The Willard Straight Papers

at Cornell University

Reel Number 4

The Willard Straight Papers at Cornell University
The Chinchou-Algun railway loan was the subject of many letters in the late fall of 1910; discussions to London, Paris, and St. Petersburg were reported in letters to the Group and to Dorothy Whitney.

On 7 January 1911 Straight wrote a memoir of E. H. Harriman for his widow, and he addressed letters to Lord ffrench, Frank McKnight, and E. V. Morgan in the first months of the year. Obstacles to a currency loan agreement - rumors of Japanese involvement, provincial unrest, an attractive loan offer from a competitor, and an outbreak of plague - are detailed in the correspondence. An account of the signing of the Currency Loan appears in letter number 175 to the J.P. Morgan Co. on 17 April. The final agreement for the Hukuang Railways Loan was signed in Peking on 20 May.

More loan documents appear in the summer of 1911, along with congratulations on Straight's engagement to Miss Whitney. Letters from Peking following the Straights' marriage and their return to Peking in October describe the political climate in the northern capital, as rumor and fear put many Manchus to flight before the approach of revolutionary forces. Edward C. Grenfell wrote on 17 November of meeting Dr. Sun Yat-sen and one of his generals in London.
REEL 4

Segment 1
November-December 1910

Segment 2
January-February 1911

Segment 3
March-November 1911
Dear Mr. Morgan,

I beg to report that I have today seen Mr. George Foulsham and discussed with him the substance of the letter addressed to him on the 6th October by Lord Firth, a copy of which I understand has been transmitted to you.

If the alternative scheme suggested by Mr. Korostovets, i.e., to build a railroad to Chinchow to Ussurik and thence to Harbin, or some other point near Manchuria Station, and another line from Harbin to Aigun, meets with your approval, it would seem that a way might be found out of the present difficulties.

I believe that the proposed railways would be highly advantageous to China and concur in the views expressed in Lord Firth's letter.

If you desire to proceed along the lines which Lord Firth has set forth, and if the State Department approves the plan, I beg to suggest the following steps:

1. That the matter be taken at once with the Chinese Central Government.

2. If the Government approves that the necessary alterations be made in the detailed agreement already accepted by the Viceroy of Manchuria, this would also enable the Group to make such other alterations as might be desirable in this agreement.

3. These changes having been made and accepted by China, that the Chinese be persuaded without further delay, to ratify the agreement by Imperial Assent.

As the Russian objections and Japanese representations have referred specifically to the Chinchow-Aigun Railway, it might be possible to persuade China to take quick action, as should Russia or Japan make objections, China would be able to confront them with a fait accompli, and state that their representations had referred only to the Chinchow-Aigun, and not to the lines which it is now proposed to build.

I confidentially informed Mr. Foulsham that the Group contemplated entering into arrangements with the Tripartite Banks for all business in China, and informed him that I thought that such an agreement might facilitate the construction of the Manchurian Railway. To this Mr. Foulsham agreed and said, that when the time came, he would have no objection in admitting the Tripartite Banks to the private arrangements now existing between Foulsham and the American Group, that is that he would be willing that the Group should divide the lift on the contract price of the Railway with the European Banks, and would also be willing to give satisfactory assurance to the French and Germans, that their materials would be utilized where possible, in order that English, American, French, and German manufacturers might be given equal opportunity.

If this programme meets with your approval, I trust that
you will instruct me by telegraph, and I shall proceed at once
with negotiations, with a view to bringing about the desired results.

Yours truly,

[Signature]

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honor was a good deal of
difficulty in your getting
in both on the same
business
there. But I should try to
get any way.
So much for all of that.

Mr. Butterfield, naturally been
an acquaintances by
front, but he has been my next
about it all one has to your
write. I do not think that
writes. She insists that she
hears from you.
though he knows her fairly
well. It means to for the rest
of time. And how hard too.
I want to be not to write.
I suddenly told her what I feel
that if it is not sent free
anyhow, in some time to be
wholly evident and that
I had not then changed our
try to make you see, but
by not writing when your
knows as I know that

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to a great last night at Hurst House -
which was nearly finished - music that
Shorey and I had been trying to make
for you - and also a letter - that I might
have time to get a message to you.

No, you are not going to meet
the Fowlers in my agreement - signed it
is not - but there are many things still
left to be worrisome that I feel
there.

The whole business of the details - agreement
seems to be my struggle - and take a
very long time - you are chairman, being
the chairman of the committee.

I've been thinking so badly that they will be asking
something in order to get it
in a hurry. The later stages of agreement
is also far from settled - the French
and Germans are way off - and
my much afraid that the French
in the cable I sent you - worse still.

is conclusively not including and com-
fort that we are not sure in America,
but they will not be able to make
it a matter of contention to the German
and the French - the Germans.

The meeting is called for Saturday and that
is why I am staying on. But
if you come I shall be here on Wednesday next. But how having to
have time to get a message to you.
I see you thin - and put it up to
you to decide - for he may be
right. If you agree with me all,
you will do so to be me from and,
I shall write no more - and you
shall have nothing further until I
come back. If this is helpless you
in any way - right. I think
say that was you any one else;
then it be in the world. I think,
just agree. If you are any one else,
know. Remember all whether you
dis or not - so can't disown the
surgery thing. Any name feeling or
I hear the you can, you can fast.
human you is that if in hand
together, from the heart - that in
the world - and if you said 'human'
quit see it all. But with which
I feel so run. I don't fly wise.
Thus I am now very something -
and chapter 15, and in the month, 15.
This in you are lazy in it - and
this in you. This in you are lazy in it - and
this in you. And they say that the heart
will come to you. One of those rather
with you - can love from you - else
such in this faith - was waiting only,
then to step. Even through hardships - you

This is a letter from someone to another, discussing a decision that needs to be made. The writer is considering their own decision and asking for the recipient to consider it. The letter mentions the heart and faith, indicating a deep emotional and spiritual engagement.
[11-4-11]

On Sunday, Friday morning

child, your dear Kate has been here for a couple of days from you it seems. Last Friday you were away from Albany, and you may have been waiting for the train, which I think it is in the middle of the night. I am not anxious at all. In fact, I am not sure that you will be here until Sunday, so I write this to tell you that when you do come, you must take me to see you quickly.

I hope you are well. Your health is important for me. You know, I am not used to being alone. You can imagine such a busy person like me being lonely.

I bought some shoes and had a good time last night. I made a great hit and seemed to have quite an amazing effect. However, I think I will have to go back to work tomorrow. The weather has been quite warm, but I think it is going to cool off soon. I hope you will be successful tomorrow, as you have until Wednesday morning. I hope they will be successful because you are in New York. Good luck -

Original in private hands.

The Willard Straight Papers at Cornell University
Nov. 3rd 1920.

Oh - wonder child - it's very grey and miserable and foggy and cold - I've been moaning in front of a fire - and picturing you at the tea table at Boolyn - having not a rise I suppose - and nor in before the fire - We've been working all day, then Grenfell and I walked up from the city to get some air - and I thought I should play with Pauline but she's miserable - and lying down - Poor soul - and So Long - a letter to you - It's hard to write yet it's harder not to - though I've no wish to bore you with the tale of the utter dreaminess of it all - not even out of London - yet counting that already two weeks have gone in this time of loneliness and hopeless yearning nothingness - I suppose it's curiously good discipline - to try to do things and make the machine run on when each turn of the wheel is an effort and the whole mechanism kicks and wheezes and complains because the right hand - Yours oh - Princesse - is not on the wheel - Pretty simple - But speaking of wheels I seem to be on my own self and I can count the cogs in the small o' me back, which neither comfortable nor mirth inspiring - Those ten weeks in New York were bad enough - but I could count the days off one by one knowing definitely the date at the end thereof - but with the Calendar leaving at me - ugh - Really if you were half the patriot you claim to be you'd not tolerate it a minute and would stand by - infant industries in the Orient - and take real steps to conserve the strength and cheerfulness - cheerfulness is very essential you know - of the representative of the Group - Yours little Acto - case -

Last night I spent with Rando - she was very cheery - we talked until one - that - one half side for us the interests of science - but no excuse for you at all - He is very bitter against the Hongkong and Shanghai Bank and with reason - he showed me some of his letters - He asked you with much solicitude - and spoke of your letter with pride and affection - it was nice - he showed it to me - done in your very best form - and it's sweet of you to be so kind for he's a dear soul -

Noticed out through many light-streaked streets and back through frosted fields - with beggars - houses - and lines of trees - dimly silhouetted against the opal sky - You would have loved it and I wanted you - Dorothy mine -

But being really serious - I should like to hold converse with you about my soul - you being detached and disinterested - too much so I might add - hence the soul trouble largely - but thats in parenthesis - It's this - We have to play this string out - don't we - I say we - because I have felt that it was we - and in - for you are so much in it - Wonder of the World - But can we in honesty stick to it, Until this summer and especially in these last days - of negotiation I never realised quite how practical our position really is -

History - Rightfully we butt into the Hunsun - rightfully we take up the Chin-si - and rightfully we embark upon the Currency loan - V's - The Chinese bring us the letter on the understanding that we are to be the sole negotiators - on that basis we accept - though for weeks we have been confessing with the European groups about a general quadruple understanding - We inform the Chinese that we may wish to issue the Currency loan in Europe - to which they make no objection - there sole request being that we negotiate and sign alone - Hence our position through delicate is all right - and straight - Then before we sign up with China - our preliminary agreement we propose that Europe - when we cannot issue in the United States - issue for us on a commission - This was of course a tactical error - for it showed Europe that we had no cheering power in America - But the European Banks said all right - Then since that Friday afternoon that perhaps you remember - We played straight - but the other tendency was there - and only Ravenst made the situation - Then we closed up our Preliminary Agreement - well and good - It is published or rather announced in the Press - Bad - then comes the announcement that the American Government will insist upon the appointment of a financial advisor - Then Germany and France kick on the original terms of the Quadruple agreement to which they had agreed we should become a party - Here they are actually wrong - yet they can naturally feel that in equity they are right - It's pretty plain - we engage in negotiations for a quadruple agreement - we engage in negotiations with China - we show Europe that we can't handle what we get from China - that we expect to unload at least 50 and perhaps all four in London - Paris and Berlin - and then they learn that there's to be an American Financial advisor -

Original in private hands.

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Banks and Governments both say why should we lend money to China to enable American to have a Financial Advisor - incidentally, since the American Currency system is thoroughly bad - What is the answer? Can you blame them? Just for our peace has been played straight - but it's been a bluff - and I'm not sure that a bluff is wholly honest - China was willing to appoint an American adviser if she could negotiate solely with us - She made no objection to our getting part of the money - eventually in Europe.- We took it up - we continued our negotiations for a general understanding with the European Banks - who knew incidentally that we were after the Currency Loan - The Europeans now say that they'll not make the quadruple agreement unless they're admitted as negotiators and signatories also - We must therefore do one of two things -

A. Take the loan ourselves and tell Europe to go to Plumes - which is the straight, honest thing to do - or -

B. Attempt to make China admit them as signatories, thus admitting - coram nobis - that we can't handle Chinese business by ourselves - but must depend on European markets to absorb any issue of bonds -

In other words having shown our lack of ability even to bluff at military support - as in the case of the attempt which we should have made - and didn't - to disregard the Russian objection to the China - we now are obliged to confess that we cannot even help China in a financial way - without European assistance - and at the same time we want all the kudos of having an American as financial adviser.

It's really almost too much - is't it? And yet we expect that we can hamstring both Europeans and Chinese - We have put the whole thing up to New York in a telegram this afternoon - Tomorrow - depending on their answer of course - I shall wire Evans direct and lay it before him - for I hope that we will take Course A -

If not and if the tempering and compromising - business at-my-cost policy of the Warburg thing wins - I'm afraid I can't stick it - I would mean - if they are successful - that we will be in a position, of course, to force China to accept our terms - and from a purely business point of view will be really much stronger - But we will have played fast and loose with the Chinese, I am afraid - and they can justly say that we have betrayed their trust. Probably all my fears are groundless - and Evans and Kissinger can work on a solution - I devoutly hope they can - and that I am wrong - for if they don't I'm afraid that my relations with the Group will end - and ending in this way, all thought of employment with them in New York would be over - I couldn't accept - and they wouldn't offer - so what do you think of that - Oh Wonder of the World? I believe that you will say I am right - and I like to think that because of you - I want to be - that I may look into your true grey eyes without flushing - for that's the only way - isn't it child? We'll find something else - for you it is worth while - anything - but above all things it must be clean and straight - mustn't it?

But don't worry for I've probably only been borrowing trouble - it's been on my mind since I've been here and I was worried about it on the boat - and writing it thus to you has made it clear in my own mind which it hasn't been quite - before - one always tries to gloss over things involuntarily, somehow. Evans I feel sure is right - and would stick out for the square thing - but he may not see the other side - so clearly, for he's not been here during these last negotiations and doesn't know what actions actuate the Chinese - and what reasons they had for coming to us alone - Bland's book on the Express Bumper gives many a side light on the people and officials - but bad though they may be, their failings do not justify our treating them by any but our own standards.

This is a long letter - Oh - Wonder of the World - I wish I could have talked with you - I need you so - I want you so - to come back to you in the evening - Dorothy mine - for the courage of your love - if only you will give it me -

God Bless you -

Willard.

Sunday night, hoy.

Your cable - Oh Wonder of the World - was at Grunell's this morning when I went in to find what answer we'd had from New York - You've no idea what a difference it made
child - to hear from you - it brought you nearer - but oh - it made me wish so to be with you - I shall try to see Harry in Paris and am writing him tomorrow - I didn't tell Pauline - about his being there - Was I right? New York had nothing to say and with Grenfell's advice I did not wire Davidson - He feels exactly as I do - but thought that since we had put it all up to them, pretty plainly we ought to wait till their judgement before giving any comment - which we both hope would be superfluous and unnecessary - All these days I've been going over the year ago - when you were first in Paris - Wonder child - when you first made me feel that after all there was some one worth living and working for - and that if you could care - there might be happiness after all - when I first felt too that all I had suffered was after all for the best - if it meant that you had come - and I was very glad - for otherwise - it would not have been possible - They were wonderful days - Dorothy mine - with the memories - the strangeness, the marvel of it all - for you - with your great sympathy and understanding - for me to feel that I really cared more than ever I had cared - in a way that I had never even understood - They were wonderful - but the memories that are dearest now - are of those lost in Long Island - when you met me at the close of the day - and when we shared it all - when we were very close and near - Dorothy mine - closer and nearer than ever before - Until I can go to you again - no day will be complete - no day will be more than so much time lived through - in the time that I must spend away from you -

God Bless you dear

Willard.

Poor little Princess - mine - Princess Merciful - It must have been looking for you with - and so hard for him poor devil - but these things, if they can't be are better away - and perhaps the old friendships will come back some time - It only can I think though, when a man has ceased to care in that way - You brought great comfort to Ruth Pausley I knew and to May - I like to think of you with her - comforting her as only you with your great tenderness can comfort and bring peace and rest - and poor Hammm - Wasn't it strange - her question - It shows how much the poor Lady cared for you - child - Little Wonder child -

Eldon - I saw - met him quite by accident - You know, didn't you, that I had cabled him not to be a dear fool - in answer to his letter to me - Funny that you should have thought I might see him here - He said it was all off - there had been too many misunderstandings, that he didn't know what to do - would she expect to see him - I called him more names, and told him that his being in London gave the lie to everything he said - that he was mentally sick - bound - and that if he could only be really and naturally and simply in love - and leave off introspecting - all would be well - I wonder what will happen - Poor lady - Poor Eldon -

Yours letter - sweet heart - means so much - I can't tell you - but the desire to be with you is so strong it almost makes me cross - I want to see you and talk to you - I can't keep still - We are very close - child - You're feeling about my stopping in London was so wonderful - I must tell you about it - for it must have been because for half a day I wondered whether I should send the wireless or not - and then did, fearing that I should stay - but thinking that I might - Harburg comes in a few moments - and I've just left Solomons of the Russian - so this is in the midst of alarms - Be careful of your health - child - don't ever do - God Bless you -

My Dorothy - My Wonder of the World -

Willard.
That's a strange thing - apparently I had scratched the back of my hand without knowing it - and pressed the folded page - sealing the letter with my blood - will you pardon my sending it as it is - soiled - I confess I am a little superstitious sometimes and in a way that seems to mean something - Forgive me please -
P.C.O. 53.
METROPOLITAN POLICE OFFICE.

PUBLIC CARRIAGE BRANCH

Re: N60z11 34211
LONDON, S.W.

7th Nov 1910

I am directed by the Commissioner of Police of the Metropolitan to acquaint you that a £5 Bank of England note No. 19
5728921 has been deposited at this office, and from enquiries it has been ascertained that this note was issued to you by the International Banking Corporation, Southgate St, London, series June 1910. Can you kindly give away whether particulars respecting the recipient of the note by you, Sir.

Your obedient Servant,

[Signature]

[Weathered, illegible text]
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fi
rst letter
in the morning ,and Inte this aft e rn oon y ur e call. Truly it
a
bi en Ours. I ha
va been
working hard - I didn 't leave the city till six- but there have been many moments full of you-
of thoughts of that day a year ago when we went through the Summer Palace, when I helped you
with your camera-- then the quiet dinner- and you, Princess, by the firelight, when you told
me of your mother- and of when you were a little girl-- and when together we found passages
in Naples that we loved. Your necklace- given me just before dinner, was worn for the first
time- and today I wore it for you again, as I shall do to the Interbank meeting tomorrow.
It was a day I shall never forget-- for then I knew, and as I knelt beside you to look for
the lines you had quoted, it was very hard for me not to tell you-- did you know that, little
child-- of all that filled my heart and made life seem so strange and new and wonderful, -
worth while, for you-- upon whom Infinity truly broods - who meanest all the sea has striven
to tell-- Dorothy mine- it is so scraed- the memory is so very very dear. Tonight we dined
quietly at home- we three, and I played for a while to Pauline on a guitar she has found--
singing to you, Wonder of the World, far across the sea--but so very close, and dear. It is
strange that we should both of us have been unable to realize that we shouldn't see each other
again for a time-- and it is wonderful, because it means, as you say, that we do need each
other- that our lives are interwoven- so that separation is unnatural and wrong- and at
first incomprehensible- it proves how close we are, Dorothy child- and we must not be parted
again.- life is too short- I long to cable you telling you that I am coming home at once, or
asking you to come- but it would not be worthy of it- for it would be shirking and it would
be childish in a way. But child, I want you so- it seems as if I could not bear it. There is
no peace - there is no rest- no sweetness , have in doing what I think you would wish,- in hear-
ing things with you- very near in my heart- in walking with you- and thinking to you- Wonder
of the World- so far away- yet my very life.

God bless you dear- and bring us- grant us, the Miracle.

Original in private hands.

The Willard Straight Papers at Cornell University
MEMORANDUM
REGARDING
CHINCHOU-AIGUN RAILWAY.

The Preliminary Agreement for the Chinchou-Aigun Railway was signed by their Excellencies the Viceroy of Manchuria and the Governor of Fengtien, on behalf of the Manchurian Administration, Mr. W. D. Straight on behalf of the American Group, and Lord French for Pauling & Company, Limited, on the 2nd October, 1909. This Agreement was ratified by Imperial Edict on the 30th January, 1910, and the American Legation in Pekin was formally notified of the fact and informed that the Viceroy of Manchuria had been instructed to negotiate a detailed Agreement with the representative of the American Group. The Legation was requested to advise the representative of the American Group that he should enter upon the negotiations for such an Agreement.

On the 29th April, 1910, their Excellencies the Viceroy of Manchuria and the Governor of Fengtien transmitted to Mr. W. D. Straight, acting on behalf of the American Group, the English and Chinese Texts of the Loan Agreement for the Chinchou-Aigun Railway, stating that such Agreement constituted "the final draft entered into and definitely fixed between the Viceroy of Manchuria and the Governor of Fengtien on the one part, and the American Group on the other part," and that "as soon as ever we, the Viceroy of Manchuria and the Governor of Fengtien, shall have memorialized the Throne and obtained the Imperial assent thereto, the signatures shall thereupon be fixed and the Agreement be made operative."

The Loan Agreement, transmitted as above stated, provides for a Loan of not exceeding $40,000,000 United States currency, for the construction of a Railway between Chinchou and Aigun and necessary branches, such Loan to be issued in two series, the first of which shall be for $20,000,000.

The term of the Loan is fixed at 30 years, the Bonds to bear interest at the rate of 5 per cent. per annum.

The Loan constitutes an Obligation of the Imperial Chinese Government, and is secured by a First Mortgage on the Railroad and upon Manchurian Salt Taxes, amounting to 4,000,000 Tael per annum.

The other provisions of the Loan Agreement for the service and amortization of the Loan, &c., resemble former Agreements concluded with China.

Article 19 of the Loan Agreement as it at present stands provides that the American Group may, with the consent of the Imperial Chinese Government, admit to participation in this Loan financial Groups of other nations, such participation, however, not to exceed 49 per cent. of the whole.

In case the other parties to the Interbank Agreement concluded 10th November, 1910, desire to participate in this Loan, the American Group anticipates no difficulty in arranging with the Chinese Government that they shall share this Loan equally with the American Group, and that the final Loan Agreement may be amended in this sense.

On the 29th of April, 1910, the Viceroy also transmitted to Mr. Straight a letter which provided that the price at which the American Group should purchase the Bonds, i.e., $5, must be confirmed upon the signature of the final Loan Agreement.

In a third letter the Manchurian Administration requested the American Group to recommend an American who should, during the currency of the Loan, act as Traffic Manager of the Railway, in order to ensure the efficient operation of the line. This letter provided also that the foreign employees of the Railway should be exclusively selected from persons of American or British nationality. It is hoped that this restriction as to employees could be removed, making it possible for the Chinese to employ French and Germans as well.
In a letter dated 30th April, 1910, the Manchurian Administration agreed to co-operate with the American Group for the working of two Coal Mines in the vicinity of the Railway, in which Pauling & Co., Ltd., will also be interested.

A further letter from the Administration, dated 30th April, 1910, referred to the use of Loan funds for colonization purposes, and the opening of an Ice Free Port at Chinchow.

The letters from the Viceroy, dated 29th April, 1910, were accepted by Mr. Straight on that date, his acceptance of the final Loan Agreement, however, being made conditional upon the receipt of the assurances which were eventually embodied in the two letters received from the Administration on the 30th April, 1910, together with an engagement on the part of the Viceroy that the Construction Contract with Pauling & Co., Ltd., was practically concluded.

On the 26th April, 1910, therefore Mr. Straight addressed to the Viceroy a letter finally accepting the Loan Agreement and the letters supplementary thereto.

Messrs. Pauling & Co., who were parties to the Preliminary Agreement, concluded their Construction Contract with the Manchurian Administration early in May. This Contract was recognised as final in a letter similar to that addressed by the Viceroy to Mr. Straight with regard to the final Loan Agreement.

By private arrangement between Messrs. Pauling & Co. and the American Group, it is provided that Pauling & Co. shall pay to the American Group 21 per cent. on the contract price for the line, certain provisions being made for additional payments in case Messrs. Pauling & Co.'s profits exceed certain percentages on the total cost. Messrs. Pauling & Co. are also engaged in the construction of the railway, that one-half shall be American and one-half British.

The American Group is authorised by Messrs. Pauling & Co. to state that in case the other parties to the Interbank and Intergroup Agreements, concluded 10th November, 1910, accept the offer of the American Group to participate in the Chinchow-Aigun Loan, they shall be entitled to a pro rata share of the 21 per cent. to be paid by Messrs. Pauling & Co. on the contract price, and Messrs. Pauling & Co. will, to the extent possible in view of the fact that the contract price has been based on all foreign materials used being one-half American and one-half British) use German and French materials in addition as nearly as possible in equal proportions.

In case the other parties to the Interbank Agreement accept the American offer of participation in the Chinchow-Aigun Loan on the basis above outlined, Messrs. Pauling & Co. will be prepared to exhibit their Construction Contract.

The Russian Government has informed the Chinese Government that it objects to the construction of the Chinchow-Aigun Railway, and in the face of this opposition China has not yet seen fit to ratify the detailed agreement.

Japan has informed China that she has no objection to the Chinchow-Aigun Railway, but that should it be constructed she desires such participation as may be agreed upon by the interested parties, and desires also that China shall engage to construct a branch line between the Chinchow-Aigun Railway and the South Manchurian Railway.

In order to secure the withdrawal of the Russian opposition, various alternative schemes have been proposed; none of these, however, have as yet been adopted.

A suggestion has recently been informally put forward by the Russian Minister in Pekin, which is now being considered by the Group, and which, if acceptable to China, would provide for the construction of a line from Chinchow via Tsunamachi to Harlar, and of another line from Harbin to Aigun.

It is hoped that, since Russia shows no disposition to obstruct all railway construction in Manchuria, a solution of the present difficulties may be reached satisfactory to all parties.

It is probable in the light of the Russian objection to the Chinchow-Aigun Railway as originally contemplated, that certain amendments must be introduced in both the loan and the Construction Contracts to meet new conditions, and it is in this connection that the American Group anticipates it will be possible to amend the final Agreement, as now accepted, as to permit of the admission of the other parties to the Interbank Agreement.
Gentlemen,

I beg to acknowledge receipt of your letter of the 10th inst., in which you refer to the Memorandum regarding the Chinchou-Aigun Railway, copy of which was sent to you on the evening of the 30th November, and discussed with your Mr. Scott over the telephone.

In reply to the two points which you raise, I beg to state that the Memorandum above referred to was amended in accordance with your desire, and it was stated therein that you would also be interested in the Coal Mines regarding which the Viceroy has made a commitment to the American Group. The extent to which you are interested, however, must still be arranged with the American Group, to whom alone the Viceroy gave the right to cooperate in developing these Mines. As Mr. Peuling will remember, this point was not settled when discussed last Spring, nor did the American Group admit that, in view of all the circumstances, Peuling & Co./ Ltd., were of right entitled to participate in the operation of the Coal Mines.

It was understood, however, that mutually satisfactory arrangements could - when the time came - be reached in regard to these Mines.

As to the second point, I beg to say that in offering the Chinchou-Aigun Railway to the British, French & German Bankers in accordance with our understanding with you, it was distinctly stated that this offer of equal participation was made subject to the consent of the Chinese Government. This question moreover, is one that would affect your agreements with us rather than the arrangements into which you have entered with the Chinese Government.

Trusting that this will be satisfactory to you.

Yours very truly,

(Sgd) W.D. Straight
There have been three days of conference-ah! wonder auld- and at last we have our quadruple agreement signed. I feel that our attitude has been a perfectly straight one, for we have reserved right of independent action as regards both the Chinabow-Alguin and the Currency Loans.- If the Chinese are unwilling that we should offer the other groups a participation on terms acceptable to them, it has been a pretty hard fight, and yesterday and the day before I must confess that I feared that New York was as convinced of its own weakness that thanks to the influence of our Hebrew friends it might consent to sign on terms inconsistent with the spirit of the understanding with China. Davison I'm sure took a stand and made things go straight.

Tomorrow morning I'm off to Paris to see your friend Mrs Lawrence really, for I have no particular reason, sir Logan, for going, and it would be easier to start from here. But I want very much to meet her for your sake and I hope she will be nice to me.

Tonight Heno and Blando-sans wifi- dined here and we all went to see the Chocolate Soldier- Blando and I leaving early for a chin wag here. Poor Pauline is worried about the kids. he has colds-nothing serious, but she took it all to heart, so. She has been just as sweet as she could be. I think I've seen the root of most of her troubles- and I'll tell you the secret someday- oh Dorothy mine.

If you receive this I shall be out of Moscow- leaving on the 16th. a year since you left Peking- wonder auld- I am glad, for it means that I am just as much nearer coming back to you- and that seems to be all I live for. Strange, isn't it?

Goodnight Little Dorothy- May you be resting well.

God bless you, dear.

Your friend Margaret is a wonder- a very real, fine person- and I liked her tremendously. I only hope that she thought me passable, I've an idea that she will be a pretty severe critic- and rightly so- for yours sake, oh Wonder of the World. She loves you so dearly-she said you meant more to her than any one save her husband and her mother. I had hardly a word alone with her- for Logan and Martha Bacon and some beautiful lady came to dine- and we sang and made merry afterwards so that I could only speak when husband was seeing I'm all of and Logan holding him in the hall way. It was very unsatisfactory. She seemed so happy in her little apartment, which she was so sorry you hadn't seen. She told me- and I quite agree that it was so much nicer to start off in that way- together- than in New York where it was so hard not to go on seeing all the same people in the same way- as both had done before. Its well enough to go back to it- but its better to begin together, where you are more dependent on each other than you are when yours old plagues are all about you. That was one reason why I had hoped so you could come with me this time- But if it couldn't be, I'm not at all afraid of starting in and about New York- nor am I much worried but that we'll go hiking off together somewhere quite frequently- just you and I- oh Dorothy mine.

My regret is only that I couldn't have seen more of her- for she is really very fine. I can't tell you how much I liked her. I said hardly a word about you, save that you thought everything of her- and we both agreed that you were the most wonderful person that ever lived. Very satisfactory common ground to meet her upon. I couldn't resist just before leaving going back to tell her that I did like to go to Communion and liked the way she felt about it.

In the afternoon as soon as I got in I went to the Sacons- and lunching with them tomorrow. M.'s. not take present having a large luncheon at home, for young visas. She was very good to look upon- and all were very nice and friendly- and I did my best to make 'em think I believed them the finest ever- as I pretty well do. and I shall try to do the same tomorrow.

It seems strange to be here in the Vendome and not to be breakfasting with you, wonder auld. How I wish I were to have sugar in my coffee in the morning. I don't feel somehow
that I can write more. I want you so- and the thought that I am starting off alone on the cut Trail is pretty hard. I want so to be with you now- tonight, for always.

Good night, and God bless you- dear-

[Handwritten note:]

New York.
To Miss W. Whitney.
Georgie off Margaret.
Wondrous antsy will bears.
Liebestränen
Borderland.
THE WESTERN UNION TELEGRAPH COMPANY
25,000 OFFICES IN AMERICA. CABLE SERVICE TO ALL THE WORLD.

Received at:
Dated:
To:

Chas. P. P. to leave today to Panama tomorrow.
Dear Pershing:

Original in private hands.

The Willard Straight Papers at Cornell University
CHINESE-AMERICAN RAILWAY.

November 12th, 1910.

Measrx. J. P. Morgan & Co.,
For the American Group,
25 Wall Street,
New York City.

Gentlemen:

Your cable in reply to mine from London reached me on Saturday morning. I presume that it was transmitted in your office code as I was unable to translate it. I judge however from its phrasing that you do not wish me to call upon the Russian officials while in Petersburg. After further consultation with M. Soldatenkoff we deemed it wise to interview them and unless your cable repeated to Petersburg instructs me to see M. Smalnoff I shall not attempt to do so.

M. Soldatenkoff is inclined to believe that now that M. Lwolsky's influence has been removed from the Russian Foreign Office his Government would not insist on the withdrawal of the Chien-Ai Road. In view of Russia's engagements with Japan however it would be difficult if not impossible for the line to be projected to Petersburg on Wednesday next and will discuss this matter with the Minister of Foreign Affairs, and, on his return to Paris, will communicate the results of his conference to Mr. Harjes. I hope that he may secure from the Minister an assurance that should China proceed with the construction of the line she would take no steps to oppose her but would inform Japan should inquiries be made, that the American Government in its note of April 28th, had assumed that neither China nor the American capitalists undertaking the road had any desire to injure Russia's strategic or economic interests and that Russia therefore would not enforce her objections as had originally been intended.

I cannot presume to hope for too much from M. Soldatenkoff's plan. It is however of interest as he is closely in touch with the Petersburg situation.

Yours very truly,

Copy to Morgan, Grenfell & Co.

November 13th, 1910.

SUCCOUR LOAN.

Measrx. J. P. Morgan & Co.,
For the American Group,
22 Wall Street,
New York City.

Gentlemen:

There would be, probably, two objections to the insertion in the Detailed Loan Agreement of a stipulation that an American Financial Adviser exercise proper supervision over the expenditure of loan funds.

In the first instance the Chinese themselves would probably oppose such an insertion if they have not already signified their intention of so doing; in the second this provision would not be palatable to the European Banks, who, if they take part of the loan, might well take exception to the designation of an "American" rather than a "foreign" official.

In order to save the face of the Chinese as well as the other parties to the quadruple agreement could it not therefore be arranged that:

By an interchange of notes with China regarding the appointment of an American to this post and in that officials contract with the Chinese Government, the American Adviser should be vested with the necessary authority.

Were this done reference could be made in the Detailed Loan Agreement to the foreign Adviser appointed by the American Government, dated "the Kampuchian Industries as the Government, in consultation with the Group, shall deem to be desirable, or else these enterprises shall be enumerated in the Agreement itself.

To meet the Chinese desire for sole American, and the European wish for joint, signature it is further suggested that
that if it be found impossible to secure the admission of the European Groups to joint signature.

The American Group sign alone, the Agreement so signed being supplemented by another Agreement, as was proposed in the case of the Mukden Loan, to which the Chinese Government and all four Groups shall be parties, both Agreements to be submitted in a Memorial to the Throne and both ratified by Imperial Edict.

A similar arrangement might also be followed in the case of the Chin-Ai loan.

Yours truly

Copy to Morgan, Grenfell and Co.
The pen of Sister Sentrice—notice the German idiom—being huntspennell is my soul resource, (spelled advisedly) for by mailing on the frontier I hope to catch the Tuesday steamer from Bremen—a solitude which I hope you, my child, will emulate. Dr Swift now speakeath.

For a moment we are g-stopped—and the train jiggles not—hence the envelope has been addressed by the pen of the conductor who expects a tip. (He hasn't a nib.)

It's been a long day through country patched with snow, slush and melt—alternately and combined. Everything very bare and stepped. It's not nice country anyway—so flat and new. German—sort of a Kansas without that insurgent sparkle that now—on dit—gives it charm and abandon. There's a Russian Grand Duke on board—always is, it seems—for there was in June, too. I blush when I think they like to travel with me (finger in my mouth.) He looks as if he'd been on an awful bat in Paris—poor thing, so did Soldatensoff who came to see him off. Russians are awful—aren't they?

Last night I had this at a table for two.

[Drawing]

Nice, wasn't it?

[Drawing]

All afternoon I've been writing letters on the typewriter—and as a result my eyes are very tired and my fingers full of nonsense. I should like to have you here and be perfectly foolish—oh Dorothy mine.

But to chain the dogger-sleed spirit—Mrs Bacon didn't come to lunch yesterday, but M.E. did—and with Slogan we fed at Laroze and had a very nice time. He was just as nice as he could be.

In the morning I'd written Mrs Lawrence asking if I couldn't see her again, for it seemed all wrong to go away without having had anything but that skimpy dinner chat. So I went to her and Dorothy, she was really, poor dear. We talked very seriously about you—and all you mean and...
STAND for—how very fine we have to try to be to be worthy of your friendship—to be cared
for by you—and we talked of what true marriage means—of all that some people miss, and
that can only be granted to few—of belief in God, dear—and of ideals. These things mean
to her, who is having them now, so much what I hope for, child, with you—that I told her what
I felt—almost as I would have done to you—of what I believe a man should give, and strive
to be for her whom he loves. To talk to her brought you very near—for these must have been
the things you spoke of when with her—and I spoke without reserve, of them—because I wanted
her to know what a Wonderful and Sacred Thing I believe Marriage to be—that she might feel
that she could trust me to try, dear, to be all that she would have in the man you marry—
for she cares for you so greatly—and I know how fond you are of her. It was the greatest
pleasure to talk with her in this way, because she has found all these things, herself. In
many ways she is still a girl—but she is a wonderful wife—and I shall always remember
our talk of you—all that you are—Wonder of the World—and of what you mean to me—as one
of the finest talks I've ever had.

I am so glad that I did go back to see her, for now it seems much more complete—and
there is I hope—dear—one more tie between you and I.

On the train today I've been thinking how wonderful it would have been had you and I
been looking out of the window together—and you dipped your lump of sugar in my coffee—and
had I had a little sugar myself—and then I sat and wonder and wonder when I shall be
back to you again—I count on the letters to meet me in London—on writing you from Moscow,
for I shall go straight through—and I come by the Wagons Lit train, catch a Wednesday
boat from Plymouth. What time will she dock—where will you be—what will you have on—and
then to see you again and have you say Yes—and to have you stroke my head once more,
oh little Dorothy—Dorothy mine—I guess I'm "Just Little Hamilton", now.

Please don't over do—don't be too busy—and give yourself too much—You must not
tire yourself all out, child. Remember your promise.

Goodnight and God Bless you.
Moscow,
November 16th, 1910.

Dear Frank:

Enclosed I am sending a letter addressed to one Maurice Holley, care of Howard Gould. He is in charge of Gould's place on Long Island or was last I heard. I also send notes to Douglas Robinson, Mrs. Robinson, and W. A. Delano for the same gent, so please send the bunch to him together. They are loose because of difficulties with envelopes, and are causing you trouble because I don't know Gould's address.

