March 2nd, 1911.

Ellery C. Stowell, Esquire,
American Academy of Political
and Social Science,
Philadelphia.

Dear Mr. Stowell:

I beg to acknowledge the receipt of your
letter of January 20th, 1911.

I remember, with pleasure, having met you in Wash­
ington, and shall be very glad to do anything I can to assist
you in the publication of your proposed volume on the Social
and Economic conditions of China.

I shall be very pleased to contribute a paper dealing
with the political problem which must be solved before
there can be any real American investment in China. This
side of the matter is that which has, up to date, most in­
timately concerned us.

I think it would be desirable, in a volume such as
you propose to compile, to have, among others, papers on the
following subjects. The Chinese Army. Captain James H.
Reeves, the American Military Attaché is the person best able
to treat this subject. The Chinese Press. Mr. J. K. Ohl,
Peking correspondent of the New York Herald, should be able
to furnish you with a valuable paper on this subject. For
a paper on education, with a special reference to the
utilization of the remitted indemnity fund for the education
of Chinese in the United States I would suggest that you
approach Mr. Tong K'oh Son, whom you can reach through the
Chinese Legation in Washington. Railway developments and
engineering possibilities in China. Mr. George Bronson Bea,
Editor of the Far Eastern Review, Whitteway Building, Shanghai,
would doubtless be glad to furnish you a paper on this sub­
ject. Mr. J. S. Pearson of Pearson, Daniel & Company, and
Vice-President of the International Banking Corporation, would
doubtless be glad to contribute a paper on the methods best
calculated to extend American trade.

One of the most important subjects at present under
consideration in this country is that of Currency Reform, and
I shall be pleased to have Mr. Excellence Sheng Kung Pao,
Chief of the Currency Reform Bureau, with the request that he
contribute a paper dealing with this important matter.

I am very glad to hear that Dennis and Clark are
doing so well and to learn of the success of your diplomatic
and consular course.

Trusting that you will advise me if I can be of any
further assistance to you, and with kindest regards, I am

Yours very sincerely,

P. S. It is not impossible that I shall be leaving China
for the United States within the next month or two. I would
suggest, therefore, that in answering this letter you address
Last night, oh Wonder Child, I was far too sore to write again— for things seemed to be going badly. I feared that old Tenney had gotten the Minister out of hand and that the whole game might slip up on some little cog. But today it was pulled around—about lunch time a note came from Mr Calhoun saying that Fisher (the Consul) had wired from Peking saying that the Viceroy wanted to borrow $1,000,000 for plague prevention. So after lunch I hot-footed it to the H.S. Bank where I found Hillier, Cassenave and Gourde in conference about the draft agreement. I told them the news. They were all for making the advance. They told me that they had prepared an additional clause, providing for advances up to $1,000,000, to be put into the draft. I told them that that was exactly what I'd come to ask them to do. [Incidentally my own draft of Dec. 12th contained such a provision which New York turned down.] They said that they would advance the Viceroy his $2,000,000 as soon as I suggested that the best thing was to first tell the Chinese that we'd be very glad to make 'em this advance under the loan agreement if 'tis done at once. The others didn't quite see this chance at first, but were for making the advance anyway. I told 'em they could do so, but that we'd better make use of our lever first. To this they agreed. So I went for the Legation. A telegram was sent Fisher to tell the Viceroy to cheer up, and old Tenney, who was to see Sheng tonight, told to point out our readiness to make the Manchurian advance at once, if only they'd close up the agreement. Direct at Calhoun's and Tenney came in reporting that Sheng had said that the Throne had given permission to employ a Foreign adviser, and that the note would be given Calhoun within three days—that Sheng was much pleased with our willingness to make the Manchurian advance and had promised a final interview on the agreement within the week—anticipating little difficulty in coming to an immediate settlement. So tonight it all looks very good again. I am only afraid that my three colleagues will make some trouble before we can come to a settlement and that we'll delay matters. But I hope not how I hope not. It really looks very bright now, and Dorothy, Dorothy dear— it means you.

This afternoon I walked with the old man on the wall. There was a north wind, sharp and fresh—the hills were green and clear cut against the sky—the clouds stringy, in the wind, and burned by the last rays of the sun—and the yellow palace roofs glistening. I've written you of this before, for last year when waiting and working to get away to join you, I often took this walk and it was always—as today, with you. For miles the Minister and I said nary a word. It was very beautiful and there was a great song of You in my heart—my child—a great yearning. I thought back over these months and over the letters that have gone to you. They have been strange love letters, Dorothy mine, yet they have been love letters. I could not help feeling that in Italy, at Divonne, we had shared more poetry— we had talked and written more of beautiful things—and it seemed that during these last months there hadn't been hardly any of that. All that there has been has been in the letters—my life has been wholly barren, save for them—and the letters have had but little. It seemed as if there should have been more poetry—the sunset was so lovely—its beauty touched me so, and brought you so near. And then it seemed as if the letters have borne more love, dear, than any poetry—that whatever they may have missed, they have been real—they have been life, and oh, Dorothy, they have given you my whole heart, child. If they have been hard and bitter, it's been because the fight's been bitter and its been a fight for you. I've been your Knight Princess, jousting for you, wearing your locket about my neck, and carrying your spirit in my heart. Without it I should have been carried off long ago— and so even as in the days of old, the Knight must carry his Lady's token to victory— so I've striven dear Dorothy, to carry yours. But as the Knight fought, but for his Lady's love, so I've been battling for you, and win or lose, I have tried, child, to be worthy of your favour, and so its been the battle and song and jangle that you had, I'm afraid,— for I fear that there has been little beauty in all this storminess. But its been real, and that, after all is the greatest thing of all—to think that though thousands of miles apart, we have lived and shared together. Our sunsets the music, the poetry, child— will be the more wonderful, when we can share them after having passed through the Valley. Is it not so?

I love you—Dorothy—

God bless you.

Original in private hands.

The Willard Straight Papers at Cornell University
Your boy is pretty tired tonight—by Wonder child. It's been a hard day of hammering—and he's been sitting in the big room dreaming, dreaming of finding you in the "Harrima"—and pressing you oh, so close, and telling you that never again would he leave you.

Eleven till one, on the Hukouang—three-thirty till six on the Currency with Hillier Casemove and Gordon—then a scene with the Minister and Chow To Chi (7) a sort of Sub-Vice President of the Waikou Pa—through dinner and far into the evening. The Bankers meetings went off well and we doped out a scheme regarding the advisor. The others all fell in with it and now to avoid the delays of diplomacy we're going to suggest that a conference of the bankers be called in Paris (to aid the French face) and that the bankers nominate a man who shall be endorsed by the four governments and recommended to China by the U.S. Wilson and Co. will hate this, for they like to handle the ropes themselves. It doesn't so much matter whether anything is done or not, as long as they have the ropes. All the others approved. Casemove took it up with Margaret who got on the Bandwagon—then Hillier and Gordon both agreed to take it up with their Legations. Calhoun whom I saw after we'd agreed—thought the idea all right, practical, and the best way to get results, but feared the Dept. would kick, as we were running the show too much from this end—and telling the Dept. too frequently where to get off. May be so—but I think we will work it out on these lines. It will be very interesting to see. I don't want to rob Wilson and Knox of any laurels but I'm afraid that if they go merrily on in the course they have taken from the first, that not only will they get well stiff, but the Currency Reform will never come off. Qui vive, verum. etc.

Show has evidently been asked to, to think as Amian (7) I told him the place for him was Peking. He said he was disgusted at the way things were going here—that no one would listen to him—and that if he had a comparatively independent post he might be able to accomplish something for his country. He is the only same and strong man in the F.D. I told him so, and he was not offended. I meant it really, and wasn't trying to flatter. So we had a very good heart to heart, and I learned much and incidentally filled him full of dope, which I hope he will work on. We cooked up a scheme to do the Bandung out at a mining claim in the Chinsato Region. Of course you know where that is. I hope it will work. I'd love to stick 'em.

And so it goes.

Oh child, dear Dorothy— I want you so. Would you stroke my head tonight, dear.

God Bless you.

More pounding on the Currency Loan this morning—The agreement has now passed through the Bankers' mill and I'm much flattered, for they really had but very few alterations to suggest. Some they made were very good—there never was an agreement that couldn't be improved—and some were not so desirable. If it pleases 'em to change a word here and there, what difference does it make? They feel set up, and it hurts me not a bit—and probably improves the document. The Minister has promised to wire the advisor dope to the Department tomorrow. England has practically consented to a neutral advisor—France is still on the fence—This makes it all the more desirable that we have the matter put in the Bankers' hands—because the French government shows a disposition to be a little wary of coming in with us—owing to the Russian entanglement, then allies must stick I suppose—and doubtless France is even more than ever anxious to conciliate Russia owing to the Russo-German understanding.

A wire from the French yesterday saying that he was starting for Peters¬burg in a week or ten days, and that the Chin-Ai situation is promising. Maybe it is—but I have no doubts. It would be wonderful if he could resurrect it.

