting the absolutely just debt which she has obligated herself to pay in order in part to repair the consequences of the war. Were it a question of tooth brushes, or apples, or anything of like character, I think I would be inclined to keep my own views to myself and not write you this letter. But the thought that it is possible to turn loose upon millions of people in the United States every day the enormous influence of the moving picture film in a propaganda to attack the policy of the German Government in its effort to meet its just obligations, gives me a feeling of despair.

So I am writing you to beg that you bear in mind that the importation of articles of luxury into Germany from foreign countries is, in effect, an impairment of Germany's capacity to pay her just debts to this country and to other countries; that the impairment of that capacity, if it is due to an unnecessary importation of luxuries, may indeed be justly regarded by Germany's creditors as a careless, or deliberate, evasion of her obligations. And I firmly believe that no greater service can be performed by the producers of motion pictures than to announce to the world that they are willingly and gladly foregoing the German market in order to aid Germany in a conscientious effort to pay her creditors.

Of course I realize, as you do, that this argument can be carried too far, and that its extreme application would mean that the payment of these debts must inevitably reduce a large part of the world to a state of abject poverty. The answer is that those people, and those organizations who have influence in the direction of freeing commerce from the restraints, such as you feel apply to your trade with Germany, should direct it towards combatting, by every means in their power, any effort on the part of any nation to erect barriers to trade such as I have described.

I have thought this over for some days before feeling willing to write you this letter. If you have any doubt as to the soundness of my position, I wish that you would write me again.

And if you would like to talk it over with Dr. Schacht, with whom I have discussed it, I will be very glad indeed to arrange a meeting when I return to New York next week.

At any rate, please think it all over.

Sincerely yours,

Will H. Hays, Esq.,  
New York, N. Y.

From B Strong

MOTION PICTURE PRODUCERS & DISTRIBUTORS OF AMERICA, INC.

469 FIFTH AVENUE

NEW YORK CITY

WILL H. HAYS  
PRESIDENT  
COURTLAND SMITH  
SECRETARY

November 7, 1925.

OFFICE OF THE PRESIDENT

Mr. Benjamin F. Strong,  
1718 H Street, N.W.,  
Washington, D.C.

PERSONAL.

ACKNOWLEDGED

NOV 10 1925

My dear Ben:

I have your letter of the second and appreciate it. I realize the difficulties and, of course, am in sympathy with your worries incident to your splendid grasp of the whole situation. Few, indeed, know the whole situation.

B. S.

It is not our purpose now to conduct any propoganda in the theatres and will enter into nothing of that kind without talking with you further. We have taken the matter up with the Government, with our own people, with the important newspaper editors, and with our Chambers of Commerce. Beyond that we have done nothing yet.

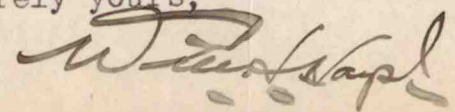
I know that you, too, realize our difficulties when we find ourselves manufacturing the only product against which Germany erects a practical embargo, for ours is, I think, the only manufactured product which is on the Kontingent basis and not on a tariff. It is hard on us when they pick us out as the only one, especially when we have no tariff on their product brought into this country. I say "no tariff" and I mean almost literally that, because when the last tariff bill was enacted, our industry asked for and got a reenactment of the old schedule in the Democratic tariff bill, on films. That was not entirely unselfish because our producers did not fear foreign competition in this country and we hoped by this means to avoid retaliatory tariffs. Instead, we get a Kontingent -- worse than any tariff.

Another real worry, too, is a promotion of similar restrictions by German influence in other countries. The Ufa, owned 85% by the Deutches Bank and harnessed in closely, I suspect, with the German Government, is going after world trade in a most vigorous fashion. That is entirely right, that is its privilege, of course, but I resent the use of the German Government by Ufa in an unfair way against the American film industry.

I would be glad indeed if I could talk with you about it and maybe see Dr. Schacht when you get back.

With kindest personal regards, and best wishes, I am

Sincerely yours,





FEDERAL RESERVE BANK

FEDERAL

NOV 10 1925 9:14 AM

RECEIVED  
GOVERNOR'S OFFICE

NOV 10 1925

*From B. Hays*

PERSONAL

November 10, 1925.

My dear Will:

Thank you very much for your nice note of the seventh, just received on my return from Washington.

I can thoroughly understand the difficulty with which you and your colleagues are confronted. Sometimes my reaction to various moves now being made in Europe - each country to protect its own trade without regard to reaction on other countries - is a rather sympathetic consideration of the possibilities of lower tariffs and freer trade than just now seem to be possible.

The traditional attitude of this country is such that I realize the impossibility of any move in that direction; although the real test is some day going to come in the contest between demand for debt payment on the one hand, and unwillingness to receive goods on the other. Just what the outcome will be, no one can say. But I do have a feeling of strong sympathy for those countries which are entering into solemn obligation to make payments and then on the one hand are faced with these almost impenetrable barriers of tariffs against their exports, and on the other hand, with tremendous political and economic pressure from abroad to prevent their erecting similar barriers against their own imports.

I suppose it is true enough to say that every action of that sort seems to be hostile to some particular interest, and that no action affecting trade restraints can be made perfectly just and fair to all parties. But I wanted you to know that in a general and broad way, viewing the problem as a whole, rather than from your standpoint as interested in motion pictures and films, I have a strong sympathy with the difficulties of those nations, which include many on the Continent of Europe, who are making an earnest struggle to pay their debts and discharge their obligations of honor.

I know that Dr. Schacht would be very glad to see you, but he will only be here for a week longer. There seems little more that I can do in the matter beyond what I have, and possibly I have been too frank in expressing my feelings.

Sincerely yours,

Will E. Hays, Esq.,  
469 Fifth Avenue,  
New York City.

BS.LS

MOTION PICTURE PRODUCERS & DISTRIBUTORS OF AMERICA, INC.

469 FIFTH AVENUE

NEW YORK CITY

WILL H. HAYS  
PRESIDENT  
CARL E. MILLIKEN  
SECRETARY

OFFICE OF THE PRESIDENT

January 3, 1926.

Hon. Benjamin Strong,  
270 Park Avenue,  
New York City.

PERSONAL.

Dear Ben:

Vincent Murphy is an applicant for the position of Agent of the Federal Reserve Bank for the New York District. I have had a good deal to do with him in the last few years and have found him an unusually able man. I know nothing about his peculiar fitness for the particular job but no doubt he would be good.

I do take pleasure in expressing this appreciation of his integrity, industry, ability and judgment. He is a good man.

With kindest personal regards, and best wishes for a happy New Year, I am

Sincerely yours,

*Wm. Hays*

*Miss Bleeker - This is a duplicate of letter sent direct to P.S. & needs no reply from here.*

*YH*



e) Jones, Jesse H

American Red Cross  
1918

[From B. Slaney Jr.]

September 19, 1918.

Dear Mr. Jones:

I am terribly sorry to have missed your call yesterday and it reminds me of the fact that we both missed a very enjoyable time at the mid-summer High Jinks this year.

With kindest regards, believe me,

Cordially yours,

~~Jesse H. Jones, Esq.,~~  
Director, General Military Relief,  
American Red Cross,  
Washington, D. C.

BS/MSB

## NATIONAL OFFICERS

WOODROW WILSON, PRESIDENT  
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 JOHN SKELTON WILLIAMS, TREASURER  
 JOHN W. DAVIS, COUNSELOR  
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WILLIAM HOWARD TAFT  
 CHAIRMAN CENTRAL COMMITTEE  
 ELIOT WADSWORTH, VICE-CHAIRMAN  
 HARVEY D. GIBSON, GENERAL MANAGER



## THE AMERICAN RED CROSS

NATIONAL HEADQUARTERS  
 WASHINGTON, D. C.

*I From B Strong*

RED CROSS WAR COUNCIL  
 BY APPOINTMENT OF THE PRESIDENT OF THE UNITED STATES

HENRY P. DAVISON, CHAIRMAN  
 JOHN D. RYAN  
 CORNELIUS N. BLISS, JR.  
 HARVEY D. GIBSON  
 GEORGE B. CASE

EX OFFICIO  
 WILLIAM HOWARD TAFT  
 ELIOT WADSWORTH

Oct. 3, 1918.

Hon. Benjamin Strong,  
 Equitable Building,  
 New York City.

Dear Mr. Strong:

On my return to Washington I found your note of the 19th inst. Permit me to again congratulate you upon the excellent speech that you made at the Metropolitan. In talking about the meeting in the President's apartment at the Waldorf that night, he took particular occasion to comment upon your speech and spoke very well of it.

The meeting was a great success. Of course neither you nor the President are comedians, and your subjects were certainly about as serious as could be chosen, therefore the meeting was a solemn one. I was particularly impressed with the solemnity of it myself. The President's speech was so far-reaching and had so much in it, that it required reflection and consideration before it could be applauded. However I think that it has in it that which will materially hasten the end of the war. I believe the people of the Central Powers, if they can get his speech properly translated and well distributed, so as to understand it, will decide that they have much less to lose by conceding the fight than by continuing a hopeless struggle.

Again congratulating you upon your meeting and hoping to have the pleasure of seeing you again soon,

Cordially yours,

JHJ/me

*Jesse H. Jones*

*B. S.*  
 OCT 5 1918

[From B. Strong]

October 5, 1918.

Dear Mr. Jones:

It was very good of you to write me so cordially about the meeting last Friday. I sincerely hope that the President was pleased. It was intended to be a serious meeting and it seemed to me that anything that would tend to make it otherwise would have been a great mistake.

I hope the President understood that the audience which he addressed was a very carefully selected one, made up of the leading men and women of the city, who came there in the expectation of hearing a message from him of momentous importance. His reception was most cordial, but I think the character of the meeting itself exercised a restraint upon the enthusiasm which one would ordinarily expect at a conventional mass meeting. The best tribute that I have ever heard accorded any speaker was the impressive silence in which the greater part of his address was received. The comments on the meeting, and particularly upon his address, have been universally favorable. I wish that he might hear them.

Cordially,

Jesse A. Jones, Esq.,  
The American Red Cross,  
National Headquarters,  
Washington, D. C.

BS/MSB

[From B. Strong Jr.]

October 11, 1918.

Dear Mr. Jones:

It was very good of you to let me see Mr. Tumulty's note of October 8th, to you. I am returning it herewith for your files.

I am gratified to learn that the President felt pleased with that meeting here in New York.

Cordially,

Jesse H. Jones, Esq.,  
American Red Cross,  
Washington, D. C.

MSB  
Enc.



655-11

John Price Jones

John Price Jones Corp

1921

Aug 10 Am -

ENGLISH BOND

B-1028

# THE JOHN PRICE JONES CORPORATION

## Organization and Publicity Counsel

150 NASSAU STREET, NEW YORK

### OFFICERS

TELEPHONE, BEEKMAN 1981

JOHN PRICE JONES,  
*President and Treasurer*  
GEORGE A. BRAKELEY,  
*Vice President and General Manager*  
PARKE F. HANLEY, *Vice President*  
H. W. THIRLKELD, *Vice President*  
ROBERT F. DUNCAN,  
*Vice President*

July 29, 1921

Dear Governor Strong:

I should like very much to have you, as a member of the National Budget Committee, understand the financial situation of the committee and I take the liberty of writing to you because Mr. Pratt is away and you are the only person on the committee whom I know.