Yesterday in Petersburg I gave a note to you to a man named Freide, a Jewish gent, who sells motors (and probably gold bricks) in Petersburg. He strikes me as a pretty clever Indian, and has lots of ideas which you can winnow. As a salesman he should be very good, and I quite agree that our Motor people ought to get after this market. Freide ran the taxi-cab business here and recently sold out, at a loss (?). If you can put him in touch with some of the motor manufacturers I really think they might get something out of it. So will Freide, but that's his business.

In Petersburg I saw one Lamentot F. Lawton, with whom I was corresponding some years ago. He's just returned from the Caucasus and is now sitting in Ministerial laps near the Sea. He tells me, and I suspect him of being honest, that he has seen Kokotoff, and Samovor, together with most of the other large flies in the amber. They have been filling him full of their dislike of Americans and of the Chin-at schemes in particular. He also says that they do not approve the suggestion reported by Mr. Hoxie as having come from Kokotoff. They apparently want only feeders for their own line. Which once he expects to get in a signed statement from them which he has promised to turn over to Grenfell. He considered with me and said hard luck. My own opinion is, subject to revision of course, that if these Pirates - I hope the censor sees this - are so anxious to get their views before the public, to stand firm etc., etc., etc., their underpinning is not good, and they are trying to forestall with a great cloud of dust, the move which they fear we are next going to make. Of such is the Empire of Russia.

I am off tonight. Prospects ahead do not look bright. I have been thinking about currency reform, and have had long talks with Rockhill on the subject. He is inclined to see the black side of the picture, but is right in pointing out the tremendous responsibility; we are assuming and the necessity for holding China strictly to her promise, not only for our own reputations but for the sake of China herself, who has only too prone to go skating down the primrose path. In this connection you should read Bland's new book, "China Under the Empress Dowager." It's one of the best things I've ever read on the Flora Kingdom, and the Editors therein give you some idea of what we are up against. A Railways is a tangible and definite thing, but currency reform is ethereal, and we must watch each step with the utmost care.

Hence my illumination of even date to the Group. Long but I hope not too boring.

When I left home I had hoped to get back again quickly. But the more I think of the problem ahead the surer I feel that there are troublous times in store for the negotiator. I hope that there is no question anywhere but that I am prepared to stick it out. The most discouraging feature of it all is the horse power - not sense - developed by this Senate now in session, and the fact that the Hayne is so weak that it has been obliged to yield to the young scatterbrains who have for a year been demanding an early convocation of the National Assembly, who were turned down in the spring, but who have now won their point. These Yoxes Populism when they get together will above all things wish to mix in finance and that is the quarter from which we must expect much trouble even though we do get our financial adviser through with sufficient authority to satisfy the Group. One only has to turn to Egypt and Japan to see the difficulties created by representative government in Oriental countries, and in both places named administrations on modern lines were firmly established before the Fee-pull had a say. In China as usual the early go in before the horse and mints the Central Government will have some rough times at the hands of the pigtailed Abe Lincoln and Henry Clay.

With kindest regards, always, to you both,

Yours sincerely,

[Signature]

The Willard Straight Papers at Cornell University
Nov. 16th, 1910

Just a year ago-- Oh, Wonder of the World-- you left Peking, and I was one of the blindest and most helpless people you ever saw. Here tonight I am starting out across Siberia, and you are four thousand miles away. I wonder if the orchestra tonight, when I made them play "Scheherazade" and "Butterfly" and "Les Pluies que Nous Aimons"-- I couldn't have "Liebesbrunnen"-- knew that their song was carrying far, across the snow-covered fields, over the forests, and the winter waves--to you,--for it did, didn't it, Dorothy child? How its harder in a way than it was a year ago--for you mean so much more--so much more because we are nearer and closer now--we know each other so much better--but then you meant everything too. Then and now, it was and is, hard because I didn't and don't know, when I shall see you again. There is the awful uncertainty--the knowledge that if you're safe, for you wouldn't have a shiner--the work must be well done before I can go to you once more. Then I felt that there was much between us, but now there is so much more--now I cannot but feel that we belong to each other--and while then, I had the grand hope that your coming had given--the feeling that you must be mine--that it would be, that we understood.--yet now, our lives somehow, dear child, seem to be one--even though you say the miracle has not yet been granted. But there is that bond between us--the bond that makes me wake with thoughts of you--that carries you through the work and hustle of the day through the sunset, through the night--that gives you my last waking thought, and weaves you through my dreams. Surely that means something--child--surely that means that across the world you are thinking sometimes too, of me--that for us now, distance really makes no difference, for there is a great Faith, and the belief that in God's good time we shall be together. This, while it makes a separation, all the harder, has its compensation--in its revelation of the strength of that which you and I have, Dorothy--Is it not so?

In a little while I shall be off. In Petersburg I saw the Rockhills, and had two long talks with him. He was a little inclined to be frightened at the responsibilities we had assumed--both for our own sake and China's--but was pleased with his. His advice was most sound, and I found him a most charming man, as I always knew I should, once I was no longer his subordinate. I didn't have it out--but I shall, some day--and I think we shall be very good friends. I am quite willing to admit my own unworthiness--but I insist that he did not stand for progress. Had he had his way we should never be where we are--but since we are here, I am all for taking his advice to proceed carefully and conservatively--for while I believe in our part, I also believe that the time for Kotapar has passed and we must try to fortify ourselves in a position which we have attained by rather daring means. Rockhill pointed out that having assumed the responsibility for currency reform in China, we must take every precaution to see that this reform is made effective. We must plant the powers by admitting their bankers to the loan--thus insuring their cooperation on the one hand--while on the other, insisting that China give the Financial Adviser sufficient supervision over the loan funds to assure their proper and effective application. The first may not be difficult, but I am afraid that we shall have great difficulty in persuading the Chinese to admit that a foreigner shall have anything like the necessary power--and here it is I am afraid, that we shall break. The Chinese will plead "loss of face"--They will, and rightly, say that the Senate (under Pu Lum) and the coming Assembly will make trouble--so they will, and for any form of currency reform--for such reform must necessarily touch the pockets of those interested in representative government. That indeed is our greatest danger and the one against which we must take the greatest precautions. The Regent has shown his weakness by granting a convocation of the Assembly and four years ahead of time--for the Assembly therefore we must look out. Otherwise there will be no currency reform--and if there is no currency reform China will be unable to revise and increase her tariff--which also of course calls for the abolition of iklik--and her last stand will be worse than her first--for she will assuredly not be able to grow strong, and will sooner or later be the victim of another war with Japan. That is almost sure to come the moment there is trouble in Europe. So we have a great responsibility and the more I think of it, the greater it seems. My natural inclination, for I like the Chinese and believe them--would be to give them a chance to work out their own salvation, test them by not insisting on supervision--but I'm afraid we can't do it. Only now the officials in charge of the Ichang Chengtih R.H. which, with a blaze of trumpets, was heralded

Original in private hands.

The Willard Straight Papers at Cornell University
as a to-be-built-by-Chinese-capital-road, have been impeached for peculation, and the very man with whom we are negotiating now—Sheng Kang Fue—the Vice-President of the Board of Finance—has just returned to office after five years disgrace for having taken a bribe in connection with the Shanghai-Nanking R.R. So I fear that we shall have to be severe Elder Brothers if we are to be truly friendly. All these things make it look pretty hopeless—hopeless if we do get the necessary supervision, for then there will be constant friction.

If we don't get it of course, the negotiations will be abandoned and China will have to shift as best she may. But I can't believe that this will happen. The worst part of all is that it keeps me away from you—Oh Wonder of the World—and that it makes my return uncertain—and it doesn't seem as if I could wait to see you again—child. Perhaps in the spring you would meet me in Europe if I can get home— that would take off three or four weeks anyway—and we might have half the time to play hare—before going back to China. What do you think?

We'll see.

And now I want to ask you a favor. Will you do some Christmas shopping for me—and have some books—not too expensive—sent to these people from Brentano's—and charged to me—or perhaps better let me square with you. They could go with cards, as enclosed—and let Brentano address them—you putting the cards in little envelopes without address—so that no one could see your writing. I don't like to bother you, but I would like to feel that you were doing it—you and I together.

I'll send Beatrice and Mr. Basset something from Peking. The others are a box for Aunt Laura (Miss Hawkes)—and Hazel— 180 W. 2nd Street, Oswego.
A set of nice books—not too dear—for Freddie and Eliza.
Ditto for Mr. and Mrs. McKechnie—Care 25 Wall.
A book for Mr. Fiedler, my stenographer at 23 Wall—and some toys for the Davidson children—Alice and Frances—and Eliza's youngsters.

The rest I'll do myself by letter, but I'd like to have you make the selection if you will—will you child?

Now they're calling for the train and I must go.

God guard you, dear—always.

Original in private hands.

The Willard Straight Papers at Cornell University
Currency Loan.

Moscow, November 16th, 1910.

Messrs. J. P. Morgan & Co.,
For the American Group,
23 Wall Street,
New York City.

Gentlemen:—

I beg to acknowledge the receipt, on the 16th. instant of your cable in which you instruct me that you will advise me in Peking as to what stipulations you wish inserted in the Final Loan Agreement to provide for supervision of expenditure of loan funds by the Financial Adviser.

In this connection I beg to refer to my letter of the 15th. instant, where it was suggested that the desired provision should read "the loan funds to be expended in accordance with a programme determined by the Imperial Board of Revenue and the duly appointed and authorised Financial Adviser" etc. etc.

The Chinese will presumably, in case they concede to the Financial Adviser the measure of supervision which you deem essential, wish to acquire control of at least a portion of the loan proceeds at once. The Group may be prepared to turn over such sums as may be required for industrial enterprises in Manchuria if the undertakings are approved.

The funds to be devoted to currency reform however should be carefully safeguarded until the programme for such reform is determined. In view of the magnitude of the task the Adviser when appointed will require some time for investigation before he can prepare his scheme. This would mean that if the procedure suggested above were followed loan funds would not be available for China, except for Manchuria, for a considerable period, and this will probably not be satisfactory to the Chinese.

Currency reform, however, is the first and most important step toward a general administrative house-cleaning, toward the abolition of liikin and the increase of the customs tariff, so earnestly desired by China. The United States Government and the American Group having assumed the responsibility of assisting China, must insist that China seriously undertake the promised reform, and insure the expenditure of loan funds solely for the purposes for which the loan may be made.

Precautions at the present time are the more necessary owing to the weakness of the Regent, as manifested in his sanctioning the convocation of a National Assembly four years before the appointed time, and the menace which the Senate, now in session, and the coming assembly, will hold for anything that may be termed a foreign financial dictator.
dictatorship. In reply to our insistence for proper supervision the Chinese will plead "loss of face" and the danger of popular clamor. While there are many honest officials the majority regards "squeeze" as a legitimate means of livelihood and cannot be trusted to carry out currency reform unless held strictly to a programme by the fear of a stoppage of funds. Rather than risk the loss of prestige due to China's failure to carry out currency reform because of any laxity in the conditions of the loan, it would be better for the Government to refuse to recommend an Adviser and the Group to withdraw from negotiations for the loan.

Another essential to the success of currency reform in China is the cooperation of the important Treaty Powers. The first step to secure such cooperation will of course be the admission of the "tripartite" banks to the loan on a footing of absolute equality. Russia should also be placated and it is to be hoped that the Group will see its way clear to act with the French Group in securing a small participation to the Russo-Chinese Bank. Mr. Rockhill, the American Ambassador in St. Petersburg, has laid especial emphasis on the probable good effect of such action. It will be more difficult to secure the assistance of Japan, probably the one power that will use every possible means to prevent the growth of a strong China. Once the United States and the European Powers are in accord, however, Japan's opposition should not create insuperable difficulty.
It's no summer holiday to attempt to write on this train with jiggles more than you can imagine--much worse than the State Express. A bus less jolleys lite. Pencil is not so ohio but perhaps more legible. The letter from Moscow was incomplete for there were so many more things to say--oh, Wonder of the World. But toward the end--writers, bellboys, and all manner of folk came rushing in to tell me it was time to go--and as a matter of fact they were right--for if a terrible job to register baggage and get aboard a Russian train.

The monologue talk as much as do Chinese coolies and are less effective. I wish so you were with me now--and were to be in Peking during these next few weeks,--for I foresee that things are going to be very difficult, and you are such a help, child,--for in taking a thing out with you I always get it straighter--and more than that, through this maze of intrigue and conflicting interests, I want to be able to walk clear of anything that I would not wish to see take to you,--I am much concerned--for the first time that issues have not been very clear--when the line is going to be harder to walk. The thing as I wrote you from London, that worries me most is that I no longer feel confident in my own backing--and therefore cannot take as strong an attitude as I have done--merely because in honesty I know that to do so would be to bluff and to assume powers in New York and Washington that do not exist. Heretofore I believed they did--and discounted and disregarded the statements of our rivals to the contrary. I feel sure that, in view of our arrangement with the tripartite, we can play the game both with China and with them, and certainly it will be far better for China's real reform if we can placate the Europeans--but I feel a little lost unless I am going full speed, straight at a situation for it is hard to trim andpure[?] and make compromises, which however right they may be and calculated to secure the best results for all concerned--are not to my liking. All of which means probably that the troubles of the next few months will have a most salutary effect on a somewhat intolerant and raucous young person of your acquaintance.

At Petersburg it was very cold. I wanted to buy some green-boxed cigarettes for you, and to take them to you at once, and have you smoke them with me. When I come back, oh Dorothy child! I shall--will you? Moscow was chilly and now and horrid. I spent the afternoon winding up things and left the evening clear to write to you--but the time seemed too short. For a long time I debated whether to ask you to help about Christmas--and then I took my courage in my hands and did it. Do you mind?--for I love so to think that these things will come from us--and I know that your selection will please 'em much more than mine. I've asked Brentano to send you two books--bound as before. It isn't really Christmas for its too indirect--but you'll get 'em about that time, and perhaps I can find some small things in Peking to send you later--or I'll bring it. I wish you'd take me for a Christmas present, wonder child. I'd do myself in tissue paper and pink ribbons and you could wear me always--but not, but--not would I hang myself on the tree--only Japanese can do that and live.

In Moscow I bought some rubbers! Things I loathe and detest,--so that I wouldn't catch cold in Siberia because I'd promised you I'd take care. I rather laughed at myself when I did it--for I've never cared much before--but now I want to be well and strong to finish the work and hurry back to you. So you too, must be careful--and foolish, child--and not overdue, or catch cold, or anything like that.

I forget to tell you that I wired Harry from London--Jarre's--asking him to meet me last Friday--but had no reply--so didn't see him. I'm sorry.

On the train are the Jordans--[H.R.H.'s Minister]--stiff and dechir--and I have taken into my compartment--I could only get a 2nd class one--a Times correspondent named Fraser whom I have known in various places, and who has just returned to England from Persia--he's been for a year. He's a good fellow--was wounded three years ago in Kessopotamia--and has knocked about everywhere. He was in with three other men-so instead of having William with the train guards I put him in Fraser's place and took Fraser in here. Everyone's pleased except myself, who prefer solitude--save that I wish you were here. I don't want anyone else.
Francesco Naziglissi also turned up at Moscow and is on the train. He's a good lad and is starting out for China again to re-enter the Customs—leaving his family quite disgusted because he wouldn't marry any of the money they ran before him—because foresight he didn't love the ladies. Pretty good for a Dago,isn't it? Most people wouldn't believe it.

The hills, and stations—the river[s?] and little patches of forest—are all familiar, and all somehow mean to me— for I've sat in the window watching them all, and dreamed, dreaming, dreaming of you, as the train bowed toward you this spring. How I counted the days, and how I wondered where and when I should see you. How I think and think and think—and wonder when I shall pass this way again, speeding toward you. Wonder child. Someday we must do the journey together— you and I—for the fourth time.

Keep well, child— for I shall be back before long. I have the feeling somehow— though I see all the things to prevent an early return— This is my one thought, and things must work out to permit it—mustn't they. They do somehow, if one cares enough—so this is my hope.

God bless you.

"Sally Bishop" was finished last night. It's not altogether pleasant, either in its course or in its ending— but its not what I'd been told, immoral. When I sent it to you I had read only the first part, to where the Reverend Samuel got tight— and I didn't imagine that Thurston, after, or rather before, "The City" and the "Greatest Wish in the World"—would have written such a work. But in a way all three preach the same sermon— that wonder of great love, the "Greatest Wish". Don't you think so? "Sally Bishop" seems to me one of the most moral books I have ever read. It rings very true, for I'm afraid there are many Trailli's and Devinish's in the world. Things would not probably have been done as much had there not been. Trailli is a much more honest and manly type than the other— and I hope that England has more of both than we have. But didn't you think this a much finer story than "Open Country"? It seemed so to me. Compared to "Sally Bishop" it seems that the other is a little "scented"—elixir—precious— or whatever you wish to call it. — Hewlett would be. He's an artist who watches for his effects— and thinks more of his style—the boxes, and well batted vassalisation of Seabouse than he does of the lesson. Like Seabouse he enjoys the handsome himself think he's in love with catch phrases and quaint names—one of Mrs Cookies "ladien" in other words. Thurston it seems to me has felt real things very strongly, and written of them. He shows life as I am afraid it is sometimes. — doesn't like Hewlett, curse matrimony and the established order— but in the drama that he weaves makes one of the strong appeals I've ever read for clean living— and for Love and Marriage as they should be. He has the same delightful sipping—the same spice with his reader— and I could almost hear your voice—Dorothy mine— sometimes, for those phrases— when for instance he speaks of "Romance" being so vividly those wonder days in Divorce when you read to me "The Greatest Wish in the World". That is one of the most cherished of all the pearls in My Rosary—child— and one that I linger over most frequently— for somehow I feel that it is very wonderful that we care that between us— for we both I think, loved it for the same reason, and come closer because of that understanding. Is it not so? "Sally Bishop" is so clever too— the way in which the incidents all serve
so naturally to throw into brilliant relief Sally's purity and honesty and great womanliness, the pettiness and falsity of Mrs. Durlacher and her friends--the cruelty of dogmatic pharisaical "Christians" and the utter selfishness of a man like Traill. Somehow it all comes back to that line in the "Roses"--do you remember the union of "spirit, soul and body"--not "body, soul and spirit." The one is moral, the other is apt to be otherwise--and somehow I can't help but feel that the latter, even when sanctioned by the marriage tie, is sooner or later bound to be wrong. Luckily however, most people don't figure these things out and when the fires die are apt to let the ashes remain in the rut that convention has prescribed. When they don't, there's trouble.

And here we have a hexanny on life in general. But you never told me what you thought of the book, save that it was sad and strong in places. Someday we'll talk of it--though I don't know that discussion helps much--for the problems with which it deals are the heritage of the race and can't be solved, I'm afraid, by any generalities, no matter how wise. It's the problem that everyone has to face and in its solution I suppose we'll continue to have the greatest happiness and the greatest tragedy.

Personally I'm afraid I don't take much interest in generalities, for I've always had pretty clear ideas and ideals and I hope that I can be true to them. These things must be personal--intensely so--and if one can but keep them and cherish them--they make possible the circle. But each dent in the armor--each crack in the covering--that has protected them, must be filled and healed--acknowledged and forgiven--and then when the circle is formed it will be drawn back to strengthen the ring that will be able to withstand any shock that the world may bring. Is it not so? Oh Wonder of the World!

What are you doing--it is bright Sunday?

God bless you.
Dear Irkutsk,
November 22nd, 1910.

Dear Davison:

The book of the journey is pretty well broken thank Heaven for tomorrow morning we leave this train - our home for a week - at Irkutsk and from that point on change every few minutes from Russian to Japanese and then to the Chinese Railway. If the Chin-Ai were only built the journey to Peking would be shortened by thirty-six hours anyway, but this trip even in long and from this Jigging baredon the Russian alternative, the Kalman -Kinsta, looks very attractive, for that would make at least three and possibly four days difference.

Luckily I've found a number of friends. Jordan the British Minister, a Times correspondent and an Italian Prince, together with a fellow who used to be in Korea when I was there.

With Jordan I had some talk this morning. He is pretty pessimistic about the China outlook. As I've written you before he's a good deal of an old woman, but I am inclined to agree with both he and Rockhill that the growth of the Young China movement and the promise of early constitutional Government make it imperative that the lenders go slow and obtain ample security and every ass-

urance that money loaned will be spent for the purposes for which it was borrowed, and not diverted to the pockets of officials or wasted in accordance with the whims of a half-baked National Assembly. Jordan had much to say about the Chin-Ai. He felt that the thing might have gone through had it not been for the Neutralization proposals, which, like most Englishmen, he claims forced Russia and Japan together. He still he says has hopes. Chirol, the Foreign Editor of the "London Times", who you doubtless know has a great influence with the British Foreign Office, told me that he thought that Great Britain would in the future not acquiesce so readily in the aggressions in Manchuria of Russia and Japan, and that a stiffer attitude might be expected when the matter of the railway comes up again. This view is shared by some others who watch Far Eastern matters. Apparently the annexation of Korea has frightened the British merchant, who now fears that the steps will ultimately be taken to close the Manchurian markets, unless there be a little stronger emphasis on Great Britain's interest in the "Open Door". This should work to our advantage.

The Currency Loan I discussed with Jordan. I told him that while the Group had no wishes as regards the financial Adviser, that being a matter which concerned the two Governments, yet we should not lend to China unless such adviser were appointed
with authority sufficient to insure the proper expenditure of loan funds, and the actual inauguration of currency reform. He agreed that the Chinese might almost prefer to break off negotiations with us rather than to delegate these powers to a foreigner. I asked him whether the H-S. Bank would be likely to lend without some guarantees of this sort. He thought not and said that the British Government would certainly discourage English financial interests from making any further loan to China without assurances regarding proper expenditure. He cited the Peking-Hankow Redemption loan, (the one at 9%, for a 6/4% bond) as having been made on much too lenient terms. He agreed too that the Germans having been landed with the Turkish loan would probably not car. single handed to undertake this Chinese business, and felt that the French also would refuse. These matters can better be judged at Peking however.

The Italian I referred to above, Francesco Rospigliosi, is a son of Prince Rospigliosi, now Commander of the Papal Guard. His name is briefly as follows. He was a gay sport as a youngster, and after various adventures, came out to join the Chinese Customs service. After a couple of years his family tried to persuade him to come back. He refused and stuck out his seven years, which is the regular term, and then came home on his regular two years leave.

This time he has spent in playing about. In London a year ago I introduced him to Kahn. Rospigliosi has always since he had his eyes opened to the world in general by life in China, detested the useless existence of his Roman aristocracy and has made a number of attempts to get into something where he could make some money and stand on his own feet. It was for this reason that I introduced him. Kahn had nothing at the time, but this spring he spoke about taking Rospigliosi on as his secretary, and asked me to write to him. This I did but Kahn changed his mind before the letter had gone, and decided instead of getting him over to New York as he had planned, to wait until he himself was in Rome this winter. In this he was quite right as it would have been hard on Rospigliosi to come over unless it were for a definite job and Kahn's idea was to get him over more or less to keep him over first. I thought Rospigliosi's leave did not expire till the spring but found him, much to my surprise, on the same train. He had apparently tried to meet Mr. Morgan and Mr. Stillman, but failed, and having nothing to do in Rome went to wait around till he should inherit his share of the family fortune he decided to return to China and the Customs service. Apparently he was hastened to this decision because his family was trying to marry him to money. Three or four beautiful and rich ladies were paraded before him and this being
the usual way of providing for younger sons of the
Roman aristocracy he got little sympathy for wishing
to do something for himself and less for turning
down the ladies, either from his own family or any
one else. He still wants to do something in America.
I've written to Kahn again and something may turn up
from him, but Reopigioni would prefer to do something
a little less "tame-kittenish" than private - secretary
risky. There is no future in the Customs, and no
money, and he is ambitious. He has had no business
training save the antiquated routine of the service,
but he has French, English and Italian, and a good
head. He can work very hard as I know, for I've been
in the office with him and is very intelligent.
He could be made I think into a good executive. He's
quite willing to go to Alaska or Timbuctoo as long as
there is something in it. I don't think he'd care to
start at the bottom, that is too far down, but he
would take a job at small pay at first if he knew
that if he showed promise he would be given a chance
to get on. He's a great friend of mine and I ad
mire his grit, and his refusal to marry where he didn't
care. These things were not told me in a boasting way,
you may be sure, and I give them to you merely to
give a light on his character. If you know of any-
things where such a man could fit in, I presume he
would prefer New York, and could help him to it.

I should be very glad for I'd like to see him have
a chance, as I believe he would make good.

Again I'm sending this to your house hoping
that you'll have time there to read. Failing
tea on Long Island Sound I have to take to the machine.

Perhaps my last letter may have caused you
further worry about my anxiety to reach home. Please
do not think for a moment that I have any idea of
 quitting or doing ought but stick to the job until
you're quite willing I should leave it.

With kindest regards to Mrs. Lavison and the
youngsters, believe me,

Sincerely yours,

[Signature]

The Willard Straight Papers at Cornell University
Wonder child-what are you doing today? Have you been to a Yale-Harvard game on Saturday- and are you now recovering-- or are you already fagged by charities and all manner of good work which you probably insist on giving yourself to-- while playing about insanely at the same time. I shall not be satisfied until you report, for though you promised you'd take care of yourself for me, you remember- I'm not altogether convinced that you have as definite ideas as to what this means as I have. So tell me, child, that you are not doing too much, for I don't want to come home to find a tired little Dorothy, weary after a winter of unselfishness and doing for others. The motives are right, but remember that it's far better for all that you do so much for, to have you possibly not quite so much-not quite so concentrated, and for a longer time- for if you try to go too hard you'll break down- and that must never be.

We're skirting Baikal now- the lake is still clear, with only little fringes of ice at the edges- but the mountains are snowy still, and last night's still chill, has clung to the pines and firs, and puts all very high lights on the naked deciduous trees. Ha, ha- what do you think of that word? I didn't get it out of a book either. This morning we changed into another train at Irkutsk and there I sent a telegram which you'll be getting before long. Would that I might hear from you today too. A month ago I didn't hear from you either, for you had your house party and I was at Ossage-- and the month before that, Miss Dorothy-you didn't write me- do you know it- on the 23rd from Paris- though you did send a cable. Are you writing today? I wonder- a letter that will reach me three long weeks hence.

I've finished "Fraternity." It's a pretty story, but rather of the early Victorian order, where young men throw platitudes on brotherly love at each other. These sentiments are very fine-- I'm sure-- and good, but somehow I think that there must have been something rather boresome about Edmund and Harold both. They're too sweet. I'm afraid the more aggressive sort of a hero appeals more strongly to my brutal nature. The man may inherit the earth- but the only way they'll ever get it. Srrrrrrrr- that's a growl. I suppose really it's just this- that I do like and admire sweetness and unselfishness- but I do detest hollow...
Near Harbin,  
November 26th, 1910.

Dear Henry:

The long hours on this train and the jiggling thereof may have set my usually too active wheels to moving with more than customary abandon or something. In any case I've been thinking of you and the teaching job and have about come to the conclusion that Morse was right and I wrong. He said so and I didn't believe him. And herewith the reasons for the change of heart.

The experience of the past year and particularly of this summer and autumn make me feel that there is something, a certain element of stability and seriousness, lacking in the American character. You suffer from it less than most of us, but we all have it. Kipling roasted us badly in that verse of his that there was much truth in what he wrote more than we most wish like to admit. "He, I demmed and half child", you'll remember, and the lines about our disregard of the law which I now forget. The failure of Americans to stick to their jobs abroad, their inability to stand punishment, are significant of what I mean. There are notable exceptions of course, in the Philippines and elsewhere, but talk to any merchant, or manufacturer who has tried to get young men to stick to foreign agencies, ask the International Bank, for instance, that has tried to build up an American staff in its foreign branches, and you'll

get the same story of failure. The men want to stick to it. They want to get back to the "Great White Way". Those who or who stick are unable to get out, in most instances, fall victims to the temptations that beset the youngster in the East or on the South American coast. Of course as long as we ourselves are so young there are great changes at home, and the best element does not go abroad. There is perhaps no appeal to them in the idea of creating a foreign trade, working abroad when they can get almost the same pay at home, and for that reason my illustration may not be entirely apt. But take the American missionaries, always allowing for the exceptions. They do go abroad in a noble cause, but how many of them lose sight of their duty, and take advantage of their foreign residence and their immunity from local officialdom to feather their own nests in ways which would be considered disreputable even for the much abused trader. They don't stand punishment and they don't play the game. It's the same story of individualism. At home you are more familiar with conditions than I, but is it not true that those who mortgage their homes for an automobile, those who live beyond their means to pretend to be what they are not, are guilty of the same failing. Not that I would decry individualism, for its that quality that has made us the great people we are, or like to think ourselves art a ny rate. Look back into history though, the story of State's rights opposition to the Constitution, the confiscation of Tory property, the default of Colonial debts,
Look at the War of 1812 and the exhibition we made, the history of the Civil War, with short time men, retiring to the tune of the enemy's cannon, the Spanish War with its rotten inefficiency. Read the history of our diplomatic relations, which is full of inconsistencies, where we have demanded full recognition not only of our rights but of our privileges and failed to accord just retribution to those whom we ourselves have injured or imposed upon. Time and again we have demanded our share in the international pie and refused or failed to furnish the fuel for cooking it or to assume any responsibility for its proper digestion.

This all sound very pessimistic. I am not a pessimist however, but the contrary for I believe that we can overcome those faults if they be but recognized and dealt with as they should be. The question is how can this be done. When you wrote about Madison's offer, I thought you could do more good by dealing with men and matters in the actual fight itself. Here I think I was wrong. I am afraid that the ruling motive with most of us at home is self interest, with most men that is, and that if we want to eradicate the evil we must start further back and train the men when their boy is to prepare them that they may go into the fight with their ideals clearly before them. Then we can hope for better results. The trouble with many it seems to me is that though their ideals may be right, they are not applied, and the tendency is in each separate endeavour to secure success at all costs. The

American idea is to win. You see it in sport as in politics. The result has been that we have not yet assimilated the notion which I think prevails pretty well in England of sport for sports sake, any more than either party really believes in politics for good government rather than for the spoils. Success is our God, and that is bad.

Where the chance for success are so many and its rewards so great as at home that is natural. It is natural to when you consider our system of education. We may not have as many highly educated people as you will find in France or Germany but I should think the great bulk of the population knew more. Our public schools call for a tremendous number of teachers and they can't all be good ones. As a matter of fact it seems to me that there are few who really live up to the responsibilities of their position. It's too often a question of the decimal system, rules of grammar and dates in history, without an idea of character building either in the schools or the Universities. Here we have many exceptions again. And it's just here that you come in. You could do it I believe, and I believe tho you should turn out the sort of men that would help the country, that we need. And I can't help but feel that after all perhaps your work lies there rather than in politics. At least try it for awhile, and the politics can come as well, with the other or later.

It perhaps took a long time to come to the point but that is it, so I recant, and take my hat off to Morse.
I don't want you to think that I shall not be willing when the time comes to do my part also. I don't know that it would lie in twining, for I am not a scholar as Morse told me. I've thought that in leaving the Service I could play the game better. Now I am not so sure, and perhaps I shall go back or do something else, for I am not so sure that for the present at least we need to create interests abroad as much as we need to play a more conservative hand until we have the men to direct and further these interests once they are established. However, that will work itself out and if you have ought to say on the subject I'd be very glad to have the benefit of your sage counsel.

This is written from the train and it jiggles too much to permit of satisfactory correction in the escriture. So you can have it as it stands, and for what it's worth.

Write to me how things are going with you. I've no idea how long I shall be out but I hope not for long, but we can never tell.

Good luck to you Henry, and a Merry Christmas,

Yours,
From the enclosed, Oh Wonder of the World, you'll probably think that I've attempted to assume the responsibilities of the nation and you can picture me if you will, wrapped in a metaphorical American flag, and examining the Peep through a convex (V) glass, the pessimism of which has been super-induced by ten days of railway and a borscht and nervousness and blindingness which makes me desire to jump up and down and scream. But you're wrong—my brow may be furrowed but its due to bad light, and it strikes me as rather humorous that I should imagine myself capable of considering such things.

The letter is sent you because I'd like to feel that you'd passed on it— and that if you did read it, you did so with your endorsement. For you see— oh Wise One of Child of Ten Thousand Years— that its a sort of a commitment on my part, which I could not make unless you concurred, and which I should wish to reconsider—all the promises, I mean— if you didn't. I wonder whether you'll agree— you are so optimistic a patriot— with me, who can't help but agree with much of the criticism of the "Valor of Ignorance".

About ourselves— for I can't write as if I thought of the future otherwise— what do you think? It seems to me that there's one thing to be considered first of all. We must not shirk the responsibility of what we have done— isn't that right? That is, that being led the Group to a certain extent into its Chinese commitments, it wouldn't be right or fair or playing the game, to run off fighting windmills— in order to satisfy the soul. But supposing things go well in China, we may take our loan contracts— the "banker" man comes out to relieve me— what then? Are we going to settle down to do the foreign work for the Group— go hither and thither on all manner of jobs? It may be that we can do best in this— that is for the broader interests. Selfishly I would like it better, for it means more money. But there is another course. Having done well out here, we have the confidence of New York and this means influence. Would it not be better then, to leave the Group and go back to the Government in the Department preferably— and help them, for the Lord knows they need it? Would this not give a greater chance to direct the Group's course in the most far sighted way— that would give the greatest benefits to the country— could we not from that position stop any inconsistencies and anything savouring of sharp practice from our Hebrew friends, much more effectively than if we were in the Groups' employ? When you're working for a man and know he wants something and will only think you a good servant if you get if for him, the temptation is to feel that the end justifies the means. One wants to deliver the goods, and I'm not sure that that is always the best position to be in. In a way as an employer, and especially with men like Davison and Vanderlip and even old Nine, one can speak one's mind clearly and be sure of a hearing, and by giving all one's attention to things to which D. & V. & H. can only spare a cursory glance, while the Jews broad and scheme and broad—one can perhaps steer things straighter. But I would say that the Jews willfully did the crooked things— perhaps its not so much crookedness as round-aboutness, and abasing, that I object to— compromises and little surrenders. They are fine men and I greatly respect Mr. Schiff and the Warburgs— but they're not fighters.

By leaving the Group and joining the Government we should be freed of any possible stigma of self interest, and could advise as much as we chose. But I am not sure that that advice would be as effective as if it were given by one in their own employ— by a trusted servant instead of an official— open like all officials to the criticism of "theorist- idealist"— and "no business man." Where the power, as it is in America, in the people, I'm not so sure that the greatest usefulness does not lie in staying in the active business world and mixing with politics, for some years to come— with the idea of going back to the service later, rather than before long.

For Henry, it is one thing— for me another. Both sides there must be, and he is a scholar while I am not— for action appeals to me much more than contemplation from the side lines.

There's no need to decide now, but please write me what you think, and when we're together once more, Dorothy mine, we'll have it all out and make up our minds what to do.

You want to do something for your country I know— and so I— and after all that's the main thing— to keep this before us always, isn't it— and from whatever sphere of activity our efforts must be directed— only make sure that they are toward this and
July 28th, 1910

To tell you the truth—perhaps my mind keeps recurring to the more academic—that is the official side, because it's the easier there to keep one's ideas straight. This other world is complicated, and grows more and that is hard. But you have said many times, and you are right, so was Mr. Emerson, when you quoted—that its but the great man who can be true to himself in solitude. As for Henry, he could teach and train and make men, and that seems right for him. There must be both. Perhaps someday when we're old, and have been through nubiness, and maybe a little diplomacy, we could teach too. What would you think of that?

The main thing, is to do—isn't it—and do right. If you'll help I'm not afraid, for with you by, child, to guide and counsel and share—above all to share—I think all would be well. The sharing's the thing, for I must share all with you, and I could not ask you, child, to share that I did not believe right—no matter what I might do were I alone and without you. Do you see—oh Dorothy mine.

I have a second self—little Dickerman or Divil—whatever D. stands for—who tells me I write like a pig—but I can't help it. I guess that its writing it out—that makes me feel that way—so damnably high minded and virtuous and rol-o-ish—but I can't help it. I had to write it all to you—even as I had to tell you about little Dickerman. We're all foolish sometimes, and I'm glad we are.

Will you send on the letter then, Dorothy mine, if you approve—and write me what you think.

God guard you.

SUNDAY JULY 28TH 1910

Forgive the business heading, for I am just in and there is no other, for the Hotel Vendome is all gone. Dear child, I cannot tell you what your cable to Feeding—handed me by friend in London last night—meant to me, and your letter that I found tonight, brought out by the very train on which I travelled. These words from you are all that I shall have in these months to come, and they mean everything.

Original in private hands.

The Willard Straight Papers at Cornell University
"Ah, souvent mon ami viendra planer autour de toi; souvent, lorsque rempli d'un sentiment noble et sublime, tu méditeras dans la solitude, un souffle léger, effleura tes joues; qu'un doux tremblement pénètre alors ton âme."

I've just re-read your letter, dear, and I hate to think of you as tired and in bed in the morning; for you are such an energetic person, you would be up, I know, unless you were quite miserable. Poor child! I wish that I might stroke your forehead and brush the hair—the hair kissed by the wind—back, and look into the Peacock eyes—oh, Wonder of the World.