If the Chinese play up to schedule the final note stating that the Throne has granted the Bureau of Currency Reform permission to engage a foreign advisor, should be delivered tomorrow, and Sheng should send for me for what he was pleased to call "a final conference"—either tomorrow or
Saturday-- then with luck, and if they are really in earnest-- we ought to have the whole thing signed within two weeks. Oh Wonder of the World! ? But there's many a slip, and I have a horrid fear that Sheng will propose a lot of foolish changes in our agreement which will require time-- and be annoying in delaying matters interminably. This would be the usual Chinese game-- Let's be optimistic, Wonder child-- Just think, perhaps it will be the first of May, as you said, after all. I can think of hardly anything else. Old Calhoun told me, I seemed to eat, drink, wake and sleep this loan-- that I took it too seriously, and let the Chinese get on my nerves too much. Chinese be blown - and the loan more so--- the only trouble is, I can't leave till the thing's settled, and leaving's all I care about--- going to you, Mistress Dorothy.

God Bless you.

Original In private hands.

The Willard Straight Papers at Cornell University
March 5th, 1911.

Dear Mr. Schiff:—

Very many thanks for your kind letter of January 25th which only reached me a few days ago. I am glad to hear that Mrs. Schiff and yourself are both well and that you are going to be able to get away for a rest, which I am sure you must need after a New York winter.

As you know from my telegram to the Group, things are moving rapidly here for the moment. It has been a great advantage to be able to consult with my European colleagues and although at first there was a good deal of suspicion and jealousy I think that since we have jointly taken up the consideration of the Currency Loan, we have reached a much more satisfactory relationship than ever before.

Your statement that the Japanese have approached you with a view to securing a participation in such enterprises as we may take up in China does not surprise me. I am afraid that I do not agree with you in thinking that it might be good policy to admit this claim, for the present at any rate. You may think me incorrigibly anti-Japanese. Such, believe me, is not the case. It seems to me, however, that Japan's policy in China is diametrically opposed to that which

the United States has up to the present followed and which I fervently hope she will continue to pursue; and until our aims are made more nearly reconciled than now, I cannot feel that our position would be improved by co-operation with Japan in China. Japan aims to keep China weak, too weak to resist the encroachments of her territory and sovereign rights which the Military, i.e. the ruling, party in Japan contemplate. You, yourself, have realized this I am sure, and Japanese intrigue against our own projects must have confirmed you in this impression. Through these intrigues the Japanese have endeavored to prevent China from securing external support in her legitimate and natural development. By stiffening the Manchurian Government in its resistance to a growing popular movement, which they, themselves, through Chinese students in Japan, and Japanese agents in China, have largely inaugurated, and which, through the same means, they are now endeavoring to aggravate, the Japanese are attempting to create internal dissension which shall serve the same purpose. It would be impossible for me to give you categorical proof of these statements, but the evidence at hand seems to warrant no other conclusions.

While objecting to a partnership with Japan on these grounds, however, I am ready to acknowledge that it may be highly expedient to conciliate the Japanese as far as possible. An attempt to do so, however, should be made only with the greatest caution, and our commitments to Japan should never be such that she could involve us with her as against China.
It should be remembered that the greatest factor in enabling us to obtain business in this country will continue to be in the future as it has been in the past. The Chinese hope that through creating an American interest here they may counterbalance the growing power of Japan. You may feel that the same end could be secured if Japan were admitted, with China's cognizance, to a combination which we should dominate. It is possible that we may eventually have to accept this solution. If we do, however, it will be necessary constantly to guard against the self-same intrigues which now hamper our progress, and which, through the association of the Japanese with us and their knowledge of our plans, would be even more dangerous than before. It is almost axiomatic that it is better to have an enemy outside than a traitor within. While the benefits of the Alliance may outweigh its disadvantages in the eyes of British statesmen I doubt if England has found Japan a frank, honest and sincere collaborator. English naval men, soldiers and diplomats, have all told me the same story; that they gave freely when asked; to be met, when they in turn sought information, with evasion, procrastination and falsehood. The measure of Chinese confidence we now possess may not seem to you as yet to have proved to be very valuable. At the same time it is our greatest asset. If it can be

maintained despite a closer association which we might form with the Japanese, a co-operation of this sort might be advantageous. But before anything is done to effect such a combination of interests it would be well to study most carefully, not only present conditions here but the manner in which such partnership would influence future developments in China.

I fear that after what I have seen in Korea, Manchuria, and since I have been in Peking, that I place but little faith in good intentions or potential loyalty of this "Wonderful Little People." I admire their patriotism, their cunning, and their persistence, but I prefer them as antagonists rather than as interested "friends." You are familiar with the fable of the lady who nursed a viper in her bosom, and the Persian tale of the Prince who generously reared the son of the Bandit Chief whom he had slain. They are much to the point, and I trust that you will pardon my frankness in speaking thus of a people among whom I know you count many friends. Though not wishing to appear too cynical may I suggest that you analyze your business relations with these gentlemen, not perhaps your personal intercourse, and see whose interest in preserving a cordial understanding, has been the greatest; who has most largely profited thereby? Will you not find that by coming to the assistance of Japan in her war loans you performed an absolutely invaluable service? Have you been repaid in anything save your percentage on your loan flotation: soft words and pleasant correspondence?
5-

Did Japan remember your great service when, with your associates, you desired to build a railway which would have assured the "Open Door" which Japan was pledged in solemn international declarations to respect? Has Japan remembered your service by obstructing, as she has done, and is doing, the Currency Loan; the successful flotation of which would enable you and your associates in the Group, to inaugurate a great reform of incalculable benefit to China and those nations who hope to profit, not by dominating her dismembered domains but by her autonomous and legitimate development?

These questions cannot but occur to me when I think of admitting the Japanese to a participation in any of the enterprises in which we are interested, in China. I trust that you will understand my placing them, perhaps sadly, before your

If all goes well we should have our final Agreement signed within two weeks. I am somewhat apprehensive lest the Chinese haggle over the details, and thus through delaying signature, give Russia and Japan a chance to block us. Both powers are at present very active and their Legations have an inkling of what we are trying to do. I shall, however, hope for the best. Once the Agreement is signed I am hoping

to leave at once for home, for I am nervous, irritable and tired out, and more than that for reasons with which you are familiar and anxious to reach America as soon as your interests will permit me to absent myself from Peking.

With kindest regards to Mrs. Schiff and yourself, and to your partners, believe me

Sincerely yours,

Jacob H. Schiff, Naquire,
New York City.

S/G
Dear Davison:—

This is rather a peculiar business. Nevertheless I have felt it up to me to send you the enclosed letter from [illegible], and my reply to, You may know all about these matters. If so well and good, if not it is better, it seems to me that you should. My own point of view I hope, is clearly set forth. I may be dead wrong, but I'd rather fight a man to a finish any day, if he plays dirty ball, than come to a compromise with him. I wouldn't mind tying up with the Russians, for though I distrust them somewhat I believe that in the long run their interests lie with ours. But if ever we take in the Bandarlog— I presume you know Kipling's phrase, (THE Monkey People, in the "Jungle Book") we are going sooner or later to GET STUNG. At least don't let's talk of compromise when they are doing all they can to block our game. Let 'em show a reasonable amount of decency and then we might perhaps talk. Personally I don't mind saying that from what I've seen of their methods, I believe that a Club is about the only argument which they respect, and fear of "the opinion of the World," which might tighten the money markets against them, about the only check on their
March 6th, 1911.

Dear Frank:

Many thanks for your letter of the 7th February. It has been very reassuring to know that ffrench made such a good impression. I was sure that he would. It's also been a great help, as I've written you before to get these side-lights from your personal letters on how things have been going.

In an hour I am off to see Sheng and much depends on this interview. Hope it is successful.

I enclose a letter, private and confidential and graveyard, from Rea. Rea may be wild a little sometimes, but he is honest. This letter is interesting to have. Make such use of it as you wish, but keep him and his friends out of it.

I also enclose a letter for Davison, marked confidential. I presume he will show it to you, but in case he doesn't please pardon my sealing it and sending it on in this way. It seemed safer.

No more now. Hope I shall be starting for home in a month! I suppose it'll more likely be six.

Yours,

STRAIGHT.
March 3rd, 1911

Dear Wonder-child - a mail and no letter tonight - I wonder if you've ever wanted anything as much as I want your letters - If you have I hope you've never had to wait long and that you never will -

There's another mail due tomorrow though - perhaps a letter will come then - if it doesn't I shall jump out of my skin. It's been the hardest sort of a day - You'll think me a grumbler - or else that I'm appealing to your pity - (maybe I am). Anyway - it's been nerve-racking - and to you miss Dorothy the story always seems to go - Whether you are bored by reading or not - it helps me more than I can tell you - just to feel that I am writing you -

The Chinese sent in a note today to inform the Minister that they "had verbally memorialised the Throne - and received the Imperial permission to engage a foreign financial adviser". That's our first tangible step. I'm not altogether satisfied with the "verbal memorial" - but I don't think they are trying to work any hanky-panky on us this time - Perhaps they are - If so they'll get stung. The main thing is that at last they are committed - The hopeful thing is that unless they had practically determined to accept the draft loan agreement now before them - they would not have taken this step.