The situation is this: For about two years now I have been paying the bills of the committee. At first I was Treasurer, then the treasurership lapsed for some reason or other and our corporation has been paying all the bills as they were approved by Mr. Howe, Director of the organization. Outside of that we have done very little, as Mr. Howe has been handling the whole matter.

Last spring I had a talk with Mr. Pratt and at that time the deficit amounted to around \$3,000. He told me then that he was going to have steps taken to raise more money in order to cut down the deficit. Now he has gone away without giving me any instructions as to the limit of expenses. Since then the deficit has risen to about \$7,500. and expenses are going on at the rate of almost \$1,000. a week.

Frankly, I don't know what Mr. Pratt's attitude on this situation is. I don't know whether the directors themselves know what the deficit is. As a matter of fact, in the absence of Mr. Pratt, I have no direct connection with the committee itself. We are perfectly delighted to be of service to the committee if the committee desires it and if they understand the situation. I am not personally concerned about advancing the money and although I have no direct connection with the committee, I should judge that I have some responsibility to Mr. Pratt, because in the past he has always met the deficits. It seems to me, however, that my position is a somewhat nebulous one and in the words of the immortal Harriman "Where do I stand?"

Mr. Howe tells me that he does not know what my arrangements with Mr. Pratt are, which again adds to the complication. I don't ask you to take any action or assume any responsibility. I should, however, like to have you know the situation.

Sincerely yours,

*John Price Jones*

Washington, D. C.,  
July 30, 1921.

Dear Mr. Jones:

Your note of July 29 is just received.

I wish I could give you some definite suggestion about the expense account of the National Budget Committee. Perhaps the best thing will be to await my return to New York, and I will then call a meeting of the Committee to discuss Ways and Means.

My work at the Bank, since returning from abroad, has been too engrossing to permit of my attending meetings of the Committee, so I am not fully informed of what reports Mr. Pratt may have made to the Committee on this subject.

I am sorry that the burden has fallen so heavily upon you, and will do my best to get it straightened out when I get back to New York.

Sincerely yours,

John Price Jones, Esq.,  
The John Price Jones Corporation,  
150 Nassau Street, New York City.

BS.MSB

Budget

# THE JOHN PRICE JONES CORPORATION

Organization and Publicity Counsel

150 NASSAU STREET, NEW YORK

TELEPHONE, BEEKMAN 1981

**OFFICERS**

JOHN PRICE JONES,  
*President and Treasurer*  
GEORGE A. BRAKELEY,  
*Vice President and General Manager*  
PARKE F. HANLEY, *Vice President*  
H.W. THIRLKELD, *Vice President*  
ROBERT F. DUNCAN,  
*Vice President*

*Ack 8/30/21*

August 2, 1921

Dear Governor Strong:

I want to thank you most heartily for your letter of last Saturday and also for your kindness in trying to get me on the telephone in answer to my request to Beyer to let me speak to you.

I have been concerned about the situation simply because in my talk with Mr. Pratt I got the idea, perhaps wrongly, that he did not want to have the deficit go up so high, but I have, however, agreed to meet the bills until Mr. Pratt returns on the first of September. I feel in a way that Mr. Pratt has placed a certain responsibility on me and yet has not defined that responsibility and in his absence I have been somewhat in doubt as to just what to do; but I am going up in the woods for a couple of weeks and I am not going to worry about that.

Sincerely yours,

*John Price Jones*

Governor Benjamin Strong,  
c/o Federal Reserve Board,  
Washington, D. C.

*3007d*

August 19, 1921.

Dear Mr. Jones:

Mr. Pratt is sailing for home on the Steamship George Washington to-day, and should be here on September third.

Yours very truly,

John Price Jones, Esq.,  
c/o The John Price Jones Corp.,  
150 Nassau St.,  
New York, N. Y.

BS:MEM

7) King, John W  
of Iowa  
Farm Bureau member  
1922-1925

*From B Skelton*

December 18, 1922.

My dear Mr. King:

I enjoyed my visit in Chicago with you very much indeed and benefited by the frank talk we had.

Of course, it is difficult to get any publication which exactly answers the questions that were in your mind; but I have endeavored to do so in what I am now sending you.

Please do not be appalled at the size of the bundle when it arrives, for it will contain:

- (1) The Annual Report of this bank.
- (2) The Annual Report of the Federal Reserve Board.
- (3) A little book published by Professor E. W. Kemmerer, of Princeton University, called the "A B C of the Federal Reserve System", which will give you some idea of its theory and of its operations.
- (4) A copy of Part 13 of the Hearings of the Joint Commission of Agricultural Inquiry, where certain passages have been marked that particularly relate to the extension of credit to agriculture. I am sending you this volume especially because it contains not only the statement which Governor Harding made and which I made before the Commission, but also a statement made by Mr. John Skelton Williams, who has been one of the principal critics of the policy of the Federal Reserve System.
- (5) A copy of the report of the Joint Commission of Agricultural Inquiry, in which you will find the various conclusions which it has arrived at in regard to agricultural credit.

From B. Slingsby

December 18, 1922.

My dear Mr. King:

I enjoyed my visit in Chicago with you very much indeed and benefited by the frank talk we had.

Of course, it is difficult to get any publication which exactly answers the questions that were in your mind; but I have endeavored to do so in what I am now sending you.

Please do not be appalled at the size of the bundle when it arrives, for it will contain:

- (1) The Annual Report of this bank.
- (2) The Annual Report of the Federal Reserve Board.
- (3) A little book published by Professor E. W. Kemmerer, of Princeton University, called the "A B C of the Federal Reserve System", which will give you some idea of its theory and of its operations.
- (4) A copy of Part 13 of the Hearings of the Joint Commission of Agricultural Inquiry, where certain passages have been marked that particularly relate to the extension of credit to agriculture. I am sending you this volume especially because it contains not only the statement which Governor Harding made and which I made before the Commission, but also a statement made by Mr. John Skelton Williams, who has been one of the principal critics of the policy of the Federal Reserve System.
- (5) A copy of the report of the Joint Commission of Agricultural Inquiry, in which you will find the various conclusions which it has arrived at in regard to agricultural credit.



2 Farm Bill 1924  
ACKNOWLEDGED

JAN 7 - 1924

R 5

Guthrie Center Iowa

Dec 29 1923

*Strong*  
Governor Stone..

You probably have forgotten me.

If you will remember, we met at the National Convention of the American Farm Bureau Federation. You was kind enough to send me some literature on the laws governing and the function of the Federal Reserve System. I sure got a great deal of good from study of them. In my work in the Farm Bureau, I believe I was able to counteract a great deal of prejudice against Federal Reserve System.

We are studying the system of taxation in its present working form and several proposed new plans. At our community meetings and at our Chamber of Commerce meetings we are having discussions and round table talks on the subject.

There is a great deal of prejudice against the issuance of tax free bonds of any description.

*selected* On the evening of Jan. 8 1924 we have a county meeting and I am slated for a talk on the side of issuing tax free bonds to a limited amount. I thought you might be able to send me some literature on the subject in favor of tax free bonds and give me the view of the eastern man from a financiers view point.

I believe the east and the west and the farmer and the eastern manufacturer and the great class of moneyed men will get along better and all get back to a sound basis quicker if we got together often and on neutral ground to discuss our mutual problems.

I believe the Federal Reserve, the farmer of the middle west have both profited by mutual contact and gaining the viewpoint of each other.

Taxes are like castor oil they both leave a bad taste in the mouth, but they are necessary to get results. They are both efficacious.

The big problem is to administer them with the least objection from the patient.

The question is whether it can be done through indirect taxes by a straight sales tax, or some less objectional way?

I will be glad to give you any information on any topics I can at any time and hoping I am not asking an undue favor

I remain as ever

John W. King  
Guthrie Center  
R 5. Guthrie County  
Iowa

Iowa, the state that has every class of climate and every element of the soil, from which she can grow any kind of produce or man.

We grow many men of wisdom as well as the other extreme.

We have been growing many of the other kind lately.

*John W. King*

Lab Burdens & Symptoms  
(Research report #64)  
issued by National Industrial Conference Board  
sent to Mr King, Jan 8, 1924.

AM 11 15  
BOND

[From B Slingsby]

January 7, 1924.

My dear Mr. King:

You are very much mistaken in assuming that I had forgotten you. I remember our meeting very well and have often wondered whether you had the courage to wade through the mass of literature that I sent you after our visit in Chicago. Since the meeting, I have had a rather long illness, but now and then see some of your friends and especially Mr. Cunningham, who is now a member of the Federal Reserve Board.

As your letter only reaches me this morning and the meeting which you refer to is tomorrow night, I am afraid what I send you will be too late to be of any service. There is so much to be said on the subject of taxation, and there is so much of a background of dissatisfaction about paying taxes, which comes down from the feudal days when no private property was sacred against confiscation by the King, that one must realize that the whole problem of taxation is not only a financial one but it is likewise a social one. There is no use in attempting to impose taxes which by reason of prejudice or any other reason cannot be collected. People will find the means to escape them; or if they become too burdensome and oppressive and too direct, they will simply change them, because after all the vote of the people is capable of accomplishing anything in change of law if enough of them vote that way.

It has always seemed to me, however, that there are some very simple facts about taxation which we can always bear in mind with profit, and while they may be a bit idealistic and not capable of realization, we can at least make an effort to get as near the ideal as possible. For example, no government can continue to run

smoothly if it keeps piling up debts with which to pay its running expenses; and a government - like an individual - must spend less than its income, or in the case of the government, must collect more taxes than it spends if it wants to remain solvent and to escape the penalties of inflation and an unwieldy government debt. Now as to the form in which taxation shall be applied. There are all sorts of theories on this subject, but it seems to me that the test is the fundamental one that any system of taxation in order to be just must distribute the burden of taxation over all the people of the country in reasonable proportion to their ability to pay. Henry George and the single taxers always urged that this would be best accomplished by having but one tax, and that applying to real estate inasmuch as real estate was the fundamental property, the ownership of which was so widespread and the use of which and the fruits of which were so universally distributed that the taxation of real estate would be more equitable and result in an even distribution of the burden over the people than any other system. The single tax movement has almost disappeared and for your purpose need not be discussed.

