

A reference from Division of Customs of paraphrase of despatch from Ambassador Page, concerning remittances for believed enemy remittances. Noted.

A letter from J. M. Ney Co. re exportation of dental gold. Read; refer to War Trade Board with statement of advice.

A letter from the Merchants Bank of Canada, re gold on hand. Noted, Secretary to acknowledge.

877. Canadian Bank of Commerce, to Mint, Calcutta, 500,000 ounces silver bullion. Granted.

878. American Smelting & Refining Co., New York, to same, Monterrey, Mex., Mexico City, Mex., and Aguas Calientes, Mex., \$415,000 gold bullion, during January, 1918. Granted.

879. Chase National Bank, New York, to Royal Bank of Canada, San Pedro Macoris, R.D., \$50,000 currency. Granted.

880. Muller, Schall & Co., New York, to American Colonial Bank, San Juan, P.R., \$300,000 U.S. Currency. Granted.

881. Standard Oil Co., New York, to Tampico, \$6,000 gold, from Baton Rouge, about January 4 or 5, 1918. Granted.

882. Standard Oil Co., New York, to Tampico, from New York, about December 28 or 29, 1917, \$6,000 gold coin. Granted.

883. E. P. Butler, El Paso, to Mexico, \$3,000 gold coin. Granted.

884. State National Bank, El Paso, to Mercantile Banking Co., of Cananea, S. A., \$30,000 U. S. gold coin and \$30,000 Mexican gold coin, within 30 days. Granted on condition that they furnish evidence.

885. J. M. Cavazos, Laredo, Texas, to Amado Cavazos, Nuevo Laredo, Mex., \$20,000 gold coin. Granted; permit to go through the bank.

886. Texas Co., Travis Holland, Port Arthur, Texas, to same Tampico, \$2,100 silver coin (fractional). Granted.

887. Texas Co., Port Arthur, to Tampico, \$50,000 currency. Granted.

888. Thannhauser & Co., San Francisco, to Atanasio de la Rocha, Mazatlan, Mex., \$400 gold coin. Granted.

889. International Banking Corporation, San Francisco, to Shanghai, \$45,000 silver bullion. Granted.

890. Huasteca Petroleum Co., to Tampico, during month of January, 1918, \$200,000 currency and silver. Granted.

891. Texas Co., Port Arthur, to Tampico, \$15,000

gold coin. Granted.

Mr. Strauss reported that the War Trade Board thought nickel exports should not be granted; also that agreement had been reached with Argentina and Chili.

The Committee received Ambassador H. P. Fletcher, of Mexico, and Mr. George J. McCarty, of Mr. Fletcher's staff, for a conference with reference to the currency and monetary situation in Mexico. The discussion covered a wide range, and the Ambassador expressed, in general, the view that one reason for the indisposition of the Mexican Government to take prompt action in regard to various points that had been presented to it for attention was that there was a general feeling in Mexico to the effect that the Mexican Government was already receiving very handsome treatment from the United States and had practically little more to gain by compliance with American wishes. Mr. Fletcher further suggested there might be an effort on the part of the Mexican Government to further soften the effects of the Board's action as to gold and silver, stating that President Carranza recently asked that a preferential tariff be imposed upon goods coming from countries which restricted trade with Mexico. This was evidently intended, he thought,

to apply to the United States especially. Mr. Fletcher then sketched the military situation with especial reference to the operations of Palaez, Villa, Murguia, and others. Mr. McCarty discussed at some length the question whether American paper currency could be used in Mexico, and both he and Mr. Fletcher thought that all that was necessary was that the Mexican Government should agree to receive American paper at a flat rate of one for two in payment of taxes, duties, etc. Mr. McCarty suggested that an agreement with the Mexican Government to accept currency in this way might be brought about through some pressure in connection with the food question. He further sketched the situation in Yucatan, pointing out that the food administration had had to supply food to Yucatan in order to get sisel hemp in exchange, and that a small amount of gold was needed in Yucatan in order to maintain the convertibility of the notes outstanding there.

In a general way both Mr. Fletcher and Mr. McCarty thought a continuance of the Board's present policy as to gold was desirable, the metal being furnished in moderate amounts to American companies operating in Mexico, and a policy of moderation and tolerance being pursued in respect to the Mexican Government. Mr. Fletcher further thought it would be prac-

tically necessary to allow the Mexican Government to withdraw gold in sufficient amount to pay for the silver they have sold here.

In answer to a question with respect to the operations of R. P. Jennings, Mr. Fletcher said that Jennings represented large silver interests and he thought that his requests should, in general, be granted. As to the status of the American Metals Co., Mr. Fletcher said that German interests were really in charge of it, even if not technically so. It was true that the Alien Property Custodian had now taken over these interests, but he thought that the real ownership of the concern should, if possible, pass into American hands as a safeguard for the future.

In answer to a question from Mr. Warburg, Mr. McCarty said that he thought the best way to get information concerning currency and commercial conditions in the various districts in Mexico was to ask the consuls at the various stations to furnish it. Mr. McCarty thought that he might himself, possibly, have some personal representatives in Mexico at various points in the future, and if so, they could be relied upon to furnish data.

At 12.20 p.m. the Committee adjourned.

APPROVED:

J.P. [Signature]
Secretary.

Chairman.