The suggested procedure about the adviser - Calhoun took up with the British German and French Ministers today - Jordan and de Margerie approved. Rex was wholly in the dark in the matter, as was to be expected. Then at about thirty the old man started to write his telegram to the Department. He made in a draft which I criticized - then I made some suggestions - He went at it again - This time he was farther off than before - again I begged to differ - I was very deferential and not imperious - My Dorothy - By this time the old man was way in the air - Then I suggested that perhaps I could make my meaning clear if I wrote it out. He grumbled and got up and walked the floor - mad as blazes but holding it well. I don't blame him a bit - but he was way off - The Department would have been offended by the tone of his message as drafted - and the issue too important to take risks. So I went at it - and

Original in private hands.
The Willard Straight Papers at Cornell University
March 4th, 1911.
Saturday night.

There's really no sense in writing tonight - Oh Wonder of the World - for this letter can't go out until Monday afternoon - and before it does - we should know a little better where we are at - Sheng will have his whack at the agreement on Monday morning at eleven - and I tremble when I think of how much hangs on that meeting - If it goes well - we should have our agreement signed within the week - if badly - it may be another month or more - or perhaps, for a longer time - for the Russians and the Japanese are hot on the trail - and will do their best to block us - I should not be at all surprised if Sheng's delay for the past two weeks had been due to his writing for a nice fat bribe - He's one of the worst old crooks in China - If that's the case he'll wait still longer - What I fear most is that he will take our agreement and change all the wording - and the sequence, in such a way as to make it very difficult for us to whip it into any sort of shape - and to overcome all manner of annoyance and delay. That's what has been done in the Rancang. If only the Chinese were sensible! Oh – Wonder-Child - it's you that I am thinking of - I want to go to you -

But I'd better stop now - I'm really too nervous to write - if I could, talk - if only you were here -

God Bless you -

Willard

Why don't you number your letters - and acknowledge mine by number? Careless one!

March 4th, 1911.
Monday night.

Oh Dorothy child - it was good to have your letter tonight - the one of February 7th. If only you knew how I've longed for it. They're all I have, My Dorothy - This morning a very dear letter came from the "Little Princess". It touched me very deeply - and it - with my answer I'm sending to you - Then commenced a long hard day - Sheng and our friend Dr. Chen - long suppressed and a new obstacle - one Lord Lie Chung Fong - son of old Lie Hung Chang - who has until recently been Minister in London - He is full of undigested knowledge - and is anxious to show off before Sheng - his chief.

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We stayed there from eleven till nearly three - arguing and bawling - on the Final agreement. It looked for a time as if the apple-cart would go over with a bang - Sheng was insulting again - he makes too many charges of bad faith - for today he went after the American Government and myself - himself showing the clown hood by admitting practically that he had been bluffing us all along about giving the adviser any real authority - and had merely promised to engage him as a stop without any intention of using him seriously - Lie was verbose to the point of breakage - Gave orations on the small investors - Shop-keepers - Widows - orphans - who would buy Chinese bonds - Chen was ghastly unbearable but was snubbed most properly by old Sheng who hates him. We went through some articles without much difficulty though with interminable and unnecessary conversation and finally hit a rock - Sheng went so far as to say that he would withdraw his note asking Calhoun to recommend an adviser - I had been gritting my teeth - anger - then disgust - then - thank Heaven - the funny side of it all - which saved me - Finally I had an inspiration - Sheng accepted my compromise - and when I met the Rankers at four-thirty after a hectic luncheon - with old Tenney who had been at the conference and who was putting the tom o stone over the Loan - they said it was a better scheme than that in our original draft. Come to think about it - I guess it is - so we gratify Sheng - should facilitate the negotiation of the rest of the agreement - and get a really better deal than we had asked for - Then the Legation - where Calhoun - who had seen Tenney - was chewing tacks - I took him out for a short walk - and cheered him up again - Tonight Carroll and I dined with a young Mongol Prince - whose face appears in Bland's book - He was quite nice - and the first thing the Russians know will be getting a loan for Mongolian development - under their noses. In consequence I am weary - but hopeful - I've got to be - for the month must see me starting for you - Oh Wonder of the World - I can't stick it out much longer -

A characteristic letter from George in answer to mine, I should have liked to send it to you - burned it. He suggested that my letter of January 7th, should have been written long before - in my reply I told him that it had hardly seemed necessary -
as I thought that the idea had been conveyed in a letter I wrote him last summer - I explained my writing when I did by saying that we had much time for soul-searching here in Peking - That is true - The impression my letter conveyed may not have been quite honest - for I should never have thought of writing him - the right of it - nor the necessity - would never have occurred to me - myself - But some suggestion of an explanation was needed - You are far too honest - Dorothy dear - to make it possible for me to think a dishonest thought about you - or anything that concerns you - so George must never know why I wrote. I shall never tell him - and you never must, Never until after you have talked with me - It would not be right. This sounds almost like a command - Make it a request or whatever you will - but please do as I ask. I write this only because I feared that perhaps you might take a foolish notion and think that you ought sometime to say something. Ain't I the Doinningone? Whether you think so or not - let me be, in this instance.

I'm so glad that you saw the French at last. Did you give the little tea-pot? You speak of the note but not of the other - Little Dorothy - it's always the last verse - always - the first two but make the last the more wonderful - Don't you think so - Happiness - Child - is indeed a great love - and much serving - serving - dear - of one who loves in return - My Happiness is in your hands to give - I love You -

God Bless you -
Willard

Child dear - another day's gone by - It's a day nearer you anyway - even - though I don't know how many more there must be - We had a Bankers meeting which ended in a dead-lock - old Sheng was rather nasty - but Lord Lie - kept his face shut anyhow - which was a comfort. The Chinese are trying to knock off about 150 miles of the line in order to turn the construction over to the so-called "Provincial Company" which is rotten with
March 7th, 1911.
Tuesday night.

bare things to the buff - and go to the heart - Yours own - and of your relations with other people. There are only a very few essentials in the World after all - For me there is but one - life - which is Love - which is Your child -

God Bless you -

Willard

Memorandum regarding the selection of a Financial Adviser

The Chinese Government is to request the American Government to recommend an expert who shall act as Financial Adviser.

When this request is definitely communicated it is assumed that the Department of State will approach the English, German and French Governments to secure their acquiescence in the appointment of a single Adviser. The Department of State wishes this Adviser to be an American, and with this view the Tripartite Powers are not likely to concur. It will be necessary, therefore, to select a neutral Adviser.

It will be difficult for the Department of State, which must take the lead in these negotiations to secure concurrent and sympathetic action from the three other Powers. Various political considerations, which only concern China indirectly and the position of these Three Powers in the Far East, will be invoked and the negotiations for the selection of the Adviser are likely to be complicated and long drawn out.

There is a danger that Currency Reform, so urgently needed in China, and the Department's main aim in taking up these negotiations will be submerged in the whirlpool of European politics. It is submitted, therefore, that the most practical procedure would be as follows:

1. The American Minister to propose, and the Tripartite Government's to agree, to ask the Quadruple Banks to nominate an Adviser

FOR THE FOLLOWING REASONS

a. It will be practically impossible for the four Governments mutually to confer with any facility.

b. If a conference should be called for this purpose, Japan and Russia, being excluded, serious political complications might result.
c. The Banks, since they advanced the money for Currency Reform are most intimately concerned as to the manner in which this money shall be spent.

d. The Banks will be less influenced by political considerations and would therefore not only reach a more prompt decision as to the personality of the Adviser, but would, in all probability, be more likely than the Governments to select a practical and competent man.

e. In case Russia and Japan should object to this procedure the four Governments could reply that the American Group had secured the Preliminary Agreement for the loan; had signed the London Agreement with the Tripartite Banks, and that the American Government, having been requested by China to recommend an Adviser, desired to show that it was influenced by no ulterior political motive, and had therefore suggested that the bankers themselves nominate the Adviser.

f. This procedure would place the lending powers on a more absolute basis of equality than if the American Government were to take the lead in the conference of the four powers for the selection of the Adviser.

2. The Bankers to meet in Paris in order to satisfy French amour propre, to agree upon and nominate an Adviser. Each Bank, or Group, to secure the endorsement of its Government for the person so nominated. The three Governments to advise the American Government that they endorse the person nominated by the Bankers conference, and the American Government to recommend the person so endorsed, to China.

In this way

a. The Governments would act as a check upon the Bankers and the danger for popular outcry against China's being subjected to the control of a Bankers Ring, through the appointment of an Adviser named by the Banks, would be avoided.

b. Prompt and effective action would be secured on a basis of equality between the lenders. The Tripartite Governments would be gaining face and the American Government would retain the prestige of making the actual recommendation of the person selected, to China.

This procedure was approved by the Peking Representatives of the Quadruple Banks in a conference of March 1st.

M. Casenave laid this proposition before the French Minister who approved the suggestion.

The Bankers meeting agreed that Mr. Straight should submit this suggestion to Mr. Calhoun, and Messrs. Millier and Cordeu undertook to inform their respective Ministers of Mr. Straight's action, and to recommend to their Legations that this procedure be followed.
Dear Mr. Knight,

Thank you very much indeed for the prompt information you were kind enough to furnish me with in your letter of 15th February. I have read with special interest your remarks on the policy of the S.R.P. and of other trading organizations and I need not tell you that I entirely agree with your views.