The next important principle to decide is whether taxation shall be direct or indirect. The most highly scientific direct tax which has yet been devised is the graduated income tax. Probably the most scientific forms of indirect taxation are customs or import duties, and sales taxes. Discussion of the latter would not serve your purpose. The former, however, is directly to the point. It must be borne in mind that every tax of every form is ultimately borne by the ultimate consumer in the increased cost of the articles that he buys and uses and of the services of individuals whom he employs. Theoretically, again, if every citizen of the country could be taxed exactly in proportion to his capacity to pay taxes, and if such taxes could be completely and scientifically collected, the burden of taxation could be distributed entirely through a direct tax on all the people, and the burden adjusted according to the means of the tax-payer. This is a very difficult law to administer and a rather expensive one, but is probably the most just form of taxation that has yet been devised. A sales tax, on the other hand, while possessing many attractive

elements, especially those of administration, nevertheless, according to my view, contains many inherent and unescapable injustices, and any law establishing a sales tax is exceedingly difficult to draw so as to minimize these injustices. For example, suppose we had a universal sales tax which applied to every single thing that people bought. The injustice of such a tax becomes apparent when applied to an article of universal consumption - like bread. Contrast the effect of a sales tax upon the bread consumed by a poor man and that consumed by a rich man. Say that the poor man has an income of \$1000 a year and his family consists of five persons; and the rich man has an income of \$50,000 a year and a family of five persons. Both families consume equal amounts of bread. Let us assume that the cost is \$100 a year, and that the tax, for the purpose of illustration, amounts to \$10.00. The poor man is paying a tax of 1 per cent. of his entire income, and the rich man is paying a tax of 1/50th of 1 per cent. of his entire income, upon a necessity of life. That is the trouble with a sales tax, and it is difficult to devise a sales tax which will produce an adequate income without applying it to necessities of life which are consumed in about like quantities by both rich and poor and which, therefore, puts too much of the burden on the poor.

So it is also in this matter of tax exempt bonds. It creates a large class of citizens who are enjoying incomes from investments, in other words, incomes which are not earned by their labor, upon which they pay no tax whatever; whereas the man who earns his income by the work of his brain, by organizing great businesses and developing the country's resources, if he is successful, is paying a very large tax indeed. The argument about tax exempt securities, like State and municipal bonds, has always been that the rate of return is so much less than upon other bonds of equal goodness that the State is able to borrow so much cheaper, and the effect is just the same, as a tax collection. There is, of course, something in that, but the argument is incomplete. For example, upon a graduated income tax a man with an income of \$1 million a year might theoretically<sup>be</sup> obliged to pay taxes of \$400,000 on

taxable securities, producing a 6 per cent. return on, say \$17 millions. His net income would be \$600,000 a year, or not much more than 3-1/2 per cent. If he bought tax exempt securities today of a high grade, he could realize an income of \$730,000 or \$740,000 a year, and possibly more, and in proportion would probably be paying considerably less taxes than many people who pay taxes upon earned incomes. But this is a very difficult conclusion to establish by figures. One of the greatest objections to the tax exempt securities lies in the fact that it creates this class of rich people whose tendency is constantly to withdraw from business enterprise and from the employment of their money in productive investments which would benefit the country, in place of which they put their funds at the command of the States and municipalities at low rates of interest, thus encouraging the political subdivisions of the country to financial extravagances.

Of course, the principle of tax exemption has been applied to the securities issued by the Farm Loan System. I have always felt that that was a mistake, that it was a species of class paternalism which was contrary to the spirit of American democracy, and that in the long run the farmer would not benefit by that kind of class legislation. There is no doubt that the distribution of credit in the different sections of the country follows the creation of wealth in the different sections. Such accumulations of liquid capital stimulates the creation of banks which grow up from successful and profitable production and trade. Our West is still too new, the population too sparse and greatly scattered, the country is too singly devoted to agriculture as distinguished from industry to yet be able to accumulate its own surplus of liquid funds for loaning, so that the other sections of the country must be drawn upon and the creation of these loaning institutions with the power to issue securities free of taxation undoubtedly does have the effect of making it easier to market their securities at good prices, and consequently easier to draw funds for the farming industry into those sections where investment and liquid funds have not yet accumulated. But if the principle of tax exemption is unsound, and if the principle of preferring one class of people in the country over another by tax

January 7, 1924.

exemption is unsound, why would not the farmers in the long run be better off by accepting a financial system which indeed might cost them 1 per cent. per annum more for their mortgage loans, but, on the other hand, would put them on the same footing as all other classes of people in this democracy, and eliminate from public discussion a matter which has many elements of controversy, dissatisfaction and complaint.

The farmers of the United States should not overlook the fact that the ease with which States, counties and municipalities now borrow money at very low rates because of tax exemption, is one of the causes of constantly increasing taxation to meet the interest and sinking fund on large debts encouraged by the extravagance of State and municipal officials and legislators and that these very extravagances are fostered by the application of tax exemption to those securities.

I have written you very much as I would have discussed this matter with you had we the pleasure of a visit together. In addition I am going to try and look up a little literature on this subject, having the courage to do so after reading your letter and gathering from it that you really found some interest in reading the books that I sent you before.

In the long run, it is my personal belief that the people of this country will be more contented, will be better citizens, and that its financial affairs will be better administered if the principal revenues of the States and of the Federal government are gathered through systems of direct tax, the amount of which is graduated among the different classes of people according to their ability to pay taxes, and that the unequal burden of indirect taxes which are added to the cost of living without the means of apportionment as above mentioned works more injustice upon the poor than almost any other instrument of Government.

Yours very truly,

Mr. John W. King,  
Guthrie Centre, R. 5  
Guthrie County, Iowa.

BS.MM

John W. King  
Guthrie Center  
Iowa

5

[From B Strong Jr] King  
February 18 1924

ACKNOWLEDGED

Benjamin Strong.

I received your letter and was glad to note the contents. JUL 14 1924

I often think of the meeting with you and with other men from other part of our country that I enjoyed in Chicago in 1922 as well as in 1923.

I have seen all the states west of the great lakes and the Missouri river.

To appreciate the extent of our country and the vast difference in the classes of industry there is in the U.S., it is necessary to see some of it.

Then, to be a fair minded citizen it is necessary to put your self in the other fellows position and see what you would want in his place.

It takes so much better eye sight to see the other fellows rights than to see our own.

We have so many men that have never been any where and do not read ~~the~~ much. Some do not take any papers whatever and great many take a daily from the nearest city and never read a magazine or any other literature whatever.

They have never trained their minds to think for themselves and the consequences is, they are fertile ground for any propoganda that their special paper puts out. And we are getting a new special brand handed out about every day. Some of it is almost as deadly as the moonshine that is made in the little valleys along our Raccoon river. The Blue Ridge mountains of Tenn. has nothing on our hills here in Iowa when it comes to production along that line.

We have our Brookhart. Some of us compare him to the measles. WE have ~~be~~ been sick for a ~~few~~ time and about the time for a change we broke out in a rash. With measles there would have been a bad smell and we would have got well. With Brookhart, we have the stench but have had no relief.

We are now having a wave of Ku Klux Klan. It is sweeping over the country and taking in the discontented and irresponsible element at \$10. per.

On account of my activities in community affairs, I was asked to one of their meetings and I went as I wanted to hear their plan of working.

It was about as I thought it would be. He was a good lecturer and he got away with his talk. He talked fast and gave statistics that  $\frac{3}{4}$  of them knew nothing about and he had them hypnotized. They would swallow anything he said.

When two of us refused to join and give over the \$10, he said we would be excused. I wanted to tell the crowd what my objection was, but he would not let me. It seemed to me, there was a thin veneer of charity and goodfellowship over the rankest of racial and religious hatred. He was rank anti-Catholic and anti-Jew.

It is nothing to me what a mans race or creed is if he is a good citizen. And any one that does any thing to stir either one up is not worthy of a home under our flag. We are having enough trouble without stirring any more.

There has been three bank failures in the county this last year.

There never was so many voluntary bankruptcy proceedings and foreclosure sales by the sherrif in our county. Many of our farmers are hanging on in hopes of a better future ahead of us. If they go down in any quantity there will be an unrest created that will be hard to handle

I have not enough brains to know what is the best way out for us.

On our credit side we have a magnificent balance of sound integrity and respect for law and court procedure and an inexhaustible supply of energy and health. We have the greatest and richest corn land in the world, and that means the greatest hog cattle and sheep and poultry country in the world.

Our resources are only tapped, and we have the security for loans of untold millions and the most important of all to us is that it is good enough that it should command the lowest of rates.

WE are hard up but the great majority is sound, but unless we get lower rates we are doomed to a lower standard of living and that will mean a more radical element will be sent to our senate and legislature, and that will mean a more unsettled state for industry of all kinds.

By rates, I mean, interest rates. Lower railways rates would help but not nearly so much as many think.



We need lower rail rates on our bulky and low value articles and could stand higher rates on more valuable goods.

For instance; a raise of 1 cent a pound on clover seed that is worth 30 cents a pound would not hurt the producer nor consumer very much while  $\frac{1}{4}$  of a cent per pound on clover hay that is worth  $\frac{3}{4}$  of a cent a pound would simply be prohibitive. You see the hay would have to rot and be a loss to the producer and the railroad would lose the freight that it might have earned and the consumer would have to use some other substitute. There is many instances like this only not so extreme, but in the aggregate they amount to millions of dollars.

Our interest rates are high. They run from 5% on gilt edge farm loans with  $\frac{1}{2}$ % commission to 8% on personal notes. Many unscrupulous bankers charge an extra commission with the sky ~~as~~ for the limit.

Some men that were caught in \$22 and \$23 and had to renew their loans; were charged as high as 7% with an additional commission of 5% for the accommodation. That is what has made so many of our people so radical and ready to listen to the tirades against a Wall Street that was made to look like a devouring lion. And many think that the Federal Reserve took advantage of the conditions. Now when the local banks are getting what money they want from the Reserve at  $4\frac{1}{2}$ % they are charging us 8% for it. This makes so much dissatisfaction that it may create a spirit through the middle west that may do harm in the future.

The trouble with so many of the midwest farmers is that they do not know who or what has hit them in the past and will not admit any blame them selves and so as they begin to feel their power through their organizations they are ready to hit any thing that comes in their way.

Having to contend with the forces of nature in the shape of rain and drought and wind storms and uncertain road conditions, naturally make of us a conservative people and working alone in the fields and communing with ourselves so much make us set in our ways and when we do run amuck it is a good deal like the Arab of old, we do not know when to stop and frequently friend and foe look alike for awile.

We have been hurt so grievously, in a financial way by our own lack of foresight and by the crooked<sup>ness</sup> of many men and institutions in whom we had the utmost confidence that we as a class have come to a frame of mind in which we will not trust any one.

That is the reason why so many of our fellows turned down the wheat conference in Chicago and are afraid of any great cooperative marketing plan that involves the necessity of signing up a binding contract with a central marketing agency. I do not see any other way to do, because such a plan will need millions and men of ability. Such men will not come forward without something substantial to work on and good security for their money.

With so many of our farmers the name of Bernard Baruch, Julius Barnes, or Eugene Myers is like a red rag to a bull. The question in my mind is how to eradicate this feeling and to be sure of whom we may trust. If confidence could be restored we could all start on the road to the greatest prosperity that our country has ever known. It would go from ocean to ocean and from Canada to the Gulf, and would lead to a way for helping across the water.