As to politics, Mr. Root's speech was o.k., but I am not sure that I agree entirely that the Republican defeat meant the discrediting of the Administration. Certainly not as far as New York was concerned—for I am much more inclined to feel that the blow, which bled out Stimson, en passant, poor man—was really at Mr. Roosevelt. As to the rest of the country, that may not be true. I don't know what I should have voted myself. I agree that Stimson would have been a better man, but T.R. has gone too far—been much too vituperative, to suit me. Yet he gave me my first job, really—and I am grateful and I do admire him tremendously—and believe he has been a great force for good—and could hardly have added my little mite to his coffin. It may be cowardly but such are my divided feelings. I must say though, that I am glad he was rebuked; for I think his treatment of Dix in the Wall paper matter, and of Judge Baldwin—little less than shameful. Please write me of the effect on T.R.—what he is going to do. Somehow I have an idea that he may rally forth more radical than ever and head a new party of insurgents-populists-socialists, and disaffected democrats. The conservative element will, I am sure, be against him.

God Bless you.

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God Bless you.
A very busy day- "Wonder of the World"- hours with the Minister, who is really a worker. He is now taking interest apparently almost for the first time- and he is sound, and clear headed and absolutely straight and fearless- which is splendid- and he has a nice line of profanity which I greatly appreciate, for I fear that I am always much handicapped when I can not call on my own rather elaborate vocabulary for choice ones. I haven't seen any Chinese yet, but the Minister and I are in absolute accord that we have a very narrow path to walk-- with the Chinese on one side and the other Banks on the other. Tonight I sent a pretty hot telegram to New York, with his approval- pointing out the dangers of our position very much as outlined to you in that blue letter of mine from Huliiet- London I mean. - it is very late.

I've had all the stories now and I'm afraid that poor D.A. dek has made rather an ass of himself. However he's very young, and his wife is very ambitious- but I am not altogether pleased, I must say, and I'm very glad I came back. It's well from all points of view, for had I not done so, the whole office would have rebelled and even chucked it- while the Chinese apparently have only been kept going by Drueb and Dr. Gatrell, the Interpreter. Drueb is the very salt of the earth. He's an inspiration- for with everything against him, he's been cheerful and what's infinitely more great, charitable- and were it not for his example there would be much more in this letter than I shall ever write or than you shall ever know, until once more we are together again. Oh Dorothy mine- there is such a deal of smallness and disloyalty and pettiness, in the world, I am so grateful for you, dear, and when these things come up, I laugh, and don't bear malice, for what difference does it make. You know and understand- I feel strong in your Faith- and my Faith in you. Somehow, child, the Circle seems to have closed, and I seem to feel its protection- and it makes me charitable too-and tolerant- and in some wonderful way, calm and dispassionate- and peaceful, through these rather trying hours. That is everything to me- and that alone, and the rest is only the days' work.

Marguerie has sent in a note to the Foreign office demanding a French Financial Advisor and Joint signature to the Loan agreement for the French Bank. This is a little premature-

and I have seen Hillier and St.Pierre and told them that if they wanted any business at all they would have to soft pedal until we could take them in- otherwise we could take the whole thing- which we'd hate, but would have, to do-- issue in Europe ourselves and see them in blazes- or else there would be no business for any of us. I didn't say that I knew what the French Minister- blast him- had done. It's going to be the hardest fight ever we got into, oh Dorothy mine- but do you know, somehow I feel that we will win- you and I. Truly you and I- for were it not for you, I'd never have the confidence, and the squared jaw that I have-- nor the Faith in our star- and that somehow "The Right is the Right."

It's a great game, for if we win, it may mean that China once her currency is on the sure road to reform, will abolish 1% and be permitted to raise her tariff in accordance with the British, American, Japanese and Portuguese Treaties. This done, she will be truly started toward reorganisation, which alone can bring the efficiency to protect her against our little brown brethren. So we have to play it with a long eye toward the future- and I am grateful for you- for Drueb, for Calhoun, and Davis- but above all, child, for you.

God bless you.

Additional information:
- The text is from the Willard Straight Papers at Cornell University.
- The text is handwritten and contains various personal anecdotes and observations.
- There are references to specific events and individuals.
This is becoming a diary, and I will not mind a record of these days—

for someday we might like to look back at it all—I hope with satisfaction, don’t you?

Imprint: “I saw my classmate, Alfred Sue, early this morning. He told me about Margerite’s.

having gone to the F.O. telling Su Wei Te one of the Senior Counsellors— that we had promised participation in the loan to France— that we couldn’t handle it ourselves, and that France must have joint signatures— further, that France would like to recommend a Financial Adviser. He finally, with difficulty, persuaded him to put it into writing— Sue told me Hu was much frightened— thought we had sold ‘em out, and all the rest that I’ve been expecting— and that I’d better see him at once. So I wrote asking for an interview.

Then ffrench and I had a long session with Calhoun, trying to show how the Chin-Al and the Currency loans were interrelated, and working toward the idea of getting him to urge the State Dept. to consent to such alteration in the original scheme as would permit Great Britain’s whose policy, so we gather all along the line is changing— to act as intermediary with Russia— and would in turn permit Russia to fall in with the idea without loss of face. This, you’ll remember, came up last summer— but it wasn’t safe then, as S.U. hadn’t sufficiently seen the light. From what Chiroil told me and ffrench’s information, such now seems to be the case. Calhoun was open minded but didn’t quite see it all. He has been rather put off the Chin-Al by someone— who I don’t know.

Then I lounged at the Margerites’ and had a fine time talking about everything but the Currency loan— with M. le Ministre— who is a regular Machiavelli in his own estimation— purring and smiling and putting, and thinking all the time how nicely he had spooked our wheels.

Then a call on Count Rax— the German, who knows nothing at all about anything, save cooking— and the coming visit of the Crown Prince.

Then Max Mullers’ to see poor lady ffrench, who I’m afraid has T.B.— poor brave soul. She’s as fine as he, and there are none better. They’re an inspiration— and my heart softens to the Max Mullers for having taken them in— in order that she might not be in danger in her own charming but draughty Chinese house.

To see Mrs Calhoun— Hu Wei Te was with the Minister. He called me aside— gave me the same story that Sue had told me— and said it’d better come in and explain. For two hours I gave Hu Wei Te rather crafty advice— going into to China’s entire diplomatic history— pointing out the connection between the currency loan and the Chin-Al, which nipped him hard— and hit the Minister too— the question of the great importance of letting other banks in— in order to assure the success of Currency reform, and then tariff revision— what the joint investment of American, French, British and German capital would mean for China’s integrity— and how we could square the Russians by giving Nestin X. I hoped.

He was gazing for breath, poor devil, but I think he got it fairly straight, and when I ended up by saying that if China wished to negotiate and sign with us alone, we were prepared and bound to carry it all ourselves— but on the one hand China would sacrifice her credit by foregoing an international quotation for her bonds— and at the same time would endanger the success of currency reform and tariff revision by estranging the other powers— he wasn’t so sure we were doing ‘em down and betraying them after all. He further relieved his mind about de Margerites, and in view of Calhoun’s information as to notes from Krome to Bryne and the German, told him that we thought he need not fear similar representations from England and ‘Germany. Then the Minister and I talked over the State Dept.’s instructions about immediately demanding a financial adviser— and decided it was all a bad play at present— until I see the Chinese tomorrow and feel the ground, anyway.

Then home— and a man’s dinner for Hospigliss— and then hours of talk with Carr and Geare. The latter had been doing very well and has acquired here and there a most surprising and valuable lot of information. It sickness m e- one of it— for it blanks the eye of poor old human nature more and more— or at least the portion of it that makes up this sickening pool of intrigue and jealousy— falsehood and disloyalty. However, don’t think I am discouraged or bitter. It all makes me feel older, and far away somehow— and tired, in a way. Yet somehow, I feel a very trim-bearer inside, and feel as if I were charged— sometimes— with electricity, which snaps my jaw like a trap,— and it makes me wish you— Wonder of the World— to be with you— and talk to you— and feel your dear sweet influence close about me— the peace that you bring. I long for you— and want you, child— but if that cannot be now, I am grateful— oh so grateful— for your Faith and
Trust and Courage and Hope—for these are the Circle, dear, and I feel that somehow, it guards me— and shields me and makes me strong.

God Bless you.

WEDNESDAY NIGHT. (Nov. 20th.)

Not much diary tonight— oh, child!— for I am tired out. A long scene with Kommovers this morning— then Joe Ohi— then the A.P., establishing proper and friendly relations with the Press— then a rehearsal with Galbraith, Temey and Gatrell— and then three solid hours of argument with the Chinese— Duke Coal Tea, Minister of the Treasury— Sheng Hung Pao, the old sound, who negotiated all the early railway contracts and the English, American and Japanese Treaties of 1902— and O. Dr Chen Chin Tao, of all the American Universities, and a financial expert— and another. The Chinese had little to say all during the time— and I talked almost continuously from beginning to end— all that I wrote you last night— but elaborated and detailed— with side explanations, regarding international quotations— the American, English, German and French markets— lending and borrowing nations and I don't know what all. We have not seen— there are many pitfalls ahead, but I do feel better about it all than I did— for I do feel that we made more headway than I had hoped for— and so it goes. The weather's horrid— but I haven't had much time to think of it.

Goodnight, dear Wonder child— oh Dorothy mine.

God Bless you.

Thursday afternoon.

Your letter of the seventh— child of mine— Thank you. Please don't overdo.

Mail just closing— God Bless you.
JAPAN WILL SHARE IN NEW CHINA LOAN

Financially backed by Government actively-pushing claim
NEGOTIATIONS NOT YET OVER

New Element Enters into Problem Peking, Return of Agreements

Mr. Hitsui, representative of the American Syndicate, has returned to Peking.

Loan for Currency Reform

The Shanghai Times states—

The latest reports from Peking regarding the American Loan of fifty million dollars are rather conflicting. One of these states that although the Chinese Government has agreed to the rate of interest, the issue price and the time for repayment, it objects to the appointment of an American Financial Adviser and as the agreement has not yet been signed. Another states that the agreement has already been approved by the Prince Regent and signed by Duke Tsung Yin and the United States Minister. It stipulates that the issue price is to be 30, interest 6 per cent, per annum and the period for repayment 40 years, but, however, to the proviso that China may repay the full amount before that time. The loan is to be applied to the return of the currency.

Reports circulated in Washington.

The Xinhua reports that while the utilization of the authority Japanese capitalists are working with the object of sharing in the Chinese loan to be advanced by the four Powers. It is said that on the occasion of the contract for the Tientsin-Hankow and Hankow-Hwaih Railway the capitalists of the four Powers pressed that the Japanese capitalists take a share one-tenth of the amount. The latter accepted the proposal at first, but owing to economic circumstances reconsidered their decision, and simply held the right to share in any foreign loan to be contracted between China and the Powers.

The capitalists of the four Powers having contracted a loan of $100,000,000 in London, had requested not to allow any other Power to share in the loan. The Japanese Government which interpreted the issue as contrary to its interest, decided to send Toky to a power to claim their share in the fund to the strength of their acquired rights.

To this connection the capitalists have recently dispatched Mr. Ogawa, Director of the Sumo Bank, to Peking. It is understood that it is surprising that the new loan will be very probable and will have political significance for Japan, will take steps to get their share.

Original in private hands.

The Willard Straight Papers at Cornell University
FINANCIAL AND COMMERIAL SUPPLEMENT

LONDON, FRIDAY, NOVEMBER 18, 1916.

FINANCE IN CHINA.

"From a Correspondent." 

By an Imperial Erita the Chinese Government has sanctioned a preliminary contract between the Ministry of Finance and the Manchuria group of American financial interests for a loan of ten million sterling. Of this amount 10,000,000,000 was to be allocated to the industrial and financial purposes of the Manchurian authorities and the establishment of a Manchurian Bank, the remainder being devoted to the "currency reform" programme of the Government advocated by Shen Hsiu-ho, whom the Chinese regarded, in spite of a somewhat chequered professional career, as their ablest financier. Details of the final contract remain to be negotiated, but it is understood that the terms are based on those of the 200,000,000 Franco-franc loans contracted by China since 1915. The strength of a chain is that of its weakest link, and unless the Anglo-German financial policy is materially modified, it will be difficult for America to insist on normal conditions for the supervision of expenditure in Manchuria.

WAKEFIELD OF SAFEGUARD.

It was interesting to learn that the government of Great Britain and France at the close of 1916 was exercising additional control over the"Wakefield of Safeguard," which has been described as the "mainstay" of the financial operations in Europe. The British and French governments have agreed that the money raised by the Wakefield of Safeguard shall be used for the purpose of purchasing British and French securities, and that the proceeds shall be invested in the purchase of war material and other goods required by the governments. The Wakefield of Safeguard is a financial instrument which has been used extensively in Europe during the war years, and has been described as the "mainstay" of the financial operations of Great Britain and France. It is a financial instrument which has been used extensively in Europe during the war years, and has been described as the "mainstay" of the financial operations of Great Britain and France.
The Willard Straight Papers at Cornell University
I am writing for hearty, and these are to show you-

Handel.

I am writing for your sake.

I am returning to show you-

Hoffman.

I am having to write to show you.

Bachmann.

Your ever, you always-

Milly.

May I come to you next? - The good.

I am returning to go to show you-

Handel.

I may come to you— I hope to show you at once—

Silence.

I have just been to show you how much I love—

Bachmann.

If I can come for you, I should like to show you—

Silence.

If I can come for you, I should like to show you

The good.

The Willard Straight Papers at Cornell University
If I can come to your home on
Thursday next at one F.
Can you or can't you
come? I'll come here—Yours.

If I can come to your house
this week at one—please
let me know where.

Love goes with feeling.

Maurice you know—

Original in private hands.
Dec. 1, 1890

American Legation, Montevideo.

Dear Willard,

The last N.Y. newspapers stated that a Chinese loan was affected and that financiers had signed in your name at Peking. This came as a shock for me, but it needs confirmation. Isn't it true and consequently send me my twenty cou-

Original in private hands.

The Willard Straight Papers at Cornell University
gratulations. Your firm, intelligence and zeal has done it as those us who know your qualities were sure they would. I am sure you are coming to South America! On my trip to the South I read together! The dear and strange rumors far away and known nothing.

Our revolution collapsed because the French government was given up and the idea was raised to the Senate and the army was loyal.

The Willard Straight Papers at Cornell University
by the President. The grade of the English
university has been raised to 2, 2 and
2, 2, but this is in response to the
action of Germany rather than to
an expression of local British in-
terests. My American picture shows
guaranteed by the Kaiserslautern Society
(Archer Huntington), John Barrett
and myself will open in February
and should be successful unless
politics go bad. The situation is
not yet clear. Though again revolu-
tionaries do not interfere with
foreign enterprises as in Cuba
though tney keep development
back and refuse credit abroad.
With every good wish for the New
Year.
Ezriis Neufgen

Original in private hands.

Mr. W. Straight.
With a box,
by favor of Mr. Heightman.

The Willard Straight Papers at Cornell University
Dear Mr. Straight,

Mrs. Chow joins me to congratulate you for your success and wish you boundless happiness. Heartily welcome to our capital.

Yours sincerely,
Chow Tzechi
BULLETIN.

Mr. Willard Straight begs to announce that owing to the presence of Plague, Robbers, Earthquakes, Flood, Fires and Famine in the Tartar City, Monsieur Casenave has kindly consented to extend to him the hospitable cover of his kitchen, and that Mr. Straight will be open for business at 8 o'clock on the 30th instant at the Banque de l'Indo-Chine, with an entirely new line of canned goods, fresh Virginia hams, excellent wines and liquors and Manila and Habana cigars.
Letter No. 137
File No. 4/91/137

Messrs. J. P. Morgan & Company;
For the American Group,
No. 23 Wall Street,
New York City.

Gentlemen:-

As you have already been notified, I reached Peking on the afternoon of Sunday the 27th instant. My time up to the present has been occupied in acquainting myself, as far as possible, with the events which have taken place since my departure in April last, and familiarizing myself with the existing situation. This, however, will form the subject of a separate letter.

During my absence Mr. D. A. Menocal has looked after the interests of the Group in a most satisfactory manner. He has been confronted by many delicate situations and has acquitted himself with great credit, and Mr. Calhoun, the American Minister, has expressed to me his appreciation of Mr. Menocal's discretion and efficiency during the negotiations for the Preliminary Agreement of the Currency Loan. Mr. Menocal, in view of the necessity so essential to the success of these operations in which the Group has been interested, has been placed in a somewhat

PEKING, CHINA.
December 3rd, 1910.

Page No. J. P. M. & Co.
Letter No. 137

embarrassing position, via a via the International Banking Corporation, for there seems to have been a feeling on the part of the Bank Managers at Shanghai, at least, that Mr. Menocal should have utilized his connection with the Group to keep the Bank posted as to the Group's activities. It is undoubtedly true that had Mr. Menocal been a Free Agent and not responsible to the Group he could, at certain times, have furnished the Bank with information which, while he was acting for me, he was unable to give. He has furthermore felt it a little unjust that having secured the Bank's permission to act for me during my absence he, himself, should have been obliged to pay the expenses of maintaining a subordinate in the Bank out of the compensation which the Group had wished to pay him for his services.

In as much as Mr. Menocal signed for the Group the Preliminary Agreement for the Currency Loan I trust that the Group may be pleased to give him some substantial recognition for his valuable services and that in case this matter be taken up through the International Banking Corporation the Group stipulate that the Bank turn over the entire amount, whatever it may be, to Mr. Menocal himself.

Dr. T. J. N. Catrell who, since my departure, has acted as Chinese Secretary for the Group as well as for Pauling & Company has proved himself an invaluable man. I most heartily recommend that the present arrangement be continued
until such time as Pauling & Company may feel able to dispense with Dr. Gatrell's services in connection with the Chinehau-Aigun Railway and that he be engaged exclusively by the American Group.

I also wish to express to the Group the pleasure which I feel at the manner in which Mr. Gears has made connections amongst foreigners and Chinese and of the very valuable knowledge which he has thus acquired of the situation here. I feel that in him the Group has a man whose services will be increasingly valuable as the Group's sphere of activity is enlarged.

In case negotiations for the Currency Loan are successfully culminated by the signature of a Final Agreement I trust that the Group may be pleased in some way to recognize the services of Dr. Gatrell and Mr. Gears, as well as Mr. Menocal, in bringing these, as well as the negotiations for the Preliminary Agreement, to a successful conclusion.

No appreciation of the services of those who have looked after the Group's interests during my absence would be complete without reference to Lord ffrench who, although interested with us only in so far as the Chinehau-Aigun Railway is concerned, has assisted with his advice and counsel in the most generous manner, and whose experience and tact has been of great value to the Group. He has prevented complications which, especially when the Chinese were pressing...
Willard D. Straight
In account with J. P. Morgan & Company,
November 1st to December 31st, 1910.

<table>
<thead>
<tr>
<th>Dr</th>
<th>Travelling expenses as per attached</th>
<th>£</th>
<th>s.</th>
<th>d.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Draft on New York</td>
<td>347</td>
<td>19</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>£1700 @ 49½</td>
<td>347</td>
<td>19</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>On hand,</td>
<td>24</td>
<td>12</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(X) To be accounted for in salary account</td>
<td>91</td>
<td>19</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>347</td>
<td>10</td>
<td>4</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| (X) | 91 | 19 | 3 | 347 | 10 | 4 |
| 347 | 19 | 4 |
| 347 | 10 | 4 |

<table>
<thead>
<tr>
<th>(X)</th>
<th>Salary, November 1st to December 31st</th>
<th>£1,000.00</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sent to Oswego, N.Y.</td>
<td>200.00</td>
<td></td>
</tr>
<tr>
<td>£449.28</td>
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</tr>
</tbody>
</table>

Balance due on November salary, £1,350.72

| £1,000.00 |

---

**October 31st:**

<table>
<thead>
<tr>
<th>£</th>
<th>s.</th>
<th>d.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carting baggage from train and tips to porters, etc.</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>Taxicabs, during stay London</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>Telegram to Gillis</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Tips during stay London</td>
<td>4</td>
<td>10</td>
</tr>
<tr>
<td>Start from London, taxicabs, tips, etc.</td>
<td>12</td>
<td>6</td>
</tr>
<tr>
<td>Food</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>Servant's hotel bill</td>
<td>2</td>
<td>4</td>
</tr>
</tbody>
</table>

Account with Morgan, Grenfell & Co.

<table>
<thead>
<tr>
<th>£</th>
<th>s.</th>
<th>d.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Telegrams, fares, etc.</td>
<td>147</td>
<td>12</td>
</tr>
<tr>
<td>Cabin in Channel Steamer</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Tips on boat</td>
<td>3</td>
<td>160</td>
</tr>
</tbody>
</table>

**November 11th:**

<table>
<thead>
<tr>
<th>£</th>
<th>s.</th>
<th>d.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fare to Paris</td>
<td>13</td>
<td></td>
</tr>
<tr>
<td>Hotel, baggage, taxicabs</td>
<td>15</td>
<td></td>
</tr>
<tr>
<td>Hotel, Stay in Paris</td>
<td>42.50</td>
<td></td>
</tr>
<tr>
<td>Tips, porters &amp; hotel</td>
<td>14</td>
<td></td>
</tr>
<tr>
<td>Porters account, excess baggage cartage to station, etc.</td>
<td>145.50</td>
<td></td>
</tr>
<tr>
<td>Servant's board during summer</td>
<td>400.00</td>
<td></td>
</tr>
<tr>
<td>Tips on train for suitable accommodation</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>Porters, Paris to Liege, £444.00</td>
<td>28</td>
<td>12</td>
</tr>
<tr>
<td>186</td>
<td>13</td>
<td>5</td>
</tr>
<tr>
<td>Date</td>
<td>Description</td>
<td>£</td>
</tr>
<tr>
<td>-----------------</td>
<td>---------------------------------------</td>
<td>----</td>
</tr>
<tr>
<td>November 12th</td>
<td>Forward</td>
<td>186</td>
</tr>
<tr>
<td></td>
<td>Telegram to New York, Marks</td>
<td>10.75</td>
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<tr>
<td></td>
<td>Food, servant &amp; self</td>
<td>11.00</td>
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<tr>
<td></td>
<td></td>
<td>27.75</td>
</tr>
<tr>
<td>November 13th &amp; 14th</td>
<td>Food to Petersburg, Roubles</td>
<td>16.50</td>
</tr>
<tr>
<td></td>
<td>Tips</td>
<td>5.00</td>
</tr>
<tr>
<td></td>
<td>Porter &amp; frontier</td>
<td>5.00</td>
</tr>
<tr>
<td></td>
<td>Carriages</td>
<td>5.00</td>
</tr>
<tr>
<td>November 15th</td>
<td>Tickets, Moscow, etc.</td>
<td>103.30</td>
</tr>
<tr>
<td></td>
<td>Tips</td>
<td>5.00</td>
</tr>
<tr>
<td></td>
<td>Station Porter</td>
<td>2.00</td>
</tr>
<tr>
<td></td>
<td>Excess baggage</td>
<td>11.00</td>
</tr>
<tr>
<td></td>
<td>Train food, bedding, tips</td>
<td>4.00</td>
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<tr>
<td>November 16th</td>
<td>Moscow; Tickets to Harbin</td>
<td>40.50</td>
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<tr>
<td></td>
<td>Hotel bill</td>
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<tr>
<td></td>
<td>Tips</td>
<td>2.00</td>
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<tr>
<td></td>
<td>Food: lunch &amp; dinner</td>
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<tr>
<td></td>
<td>Excess baggage to Harbin</td>
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<tr>
<td></td>
<td>Porter &amp; service</td>
<td>3.00</td>
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<tr>
<td>November 23rd</td>
<td>Telegram</td>
<td>9.67</td>
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<tr>
<td></td>
<td>Tips</td>
<td>10.00</td>
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<tr>
<td>November 25th</td>
<td>Harbin to Kwangchungtso</td>
<td>3.20</td>
</tr>
<tr>
<td></td>
<td>excess baggage</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Tax, porter &amp; service</td>
<td>6.70</td>
</tr>
<tr>
<td></td>
<td></td>
<td>293.07</td>
</tr>
</tbody>
</table>

**Total: £ 293.07**
E. C. Grenfell, Esquire,
22 Old Broad Street,
London, E. C.

Dear Grenfell:—

Pauling & Co.'s letter is rather irritating for they seem to forget, in advancing these various claims, that had it not been for our good offices they would have had no contract of any sort on which to advance a claim. I think that this has been pointed out to them before, and should be again. At the same time I do not wish the matter to be placed before them in such a way as to make it unpleasant for dechraé, who thanks to the intrigues of Pauling's engineer Ginnell is already having some trouble with the firm. You will perhaps remember a letter which I wrote to French showing how Ginnell had embarrassed me in the negotiation of the detailed Agreement. Reference to this will show him up, I presume, to your entire satisfaction.

For the benefit of Pauling & Co. and also for your information, and for New York, I am enclosing a Memorandum regarding the three points brought up in Pauling's letter to you. If you have an opportunity I wish you would see old Pauling himself and tell him that this sort of thing will do no good, that we have played the game with him from the outset, and that if we cordially and frankly cooperate we may be able to get the enterprise into actual working shape, while if he does not stand by French, and sit on Mr. James Ginnell and the other trouble makers, it will be very unpleasant, as well as unprofitable for all concerned.

I thought that things were pretty bad in London, but the number of petty, small, mean, little games that have been going on here would make you sick at heart, and disgusted with human nature. However, we'll do our best, despite the cordial lack of cooperation by our various partners.

With kindest regards,

Sincerely yours,

WILLARD STRAIGHT.
December 5th, 1910.

Messrs. J. P. Morgan & Company,
For the American Group,
No. 25 Wall Street,
New York City.

Gentlemen:

CURRENCY LOAN

On arrival in Peking and after consultation with the American Minister and various Chinese Officials I found that there existed, even amongst the Chinese most friendly to the United States, a feeling of resentment and suspicion founded on a misconception of the nature of the London Agreement and fostered by other interests here in Peking.

On the afternoon of Tuesday, the 29th of November, I called upon H. H. Duke Tsai Tse, the President of the Board of Revenue, and H. E. Sheng Kung Pao. At Sheng's request Dr. Tenny, Chinese Secretary of the Legation, was also present and in addition to the two chief Chinese representatives Dr. Chen, Vice-President of the Ta Ching Government Bank and another gentleman who spoke English assisted at the conference.

Having previously been informed of the uneasiness of the Duke and Sheng regarding the possible effect of the

London conference on our Loan negotiations, I went into the history of the matter and carefully explained the nature of our commitment to the Tri Partite Banks. I prefaced my remarks by stating that the American Group was still prepared, as it had been from the outset, alone to undertake this business and then endeavored to show the Chinese how essential it was to the success of their scheme for Currency Reform to have the co-operation of the other great powers, a co-operation which would be most likely to be assured from the outset by the admission of the English, French and German Banks to participation in the Currency Loan. Emphasis was laid upon the advantages which would accrue to China in case through inter-bank co-operation of this sort an investment by the four powers could be created in Manchuria, and I endeavored to show the Chinese how valuable assistance of the Quadruple Banking Group in forwarding their Chin-Ai project. Emphasis was also laid upon the fact that effective currency reform would be the first step towards securing the revision of the customs tariff, that the increase thereof was earnestly desired by China and that it was therefore necessary that as far as possible China should anticipate the difficulties to be encountered in dealing with the other powers in regard to this matter, by assuring that measure of co-operation at least, which would result from the participation of the Tri Partite Banks in the Currency Loan. The Chinese representatives admitted the force of the arguments in favor of participation.
Letler No. 136  
J. P. M. & Co.  
by the Tri Partie Banks but stated that they preferred to conclude negotiations for the Currency Loan along the original lines and to have the American Group as sole signatory. Pointing out that there was little to be gained by discussing possible signers before an agreement had been reached as to the provisions of the document to be signed, I suggested that we proceed at once with the discussion of the Detailed Agreement, reserving the right notwithstanding the Chinese objections, to again bring forward the question of joint signature at such time as might seem desirable.

Mr. Calhoun, subsequent to the conference described above, after going over the Detailed Agreement, pointed out that the Group could not reasonably expect China to pay interest upon a bond issue and at the same time refuse to let the Chinese authorities draw on Loan funds because the Group, or even the Foreign Financial Adviser, did not approve of the Chinese scheme for currency reform.

This criticism seemed entirely justified and in consultation with the Minister, therefore, a new plan was prepared, which did not seem open to the same objections; the general outlines of this plan were submitted to you in my telegram No. 116.

By stipulating that advances to be made on Chinese Treasury Bills should be only for such purposes as in the estimation of the Group should not prejudice the value of the Bonds upon the issuance of the same, the Group would be able to exercise a reasonable measure of control without causing a Chinese loss of face. At the same time funds which China desires to utilise in Manchuria would become immediately available and the aggregate sum named, $5,000,000, should be sufficient for the first year.

The plan submitted to you contemplated the immediate appointment of an American Financial Adviser and the preparation of a definite programme for Currency Reform by the Board of Revenue in consultation with the Adviser thus appointed.

Before the bond issue is made under the Loan Agreement the Currency Reform programme prepared as above must be officially recognised by the Group and the Government as supplementary to and part of the Loan Agreement, and therefore as the basis for the Bond issue.

The actual Loan Agreement therefore will merely stipulate that an American Adviser shall be appointed in a consultative capacity. This again will be calculated to save the Chinese face, while by basing the Bond issue on a definite scheme for Currency Reform the Group should be able to assure itself that the money shall be properly expended. Such programme for Currency Reform would naturally provide that the Foreign Adviser should have certain authority. The more definite the scheme for currency reform, however, the less necessary it will be to impose upon the Chinese Government the foreign control to which they so strongly object.

The scheme above outlined would seem to be the one best calculated to avoid the imposition of too obvious and
therefore too onerous foreign control while, at the same time, providing satisfactory assurances regarding the proper expenditure of Loan Funds.

It will be difficult, however, to secure even these assurances. Dr. Chen Ch’ing Tao, the Vice-President of the Ta Ching Government Bank, is apparently the trusted adviser of Duke Tsai Tao. Dr. Chen is an intelligent man and has, in the years in which he has studied abroad, acquired a vast amount of economic and financial information. His somewhat truculent manner would seem to indicate that this information has not yet been well digested and is therefore causing him some uneasiness. It is Dr. Chen, as far as I can gather, who has prepared the scheme which the Chinese now have for currency reform. This scheme is regarded by local bankers as being in many ways excellent, although requiring certain modifications. The Chinese suggestion that the Foreign Adviser should be appointed as an official of the Ta Ching Government Bank has been rejected, I believe, by Dr. Chen, who desires to pose before his Government as the Father of Currency Reform, and desires, therefore, that any foreign Financial Adviser should be subordinate to him. Such an arrangement would be highly unsatisfactory.

It would seem, therefore, that a rupture of negotiations will be far more likely to occur because of the Chinese refusal to give us reasonable assurances regarding the proper expenditure of Loan funds than because of the Chinese refusal to admit the Tri Partite Banks to participation in this Loan.

Dr. Chen and the other officials are endeavoring to impress upon us the necessity of coming to an early conclusion of our negotiations by avoiding any specific reference in the Loan Agreement to the appointment of a Financial Adviser, because of the opposition to the appointment of such an Adviser by the Senate, which is now in session. From the reports regarding the temper of the Senate, however, I am inclined to believe that the only opposition of this body to foreign loans is prompted by the fear that the Loan funds will not be properly expended. I am inclined to hope, therefore, that we may be able to convince certain of the leading Senators that in insisting upon the appointment of a Financial Adviser and the preparation of a proper scheme for Currency Reform we are acting in China’s interest and actuated by sentiments similar to their own, and that perhaps the Senators will side with us rather than with their own officials.

Before laying our new proposals before the Chinese, however, I shall, of course, await your instructions in reply to my telegram No. 116.

It will be difficult, even though we came to an agreement regarding the Loan terms, to obtain the Chinese consent to joint signature by the four banks.

I hope, however, that by the time it becomes expedient for us to take this matter up we may have convinced
J. P. M. & Co.
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the Chinese that for political reasons the admission of the
other banks is essential to the success of their schemes.

Yours very truly,

[Signature]

S/O
It seems so strange to think that the letter that came today was written before I left England, and that it should find me here. You've no idea, oh, Wonder of the World, what it means to hear from you. If I can be with you, to hear from you is the next thing, and that alone can keep me during these months that are to come.

Today I had a long session with a man from the Foreign Office—our friend Ma—we inquired him and he had taken them in to Ma Tung who was also impressed. Then a long talk at the Legation where old Tenney and our friend Menocal had been before me, saying that yesterday's interview had been a <i>frst</i>. Kind, wasn't it? I disarmed the Minister and told him I thought that everything was going very well, as I do. Apparently the others thought it had to be bright sunshine and blue sky at once. I'm beginning to feel a good deal as the "Only Honest Man." I can't stand those that don't play the game. Old Tenney has never been in sympathy with either Frater or myself—or any forward (?) movement of any kind, and he goes around now with a great long face and prophesies failure for all our interests. Bad sas(?) to him. Lunche'd with Max-Mallers and had a long talk with him. He is all right and realizes the necessity of keeping hands off for the moment, and will do so despite Hillier and Co. Then a conference with French and long letters to London to pave the way for him to go home to run the Chin-ai show there—an other council at the Legation. The old man is getting more and more interested and excited and he is very able, very sound, and very sane. I am really all for him.

Tonight dined with Einstein, the Marguerites, Fiotes, Luxburg and yours friend Jessy. We played bridge in the Library and I couldn't think much of the game, for it all came back, and I seemed to feel you there, sitting as we read "Harpessa"—you and I—as we talked in the evening—as we stood in front of the fire place that last night, and I looked up the stairway—and could wish you would come back to me, as I stood at the foot with my heart so full, and not daring to say a word.

Oh, Dorothy mine, they were good days, as you write, when you and I came ever closer. We must hurry things here for I must get back—get home again, to you, oh Child of Mine, for the world is a dreary place without you.

You mustn't work too hard, I know it will be fine, and you will bring happiness and comfort to many people—but remember you must keep well for me, Wonder of the World.

God Bless you.

Yes, I did read your letter in The Sanctuary, and I've just read it again. Poor N., it is too bad, and I am so sorry for you, dear child, for I know you feel it all. But never mind—it will work out all right and he has far too many real friends to let anything make any difference. Don't worry about your friend with her. The world is full of mistakes, and that's why the Real Thing is so wonderful.
Poor Old Calhoun unburdened himself tonight also. Einstein he hates and despises as a Jew and a self-seeking shrimper-Heintzemian, his number two, he has no confidence in-and Tenney is ungenial. Poor old fellow. I don't really think he's ever been interested in the game before, and now that he is, he finds himself frightfully handicapped by dissention and inability in his own staff. So you see what we're up against. However, Calhoun is fine, and a shrewd lawyer withal—and we have lots of odds on our side, no matter what the difficulties to overcome may be. It's not a cheerful outlook, but never mind, it's a fine old scrap anyhow and maybe we can win out yet—we'll see.

Sometimes I feel as if I were in a strange dream. Things come and go and I talk and rant and see all manner of people, as through a haze. The real Willard is with you, oh Wonder of the World—far away from all this turmoil—and together, you and I seem to look down—to be interested and acting in it all, but somehow not part of it at all.

Goodnight child—God Guard you.

—DEC. 21 WEEKLY ISSUE (DEC. 21)

Oh Wonder of the World— I'm afraid I am breaking the sworn-off, by a minute or so, but I can't turn in somehow, without writing you—just a Diary of course, to keep you in touch with the Game! H. has been a little on my mind—for I am afraid it has been worrying you, but you needn't let it, for it will all work out all right and such things don't make a bit of difference to true friends, the only ones that count, after all—Do they?

Imprinias today—George Batt, whom I met first at Helminthum during the battle of Mekinian—later he had a duel, or nearly died, with an Austrian Baron. Trench will tell you the story, if you ask him—Then he spent three days in a Farbin jail for gambling—then Gillis and I met him in Farbravia, and he turned up yesterday. He started life as a scout with Crook (?) in his Koutam campaign in the 70's—and now he wants to borrow enough money to get to Nevada, where he has friends. He says who will lend him enough money to get back to Kurnahaka, whence he has just come. He wants to mine in the summer and trade in furs in the winter. He's a queer old bird, and I'm going to let him have it, though I have no business to—just because he's a good old sport. Exit funds, I suppose. What do you think me—an awful ass I suppose.