The news contained in your letter to me about the Russo-Japanese war and friends would not seem to be encouraging as regards the final fate of the Chinese kiautschou. I have time still short.

With kind regards from Anna Balken, my partners and myself.

Yours very sincerely,

[Signature]

M. M. Warburg & Co.

Hamburg, March 11th
Oh Wonder Child -- last night there was no letter, because I was worn out. Bankers meetings from ten-thirty till seven in which we doped out a compromise for the Hukouang -- did I tell you about it. Anyway they all ate out of the hand, and today it was accepted by all the Ministers. Hillier and Cords are now my most intimate friends and I, the original Kandy Kid.

Today we pulled the Currency Loan through - I think. Five hours with Sheng, Lord Li, Chen (the Dr.) Chou, my friend from the Wai Fu and a bumptious young person named Chang from the Board of Finance. Squabbling and haggling from eleven till four - with too many cigars, and some nuts and crackers. But in the end, though we'd yielded some points we'd won all the principles for which we'd been fighting, and we parted all very cheerful and pleased with ourselves. Ts'ai Tao called during the conference and Sheng went out to see him. I suppose he wanted to know how things were going. We've got our control and we've arranged it so that we can practically dictate the terms of China's Currency Reform. When you think of holding the whip hand in formulating the first real sound financial basis for a country of four hundred millions, it's quite a proposition. The Bankers whom I reached after five, having first gone to the Ministers, were delighted, and I think very much surprised. I don't think they thought we could pull it off. We doped out the joint telegram which we send to tomorrow to New York and Europe - at least we laid down the general lines - and Geare and I have just finished it -- he writing off on the typewriter to my pipe-smoked dictation. It's now about one thirty, and I suppose I'd best turn in, for there's a busy few days ahead.

If all goes well the Agreement should be signed in two weeks. I'm going to force it if I can, for I want to wire you on the 23rd that it's been done. Last night I dined at Calhouns- and we knew that the show would either bust or go through today. The 9/3/11 gave me confidence -- and never for a moment did I doubt the result. What tomorrow will bring we can't say, for we've still the Groups and the F.C.'s to bring into line - but they ought to jump at the settlement we propose.

Oh Dorothy, little Dorothy - it should mean that within a month - perhaps six weeks- I should be off for you -- for you, Beloved.

God Bless you -
What have you been doing to Davison, Wonder Child? Look at the telegram I received this morning. A nice message for one business man to send to another! I'll let you jolly him till he didn't know whether he was a foot or a horse in the goose. Good for you— and wasn't it nice of him to telegraph in such a cheerful way? I went back at him at once. Thanked him and said "since he'd mentioned it"— I was anxious to get home as soon as possible—that both Currency and Rurik would be signed or shelved within three weeks, and I hoped he'd make arrangements now for my relief. I hadn't intended to say a word until later— but the chance was too good to miss, and we were telegraphing the proposed draft agreement today.— so I thought I'd try my luck. They must let me go within six weeks anyway. Oh Wonder Child I can't wait longer.

It's now nearly three O'clock. All day with Hillier, Corde, and Casenave, first and then with the Minister. I've been working on telegrams. First we worked out ours, and started Gear at working at about three this afternoon. Then another long siege with Calhoum, which resulted in my dictating practically the message he sent to the Department. That ended about eight. Then home—and Gear, Star, and I have been working up till about fifteen minutes ago on our message. It went out in three sections, and I hate to think how much it cost— something like $1,400 --which is quite a pile. I never mind, the tripartite banks will have to pay their share, and we'll sting them just as they stuck us last year on Rurik expenses. I'm afraid I'm getting a little fed up with the Minister. He doesn't take any interest in the game, or at best in spots. I carefully prepare menos, setting things forth, and give them to him. He'll draft his telegram-- I'll say "but you didn't put in this and you didn't tell the Department that". Then he'll say "But I didn't know it"— when the whole thing was put clearly in the memo handed to him—just so that it might soak in, and so I wouldn't have to butt in and tell him what sort of telegrams to send. Then there's the usual long confab—after which he invariably sends what I want. But it must be apparent to him that I practically put all his words in his mouth, and he must naturally resent it a little. I can't help it, for if the messages which he himself prepared went off, the whole show would be bust. He always admits that my reasoning is right, but it takes such a lot of nervous energy to convince him— all because he's too lazy to study the problems which it is

HIS Business to understand. He's a fine old chap, and I am devoted to him, but he's not quite a thoroughbred—no man has a right to occupy such a position without doing his best, and he doesn't. He is bored, and hates doing, and simply walks—and doesn't play the game unless he's kicked and coaxed and nagged into doing it. It's too bad, and I hate to have to bother him and worry him, but I can't let him go his own way, for there's too much at stake. I think his mental attitude is simply this—"I hate it all—I want to get away—and I'll be damned if I'll do anymore than I have to". When a man feels that way he ought to quit. No one could criticise him for that— but one can't help criticising a little bit when he sticks to the job and doesn't make all he can out of it. Perhaps everything is getting on my nerves a little, and I fear I am hysterical. But it means so much to me that I can't see how anyone who has a chance to do things—really to dictate— can be content to just drift along. Perhaps it's all just lack of adaptability. It doesn't make much difference anyway as long as he continues as in the past to do as he's told. Save that I like him so much that I hate to think that sooner or later he's going to dislike me merely because I hold him to his job, which, with all due respect, I think I understand better than he does.

Oh Dorothy child— you will think me a conceited ass. Perhaps I am, but the whole situation worries me. I hate to see him fed around when he's so intelligent and so well able to lead himself. I must turn in, for there's much work tomorrow.

Before many weeks, child, I shall bid you, not write you, Goodnight.

God Bless you.

SUNDAY NIGHT, MARCH 11TH, 1911

A "Herald" tonight, but no letter, dear Dorothy. It seems to me that you've slipped up a bit on those two letters you were going to write a week. Never mind, I know you've been busy and I'd rather almost have none than to have even daily letters written under contract. All day I've been a good deal knocked out, for it's the first since Monday that I haven't been under a hard strain. I walked for about ten miles with the old man, and we had a good talk—about people and things. I feel sort of sorry about what I wrote about him last night, but to you,
Oh wonder witch-- the written word goes, as written-- and what I said was true, too true, but the good and fine qualities more than balance the little failings, that in times of stress and pressure always irritate. Good Lord-- anything that I may have written about the whole-- and he has come in for less than any-- are but mild remonstrance to the things I say not only about, but to, one W.D. Straight when he gets on my nerves. Awful fellow! he is-- and needs watching all the time. He gets penitent or peevish and the worst of it is, you can't tell him much, for he's from Missouri and the only way to show him is generally to let him hit a stone wall. Hence the bruises on his somewhat irregular features and his even less regular soul-- or as a counterpoise to "irregular" should I say "undisciplined". Peeps that would be better. After dinner salad I finished Looke's "Where Love is"-- which I'd started long ago, but never got far into. Have you read it?

Jimmie Padgitt is a fine person, and would be a possible one I think-- he is made a little unnatural by Looke's use of the English language, which like that in Hewlett's earlier work "Richard Yeas and Nays" and "Little Tales of Italy"-- even in the later books-- makes you conscious all the time that you are reading a book and not meeting real people in print.

Do you know what I mean? Nora Hardacre was quite right in running off with Weever. Both she and Jimmie were thus given a wonderful memory, an undying treasure-- for had they married, her inability to live his life would have dulled her love and her failure to conquer her old self would have spoiled his happiness. The rest of the people are stage properties, which like a lot of things in chemistry, have to be jumbled into the test tube-- which in this case is life-- in order to produce the proper reaction, and prove the fluid you are seeking.

So much for morwilling. I feel in a rather philosophical mood, which I've got to sleep off if I want to do my job-- which is to draft a fresh agreement tomorrow morning-- to be typed in the afternoon and put into the Bankers' conference on Monday morning, as ever was.

There are ten thousand things to say-- all of which are said in three words-- which I am going to say to you myself before very long-- my Dorothy child.

God bless you.

The Willard Straight

Original in private hands.

MEMORANDUM REGARDING
THE APPARENT TREND OF JAPAN'S POLICY
IN CHINA.

Those who have closely followed the Far Eastern political developments during the past sixteen years, who are familiar with the underlying causes of the China-Japan War, the history of the negotiations prior to the Russo-Japanese War and the course which Japan has pursued in Korea, Manchuria and China proper since that struggle, are almost unanimous in recognizing Japan's Imperial ambition as the chief menace to the integrity of China, and hence the principal disturbing factor in the Far East today.

Japan is poor in money and in resources but strong and efficient as an armed aggressive force. Since her War with Russia she has assumed many and expensive responsibilities. The annexation of Korea imposes a heavy drain on the Imperial Exchequer. Formosa is barely self-supporting, and although the South Manchurian Railway is not bringing in large receipts the cost of constructing the Antung-Mukden Line and of developing Dalny more than offsets the returns from the Railway Line.