I would rather have a hand in accomplishing such a movement than to be a Jenny Lind, or a Hawthorne, or the greatest general in the world.

There ~~is~~ are thousands of community meetings being held all over this country and most of them are well attended. All the way from 100 to 500 hundred people at a meeting. These are being held in little country churches and Legion halls and country club rooms. It is the greatest place in the world to generate a program that will work out a salvation for ourselves and our neighbors in other lines of work.

I only wish it were possible to have all our people to hear some of the men talk that I have had the good fortune to hear. I believe it would

have a tendency to correct some of their biased opinions.

In compariso to the East we are a scattered community,we will average about four families to a square mile and a town of about 700 to every 8 miles square and a town of from 2000 to 5000 to every 3 counties.

We are improving our roads every year so that distance does not count as it did when I was a boy.

I believe I have bothered you enough for this time and so I will close hoping that your health has been improving steadily.

At present we are shut in with snow and rain and slush, but the spring time is coming and we can feel good over thinking of the new crops that are coming on and we will all be in a better frame of mind for the future.

From one who has faith in the future

John W. King

Guthrie Center

R 5

Iowa

P.S. Could you give me the address of  
Bernard Baruch and of Julius Barnes  
so I could get by their secretaries, directly to them  
J.W.K.

Faint, mostly illegible text at the top of the page, possibly bleed-through from the reverse side.

John A. King  
Central Bank  
St. Louis



MAR 8 1924

F. H. JENKINS, PRESIDENT  
FRANK MONTGOMERY, VICE PRES.  
E. C. NISSEN, SEC'Y-TREAS.

Ans  
11/24/25  
r.B.

[Farm B Slough]

DIRECTORS  
W. J. ELLETT, COON RAPIDS, IOWA  
F. H. JENKINS, BAGLEY, IOWA  
FRANK MONTGOMERY, BAGLEY  
E. C. NISSEN, MANNING, IOWA  
J. C. THOMPSON, PERRY, IOWA



# Iowa Agricultural Credit Corporation

Bagley, Iowa



Jan 18

JAN 21 1925

To my friend Strong

I have just received a call to debate against the adoption of the 20<sup>th</sup> amendment to the Constitution at a banker farmer meeting in Bayard, one week from Thursday.

I am fairly posted on it but would like to get all the data I can on the subject.

Can you send me some literature on the subject + how it is viewed by the people in the east.

A great majority of us are against the amendment here.

I am rushed for time just today. will write you more in a few days.

We have had a small crop this year but prices are good. just sold corn for 9/13 @ bu at home station.

Think yet that I will hedge or vote against this before we get

## Iowa Agricultural Credit Corporation

Bagley, Iowa

as I believe we will see higher  
prices on account of low yields.  
We are gradually coming back  
to the sun light & hope of the future.  
We may not have beaten Sam  
Brookhart but we tamed him.  
I will write you soon again  
& wishing you best of luck  
I am

John W King  
Guthrie Center  
Iowa  
R 5-

I did not get to attend the  
Farm Bureau Con at Chicago this  
year.  
JWK

To stenographer.

If Mr Strong is not at home or office  
will you please attend to this for me.  
Thanking you John W King

JOHN W. KING

—: Route 5 :—

GUTHRIE CENTER, IOWA

Jan 31<sup>st</sup> 1925

My friend Buy Strong.

Here are greetings from one of the snow  
 found hills of Iowa to one that is, what  
 the Florida boosters say is, the land of the  
 sun-kissed sands that are covered by the un-  
 kissed beauties that are covered only by the  
 finest climate in the world.

Thank you for the good wishes + I sent  
 to Mr Burgess thanks for the material he  
 sent me. It got here in time and gave me  
 some good joints I did not have.

We went down to defeat 2 to 1 by the  
 judges but got the decision by the audience.  
 In our small town debates the judges  
 are generally chosen by the chairman of the  
 meeting. As a rule he chooses ones that will  
 be complimented by it, and not ones that  
 are competent judges. Some times one wins  
 by it + some times loses. But we had a fine  
 time + the other <sup>winning</sup> side had to "treat" to the  
 lunch + coffee

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JOHN W. KING

—: Route 5 :—

GUTHRIE CENTER, IOWA

Our legislature is in session now. I believe they will refuse ratification by a strong majority.

Union labor & some of the so called uplift organizations of the country put out a lot of propaganda in Iowa and it won over many careless ones that do not look very deep & are always ready to follow with the wind.

But they have swung back & will go the other way.

We have an intelligent citizenry in Iowa but they do not inform themselves on important subjects & are easily led by sophistry.

We have had many quack doctrines preached to us in the last five years that have ranged the gamut all the way from criminal to the ridiculous.

We have had hard & grinding conditions here in the middle west, but are beginning to be able to come up for air once in a while now.

JOHN W. KING

—: Route 5 :—

GUTHRIE CENTER, IOWA

many editorials + reports, of conditions here, are misleading. Many of our people hated to own up that we were to blame for part of our condition. I have heard men give reasons that varied <sup>the way</sup> from the idea that the Federal Reserve deliberately went gunning for us to the idea that it was a punishment from the Lord for our sins of idleness + living in idleness + sin + that it is a warning of the end of the world. But most of us are getting back on middle ground. We are many of us willing to admit that we <sup>are</sup> paying the penalty of our own sins, but that we are not to blame all together.

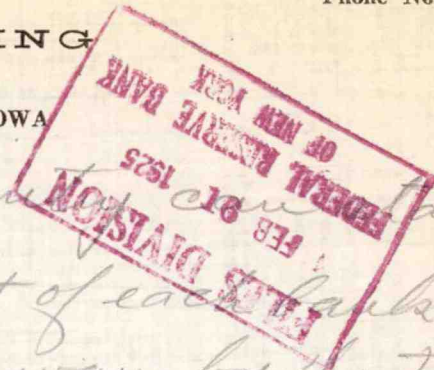
Many of us, as farmers, are hard run financially + many have gone broke. Some deserve it + some don't. Many of the banks are going under this winter. Three large banks in Des Moines closed their doors lately. Last week in Perry (town of 6000) two banks went broke. On Monday a run started on the other two banks. They were in good shape



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JOHN W. KING

—: Route 5 :—

GUTHRIE CENTER, IOWA



but no bank in this county had a panic run, so the president of each bank was gone to Des Moines, 40 miles away, by the time the bank was opened in the morning. Before noon each one drove up in front of his bank with soldier guards & began carrying sacks of specie & bundles of money into the front door through the line of fancy depositors that were waiting to withdraw their money. The bank officials then told the crowd to come on and get their money. Nobody wanted it then.

Probably some of the sacks had newspapers in them & maybe some of the specie sacks were full of iron washers. But the psychology of it saved the bank.

Last Friday a bank in a neighboring town closed its doors.

Many more will follow if they do not get in shape.

a large majority of the banks as well as the farmers are sound & coming uphill. Many of us are wondering why there should be such a wide spread in the

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JOHN W. KING

-: Route 5 :-

GUTHRIE CENTER, IOWA

interest rate we pay & what the banks pay the Federal Reserve.

We pay the bank 8% & they go to the Federal Reserve for about 4%.

If we as farmers give a note that is as good or better security than the bank's paper is, why can't these be a road leading to the vaults of the Reserve without paying a toll of 4% to somebody?

I know there would be 'overhead' to be taken care of & many farmers will not give security, when they can, to make a negotiable paper, but for the ones that are willing, it seems to me there should be a better way.

Our intermediate credit banks can be tapped but by the time the red tape is taken care of it is about 7%.

If a man has a farm <sup>of 160 acres</sup> that, in present condition will sell for \$200. @ a c<sup>o</sup> acre, maybe he paid \$400, & has a mortgage of \$100. on it, he would have to give at least 6% & 1% Com. for a second mortgage & if he wanted to pay it in a year that

6.  
JOHN W. KING

—: Route 5 :—

GUTHRIE CENTER, IOWA

That man has an equity of \$16000. real money + value + probably has equipment + feed + stock worth \$4000. There is a <sup>net</sup> value of \$20000. under the sheriffs hammer minus his exemption.

Is there no way that that mans note can recieve as good + cheap rate as a bank of \$20000. capital. The farmers note could go on record so you would know it was the first + only one. Even if it did not, you would not be taking any more chance on him than on a bank's note. You are not certain what the bank owes when it borrows of you. You only have their word. Maybe the notes they put up as collateral are good & maybe they aint. So there is no chance you would take on the farmer that you dont take on the bank.

I am not a banker, only a farmer, but it seems to me that some way must be worked out for the salvation of all.

I often wish that I could be on some of the Boards or Commissions of authority & have a chance to work out some plan that would be fair to all

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JOHN W. KING

—: Route 5 :—

GUTHRIE CENTER, IOWA

And then when I do get into a place of a little larger responsibility than my own of affairs I meet other men that are just as sincere & have a larger experience than myself, who are at a loss to know what is best.

I have found that much good can be done in a small way, by putting a hole in some of the hot air balloons that are floating around.

I have made many mistakes of my own & have found out that I do not know it all so that makes me have charity for others.

It is hard for many men to realize that the U.S. contains men of many kinds of interests & that they are as fair & honest as ourselves & have troubles of their own.

One trouble with us <sup>in this</sup> is we are removed only one generation, and some of that generation are still here, from the man & woman that drove into these rich prairies with a team & wagon with a long barreled rifle hung to the wagon bows. His own muscle raged his grain & ground it & his wife made the clothes they wore & his rifle brought in the meat & kept out the wolf & decided his arguments with his neighbor if he had one.

8  
JOHN W. KING

—: Route 5 :—

GUTHRIE CENTER, IOWA

I am living now in a thickly settled neighborhood where there was no one when I was ten years old.

I herded cattle for my father at that age on an old gray horse + ranged as far to the west + north as I wanted to + could get back the same day.

I have seen the prairie fires sweep over this country for miles under high winds when men rode for their lives or to get to their families in peril. We always kept a fire guard broke + cultivated around our buildings and grain + hay.

With the independent spirit that those conditions generated, it is hard to get men that can remember those things, to work together in a co-operative way + trust their leaders to do business for them.

A death or disaster always brought our fathers + mothers together for miles + now I believe the last five years of disaster to the middle west is bringing us together so we will be in better shape. We do not need pity + don't want it, we only want an even chance + I believe we have the brains + ability to

a  
JOHN W. KING

—: Route 5 :—

GUTHRIE CENTER, IOWA

work it out in time.

We have the richest corn & alfalfa land in the world. We have raised men that have successfully filled many high places in the land. Our soldiers have always been on the front. Our cattle & hogs top the market in the stock yards & in the shows. Our boys & girls are going to college & coming back to the farms. Our fathers & mothers drove out the Indians & the wolf & left us the land, now we are trying hard to adjust our marketing & financial conditions to meet the changing conditions & our boys & girls are staying to carry on & make the corn belt of the middle west, the paradise of the whole United States.