More conversation today. We've rewritten the detailed agreement in some of its most important features and I think the scheme is a good one and should be calculated to meet the Chinese objections and at the same time be satisfactory to us. Dr Chen was here last afternoon and let himself in nicely. He showed his hand by trying to bluff me—and it is pretty plain that the opposition to an American Adviser is largely that not entirely, due to Chen's own desire to have his scheme for Currency Reform adopted and to his fear that should an American somebody himself might be overshadowed. He threatened me with the new Senate and all the terrors of popular agitation, and I told him we'd rather chuck the loan at the outset rather than let China have the money without protecting China and ourselves in every way possible by making satisfactory provision for the effective inauguration of a properly considered scheme for currency reform. The best part of dealing with a man like Chen is, that although he is insolent and a shrew he is very intelligent and moreover, knows a very great deal, so that he cannot but recognize the strength of our arguments. It isn't then as if we were merely up against obstructive and ignorant officials. Chen is playing off the Senate, for he thinks we would be afraid to let the pass on our agreement, but I am so sure that what we ask is reasonable that I am making arrangements to meet some of the Senators, and am going to show them the agreement and thus holst the Dr, by his own petards. It's really a lovely game, and the situation is all the more extraneous because we have the Senate to handle. I feel that what we ask reasonable--right and in China's interest--and I think that perhaps instead of the officials using the Senate against us, we shall be able to reverse the tables—that will be fun, and home politics with a vengeance. Different times breed different tactics, and this is a game which we Americans, as molefactors, should be pretty familiar with.

Tonight Mr Freer of Detroit was at the Menoula. He was tremendously interesting and talked a great deal about Whistler—and the inspiration he derived from Chinese art it was very refreshing. But aside from all this, I liked the man tremendously, for he is a real person—forceful, keen, and above all charitable and kindly.
DEC. 2nd. 1910

When I meet folk of this kind I always long for you—child—wonder and wonder and wonder when you and I will be together, and for all time— and think how wonderful it would be if we could meet and talk to such people together.

God bless you.

MONTDAY AFTERNOON. (DEC. 5th)

A new moon. Last night—oh wonder of the world. Do you see it too I wonder, over your right shoulder—and what did you wish. Can you guess what I did? Such a business, all day yesterday—from early morning till late at night. All day today. First the Minister, then Taal Tan, who wrote from the hand and promised to pass all our document to the Regent—then the Secretary of one of the Senate leaders—who E.H. Chinoctulated properly yesterday—and tonight Pu Lun, President as you know, of the Senate to whom we shall give a very free heart to heart, for French, Catrell and I. But French has just had word from London that Paulings are getting restless. It seems always to be the way. We get one batch roped and branded, and another gets away. First it was the Chinese, then New York then Berlin and Paris—then Peking again and now its London. Such is life.

This will reach you about Christmas time—oh child of mine. May it be a merry one for you all.

God guard you.

Original in private hands.

The Willard Straight Papers at Cornell University
THE CHINESE LOAN.

Without mentioning its authority, the Nihon Shimbun publishes in large type an emphatic denial that any objection has been raised by Japan to the Chinese loan or that any demand has been preferred by Japanese statesmen for participation in the loan. All that Japan has done is to express its friendly confidence that she will not be excluded from the privileges accruing to the creditor countries. So far from there being any truth in the rumors hitherto published about an objecting attitude on this country's part, it is a (fact that the four Western Powers concerned in the transaction are desirous of securing the cooperation of Belgium and Japan. It is not likely, however, that Japan will take any definite step without consulting China's inclination, and measures are said to be in process or in contemplation with that object. If Japan becomes one of the creditors, she will probably be represented by the Specie Bank and the East Asia Industrial Company (To-A Kogyo Kabushiki).

Our readers cannot fail to have remarked that Japan has been very generally accused of, on the one hand, opposing this loan, and, on the other, insisting on participation. The Nihon Shimbun's statement may be taken as finally disposing of these stories. But it will certainly not silence the newsongers. Japan is in the black books of the outside public at present solely for sentimental reasons, and she must expect to have all her actions severely construed for some time to come.

TREATY CHINESE LOAN.

There are very conflicting statements about the progress of this transaction. Washington telegraphs in a most positive strain. It says that all the stories bruited abroad about complications and obstacles are quite unfounded and that the loan has proceeded most satisfactorily and may be said to have now been carried to conclusion. Moreover, the full authority is vested in American hands, and it is entirely optional with the financiers of the United States whether they carry out the transaction themselves or solicit the aid of other countries. Finally, with regard to a foreign overseer of the methods of expending the money, China is not only a consulting, but even a willing, party. Nothing has yet been fixed, however, as to the nationality of the overseer.

On the other hand, we have the Chuo Shinbun in Tokyo simultaneously publishing a statement said to emanate from official sources and represented as an explanation of the apparent inertia which has marked the attitude of the Japanese Government towards this question. The statement is that the affair has not yet been carried far enough to call for cognizance by any foreign Government. The whole thing lies in its embryonic stage, and whether it will ever emerge from that stage remains to be seen. When indications become clear, there will be ample time for Japan to move, but even then she will of course refrain from interfering unless her interests are directly concerned. As to the question of appointing a foreign overseer, that will require consideration anxiously in proportion to the scope of the powers vested in him.

The Willard Straight Papers at Cornell University
December 2nd, 1910.

Tokyo.

Willard D. Straight Esq.,

Dear Sir,

I am very glad to hear by further telegram that you are now headed to China, succeeding on John money question, but allow me to add here one word with sincerity, this is only first step of profound meaning by Mr. Fort Shanghai speech had delivered on October 10th.

I have got detail report about Kiang-Se Railway Company (South China) and if Mr. Ginnell have appropiated on my understanding, I shall be able to consider the matter further about estimate of earth work.

As I have asked your intention to invest on the Chinese Railway, I wish to know what is your plan and decision.

I should like to consider the matter further about estimate of earth work.

1. Survey of earth work and calculating plan on proper section.
2. Survey of total line and making plan and cross section.

I am much obliged if you will give me some explanation on this point, so it will be much easier to add here some word with sincerity, this is only first step of profound meaning by Mr. Fort Shanghai speech had delivered on October 10th.

In Japan the proposed line, amount of estimated work is very large. I am under the impression that if you are interested, I shall be able to consider the matter further about estimate of earth work.

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Peking, December 6th., 1910.

Dear Davison:-

As you may have gathered from the letter which yesterday went forward to the Group we are up against a very stiff proposition. When I arrived the Chinese and even our own people were afraid we had sold out our rights under the Preliminary Agreement to the Tripartite Banks. This impression was assiduously encouraged by our many friends. It has taken much talking but things now seem in fairly satisfactory shape. I have taken the line that we were as always prepared to handle the business ourselves, but that in the interests of China, we preferred to have the other Banks as joint signatories, and that in any case there was little use in discussing who was to sign until we had an agreement ready for signature. This places us at once against the Chinese opposition to anything like foreign control of their finances. Not only do the officials fear this, but the new Senate, now in session, will not permit the Mandarins to make any agreement which would establish a foreign financial dictatorship.

It has been my impression that the Department and the Group in insisting on the appointment of an Advisor contemplated insuring currency reform, through the proper expenditure of the funds to be secured from the loan now under consideration. If the Department wishes to have the Chinese accept
an American who shall have general supervision over the
Chinese budget, we might as well chuck it at the outset.
Not only would the Chinese themselves refuse to consent
to the appointment of an official with general and undefined
powers, but their refusal, and rightly, would be prompted
quite as much by their fear that other powers would then
insist on the creation of an international Board, as by
their unwillingness to admit that they are unable to
manage their own affairs.

If the loan scheme which is now before you is
acceptable the Group would be protected by satisfactory
restrictions on the expenditure of advances, and by tying
the currency reform programme to the loan Agreement, on
the proper disposition of loan funds in accordance with
such programme. At the same time the Chinese would save
their face by taking on an adviser in a consultative capacity
only. The functions of such adviser in connection with
the scheme for currency reform could be fixed in the programme
itself, and if he were not too obviously imposed on the Chinese,
the Chinese, if he gained their confidence, undoubtedly
utilize him in many ways, feeling that they did it of their
own accord, rather than on the orders of the foreigner.

I have little hope of being able to come to an agree-
ment on any other lines. Even this will be difficult enough,
for we have the intrigues of our friend Dr. Chen Chin Tao
to contend against, both amongst the officials and the
Senators. I think however that we have forestalled him,
for I have had a long and very satisfactory talk with
Prince Tsai Tao, who promised to carry on word to the
Regent. Prince Fu Lun head of the Senate has also been
put wise, and we have taken steps to furnish some of the
leading senators with the right doce, giving them to
understand that in insisting on the appointment of an
American Adviser we are working for the same ends as they
themselves, i.e. to prevent squeeze by the officials and
to insure the proper expenditure of loan funds.

The Group's long telegram regarding insistence on
control of expenditures I am answering at length. I do not
think we can stipulate that a foreigner must o.k. every
draft on the loan funds. Such a provision seems a little
unreasonable when we make it necessary that they, in each
case before embarking on any expenditure must secure the ap-
proval of the Group for such outlay, and in addition by
providing that loan funds may only be expended to meet the
requirements of operations under the loan agreement, make
any wrongful diversion of these funds a breach of contract.

I can quite appreciate your attitude towards this
matter. At the same time I hope you will understand what
we are up against, for the Chinese have their tails in the
air at present, and only by overcoming stubborn resistance
will we be able to secure even a reasonable compromise between
your position and the one they have gaily taken.
If we can come to some arrangement by which the Tripartite Banks will ultimately be included in the Currency Loan we shall be able I hope to make the Chin-Ai project a practical issue once more.

The British Foreign Office seems to be assuming a much more reasonable and friendly attitude and it now remains to bring the Chinese and our own State Department into line.

The obvious course seems to be along the following lines:-
1. We to secure Chinese consent to some alteration of the scheme, either that suggested by ffrench in his letter to Pauling which was sent on to you, or some other similar plan.
2. ffrench to return to England to take advantage of friendly attitude British F.O. and there to work out some scheme which British Government will support, and in which Russia can acquiesce without too great a loss of face.
3. ffrench to proceed thence to Petersburg and with British Ambassador and Rockhill to acquaint Russian Government with our plan and secure, if possible, assurances regarding non-interference.
4. These preliminary steps being successful, we at this end to alter detailed agreement to provide for construction line as plotted above, and to admit inclusion tripartite Banks.
5. Such alterations being effected we to invite the participations tripartite Banks, have them sign Loan Agreement, and obtain ratification thereof by Imperial Edict.

Our difficulties at the present time are increased by growing cold feet on the part of Pauling & Co. They feel that in coming to an agreement with the Tripartite Banks and undertaking the flotation of the currency loan we have relegated the Chin-Ai project to a very high shelf. The perhaps natural discontent which Pauling feels after three years expenses without returns has been aggravated by the engineer, Ginnell, regarding whose intrigues, and petty jealousies I have already told you. He has done his best to discredit ffrench, and to show Pauling that the American Group has been throughout engaged in selling him a gold brick. As a result, now, at the very time when there is a chance that by handling the situation properly we may be able to secure results, Pauling has written ffrench, practically saying that if he can't obtain an Edict within three weeks he, Pauling, will chuck the game. This is obviously ridiculous.

As you know I feel that we have since the Group's entry into China been playing for position. This we seem in a fair way to secure, and careful negotiation at the present time is essential or we shall lose all we have gained after so long a struggle.

You have probably had some consultation with J. O. White and Co. about the organization of a general contracting syndicate for Chinese business. This concern should if possible be Anglo-American, and Pauling's present uneasiness might be used to buy him out, and turn over the Chin-Ai
construction contract to the new concern. If Pauling does not wish to sell, he might turn over a half interest to us. If he is unwilling to do this, we shall have him committed to maintaining his establishment here, and that will serve our purposes equally well. The main thing is to ensure an unbroken British connection with this enterprise, for I think we must rely on British support, as well as on Hostalim's five per cent, to pull off this deal.

To do this I think that ffrench ought to go home now. We have worked out a scheme for a construction syndicate in which the Group might be indirectly interested, through the organization which J. G. White already has in mind. I should like to have ffrench lay this before you, and I should like to have you meet him.

There is not much use, perhaps, in going over the history of this summer now. I think that Mnnoac did very well as I have already written the Group officially. I believe farther, that he played the same game with the Group, at the risk, sometimes, of offending his own Bank. At the same time I do not think that he carries enough guns to take on this work again, and I am afraid that on one or two occasions he might have made a mess of things had it not been for ffrench who stood by with help and counsel, and was as loyal and steadfast as if he had been one of your own men. For Dr. Gatrell who has now charge of the Chinese translation work, which I have no time to undertake, and for Geare I have only praise. It will be to the Group's

interest to retain the services of the former as long as possible, while Geare has developed in a most satisfactory manner, has overcome many of the faults which formerly caused me some anxiety, and is, in every way, a most valuable man.

Mr. Calhoun, the Minister, is a tower of strength. He was a little off the track, at one time I think, for as a lawyer, accustomed to regular practice, he did not quite realize the difference between a legal and a diplomatic claim. He has gained Chinese confidence to a remarkable degree, is shrewd, sound, and forceful. The thing that impresses me most about him is his absolute squareness and honesty. He would rather chuck his post, the service and anything else than be party to any transaction which he did not consider right. The poor man was considerably worried by the press reports of the London Agreement, for he feared that after having promised to undertake the loan solely as an American project the Group had sold the ground from under him. He quickly saw our position however and his advice and encouragement are now of the greatest value. He is greatly handicapped by his Legation staff. Einstein, a freedman of Mr. Schiff's by the way, is the First Secretary. He is extremely able and intelligent, but absolutely ungenial to the Minister. He has been trying to play a lone hand for his own ends, and has not, I think, been loyal to his chief. There was one serious row, and Mr. Calhoun was on the point of writing Mr. Know and stating that either
Finkstein or himself would have to go. He has now come to a working arrangement however and things are going better though not well. Heinsteelman, the Second Secretary is a foolish flannel mouthed boy, nice enough, intelligent, but without judgement. The Minister therefore feels himself very much less efficient than he might be, were he served by an able staff. I think he wants to get out when he can, though he will not embarrass the Department by running away from a difficult situation. Einstein as Chargé d'Affaires, on his own, would probably be a better man than as a Subordinate. My chief fear about him is that he is much more of a Continental, cosmopolitan, than an American.

You will perhaps remember that last summer when the subject of this currency loan first came up I was somewhat worried because the Chinese desired a "Banker of high standing" as the Group's representative. This request as far as I can discover, was prompted chiefly because they felt that as a "locum tenens" Menocal was not clothed with sufficient authority, and therefore not fitted to negotiate in this matter. If it is possible to sign the Agreement on the lines now recommended to you I believe, however, that the Group should have a Banker here to work with the Adviser in the preparation of the Currency reform programme. I fear that I am not capable to pass in such a scheme, and you should have some one here in whose judgement you could place confidence. This suggestion is not prompted by a desire on my part to clear out, for I feel that I am here to see the deal through if it can be done at all.

The problem with which we are now dealing is tremendously fascinating. If we can work out an effective scheme for currency reform, put it into operation, and secure for it the support of England, France, and Germany, and at the same time interest the tripertite Banks in the Chinese loan, we shall have accomplished the two most tasks most vital to the regeneration of China, and most essential to placing her on her feet. We have a wonderful opportunity, and I cannot but feel that it were better to abandon the whole undertaking, than in any way to prejudice these chances by the conclusion of anything but the most carefully considered loan agreement. I am sure that this will appeal to you, though there may be some who will be greatly disappointed if we cannot secure immediate results.

Trusting that you are all well and with kindest regards, believe me,

Sincerely yours,

[Signature]
It's very late again I'm afraid, but I've had to work on a telegram to be submitted to the Minister in the morning and to be shot off immediately to New York. I can turn in much more easily and sleep much more quickly, oh Wonder of the World, if I send a line to you across the world. Your letter, written after election, came last night—so 4. It astonishes me when I think of all that I've written you. I wonder whether you know how much these letters mean to me—how very dear they are—just because they bring you closer. You, who are so far away, and are now, I suppose, looking after some folk and bringing happiness and sunlight to someone, while I am in the midst of an endeavor to keep New York from eating too much on the one hand, and China from giving too little on the other. It's all very cheerful—the Group and the Department bowling for more—the Chinese cursing and squabbling because we ask too much—the Japanese trying to stab us in our metaphorical backs—and the Russians English, French, and Germans knocking, knocking, everywhere—and in the midst of it all and through it all, you child, seems to be near, and the thought of you gives me strength and hope, and the longing to be with you again makes me feel that somehow things must go quickly and go right in order that we may do our work and be free to go to you.

You must not work too hard this winter in your charities. It is a wonderful thing to be able to give as you do. You can give more, truly more of yourself, than anyone I've ever seen. But I fear that I am very selfish and that I want you to give to me—what I may gain too, to you—and that we may both from our great store give to others.

I am so glad that you are pleased with him—and that he has grown so splendidly. I don't know him well but I have always liked him and it is fine that you should both be able to establish such an understanding, for it is a very difficult thing, oh Wonder of the World, for a man and a maid—though it may be possible twist a woman who has married and a man who loves and cherished anything that has gone before only as a fine memory. You will help him tremendously, I know, and I love you child, because you are big enough and wise enough to do so much of a woman and so little of a flirt, that you can do this. A man can only resent, if he does, when he feels that he has been trifled with and laughed at. With you this could not be.

Mrs. Hoole is to laugh—and she, oh foolish child, to think that I would write her and call her down. I am sorry for your sake, for I hate to think that she has used your name in that way, and sorry because she is a foolish—how differently one can use that word—a silly woman, who only really does herself harm. It's hardly necessary to add that she's about the last person to whom I would have mentioned your name. I must confess withal to just a little spiteful satisfaction, for it now seems plain why she wanted to lunch with you in the country. But after all I presume she is kind hearted and meant no harm by it all. My instinctive distrust and dislike, however, seems to have been justified.

I've been thinking a good deal about poor old T.R. lately and have written him a letter and one to Lloyd Griscom. I am sending you copies for your approval. I came very nearly sending you the originals and asking you to send them on if you approved.

Fu lun's package arrived the day after I did, and was delivered last night, with the one from Beatrice. He was delighted. He stayed here for hours and hours and talked about his time Samite. Just French and Barrett and I were here, and we loaded him up with the same old 'dope' about the Financial Adviser and the joint signature by all the Banks. It seemed to take and he will I hope, talk to George Washington Cripps and Alexander Hamilton King and bring them around to our point of view.

For ten days and more I have been eating, sleeping, drinking this loan—talking, and talking and talking, and I am tired, tired out. But you mustn't worry about that, for my worry, such as it is, would only be the greater if I didn't work like a trooper to enable me to get back, oh Wonder of the World, as soon as ever I can.

God bless you.

WEDNESDAY NIGHT, [DATE]

Such a full day—arguments and quibbling, and some rather sharp passages with our friend Dr. Chen, who was inclined to be nasty this afternoon. We called him down however, by soft answers, which turned him wrath and makes the Chinese feel himself very much your superior. It is ten days of this now, and sometimes I feel as if my head would burst, but the wheels are going round so fast. People come and go—we talk and I try to be pleasant.
No one makes any difference somehow, oh Wonder of the World, I want to be nice to them and try to be, but I am living in a world of my own with you. I am a prisoner, who sees freedom and the Sun and Life, only at the end of a certain task, who fixes his soul on that Promise of Happiness, and concentrates his whole mind on the task before him. Can you wonder the rain or shine, cold or heat, make but little difference.

God Bless you.

THURSDAY AFTERNOON JUST BEFORE THE MAIL

CLOS. (Dec. 6th)

Enclosed, papers, typesetting, repairs, officials, and all the unlovely panoply of the Group. Just a word, my Wonder Child—You're letter came today, telling me what you thought I about writing, and I am so very glad, not to write would be so wholly unnatural, not to hear would make what is already hard enough, so much more difficult to bear,—and no matter how close we might come in after years, oh Dorothy mine, had we stopped now I should always have felt somehow that we had been lacking in Faith in it and in each other. There must be no breaks--there must be no game. I know you felt this. Perhaps I should not have written about Pauline and her theories, but she did make that point as I told you, and I should much rather feel always that I had told you everything—given my view and asked you to decide, rather than that I had made up my mind as to the right course (probably the one I most wanted to follow, not necessarily the right one) and acted accordingly without reference to you. I am very very glad that you've written just as you have.

Don't you worry about a friend who has failed. Perhaps we all—you don't, but I do—I know—fail sometimes to be wholly and absolutely loyal. Let it go by, and be sorry and that's all. I'm so glad too that you ended your letter as you did and it is so wonderful that when you were disappointed and saddened you should have turned to me. It makes me very proud, oh Wonder of the World, and so glad, for as you've seen from my letters by now, there has been much the same thing here, and through it all I have turned to you, you alone, feeling that

God Bless you.

Hang to work again.

Letters you mail by Saturday boats reach me on a Sunday. Letters by the German fast ships or the "Happy" or "Lonely" should be here by Thursday morning. I've doped it all out. I am sending you a lot of junk today, but it's not a gold brick letter by any manner of means—do you think so?

My Faith in you and yours in me made all else of little account. It is very very wonderful and very very sacred.

God Bless you.

The Willard Straight Papers at Cornell University
PEKING FINANCE

A telegram from Peking received by "The Christian Science Monitor" relating to the financial status of the United States Government, states that the Chinese Government has not yet decided whether to grant a new loan to the United States. The Chinese Minister of Finance, Mr. Shen, has been called upon to keep a close watch over the course of events in China. The proposed loan of ten millions sterling, if materialized, will be associated specifically with two or more Ministries of State, although it will carry the imprimatur of an Imperial undertaking. In the case of a loan of 

It would be idle to contend that recent developments in Chinese finance can have any other effect than to arouse misgivings among those who are called upon to keep a close watch over the course of events in China. The proposed loan of ten millions sterling, if materialized, will be associated specifically with two or more Ministries of State, although it will carry the imprimatur of an Imperial undertaking. In the case of a loan of

CHINESE PRESS AND GOVERNMENT

Not Authorized for Anti-Japanese Feeling.

The Peking July 7 Edition of the Peking Jih Pao seems to think that the anti-Japanese statement made by a Japanese official concerning the Anti-Japanese feeling in China is not correct. The said official is reported as having said in the Diet that the anti-Japanese feeling as is expressed in the Chinese Press seems to be made at the insigation of the Government. In the opinion of the Peking Jih Pao, such a statement is misleading as it tends to establish the deplorable lack of information with regard to the conditions in this country. During the Russo-Japanese War, the Chinese were generally sympathetic with the Japanese. But after the war, when the Japanese have been overbearing and proved of their military achievements, and incidentally looked down upon the Chinese, the Chinese naturally responded with a feeling far removed from that of love. Though the Chinese Press may not always represent the public opinion, yet if they do not to some extent, certainly a decade, if not a total stoppage, of the subscription to the particular offending newspaper would be the result. No newspaper therefore would be foolish enough to adopt a cause at variance with public opinion. Moreover, as the Government is embarking on a scheme of subjecting the Press under its stringent regulation, it is not to be expected that the Government will make the Press accessories in this alleged Anti-Japanese propaganda. On account of the proximity of Japan to continental Asia, the undesirable from Japan far exceed those from other countries. Citizens from other countries consist mostly of mer-

Original in private hands.

The Willard Straight Papers at Cornell University
THE ABSORPTION OF MANCHURIA.

Referring to our special dispatch from London published in Saturday's issue, in which the highly significant news given out to the effect that the proceeds of the sale of the South Manchurian Railway bonds will be expended for an extension of the Kirin-Changchun Railway, we beg to call the attention of our readers to a valuable footnote in the newly published work, "The Conflict of Color." This book, which is also from the pen of the well-known writer on Far Eastern questions, Mr. B. L. Putnam Weale, has one chapter devoted to the discussion of "The Yellow World." On page 158, we find the following note:

"Owing to the methodical manner in which her step-by-step campaign of penetration and assimilation proceeds, it is possible to predict with great exactitude the manner in which Japan's programme on the continent of Asia will be developed.

"This is what should happen in the next few years... The first tentative steps have already been taken: (1) by making all Japanese consuls in Manchuria directly subject to the Governor-General of Port Arthur territory and thus establishing the web of administration: (2) by extending policing rights, in the face of most active Chinese opposition, over ever new railway lines, etc... What is of the highest political importance, however, is that as soon as the Changchun-Kirin Railway in Central Manchuria is completed, it will be suddenly extended into Korea, linking with another Japanese Railway there, and the usual administrative police control enforced. The effect of this will be to draw a ruler line through Manchuria and surrender to almost open Japanese dominion all Manchuria South of the Sungari River. When this is done, it will be possible to throw off her mask, as Japan does not contemplate going further north than this..."
December 8th, 1910.

Letter No. 140
File No. 2/226/140

E. C. Grenfell, Esquire,
No. 22 Old Broad Street,
London.

Dear Grenfell:-

Supplementing my letter of the 5th and the
Memorandum prepared in connection therewith I am enclosing
copy of my letter of even date to New York and copy of a letter
which I have received from Lord ffrench together with my reply
thereeto. These letters speak for themselves.

We have today received word that Mr. James Ginnell
is to be recalled and this, I hope, will open the way for
ffrench's departure at an early date. He is telegraphing
Pauling today about this matter.

I am,

Yours very sincerely,

Enc:

S/0

MEMORANDUM REGARDING MESSRS. PAULING & COMPANY'S LETTER OF
THE 12TH OF NOVEMBER, 1910, TO MESSRS. GRENELL, GROSELEY
AND COMPANY

Messrs. Pauling & Company claim that they are
equally interested with the American Group, collaterally
with the primary contract for the Chinchen-Ailung Line in
three "subjects" given by the Chinese in compensation for
the surrender of rights under the 10% Company clause embodied
in the Preliminary Agreement of October 2nd, 1909. They are,
according to Messrs. Pauling & Company, as follows:

1. The thirty years preference given for the
purchase of Railway material required outside China during
the currency of the Loan, in connection with the development
of the present Hulutao-Ailung Line.

2. The preference to the Harbour Works Contract.

3. The participation in the two Coal Mines.

These matters I will treat separately.

1. Messrs. Pauling & Company are the contractors
for the construction of this railroad. Upon completion
of construction and the payment of the contract price the Line,
according to my understanding, is to be turned over to the
Chinese. From that time forth the connection of Messrs.
Pauling & Company with this Railroad ceases. A preference is
given to American materials during the currency of the Loan.
under Article XIII of the Final Loan Agreement as accepted by
the Viceroy. Messrs. Pauling & Company are in nowise con-
cerned in this clause, which was discussed during the course
of negotiations with the Chinese in the presence of Lord
ffrench and Mr. James Ginnell, and regarding which they made
no comment whatsoever.

2. Under a letter dated April 30th, 1910, address-
ed by the Representative of the Viceroy of Manchuria to Mr.
Willard D. Straight and subsequently confirmed in a letter
from the Viceroy, himself, the Chinese engaged that in case
the Harbour Works are carried out by a contract contractors
may be recommended by the American Group and under equal
conditions as to price the contractors so recommended shall
be given the preference.
2. It has, I think, been taken for granted from the outset that should the Chinese undertake the construction of these Harbour Works the American Group would, under the provisions of this letter, endeavour to provide for the construction of these Harbour Works on the contract system. It has, moreover, I think been the understanding between the American Group and Messrs. Pauling and Co. that should the American Group be in a position to recommend contractors for this work Messrs. Pauling and Co. would be so recommended.

3. The question of Messrs. Pauling and Co.'s participation in the joint operation of two coal mines has been several times discussed by Mr. Pauling with Messrs. Grenfell and Straight. Mr. Pauling claimed the right to equal participation with the American Group in the operation of such mines. Messrs. Grenfell and Straight pointed out to Mr. Pauling that a mutually satisfactory arrangement would be undoubtedly made between Messrs. Pauling and Co. and the American Group with regard to this matter. Messrs. Grenfell and Straight felt however that the negotiations of the American Group for the loan contract had been seriously hampered because in loyalty to Messrs. Pauling and Co. the American Group had been obliged on several occasions to refuse to conclude the loan contract until Messrs. Pauling and Co.'s contract had been settled. Messrs. Grenfell and Straight felt moreover that the position of the American Group as lenders was radically different, as regards the entire transaction, from that of Messrs. Pauling and Co., who were contractors only. With every intention therefore of coming to a mutually satisfactory arrangement with Messrs. Pauling and Co. regarding the operation of these mines, Messrs. Grenfell and Straight did not feel that Mr. Pauling could as a right claim equal consideration with the American Group.

In view of the fact that the English, French and German Groups will probably be admitted to this loan Agreement on a footing of equality with the American Group the loan Agreement will in any case have to be amended to provide for the inclusion of these other interests. Discussion of the above points at the present time therefore would seem to be entirely academic and only calculated to create much to be regretted and unnecessary friction. It would seem hardly necessary to add that any arrangement made by the American Group with the Groups of other nations regarding the Chinohou-Aigun loan would only be concluded after full discussion and consultation with Messrs. Pauling and Co.
My dear Straight;

I enclose copy of an extract from a letter dated November 18th. which I have had from Messrs. Pauling and Co. You will perceive from it that my firm are disposed to take a very pessimistic view of the future. I gather from communications I have had that unless something is done within the next few weeks, which assures Messrs. Pauling & Co. of immediate remunerative work on which they can start at once, they will recall me and give up any further efforts as regards China.

In view of private communications I have had I think it is unlikely that Messrs. Pauling and Co. will agree to my going home to take up the Chin-Ai question at the other end as suggested, yet I do not see any other way of getting anything done quickly.

I should be very much obliged if you would let me have your views in writing so that I may advise my firm.

Yours very sincerely,

(Signed) ffrench.
argument - we have not sanctioned the Chin-Ai line to which you have objected, we have sanctioned another line altogether.

We fear that in your active and energetic campaign in Peking you are forgetting how time flies, and how with it our expenditure increases, and you must therefore take advantage of Mr. Straight's presence in Peking to give us something definite and practical, something which will lift us out of problematical anticipation and put us in possession of some one practical result, by which we can have an immediate contract and immediate work of a remunerative nature.

We shall not embark on further survey schemes unless we are absolutely guaranteed the refund of our expenses plus a reasonable profit and therefore any survey scheme will not be looked upon by us as in any way a set-off to this incessant deferring of the Chin-Ai question.

We must say we do not feel happy over the American action unless it be a loyal and honest attempt to smooth the path for the Chinshu-Asigun compromise line. If it be that well and good, but if not where is the benefit American alliance has brought us?

We are inreceipt of your cable giving us His Excellency Tang Shao Yi's message. It seems to us that the Spanish word *mesana* must have a true Chinese equivalent!

My dear ffrench:-

I have your letter of December 7th, enclosing for my information certain extracts from a letter you have received from Messrs. Pauling & Co., referring to private communications you have received and intimating contemplation withdrawing from China unless something definite is accomplished within the next few weeks.

I am greatly obliged to you for sending this information to me in this way for I am glad to have an opportunity to express to you in writing my views as to Messrs. Pauling and Co.'s attitude at this time.

It is unnecessary, I presume, for me to remind you of the great difficulty of putting through any operation in this country. The history of railway enterprise in China is one long story of procrastination, obstruction, and disappointment, and the many projects which have been brought to a successful conclusion have in each case been culminated only after years of negotiation and international argument.

I can quite appreciate Messrs. Pauling and Co.'s desire to secure immediate results. My own principals, who have been in this field but little over a year, while you have been here for three, are far from satisfied with the delays and vicissitudes of this Chinese business. At the
the same time I deeply regret the attitude which Messrs. Pauling and Co. seem inclined to adopt at the present time. Having overcome so many difficulties, it would be most unfortunate if hasty action on their part now should destroy all that has been accomplished, now at the very time when we have secured a position, by the InterBank Agreement, which we hope may enable us to push through the Chinchou-Aigun Railway project.

I would also emphasize another phase of the matter which may have escaped the notice of your principals. In securing your original Heimsinian-Fakumen contract, and in entering with us, into the Preliminary Agreement for the Chinchou-Aigun Railway, you acquired claims, on paper, at any rate with extraordinary expedition. Why? Because the Chinese in the hope of ameliorating their political position in Manchuria were anxious to secure foreign aid. Had you been seeking contracts elsewhere in China such quick preliminary results would have been unobtainable. The rapidity with which you obtained your claims may well have led Messrs. Pauling to hope for equally prompt conclusion of final negotiations. The very fact that frightened the Chinese into our Preliminary Agreement, however, have, up to the present time, prevented any practical accomplishment. Our policy now, therefore, must be to remove, or offset, the opposition which we have encountered.

As I pointed out to Mr. George Pauling in London, the Inter-Bank Agreement entered into by the American Group, on the 10th of November last is calculated to assist us toward the accomplishment of that very end. From this new, and very fortunate basis, however, we cannot by a single step, demand that the Chinese issue an Edict at once, for a line, which though not identical with that contemplated under our original scheme, will still serve the same territory, and which, unless we can forestall such objection, will certainly be opposed by Russia. The intermediate moves must be carefully considered. No matter how happy our present position, the success of our plan will largely depend upon the manner in which the situation is handled from this time forth. For this reason I particularly regret Messrs. Pauling and Co.'s present attitude an cannot but feel that it must be based on a misconception of conditions here.

As I have already told you I believe that our course must follow these general lines:-
1. We to secure Viceroy's consent to some alteration, not necessarily specified, of the original scheme.
2. You to proceed to London there to consult with the British Foreign Office, and with the officials thereof to agree upon some plan which Great Britain can bring before the Russian Government, in which Russia can, without obvious inconsistency, acquiesce. We cannot, of course, place ourselves in the position of asking Russia's permission to construct a railway in Manchuria, but we can, I think,
with the good offices of the British Government secure from
Russia assurances that she will not oppose such line as
you may be able to agree upon with the British Foreign
Office, and which I, at this end, can secure the approval
of the Chinese.

I am sanguine as regards the success of your mission,
should you undertake it, because I feel that the Russians
are less obstructive than formerly, and because, I believe
that, through the Banque de l'Indo-Chine we can arrange
for a certain Russian participation in this enterprise. At
the same time, under our new Inter-Bank Agreement we can
feel reasonably assured of the support of the French and
German financial interests as well as of your own.

At the same time, I must point out to you, that the
attitude of the American State Department must be taken
into consideration, for the American Group will take no
action contrary to the wishes of our Government in this
matter. It would therefore be necessary for you, should
you return to England as proposed, to consult fully with
my principals before determining upon any course of action
along the lines laid down above.

I trust that Messrs. Pauling & Co. may see the matter
in a different light when the present conditions are placed
before them. Should they not do so, however, and feel
that further expense in connection with the Peking estab-
lishment is unwarranted I am prepared to recommend to my
principals that we enter into negotiations with Messrs.
Pauling.

Pauling and Co. with a view to acquiring your rights under
the Chinchou-Aigun Agreements. Whether such acquisition
would be in entirety, or whether we could undertake the
expenses of the maintenance of your establishment on the
understanding that we should have half the profits of the
Chin-Ai construction and any other work you might secure
during the period financed by us, would be a matter to be
settled in London. The fact that the contracting rights
as well as the financial would thus become more wholly
American might justify the American State Department in
taking more drastic action, for as you are aware it would
have been difficult for our Government to risk possible
complications with either Russia or Japan in the interests
of "Wall Street" alone, when the construction contract,
carrying with it at least half the materials, was held
by a British firm which was not supported by the British
Government.

I sincerely hope, however, that it will not
be necessary to alter the relation between your principals
and mine in any way for I feel that we can gain our ends,
with least friction, if British and American interests
are in cordial cooperation.

It is impossible to reply to your letter without
some reference to Messrs. Pauling & Co.'s query as to the
benefit they have derived from "the American alliance".
This ground, I think, was covered in the letter which
I wrote you in April last with reference to the embarrass-
ments.
ments which I had suffered owing to the attitude of Mr. James Ginnell. I must again call to your attention and recollection the fact that not only one, but on several occasions, from the time of signature of the Preliminary Agreement to the end of April when I refused to accept the final loan Agreement unless assured that your contract would also be concluded, the American Group protected the interests of Messrs. Pauling & Co. I think that it is not going too far to say that you owe your present contract largely to our good offices, while the Editor ratifying the Preliminary Agreement of October 2nd, 1909 was obtained solely through the efforts of the American Charge d'Affaires.

I am also enclosing for your information a copy of a memorandum which I am today forwarding Messrs. Morgan Grenfell & Co. in reply to a letter which Messrs. Pauling and Co. addressed my principals on the 12th. of November last.

Yours very sincerely,

The Hon. Lloyd C. Griscom,
Fairfield, Connecticut.

Dear Griscom:

I am enclosing copy of a letter which I have today written to Colonel Roosevelt. You will doubtless consider its tone extremely fresh and the very fact that I have written it is an act of presumption on my part. I could not help doing it, however, for, as I told you last Autumn, I have been very much worried by my inability to reconcile my views of some of the measures which Colonel Roosevelt has advocated and concerning certain incidents of the campaign, with the loyalty which I should always like to feel towards him. There may be a number of others who feel as I do, in fact I suppose that the whole campaign in New York State this Autumn cost more heart-searching and mental complications than almost any other that has been waged. The Republican defeat must have been a very great blow to you but I think that you, personally, have every reason to feel thoroughly satisfied with the victory at Saratoga which was so largely due to your own efforts. You are, I know, now working tooth and nail, to pull the party together before 1912 and your intimate relations with the Administration and Colonel Roosevelt should enable you to render splendid service. I wish very much that it might be possible for me to be at home and December 8th, 1910.
2- L. C. O.

get into the game with you.