To safeguard these continental interests Japan has nearly tripled her standing army and embarked upon an extensive programme of naval construction. As a result the Japanese public is heavily taxed to meet the cost of new armaments as well as to pay off the obligations incurred during the late war.

Will Japan be able to recoup herself from the profits which her people will derive from trade and transportation?

She may, but the time seems far distant, for by virtue of her system of commercial subsidies Japan today presents the spectacle of a nation trying to pull itself up by its own bootstraps. Japan has not the capital nor have the Japanese the commercial aptitude essential to success in the Orient where competition is so keen.

There would seem to be but one way in which Japan can gain comparative financial independence, maintain her
armaments and extend her domains. She must exploit China.
This can be done in two ways:

1. By acquiring territory which she can tax, or
2. By acquiring political dominance sufficient to enable her to extend her own merchant special trade facilities which are not held by others and which will thus enable the Japanese successfully and profitably to compete with Europeans and Americans.

Japan's success, however, presupposes a weak China. Herein is to be found the key note of Japan's policy. Not only will Japan endeavor to prevent China's legitimate and natural development; she has used and will use every possible means to make China weaker even than she now is.

China can hope to grow strong only by reforming her Administration and with the friendly co-operation of the powers.

The situation demands internal changes and external aid. Japan will endeavor, and is endeavoring, to retard and vitiate the former, and to forestall the latter as far as she is able.

Only two years ago by successful diplomatic manipulation Japan, taking every advantage of Chinese jealousy and suspicion, secured the disgrace of Yuan Shih Kai. It is perhaps useless but not uninteresting to recall the strenuous efforts of Ambassador Takahira to persuade Mr. Root, then Secretary of State, to sign the notes subsequently exchanged with Japan prior to the arrival of His Excellency Tang Shao Yi in Washington in November, 1908. This clever diplomatic move made but little stir in the United States at the time. It was, however, effectively used by Yuan's enemies in securing his downfall, and it was a desire to secure this stand rather than any sudden access of friendliness for the United States which inspired the solicitude of the Japanese Government. Yuan once out of power Tang not only failed to secure the Manchurian loan which had practically been arranged, but American bankers were prevented from undertaking, on China's behalf, the leadership in the formation of an International

Group which would have financed Chinese Currency Reform and tied China over the period between the abolition of lekun and the increase of her customs tariff.

Had Tang's mission been successful China would have been well started on the road of reform and Japan just so much further removed from the realization of her ambition to exploit this country.

The situation which confronts Japan in China today is much the same as that existing in the Autumn of 1908. The Constitutional Movement throughout China justifies the hope that out of this agitation, irresponsible though some of it may be, a strong, intelligent, and effective administration may be evolved. The Central Government has engaged to undertake Currency Reform, which should be the first step to a general rehabilitation of China's finances. The American Group, which is committed under certain circumstances to finance this Currency Reform, has now allied itself with the banking Groups of England, France and Germany.

Thus the internal changes, which must be precedent to the growth of a strong China, are well under way, and China can, for the asking, secure the external aid which is essential to this development.

The internal forces at work, however, are not yet sufficiently well disciplined or co-ordinated under the leadership of broad-minded and intelligent men; the Central Government is yet weak and its officials are suspicious and corrupt; no large loan has yet been contracted by the Quadruple Banks.

The forces which Japan most dreads are being mustered against her. Japan must act quickly or her opportunity will be lost. Japan's whole Imperial scheme is based on her ability to exploit China. If her actions in the past may be accepted as a criterion therefore it is justifiable to assume that she will now endeavor to stiffen the Central Government and aggravate the irritation in the Provinces. Thus will Japan try to check the internal growth in China. At the same
time she will use every effort to interfere with the conclusion of any Imperial loan either by the American Group or by the four Banks acting together.

Thus will Japan attempt to prevent China from receiving external aid.

S/o
TELEGRAM SENT MARCH 10TH, 1911.

Morgan for Davison New York.

Thanks. Since you speak of it I am anxious go home as soon as possible. STOP Both Currency and Hukuang should be signed or shelved within three weeks. STOP Do not wish leave Menocal in charge. Think Gatrell could take over temporarily but if you do not approve hope you can arrange for my relief to be here within six weeks. PARAGRAPHS Refer to my letter January 3th. Good first secretary urgently needed. STOP Present second is trying to get appointment. He should be removed from Legation altogether. PARAGRAPHS I hope you will be prepared take immediate action Final Agreement telegraphed today. Situation here demands haste.

STRAIGHT.

Morgan for McKnight, New York, departure again.

Refer to my telegram of the 7th. again.

If

Department of State again. Straight.

is

concerning.

ordering.

10th.

Einstein 

take

charge.

American

Legation

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American Minister

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should be prevented as it would re-open.

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Papers at Cornell University
NEW YORK, March 10, 1911.

Mr. WILLARD D. STRAIGHT,
C/o The American Group,
Peiping, China.

My dear Mr. Straight:

Enclosed find copy of a rather long letter which I have just written your friend Mr. Bland.

I regret that his letters have not reached me, but the incident raises the suspicion in my mind that perhaps he is like most newspaper and literary people — rather casual and not always very accurate. It seems almost certain that if the letters had been properly addressed they would have reached me. At any rate, I regret that he should have felt that he was not having proper attention.

Considering these circumstances, I hope you will feel that it was for the best interests of all concerned that I should outline the position to him just as it is, as that he would know that the question of his being associated lies rather with the English, French and Russian Directors than with the writer.

I hope affairs are going well with you, and, with continued best wishes, remain,

Cordially yours,

J. O. White

Enclosure

NEW YORK, March 10, 1911.

Mr. JOHN P. BLAND,
Thickwood House Club,
66 St. James Street,

Dear Mr. Bland:

This morning I received a letter from Mr. Burton of our London office, stating that you had called and seemed rather aggrieved that I had not replied to one or more letters which you had written to since my return to America.

I beg to advise that I have not received any letters from you during that time, and I have had our files searched and find no letters from you which might, by any mischance, have been answered by any other member of our organization. I assume, therefore, that the letters must have been misdirected, and have gone elsewhere.

Regarding the international Russian Corporation, limited, I beg to advise that I am rather ignorant as to the exact status of the moment, not knowing who some of the Directors of the Company are, and knowing only that the Corporation was recently formed in London, with £40,000 capital subscribed and £200,000 authorized; also that Mr. Federoff and Messrs. Lysenin and Allen, of London, are three of the Directors.

I assume you know that in all Corporations it is the general rule that employees shall be selected by the Directors as a Board. Before I left London I spoke to one of the gentlemen who has been giving some attention to the Russian matter about your friend, Mr. Campbell. I understood that his name would have consideration by the Directors in due course.
Dear Mr. Straight,

Your letters addressed to Mr. H.H. Harjes of the 7th and 10th inst. duly came to hand and the carbon copies contained therein have been placed on our files. As you are aware, Mr. Harjes married recently and is at present on his wedding-trip, but your letters will be shown him immediately upon his return.

In regard to the cigarette cases, I sent round to Cartier's and find that they would be prepared to take back some of the cigarette cases at the price you paid for them, but the others they do not want back at any price.

What they will not take back are the following:

"Russian cigarette case with several compartments and cigarette holder.No.1456; 4 cigarette cases which open automatically No.744 & 595"

but, if you have kept the others and return them, Cartier would reimburse you the cost.

You will also find enclosed a letter addressed to you by the firm, replying to your enquiry about an item in your account.

Yours very truly,

[Signature]

Willard D. Straight Esq.,

Peking.
Dear Sir,

We are in receipt of your letter of the 7th inst., and in reply to your enquiry beg to say that we hold the receipt of E. Martin for Fr. 512.50 as payment made for your passage to the United States per S.S. "New York" on July 30th last.

Yours faithfully,

Willard D. Straight Esq.,
Peking.
Dear Cordry,

It's been many a day
since I heard from you. Prime Christmas was taken over by your new... and as I write, it

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since I heard from you. Prime Christmas was taken over by your new... and as I write, it

The Willard Straight Papers at Cornell University
In private hands.
and in my own heart—It seems, that—
it must be. That I do know, but I
have not yet the energy to speak. But
that I love thee before I think
of thee. She is always with
me now. and that you understand
If you think it wrong to remain
here, you are free to leave me and
come. I need not tell you that I
will leave you when I get home again.

To you,
Morgan to Grenfell London

For your exclusive information,

Referring to your telegram of the 11th

It would be illogical for me to insist upon an American Adviser, even after altering the Article of Agreement, admitting thereby to having claimed to have made great concessions to our European colleagues in Europe, and as for the American Group, they would not

Such action would stultify our entire position for after securing the Preliminary Agreement, it would be absolutely essential for the sake of American prestige in China and Europe that the American Group cooperate in the Inter-Bank Agreement permitting issue in Europe of new loans. If New York iszsa not only the European colleagues, but you also agree to the loan, the American Group will take

Cady, young Joa, but of the Hukoung if concluded and that no further attempt be made by the American Group to unavail itself of the clause in Inter-Bank Agreement permitting issue in Europe of new loans. If New York iszsa not only the European colleagues, but you also agree to the loan, the American Group will take

Currency Loan, young Joa, but of the Hukoung if concluded and that no further attempt be made by the American Group to unavail itself of the clause in Inter-Bank Agreement permitting issue in Europe of new loans. If New York iszsa not only the European colleagues, but you also agree to the loan, the American Group will take
would be to justify the allegations that the American Group has made on this subject. You will appreciate the financial responsibility which the demands of the success of our enterprise impose on me. You will not fail to bear in mind that New York will not stand for such conduct as this. You must not suffer me to bear the disquiet which my uncommunicated position has caused to the Chinese business interests. What you shall not fail to appreciate is that I am the person to whom all this has been broken into.