The west must remember they need a prosperous east & the east must remember they must have a prosperous west. We must all work together so when the time of stress comes we can face to the East or to the West & say to any nation, "Hands off for we are one."

In sincerity

John W. King

My wife says this is no  
letter it is  
Cancel Post

JOHN W. KING

—: Route 1:—

CENTRAL-CENTRAL IOWA

FEDERAL RESERVE BANK  
OF NEW YORK

FEB 5 1925 9 51 AM

RECEIVED  
GOVERNOR'S OFFICE

*[From Billings to King]*  
Palm Beach, Fla.,  
February 9, 1925.

My dear Friend King:

Your very interesting letter of January 31 has been forwarded to me, and, as is always the case with your letters, I have read it with a great deal of enjoyment.

My interest in the beauties of this place has been entirely confined to golf, but, if I were you, I wouldn't be so sure in asserting that some of the beauties down here are "unkissed" -- I believe there is evidence to the contrary!

Some time I am going to make a trip out to Iowa and have a look at some of those farms, and talk with some of the farmers. Of course they have had hard times, but things are looking up and this is no time for discouragement.

Rumors of the banking troubles to which you refer have reached us from time to time, and I suppose it is a fact that they are not over yet. Many of the banks are loaded up with loans which were made for the purchase of farms at inflated prices, and, of course, it will take years to work out of the difficulty. But I don't see why the Iowa Farmer should be particularly blamed for being carried away by a speculative fever which absorbed the entire country. Certainly we saw the same thing going on in New York in almost every kind of commodity that is dealt with and speculated in, and the losses here were in proportion, I suppose, just as great as those that occurred in Iowa.

I am especially interested in what you write about the rates that the farmers pay for money. It is a very difficult problem which I had hoped would have been partly solved by the operations of the Intermediate Credit Banks. They have helped somewhat; but undoubtedly not enough.

The difficulty lies in the fact that the surplus funds in the money centers are not directly available to the borrowers in those sections where there is a shortage of banking capital. Many proposals have been made for remedying this difficulty.

One is that we should develop a system of state-wide branch banking. The argument in favor of it is undoubtedly that it would in course of time effect some reduction in interest rates to the small local borrower. On the other hand



there are strong arguments against it. And one is that local banking autonomy would gradually disappear. The management of small banking offices in small communities would be in the hands of managers who had no local responsibility, and little freedom in dealing with local situations. Our system of independent banks would gradually disappear. It would tend to create a system of huge banks controlled from the money centers. And I rather doubt the desirability of any such development in this country. We are too inclined to compare branch banking possibilities in this country with what has happened in Europe in countries of very small area, uniform population, and short distances for communication and management. If we are to have any system of branch banking, it should be by gradual growth and volition, and not as the result of a mad scramble by big banks to buy little banks all over the country.

Another proposal has been to have the Federal Reserve Banks make direct loans to private borrowers and do business with private customers. And one of the principal reasons advocated for their dealing direct with the public has been that it effects some restraint upon the rapacity of the commercial banks. But again I doubt the wisdom of any such development in this country. It would antagonize banking institutions generally against the Federal Reserve System, and might, in the end, break down. The conditions which now exist in banking in this country are similar to those which have always arisen in new countries, and only the growth of the population and wealth of the country will in the long run overcome it. In the meantime, good old fashioned economy is the thing that is needed. We have eliminated a large part of the country's liquor bill, but in its place we have the automobile. And when one considers that this year it is estimated that there are 17,000,000 motor vehicles in operation in the United States, many of them causing a real economic waste, it is not hard to understand that lack of saving may have something to do with these difficulties.

But one thing I have difficulty in understanding is the urgency with which the question of the rate of interest on borrowings is advanced by the farmers as though some improvement in that matter would cure their ills. For example: If a wheat farmer with a quarter section of land raises 2500 bushels of wheat this year, he may realize, say, \$4,000 gross for his crop, whereas last year he may only have realized \$2,000 gross and have been unable to support his family in comfort. If he is borrowing \$15,000 on his farm, the difference between 6% and 8% on the money is only \$300 a year, as against a possible fluctuation in the return from his crop of, say, \$2,000 a year. Why

Mr. King

-3-

2.9.25.

FEDERAL RESERVE BANK  
OF NEW YORK  
FEB 9 1925  
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isn't his problem one of prices and farm economy and marketing to a much greater degree than credit?

Another question which often arises in my mind, especially in connection with the Southern farmer, is whether he is not too much wedded to the notions of former generations as to how he should farm. Are the farmers in fact taking advantage of every opportunity to improve the quality and yield of their crops and to study what they produce with close regard to marketing possibilities, etc. For years the South suffered from the indifference of the farmers and from their lack of enterprise; they imported pork from the Northwest when they could have grown enough corn and raised enough hogs to save the entire cost of the foreign produced article. These conditions are now being improved, but is it not a fact that much greater improvement is possible if more study is given to scientific farm economy?

On the whole, I am inclined to agree with Professor Friday in his conclusion that the outlook for farming is better than it has been for many years in the past, and, if that is so, where can we look for any greater prosperity than in such states as yours, where soil and climate combine to make crops as certain as in any part of the United States?

These are just a few reflections from a friend, who is quite ignorant of farm matters, but nevertheless greatly interested. I would like to know how they strike you.

With many good wishes, believe me,

Sincerely your friend,

John W. King, Esq.,  
Route 5, Guthrie Center, Ia.

BS.MSB

h) Paene Albert P

1919

*I From B. Strong Sr.  
J. Baker*

Lake George, N. Y.,  
March 1, 1919.

PERSONAL:

Dear Mr. Paine:

My acquaintance with Mr. Baker commenced fifteen years ago, when I became connected with the Bankers Trust Company in 1903. But it was not until October, 1907, when the panic burst upon us in Wall Street, that I had the privilege of a more intimate relationship. I well recall the day when, after a very hasty and incomplete examination of the Trust Company of America, I was called to J. P. Morgan & Company's office to make a report. When I went in, one of Mr. Morgan's partners asked me to step into a rear room and to allow Mr. Willard V. King, then vice president of the New York Trust Company, who was a member of the examining committee with me, to report to a meeting of trust company presidents that was being held in another office, as Mr. Morgan wished to have a talk with me privately about what I had learned of the company's affairs. Mr. Morgan came in with Mr. Baker and Mr. James Stillman, and stated in a rather emphatic manner that nothing could be accomplished at the meeting of trust company men in the next room; that they had been talking for some hours without result; and it was hopeless to expect results from a group of men who were so little acquainted that they had to be introduced to each other when they came in. I spent possibly an hour, stating my impressions of the Trust Company of America to Mr. Morgan, Sr., Mr. Baker and Mr. Stillman. I recall that there was no hesitation in their agreeing that advances must be made at once to the Trust Company of America, even at the considerable risk involved because of the little then known of its condition, as my report could give but slight and fragmentary information after the hasty examination that had been made.

The larger meeting was dismissed, and the doors thrown open to an adjoining room. Mr. Baker stated that he was satisfied to join with the others in the advances then being made, and would return to his bank. Shortly after that clerks from the Trust Company of America came into the room with securities, and while Mr. Morgan and I selected collateral to secure the advances, Mr. Stillman from time to time called his office on the telephone and arranged to have the cash sent by hand to the Trust Company of America. As I recall, these advances of cash were made jointly by the First National Bank, the National City Bank, and the Hanover National Bank.

It had been agreed that a meeting would be held at the up-town office of the Union Trust Company that evening for the purpose of considering further plans. After spending the rest of the afternoon at the Trust Company of America, I went to the Union Trust Company office where Mr. Morgan, Mr. Baker and Mr. Stillman were to meet with the trust company presidents. We were all crowded into a little meeting room, and again much time was given to discussion, without progress being made, until Mr. Morgan announced that it appeared that at least \$10,000,000 would be required by the Trust Company; that it should be furnished by the other trust companies of the city; and asked for pledges from those present representing trust companies. No one responded at first, until Mr. Baker whispered to Mr. E. C. Converse, then president of the Bankers Trust Company, sitting next to him, that his company should start matters going by offering to advance \$500,000. He told Mr. Converse that the First National Bank would stand behind him. At that time the Bankers Trust Company was a young and comparatively small company. I believe that the confidence with which Mr. Baker gave the assurance was considerably responsible for the response of the other trust company

men who had naturally been reluctant to make what appeared to be a rather hazardous commitment at that time. Something over \$8,000,000 was pledged at the meeting, Mr. Morgan stating that temporarily three or four of the larger banks would be responsible for the difference, until the balance was made up among trust companies not represented. The meeting then adjourned.

This was succeeded by still further examinations of the Trust Company of America, and, some days later, the unfortunate Tennessee Coal and Iron development precipitated further crises, and again a meeting was called. This time at Mr. Morgan's library, for a Sunday evening. It was, in many respects, one of the most dramatic and important meetings of the kind ever held in New York. I recall but one particular incident in which I observed Mr. Baker's part. The trust company men were again reluctant to come forward with the very large commitment required, aggregating, as I recall, \$25,000,000, to be used in various directions. The president of one trust company, of which Mr. Baker was a director, had expressed unwillingness to make any commitment for his company without consulting his directors. It was the only time in the fifteen years that I have known Mr. Baker when I saw him exhibit even impatience. This gentleman, who has since died, received in a few words a very plain and explicit statement of what his attitude meant, and I think Mr. Baker betrayed at that time only such plain spoken impatience as would indicate the strain under which everyone was laboring -- it must have been something like three o'clock in the morning. The meeting broke up between half-past four and five o'clock, and I walked up with Mr. Baker as far as his house on Madison Avenue, when he certainly did not exhibit any more depression or exhaustion than I did.

At no time during those trying days can I recall Mr. Baker showing lack

of courage. It will doubtless be shown that the First National Bank took a large share of every commitment for the general good that was made, and I have no doubt that Mr. Baker would to-day admit that he had no expectation of incurring any serious loss in connection with any one of them. He had faith!

My contact with him in subsequent years, until April of 1917, had to do principally with the routine of the business and development of the Bankers Trust Company.

As soon as Secretary McAdoo decided to employ the Reserve Banks to carry out his program of war finance, it became necessary for us to organize a committee of bankers to supervise these operations in behalf of the Treasury Department, and as an adjunct of the staff of the Federal Reserve Bank. Mr. Baker became a member of that committee, and I think no relationship which I have ever had with him has brought out so clearly his courage, and, at the same time, his modesty. Other men of his age and long experience in New York might have hesitated to accept membership on a committee of that kind, and felt that it would have been more appropriate for one of his staff to serve in his place. But that was never Mr. Baker's idea from the start. He not only became a member of the committee, but one of its most regular and faithful attendants.