We are up against a pretty stiff game of our own out here and I do not know what the results will be. The situation has been greatly complicated, though I think improved, by the new Senate now in session. The officials are trying to beat us down on our loan terms by threatening senatorial opposition while the Senators state that they have no objection to foreign loans, their only desire being that the money so secured should be properly spent. If we can only find the proper balance between the Mandarins on the one hand and Chinese Alexander Hamiltons on the other we shall probably get what we want. We shall, that is if our European friends and the "little brown brothers" are not successful in upsetting the apple cart. Our danger is from the Japanese who, of course, are opposed to any measure that will tend to creating a strong China. We hope, however, that we may be able to do something and I think that if the present loan is properly handled it will be a tremendously important factor in placing China upon an effective market basis.

Wishing you both a very Merry Christmas and all good luck,

Believe me

Yours very sincerely,

8/0

December 8th, 1910.

Dear Colonel Roosevelt:-

Last Autumn when I had the pleasure of being with you at Oyster Bay there were one or two things which I wished to say to you but, as you will remember, you were in the midst of your campaign and at that particular time under the Doctor's orders not to talk more than absolutely necessary, and I therefore refrained. My departure followed so quickly and you were so much engaged that another opportunity never presented itself.

I do not, for a minute, flatter myself that my views are of any importance. I write this letter, therefore, rather to square my own conscience than with the thought that it will make any difference to you.

Aside from my sincere admiration for you and for the great work which you have done for the Country I feel that I personally owe you a very heavy debt of gratitude for what you have done for me, and I shall never forget that you one day, in the midst of your labors
in Washington, sent for me and advised me regarding my own future.

It has therefore worried me a great deal that in last Autumn's campaign I have been unable entirely to agree with you in some of the measures which you have advocated and in some of the phases of your activities on behalf of Mr. Stimson and others.

During the Autumn I had one or two conversations with Mr. Griscom and told him what I could not help feeling. It may be that I have been corrupted by my associations with Wall Street, but I do not think so as I have always discounted any statements by men who are obviously personally antagonistic to you rather than opposed to the measures which you have advocated.

I do not doubt that if some time you could give me an opportunity of discussing various matters with you many of the questions now on my mind would be answered. At the same time I should like to have an opportunity to present my own point of view.

I shall hope to be in the United States again before many months and trust that I then may be able to see you.

I feel under such deep obligation to you and so bound to stick by you to the last ditch that my inability to concur in many of the views you have expressed this Autumn has caused me a great deal of worry, and I have therefore felt that I must write you in this way for the sake of my own peace of mind.

Trusting that you are getting some rest after your very strenuous campaign, and with kindest regards always

Yours very sincerely,

WILLARD STRAIGHT

Colonel Theodore Roosevelt,
Sagamore Hill, Oyster Bay,
Long Island, New York.

3/3
PEKING, CHINA.
December 8th, 1910.

Messrs. J. P. Morgan & Company,
For the American Group,
No. 23 Wall Street,
New York City.

Gentlemen:

I am enclosing herewith for your information a copy of a Memorandum which I am today forwarding Messrs. Morgan, Grenfell & Company in reply to a letter dated the 12th of November, 1910, which they have received from Messrs. Pauling & Co. I am also enclosing copy of a communication which I have received from Lord ffrench and a copy of my reply thereto. These documents together with a copy of this letter are being forwarded to Mr. Grenfell.

Lord ffrench's letter to me and my reply will acquaint you with Messrs. Pauling & Company's present frame of mind. I am in hopes, however, that the representations which Lord ffrench has made, together with a personal letter which I recently wrote Mr. Pauling will convince him that any precipitate action on his part may have most unfortunate consequences and prevent the success of the Chinchou-Aigun project which now by virtue of the Inter-Bank Agreement, we may be able to obtain.

You will notice that in my letter to Lord ffrench I suggested that if Pauling & Company are unwilling to continue their establishment in Peking the American Group may come to some arrangement with them whereby we may take over their claims in entirety or else by arranging to bear the upkeep of their establishment, secure one-half the profits of the Chinchou-Aigun Construction or of any other work which Pauling & Company may undertake during the period within which the Group here their cost of representation.

I have referred to the desirability of his proceeding at once to London and have mentioned the course of action which it seems desirable for him to follow. In addition to taking up the Chinchou-Aigun Scheme along the suggested lines Lord ffrench and myself feel that the time has now come when he may lay before you a project which we both have long had in mind, i.e., the organisation of an Anglo-American or perhaps an International Construction Company, to undertake water works, electric lighting and any other enterprises as well as railway construction. The organisation of such a Syndicate is, as you know, already being considered by Messrs. J. O. White & Company and the United States Steel Export Company and we hope that the present time may afford an opportunity for you favourably to consider this matter. I shall later write more fully regarding this subject.

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J. P. M. & Co.
Letter No. 139

You will note that in my letter I have merely suggested that if Pauling & Company wished me to do so I shall take this matter up with you. I feel that our present arrangements with Pauling & Company are perhaps more satisfactory than those that would follow the adoption of the above suggestion, and I am inclined to hope that the proposition which I have thus tentatively advanced will decide Pauling to make no immediate changes in his organization.

Lord ffrench is, today, telegraphing his principals suggesting that he proceed to Europe and we are now waiting to learn from the Chinese the answer of the Viceroy to a scheme which would contemplate some alteration in the route laid down under the present Chinchou-Aigun Agreement.

Trusting that you will approve of the attitude that I have adopted towards Messrs. Pauling & Company, I am

Yours very truly,

[Signature]

Ems:

3/6
Your letter, oh Wonder of the World, you say that you feel beauty so that somehow, it just shivers inside, for you cannot express it, or give it out. What a foolish child you are! Give it out— you are giving it out when you go and talk to those working girls when you are trying to keep straight—you are giving it out every day by just living. Don't you know that the finest way of all—that its far better than any painting or music? So many folk that take the joy of livings of life and the sky and the sea and the wind swept hills and give it out again in song or in a picture, don't live it at all. They are merely transmitters, as it were, sort of storage batteries. You absorb it all—and live it—Oh Dorothy mine—and the beauty that you find in nature becomes the beauty of your soul and that is why you are so wonderful— oh foolish one—if you only knew.

These last days have been very busy. I must write slowly, for the boy has let the fire almost go out, and I am shivering. But with beauty, but with my tangible and uncomfortable cold. There have been rows of all kinds and things do not look bright. The most serious development has been the appearance of old Bash— who is out here to work with Cloud. The Department— and here I blame Knox and Wilson as political cowards—last year instructed the Legation to support these people if they desired to undertake any legitimate business. After all the row that Bash and Kaye made about their non-admission to the Government— after the illogical things they said about the Department after having run Cloud out of the service as a crook—which he is—knowing these people are backed by Speyer—your friend Jamie—who’s chief object is to make trouble for—and thus force his way into the Government— the Department sends these instructions because, forsooth, they fear a further row in the papers. Peanut and international politics again. As a result Bash asks the Legation to introduce him to certain Chinese. Calhoun, under his instructions is obliged to do it. Bash yesterday offers old Sheng a loan of $75,000,000—$80,000,00 for the Navy—the balance for certain Railroads. Sheng asks him can he find the money in America? has he any European alliance? You bet I can get the money— says Bash—and in American only! I have no understanding with any foreign banks. Now if the Group doesn’t like to undertake the flotation of $60,000,000 in New York, it would be impossible for Speyer. The name of Speyer, moreover, smells high in London, and he could do little there. Mr Bash is bluffing. He has been gambled on and he wants to get some contract on any terms, and go home to hock it about. He will probably offer the loan on a basis of no foreign control of expenditures. We are insisting on the appointment of an American Adviser to assist Currency reform and see that the money we lend is really expended for this purpose. We are also asking the Chinese to admit the European Banks to joint signature.

By introducing Bash to the Chinese— on a different scheme, it is true— the Legation has given him face. The result which I fear is, that objecting to our terms on the currency loan the Chinese will know Bash’s offer for the Navy loan— break off negotiations with us and go to him. He might even close a contract. He would probably be unable to fulfill his obligations, and with the name of American would be bad once more. Here we have been the Governments’ bank card in the new Diplomacy, and with the neutralisation scheme we lose our Chinah- Aigin A.R.— and with peanut politics we are in a fair way to be enclosed on the currency loan. It is rather disheartening.

Our present scheme for the currency loan ought to be satisfactory to the Chinese, though it will take much argument to make them see it— but we won’t be able to make them accept any restrictions on expenditure at all. If Bash goes ahead on his irresponsible lines.

I have earned our friend Ohin, the Vicerey’s representative, that he’d better pass along word to any one contemplating business with Bash, Cloud and Co. that they would do well to wire the Chinese Minister in Washington to look up the standing of Cloud’s backers before making any commitment to these estimable gold brick artists.

French leaves for home on Monday week, and should be in New York by the end of January. We are trying to rejuvenate the Chinah-Aigin Railway under the dust cloud raised by the discussion of the currency loan. The British F.O. seems more friendly now, and if we can work out a scheme which England will back and which the State Department will stand for, we can bring the Chinese into line right enough—and tell the Russians to keep hands off. This is his mission, and very important—but the most important of all, oh Wonder of the World, is that he will see you, and I can send you something by him. It will bring you closer somehow.

This game— even after only two weeks, in on my nerves a little, for I dream of it all the time, and work out schemes and counter plays all night. Its a nuisance. Last night however, after quite a horrid time, I dreamed that I was alone once more—that I went to you,
child, and that you gave me the most wonderful smile— and then I knew that the miracle had happened. It was very wonderful, and this morning when I woke, I felt much more cheerful.

I dream of you often—that we're riding, or talking, or playing together—just naturally—but this was different, for I had come home to you, and for you.

God bless you, child.

SUNDAY NIGHT (DEC. 17TH)

Two weeks of feeling— and not really much farther on, save that some of the brush has been out away, and the ground is cleared for the real fight that is to come—each side now knowing better where the other stands. As I look back over them, they seem almost the most intense I have ever spent in clear concentration on one single object— For I have eaten it, slept it, lived it all every moment. It has been a great joy, oh Wonder child—to feel that you were standing so close through it all—that nothing has happened that I did not wish you to know at once—that I have longed, much as I have written, to be able to write more.

It has been like the fight at home during the summer—all for you—and looking up and onward toward you—and your approval as the only reward that mattered—aside from the feeling that I had worked my hardest. I should rather think of you carrying that telegram about the Interbank agreement with you— and rather feel that you were proud and happy, than have any praise from my chiefs—for somehow, I always feel that if I have worked well, that's enough—and if they're not satisfied they can get someone else. But that it doesn't warm one up to have a "Well done!" The great thing is that you gave—oh Dorothy mine—that you are pleased, or troubled, as things go well or ill. That's all that makes the real difference—do you know it?

A long letter from the Group today, about the Bash crowd—which is rather strange in the light of the telegram from the last few days. The Group simply assumes it as being quite impossible that the Department could give the Legation instructions to support a competing crowd, when the Government is so committed to us. This may explain why there's been no answer to my long telegram of the other day about our new scheme—for the Group and the Department may be having it out in a pleasant little heart to heart. I hope that such is the case, for if it goes through, our position will be better, and Mr Bash will be well seated.

You may think me bitter—sometime I'll tell you why.

One thing at least is much better than it was when I came—As you know, oh Wonder of the World—I was far from easy in my own mind as to how we could manage to play it straight with the Chinese and with our Tri-partite partners. That, at last, has been worked out in our new scheme, and I think that we are on the right track at last. So whether we win or lose we'll stick to the guns—for it was far better to go down with all banners flying than to make any compromise. That's a great relief, anyway.

Again, child, it is very cold—and it's been a long day of letters—and thin waving with the Minister—and tonight a dinner with our French friends. Oh, I'm a lâche these days!

Goodnight.

God Bless you.

MOUNT! APPEARING (DEC. 17TH)

Terrible hurry here in getting off the mail in a moment or two. Poor Sears and Gellatly are trying to finish a long ten page exposition on Welt politics—which will probably make Davison weep, when he has to read it— if he does.

The Minister has just written to say that he has a wire from the Department which goes back on our new scheme, and instructs him immediately to insist on the appointment of an adviser. This is obvious nonsense—utter rot—and may bring the whole house down about our ears, for the Chinese are scared to death already by delagrgerie and by fresh representations that have come from the Japanese who now want an adviser also.

I can't understand what the Department is up to. Calhoun writes that he is disgusted and disheartened and feels inclined to jump the game and go home! I wrote back, "Damn the Department. Plenty of shot still left in the locker." But the old man's feet have never been any too warm, and the Department's instructions are merely leading him into a hole where he's likely to lose his reputation and associate us all in one grand farce. "Its lovely, isn't it? They may have a lot of inside information at home which enables them to take this attitude.
and may justify it—but it'd like Jolly well to be shown, for it looks to me like insane obstinacy and misconception of conditions here.

But never mind its only one more wall to climb. We'll worry through somehow yet you and I—oh Wonder of the World—

God Bless you—

Do things like the england, man you?
THE CLOTH HOUSE,
UPPER HALLFORD,
SHEPPERTON.

11th Dec. 1910

Dear Old Prather:-

Your letter filled me with unwonted joy, and I hasten to reply. You've had several from me since you wrote and I am hoping for answers thereto before many moons, for this place is no bed of roses, anyway, and with you gone I feel like a lost soul, astray in a naughty world. Luckily since my arrival I've been so damned busy that I have hardly had time to think, let alone get dumby, but every now and then a sort of a wet blanket settles down about me and I feel like hollering for help. You can lay a good deal of the long green on the fact that the moment the wheels stop buzzing and as soon as I can without loss of face to the Group, or myself, or the prejudice of what we are pleased to call our financial interests in China, I shall beat it so quickly that all the yellow filth of Gobi will be but a paltry veil compared to the dust of my departure.

However, howls from your many friends for news of Fletcher. Marie de Prelle embarrassed me by falling on my neck and holding my hand. For a moment I thought she loved me, but bitter disillusionment, her concern was for you, and when I whispered in her ear that you were affianced to a dark, and beautiful Chilienne, she

December 11th, 1910.

...
shrewed so that people have been talking about it ever
since. The de Margerie are still Jessy are here with
Picotte, Max-Mullen and the Blimneins who now figure
prominently in Dago circles having a number one cook. There
is no more a jeunesse dorée. Ladies weep about it. Cries
for you and Nemo and Addison. Old Casenave turns up today
and should help some. The Calhouns are universally
adored. Their Friday tea-fights gather the cream of
local society, and good times are had. Many stand up.
The old man is a brick. He has developed much speed,
has the confidence of the Chinese, is sound and interested.
I don't think he likes it much better, than he did however,
and the cocktails at the Chicago Club look better than
they ever did before. Of Lewis one can say but little.
(3 lines faint and unreadable)
Secretary and since which we have preferred to use no other.
La Carriere is all right, and I hope our service will
develop along these lines, but we must try to
remain Americans, or Americans, rather if not the former.

Percival Pintop Hintslewhacker is the Second.
He will be taken up and run away with some day, he's
so fresh, pink and white and confiding. The trouble
with him chiefly is that he has a rush of conversation to
the face at inopportune moments and some day in an effort
to make someone take him seriously he'll say something
he hadn't order.

The students are a good crowd. Old Doc Tenney has
no new laughter, but has acquired a laughter with friend
who are on the marriage market, and fluttering about with
Kuhlman, and other Teutons, who have developed a remarkable
tea thirst, which I strongly suspect is superinduced by a
desire to acquire the English language. The Guard is
well womanned. Mrs. Russell wife of the Commandant is a
very good sort, as is Mrs. Williams, boss of the Number
Two. Reeves, and "Sister" are going strong and are
as always safe and satisfactory.

Gatrell has been living here all summer and has been
a Father to Geare who has developed into a very good man,
and one who will be valuable. Mrs. Gatrell moves up
next week and they are to be installed in a neighboring
Hu Tang. French goes home Monday next to try to push
the moribund Chin-Ai into a state of somnolence at any
rate.

The game has been moving merrily along. It's a
long story. The feet that greeted me when I reached
home were worry woe! I can tell you, but they got warmed
again and if we can pull something off this time will doubt-
less stay so. If not exit the American Group I should say.
You are doubtless acquainted with the general idea of the Currency loan. Its to be, if it is, for $80,000,000. The understanding in which we took up the business was that China was to appoint a Financial Adviser and seriously push Currency reform. Having a Preliminary Agreement ratified and signed, we are now up against the Adviser question. The Chinese are jibbing, and we shall have great difficulty in assuring the measure of control, without which we won't do business. Our friend Dr. Chen Chin T [2 lines blurred and unreadable]

up against Tsai Tse, who doesn't want a proper Adviser for fear China will lose face, and that a foreign Council may be established if he yields an inch, and Sheng Kang Fao who doesn't want an Adviser because, probably, he can't see much of the long green slipping through the Adviser's fingers into his own capacious pocket. In addition we have the Senate headed by Fu Lun which brings an entirely new element into the situation.

Tse Tse, Sheng, and Chen all say that the Senate will never sanction a loan agreement that provides for a foreign adviser. The Senators say that they do not object to foreign loans, their only kick is that they want them to be properly expended. Our game at present is to forestall Tsai Tse, Sheng and Chen by convincing the Senators that we stand with them, and are only asking for

the self same assurances that they insist upon. Herein Joe Ohl is playing an excellent game as the disinterested friend of popular Government.

Messrs. Bash and Cloud are on the ground, grub-staked by Spayre and looking for trouble, which we shall probably find. Under instructions from the Department, which I cannot regard as anything but inexcusable, considering what the Group has done and the way in which it has played the game, the Legation has been instructed to support Bash in securing a Navy Loan. I doubt if it ever goes through, nevertheless the Legation has taken him up in this connection, he has the seal of official approval, and he will forthwith start to offer his loan on terms of no control. The Chinese finding us obdurate on the adviser question may throw us over to Bash. Calhoun has told Bash that he must not interfere with our business, but that will make little difference, the Chinese can see the road around a corner as well as any one else, and one of these our negotiations will be broken off. The beautiful part of it is that Bash's crowd couldn't handle a large loan if they got it against the opposition of the Group in New York.

A fresh factor in the situation also is our new agreement with the Tripartite Banks signed in London on the 10th of November. The arrangement was taken up in the first place in the hope of pulling the Chin-Ai out
of the fire. If we can induce the Chinese to admit the
other banks to participation in the currency loan, if we
get it, I am in hopes that something may happen
with the Manchurian line. It's our only chance.

As to [remainder of line blurred]
away from Broadway to be of much service in the matter,
but I'll write about it and see if there's anything
doing.

We were considerably excited for a little while
about the Chilean battleships which Charley Schwab wanted
to handle on the same lack of principle as the Argentine
matter, but it was fading as I left New York and I don't
know what has become of it now.

These be strenuous days for the young student.
My only exercise since I've arrived has been an occasional
walk to the Legation and back but generally even that time
was too precious and I've risked or gone banging cross
country in the new carriage furnished me by the Horse Bazaar
for a small consideration.

Keep up the game. Your right, it's good wherever
its played. If one can only keep it always before one and
not let the vision get fogged with unpleasant personalities.

Good luck to you, Henry, and write often.

Thine,

W.S.

Dear Frank:

Two weeks today since I reached this place, and
they have been full of excitement and the smoke of battles.
Geare is busy on a new draft agreement and so I write this
off the but with me own fair hands and you'll have to take
such typewriting as you can get.

There will be a long story to tell one of these
days of the events of the past summer. I spent my first
few nights, way into the small hours hearing tales from
all sides. They all have to be discounted, and called
and pared, but taken it all in all, it's a lucky thing that
I turned up when I did. Menocal worked very hard and did
very well I think, but I should not care to leave him in
charge again. The situation got away from him every now
and then, and he took issue with Messrs. Luezel, Roney,
and Graham-Wilke, in a competition for elevation. That's
past and gone, however, and the old machine is creaking along
in good shape, taking the curves, and skidding a bit,
but with the muffler on, and a good deal of juice in the
tank. Gatrell, whom you heard me speak of as the man
doing our Chinese work is a brick. He is now of course
indispensable, and though I've known him ever since I came
to China first, I never before realized what a good fellow,
and straight, clean, reliable man he was. He has been
living here in the compound all summer and been looking after
Geare like a father. The result pleased me very much. You
will remember that when I mentioned I had some doubts about
Geare. You'll also remember that I hoped that when he
had a chance of his own to live in and thus separated him-
self from the influences of the Hotel where he had at first
taken his meals, he might turn out well. This has been
the case. He's been a little fresh at times I imagine
during the summer, and some of the rows were perhaps his
fault, but not all of them. He has sobered down a great
deal, made a great many friends amongst the Chinese, and
and has acquired a great store of really very useful information,
which I could never reach at all, as people would be afraid
to talk as freely to me as they do to him. He is still
young but he is going to be a very valuable man, and
I feel quite sure that he is absolutely straight.
All the blue ribbons however go to old fritter, who has worked along during the hot months and kept the soft pebbles clean when necessary on a scene-maker, which is a pretty necessary thing when the thermometer is soaring over the hundred mark, when it is damp, and wet, and the smells of all China seem to be descending on you like a wet blanket, when the White Lights are very far away, and nothing much seems to matter any how. One must never blame people for temper in the summer time in the East for it takes a saint to pull through without a long black list of curses words to his Debts.

fritter I am glad to say is starting for home on Monday week and I hope will be in New York by the end of January. You will like him at once. He is a very quiet unassuming fellow, but if you can get him talking he has a pretty wit, and is sound and clear as a bell. I really don't know any man I admire more. He has led a hard life, has knocked about South Africa for years, has hard luck always apparently, but managed to keep sweet and cheerful though it all. He is a living example of what true religion can do for a man, for he is a very ardent Catholic and if you get a good one, without dogmatism, and bigotry, you don't find much finer characters anywhere.

We are now up against a stiff fight. The Group perhaps may not have been entirely pleased with the suggestions that I telegraphed on, but we can't get anything more, and we'll have the devil's own time getting even these. fritter will tell you the situation more graphically than I can write of it. To begin with, I arrived here to find everyone suspicious and disgruntled by the London Agreement. This impression I removed I think, Sang some another rook when we began to talk of the Financial Adviser. He is dealing with two men of quite different personality. Duke Tzi Tie head of the Treasury, is honest, patriotic, rather dull, and very narrow-minded, and as obstinate as a mule, and as enigmatical. Old Sheng is one of the most astute crooks in all the galaxy of the mandarins. He wants squander, the Duke wants to save China's face. They neither of them therefore want a Foreign Adviser with any power. Associated with them is one Chen Chin Tao, of the Ta Ching Bank. He is well educated, an expert mathematician, has talk of exchanges, bonde, stocks, unearned increment, the curf market, and the histori of currency. This load of information sits heavily on his stomach, like an un消化 dumpling, and makes his handwriting. He has prepared a scheme for currency reform himself. He doesn't want an adviser, for if an able and practical man came here he would probably prick some holes in Chen's reputation. Chen's scheme however, is apparently not a bad one and with some modifications might prove quite satisfactory. But Chen is afraid of the West, so he is planning to have any foreigner that may come made an official of the Ta Ching Bank, that is under him, rather than a free Agent with direct access to the the Duke. Duke details by the Bank is and gives all manner of arguments why China should not have a proper adviser, that if she took an American all the other powers would demand one also, and so on, that China must be strong and independent. Then Chen brings up the objection which the Senate now in sessions would have to any Foreign Adviser, and the Duke comes back at us with all these arguments. As a matter of fact I don't think that the Senate would object to our present scheme and as soon as the Group authorizes us to go ahead on the new basis we'll take pains to acquaint the Senators with that we want to do, and for the sake of any opposition, founded on mis-information from Chen, which they might try to put up.

Complication Number Seventeen, for the Japanese, Russians, English, French and German knackers we have always with us, is Mr. A. W. Bash, ably died and abetted by Mr. J. B. Cloud. Here the Department has played the goat a little I think. Calhoun has had definite instructions to support Bash in securing a Navy Loan, and in some other schemes, for railways in the South of China. Under those instructions Calhoun has been obliged to introduce Bash and Cloud to the officials and has endorsed his formal application for the Navy Loan in a note to the San Francisco the Chinese Secretary of the Legation Bash two days ago called on old Sheng, one of our negotiators. He offered a loan of $15,000,000 for the Navy and for the railway schemes a he had in mind. Sheng asked him whether he could find the money. "You bet" says Bash. Have you any European entanglements says Sheng. Not on your Excellency's life says Bash. Sheng, says Sheng whose French accent is bad. Now what I'm afraid of is this. Calhoun has told Bash that if he interfered with our loan he would damn him in the eyes of the Chinese. Bash went do it directly, but he will offer the Chinese his seventy five millions without control, and then, finding us obstinate on the question of the Adviser, the Chinese will be apt to chuck us and open dickeing with Bash and Co. While the Legation can't very well stop, thanks to the fact that under the Department's instructions they have introduced Bash to the Chinese if the Legation says that Bash is not to be relieved upon, which we know he lent, the Chinese will ask why the Legation took him up in the first place. If the Legation says that Bash can't negotiate a loan without
control, both the Chinese and Bash will tell the Legation to go to blazes. With some reason. I've tried to spike Mr. Bash's guns by saying that his people were all right but that they couldn't do anything big and before the Chinese discuss anything of importance with this outfit they would do well to make inquiries from the Chinese Minister in Washington as to Bash's standing. Of course this was done very carefully, for I had to protect the Legation and not put the matter too openly and thus risk the charge of mere jealousy. However I am afraid that we will have trouble with these people before we get through. Bash is probably grub-staked by Speyer who will try to get something out here in order to force his way into the Group, or else make us so much trouble that if he can't get anything we can't either.

Why the Department instructed the Legation to support these people, when Bash showed himself in the light he did last spring and Cloud was run out of the service as a crook, I can't understand. The old combination of peanut politics and the international eagle screaming, which always is a triumph for the peanut, and always breaks the bigger game.

Old Calhoun is fine. He is shrewd and sound, and is now taking great interest in his job. His trouble up to date has been that he regarded each problem before him as a legal case, and didn't realize sometimes that things that wouldn't get much of a hearing in a Court of Law were very sound claims in world politics.

Please give me the story of things in New York from time to time. The personal side as you know always helps a lot.

With kindest regards to Mrs. Maknight and yourself,

Sincerely yours,

[Signature]

December 11, 1910.

Dear Mr. Rockhill:

Shortly after my arrival here I had a long talk with Korostovets about the currency loan and told him that when I had seen you in Petersburg you were extremely anxious that some arrangement could be reached which would insure Russian support of our schemes from the outset. As the result of my talks with you I wrote to New York from Moscow, urging the Group to acquiesce in the proposition made by the Banque de L'Indo-Chinese that M. Hoetslin, head of the Banque du Nord, be given a five per cent participation in anything to be undertaken by the Quadruple Group. After seeing Korostovets I telegraphed in the same sense and received a reply stating that our people in London and Paris had been instructed to make the concession recommended. This I trust has been done.

I told Korostovets that while I could not commit the Group in any way I should certainly urge my principals to cooperate with Russia wherever possible, not only because I felt that Russia had very large interests in China and therefore a right to be considered in any such matter as the reform of the Chinese currency, but because also, I still hoped that some arrangement might be reached regarding the Chinohou-Aigun Railway, or some variation...
of that scheme. I told him that we felt that Japan was the real menace to the Peace of the East, that Japan was the power primarily interested in the participation or break up of China, and that I hoped that Russia would see her way clear, to work with us, the British, French, Germans, and Americans who desired the preservation of China's integrity, rather than with Japan. He seemed in a receptive frame of mind and asked me how much he should report to his Government. I told him to report nothing save that, if he wished to do so, he might say that we had had a talk and that I had expressed myself as favoring, and being prepared to recommend, cooperation between our people and the Russians.

He hoped that you would take this matter up with Kokotseff, who, he said, has great confidence in you, and who has the most authority in dealing with these Far Eastern matters.

I have not yet discussed the question of making some slight alterations in the proposed route of the Chinchou-Aigun line, but shall do so before long. We are at present discussing this matter with the Chinese and Sfrench is leaving for home next Monday to take the question up in London, and, I presume, in New York and Washington as well. He will acquaint you with his plans in due time. We hope to find a solution in which Russia can acquiesce and which at the same time will enable

China to develop this very rich territory.

The question of control is going to be the rock, I fear on which the currency loan will be wrecked. Our first draft agreement provided for the appointment of an Adviser who should, virtually o.k. all orders on the loan funds. We felt however, that this might be a little too onerous, as it placed too much power in the hands of the adviser whose refusal to sanction, what might be a reasonable order, would have placed the Chinese in the position of paying interest on the bonds without being able to draw on their credits.

To meet these objections we have devised a new plan. Under the present scheme the Group will make advances against Treasury Bills, up to a small aggregate amount. This will enable the Chinese immediately to secure funds for their Manchurian industry. The purposes for which such advances are to be made must in each case however, be satisfactory to the Group as not calculated to prejudice the value of the bonds to be subsequently issued. The Chinese are immediately to engage a financial adviser. In consultation with him the Board of Revenue must within a year prepare a detailed programme for currency reform. This programme shall be submitted to the Group, and if approved shall form the basis of the bond issue, the proceeds of the loan to be expended only in accordance with this programme, and this programme to provide for the appointment
of an auditor or some such official who shall see that the programme is carried out. When the programme has been approved and the bonds issued the advances made against Treasury bills will be repaid. If the Group does not find the currency reform scheme thus drawn up satisfactory, it shall refuse to issue the bonds, the advances made to China shall be repaid and the Agreement become null and void. This seems an equitable arrangement, both from our own and the Chinese point of view.

I fear, however, that even this will not go through. There is a certain Dr. Chen Chin Tao, whom you may know, as arrogant and truculent a Cantoneese as I've ever seen. Chen has absorbed a good deal of financial and economic information abroad, and it hurts him apparently. He wishes to pose as the Father of Chinese Currency Reform and has prepared a scheme apparently which is not at all a bad one. He is afraid of the advent of a foreign adviser with any degree of power and has prevailed upon Tsai Tse that he must resist the appointment of such an official, unless he be attached to the Ta Ching Bank, which means that he would be under the orders of Dr. Chen.

Whether the Chinese will yield or not I do not know. If they dont they will do no business with us for not only will the Government not stand for any scheme that is not calculated to insure efficient currency reform, but the Group will not be identified with any transaction which will not realise to the full the possibilities for doing China a real service, which the insistence on proper terms for this loan would secure.

The Chinese still object, moreover, to joint signature by the English, French, and German Banks, and as usual, are quite ready to recognize the force of the arguments in favor of such signature, stating that a great many loans will be floated later and that then they will consider the question of quadruple participation. This is of course utter rot. I hope however that if we overcome the difficulty regarding control, we shall have no great trouble in securing the admission of the other banks to the loan. The enterprise will be wrecked if at all, however, on the Financial Adviser, and not on joint signature.

Our troubles have not been lessened by the appearance of Bash. He is prepared to offer all kinds of money without control apparently. As far as I can learn he is not interfering with our schemes, but the mere fact that he is offering money without a string to it may lead the Chinese to rupture negotiations with us in the hopes of doing something better with him. I should almost be willing to have this happen for the people behind Bash could not carry a loan of any size and the Chinese would then be properly stung. However, I trust that this will not happen but that we can put something through on satisfactory terms.
We all clearly recognize the chance we have under our Preliminary Agreement to be of real service to China by lending her money only on terms calculated to assure her the greatest possible benefits to be derived from effective currency reform, and you need have no fear but that we would rather chuck the entire show than make the loan on any other.

I have not seen the Silver Man yet though I have sent for him, and intend to take up your matter as soon as he turns up.

Please give my kindest regards to Mrs. and Miss Rockhill.

Sincerely yours,

WILLARD STRAIGHT.

His Excellency

W. W. Rockhill,

etc., etc., etc.,

The American Ambassador,

St. Peters burg.

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December 12th, 1910.

Dear Davison:

I am, today, writing the Group regarding our complications with the Bash-Macy-Hawley Syndicate. There are some facts, however, which I have not embodied in this communication. They are as follows:

The Department of State, early this year, definitely instructed the Legation to support the Bash-Macy-Hawley outfit in securing the Navy Loan. In a formal note to the Foreign Office the Legation endorsed Bash's application for this business. Bash later desired to apply for certain railway business in the South of China and again made formal application, which I believe was again endorsed by the Legation in a formal note to the Chinese Government. On several occasions, I understand, the Department has telegraphically instructed Mr. Calhoun to support Bash and his crowd.

When the Manchurian Loan question came up this Autumn Cloud referred the matter to New York and was told he could only bid 8½% for the 6% bonds. He realized the impossibility of doing business on this basis and telegraphed that the Chinese would not consider less than 9%. Cloud was at that time apparently acting, to a certain extent, for the China & Japan Trading Company, which is headed by Mr. Webb, a prominent member of the American Asiatic Association.
2- H. P. D.

You will remember that last Autumn, before my departure, I told you that I had heard rumours that someone was hawking a Mukden loan on the New York market and that this business had been brought up to Ladenburg, Halffman & Company who had refused to take it. This was an echo of Cloud's first attempt to place the loan in America. The matter was then brought up to your friend Mr. Jimmie Speyer, who wired back to snap it up as soon as possible, stating "we want to get in there."

This seems to be the key note of Messrs. Basha & Cloud's present game. I presume that they have been grabbed by Speyer and have reason to believe that they are anxious to secure some contract on almost any terms in order that Speyer may try to force his way into the Group. I presume that if he can force his way into the Group he would be quite satisfied if, by maintaining Messrs. Basha and Cloud out here, he could prevent the Group from getting any business.

This is a nice, pleasant friendly little game!

Yours very sincerely,

H. P. Davison, Esquire,
No. 23 Wall Street,
New York City.

December 12th, 1910.

Messrs. J. P. Morgan & Company,
For the American Group,
No. 23 Wall Street,
New York City.

Gentlemen:

CHICHOU-ALGIN RAILWAY.
DUGONGUOYI LOAN.

I have to acknowledge the receipt of your letter of November 15th in which you inform me regarding the wish of the Department of State that there be no further discussion of the Chinchou-Algin Railway until the settlement of the pending negotiations for the Currency Loan. You inform me that you concur in this opinion and instruct me not to take any steps in this matter without later communication from you.

In this connection I would beg to refer you to my letter No. 139 of December 4th.

In view of your instructions I regret I have already, on several occasions discussed the Chinchou-Algin Railway matter with the Chinese officials. Notwithstanding your telegram, received in St. Petersburg, I have taken these steps without reference to you, because of the expense of the full
telegraphic correspondence and because I felt that the situation here warranted my action. I trust that you will consider my explanation satisfactory.

It has seemed that in the negotiation of this Currency Loan the Group chiefly desired to secure Chinese consent to two essential points, as follows:

1. Some measure of control of the expenditure of Loan funds, by a Foreign Adviser, or by Chinese specification of the manner in which, and purposes for which, the proceeds were to be disbursed.

2. The admission of the English, French and German Groups party to the Inter-Bank Agreement signed at London on November 10th, 1910, to participate in the Currency Loan.

In meeting the problem of securing Chinese consent to these two points it was to be assumed,

A. That the Chinese would stubbornly resist the imposition of any external restrictions on their expenditure of loan funds.

B. That our suggestion that the Tri Partite Banks be admitted to signature, together with our insistence on the appointment of an Adviser, would only aggravate Chinese opposition to any foreign control whatsoever and strengthen their demand that the American Group be the sole signatory to the Loan Agreement, for when confronted with the direct request it was safe to assume that the Chinese would say (as they did),

"if we consent to the appointment of an American Adviser, and admit the other Banks to signature, their countries too will demand advisers; we shall have a foreign Board, and China will become a second Egypt."

In my letter of November 1st I suggested that the appointment of an American Adviser be arranged in an interchange of notes between the two Governments. This might have been done had the Chinese not been apprised by Press telegrams of the Inter-Bank Agreement signed in London on November 10th. It might still, though with great difficulty, have been arranged had Mr. Calhoun been informed as to the exact nature of the London Agreement. Had he been in receipt of this information he would at least have been able to dissipate the impression created by these Press telegrams, that, despite its engagements to undertake this Currency Loan with sole American signature, the American Group had arranged to share it with the Tri Partite Banks, it being assumed here that such admission carried with it the right of joint signature.

Without information as to the exact stipulations of the London Agreement, however, and therefore unable to explain that the Group had not "sold out" to the European Banks, any effort by Mr. Calhoun to secure from the Chinese a promise to appoint an American Adviser would at once have further aroused their suspicions, already created by the Press telegrams referred to.
Up to the time of my arrival here, therefore, Mr. Calhoun did not request the Foreign Office to appoint an adviser, notwithstanding his instructions from Washington to do so. Under peremptory instructions from Washington, however, he has now formally requested the appointment of an American Adviser. This action, in view of the delicacy of the situation here, has, I think, been unfortunate, for the Chinese with whom we have been negotiating have been much disturbed. I presume, however, that the Department has been in possession of information not available to us, which made this necessary.

The plan outlined to you in my telegram Nos. 116 and 118, forming the basis of the Draft Agreement enclosed herewith, seems best calculated to secure Chinese recognition of the two points deemed essential, i.e. (I) Reasonable control, and (II) Joint signature.