We have been more than once warned that without offending China, by our action in the political status quo, we shall not get along in China. The American Group has made it quite clear that they would not stand for the interruption of trade by force. If you fail to appreciate this, you will not command the respect which is due to you from me.

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Dorothy dear—your letter of February 15/15 I found at the legation this morning—it came through the French, not the German office, which explains my not getting it last night, when I wanted it so greatly. There's a lot to answer, child, in your letter. How wonderful of you to help the poor girl at the court—you've taken a responsibility its true, but perhaps you've saved a soul, dear—I'm sure you have, and that that poor girl will owe everything to you. It's you—your Dorothy.

The "Little Princess" and Dick is almost more than one could ask.

Last autumn when I was at Oyster Bay Dick was there, playing with Ethel. I think I spoke to Alice, but maybe I didn't—Anyway it flashed across me that that would be right—just right—and as you say, they are both so fine that it must happen. Dick is one of the dearest, tenderest people I know—I don't know him well—that is, I haven't seen much of him—but I have a very deep affection and admiration for him—for he is a clean, fine, true manly man. I've written to both, and I enclose the letters, for you to send or not, as you wish—the one to Ethel, the other to Dick, if Ethel is willing. You're becoming a regular clearing house, or a Censor—which?

Dear little Dorothy—I know all that is going on in your heart. I know how hard it is. I know what Faith I've asked you to have in it, and in my being able to bring it to you. Dear Heart—I know it so well, and I'm afraid that sometimes, wanting you so much, longing so for your Love—I forget that you too are suffering and struggling in your own soul—and ask more of you than I should. You must forgive me, child. You know how hard it is for me—and I must remember—for I know—how hard it is for you.

God Bless you, little Dorothy and may we both find the circle—true marriage—sharing for always in each others' lives and hearts.

God Bless you too, for saying that you believe so absolutely. I know you do, dear—and since you do, it makes little difference about the rest, save that I want them to believe too, because you do, so that you may feel that your own Faith is echoed always in the hearts of others. Thank you—

dear—for saying that you don't blame me for cursing folk—but thank you more for reminding me that others are tired too—and should be borne with.

I know I'm intolerant and hot-headed—when I see a way out of a difficulty—I want to take it—and I can say in honesty—that I want to do it in order to accomplish what I'm told to do—rather than to prove that I'm a wiser guy than the other fellow. It would not be true for me to say that what people think and say about one doesn't affect me—for it does—and I'm naturally worried and wondering not so much what they've been saying—for I can imagine all that—but who's been talking. I know and regret frightfully that I am domineering and intolerant and positive—I try to hold myself in check, but inefficiency, useless verbiage, delays, stupidity—all irritate me beyond measure—and for the past seven months—year I should say—all such things, which are usually founded on misunderstanding which I'm quite ready to admit—may be due to the confusion of my own recommendations, have been more than usually irksome—for in almost every case, what I was doing kept me from you, and I therefore wanted to finish it as soon as ever I could. Hence when I thought my way might be quicker, I have hated to do anything in any one else's. Don't think for a moment, Dorothy child, that I am putting any responsibility for my impatience on you. This is merely a statement of fact.

I know very well that one must, to handle men, lead, not drive—French is a better man than I at that game. He is a diplomat. I was made much more for a soldier, and am in the wrong business. But I do try, Dorothy, and I shall keep this fault more constantly before me for your sake. In self-defense though—I must say, that I don't believe we could have got half as much—much as it is—done—unless I had had that same driving force—that makes me so damned unpopular—and I am inclined—with all due humility—and recognition of the error, to feel that I've managed to get along pretty well with the people with whom I work and do things—which is a fair test.
I'm trying in my foolish way to show you, dear, that your belief is somewhat justified anyway. I wonder who could say these things, for I know but few people in New York well, and I don't think they resent my frailties though they may deplore them. Of men of my own age, Gerald Morgan and Moses Robinson, Freddie Swift and George, Dick Derby and a few other, are all I have ever seen much of. George, I know, thinks me domineering--do the rest? With the others I thought I'd always been quiet and have kept my mouth shut as much as I could because I feared just that thing--being too positive. I suppose I put my foot in it. I'll try my best dear, to do better, but you don't want me, I know to be mawkish and unnoticed and defer here and beg pardon there--that's even worse, than the other. You want me to be natural, I know, and I'll try to be naturally modest for your sake--modest anyway and humble, as much as I can, even though it be not natural. For that militant devil in me must be choked. For the other things that people say--and which I can also imagine--I know that you know and understand, dear--and that you don't care--that my friends believe in me (more or less, I fear, some of 'em) but a few for whom I'm thankful altogether, and the rest can go to. I hate to be disliked--and talked about, I hate to have people say things to you, my Dorothy, even though you don't believe them--but it can't be helped, and a man is known quite as much by his enemies and his detractors as by his friends--and we must both remember dear, that if we are married and try to do anything in the world, try to do real things and not dawdle and loaf and fritter as do most people, that we'll be called ambitious and hypocritical and self-seeking and all the rest. I say "we"--I mean "I"--for of you, dear, Gift of God--no one could ever, or can ever, say aught but good--so you'll have to be my Good Angel as well as protectress, as well as my little Dorothy child--will you? We'll have to meet the World together, dear--and as long as we are together, dear, the World may smile, and

we'll be glad and smile too, but if it frowns and sneers, as long as we have our Faith and each other and are true to each other and ourselves, we can tickle the world in the ribs and try to put it into a good humour again.

I had to wire you about Ethick--its better "Dickel" isn't it. We might tease 'em and call 'em Dickel for fun--For us it can only be "Dorowill"--never "Willldoro" or "Dorowont".

Things go well--so well it frightens me a little and makes me terribly anxious to get the thing through--for it might burst at any minute and since we've gone so far it would be too sad. Casenave came in this morning with the news that France would consent to the neutral adviser if he were nominated by the Banks as suggested --mind you--by W.S. and would accept the loan agreement--as compromised with Sheng by W.S. and later that France had accepted the solution for the Hukoung also suggested by W.S. I must tell you--for I'm awfully pleased--pleased certainly and frankly because they took my dope, but infinitely more so because the things may perhaps go through now that we've found a way. It would be false modesty for me not to tell you--but I'm so damned scared of being conceited and domineering that I almost hate to write it. Never mind, Dorothy dear--we'll do our best and you jump on me as much as you wish. It's deserved, or else I wouldn't write about it as much as I've done--"Qui s'exonee e'anoise"--and keep on jumping, and I'll try to be humble--but if we can keep on doing things and be as humble as you can make me, it'll be all right in the end. For if you'll recall, child--the people who have accomplished much have generally been somewhat dictatorial--not that they accomplished because of that fact--but because they had that within them which made them do, and which at the same time made them somewhat domineering. Heaven knows I don't want to be--and we'll try not to be, positive--but I'd rather be positive and hated by all save those who know me well and who cared for me myself and loved the inside not the exterior--than to be the most popular man in New York and never get beyond this cocktail bonhomie. A positive
March 12th, 1911.

man can give real love, as well as get the knocks of the Hammer Club. The cocktail boy may escape the knocks but he gives damned little. If you have no enemies you're likely to have few true friends---- in all of which ending you will think I re-neg on my protestations of repentance in the foregoing closely written pages. I don't, oh Wonder of the World- I will be humble and take your warning, for your sake, and not I'm afraid, because I care much of a hang for what the world wages in its pleasant little conversations. I'm getting facetious I'm afraid, but I don't mean to be. You know, dear Dorothy child- that I am grateful to you, who are more than friend- and to my friends, when they reprove me and point out the error of my ways. You do it because you care and want me to do better. The rest do it because they're small and petty and can only rise in their own estimation by emasculating the reputation of others. Bee's may sting a man to death, but it will take an awful lot of 'em. This letter proves that they are annoying.

You may think to yourself, oh Tender Little Girl, that you should not have written of these things. You should- though, and you haven't worried me a bit, though you've made me write a fearfully long and I fear, incoherent tirade.

You can tell me all about it, soon. Very soon, I pray, my Wonder Child. Don't work too hard in your Children's Court-- don't give too much dear, and tire yourself out, - for when I come for you dear, I want you blithe and winsome, yet very severe, to scold me, and to take the right to do it, always.

God Bless you-

Original in private hands.

The Willard Straight Papers at Cornell University
March 13th, 1911.