It soon developed that the committee, in addition to assuming responsibility for raising funds for the Government, had become, in a measure, responsible for the whole money situation in the city of New York. As the Government's borrowings from the banks increased, there was a strong tendency for them to withdraw their loans made to members of the Stock Exchange, and repeatedly, at meetings of the committee, it was necessary to raise large sums to be loaned on the Street (as well as large amounts to be loaned to the Government on certificates of indebted-

ness) from the institutions represented on the Committee. Mr. Baker was almost invariably first in making large pledges of this character, and it became a convention in the meetings, when these discussions took place, for the secretary to hand him a pad and pencil in order that he might make apportionments around the table, which sometimes were for amounts aggregating \$50,000,000 or \$60,000,000. The members of the Committee accepted generously and willingly a certain leadership by Mr. Baker, in this matter, and showed great deference to his views.

The same was true in placing the Liberty Loans. In the first loan a sub-committee was appointed to solicit large subscriptions from individuals and corporations, Mr. Lamont, of J. P. Morgan & Company, being chairman of that committee, and Mr. Baker a member. Mr. Lamont subsequently told me that when the list was made up, Mr. Baker appropriated by far the largest number of names on the list and made it his personal business -- I might say his sole business for a time -- to get subscriptions from all of them, and with almost uniform success. The result was that the First National Bank turned in the largest subscription of any banking institution to the first loan.

It was at this time that it became necessary to break down the prejudices of New York bankers against borrowing money from the Reserve Bank. One day Mr. Baker came early to a meeting and, drawing me one side, stated that the First National Bank might want to borrow \$50,000,000 from us. I told him that of course they could have it. As I recall, the securities came over and the bank was credited with the \$50,000,000 the same day. I imagine it was the first time the First National Bank had ever borrowed in its history, and Mr. Baker was probably as much surprised at the ease with which the transaction was effected as other bankers were to see the statement that the loan had been made. It went a long way toward "breaking the



ice" because the statement published by national banks at the call of the Comptroller shortly thereafter showed total borrowings by the First National Bank of \$65,000,000. (In this connection I believe it would be illuminating if an account in detail of the transactions of the First National Bank with the Federal Reserve Bank could be published -- It would show an astonishing record of financial transactions, probably unprecedented in the country, and certainly so in proportion to the size of the Bank.)

During all of the summer and fall of 1917, when new problems had to be faced, and upon a scale hitherto unknown, it was necessary to have frequent committee meetings at the Bank and at very short notice. I recall with some regrets that one day a sub-committee of the Liberty Loan Committee was asked on very short notice to meet at my office at 3:00 o'clock. Shortly before the meeting, a very severe thunder storm broke over the city, and I had not the slightest expectation that the members of the committee would appear. On the contrary, however, Mr. Baker came into my office promptly at 3:00 o'clock, dripping wet, and ready, as always, for whatever new development was in hand. And the other members came also!

The situation which arose immediately after our entrance into the war, contained so many possibilities of differences of opinion and policy, that a group of independent, strong-minded, men, such as constituted this committee, might easily have found it difficult to function. Such differences of opinion were inevitable, and did develop, but it is no exaggeration to say that there never was a time when Mr. Baker was not willing to subordinate his views to those of a majority, and principally those of younger men. There was never a time when his own suggestions were based upon other than the highest quality of patriotism and upon his desire to assist the Government and his country in carrying out its war program. He has made trips <sup>to</sup> Washington for that purpose at the request of the

Treasury Department and the Reserve Bank, and he has repeatedly stated to me, personally, that his personal services and the influence and facilities of his bank, and everything at this command, were at our disposal to help make this work successful.

The first step towards inaugurating the first Liberty Loan in New York was a luncheon given to Secretary McAdoo at the Bankers Club. Secretary McAdoo sat at my right, and Mr. Baker next to him. They spent the entire hour of the luncheon in discussing the Treasury Department's plans, and I have heard both from Mr. Baker and from Secretary McAdoo since then that that meeting laid the foundation for a mutual confidence which I believe has steadily grown stronger during the past year and one-half, and resulted in the Secretary entertaining a high regard for Mr. Baker's views. Frequently, in meetings with the Secretary, he has asked me to find out what Mr. Baker thought about some matter under discussion.

I suppose it is a fact that few men of his prominence and influence are as little known, generally, throughout the country as Mr. Baker is. Probably the explanation lies in part in his own character. This may, as I now feel, be summed up in three outstanding qualities natural to the man -- one is his simplicity, another his modesty, and the third his courage. I don't believe Mr. Baker ever solicited a newspaper interview, and I feel very sure that he has scrupulously avoided them whenever possible. I have never heard him make a remark that could be considered boastful or egotistical, and, on the other hand, it would be the universal statement of all of his friends who know him intimately that few men in Wall Street have exhibited greater courage in crises than he.

During all of these troublesome times, I have never seen him enter into a contention or betray temper.

There are few men in this country who accumulate great wealth who do not succumb to the American spirit of display in some form or another. The whole record of Mr. Baker's life and of his administration of the First National Bank has been one of avoidance of display, extravagance, waste and publicity. With it all, we who know him well, have seen the evidences many times of strong human affection, which would disprove any thought that he belonged to that class of Wall Street men who are so frequently characterized as "cold-blooded" and "hard-hearted."

He is an honest, modest, and simple man, whose courage is founded on faith in his country, on the honesty of human beings, and on his own judgment.

Of course you do not expect to incorporate any part of the above in your book as it is written. George can do that much better than I can. I have simply endeavored to write quite frankly of some few of my experiences with Mr. Baker, and some of my own estimates of him, gathered from these experiences, which might be of value in preparing the story of a man's life, which it certainly must be a pleasure to you, as it would be to anyone, to be allowed to prepare.

Very truly yours,

Albert B. Paine, Esq.,  
Bronxville, New York.

BS.MSB

[From B. Strong] re Geo F. Baker Sr.  
London, September 16, 1919.

Dear Mr. Paine:

Your note of September 3 has been forwarded to me here. The occurrence to which you refer was briefly as follows:

The day following the suspension of the Knickerbocker Trust Company a determined run started on the Trust Company of America. I acted as chairman of the committee which made a hasty examination of their affairs and a preliminary report to the trust company presidents and a few other bankers at Mr. Morgan's office at noon. We then returned to the Trust Company of America to make a further examination, and all of the trust company presidents, together with a few other bankers including Mr. Morgan, met at the uptown office of the Union Trust Company to decide what should be done. The meeting took place in a little committee room in the rear of the Trust Company's offices and lasted from about 7 o'clock until about midnight. We were all crowded into a room much too small, around a table that occupied the greater part of the room, Mr. Morgan sitting at one end of it, and I happened to be sitting immediately behind him. The discussion was a bit tiresome and during the course of it Mr. Morgan went to sleep. It is impossible for me to say how long he had been sleeping, as I was immediately behind him, but I well recall that when he awoke, probably not having heard any of the discussion for some time, - and even if he heard it, quite ignoring it, - he went right to the meat of the situation by asking the men sitting around the table individually how much their respective companies would subscribe to a loan for the purpose of aiding the Trust Company of America, and after all but about one and three-quarter million of the fund of \$10,000,000 had been made up in the room, he said that temporarily the three big national banks represented there, that is, the First National, the National City and the Hanover, would make up the balance until the trust company men raised it, and then he went home. It was arranged that I would go to Mr. Oakleigh Thorne's house with Mr. Kilborne, of the National City Bank, after the meeting adjourned and agree with Mr. Thorne, president of the Trust Company of America, upon what collateral should be deposited to secure the loan, and although we could not start until 1 o'clock in the morning we had managed to work out an agreement along toward breakfast time which eventually went through.

It was from that meeting that Mr. George W. Perkins went to the Manhattan Hotel to meet the newspaper men to make a statement for the morning papers, which, when printed, was the cause of a good deal of bitter feeling, as it was claimed that it directed attention to the Trust Company of America and its difficulties unnecessarily. I was not present at that meeting and so unable to judge of the merits of the controversy.

Of course you and Mr. George Baker, Jr., realize that many of the participants in the affairs of those trying days are living and in active business and that it would be necessary to use a good deal of caution in preparing the narrative. Possibly you will be good enough to show this letter to Mr. Baker, Jr., and get his judgment as to the wisdom of going into details.

I am looking forward with great interest to reading the biography when it is finished.

Faithfully yours,

Mr. Albert B. Paine,  
The Players,  
16 Gramercy Park, New York.

BS/V

i) Pratt, Mrs John T

1920

From Billings

Phoenix, Arizona, April 6, 1920.

Mrs. John T. Pratt,  
c/o Republican National Committee,  
19 W. 44th St. New York City.

My dear Ruth:

This is a reply to your letter from the office just received, as I am working on some mail. I must take the opportunity to write you frankly with some personal comments on the questionnaire on banking and currency. If you think worth while, show this letter to Mr. Hays, but tell him that for obvious reasons I would greatly prefer to have you and him hold it in confidence. The answers to the questions which I enclose explain themselves, but the following general statement is needed in further explanation.

When the war started in 1914, all belligerent nations which had access to our markets came here to buy foodstuffs and military supplies in unlimited quantities and beyond both our capacity to produce and their capacity to pay by the usual exchange of goods for goods and services for services. This resulted in various economic phenomena which may be summarized briefly as follows:

Exports

- (a) We planted more land and increased our farm production.
- (b) We bred more draft and food animals and increased our herds.
- (c) We enlarged our industrial plants, built new ones and greatly increased our production of all kinds of material required abroad for both civil and military use.
- (d) We loaned large sums of money abroad.
- (e) We repaid debts which we owed abroad.
- (f) We imported over a billion dollars of gold, and increased our bank reserves by that amount.
- (g) In consequence of the above, there was a slight enlargement of the note currency in circulation, and a considerable enlargement of bank loans and deposits.

These Phenomina are those which invariably accompany an increase in a nation's wealth. In other words, we were rapidly getting rich out of the war, enlarging our production, our national assets and our banking resources. The only question which can be raised as to the soundness and permanence of this prosperity relates to the question of the price level

which undoubtedly, and in my opinion, unavoidably was bound to advance under conditions which no system of banking or of economics which has yet been devised could be made to control.

The above relates to the period between the commencement of the war in 1914 and our entrance into the war in 1917.

Shortly after we entered the war, and our enormous financial operations commenced, a considerable number of the leading economists of the college professor, doctrinaire type, undertook to criticise the policy of the treasury and of the federal reserve system. One of the leaders in this criticism was Professor Hollander, whose name appears upon the papers you sent me, and I suspect that possibly he and some of the others whose names I notice may now be undertaking to direct these criticisms against the present political party and administration in office for political purposes.

Please do not allow yourself to be misled and possibly lead into difficulties by the criticisms of theorists who have had absolutely no experience in practical affairs and who are, in fact, very poorly informed of what actually transpired, and therefore, rather naturally judge by the results which they see rather than by their own knowledge of all of the circumstances and difficulties which were encountered in accomplishing an almost superhuman task.

Mr. Vanderlip and others have charged that the federal reserve system was subject to political domination, because our rates were not as high as some of them thought they should be, and because those rates were in a measure fixed to facilitate the treasury's program. This is a wholly mistaken idea and a correct view of the program is something as follows:

Broadly speaking, there were three ways by which inflation might be kept under control and prices kept down.