This scheme has been based on the premise that the Chinese desire funds for two purposes, Manchurian Industry, and Currency Reform.

The first need is immediate, and is to be met by advances against 6% Treasury Bills. (See Article VI of the Draft of December 12th)

Expenditures under the second heading are made dependent upon the preparation of a proper scheme for Currency Reform.

In the preparation of this scheme the Board of Revenue is to consult an American Adviser. (See Article II, Paragraph 1, sub-head “A”)

Under the Reform Programme itself provision could be made if necessary for certain supervision of expenditure by an auditor or other official whose functions could, perhaps, be that of a subordinate in the Ta Ching Bank and whose appointment, therefore, would not arouse the jealousy of the other powers.

Upon the completion of the scheme it shall be submitted to the American Group. (See Article VII, Draft of December 12th)

Upon accepting this Programme the American Group shall be empowered to offer a participation in the Loan to the Tri Partite Banks, and such of the Banks as may accept shall be signatories to a supplementary Agreement which shall:

1. Make the Currency Reform Programme supplementary to, and part of, the Original Detailed Loan Agreement, and
2. Provide for the inclusion of the Groups, other than American, within the scope of the Original Loan Agreement. (See Article XVI, Draft of December 12th)

Neither the American Government nor the American
Group are warranted in insisting that China appoint an American or other adviser in connection with the Currency Loan unless the functions of such an official in connection with this Loan can first be established.

It would be manifestly unreasonable for either the American Government or the American Group to demand the appointment of an American Adviser under a general contract. To do so would, with reason, cause the Chinese to fear such contract would at once be construed to entitle this official to general supervisory powers, the exercise of which would impose upon China a humiliation which, disorganized though her finances may be, she does not yet deserve, and to which she will not now willingly submit.

The restrictions imposed upon the Chinese under the Loan Scheme outlined above, however, would seem to be equitable both from the Chinese and our own point of view. Under this plan the Adviser acts only in consultative capacity in the preparation of the Currency Reform Programme, should give a maximum of assurances as to the proper expenditure of Loan funds with a minimum of foreign control.

At the same time by keeping the negotiations in American hands until the Currency Reform Programme has been accepted by the Group, it removes from the Chinese mind that fear of International financial dictatorship which has chiefly inspired their objection to joint signature by the Tri Partite Banks.

The Group could, moreover, insure itself against the refusal of the Tri Partite Banks to participate on account of their disapproval of the Currency Reform Programme, by consulting with these banks prior to accepting the Programme as submitted by the Chinese.

The insertion of Article XVI, furthermore should for the present satisfy the English, French and German interests.

Notwithstanding the arguments in favor of the Scheme outlined above it is to be expected that the Chinese will still insist on sole American signature, for Duke Tsai Fze, President of the Board of Finance, though an honest and patriotic man, is a narrow minded, ignorant, and obstinate man. He has determined that it would be well for China to have a large American investment, and feels that he can best secure his ends by insisting that we alone handle this business.

Having prepared a scheme which will permit the appointment of a foreign adviser and secure to the Bankers reasonable assurances regarding the proper expenditure of Loan Funds, while minimizing the danger that by admitting the Tri Partite Banks to this Loan, China will be subjected to general foreign financial control, it is necessary to convince the Chinese

1. That by arranging for a proper programme for
Currency Reform with an American Adviser, they forestall interference from the English, French and German Governments, whose Banks we desire to have admitted to this Loan,

2. That China will greatly benefit, and not suffer, by admitting these Banks to participation at this time.

The arguments which have been advanced from the first are as follows:

1. That the co-operation of England, France, Germany, and America from the outset, is almost essential to secure effective Currency Reform. This co-operation is best to be secured by the association of the Tri Partite Banks with the American Group.

2. That even though Currency Reform could be effected without admitting the Tri Partite Banks, and the co-operation of England, France and Germany as well as the United States, the consent of all the Treaty Powers is necessary before China can, by abolishing lekki, secure the increase of her tariff.

To secure this general consent China must not only have the good will, but the active aid, of England, France and Germany as well as the United States. This can best be secured from the outset by the admission of the Tri Partite Banks to the present loan.

3. That the creation of this strong financial

combination between England, France and Germany and the United States, the powers most vitally interested in the maintenance of China's integrity, will be the most efficient safeguard against the machinations of Japan and, to a lesser extent, Russia, the powers most obviously able to profit by China's development, and her consequent inability to defend herself against foreign aggression.

4. That through the support of such an international combination China can most quickly assure the final abandonment of the old "spheres of influence" idea.

5. And that therefore to permit quadruple signature to the present Loan Agreement with the attendant possibility of creating a large investment by the quadruple banks in Manchuria would afford the best possible safeguard against Russian and Japanese aggression; especially since a portion of the proceeds of the present Loan are to be expended for Manchurian development.

6. That it is only with the co-operation of this international combination that China can ever hope to remove the Japanese instigated Russian opposition to the construction of the Shinchou-Aigun or other similar railway in Manchuria, a railway which the Chinese desire to build for they feel, and rightly, that only by the construction of this or some similar line can they undertake a Chinese development of this region to offset Russian and Japanese influence.
In all my conversations with the Chinese this last argument, has been the one that most appealed to them in favor of quadruple signature.

They realize that were it possible with the help of this international banking group to build some railway in Manchuria in the construction of which Russia might co-operate, but which she would not at any rate oppose, Russia might be aligned with China, and Great Britain, France, Germany and America, and Japan would be obliged either to join a partnership which she could not control or risk competition with interests which she could not successfully oppose.

In other words, by showing China that by admitting the Tri Partite Banks to the Currency Loan, the "neutralization scheme" may be worked out in a manner but little different to that originally contemplated, we have the best chance of securing China's consent to quadruple signature of the Agreement for the Currency Loan.

In the light of the foregoing considerations, therefore, it has seemed to me wise to take up with the Chinese the discussion of the Chinhshau-Aigun Railway in connection with our negotiations for the Currency Loan. I trust that the Group may approve my action in so doing.

Yours truly,

[Signature]

December 12th, 1910.

[Address]

[Letter No. 141, File No. 8/108/141, File No. 2/228/143.]

[Initials]
Since Monday afternoon I've not written a line, but Wonder of the World—because when I came in at night I've been too tired to do anything, and there seemed so much to say. If I tried to say anything, I've just turned in and prayed to you and for you, --and looked at the picture in the little blue-bordered enamel frame, and the little Dorothy,--and kissed the picture in the locket and tried to sleep to prepare myself for the next day.

There (these) have been three days of fighting with the Chinese, and our friend Bash—arguyments, mines and counter mines.-- a wire from Grenfell saying the Group had instructed him not to urge Peiping to permit freight to come home, because they didn't want any discussion of the Chin-Ai at the present time. This I presume was prompted by the Government's desire that Russia and Japan should not be pulled into inactivity --or at least no opposition to the Currency loan. But its all so foolish, for the principal argument in favor of signature of the currency loan by the European banks --as far as the Chinese at least are concerned --is the possibility that by bringing these banks into the currency loan we can induce them to support us in putting through our Manchurian road. But I suppose that New York can't see this, or the Department either. At any rate freight is going home, and we have already discussed the Chin-Ai with the Chinese---- undisciplined on my part, I suppose, but it can't be helped.

Today a long wire came from New York. The Group still refuses to meet the issue flatly. You see we are up against it here, chat Child, Wonder child, for I think that if we put forward a reasonable proposition regarding the Adviser and control of expenditures, the Chinese will accept, and we shall be able to put things through. The trouble is that I don't think the Group will handle the business by themselves. I have asked them twice now, and have only received evasive replies, which is bad. If we put a reasonable scheme before the Chinese and they accept, we run the risk of having them refuse joint signature of the loan agreement by the other banks,-- and then if we want handle the loan by ourselves, having the whole project wrecked in this issue. This would be most indiscreet, and would seriously injure American prestige, for the Group entered negotiations and accepted the business on the condition of sole negotiation and sole signature. To refuse to float the loan therefore because we can't get joint signature would show that we ourselves adopted the business dishonestly—that is, that while saying we'd do it alone we made the mental reservation that we took it only on condition the others came in. This has worried me a good deal,-- and has bothered the poor old Minister a lot more. He would wish under such circumstances to chuck the game , and so would I. If we did however, we would be playing a very unpatriotic game which neither of us can do. So we have now decided to put it all up to New York again. If New York will not be prepared itself alone to handle the business we shall have to make such outrageous demands regarding control of expenditures by a Financial Adviser that the Chinese in self respect will be obliged to refuse point blank. Negotiations will be abandoned and the Government and the Group can pose before the world as the champions of the Investors,--who stood out to prevent China from rushing gaily down the primrose path. I hate to think of this possibility, for we've evolved a new scheme which will enable us to meet the Chinese wishes regarding the non-inclusion of an adviser provision in the loan agreement,--and which will of the same time give us a very reasonable amount of control of expenditures. But we dare not propose this solution to the Chinese, for fear they won't accept, and the Group will be saddled with too onerous a financial responsibility. Pending further word from New York our hands are tied. I hate this game but I think for the sake of the future of America in China it must be played. If the Group is unwilling to take this loan itself, or run the risk of doing it, and if therefore I am instructed to arrange that the Chinese shall wreck negotiations by refusing—what you, and the Minister and I know to be a perfectly unreasonable demand for control,--I shall play the string out till our name is safe and resign at once. So that before the month is out they will have sent another man to do this work. If they take the attitude I rather fear— for it's the one of which I wrote you from London— I shall never accept employment from any of them—and that would make me very unhappy. For I can but believe that if the Group does cavort, the crowing is done by the Jews only, and not by Davison or Vanderlip. Perhaps something would work out with them—but I should have to be shown first, and then forever be rid of any intrigues from the others. You wouldn't have me—would you Dorothy mine—nor could I, keep on out here in such a game as this. It is too impossible.

Yesterday another fight—not a row, but hard fencing with Hillier, Cordes and
dear old Casenave. Another railway, 2,800 miles through Kansu and Turkistan is up and we are in on the Preliminaries. Thinking that it might be well to be frank with these people who are, after all, under the London Agreement, our partners, I told them about the troubled course of our negotiations. You can bet that with an eye to possibilities I laid stress on the fact -- not too much, for that would have made 'em suspicious - that the break could come if it did, over the question of the control of expenditures, and not over joint signature -- which had been brought up in the first interview with the Chinese, but which we had agreed should be held in abeyance as of no great moment until we had some sort of an agreement to sign.

The Chinese game begins to become clearer now, and I think that we could devise a perfectly satisfactory plan for control - but I am sure that the break would come over joint signature. The Chinese, I think, want if possible to break up our bankers agreement, for they hate the thought that they cannot, as long as this agreement exists, use their old tactics of playing us off, one against the other. From their point of view this is very short sighted for the creation of a strong quadruple investment all through China would be their best insurance against a revival of the old spheres of influence idea - and would be especially effective against Russia and Japan in Manchuria. But they have no one big enough to see it - they are all note-shavers and the worst part of it is, that convinced though we may be that this quadruple understanding is the best possible thing for the broad future interests of China, we know in our heart of hearts that we have to advance the argument in order to cover our own American inability to absorb a large Chinese loan. It makes me sick to think of it all.

I thought I had been well disillusioned before, - but really, these last weeks of suspicion, and fencing and scrapping and argument - have new and none too brilliant, or rather, satisfactory lights on human nature. If it weren't for you, and our little world where I really live, all the time I am kicking and raging in the outer one - I don't know what I should do. You are indeed my refuge and my strength, oh Dorothy mine - little child so far away and yet so near.

Tonight as I came in I found a pile of Shanghai papers, and again as always, I had a thrill -- a thrill of wonder whether there would be a letter from you. I knew that there should be one via Siberia tomorrow, for there was none on Sunday, which meant, oh lax one, - that you didn't mail by Saturday the 19th's steamer--or if you did, it went astray. But all through last winter when you were far to the South I used to watch each Shanghai mail. I knew the dates of the arrival at Shanghai of the British and German and French steamers, and had it figured fine as to when they had left Colombo or Singapore, and so even now, the Shanghai papers, the surest sign of mail from the South, have a strange fascination for me.

God Guard you.

No letter today, and I have been terribly disappointed. I suppose boats have been delayed and all sorts of things for I feel sure you've written.

Original in private hands.

The Willard Straight Papers at Cornell University
December 16th, 1910.

B. W. Fleischer, Esquire,
Manager, The Japan Advertiser,
Tokyo.

My dear Mr. Fleischer:—

I am very greatly obliged to you for placing my name on your free list. It is a great pleasure to me to receive the Advertiser, and I think I will go a little further than you have done by saying that it is not only the only American paper in Japan but in the Far East, barring, of course, Manila. It is a great relief to be able to find news on the front page instead of having to wade through a number of advertisements.

Thanking you for your courtesy and for your kind expressions regarding the Currency Loan, believe me

Yours very truly,

S/G

The Willard Straight Papers at Cornell University
Oh, Wonder of the World—today, for some reason, it has seemed almost more than I can bear to think that there are all these long days of negotiation stretching ahead before I can hope to get away. Granting that everything goes as well as possible and that we get our agreement signed within the next week or two, then there will have to be a long wait while France is at home and while an Adviser comes out from home, and I suppose too, that while this Adviser is here working with the Chinese— in case he comes— over the currency reform scheme, I shall have to stay on to help as much as I can. In a way, I suppose, it would be worth while to be identified with the platform of the regeneration of China, but I don't care for that— somehow for there are moments every day, and especially today, when I haven't heard from you for over a week, when it seems as if nothing in the world mattered but you, and that were it not that you yourself would be disgusted. I should almost be tempted to think it all and go to you. I know I couldn't go in that way, though,— so don't worry— oh, that Distress— oh, Conscience of Mine.

Last night we had a most interesting party. Three of the Senators came to dine, and we talked far into the night. They were really fine, intelligent men, and I was tremendously impressed,— chiefly, I suppose, because they agreed with what I said. We gave them the same old arguments with all of which you are familiar, and told them that although some of the officials assured us that the Senate would oppose any Adviser provision in the loan agreement we felt that if the Senate knew that we did not want an Overseer of Chinese Finance, but merely a man who could come here to consult with the Board of Revenue in the preparation of a proper program for currency reform,— the Senators would be the last people to object. On the contrary, we felt that their desire coincided with our own, which was that if China borrowed this money, that the funds secured should actually be devoted to currency reform and not diverted to official purposes. Cheers from the Senators,— who assured us quite the opposite to our friend Dr. Chen, that there was no one in China who could formulate a decent and reliable scheme. Chen showed his hand again yesterday,— and we have also more or less had our opinion,— that Tsiang, the President of the Board of Finance, is merely acting as Chen's mouthpiece— verified. Mr. Calhoun saw Tsiang on Wednesday. He then definitely refused to appoint any Adviser whatsoever, unless such Adviser were to be in a subordinate position in the Ta Ching Bank (under Chen). He then suggested that the Bankers—if they wished to study the Reform Program— might themselves send out an expert. The following morning— yesterday— Chen cabled on Mr. Calhoun and told him that he, Chen, and the Duke, had talked over matters after Mr. Calhoun's departure— that they had decided that their own program (Chen's) would be carried out whether they got a loan or not (utter nonsense) and that therefore if the Adviser did come out for the Bankers or for the American Government, he must not publicly criticize the new programme.

In other words,— if the expert approved the Chinese present scheme, well and good— if he didn't he mustn't say anything, for his disapproval would prejudice the Chinese public against it. This showed the amount of confidence Chen has in his previous schemes,— and the amount of confidence the Chinese public has in Chen and his twelve experts,— who, Chen asserts, could successfully compete in an examination on Finance, the History of Currency etc., with anyone in America or Europe.

The suggestion that we should bring a man out— muzzled, committed before starting, to ok the Chinese scheme, is almost too childish,— yet it is so beautifully Chinese! They want everything— help of all kinds, financial as well as military,— yet they are unwilling either to give a fair compensation to those whose aid they ask, or to seriously undertake the reforms which alone will make them an effective, and respected people. The old missionary story of saving and keeping the cake.

In the Senate, however, we still have some hope, and I am inclined to think if Chen and Co. break with us on the Adviser question, we shall have a few questions before the Government asked by intelligent Senators— that will more seriously embarrass our friends than have the other interregnums founded on a misconception of our intentions regarding the Adviser's functions.

Today I've been to the Board of Communications and had a long pow-wow with an intelligent official there, who has a great deal of influence and who regards an Adviser as a necessity,— then a conference with the Minister— then an afternoon on the currency reform scheme which Chen has prepared and which to my unsophisticated mind seems based on false economic premises,— then a conference regarding the Chinese navy and a ship building program,— then a short skate at the club,— and dinner at Einstein's, where I met Ijuin.
the Japanese Minister, and had a nice time pulling his leg-- and now here, with bed looming very close, for I am tired.

Oh Child-- I write more, it seems, of stuff about what I'm doing, - but it's because I long so to feel that you should share everything. I want you-- you don't know how I want you-- and I only dread the lulls, for then I am here and not accomplishing anything to enable me sooner to reach you.

God guard you, child--

SUNDAY NIGHT, 18th-29th.

It's been such a blue day. Oh Wonder of the World, - a Siberian mail in last night and no letter -- and another in today, and nothing yet-- perhaps there will be in the morning. A letter came however from Mrs. Lawrence which I loved dearly. It was next best, very much next, - to hearing from you, for it was of you, and brought you nearer to think that she'd write me. I send it hereewith. Tonight I couldn't help trying to write you; for I want to hear direct how you are, and not by a letter nearly a month old. These last days I've wanted you so-- it has seemed as though I could hardly bear to stay here longer.

This bores you, I suppose. It must, sometimes, bore to tell the same thing over and over again. I wish you'd try me with it, though. I'd like to try, just to see whether I'd be bored or not. Probably would be frightfully. I don't fear I can hear you say: "You needn't worry yourself."

The Senate got on its hind legs the other day and memorialised against the Grand Council, and the Grand Council tonight resigned-- their resignation being refused by the Throne and the Senate being told to mind its own business. I suspect it's the old palace row between the Regent and Lung Yu, - and wouldn't be surprised if the whole thing were a play of the former. The Grand Council being on the Empress Dowager's side, have doubtless made a dickens of a row about the Senate's impeachment. Now the Regent whitewashes the Grand Council and sends his secret agents to the Senate, telling 'em he's going to slap their wrists, but to never mind-- and urging them to come back after this repulse from the Throne with such an awful rumple that the Throne-- innocent of course-- and quite against its will-- will be forced by popular clamor to throw the Grand Council out of office, and to establish a responsible Ministry. I may be wrong but I think that's the game. If the Senate plays up, the Regent and his following will be able to throw themselves at the head of the popular movement and run Lung Yu and the Counsellors off the field. Great game, isn't it? I'll bet the Sanderlings are banking Lung Yu and Co. and it would be like 'em to create such a palace rumple that they would bust our loan-- either as an American or International deal-- for if it ever goes through it means a set-back for the Japanese game of disruption and insidious corruption of the Chinese body politic. It would be the old story of Yuan's downfall over again. In the meantime the Chinese play ostrich and argue with us on face-saving clamses, while those in power sell out their country to the Brown Brother. Fine.

God guard you, child.

MONDAY AFTERNOON, (13th, 19th).

The Siberian mail is in, and nothing from you, - and not another mail until Thursday. It's too much, really-- and it seems as if everything had all gone wrong. For I've been counting on your two letters a week, oh Wonder of the World. Please child, don't think, when I write this way, that I am blaming you, or even intimating that you should have written, or ought like that-- for you've said you'd write twice a week, and write I know you will (Wish you'd write oftener)! You, even you, oh Powerful Lady mine, must make steamers and trains and post offices throughout the eleven thousand miles that separate us, function as they should-- even to carry your letters to me, - and so, dear Dorothy, it's not complaining to you, I am-- but kicking and grumbling and cursing the boats and the trains and the people-- the snow and wind and all the forces that have been factors in preventing my hearing from you-- for your letters are all that I have, and the boredom of being with
people, when I am worrying and wondering why I haven't had letters, is almost more than I can bear without squeaking out loud and being thought mad as a witch hare.

A letter came from K.W. today—quite a nice one, and I am sending it on to you. She is sad, poor lady—and she has had much sorrow. I wish that something could be done for her, but what is there to do? I must confess that I was a little irritated at her this summer but after all, what difference does it make—and you were right, we should not judge until we have seen her and heard her side of what she said to the other people, poor folk—and what difference does it make anyway. I wonder what you're doing these days before Christmas—making all sorts of preparations to make others happy, I know. You could make me more happy than ever I have been in my life—dear child—do you know it?

God bless you, always.

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MONDAY NIGHT.

It's now half after two, oh Wonder of the World, and one J.W. Gillis—U.S.N.—has just departed. We've been working since half past nine on a contract for a 2,500-ton cruiser for the Chinese navy, and Gillis says that he hopes to sign the contract tomorrow—this is today—or Wednesday. It will be great fun—want it—to think that we drafted the first contract for a Chinese vessel constructed in America. Poor Gillis is good at his job, but he hasn't much command of his mother tongue.

We finished our drafting at about half past twelve and then I pulled Gear out of bed and made him write while I read. I would have defied even you, child, who should be familiar with the vagaries of my hand by now—to have made out my notes on this subject. All through the rather hectic evening I thought of you, and how keen you would have been for it all.

Sometimes I wonder how you would have liked it all, had you come out—oh Wonder child! I think you would have loved it, but I wonder whether you would have cared at all for me—

for I fear that when I get started at these things I stick a cigar or a pipe in the corner of my face, and become frightfully profane and dictatorial. But then I wouldn't be, if you were here, I know. Just think of the moral turpitude (whatever that may be) to which you have brought me—because you wouldn't come!

By the way, regarding Pastor, of whom I wrote you a rather hectic letter when I first came back—when all was very strange and new— I met him tonight, as he was leaving the club, and butter wouldn't have melted in his mouth. He was so pleasant, and told me that his wife would be out in March, and that she had nervous prostration after her mother's illness. Said illness, having been the fake excuse on which she went home. It was really to laugh—but I was quite serious throughout, I assure you.

Quite an attractive lady turned up today—one Miss Mor— I always liked the name—Yasagi of Stockbridge. Sounds like an Egyptian cigarette or a fruit stand, doesn't it? She reminds me a tiny bit of you, and I, therefore feel very friendly. They lounged here today with Mrs Calhoun and her guests who departed with ol' French tonight for home. It made me weep almost to think that he was going and that I couldn't—but it will do him a world of good, and he needs it. But child, he will see you—would that I could.

God bless you.
It appears to be true that Mr. William Straight is applying strenuously to Peking for the practical revival of the Khanbaliu-Algam railway scheme. He is described by the telegraph as holding conversations with capitalists and business men, and as laying down the proposition that no sacrifices can be too great to remove Russia's objections. Nothing definite is stated; however, as to the nature of the sacrifice contemplated. The only immediately conceivable step would be to divert the course of the railway from the originally proposed route, but it is difficult to see what could be thus accomplished, in amount as to reach Algam from a southerly direction the Russian railway must inevitably be crossed. Meanwhile the public is perfectly well aware that this Khanbaliu-Algam gauntlet of the nature of an international project much more than of an industrial or financial.

**The New China Loans**

The New Chalmers, Shanghai, writes as follows on the China loan question:

We give considerable space to this item in the reproduction of various articles from the foreign press on China's financial situation, articles that have been called forth by the negotiations concerning the loan of ten million sterling to be advanced to China by the Quadruple Syndicate. These articles are full of warnings and apprehensions, the hint of foreign control is very plain and we do not doubt that in due time they will be repeated when the terms of the proposed loan of six million sterling comes to be discussed. On the whole the discussion and the criticisms are very fair, and naturally somewhat one-sided, and in the following remarks we may perhaps be able to supply the counterpoise to what appears in other columns.

In the consideration of national finance one has to keep in mind the division between what Mill terms the necessary and the optional functions of government, and it may be laid down as a safe general rule that public funds, especially borrowed funds, should first be applied to the facilitating of the necessary functions of a government. The very first of these necessary functions of any government is government. It is the first business of a government to govern; surely that will be admitted at once, and if so it will also surely be admitted that the practice of economy should be the first virtue cultivated by any government. The first expenditure of a government should be the maintenance of the administrative machinery as economically as possible. A public service is a necessary government of an army or navy or house public funds can only be provided for either purposes by the civil administration. But, as Adam Smith has pointed out, defence is prior to opulence and therefore expenditure for security comes before that for the encouragement of the industries or the improvement of the arts and commerce of a country.

First the civil administration, then defence, and then the arts and industries: that is the order laid down by the great economist, and that is the order in which China proposes to allocate the various portions of the loan now under negotiation. Of the original loan of £10,000,000 it was decided to devote the bulk to the reform of the currency and the rest to the development of Manchuria. The reform of the currency is a pre-requisite of the organization of the re-organization of the re-organization of the financial system on economical lines, and China is wise in the setting in the forefront a problem that goes to the root of many of her weaknesses. One fifth of this huge loan is set aside for the development of Manchuria. It would appear as if the economists' maxim, that defence comes before development, were being violated in this case, but this is not really so. The readers are fully aware of the struggles in Manchuria is not being decided by force of arms, but by industrial development. The appointment of a foreign economist and financial expert as adviser to the Board of Finance would put no indigestion upon China and, if he had any power to make his advice effective, would probably satisfy the quite reasonable demands of the country.
HE RETIREMENT OF H.E. T'ANG SHAO-YI
(By our Peking Correspondent.)

The expected has come to pass and H.E. T'ang Shao-yi now retires again, this time at his own request. It has been known for some time that he has been in indifferent health, and that the death of his estimable wife has aggravated his condition. Those who had the privilege of knowing Mrs. T'ang, or who have heard of the great ability and keen mind which characterized her, will understand the grief which has befallen T'ang Shao-yi and his family.

It may not be generally known that his family life has been exceptional among the official classes in the north, for it has been more unlike the life led by a Chinese than by a Westerner. His constant attention to his family, and the great and strong link which existed between the various members, including even remote relatives with his children, has made his loss a particularly heavy one. But this alone cannot account for the persistence with which he refused to return to his high office. Rumours are many, but we need not discuss them here, except to say that his position had become one of the most difficult in the capital. The Viceroy of the Board, Sheng Huan-huai, who has been honored with the gift of a Guardianship of the Heir Apparent, is a much older man than his late chief, and has had a long official career.

He was Customs Prefect in Tientsin before T'ang Shao-yi had won his spurs. The Chinese papers have long since stated that the older man did not care to serve under the younger. Only a week ago, when the news of T'ang Shao-yi's resignation was made known, some of the newspapers hinted that Sheng Kung Pao would have his one desire satisfied at an early date. That has been fulfilled, for he has been promoted to the vacant Presidency.

But whatever may have been the root cause of the resignation, there can be only one opinion as to the withdrawal of such a capable and progressive official. There are too few men of independent views and wide training left in the new movements, and who are fitted to guide them on right lines. There are so many opportunities in high circles in Peking that the loss of a man of the calibre of T'ang Shao-yi seems almost irreparable. There was widespread surprise and dissatisfaction that he should have been ignored after his long service.

It seems as if some evil influence were at work in so far as the capital is concerned. The succession to the throne is a matter of great importance. The young Prince of Wales, who has rendered magnificent services to the empire, and who is in the prime of life, would wish to see again in the van of true progress and leading in the renovation and emancipation of this wonderful race. But time servers are now filling the highest posts. A cartoon in a Peking paper describes the confidential advisers of the throne as men in a boat, dragging in a huge net, filled with fish, but all for themselves. It may be, probably, in an exaggerated estimate of these men, but there is a widespread feeling of distrust and disappointment abroad.

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The Willard Straight Papers at Cornell University
December 17th, 1910.

My Dear Grenfell:-

I am giving ffrench a card of introduction which he will present to you shortly after his arrival in London. I have also handed him a memorandum regarding the organisation of an Anglo-American Construction Syndicate, a scheme which he and I have had in mind for a long time and which he will take up with you before discussing the matter with anyone else.

As you probably know, Messrs. J. C. White & Co. are at present contemplating the organization of some sort of a Construction Syndicate for China, and I think it will be very desirable if they would make this Company an Anglo-American organization. It should be possible to work out some arrangement whereby they would act with Pauling & Co. Before doing anything in this direction, however, ffrench will go over the situation thoroughly with you.

It is his intention to go to New York and there meet the members of the Group, and I trust that you will encourage him in this purpose as it will be of great value to me and to him if he can establish a personal relationship with Davison and some of the others, and thus enable them to feel that they know somebody at least in Peking if I should go away again.

I have already told you so much about ffrench that I hardly need repeat his praises. I am very fond of him, however, and have the greatest confidence in his ability and sound judgment. I hope you will like him and feel sure that you will, and also that you will be able to get a good deal of valuable information from him if you can take the time to dine with him or play about a little instead of merely seeing him in your very busy office.

With kindest regards, I am

Yours very sincerely,

WILLARD STRAIGHT.

E. C. G.

E. C. Grenfell, Esquire,
No. 22 Old Broad Street,
London.

S/G
Decemher 17th, 1910.

Herman Harjes, Esquire,
No. 31 Boulevard Haussmann,
Paris, France.

Dear Harjes:

By this time I presume you are safely back in
Pragland and adorning the Boulevard, which you ornament so
well. I should have written to you before explaining an
item which I asked your office to settle on the brief morn-
ing I spent in Paris. This is my account at Cartier where
I purchased a number of cigarette cases to be disbursed as
a nice house-broken form of graft to a few of these high
officials on whose say so we must depend for all the profits
we have not yet made out of China. I also, I think, have
a small debit balance with you, and if you will be good
eough to let me know what it all amounts to I will draw on
New York for the requisite amount.

Things are going along here in the usual way.
Taking a worm's-eye view of the situation we see towering
above us an eminence which we reach with infinite difficulty
only to find upon arrival that another climb equally arduous
must precede any definite accomplishment, this, however, is
life in China. Paris is reported to be a very fast city so

I don't suppose you have any troubles of this sort.

I have been sending copies of all my letters, etc.
to Grenfell and I presume he is keeping you informed. If
it will be of any satisfaction to you I can arrange to let
you have copies of these letters, also, but this, I am afraid,
would be rather a strain on our capacity for reeling off
carbons.

I am giving a card of introduction to you to Lord
ffrench, of whom you have often heard me speak. He is going
to London and will probably visit Paris, and I hope also New
York, with a view to pulling the Chinshou-Aigun Railway out
of the fire, where it has been well roasted with international
criticism during the past few months. ffrench will tell you
of all the wires he hopes to pull. I think that you had
better call in your friend Soldatenooff with his new coding
machine in order to bring some of these diverse strings into
harmony. ffrench is very sound and has an intimate know-
lledge of this situation. I have the very greatest confidence
in him and hope that you will like him and do what you can
for him.

If, at any time, I can do anything for you out here
in the way of purchasing jade, Ming porcelain, sables, Man-
churian beans or gold bricks let me know and I shall be glad
to be of service.

Gold bricks are being very much worn this year and
December 17th, 1910.

Dear Bill:

I am handing ffrench, who leaves here on Monday, a card of introduction to you and am also writing a very polite letter to the Ambassador, which ffrench is to have, intimating to a certain extent what the game is. There is no use in my going into it very fully as ffrench will give you all the explanation you want when he arrives, and it will be very much better for you to get the information first handed. ffrench is a great friend of mine and I shall be very much obliged if you will do anything you can to help him along. He is thoroughly sound and conservative and has a very good understanding of conditions here.

He will also tell you about our troubles over the Currency Loan. We are up against a certain wise guy, too bright but not to woo, Dr. Chen Chin Tao of the Ta Ching Government Bank, whose stomach-notice I use the Chinese expression—contains more economic and financial knowledge than is possessed by the entire Board of Governors of the Bank of England. This knowledge hurts Dr. Chen and sometimes he cannot sleep at night. Each word that drops from his ruby lips is heavy with erudition and his very presence is redolent of the most profound knowledge.
2—W.F.

When China possesses such a bimetallic sage you can easily understand the reluctance of the Board of Revenue to go to the expense of engaging a Financial Adviser whose molehill of knowledge would naturally be of little service when China is already in possession of the mountainous wisdom of Dr. Chen.

And you know, and I know, and Dr. Chen knows that there are other reasons why the services of such a foreign expert would not be welcome for the diversion which Chinese officials hope to obtain from Currency Reform, is one which appeals to their avarice rather than their sense of humor. As long as we have Chen's face in the path of Currency Reform I fear that we, like those who encountered Medusa of old, will be turned to stone. The only trouble is that if we are, we are apt to begin to roll and then we shall be unable to gather any moss, even in this land of the ancients.

In the meantime the dust flies, the ladies gossip and we eat much too much fois gras, the result is that the liver and temper are both bad and the only East that calls is that which lays between Fifth and Seventh Avenues anywhere between 39th and 60th street.

Please give my regards to Mrs. Phillips and accept from me the compliments of the season, whatever that may be.

Hon. William Phillips, Yours W.S.

December 17th, 1910.

My dear Mr. Ambassador:—

I am taking the liberty of handing a card of introduction to you to Lord ffrench who, for the past three years, has represented Messrs. Pauling & Company in China. Lord ffrench is returning to England with the hope of working out some solution of the Chinshou-Aigun Railway matter. His connections are excellent, and from what we can learn here of the present attitude of the British Government we hope that they will be more willing to take an interest in this subject than heretofore.

It will probably be necessary to make some slight alteration in the route in order to save the Russian face, and we are contemplating, also, the admission of the French,

His Excellency
Whitlaw Reid,
American Ambassador,
120 Victoria Street, W., London.
German and English Banks to the Loan. I think that we can take it for granted that the Chinese will consent to both measures. Lord ffrench, however, will fully explain to you the plan we have in mind.

He is a very great personal friend of mine and I have the greatest confidence in his ability and in his judgment. I trust that you may be interested in hearing what he has to say and feel sure that you will like him, personally.

At the present time we are still struggling with the Chinese over the question of the Currency Loan and our greatest difficulty at the present time, before taking up the issue of the joint signature by the other banks, is to arrange some understanding with the Chinese regarding the measure of control we ought to exercise over their expenditures. It is not at all unlikely that we may be unable to reconcile our ideas with theirs, and I should not be surprised if we should be obliged to interrupt negotiations for some time. I doubt if such a break, however, would constitute a rupture and hope that no matter how broken the course we may be able to reach the goal without any too serious mishap.

Trusting that you are enjoying good health, and with kindest regards to Mrs. Reid and yourself.

Believe me

Yours very sincerely,

WILLARD STRAIGHT

3/3
December 17th, 1910.

J. G. White, Esquire,
No. 9 Cloak Lane,
London.

Dear Mr. White:

I am handing a card of introduction to you to Lord ffrench who, for the past three years, has been the representative of Messrs. Pauling & Company in China. Lord ffrench and myself have pretty fully discussed the advisability of organizing an Anglo-American Construction Syndicate and in view of your own investigations as to this field, felt that you might be interested in discussing our plan with him and possibly in coming to some joint arrangement with Pauling & Company. I have been intimately associated with ffrench for a long time in connection with the Chinchou-Aigun Railway, and aside from having a great personal admiration for him I have the greatest confidence in his ability and sound judgment.

In case something should come from this scheme for an Anglo-American Syndicate it would, of course, be necessary for you to have a so-to-speak "diplomatic" representative as well as your technical man. The best arrangement I should think, as already intimated to you, would be to have Lord ffrench in the former capacity and an American engineer in the latter. This suggestion, of course, assumes that you come to some arrangement with Pauling & Company or that you are able to persuade Lord ffrench to leave the services of his present employers.

There is no necessity for my going further into the subject as Lord ffrench will fully explain what we have in mind.

With kindest regards, I am

Yours very sincerely,

WILLARD STRAIGHT.

S/G
December 18th, 1910.

Dear Grenfell:

I am sending you the enclosed by ffrench in order that he may take the matter up at the same time that he hands this to you. If the scheme appeals to you I hope that you will go into it and take the matter up with New York, in turn. I do not know whether you would care to see White about it or not. He may still be in London, and if he is it will be very easy for you to do so.

I am giving ffrench a letter to White, which he will show you and not send on until he has your approval of such a step.

Yours very sincerely,

WILLARD STRAIGHT.

H. C. Grenfell, Esquire,
No. 22 Old Broad Street,
London.

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December 18th, 1910.

My dear Jonathan:-

The Calendar for the New Year which you so kindly sent me arrived safely not long since and was a pleasant evidence that you had not forgotten me. Your long and very interesting letter which came last spring was never followed by a second though you promised to send something over by Kennedy. I am not even sure that I ever acknowledged what you did write for when your letter came I was in the midst of preparations for getting away and in the final stages of negotiations regarding bringing the Chinchon-Aigun Railway into some sort of definite form before my departure. Once in Europe I fear that I wrote no letters at all save those that were an absolute necessary.