Dear George:—

Your letter of February 20th gladdened my heart and was one of the best contributions to the unofficial history of this Far Eastern Game that has yet appeared. Someday it might be worth while to work up a little volume on this subject. Yourself, Joe Ohl, Marvin, Fletcher, with a soupçon of Millard, and myself. Between us we ought to pull something rather racy out of our letter books. I rather doubt the effect upon our reputation as serious members of the community but it would be almost worth while to sacrifice a little of the bubble in order to touch the Banderlog up on the high lights, and call a few other people by their real names. Perhaps though we'd better reserve this for some future date.

I return herewith your editorial about Ford's knockouts. It's all right. It would hardly have been wise to think to be specific, and between you and me, I hope you don't mind the suggestion, don't you think you could be a little more guarded in your use of the vernacular? I prefer it myself but in this case you trying to hit back at a man who will aim on the wrist if he gets a chance, and who would be the first man to pick you up on verbiage in order to beg discussion of the real points at issue. There was one point particularly in Ford's editorial that made me sore. That was his pious and wholly inaccurate statement, that Americans were assured the "Open Door" by treaty rights secured many years ago. You could easily nail him on that, point out the conditions our manufacturers of railway stuff have been up against, and prove that Knox's policy was necessary. All this could be done without any particular personal whack at Ford, bang him! I agree with you we've got to have a little uplift movement in the Asiatic association. You would do the work darned well, but you're a pretty useful dog at this end of the line and the game needs your trenchant pen in Shanghai. Something can be worked out, but it will require time.

Farrell's appointment is a good sign. It has happened to me that this might give us an excellent opportunity to get into some new deals out here. I am thinking particularly of the Hanyang Iron Works. I understand the concern is mortgaged up to the hilt and has not paid well owing to rotten management. The Japanese I believe have most capital involved, but the Banque de L'Indo-Chine has something in the pot. I am going to propose that we get in too. Then when the smash comes, the U. S. Steel, can take up the operation of the plant, and with all this railway building which must come sooner or later, in one way or another, we'll be able to be in the ground floor as a Chinese industry, if they insist on putting such phrases in their loan agreements. See what you can find out about the Hanyang works and let me know.

I think that you're surmise about the effect of Russian and Japanese pressure on China is working out as doped. The Currency Loan is looking up, and the Hukouang is also taking a new lease of life. For be it from me to say that either or both will ever go through. At any rate I feel more hopeful than I have at any time since my arrival. As to the Chin-Ali I feel that if the other two are pulled off we shall find some way of getting over our Russian friends, and I should not be greatly surprised if within the next three years we found the much abused "Neutralization proposals," becoming a very practical possibility, and no longer the work of a diplomatic dreamer.

What do you know about the precious new combination, to be represented at Peking by von Hoyer, the Russian-Asiatic, the Belgian Banque de L'Outre-Mer, London City and Midland, Lloyd's, Bank of Scotland, and Eastern Bank (Sassoon's)? They have formed a Group, and we are expecting trouble from them. The game is to use Russian political power, enhanced by this recent Mongolian flamo, in combination with the Belgian, and a portion of the British market.

How much do I owe you for the pipes?

Yours,

[Signature]

90, Bond St., N.Y.
Oh Wonder of the World! your telegram made me very glad, for I wanted to have a close touch—
to know that you were well a few hours, any way, before your message reached me. The cable is
a wonderful thing and I'm very grateful for it. Letters of course are best when we are far
apart, for a cable can never be full—but its quick and without these messages that go back
and forth the separation would be even harder than now.

By a "Paris Herald" in yesterday, I read of Bob's engagement to Cecilia Hay, and wonder
whether it is true. If it is, you must be very glad for his sake—glad if she's the right
sort, but sorry if she isn't. I wish him all happiness.

I am much distressed tonight: for some reason, it's very late, or early rather—but I
feel particularly wide awake; yet sort of addled. I want to talk to you, Wonder Child—just
a sort of fidgety jumpy talk. I went in to see Morrison of the "Times" (he's just back)
after dinner and he always affects me that way. I came back here—have read a little and
worked at the Final agreement—the 11th draft I think it is, or something like that—and
I had to write to you, though I feel really like hopping up and down and hollering. Monday
was a very hard day, and at the end I was absolutely done. Our bankers conference began at
10.30 A.M. and finished at six. Yesterday was easier but I had a row with old Tenney. It
had been arranged that he was to take three or four of the most important articles to Sheng
and go over them privately with him, in order to make things easier. When I went to him to
explain the articles in question he pulled a long face and said that Sheng would be very
angry. As a matter of fact we had embodied what I, at least, had taken to be what Sheng meant.
Tenney had formed another impression. Mine, I thought, was reasonable—he thought it "mean".
The "Doc" thinks "mean" anything not calculated to give the Chinese all they want—no matter
what it is. So we had a row and I told him if he felt that way there was little use in his
seeing Sheng. He'd have done more harm than good. So I left. The whole matter was explained
to Calhoun who took my side—saying that our proposition was sound business, when what Tenney
wanted, wasn't. He forbade Tenney to go to Sheng. Whereupon Tenney crawled somewhat and the
upset will be that he will come around, and that we may alter our draft a little—as far as the
wording, but not the idea, goes. Old "Doc" is a great fellow. He's honest as the day is
long. I think him an awful ass but I respect his sterling qualities, and our differences of
opinion are always open and above board—good frank rows with no malice on
either side—and such things harm no one.

The Minister is being approached by folk from Illinois to come home and run for Senator in Lorimer's place. I'm trying to persuade him to do it.
He'd be a splendid man. We need his type, and his experience out here would
make him fine for the "Game".

Little Dorothy child—tonight as I sat by the fire I thought to you and
of you—You've had Beatrice and Warren and lots of wonderful friends,
but do you know—I want to give you that which none of them could ever give—
to guard you and cherish you—live for you, dear—to love you as no one
else could love you—to be wholly and absolutely yours, for always—to
give you all—to envelope you in tenderness, that with all their love,
child, you have never known—you, my little Dorothy. I want so you—
I love you so.

God Bless you.

Do you suppose, Wonder child—that at the Legation tomorrow I'll find the
letter from you that didn't come tonight? I'll not make any asparagus re-
marks anyway, until I know for sure.

The week has been very full—meetings and all manner of things—We
brought the bankers around to giving the Chinese the extra million pounds
that Tenney wanted—then on Thursday we learned that the Dept—had climbed
on the Band wagon and accepted the Hukang solution. On Friday, Tenney saw
the Chinese about our Draft Currency agreement, which they accepted in toto—
practically—save the points that we had had to refer home—Today the
quaduple banks met in Brussels and tomorrow morning we ought to know
pretty well where we're at if they act with any degree of promptness.
Today word came that the Department had climbed down from another perch— and had consented to the nomination of the adviser by the banks. I'm really rather sorry for them, for they've had to take their medicine on almost every proposition that they've advocated. They've jibbed (?) and gobbled and quibbled and caused, but they always had to accept our views. It must be pretty trying and I shouldn't blame them if they were sore at us for not—as they might think—having played the same harder for the United States,—but we have always been confronted by the fact that we ourselves couldn't take the loan,—that we had to have the European markets and that Europe knew it. There was no use therefore trying any bluffs. The only course was to take high altruistic grounds and try to pull out the best solution we could get. It will give the Department enough prestige anyhow—if the thing goes through.

Tonight, I am having one of my periodic fits of blues—not so much about things, as about myself. At present I'm valued at about 30% paper money.

Currency reform is needed. It's good for the soul. But it's trying too—oh Wonder of the World—my little personal thermometer goes up and down at an awful rate. Present fall in the market is due to the absolute conviction that I am horridly selfish, and only interested in putting things through without any human sympathies whatsoever. Have you ever seen that page? I hope it's not more than a paragraph at worst.

You can reform me anyway, Dorothy child—if you but will.

God Bless you.

SUNDAY NIGHT MONDAY MORNING.
MARCH 19/20, 1911.

Dear little Dorothy—have you been ill again? Lady ffrench, whom I saw tonight, says that she'd had a letter from her husband which said that you'd been unable to keep some sort of an engagement with him because you had the influenza. Poor child—but you're all right now, aren't you---for Davison wired that you were "fine and well". It worries me so to think that you may have been miserable, and that I knew nothing about it. Yet your telegram of the 23rd of February said you were all right. You ought to tell me. You are too considerate, Wonder child—and it troubles me, for you might be ill and never let me know. All these things make me feel more than ever that we must never be separated again—I can't stand it.

A dinner at the French Legation where I heard the news from Lady French—and it made me miserable all during dinner and through the evening—even though your last cable was so cheerful. We must be together again soon child—oh child of mine. I returned home to find a telegram from Brussels saying that the results of the conference had been wired to New York—what they were, good or bad, wasn't stated—a characteristic Scotch lack of imagination on the part of Whigham who represented the Group. He's a nice fellow in the London office. A much more annoying note from Sheng's Secretary. Despite Tenny's glowing reports of his Friday conference, Ohm wrote that Sheng had gone through the troublesome articles 81 and 82 which we had drafted on the basis of notes prepared by him at our meeting of March 9th. He claims I had accepted the things verbatim which is ridiculous. I didn't and couldn't, and wouldn't have if I could—they were too vague. But I did subject to the concurrence of my colleagues, accept the principles laid down, and these I thought we'd put in our draft. Now Sheng says unless we make an exact translation of his wording, further discussion will be useless. Of course he is bluffing and of course everything will work out—but there will be more changes, more discussions, more delays—and then perhaps one of these days our Russian and Japanese friends will break in. I am thoroughly disgusted. It's not the first nor I suppose, the last time.