- (1) General economy in the consumption of goods of all kinds by all the people of the country, so that what was required for military purposes might be available (and this includes labor and transportation) out of what was saved by economy.
- (2) Curtailment of borrowing from banks in order to expand production by the imposition of heavy rates for loans and a consequent tax upon production based upon bank credit.
- (3) The payment of higher and more attractive rates by the government for war loans so that a wider



distribution to subscribers would result without need for bank borrowings in order to carry bonds.

You certainly and I believe most of the people of the country are aware of the efforts made to impress upon the American people the urgent needs of economy and the disorganizing consequences resulting from higher prices, if they did not heed the warning. It may be that more could have been done in this line, but the responsibility for this failure, if it was a failure, rests neither with the federal reserve system, nor with the administration, but rather with the peculiarities of the American temperament and the habits of a people who were accustomed to enjoy the luxuries and extravagances that are inevitable in a new and rich country.

As to 2 and 3, you have frequently heard me say that to fix the responsibility for the policy of the treasury and the federal reserve system is like fixing the responsibility for breaking a string upon which two people are pulling, one at each end with all their might. Congress was charged with the duty of authorizing war loans and delegated a most limited authority to the secretary of the treasury to fix rates and terms. The Congress simply heard his recommendations, which were arrived at after consulting the reserve banks and other bankers. Assuming, however, that the secretary of the treasury had sufficient influence with Congress (which was really not the case) to be regarded as himself determining the rates to be paid, there were then two bodies between whom this question of rates had to be settled. One the one hand the treasury department, and on the other hand the federal reserve system. The facts are that in every instance they made every effort to have their minds meet and to agree upon the wisest course. In some instances I personally felt that the rates were too low, but in all of those cases there were others of my associates and many other bankers outside of the reserve system who felt that they were either too high or in some cases were about right. As must always be true of such matters, these policies as to rates were the result of discussion, inquiry and a composition of conflicting views at the mean point at which it was believed that the greatest possibilities of success existed.

Looking at the subject in general terms, the rates at which the United States government borrowed money had to be determined (upon the above assumption as to the secretary's powers) either by the secretary of the treasury, or by the federal reserve system. The secretary of the treasury could fix rates if Congress authorized him so much below our rates that his loans would be hopeless failures, or on the other

hand we could advance our rates so much above those at which he felt that he could borrow money that we would cause his loans to fail. Looking at the matter sensibly and with due regard to contemporaneous conditions, what could be done under the circumstances that was not done? These men who criticised what was done have from time to time come forward with some of the most unpractical and ridiculous suggestions that I have ever heard. Their great cry has all along been "higher interest rates" and yet any sensible person must know that a nation which encounters a demand for goods beyond its capacity to produce, and which is consuming and wasting goods beyond its capacity to pay for out of current savings, must resort to credit and mortgage its savings of the future in order to pay for the waste of the present. Higher interest rates, such as would have been effective in imposing a rigid economy upon all the people of the country would have smashed the value of all securities, embarrassed and possibly bankrupted many individuals and corporations and probably resulted in hardships, losses and embarrassment equal, if not greater, than those resulting from the present high prices and inflation of bank deposits and currency.

Our college professors seem to overlook the fact that the greatest corrective of wasteful expenditure in time of war by the civil population is heavy direct taxation, and surely if a courageous and constructive policy was not adopted in this respect, it would be hard indeed to devise one.

If you will read the history of civil war finance you will find that secretary Chase, in the later years of the war sold 6% bonds at the equivalent of 45 on a gold basis, but that the civil war, until the last year, was financed almost entirely out of war loans and not by taxation until 1864. High interest rates failed to save us from high prices then and simply high interests would have failed during this war, in fact all such attempts at controlling prices were bound to fail unless the people of the country, either by voluntary economy or by enforced rationing were led to consume less.

From the above you will gather that I am not very patient with these criticisms and particularly if they are directed, or are inspired, for any partisan or political object. There is little indeed to criticise down to the month of August 1919. Quite in confidence, I am frank to say that since that date, I believe our conditions would have improved faster had the treasury and the reserve banks both advanced their rates more promptly and aggressively. This period, however, has had a very slight influence in general upon prices, compared to what preceded it, and if that is the only criticism which is

justified, it is little indeed to use for a political campaign, when there is so much good material lying about loose if one wants to take a slam at the administration of the war.

Lest you think I misunderstand the questionnaire, I should say that at least I hope that it will be used when completed, in preparing a platform for the Republican party rather than in conducting a campaign for the election of a Republican president. Obviously, I do not wish directly or indirectly to place myself in a position of criticising my war associates or the program which we together agreed upon and carried out, but as to the federal reserve system and the act under which it is created, there are many important constructive and beneficial changes which can be made by Congress if taken up in the right spirit, wholly freed of partisan or political objects. I wish you would think about this a little bit, if you are at all interested in this branch of the work, and ask Mr. Hays if I could not be given opportunity, either during my absence, or upon my return, to go into this thoroughly with him and his associates.

You must not think that egotism prompts me to write that no one who was concerned in these matters during the war period had such an opportunity to see both sides of the picture as I did. My work was both in the treasury in the Reserve bank and in the war loan organizations, and I think no one in the country had the opportunities which I had during my trips abroad in 1916 and 1919 to get an understanding of the experiences, difficulties and views of our allies. So please regard this suggestion, which is possibly a little too vehement, that there is little to be gained by a criticism of the way in which our war was financed and a very good chance that it will react upon these who indulged in it.

Your letter makes me regret that I have no opportunity and had I the opportunity, no right to take part in these matters, but good luck to you and your organization and particularly to you and Mr. Hays.

Faithfully yours,

[From B. Slaney p.]

Phoenix, Arizona, April 6, 1920.

Confidential

Replies to Questionnaire on Banking and Currency. The questionnaire is retained and the replies numbered corresponding to the paragraphs on the 2nd, 3rd and 4th pages.

The Questionnaire contains the following statement "The Federal Reserve Board had the power to control expansion by advancing the Federal Reserve discount rate. Treasury influence in the Board was opposed to that course, and to the economic and banking judgment in the Board. It resisted the advance and controlled the Board's action."

The first of these statements which is dogmatic can well be disputed and I believe be disproved. The second statement is heresy and inaccurate because different members of the Board held different views and a positive statement that the Board was opposed to that course exposes those who make the statement to a denial from the Board itself which would make the author of the statement appear somewhat ridiculous. The third statement is a conclusion of the authors and not a fact which can be asserted in that dogmatic fashion. I regard the introduction to the questionnaire as very greatly impairing the usefulness of the inquiry and exposing an attitude of bias and prejudice at the outset.

Answering the questions in order:-

1. The expansion of the currency and bank credits which took place prior to April 1917 was largely caused by heavy importations of gold and was in no sense an "inflation" but was rather an inevitable expansion corresponding to the demands upon our productive capacity and reflecting the unregulated competitive bidding for goods in our markets by the belligerent governments. In a measure it was a result of higher prices rather than a cause.

2. The expansion which took place subsequent to April 1917 certainly developed more rapidly than our production increased and when our government became such a large borrower from the banks upon its short notes a considerable influence was felt in the bank loan and deposit accounts which was reflected in higher prices. Here care should be exercised not to confuse cause and affect. The government was unable to control consumption of goods by individuals and became a competitor in the markets with its own citizens as well as with foreign

powers. It is manifestly absurd to claim that government borrowing and the rates of interest which the government paid, and which the Reserve Banks charged was as great an influence in advancing prices as was this wholly unrestricted competition for goods at any price for immediate delivery by both the governments and the private citizens of this country and of Europe. It would be more accurate to say that the advance of prices caused by this competitive buying necessitated larger issues of currency and a greater volume of bank credit.

(3) I firmly believe that much less expansion of both credit and currency would have occurred during the war if a more vigorous and arbitrary control of waste, extravagance and consumption of goods and labor had been undertaken by all of the belligerent governments. But here we encountered a difficulty. Had such stern measures been undertaken, the war might have become unpopular, a moral reaction have occurred and the war been lost because of the antagonism of the civil population. Honesty may here require the admission that war always necessitates a choice of evils, and it may be that expansion was the lesser evil.

4. Undoubtedly. It must be borne in mind, however, that the same considerations which governed the fixing of interest rates on government loans before the armistice, continued to operate for many months after the armistice was signed, and to some extent after the fifth victory liberty loan was floated. The most difficult period of the whole war in a financial sense was between November 1918 and July 1919. Without desiring to be dogmatic, my best judgment at the time and since was that the terms of the fifth loan were exactly right, but that the treasury and reserve bank rates should have advanced more sharply sometime during the summer of 1919.

5. Probably to some extent. The rebound from war control to complete freedom in financial enterprises was bound to occur in this country to a greater extent even than in Europe where it was pronounced. With this whole subject I had a most intimate contact during the entire war period through being chairman of the so called Money Committee. My best judgment now and then favored somewhat higher reserve bank rates, but at no time did I believe that higher rates within the limits of prudence would have been more than a slight influence upon speculative and financial enterprise. Very few people are aware of the arbitrary control which was exercised in this matter and the serious, painstaking efforts which were taken to curb the development. The answer to the question can be positively made that higher rates would have helped but would not alone have been effective.

6. By every possible means. How that should be done I shall not suggest, but it can be done to insure the future although I regard the past as no fair test of what would develop under the present act, because the conditions brought about by the war were unprecedented and form no basis for a judgment of what the normal development would be.

7. Certainly, but the question is how to do it. Much can be done by making credit more expensive, but whose judgment shall be taken as to how expensive credit should be made by the arbitrary act of the reserve system. It may well be that such a level of interest rates as will control expansion will at the same time destroy enterprise and bring about such a sharp reaction in ~~production~~ prices and consequent disorganization of labor and production as will be a greater calamity than anything growing out of present conditions, should they grow no worse. Here is where theorists can do an infinite harm by rushing in with formulas and nostrums for the correction and remedy of all of the ill suffered as a result of the most disastrous war in history expecting that these magic remedies will work over night and deliver the patient sound and well in the morning without any period of convalescence. From now on a wise and level headed management of our treasury and of our reserve system, if we are fortunate enough to have it, will be sufficient without any tampering with our banking laws to gradually bring about a more normal and sounder banking and currency situation. It can not be done by act of Congress, nor by a general election, but only by a study of conditions and wise and statesmanlike decisions.