It was an interesting summer all in all. The Paris Conference regarding the Hukuang Loan, a visit to Petersburg where I met all the Ministers of importance, and then two months and a half at home with work of all sorts, and much interest. I didn't see much of the State Department though I met Wilson a couple of times and had a couple of seances with Miller. My trips to Washington however were of the briefest description and I gathered no Departmental gossip at all.
We are now in the midst of negotiations for this currency loan and I hope that something definite will be evolved. Our difficulty will be to reconcile the Chinese to that measure of control which we consider essential to safeguard the bondholders, and to ensure the actual expenditure of the loan proceeds for currency reform. I am not pessimistic however, press reports to the contrary, and think that given time, we can find some mutually satisfactory solution.

There have been some publications made in Japan which I should greatly like to secure and possibly you will be good enough to try and find them for me. The list follows:

- Japan in the beginning of the 20th Century. Published by Imperial Japanese Commission to the Louisiana Purchase Exposition, 1904.

If these documents are in Japanese of course they would be of little service, and you need not bother about them. There might however, be summaries in English which would be valuable.

Possibly there has been something published about the establishment of a uniform currency in Korea, and if there has I should also like to have that, provided of course it is in English.

I shall be very greatly obliged if you will work these things out for me. Any expense of course I shall be very glad to bear.

Marvin is an editorial writer in New York now doing things for various papers, with what success I have not heard. Bland is making trouble for his old employers, the B. & C. Corporation in London, and Sfrench, who often speaks of you, leaves for home tomorrow.

Wishing you a Merry Christmas, and a Happy New Year and all good luck,

Yours ever sincerely,

WILLARD STRAIGHT.
Dear child--- this is just that f'rench my hand you something that I've given him myself.
I've been trying to find some little thing, and all I have is a small tea-jot -just for
four,- but you must not use it till we can "split a sweetie". This bears you all my love
dear, and my hearts' greatest wish.

- God Bless you.
December 19th, 1910.

Dear Davison:

ffrench is leaving tonight for London and New York, and I am sure you will find his presence of the greatest value, for he can give you an insight into the situation here which is quite impossible to convey by letter. I hope that you have not been worried about my activity concerning the Chin-ai. It would have been very unfortunate had we not discussed it, for the Chinese would have at once thought we had abandoned the project and left Manchuria to its fate. As I wrote in a long and probably to you very boring letter to the Group, the hope of pulling the Chin-ai out of the fire is the principal argument we can use with the Chinese in favor of joint signature of the Currency Loan. I hope that that will one of these days come to a question of signing. Unless the Chinese are bluffing, however, which I strongly suspect, we shall not be able to put the thing through.

I hope that you will see something of ffrench for he's a fine fellow and you'll like him, and if you get to know him you would I am sure feel little apprehension about my leaving here, if he is in Peking to stand by the Group's representative as he did this summer. Not that I am thinking of starting tomorrow. In fact it looks as if the birds would fly back and forth several times before I can shake the dust of Peking from my feet.

Since writing you the other day I've been seeing a good deal of Einstein, and like him much better than at first. He doesn't get on with Galhoun which is unfortunate, but he's not a bad fellow, and is very intelligent.

I have pictured you saying Walla Walla a good deal in the last three weeks. I don't blame you, and sincerely hope that we can pull something off before long, without an indefinite continuation of this wrangling.

With kindest regards to you all,

Sincerely yours,

WILLARD STRAIGHT.
December 19th, 1910.

My dear Fisher:

Since my arrival here I have been intending to drop you a line to thank you for having come to the station as we were passing through and also to express my regret that I had no opportunity to go over many matters with you. There is now no chance of my getting up to Maldom but if ever you can come down here I should be delighted to put Mr. Fisher and yourself up, and should welcome the chance to talk things over with you.

The matter of the Manchurian loan has of course been dropped, for the time being at least, and we are trying to put through this "Currency" deal. Twenty million taels of the funds, if we ever arrange to advance them, are however, to be devoted to Manchurian "industry", and I'd like very much to know just what that means. The people here seem to have very vague ideas on the subject. In this connection I think that your friend the Viceroy was guilty of pretty cheap practice this summer in closing with Cloud, when he was talking price with us, and despite our claim under the Tang Note given to me in 1908. Of course he disclaims any knowledge of this document, but as a matter of fact he has no justification for so doing as I went over the situation with him, and submitted a draft agreement for a Manchurian Bank at the same time we concluded the Preliminary Agreement for the Chinhou-Aigun Railway. I can quite appreciate the difficulty of your position during the summer for I understand that you had no knowledge of what we were trying to do. I trust that this will not be the case in the future for I shall be very glad indeed to keep you posted as to what our plans are.

For the present we are of course concentrating on the "Currency" Loan. French however leaves tonight for home and we hope that as the result of his visit things may look up a bit for the Chin-Hi. He will not stop in Maldom, but when things begin to move I shall advise you. Nothing will be done for the time being.

Yours sincerely,
December 19th, 1910.

Dear Mr. Hine:

Lord ffrench, whose name you probably have heard once or twice (?) in connection with the Chinhou-Aigun Railway, of blessed memory, is leaving tonight for London. He will, I hope, be able to get to New York, somewhere toward the end of January. He goes home hoping that the Inter-Bank Agreement, and the more tractable attitude of the British and Russian Governments may enable us to do something with the Manchurian line. The Chinese are reasonable and will consent to some alteration in the route and ffrench wishes to take this matter up with his own people, the Group, the State Department and then with the British and Russian Foreign Offices. It's our only chance. Whether it's a good one or not remains to be seen.

During the past three weeks I have been picturing you all in the corner room probably cursing the day you ever started to chase the Chinese will o' the wisp. I hope however that you will not be discouraged, for although it looks bleak now, I suspect the Chinese of bluffing. If they are not and break off with us, they will eventually have to come to the "Captain's Counter" and take their medicine from the quadruple banks, provided always we can hold this combination together.

I have taken the liberty of giving ffrench a card to you. He is a very fine character, and you will like him I am sure, and find him, moreover, very sound in his view of the situation out here.

Trusting that Mrs. Hine and yourself are both well, and with kindest regards to you both,

Sincerely yours,

WILLARD STRAIGHT.

Francis L. Hine, Esquire,
New York.

Your son made many friends during his stay here and everyone says the nicest things about him.

S.
December 19th, 1910.

Dear Mr. Schiff:

Very many thanks for your kind letter which reached me the other day. I am glad to hear that you are installed in New York for the winter, though I presume that you miss your country walks.

french leaves tonight for London and expects if all goes well to be in New York toward the end of January. It will be a great satisfaction to you I hope to have one so conversant with the present situation here, nearby. He is a very fine man and I have the greatest liking for him and respect for his ability and judgment. I have taken the liberty of giving him a card to you, as well as to the other members of the Group, and have asked him also to see Max Warburg if possible, when the time for action in Europe arrives. You may be quite sure that he will do nothing without full consultation with you, and with the concurrence of the State Department.

We have both of us felt, as I have already explained in my letters to the Group, that the Inter-Bank Agreement, and the prospects of bringing our associates into the currency loan, warranted our hoping that something might be done with regard to the Chinhou-Ailgin Railway. On the one hand the

hope of facilitating the construction of this road may induce the Chinese to admit the Tripartite Banks to joint signature of the Currency loan, while on the other, the tripartite Banks may be the more inclined to take up the Chin-Ai when they anticipate also, securing a participation in the $50,000,000 loan.

From the statements made by the British and Russian Ministers here I think that we are justified in assuming that we may expect more support from England and less obstruction from Russia, than we experienced last summer, and it therefore remains for french, in consultation with you to work out some slightly altered route, in which the Russians can acquiesce, and which Great Britain will actively approve.

We are anxiously awaiting our replies from you and from the Department of State to enable us to place some definite proposition before the Chinese. They have stated that they would not appoint an adviser, but though their attitude seems pretty definite at present I am inclined to think they are bluffing, and rather than abandon negotiations with us they will yield very considerably to our demands.

I am very glad indeed that I reached Peking when I did, and feel also that it was quite as well that the Group did not send out the "financial expert" desired by
the Chinese, for as far as I can gather their request was largely prompted by the feeling that Mr. de Menocal being but a locum tenens, was not vested with sufficient authority to carry on these negotiations.

I have been much interested in reading your speeches at the Japanese Emperor's Birthday dinner, and at the dinner for Senator Aldrich.

Trusting that you are enjoying the best of health and with kindest regards to Mrs. Schiff, and yourself, as well as your partners, believe me,

 Yours sincerely,

WILLARD STRAIGHT.

Jacob H. Schiff, Esquire,
New York.

December 19th, 1910.

Dear Mr. Vanderlip:-

Lord ffrench, the Peking representative of Messrs. Pauling & Co., is leaving tonight for London, and will, I hope be in New York toward the end of January. I have taken the liberty of giving him a card to you, as I feel sure that you will find his comments on this situation of great interest and value. I have the greatest confidence in his ability and judgment, and feel that the Group owes him a debt of gratitude for the assistance which he rendered Mr. de Menocal during the summer. We hope that as the result of his trip, and the Inter-Bank Agreement, we may be able to remove the Chinsou-Aigun Railway from the shelf on which it seems so safely to rest at the present time.

With the compliments of the season, and trusting that you are not too disgusted over the turn this Currency Loan has taken, believe me,

 Yours sincerely,

WILLARD STRAIGHT.

Frank H. Vanderlip, Esquire,
New York.
Dear Mr. Warburg:

Lord ffrench, of whom you have heard, the Peking representative of Pauling & Co. is leaving for London tonight. We hope that we may be able to take advantage of the Interbank Agreement to somewhat alter the past attitude of the British and French Governments, and hence the Russian, regarding the Chinsou-Aigun Railway. The situation, from here, looks promising, for the Chinese have consented to allow the other banks to come into the loan agreement as joint signatories, and have also expressed a willingness to consent to some alteration in the route, which would develop the same country, and at the same time not be so objectionable to the Russian Government. All these details however Lord ffrench will give you, and I have given him a cord to you, and told him how valuable your assistance in this matter would be. He will doubtless communicate with you after his arrival London.

We are fighting over the Currency Loan and at present the precept of getting the thing through even with sole American signature are rather scant as the Chinese object to almost any form of control and on this of course we must insist. I am hopeful however that their present temper is a bluff rather than an actuality and that when we put before them a definite and ultimate proposition they will yield rather than break off relations with us.

I should be very glad to have your ideas on the subject of control and to know the attitude of the German Group.

My inter-bank colleagues here, I think, are hardly as pleased as their principals about our London Agreement. Their whole life in China has been one of competition with their colleagues, and their reputations have largely been founded on their ability to undersell their rivals. To suddenly find themselves in a situation demanding frank cooperation with those they have formerly of our therefore is not particularly pleasant. The French I think are the most agreeable, but you know Cazenave, and no one could ask a more pleasant coadjuvator.

Cordes, the German, shows an inclination to be rather sharp, while Millier, the Hongkong and Shanghai Bank man is not at all happy. There was an interbank meeting not long since, at which I, supposing that frankness would be appreciated, informally told them of what I had been trying to do regarding the currency loan. It was obvious from my remarks that no definite point had been reached in our negotiations, that everything was in a state of flux, and that I merely wished to show them some consideration, in view of the fact that I had been earnestly working to...
have their institutions admitted to joint signature, imagine my surprise, the next day, when I received a formal
Minutes of the meeting, setting forth what I had said, and closing with a statement that I had promised to ask
Hillier to call another meeting when I had something further to communicate. These minutes were prepared by Hillier,
Corden, and Haye's of the British and Chinese Corporation.
I objected most strongly to such action, and told them that if personal and informal discussions of this sort were
to be made matters of record even in unsigned minutes, I should take good care to make no statements without
express authority from New York.
This is not serious of course but it may amuse you.

Trusting that you are enjoying the best of health
and with kind regards to your partners and particularly
to your Aunt, believe me,

Sincerely yours,
WILLARD STRAIGHT.

Max Warburg, Esquire,
Hamburg.

December 19th, 1910.

Dear Mr. Warburg: -

I am taking the liberty of giving a card of introduction to you to Lord Pfrennich who leaves tonight for London and who should be in New York toward the end of January. He hopes to bring the British Government to a more reasonable attitude regarding the Chinshou-Aigun R.R. and in consultation with the Group and the Department to evolve some scheme which Great Britain can support and Russia acquiesce in without too great loss of face.

Pfrennich is a very fine man, and has a most intimate and valuable knowledge of the situation here, I trust that you will like him and see something of him while he is in America.

Our negotiations for the Currency loan are held up for the minute while we await your instructions as to some definite proposition which can be placed before the Chinese to take or leave as they see fit. It is quite impossible however to separate the adviser question from our loan negotiations, and the only way that the appointment of this official can be arranged is by clearly establishing the relationship between his functions and the loan.
This, however, will all be ancient history by
the time this letter can reach New York. ffrench will
tell you some of the difficulties that have confronted us.

With kindest regards, believe me,
Yours sincerely,

WILLARD STRAIGHT.

Paul Warburg, Esquire,
New York.

December 19th, 1910.

Dear Mr. Secretary:-

From the Public Press I saw, during
my hurried trip through Europe that you had berated the
Terrible Turk in his Den of Iniquity, patted the Young
Turk on his apparently swollen cranium, and generally
strengthened the ties that bind our two great peoples and
said pious things about the ever increasing friendship
found on commercial interest, which I suppose meant that
you'd like to have the railway concession ratified. Did
you? or are the Turks too much concerned about their new
loan which seems to be running our own little venture a
close second on publicity?

As you have already gleaned from the Ministers
telegrams, which he tells me are costing the Government a
pretty penny, we are up against a rather stiff game. The
Chinese apparently wish to rely on their promise regarding
an adviser, and you are very properly insisting that one
be appointed. But this will be ancient history by the
time this letter can reach you. In any case I hope that we
can come to some arrangement that will be satisfactory to
all parties. We can hardly demand the appointment of a
man to take general charge of China's Finance, for though
they are in a bad way, they are not as bad as all that,
not yet, but soon, and they quite properly state that if
an American came in in such a capacity every one else
would be on their necks. But I think that some way can
be found to tie the adviser onto the tail of the loan so
that we shall have him and the Chinese have an interna-
tional board, or the menace thereof, during good behav-
ior.

ffrench leaves for home tonight, and should
be in America toward the close of January. We hope
very much that something can be done about the Chinhou-
Aigun Railway, for the British Government seems
much more inclined to support us and the Russians less
likely to resist some project, not identical, but
similar to, the old one. ffrench's idea is to warm
first, the chilling feet of Pauling & Co., and then
go to New York to consult with the Group and the
Department as to some solution, then return to England,
and if armed with British support, to go to Petersburg
not appearing himself, but sitting by the side of
the British Ambassador, and telling him of conditions
here at first hand. In the meantime it will be my play
to get the Chinese to accept whatever solution you all
agree upon.

ffrench however will give you the details himself
when he arrives. I have given him a card to you, and

aside from the official interest you will take in him
I hope you will get to know him for himself for he is
an exceptionally fine character, and one of the straight-
est truest people that ever lived.

If we pull off this currency loan I shall
be pleased to present to the Wilson household two
new rugs. - TWO, as graft.

Mr. Calhoun is a corker, and has succeeded
in gaining Chinese confidence to a remarkable degree.
I think that it may have taken him some time to
realize the difference between legal and diplomatic
documents, but he is now going very strong and we
have every reason to be proud of the position he has
made for himself, and the popularity of Mrs. Calhoun
in Society, which may not count for much, but which
means a great deal to the stray man by the roadside.

I trust that Mrs. Wilson and yourself are both
well, and that things in the Department go along swimmin-
gly. With best wishes always,

Sincerely yours,

WILLARD STRAIGHT.

The Honorable
Huntington Wilson,
eta, etc., etc., etc.
Assistant Secretary of State.
PEKING, CHINA.
December 20th, 1910.

Messrs. J. P. Morgan & Company,
For the American Group,
No. 23 Wall Street,
New York City.

Gentlemen:

RELATIONS WITH THE ENGLISH, FRENCH
AND GERMAN BANKS.

Referring to my letter No. 142 of even date I beg to state that following the conference regarding the Kansu Railway described therein, it occurred to me that it might be desirable to acquaint my colleagues, as far as possible, with the progress of negotiations for the Currency Loan, a subject in which they were naturally deeply interested.

In view of the general situation, moreover, it seemed not inadvisable to emphasize the fact that while using my best efforts to secure the consent to quadruple signature I had not, for the time being, pressed this point but devoted my efforts rather to insuring a satisfactory control of expenditures.

I clearly stated that our negotiations had not, at that time, assumed definite shape and briefly outlined the difficulties which were to be anticipated and the manner in which

I hoped these difficulties might be overcome. I further stated that I had reason to believe that the Viceroy of Manchuria would consent to the admission of the other Banks to equal participation in the Chinchow-Aigun Loan, and that Lord ffrench was about to leave for London and that we hoped that this enterprise might become a practical and workable proposition.

It was made quite clear throughout that I was not making a formal statement but was merely taking advantage of the presence of the Inter-Bank Managers informally to give them such facts as I could in accordance with what should be the spirit of frank and loyal co-operation and mutual confidence existing between us since the signature to the Agreement of November 10th, 1910.

You will, perhaps, be surprised to learn that on the following day I received from Mr. Hillier copy of formal minutes of the meeting, setting forth not only the discussion regarding the Kansu Railway but recording a formal statement made by me.

I immediately called upon Mr. Hillier and objected to his conversion of my personal remarks into official statement. He stated that the minutes not being signed were not binding but that if I so desired he would regard the discussion as informal and not make it a matter of record.

Mr. Cordes later told me that Mr. Hillier, Mr. Meyers...
and himself had discussed my remarks and had deemed it desirable to set them forth in what, he stated, should have been termed a rough memorandum rather than the minutes of the meeting.

MMs. Casenave and St Pierre were not parties to this transaction and expressed their regret that the misunderstanding should have occurred.

The Group may be interested to learn that there is some reason to believe that Messrs. Hillier and Cordes are not, perhaps, as pleased with the conclusion of the Inter-Bank Agreement as are their principals and that it might be well, therefore, to forestall any difficulties which may be initiated from China by securing, at home, as close a cooperation as possible between the Group and the English and European interests.

Yours truly,

S/G

[Dec. 21, 1910]

My dear Straight:-

Many thanks for your letter of the 19th, which I was very glad to receive. I also regret that it was not possible to have talked over many matters when you passed through. I don't suppose we will be in Peking soon, but Mrs. Fisher and I appreciate your kind invitation.

I think Faulkner has about cleaned up your things. Regarding the dining-room set, when I arrived Williams, Vice and Deputy at Newohwang, informed me that he had arranged with you to that it over, so it was shipped down to him. Before leaving America I wrote Williams to ship all my stuff up here. I believe Faulkner is sending you an account of your things. I am having sent to you the Gile dictionary: am sorry to lose it, but I know its value to you.

The old Vicerey here is rather a neglected spot, and doesn't propose to allow any aspiration of Yang's to bloom. I have not been able to get much out of him as to what he proposes to do with the money. From various sources I learn that he has three pet schemes: (1) the construction of the harbor at Hulutae, to cost about £5,000,000, to be expended over a period of five years. This work is under the direction of Engineer Hughes, and I believe there are now employed about 1,500 coolies on the job; (2), an extensive scheme of colonization, but I think no definite plans have yet been made: and (3) the establishment of an Industrial Bank, to assist in the colonization scheme, and to participate in the development of the resources. All excellent schemes, if placed in the hands of competent and honest officials, but it will be frittered away if handed over to the present outfit without any restrictions or supervision. I suspect that it is the intention to have the Industrial Bank undertake the development of some of the mines, probably with the cooperation of foreign capital. If the deficit of nearly £15,000,000 is to be wiped out, there will not be much left of the proposed loan. Regarding this loan, I must say that my position here during last summer was
difficult. The Department did not see fit to inform me when I was in Washington, of many things that, it seems to me, I should have known, and I have been given no intimations of any source of what was going on. Of course, there must have been some good reason for this, but as it has come out, I think it would have been easier all around if I had been given a little light without having to figure it out from the little I had to patch together. All concerned can rest assured that I will not again get mixed up in any Harbin Affair and lead my Masters into difficulties.

I suppose you know that General Tu Wen is now with his ancestors. Key is still here, but I am told that the electric light plant of which he is director will pass under the direction of the Commissioner of Agriculture, Commerce and Industries, very shortly, and no doubt something will happen to Key. Parker still hangs on by his teeth.

I shall be awfully glad if you can let me know what is going on around Peking that concerns my district, so far as financial matters are concerned. I want to cooperate with such American interests as are in a position to render effective aid, and can handle a big proposition in a creditable manner.

With very best regards from both Mrs. Fisher and myself, and compliments of the approaching season, I am,

Very sincerely,

[Signature]
Thank you, dear child, for the cable that came yesterday. It helped more than you know, to have it in my pocket and to feel that I knew, that the day before, all was going well with you - and that you had been thinking of me. No letters have come yet - everyone is complaining and no one knows what has happened --- some outrageous carelessness I suppose, on the part of the Russian postal authorities. Indeed the game is uphill.

I wanted to write last night, but I was too angry, and tired and discouraged. Not down and out, - don't think - but just clean done.

My wire came in from New York in the morning. The Group have taken a very fair and intelligent stand, but they stated that although they approved my suggestions as to the basis for negotiation with the Chinese, I was to do nothing until the Minister, who had been "fully instructed" - had arranged with the Chinese for the Adviser and for control of the loan proceeds. The Department's telegram to Calhoun was utter rot. They have told him to insist that China appoint an American Adviser who shall have "a certain measure of authority". Now, when, and where this authority shall be applied - in connection with what undertaking - and for what reason he should be appointed - they do not specify. The rest of the telegram is a lot of pious generality about helping China's broader interests - the friendliness of the American Government and the apparent indifference of China, and other twaddle. They apparently utterly fail to realize that to secure the realization of these same "broader interests" in China's welfare, they must first put through this loan - that as long as they telegraph general instructions about an Adviser without clearly establishing his relation to the loan - just so long will both hang fire.

I blame them a good deal for this lack of sense - but I also blame Calhoun and Einstein for not giving the Department a more accurate statement of the situation here. The old man is a worker, but he is lazy, Einstein is intelligent, but he is "smart"-- the result has been that Einstein has drafted the telegram and the Minister signed without close analysis of what went off. Einstein in his last message in speaking of my scheme, which both he and the Minister approved, pointed out certain objections --- that if the Adviser were appointed as I suggested, his tenure would be limited, etc. Of course it would be! But we'd all agreed that this would be the only way we could get him at all. Such being the case, instead of suggesting objections which the Department could see for itself, they should have endorsed my suggestions or made similar ones themselves. Today however, after a late session last night, the Minister has sent off a pretty satisfactory telegram in which he gives a very able analysis of the situation and backs me up. The beautiful part of it is, that he took a whole lot of valuable time explaining the only thing to be done - which was exactly what I had wired a week ago and which he had approved! Not that I want any credit, but I do want something done, and his enthusiasm today indicated that he had not taken the trouble to think the thing out when it was presented to him before. It's sickening - because he is such an able man - but he seems slow and a little indifferent. He's far too intelligent to be dictated to, and too proud to be led - yet he's too lazy to reach the right conclusion without infinite driving and talk, talk, talk, - so that what with the Group and the Department and Chinese and the Minister and Einstein - who has the sort of intelligence to approve any good idea, but too much smartness to let it pass without pointing out all its bad features. I feel up against it. Any scheme must have defect and they will have to be remedied, but this can be done when we reach an understanding on the broad underlying principles. With such a man as Einstein, one spends all one's time scurrying over non-essentials and is hardly able to get through the underbrush in order to reach the real timber. Cooky - you may call me - but I am sure that my scheme is right, and they'll darn well have to take it, that's all. I am confirmed in my belief that I am, and have been, right - by the Minister's needless
explanation today, of the only way in which we could reach a settlement.

It is maddening—oh Wonder of the World—and I only hope that all this fighting is not making me terribly hard—and dictatorial, and overbearing—for I feel that way sometimes. I am so determined to put this thing through—not because it's mine, but because it's the only practical way of meeting the problem before us, and reconciling all the divergent interests. You'll laugh and say, probably—that there may be lots of others—Perhaps, but if there are, I'd like to hear of 'em quick. I'd be willing to lose any amount of face, and eat all my words, if only someone would bring us an easier way out of our impasse.

It all drives me nearly wild, for I see the months stretching ahead, ever longer—and it seems, the more alone and up against it I am, the less able I am to face the thought of separation from you—oh Dorothy mine.

The Senate is going after the Grand Council once more and if they don't get 'em this time, the body will dissolve—and then there will be an uproar, all over China. No loans then, I can tell you, for a long while, for the people will take on the show and it'll be sometime before they can establish a stable Government. I say this with all reserve, for the more I see and read of this constitutional-movement the less I hold to my old attitude of scepticism about its real efficiency, and the more I believe that it is China's one hope, and a very good one at that.

The whole country seems knit together behind the provincial assemblies in the most remarkable manner. It's all the growth of the last two years, and is due largely to the spread of newspapers all over the empire, and their passing from the fanatical hands of the returned students under the control of a much more sober and reputable element—the literati and merchants, who are of a very high order of intelligence and who, though patriotic and radical, are still sound and in many respects very conservative. Gatrell tells me that the leading articles in some of the Chinese journals are remarkably able. One is always inclined to discount the probable effect of words in China, however—though no force is more potent, no currency in the world is more debased—for in this land, above all others, the shadow has for years passed for the substance, notwithstanding the virile practicality of the people as regards material things. The hope for China lies in the fact that perhaps the people are now for the first time realizing the direct personal benefit they would secure if they were to rid themselves of the mandarins and establish an efficient Government. If this is the case, and politics become the practical business of the many instead of the perquisite of the few, we shall see drastic and well conceived reforms, in place instead of in Edicts.

I want you—oh Child of mine. I want to know where you are and what you are doing and hear you say Yes.

God Bless you.
Dear little Wonder Child—your letter made me long— that's a poor word, for my whole heart is in it— to have your hand on my shoulder and to sit with you and watch the fire and the stockings hanging there—for we, in Dorothy lane, might have an atmosphere of our own quite equal to the Griswold. It was a letter of the 25th that came today, and your last was of the 10th—Was the one you tore up the only one you'd written in the twelfth-night? I'm not reproachful—Wonder Child—but your letters are all I have, and I seemed very lonely and stray sometimes. But you might have sent it! That difference does it make whether or not you— suppose— the turn of a phrase or some small thing that in letters from another I fear would pick up quickly, for I'm bad at that. I don't know why you didn't send it, but naturally my mind runs to a hundred reasons and none of them would have made any difference, for I long to know your every thought—share it all. I always read between the lines, and whether you write too little or too much, this way or that, Dorothy dear— I believe I would understand what the true underlying feeling of anything you wrote would be—and my faith in you is absolute—my belief in it is absolute—and I am trying to bring myself to the knowledge and resignation, that this separation may be best for both in showing us what a wonderful, beautiful bond—what a deep understanding, and tie, there is between us—how our lives and our souls have been joined, and how it is possible to separate everything—Dear Child—even though we are far apart. I am trying to resign myself, too, to the thought that perhaps you cannot know—cannot give, all that I ask—dear, until I can go home to you, and for you. But sometimes, as the weeks go by, as the prospects of a long stay here, seem more certain, it seems as if I could not bear it— and as if I would have to leave, or ask you, child, to join me. So send your letters, little Dorothy, and we can talk then over, though it be over many thousands of miles.

You didn't enclose the letter from Mrs. Lawrance. I'm glad you liked it! She is really such a nice person. It was fine of you, too, to tell Mary what you'd heard, and I am so glad you are in such perfect accord.

I've thought of you many times as at the Operay, Dorothy—thrilling with the wonder of the music—and I've longed to be beside you. Someday I shall—and the Griswolds and your play with the kiddies like you, child! They'll love you as does all the world.

About Mexico, I don't know. Perhaps the Standard Oil and the Tobacco folk have done these things. If they have, they deserve all the knocking they get, and I hope it'll be a good one. The Mexicans, you know—Bliss, Almavant and the whole crowd, are known to be very corrupt, though very efficient. Sometimes I am inclined to favor this state of affairs rather than honest fatuity. But I'd hate to be part of such a game, in any way.

Tomorrow is the 23rd again, oh Wonder Child, and I've been waiting for it in order to wire you in answer of your cable that came Tuesday. It's such a comfort to be able to feel that such a message reaches—perhaps earlier than it was sent.

Gillie signed his contract yesterday, and you'll read of that in tomorrow's "Herald" for Chil had the news this morning. Tomorrow night I had planned to dine alone, with you—but this afternoon a note came from Mrs. Macdairr asking me to help her with some Christmas things for a party that she's giving; and I decided to go— for I felt that you would rather have me helping—trying to make others merry—than to have me, since we can't actually be together, sitting here and thinking to you. So it's you who will help the lady—Christmas night, however, I refused to go to her, and Gillie dines alone with me, and on New Years I shall also be alone, for they shall be yours. Gillie being a mere man doesn't count, for our talk will be of China's navy and other things of like porport.

With all the stress of this negotiation I've been foolish enough to let myself in for a dance—jump at the Kangeries on the 27th with Mrs. de Menocal, Casanova, and the wife of the American Guard Commander—a nice person named Russell—and on Christmas eve J.R.Gil and I are to go as Mandu Princesses and distribute presents and bad poetry to the guests. It's really ridiculous, and into the boredom— for I hate it—I try to remember that you would like me to help 'em along and make 'em gay—though the gayer they are, the more I loath the whole show and the more I long to be far away with you only—my Wonder Child, where they can't any of them reach us. Write, child—I need it.

God bless you.
23 Wall Street,
New York.

December 22nd, 1910.

MR. Willard Straight,
Peking, China.

Dear Straignt:-

I have read with interest your letter of the 22nd ultimo to me, but as I am pretty busy I suppose you will excuse my answering it at length. I cannot think of any place now in which we could use the services of your friend Romigliesi, but something may turn up in the future and I will try to keep him in mind.

Very truly yours,

[Signature]

Dear Kirk:-

Unless I am very much mistaken you owe me a letter, in fact I think you generally do, however we will pass that by.

I have taken the liberty of giving a card of introduction to you to Lord Irpher who, for the past three years, has represented Messrs. Pauling & Company here in Peking, and who is the father of the ill-fated Paulkamen Railway and with whom I have been working over the Chinchou-Aigun line. Irphen left for England on Monday last, and should be in New York sometime around the end of January. He is a very great friend of mine, and anything you can do for him I will very greatly appreciate. You will like him, I know, and as he is a great friend of Bland and has a pretty wit of his own I hope that your sisters will like to meet him.

It hardly seems possible that only two months ago I was just getting ready to pull out of New York and I have been here now almost four weeks. Things go very slowly and it is likely to be a long time before I get back once more to the Great White Way.

I presume that the result of the elections were satisfactory to you and would like very much to have your ideas on the subject some day.

W. Kirkpatrick Price, Esquire,
No. 693 Fifth Avenue,
New York City.

The Willard Straight Papers at Cornell University
Dear Doc:-

I have been here now for nearly four weeks and
most of my troubles, which have been many, have arisen from
my unceasing efforts to get you a job. The present situa-
tion is that the Board of Finance claims Senatorial oppo-
sition as their excuse and refuse to appoint an Adviser
under any circumstances; as a matter of fact, however, I
have seen some of the Senators and they say that the idea
of attempting Currency Reform without first securing the
services of a competent foreigner is ludicrous. It boils
down, I think, to the fact that one transcendent young gentle-
man by the name of Chen Chin Tao who is now Vice-President
of the Ta Ching Government Bank, has a pat little Reform
Programme of his own and is afraid if an Adviser comes he
will prick the bubble of reputation which Chen, being a
good hot air artist, and his superiors being damned ignorant,
has been able to blow. The encouraging feature in the
situation is that like a good many of the rest of us, the
Chinese need the money and they are not very likely, no
matter how much they may kick now, to put themselves in
a position where "they cannot come back."

(Prsp)
The Hon. A. Platt Andrew,
Assistant Secretary, U.S. Treasury,
Washington, D.C.

December 22nd, 1910.

S/G
I am very much in hope that before this letter reaches you we shall have some sort of a scheme worked out and that you may even be on your way out here, where you will be welcomed as a long lost brother and whence you shall not get away until you have put this situation in such shape that I can beat it with you.

The foregoing twaddle is by way of introduction, for Lord ffrench who has represented Pauling & Company in Peking for the past three years and with whom we are interested in that semi-defunct enterprise known as the Chinchou-Aigun Railway. ffrench left Peking on Monday and should be in New York and Washington towards the end of January. I have given him a card to you and you will find him a very interesting and delightful person. I hope you will see something of him for he can give you an excellent line of dope on this situation.

Give my regards to Bob and to young Sammy Weldon.

A Merry Fourth of July. Yours sincerely,

WILLARD STRAIGHT.
reservations which he made on signing the Preliminary Agreement - contemplated the Group's securing such associates as it desired - but not that such associates should have the right of joint signature. The Chinese have understood further that the Preliminary Agreement was intentionally worded to make the antedating of the Bonds a subject for subsequent discussion.

As stated in previous letters, I have, from the outset, assured the Chinese that the position of the American Group has not been changed by the Inter-Bank Agreement in London, that the American Group was prepared alone to undertake this business, that the Group considered itself entitled under the Preliminary Agreement, to insist, if necessary, on the antedating of Bonds, and that quadruple signature was suggested in order that such Bonds might be given a broader market.

The problem which confronts us in Peking, however, is complicated. The Chinese officials are suspicious and the negotiators are influenced by the selfish and conceited suggestions of Dr. Chen as well as open to the jealous and interested insinuations of rival foreigners. The Senate is now in session and the Chinese people are, for the first time, awaking to the consciousness of their national interests. They too are suspicious and their new found enthusiasm, which is now in our favor, could easily be diverted against us. With Chinese suspicion on the one side and Foreigners' jealousy on the other our present negotiations must be conducted with the greatest care and every possible effort made to avoid any action which could be twisted or interpreted to our detriment by interested parties.

It is difficult, within a reasonable space, to convey an adequate idea of this situation and while not surprised that you may have found even the possibility that the Chinese should charge the Group with bad faith, ridiculous and tiresome, I trust that you will appreciate that it was brought to your attention that you might realize, if possible, the pitfalls which beset our path.

Yours truly,

S/G

J. P. M. & Co.
Letter No. 145

The Willard Straight Papers at Cornell University
December 22nd, 1910.

Dear Norton:—

I have taken the liberty of giving a card of introduction to you to Lord ffrench who, for the past three years, has represented Pauling & Company, the British Railway contractors in China. It was ffrench who secured from Tong Shao Yü the original contract for the Heimintun-Faukamen Railway of evil memory, and ffrench and myself have, for the last year and a half, been trying to bring the Chinhous-Aigan enterprise out of diplomacy into the realm of practical business. ffrench left for London on Monday, the 19th, and should be in New York towards the end of January. There he will see the members of the Group and will, I presume, under their auspices visit Washington and discuss the Railway with the Department of State. He would consider it a great honor, I know, to be able to meet the President, and I think that the President, owing to his deep interest in Far Eastern affairs, would find ffrench a very well informed and keen student of this situation. You, yourself, might also like to talk Far Eastern matters over with him, and I am sure you could find no one who could give you a better idea of present conditions out here.

The Honorable C. D. Norton, Secretary to the President, Washington, D. C.
December 23rd, 1910.

Dear Prather:

Your letter of the 6th of October reached me yesterday. Strange that your letter from Devon should have preceded me own, which was written immediately after my visit to Philadelphia. I remember however that I carried it about for a few days wondering whether it had better go on or not, whether I should write ex-cheque, or talk pleasing balls. As you know I took the former course which is the best always. 'N'est ce pas?

One year ago you got your appointment to Chile. Hope you like the pretty thing now that you are keeping company with it. You didn't sound any too damned enthusiastic in your letter, and I suppose it is a long way off from anywhere. You were a grumbler always, however, and there's only way out of it for you and that is the way that all good men should go, into the fuller responsibilities of life. I've thought it all out, Mon Bebe qui parle, and that's the dope, and it's not the outgrowth of any personal leanings either though I'll confess, and with cheers, that they are damned strong. This business of running it alone may be all well enough for a time, but I think that the speed which is supposed to result is but poor compensation for the splendid isolation of it all. Your course

is your own, and far be it from me to butt in with soft talk, but I've thoughts for you in me head none the less, and I believe 'em good ones. Balls, if you wish. Thank you. It's what you need anyhow, me giddy boy, with all your cast iron features and your profane tongue.

Things here are going on slowly and badly. The Senate is raising Hell, and though Monkey Yun, Ijuin, and old Susy, representing various points of view all assert that the popular movement is fostered only by base agitators and that the commercial community will have none of it, I suspect them of talking rot. Three of the Senators dined with me the other night and though they may have been exceptional men, for they were all leaders, they impressed me as serious, conservative, and sound, as well as a damned sight more able than most of the officials you run up against. I personally think that the old order is changing and that the Grand Council will have to make room for a responsible Cabinet. The Senate impeached the Council the other day, got a smack from the Regent in return, but are now preparing another whack at Ching and Co. If the Regent doesn't sit on the Grand Council this time, the Senate will dissolve, and then though most folk say no, I think there may be hell to pay. Hope so, for I believe that if you are doing straight open and above board business, you can get better results with the Senators and such, than with these intervertebrate,
jelly fish who have been battening on the body politic
for the last twenty centuries. Far be it from me to
prophecy however.

Your friend Hanahara from Washington lunched here
today and as a result I am a little dopey as I broke my
midday rule and absorbed booze in order to give Ijuin,
Honda, and Han a good time.

The old man, as I wrote you is all right and a fine
old bird, with a good line of profanity, bless him, but he's
not very quick on his feet and he is lazy. Result you take
up a scheme with him, he approves, and you wire your people,
he saying that he will back you up with the Department.
He tells Lewis to draft the despatch, Lewis to be smart
points out very obvious faults from the Department's point
of view, and the Department doesn't see the thing straight.
The faults exist, but you have seen 'em and so has the
old man, and you have both agreed that, despite these
faults there is no other way that anything at all can be
accomplished. The old man then orders Lewis, and writes
a damned able despatch himself, backing up your suggestion,
and having thought the thing out which he was too lazy to do
before, orates on the impossibility of finding any other
reasonable solution. He gets there eventually but it's a
rocky road you have to push him over. As a matter of fact
although he has a much better grip of things than ever before
he hates it like the devil and wants to get home, and he's
not quite apart enough to play the string for all its worth
as long as he's in the game. I don't blame him for wanting
to get away, or for not being interested in the situation,
but I do blame him a little, just a little, for he's too
damned fine and honest an old soldier to be really sore with,
for letting his boredom make him slovenly in action, where
action must be taken. It's the old story of thing if worth
doing or if it must be done, is worth doing as well as
possible. Selah.

ffrench has gone home hoping to pull the Chin-Ai out
of the fire. He will probably go on to New York and I hope
that this time there will be something doing, as the Russians
and British both seem to have a little more sense than
before. Our Inter-Bank Agreement should also help. I
do not care much for my colleagues though, bar Casanave, who
is back once more. The others have treason and duplicity
too deeply ingrained to ever be capable of honest and open
cooperation. What littleness there is in this China game
anyway. It's sickening sometimes.

Everyone is busily preparing for Christmas the merri-
est season of all the Year! The Calhouns have a large
show for Amerikans tomorrow night and Joe Ohl and I are
making fools of ourselves as Manchu Princesses with old
Heugh as Santa Claus. On Tuesday the Margeries have a
baillie or however you spell it, - the stinks the same - and
thereat, Casemove, Mrs. Menocal, and Mrs. Russell, wiff of
the new commandant, and 100000000000000% better than Leilim
and I do a cake walk. My Lord! And by a family vote the
same old gang all decided to dine with me on New Year's eve.
I suppose it will be a riot. I shall think of our whiskey
and soda entree into this year, and it was the right one.
I shall also think of that awful party in Washington, and
your Uncle Dudley, will be fairly sober, you can bet,
no matter how hilarious the guests. As a result of it all
I am so damned bored and wild I could stand up and holler.
But never again. With the New Year, I shall no more prance
upon the Gilded Stage. I've been cutting all the dances
already for they are ashes in my mouth. Balls. You say.
Perhaps, it may be age or it may be lots of other things, but
there is no spontaneity in it. By which token you know that
I also hear all manner of calls.

What of George? I've had no line from him since
I arrived.

Keep it up, old Frather, we'll all brawl together
again before long.

Heard that Wilson might go to Turkey and wrote Davison
yesterday urging him to put in a word for you.

S'hole.

W.S.

---

December 24th, 1910.

Metropolitan Police Office,
Public Carriage Branch,
New Scotland Yard,
London, S. W.

Gentlemen:

I beg to acknowledge the receipt of your notifica-
tion P. O. O. Re deposit 34379 dated November 7th, 1910, re-

It will be impossible for me to say what I did
with this particular note which may have been drawn by me from
the International Banking Corporation either in June or July.

I know that on returning to the United States in
the beginning of August, last, I missed one $5. note which I
had, I believe, placed in my purse. On finding that this
note was lacking I assumed that I had made a mistake in thinking
that I had placed it in my wallet. It is quite possible
that the note which you have found is the one which I have
missed. I am unable, however, to give you any more definite
data and do not know whether a mere statement of this sort will
be sufficient.

 Permit me to compliment you, however, on the
efficiency of your system which has enabled you to ascertain
that this note was issued to me.

In case you consider my claim to the note sufficiently established by this somewhat vague statement I trust that instead of returning the note to me you will turn it over to some deserving charity organization in London.

Yours very truly,

3/3
DEAR OLD FAR AWAY STRAIGHTO:

Merry Christmas to you and the finest New Year you have ever had. I have been a lobster about writing but I think about you constantly if that's any solace to you, and up at Geneseo the other day I went so far as to write you about 15 yards of letter in my own fair long hand. That letter I still have; it doesn't go. I mention it now merely as an evidence of good faith and of the wisdom of sleeping upon heart to heart letters. Some day we shall have a long talk face to face; in the meantime it is wiser to keep prolonged chest tones out of the written and irrevocable word.

Your cable came and it was like a hand reached across the continents and seas. I grip it hard, my boy, and you may be sure that I should have sent it back the way it came if I could afford even so simple an extravagance. Your letter from the steamer also came duly and a postal from somewhere in Russia "William says velly colo". I am sorry this letter does not reach you at Christmas time but the next best thing is to have it written on Christmas day and most surely in the spirit of that day. And let my sensitive spirit be cooled by these printed symbols, for they are created by the fingers which acquired their clumsy skill in the office at Mukden.

New York has been very stimulating and grows more so all the time. I am actually earning my living by writing,—just barely about; that is I manage to pay the rent of these perfect quarters and such meals as I have to buy, but the creditors have to possess their souls in patience. The town is very kind to me and I reciprocate its affection, realizing all the time that it always likes new toys. With the exception of ten days at Geneseo, and Saturdays and Sundays always in the open country, I have been on the job here steadily. There isn't much news that you don't get through other channels. Old Slogan blew in the other day from Paris and I took Him down for over Sunday at Westbury where he cemented old friendships and made some new ones. Dicko, the embodiment of rude health, got back from Alaska last week with many trophies and harrowing tales. A Far Eastern dinner is decreed for occasion soon after New Year by the Derby Sisters, on which will be gathered together the fine body of men who have lived east of Suez. We shall drink to your name and fame tho' I must so in the cup that cheers without inebriety. It has been the water omnibus with me since Sept 7 and I continue thus to ride until the 7th of next Sept. At that time I hope you will be within reach for a drink.

Jamieson is here and in excellent spirits; we have had meals and walks and belly aches between China and Broadway, and there's to be a foursome dinner for Beadoro, for which Jamieson is trying to procure two Chinese retainers from Liang Tung Yen. I keep in touch with McKnight who has promised to give me the dope for Colliers as soon as Your Bally old loans are settled. For Heaven's sake get on with it.

How are things with you, Straighto? The light touch aside. There is a rumor in the papers that Tang is out again, on account of "ill health"! I am writing Tang as discreet a letter as possible asking him to make good his promise on the strength of which I went into debt, and I am sending the letter through you as I know you will see it gets safe through to its destination. I wish very much you would write me a letter about yourself and your things Chinese. Cheerful news comes up the coast from Prather, partly through Madame Rowland and partly direct. That lady has been on several times and we have had some good parties, but she sails for several months abroad next week. There is much more to say, but I will keep the rest for another letter soon.

Your memory is kept green by your many friends, who hope all is and will be well with you. And as for our friendship, it is my feeling that a thing which was founded upon truth and self-forgetfulness and has survived storm and stress in various lands is likely to endure to the end.

Christmas, 1905

[Signature]

Original in private hands.
A merry Christmas to you, oh Dorothy child-- and many of them. And may we never be separated on another Christmas eve. I've just returned from the American legation where old Captain Beale (March 9) met and myself as Madame Princessakes, distributed gifts, and talked, not where the nonce danced and was gay, and where I was the lone person on the face of the earth. And now I am here in the Sanctuary, with you-- in wonder of the world-- alone, just with you, at last. To you my heart goes out, with the Greatest Wish in the World-- Love and Life-- the sharing even-- to guard and cherish you, -- and there doesn't seem much permanent here.

It was all very funny. I suppose, and people laughed and hollered and danced. Last night I didn't go to Mrs. Lachans as I wrote you should-- but dined instead at the Calhoun's-- and went on to a dance (giddy young thing I am) at Mrs. Child's. Quite gay, I assure you, and this afternoon I went making foolish pictures for Mrs. Hill's dinner tomorrow night-- at which I shall not be present-- then old starts at the Calhoun's and then chaunted with the fair Miss Ina Iigi, who is really quite nice. Flirting violently, I assure you!

Tomorrow will be a fine dreamy day-- today, I mean-- I don't seem to catch the Christmas spirit at all, because I suppose I am selfish, and don't do things for others. You could, I know, make many people happy. For all that, and for being.

God bless you.

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CHRISTMAS NIGHT

Calmchild-- you're out of bed as I was dressing-- and I saved it, and opened it at my breakfast, with un-sugarred coffee as always. It helped a lot, but Christmas has not been merry somehow-- the happiness that the New Year may have in store is all in your hands, to give or hold-- oh wonder of the world.

Whether it is just physical weariness, induced by nerves or not, I don't know-- but I am awfully down and have been for some days. The physical part is annoying; for I am merely miserable without anything the matter, save the usual winter's cold-- but I suppose that perhaps it is all due to the strain that this whole situation undoubtedly must carry with it, and that it's all reaction and inter-action-- with the causes obvious enough, and the results therefore not at all inexplicable.

But it bores me. You mustn't think that because I write blantly, or have a cold, that pedality frigidity is my trouble-- for once in, we'll see it out, no matter whether it busts the machine. But I am sick of it all. Every now and then the feeling that prompted that letter from London about the position of the Group out here and all that, seeps over me. You never answered that letter, by the way-- or did you, in the letter you tore up, or did you, and hasn't it reached you? Please number your letters sent, and then I'll know. I shall also-- and the one that goes tomorrow shall be No 33,-- though I suspect I've written you more than that since I left home. Tonight a letter came in from Grenfell. I had hoped for one from you, as my Christmas-- but none came-- two mails only-- not even a "Herald" turned up on last nights' or today's train. Grenfell's letter gave me again the impression that the New York market for foreign bond issues is a joke-- and that I am merely representing-- not a strong power, but a bluff-- and that even if we get this loan, we shall have to sell in Europe. Grenfell is a confirmed sceptic, of course, but the trouble is that I only have my enthusiasm to back against his knowledge and experience.

Another thing too, disturbs me. The three Banks-- French, English, and German, have deliberately and despite the express provisions of our London agreement, concluded a $2,000,000 Taish loan with the Banking House,-- without even going through the formality of offering it to us. It is rank treachery and bad faith-- and the work of these precious villains, my partners, Hiller and Gerdes. I spoke with good old Carman about it tonight, and he said "Go ahead, raise the Devil-- and I'll back you up-- for it was a dirty trick." He knew little about it. I shall bite my time, however-- and use it as a club when the time comes for informing others that the Chinese will not consent to joint signature of the Currency loan, if we ever get to that point-- which I often doubt. So I told Carman I should sit tight for the time being. He's all right-- for he's a gentleman. How much that means sometimes. The others are not-- the incident regarding the minutes showed. But our hand is so weak, for the others know that even had they offered us a share in the Banking loan, we probably could have turned it down-- so they have merely avoided a formality, and they know it, and the worst of it all is, I'm afraid I do too. But still I'm glad they did it, for perhaps we can use their reason for our own ends when the tide comes. That's quite legitimate, but I hate the thought of being associated with such people-- especially.
when I feel as if I were playing a busted flush, in a game against crooks with stacked cards. One wouldn't mind the stacked cards as much if the flush weren't busted. It's bluff against knavery---that's all---and I am inclined sometimes to think the line a fine one. As far as the currency loan goes, however, the Group has played up pretty well, and said that they would take the whole thing if necessary, and if a satisfactory price could be agreed upon. But query---what will the "satisfactory price" be---will it be within hailing distance even of what the Chinese will demand from us, and be able to get from others. I wish I was a artist, or something---anything almost save in this game,---which is not at all true, as you know---for I am simply indulging myself, foolishly I suppose,---in registering a general kick against everything and everybody. We've got to pull it out, somehow, Wonder of the World---to the credit of the country and the Group---and we will. But oh! how I wish that things in New York were stronger than they are---that I could feel sure that they would carry the load just this once, if they had to, in order to make this play stick.

The Regent came out with an Edict yesterday which will make trouble. He called down the Viceroys of Manchuria, Chili (Tientsin) and Liang Kiang (Nanking) for allowing agitation amongst students in favor of a national assembly, prior even to 1913, and the Chinese say that this Edict will be enforced even with troops if necessary. Of course the Central Government if it was going to be strong at all, should have put the lid on popular agitation before granting the Parliament in 1913, instead of 1917, the date originally settled. Suddenly to show nerve now may bring on a general row, not against foreigners but against the Central Government. There is little doubt but that the Japanese are behind it all. They urge the Central Government to be strong and suppress popular agitation on the one hand and stir up all sorts of parliamentary fervor on the other. When they get both parties well going they will sit by and watch the fur fly and then if the row be big enough send troops "to protect Japanese interests". We then receive---

Manchuria.

It's a lovely game. They will now move Heaven and Earth to make trouble, for they realize that if China can put through her currency reform and that if the Four Banks have strong investments here, that China will be in a fair way to get on her feet---and that, above all else, Japan does not wish---for she hopes to exploit China herself one of these fine days.

So I am very much afraid that we are in for another hard tumble---much the same as when Japanese intrigue brought about the Fall of Yuen Shih Kai and busted the Manchurian Loan which we would have floated otherwise, with Tang Shao Yi. I don't think that Group will "come back"---and perhaps it would be just as well for a time---but, the Pity of It---and the Stupidity of It---and the wrong, that it could be!

All of which is pleasant for Christmas night, isn't it?

The "Sendoro" telegram came about noon and it was so dear of you both. Then one from Brother---and one, day before yesterday, from Mrs Robinson---bless her. To think that you and Beatrice and Brother and Mrs Robinson too---were all wishing me well, helped a lot. You, child-who are my life,-and dear Beatrice, and old Henry- One must try to worry along for you sake.

It would be such a wonderful comfort if only you were here-dear Dorothy---You would help so, to clear things sometimes.

God Bless you.

Monday afternoon, (Dec, 26th.)

Mail off, in a second. The Legation has a lovely telegram in---mine will follow tomorrow. I suppose---in which the Department---such a virtuous Department!---comes back in answer to the Ministers' clear and concise message.
and says "Of course, that's what we wanted you to do all the time"! Beautiful, isn't it. The Government had never thought of asking China to have a general Financial Adviser - Oh Never-- Perish the thought!

As a matter of fact, the instructions sent by the Department to Mr Calhoun were not as unintelligent as he had led me to believe. He read me one this morning, and it wasn't so bad. He, darn him, hadn't taken the trouble to analyze it at all- and to reason out what it meant in the light of his previous orders. He's a funny guy. It all makes me wonder where one really is at, anyhow. He might just as well have let me see it in the first place - I'm beginning to think him lazy- that he knows it- and is afraid of being caught with the goods-- Oh Hes - Do you think me always knocking-- child! I'm not really- but I do like snappy work and efficiency. Slovenliness drives me wild.

I'm afraid that I'm in for Mr Grippe. Maybe I'll get out of the New Year's Eve Party. Some compensation, anyway.

God Guard you- child.-
December 26th, 1910.

Dear Frenchi:-

Many thanks for your letter which turned up today. Glad to hear that you were getting along all right up to date. We shall see what we can do about this little railway of the Viceroy's. Chin of course says that it is only a construction road and that it will be torn up when the real line is built. But damn the old blighters soul you would think that if there were any plums going he would shoot on our way. Base ingratitude, that's all.

Currency loan still doggo, but the Department is beginning to show signs of some sense. That is encouraging. Chen and the twelve apostles are still doing ballets, but mankee. Cordes Hillier and Co. have just played me a pretty trick, but we'll get em yet, so it makes no never mind.

Otherwise nothing much, except the growing friction between the Central Government and the Constitutional Movement. An Edict out on the 24th which really indicated some guts. As a matter of fact however, I'm afraid that the Jandarlog are urging the Central Government to be firm, and at the same time inciting the provinces to do the George Washington, which means that we'll have fur flying here before may moons and the loans will all be mei-yu. Its the same old game they worked when Tang was in America. If they pull it off we might as well retire for a time.

Please tell Blando that I've been meaning to write but have been ashamed to scribble, and have had little time as you know. I'd send him a line today but I feel like the devil and think that I shall take to me bed for the first minute I can do so.

I'm not sending a letter to Almeric Paget. It would not do much good anyway. Hope you are starting for Washington soon. P & Co. wired out to me about our letters. We caught em all right.

Saw Lady Frenchi yesterday. She seemed better I am glad to say. Keep it up, me lad and we'll sting em yet.

Yours,

Gave Krockstix the dope about the Japanese game and he got away with bait, hook, line and all. Worked fine, and he thinks they been selling him puppies. So he said anyway. Maybe he's in the business himself.
This chair seems to hold me- oh, W onder of the World-. I’ve just been writing to Hazel and I ought to turn in although it’s only five minutes after eleven. Had a small dinner Major Clarke, an awfully nice person, of the Cameron Highlanders - the Calhouns, Mennonella, and Lassig a, Madame et oiselle. Latter off tomorrow via Hankow. We had a rehearsal of the Cake Walk this afternoon, and that and preparing the mail filled the day-which for me has been a very zany one, taken all in all- and the more I think of it, the more I detest the idea of the New Years’ Eve party. However, one must be a sport, I suppose, and play the string out, even though it does bore. I am rather annoyed by this damned grumpy feeling however - but can’t squel now.

The old Minister is coming around a little. He is preparing a note for Duke TsaI Tee-giving a resume of the Departments instruction of this morning, and demanding the adviser. This will probably mean that we break off negotiations. Perhaps it will be a good thing all around, and it may teach the Chinese a lesson. He said he would show it to me before he sent it on, and in future I guess we can get him better into the leading strings. These young birds must not try to become too independent - they’re apt to make mistakes.

By a Paris Herald in today I see that Mr. Perkins has left J.P.M.& Co. One more up for Davidson. Lamont, one of the new partners, is a man whom "drawing has made," which means that he has the whip hand now in the office. He’s a great man, and he’ll be the Power in New York inside of five years. - I’ll bet you. Pixy for him!

Now I think I’ll turn in - it’s early but I feel as if the weight of an hundred years was about my neck.

O h, Dorothy child - if you knew how I want you.

God Bless you.

Asperin, did it’s deadly work - and the germs have been routed for the time being - hence the student is feeling stronger - if not more cheerful or better tempered - The cake walk also went off as a howling success - Casemove being white and dancing with Mrs. Russell - who was black - and Mrs. Mennonella - very pretty indeed - dancing with Muh - who was black as a still traceable application of burnt cork could make one. The other things were also very good and Madame de Margaries Spanish dance quite wonderful. It’s a great relief to have it all over with and my only terror now is the dinner here on the 31st, but I suppose it will be all right - these things generally do work out somehow.

The day’s been spent with Mr. Calhoun - working on the memo which he is to leave with TsaI Tee - I had a drag out and knockdown argument with Einstein this morning in the Minister’s office - about the question of adviser. He made me wrathful for he took the point of view that the appointment of that official and not currency reform was the real thing to be desired - not that he really held to that - but he kept urging that the Legation should go ahead and act on the Department’s rather vague instructions rather than go back at the Department with a clear exposition of the situation - and a suggestion of what probably could be done - to get the Department’s adviser to protect the bankers by providing for proper supervision of expenditure - and to save the Chinese face and secure quadruple signature by not making the adviser a permanent official - and eliminating any provision regarding his appointment from the loan agreement. The Minister agreed with me - and Einstein was a little sore although the argument was friendly throughout.

After an afternoo session at the telegram to the Department - the Minister finally decided to clinch the effort to bring the Department to it’s senses - to merely ask for an additional instruction as to how the adviser should supervise the expenditure of that portion of the loan to be devoted to Manchuria and then when his reply came to
put the proposition up to the Chinese. We are both convinced that they will turn it down - (I should think they would) and that a break will follow. The Chinese might take it however - in which case I shall be glad to acknowledge myself an arrant ass - I don't think they will! then the Department will have to go back to the other and more practical scheme of having the adviser come in merely a consultative capacity to assist in the preparation of a programme for currency reform which the bankers will be protected by an audit as in the Ta Ching Bank - who shall supervise the expenditure of loan funds - the only danger of a break is that it may put the whole apple cart over and bring Mr. Sooh into the game. On the other hand it will clear us of all responsibility as far as taking the loan ourselves goes - by cancelling our Preliminary Agreement and throwing the Chinese into a position where they will have to go to the four banks - then all danger of our having a row with the English, French, and Germans will be avoided. I'm not sure but that the old man was right - though I think i myself would have argued with the Department until it consented to the presentation of a more workable scheme. But perhaps the Chinese bluff will now be called. If it isn't and if there's a break I'm afraid that the Game may be so disgusted that it will want to clinch again. This however I doubt especially as it begins almost to look as if we might reach a settlement in the Huan-sang- of blessed memory. Had a bankers meeting about it today - and the Ministers went to the Wall and Pu and rounded the table yesterday - Tomorrow the four Harpies all go to the Board of Communication about the same matter. These be great days!

Oh - Wonder of the World - What are you doing these days - I wonder - are you well- and happy? I've been alone tonight - dined in the Sanctuary and then sat and sat and smoked and smoked - and thought far across the World to you. Did you know that I was thinking of you and wanting you?

God Bless you

Willard

Original in private hands.

The Willard Straight Papers at Cornell University
The road to Happiness is a long one. If we can get there, there's no need to
know how short it may be back again, and sometimes these days, I think that perhaps
the longer the road one travels, the surer one can be that one will never, never have
a thought of leaving, or a suspicion that there is a way back.

Mrs. Calhoun.

There's a Lady whom we're fond of,
There's a Lady who is dear
To the hearts of all our stray ones,
Who are far from friends and cheer.
She has wiped out miles of distance,
She has driven care away,
We've forgotten that New England
And the white lights of Broadway,
Are far across the ocean.
In the land from which we have strayed,
To her we owe our Christmas,
And to her we'll drink a toast,
A health and all good fortune,
To our hostess and our host.
Einstein. (The Seaf)

A man whose love of beauty, music, and allied arts, off
Absorbs him; but whose duty, calls him to foreign parts,
Who can write of Bach and Shakespeare, of Napoleon and List.
What wonder Japan blushes and regards him with a wist-
Ful glance and claims him, her very beau ideal,
This poet ever gracious, this diplomat of steel.

Tenney.

There was an old woman who lived in a shoe,
So we've heard from our childhood, perhaps it was lime,
But no Regal, Sorosis, or Douglas she viewed,
Would suffice for the needs of her turbulent brood.
She half-soled and added a pair of fine wings,
But she never could house all the giddy young things,
They fluttered about and some lived in messes,
And some lived with her and at different addresses.
But though the bovynne of the shoe might have found,
Some hardship in keeping her pets on the ground,
The brood that I speak of have got to go slow,
For a very good reason that all of you know,
A butterfly life may be led by the many,
But not if they get within reach of Aunt Tenney.
Moore, A.P. [Corn-Frake-]

Oh! Frederick Moore had a nose for news,
For the Senate's acts and the Regents views,
He rushes about all day and writes,
Long telegrams out through the frosty nights.

Now Frederick Moore was a horseman bold,
A reg-ular Su-cep- a-lus of old,
His seat was so tight and his grip so firm,
He made even the wildest pony squirm.

But it chanced one day that a mongol steed,
Developed the most surprising speed,
He couldn't shake Freddie, but Freddie shook him,
And lit against a wall, as a passing whim.

What hurt? Not he, for his nose for news,
He recked little of mortar or bricks, and though bruised,
He picked himself up and scooped from his fall,
A most touching despatch on China's Great Wall.

Miss Falli. [D.A.T.S.C.S. in-law.]
Dainty Maiden, we are loyal,
And be it but a rag,
We shall gladly, we assure you,
All rally round your flag.
PROGRAMME

1.- MENUET
Mrs. Max MULLER Mlle RALLI
Baron Le LASSSEUR Mr. de LUCA

2.- THE HIGHLAND FLING
Capitaine MACALISTER

3.- MAZURKA
Classe AHLEFELDT-LAURVIG Mme de STORCK
Mr. BRANDT Mr. PELEKHINE
Mme de SIGALAS Mlle KOROSTOZET
Commandant WULFF Commandant MATZIETSKY

4.- LE MISANTHROPE
(Avec IIIe — Scène V)
Arsenic: Mme EINSTEIN — Célimène: Mme GACHET

5.- EL CHE
Mme de MARGERIE

6.- TARENTELLE
Mlle RALLI Mr. de LUCA

7.- CRACOVIENTE
Classe AHLEFELDT-LAURVIG Mme de STORCK
Mr. BRANDT Mr. PELEKHINE
Mme de SIGALAS Mlle KOROSTOZET
Commandant WULFF Commandant MATZIETSKY

8.- CAKE WALK
Mrs. RUSSELL Mrs. de MENOCAL
Mr. CASENAVE Mr. W. STRAIGHT

Original in private hands.
The Willard Straight Papers at Cornell University
On Saturday night the American community in Peking was entertained by the American Minister, Mr. and Mrs. Cathcart, in original manner that met with much approval from the guests. A feature of the evening's amusement was a huge Christmas tree, decorated in the orthodox fashion. Wreaths were in the hair, and a Virgilian reel in full swing, the lady of the house was informed with much satisfaction by the Chinese servants that two important visitors had arrived, whereupon more marched into the room two highly decorated female Chinese theatrical characters, with numerous attendants, whose entrance caused a great sensation. These were no less than Mr. Otis and Mr. Straight, concealed behind paint and feathers, silks and satins. It was remarked that both gentlemen had assumed, to a degree their best friends would never have suspected them capable of doing business. The feminine airs and graces. Soon afterwards followed an enormous Manchurian tiger, rolling its fiery eyes, lashing its tail, with its blood-red tongue, and sweeping the floor with a pertentious tail. A riot of the tiger was the Chinese equivalent for Santa Claus, a striking figure appearing a long white beard. If it were clear that only a Britisher, Captain Huxley, could be found to ride this fearsome beast. Santa Claus now dealt out presents to the guests, each present being accompanied by a poem touching on the present or future receiver. The poems were read one by one, with the result that the general anxiety was expressed as to the present whereabouts.

PEKING POLITICS.

Wrote the National Assembly in session and amidst the flood of reflections and memorials, the march of events in China appears to bulk large at the present juncture, and it is only when a cold record of progress made could be written if it can be realized how little has actually been achieved. In this state of affairs, however, there is no room for wonder. China has been for too many centuries an "unaccomplished" state, and a radical change of temper would be necessary before things can be done. This change, is, undoubtedly, in rapid progress. First the Provin­cials Assemblies and then in a more marked degree the National Assembly have together wakened official China out of the lethargy of ages, and if definite action is not to result with the existing rules, their place may have to be taken by others in harmony with the new spirit of the country. In the meantime the hungry-of-China politics provides its series of cabalistic pictures for the daily re­porter. On the principle that in the country of the blind the one-eyed man is king, the National Assembly is arrogating to itself supreme power. It stands for action against bungling inactivity. As yet it is far from knowing its own end, each slur being able to tell whether each further expression of the wish of the moment is leading it, for exertion mainly by the consider­ation of a decided weight of opposition, it strives only to make headway against this mass of inertia by any means whatever. China does not stand to profit by the immediate results. The forges in the opposing camps are growing, and as a recent incident in Tsingtao shows, skirmishes between the outposts are likely to take place at any time. For the present the crisis is immediately threatening has been averred, but it must remain pos­sible whether the new attitude of reasonableness on the part of the Assembly will last long.

Meanwhile the practical progress made is infinitesimal. Even in the spectacular suppression of opium, there has been much cry and comparatively little wool. In a recent telegram to "The Times" from Peking it is stated that "careful calculations estimate the reduction of cultivation at twenty-five per cent," and there is good reason to believe that in this brief sentence we have the first reliable record of what China has done in regard to the cultivation of the poppy. It is in itself a novel achievement and would reflect credit upon the country, if it had not been exaggerated and that virtually opium was no longer grown in the greater part of China. As things are to-day the negotiations between the Chinese Government and Great Britain are at issue. The Chinese is demanding an immediate resumption of negotiations upon the abolition of the opium trade. Great Britain would have waited the publication of cold statistics, thereby saying China's face, while the latter would have reinstated the incentive to pressure provided by the necessity of keeping pace with India. But the agitation of anti-opium societies, both Chinese and foreign, has placed the Gover­nment in a dilemma, and again the result is a useless deadlock. The same fate awaits much-needed international law, which would be of little practical avail to China, if there were to be no adequate guarantee by the powers of its proper expenditure. On the other hand, remoteness, on paper proceeds unceasing, the most striking instance of late being the arrangements for naval and military reform, elaborated with the most painstaking detail on a scale that would build a large standing army and a formidable fleet in being.

One reason for the minimum of accomplishment that characterises Peking affairs is to be found in the lack of creative ability in the powers that be; the other in the absence of time devoted to side issues. The questions of the abolition of the opium question and possible change in the Chinese customs excites the minds of officials and laymen seemingly as much as, if not more than, the domestic reform. At least the last incident presents fewer difficulties in the matter of arriving at a decision, and it is perhaps symptomatic of the divided counsels that prevail that we have two or more or less contradictory commands regarding it. Another side issue has possessed itself in the question of exter­iority, which, always a favorite topic of discussion with Young China, is pressed upon public notice from time to time with greater insistence. More recently the circumstances arising out of what is known as the Telegraph Line raid in Peking have given rise to much discussion and to a number of proposals, one of which proposes the establishment of a National Assem­bly, in harmony with the new the­oretical idea of a national assem­bly made by the National Assem­bly.

The Willard Straight Papers at Cornell University
December 30th, 1910.

Dear Blando: -

Did you think me dead, or merely ossified in this City of the Long Sleep? I should have written you before. I have had even three letters from your facile machines, one to the U. S., and two here, but I have been in no humor for writing, aught save the communications which I send on the bi-weekly mails, to show that I am trying at any rate to justify my existence and earn my salary no matter how meagre the results of my labor, in aught save hot-air, maybe.

Imprimis. The pictures arrived safely in Westbury and I am much obliged to you for sending them on. Secundo. Mankee the accounts for "Houseboat Days". I've told you often enough that the pleasure of doing the pictures and seeing me name in print in such distinguished company was quite recompense enough. When it's all winded up, if there's anything coming to me, well and good, if not, those who labour for true ART and BEAUTIFUL IDEALS were ever thus requited, and its only another sad commentary on the coldness and indifference of our fellow-men, and whim-en.

Of my face, so carelessly left about, I wont say lost, in the house of Paget M. F., the other copy labeled "diplomat" goes to Little Memo at the Embassy. He said he wanted one but I wouldn't worry about it. He probably only thought it would please me, the request.

Her this can reach you you will have foregathered with Ol'ffrench, as Fletcher's James called him, and he will have given you the latest dope, with the graphication of a smoke and a drink, and an arm chair, while I am sitting stiff, in a wooden bottomed thing, wearing out my fair fingers, which the Lord made to sign Loan Agreements with, on the Little Underwood touch that makes all men skin-their neighbors.

In the Senate, and the Paepal now awaking to a rather vociferous and meelifious-nice word that, national consciousness, I believe we will find China's salvation, if we're to find it at all. I've met some of the Senators and have been much impressed with their ability and their conservative sane view. The returned students bark and holler, but these older fellows are not so bad, and they may yet do great things. The Mandarinate seems as rotten and hopeless as ever. I am not discouraged however, for I cannot but feel that something will come out of the slough of despond where we now flounder with the Hookworm the Chin-Ai and the new Infant Industry, the Currency Loan. Whether it will come now or later I dont know, but it's got to come. Cease your knocking Blando, Feminism in Council, but Optimism in Action.

I read your speech at the B. & C. meeting with
great delight and can imagine the flushed cheeks of William Keswick, may he get the lot of that gent that Kipling writes of who could enter neither Heaven nor Hell. Who was it, not McAndrew, him of the Hymn? Hillier, Cordes and Co. are going strong. I have my seat now on the Band Wagon and am tootling with the rest. It's fine Company. Old Casemove is back, I'm glad to say and he relieves matters.

Of gaff, I know none. Maxie is getting ready to pull out in the Spring, having scalped the estimable Campbell. Sydney is serious as ever, Tang sits in Tientsin and won't come back, they say. Sheng is cunning as ever, and your little friend Liang Shih Yi, has a seat on the Government bench in the Senate. Halo and Harp coming.

Rubbers, dear Bland, are good for cold feet. When you go to Santiago cheer Prather up. His letters sound Indigo.

Thank you for the Christmas card. With all good wishes to you both,

Thine,

WIL. STRAIGHT.

December 31st, 1910.

Dear Harjes:-

Some days ago I wrote you about an account with Cartier which I presume your office paid, and suggested that you let me know the equivalent in dollars for the disbursement in francs that I might draw on New York for the same. New York writes that the expenditure is not to be allowed. From many points of view I think them quite right, though the gifts were of a nature calculated to give me more of personal stand in with the Chinese than to have anything but a very indirect result on actual business transactions. However I have no kick coming at all, and will stand the racket myself, as a very proper lesson. However, this being the case I fear that I can't draw just yet, and will have to ask you to carry me along for a time if you will be good enough to do so. I am sorry for these things bore me, but it can't be helped. If you'd like a personal note of some sort I'd be glad to send it to you.

Things are going slowly but light's ahead I think as one of our dignified negotiators sent for me yesterday and indicated a possible line of action which is very much in the nature of a come-down from the position which the Chinese originally assumed, and which would meet the Group's reasonable wishes in a very satisfactory manner.

Merry Christmas and a Happy New Year. You will
December 31st, 1910.

Dear [Robinson],

Two or three days ago I sent you two scrolls representing a pre-historic game of polo, played apparently on mules in the days of the good old Ming, who ruled this benighted land prior to the advent of the Manchus. Somewhere, in the "Nineteenth Century" a copy of which I have there is an account of polo in China and this I will hunt up and send on to you, neatly typewritten so that you can paste it on the picture and give it an historical value which it does not now possess. The ones I sent you are not old, but are copies from a copy of a very old scroll which British officer found one day. The original left Peking some time ago, but the copy is excellent and has all the appearance of age.

One of these precious rolls is for Russell Grace, and one for yourself, a momento of the best hours I spent during those hectic months in New York during the summer. I doubt if you know how much I appreciated your goodness in mounting me for those afternoons, and how grateful I am to Russell for letting me come down and run amuck over his polo field. Please send him his picture. I thought it easier to send them both on to you for when I left Russell had a dim idea, one of those wild notions about going to Australia. Whether it came...
off or not I danno, but I thought it safer in any case

to ship the goods to you.

Polo was over here when I arrived, and although
I pray that I may not still be here when the season reopens
I see no prospect of my getting away for months to come
and shall probably still be at the switch when cold
weather again drives Peking's young sportsmen to the
Bar instead of the side-boards. The town is gay, made
so by the advent of a large bunch of crinoline. People
are dancing and acting and having the divil's own time.
I must say that at present writing I feel a good deal like
an elderly gentleman whom I greatly respect, and who
says, "when I left home I thought I'd have a nice quiet
time, with few dinners, and many books, but here I
am going hard without even the advantage which you do
have in going out at home, of meeting, occasionally
people whom you are very fond of." You, Moses, in the
full fire of youth, may not care so much for the
mis en scene as long as the times all right, but when
you get old and crabbed like me, you will curse the
"time" unless you care a good deal for the people. There-
fore, gather YE Rosebuds while YE may, it's a cold world
and snowing, and the grayness of a great boredome descends
on me sometimes like a pall.

Your friend Manihara turned up not long since,
on route to Manchuria where he remains for a time going
Dear Straight:-

I've a cable from Japan stating that an important conference was held at the Foreign Office on Tuesday relative to policy vis-a-vis China, with Ijuin present.

While it is only surmise, it might be well for your Chinese friends to understand that if they want money for currency and, especially, Manchuria, they had better get damned busy or they will find themselves up against the necessity of borrowing it from either Russia and Japan, or some combination in which these two figures. It is very evident that these two do not propose to be left out in anything that is doing; they can well claim as great interest in currency as any of the others, and their interests in Manchuria are greater.

With Germany as well as France now playing the Russian game, it would seem evident that your Chinese friends are soon to be up against the real thing, if they are not already. Perhaps they can save themselves by an eye-lash if they place prompt reliance in the U S and G B, but I wouldn't give much for their chances.

In Memoriam --- another American Advance,

Your's, [Signature]

[Handwritten note: Help you can get from G B, I'm sure you're right. But I don't think they're likely to be much interested in anything else of their type.]
From: New York.
To Miss Whitney
Isola New York.
Glazia Tao-leich
Cloudy Gibatter
Antun Aiken
Lieber Strauss
Bordheild

[Signature]

[Handwritten note with corrections and additions]