8. Yes. One might as well say that there ought to be bread for the hungry. Few people understand the relation between currency and credit as regulated by our new banking system. Currency and bank credit have no separate entity, but they are simply different forms in which the same thing is expressed. Our wholesale trade, most of our financial transactions and practically all of the government's financing is conducted by the use of bank credit, which is transferred by check. Retail trade, the payment of wages and personal services, and the smaller hand to hand transactions are conducted by the use of currency. When business expands and demands the use of credit at some point that credit is automatically converted through the instrumentality of the reserve banks from bank credit, that is a bank deposit, into note currency, that is a federal reserve note. The reverse is likewise true. When the currency had completed the purpose of its issue, it is redeposited in the bank and becomes bank credit again. The points of control lie at the counters of every bank in the United States where loans are made. An influence can be exerted upon these bankers when members of the reserve system, by making them aware of the fact that when they go to the reserve bank to borrow money in order to expand their loans, they must pay a high rate for

what they borrow. This influence in turn will be felt by the bank customer who in consequence will be charged a higher rate. In the meantime, of course, the treasury must pay constantly higher rates for what it borrows. In exercising this kind of pressure, the greatest care must be used to avoid outright panic and breakdown. The best policy is probably a thoroughly *fairly* high rate level, but not so high as to create alarm combined with a thorough going education of our bankers. All of this is being done in some sections better than others, but on the whole with great intelligence and vigor.

9. I believe that the amount saved by the government between the rates which it paid for loans and any higher rate which ~~the~~ government might have paid for its loans was more than offset by advances in the prices of goods and services which the government had to purchase during the war, but I do not believe that the general rise in the price level can fairly be attributed simply to the failure of the government to pay higher rates and the reserve banks to charge higher rates. It is in fact hard for me to believe that any student of this subject can honestly attribute the advance in prices to the failure of the government to pay a quarter of one per cent or a half of one per cent, or even two per cent more for its loans than it did pay. Prices advanced principally because the demand for goods exceeded the production, and the bidding for goods could not be kept within control. Any other *assertion* or claim overlooks the facts and is based upon theories and text books.

10. I am familiar with Professor Fisher's plan, have read his publications and talked and corresponded with him on the subject. The plan is too revolutionary to be undertaken in the present disorder, economic conditions throughout the world and certainly too uncertain in its effect for us to be justified in attempting the experiment alone in the face of the disorder which may very well increase in all other countries in financial and currency conditions.

11. The advance in discount rates has caused some decline in government securities as was inevitable and anticipated, but I have little knowledge of what has happened to irresponsible promotions nor do I believe that these were greatly influenced in their success or failure one way or the other by a difference of one per cent more or less in the rates of discount of the reserve banks. They were brought on more as a consequence of high prices of commodities rather than the low price of credit. During the period of flotation of these securities, credit for such purposes cost more to the borrower for a longer and more continuous period than during any time within the past twenty years or longer.

12. My own experience with the reserve system suggests the need for various changes in the act, but few of which are

fundamental. Most of them are what might be considered as "polishing" and require a microscopic study of a mass of legislation which can only be undertaken successfully in association with the practical men of the system who have become experts in an understanding of a most complicated situation. Other than this, the important changes should not in my opinion be considered at a time when political feeling is running high, and when more damage than good may be done through the creation of a false public opinion. If Congress undertakes revision of the act, I would hope to have opportunity to submit suggestions, which in the meantime I believe are better unexpressed.

13. Answered by number 12.

14. After a good deal of study of this subject and a discussion of the Indian and Chinese situation with the leading experts in London, I have become convinced that no further legislation should be undertaken by our Congress for the safe guard of our silver coinage, without first entering into some convention with the British government, and if possible with the Chinese and Japanese governments, which will secure us against further sudden changes in the value of silver bullion resulting from changes in the coinage systems of India and China. At the present time the operation of the Pittman act and a reasonable reserve of uncoined silver in the treasury, together with the other legislation recently enacted in regard to the denominations of our various currency issues would seem to be adequate for our protection.

15. The phenomenon referred to is due to a number of causes which are interdependent. With our elaboration, I will briefly enumerate the following:-

1. The pressure toward contraction resulting from advanced rates of discount by the reserve banks.
2. The existence of an unprecedented world demand for capital.
3. The reduction in the volume of banking credit heretofore supplied to us by Europe for current business transactions.
4. The wasteful extravagance of the people of the country.
5. A very proper discrimination by bankers and money lenders against anything which is not an undoubted credit, natural enough in these uncertain times which leads certain classes of borrowers to bid unusual rates for accommodation.



"6"

6. The great margin of profit which still exists in many lines of business and will continue to do so as long as extravagance continues.

The above is sent in confidence for the personal use of Mrs. Pratt and Mr. Hays.

*E. F. M. B. Strong Pratt*

CLASS OF SERVICE	SYMBOL
Day Message	
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 day message. Otherwise its character is indicated by the symbol appearing after the check.

# WESTERN UNION TELEGRAM



CLASS OF SERVICE	SYMBOL
Day Message	
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 day message. Otherwise its character is indicated by the symbol appearing after the check.

NEWCOMB CARLTON, PRESIDENT

GEORGE W. E. ATKINS, FIRST VICE-PRESIDENT

RECEIVED AT 20-22 NORTH CENTRAL AVENUE, PHOENIX, ARIZONA

A216S 65 NL

1920 APR 7 PM 6 43

FY NEWYORK NY 7

537

BENX AM IN STRONG

CARE, PHOENIX NATL BANK, PHOENIX ARIZ

IT WOULD BE FINE IF YOU COULD SEND ANSWER TO INTERNATIONAL  
RELATIONS AND HIGH COST OF LIVING QUESTIONNAIRES BEFORE YOU LEAVE  
GLAD YOU FEEL SO WELL I STILL THINK IT IS A GREAT MISTAKE  
TO TAKE THIS TRIP WITH ITS UNCERTAINTIES INSTEAD OF STAYING  
WHERE YOU KNOW YOU ARE GETTING WELL HOWEVER ADVISE NOT ASKED  
FOR IS WORTHLESS EXPECT TO GO WEST ABOUT THE FOURTEENTH

RBP.

*E From Belling Jr*

# WESTERN UNION TELEGRAM



CLASS OF SERVICE	SYMBOL
Day Message	
Day Letter	Blue
Night Message	Nite
Night Letter	N L

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If none of these three symbols appears after the check (number of words) this is a day message. Otherwise its character is indicated by the symbol appearing after the check.

NEWCOMB CARLTON, PRESIDENT

GEORGE W. E. ATKINS, FIRST VICE-PRESIDENT

RECEIVED AT PINE & MONTGOMERY STS., SAN FRANCISCO. ALWAYS OPEN.

1920 APR 14 PM 1 12

B230NY 46

FI NEWYORK NY 357P 14

BENJAMIN STRONG

**796**

CR FEDERAL RESERVE BANK SANFRANCISCO CALIF

WILL YOU LET ME SHOW TYPEWRITTEN LETTER AND ANSWERS TO BANKING  
 AND CURRENCY QUESTIONNAIRE TO OGDEN MILLS THE CHIEF THINKS IT  
 VERY IMPORTANT THIS IS DONE AS HE FEELS YOUR POINT OF VIEW THE  
 MOST VALUABLE I WILL SEE THAT YOU ARE PROTECTED  
 IN THE MATTER

RUTH.

## CLASS OF SERVICE DESIRED

Fast Day Message	
Day Letter	
Night Message	
Night Letter	

Patrons should mark an X opposite the class of service desired; OTHERWISE THE TELEGRAM WILL BE TRANSMITTED AS A FAST DAY MESSAGE.

Form 1206

[From Bellingham] Pratt

# WESTERN UNION TELEGRAM



NEWCOMB CARLTON, PRESIDENT

GEORGE W. E. ATKINS, FIRST VICE-PRESIDENT

Receiver's No.

Check

Time Filed

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

San Francisco, California,  
April 14, 1920

Mrs. Jno. T. Pratt,  
c/o Republican National Committee,  
19 West 44th Street,  
New York City

Telegram just received      It will be all right to show answers to  
Ogden Mills in confidence for his personal information if you think he  
would regard my views of any value stop Memorandum and letter contained  
some criticism of Treasury policy and some members of your organization  
and I had only expected it to be used by yourself and the chief privately stop  
I shall rely on your judgment and hope you will find this and letter to  
General Wood helpful      Best regards

BENJAMIN STRONG

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

To guard against mistakes or delays, the sender of a telegram should order it REPEATED, that is, telegraphed back to the originating office for comparison. For this, one-half the unrepeatable telegram rate is charged in addition. Unless otherwise indicated on its face, THIS IS AN UNREPEATED TELEGRAM AND PAID FOR AS SUCH, in consideration whereof it is agreed between the sender of the telegram 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 UNREPEATED telegram, beyond the amount received for sending the same; nor for mistakes or delays in the transmission or delivery, or for non-delivery, of any REPEATED telegram, beyond fifty times the sum received for sending the same, 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 telegrams.

2. In any event the Company shall not be liable for damages for any mistakes or delays in the transmission or delivery, or for the non-delivery, of this telegram, caused by the negligence of its servants or otherwise, beyond the sum of FIFTY DOLLARS, at which amount this telegram is hereby valued, unless a greater value is stated in writing hereon at the time the telegram is offered to the Company for transmission, and an additional sum paid or agreed to be paid based on such value equal to one-tenth of one per cent. thereof.

3. The Company is hereby made the agent of the sender, without liability, to forward this telegram over the lines of any other Company when necessary to reach its destination.

4. Telegrams 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 telegrams until the same are accepted at one of its transmitting offices; and if a telegram 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 telegram 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 TELEGRAPH COMPANY

INCORPORATED

NEWCOMB CARLTON, PRESIDENT

## CLASSES OF SERVICE

### FAST DAY MESSAGES

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.

### DAY LETTERS

A deferred day service at rates lower than the standard day message 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 rate 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 may be delivered by the Telegraph Company by telephoning the same to the addressee, and such delivery shall be a complete discharge of the obligation of the Telegraph Company to deliver.

D. This Day Letter is received subject to the express understanding 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 day rate for 10 words shall be charged for the transmission of 50 words or less, and one-fifth of such standard day 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 rate 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.*

FOX RIVER

(f) Marle Sullivan  
Author + Commentator

1925-

50% COTTON

MARK SULLIVAN

1701 H Street,  
Washington, D.C.,  
October 28, 1925.

ack. 10/30/25

Dear Mr. Strong:

I am very much under the obligation to send you an apology. At the time your invitation came, I hoped I should be able to accept, and put it aside until I should be certain whether I could go to New York on that day. Then as the day approached, it happened that a mass of work fell on my shoulders, which both prevented my going to New York and also, most unhappily, caused me to fail to remember that I had not answered the invitation.

I hope I can assume you were not inconvenienced. It was quite unforgiveable and the sort of thing which I hope I can say in extenuation I do not often commit.

Sincerely yours,

Mark Sullivan

October 30, 1925

Dear Mr. Sullivan:

We missed you at the dinner, but it was one of those elastic affairs where no inconvenience resulted a bit because of your not coming and not sending word.

I have had some experience with folks of your profession heretofore, and know how uncertain they have to be at times about engagements, and so no harm was done. I am only sorry you missed what was a very interesting meeting.

Sincerely yours,

Mark Sullivan, Esq.,  
1701 H Street,  
Washington, D. C.

(Dictated, but signed for  
Mr. Strong)