Here I am writing all this again, but the thought of your being ill makes
these delays, which keep me here, intolerable.

Please be well dear.

God Bless you.

MARCH 20TH.

Mail's going--just a word. Are you well, oh Wonder child. It's a foolish question but I must ask it. No carbons and things this week, for the past seven days have been, oh, so rushing. Word came to Hillier this morning that the Brussels conference had wired its recommendations to New York -- and telling Hillier that he was authorized to sign, subject to the reservations that had been communicated to me. Wonder what they are. After a night's fitful sleep, I don't think Sheng's attitude of last night as serious as I did at first. It's annoying but really not much more. We'll hope for the best anyway.

Good morrow, child-- God Bless you.

MARCH 20TH.

MONDAY AFTERNOON (20TH).

RUSO-JAPANESE RELATIONS.

The so-called ultimatum of the Russian Government to China has almost faded out of the public memory. The whole incident has been of quite an exceptional character from the diplomatic standpoint, and it is a little difficult to be sure, in the light of subsequent proceedings, that Russia ever meant business at all. So far back as December the Russian Government addressed China in terms equally threatening to those used in the formal Note which recently saw the light. Russia then got no change out of China, even as she does now. The whole affair, indeed, is somewhat mysterious, and it is easy to see that there have been influences at work which are not apparent on the surface, and which have been responsible for what appears to be at least a fluctuating policy on the part of Russia, and for considerable indecision on the part of China. The affair is by no means ended, however, and the latest phase of the situation may yet give rise to interesting developments.

It may be worth while at this moment briefly to recapitulate the facts. First, be it noted, came a Russian communication to China which was not published. Thereafter followed a press campaign in Russia which declared Russia's patience to be exhausted, and that it was imperative that action should be taken to vindicate treaty rights. Simultaneously the Chinese newspapers launched forth into denunciation of Russia and of her aims in Mongolia, and of the steps she was even then taking to give effect to her unholy ambition at the expense of China. Then came the Note in which the Russian Government reserved to themselves the "liberty to select measures for the restoration of their impaired rights," if China refused to confirm the obligations mentioned. The Chinese Foreign Office sat upon this communication for a day or two, and then made an official statement to Reuter's agent in Peking from which it appeared that the Reply would dispute some of the points raised in the Russian Note. Next day the Reply was actually sent to the Russian Minister, and was found to differ materially from that promulgated in the information given to Reuter's agent, for it was couched in more conciliatory terms and practically admitted everything demanded in the Russian Note. Considerable criticism, it may be mentioned, was aroused in Peking by the fact that the Chinese Government communicated to the press what purported to be the substance of the Reply before actually handing the Reply to the Russian Minister, and by the fact that the information thus prematurely given was not in accordance with the terms of the Reply eventually sent. Here it might have been supposed that the incident had ended, and that Russia would be content to wait for expression of the acquiescent mood which the Reply indicated, whilst remaining prepared to take the threatened action in case deeds did not coincide with words. But not so, for in response to the Russian Reply the Chinese Minister, with his usual reticence, declined to make any official communication of the terms of the Russian Note, and actually referred the question of "Free Trade" as applied to Mongolia under the terms of the Treaty of 1881, thereby lowering her attitude from the high plane of ultimatum to that of simple negotiation. It was clear from this second communication that Russia was not satisfied with the Chinese reply, and equally clear that she was not anxious to take the action originally threatened--also why demand to discussion? There was inevitably suggested the presence of a third party to this little comedy, a party who does not appear, but whose influence is sufficiently great to affect the course of events. This conclusion is supported in various ways. China at one time intimated to Russia her desire to revise the Treaty of 1881, but afterwards withdrew from this position on the ground that revision of the Treaty might have the consequence of benefiting other Powers, who might demand privileges elsewhere equivalent to those specially secured to Russia in Mongolia. It is also reported with great persistency that Japan has proposed to Russia that, since, Japan should take certain steps in Manchuria calculated to consolidate her position there. The assumption, therefore, is that Russia, in letter and spirit adopting a more conciliatory attitude towards China, indicates a wish to avoid action that might result in affecting the status quo in Manchuria. Incidentally it might be observed that this reading of events suggests a lack of the perfect unanimity with which Russo-Japanese policy in Manchuria is generally credited. And upon this aspect of the situation that latest move by the Chinese may throw some light, for China at the end of last week replied to the Russian enquiry as to her definition of "Free Trade" and other matters in quite a new spirit. This communication has not yet been made public, but we have the best of grounds for stating that it en...
RUSSO-CHINESE RELATIONS.

In our leading article on Monday we ventured the opinion that the latest phase of the situation as regards Russo-Chinese relations may yet give rise to interesting developments. The Reuter cable appearing today in another column, and expressing the views of the leading Russian journal, suggests that something of the kind is in prospect, for the Novos Vremya, a paper very much behind the scenes in St. Petersburg, urges the necessity of presenting an ultimatum to China. Those who have followed recent events closely will understand at once what has caused this renewal of the belligerent attitude which characterized the Russian press a few weeks ago. The Russian Government was pleased to announce that the Chinese reply to their original note was entirely satisfactory, but they followed it up, nevertheless, with a request for explanations. These explanations, however, as we mentioned in Monday, cannot possibly have been palatable to the Russian Government, even though it might have been found expedient to profess to the world that they were. We have already hinted pretty broadly that a third Power is suspect of using her powerful influence to control the course of events in accordance with her own desires, and the really interesting feature of the situation is, not whether brutal Russia is going to bite gentle China, but whether the relations between Russia and Japan are of that unholy kind which leads to dark deeds.

Russia has many grievances against China, as all who have relations with China can understand;—a statement which does not in the least preclude the possibility that China on her side has just cause of complaint against Russia. Petersburg in pursuit of satisfaction addressed China in threatening terms—and then suddenly appeared to calm down. Why? Because the Japanese, it would seem, immediately evinced a desire to take steps in Manchuria of a kind calculated to consolidate her position there. Stripped of the euphemism, Japan meant to have a bite, if Russia was going to take one. But the Russian change of front implied that Russia would soon go without her bite rather than see Japan come in. Now, it is Russia going to maintain that attitude, and thus indicate to the world that she is jealous of the Japanese position in Chinese territory? Or is she going to teach China that obligations are not to be lightly evaded. If she does, and the latest news from St. Petersburg seems to indicate that this course is under consideration, it will be strange if Japan does not come into the field with some altruistic plan for the betterment of Manchuria.

Meanwhile poor silly China, runs back and forward bleating helplessly, while these two tigers sniff across at each other and crogate whether to snap. By mutual disappointment, or to commence amicably the meal that is large enough to fill both to repulsion.

RUSSO-CHINESE RELATIONS.

There is only one thing to be said about Russo-Chinese relations, and it is that they constitute a Chinese puzzle of the first intricacy. If the Russian press is to be believed, there is great indignation in St. Petersburg at the manner in which Russia has been behaving towards China, while the Government has addressed to China a third Note in which in some quarters has been termed an ultimatum, and which is at least a minatory document. The Chinese reply to this is expected to-day, and there can be little doubt that it will be couched in terms which not even the most sensitive could take exception. That, at least, is the expectation in Peking, based upon experience in parallel circumstances. Foreign countries having relations with China can always get what they want by raising aloft the thick stick, threatening to bring it down with a thud. This attitude is what the Chinese know to mean business, and to no other attitude do they pay much attention. In the present instance the Russians lifted the stick and bellowed loudly. The Chinese answered smoothly and the stick was lowered, but the Russians became friendly. But there were still some explanations required, and in making these the Chinese, finding the stick lowered, reverted to their old ways, and spoke up to Russia with a sharpness that quite settled St. Petersburg.

Up went the stick again, and the hollowness reached to the furthermost corners of the earth. With this loud noise ringing in their ears the Chinese are writing out their third Reply, and it is obvious that it must be pitched in a mien key for fear of the stick. These political gymnastics are not easy to follow and the most the observer can do is to note results without exactly understanding the processes.

What clearly stands out is that Russia is vacillating between the desire to strike, and the fear of creating complications, while China shrinks from the prospect of a blow, but is stubbornly obstructive to anything less than physical force. It is entirely contrary to the methods of Russia to refrain from action when she thinks a particular course desirable; nor has she in the past always found justification essential to her proceedings with regard to weak Oriental countries. In the present situation, then, it is all the more remarkable that she holds her hand when without doubt she has grievances that justify the strongest resentment. It is true that some powerful influence is at work to deter Russia from acting as she would like, so powerful an influence that on account of it she is prepared to look face all over Asia, and to prejudice her position vis-a-vis the Chinese in a far-reaching manner. At least it would seem to be so, for although her last Note to China is most peremptory, it has come to be understood that she has no desire to deal other than gently with her facetious neighbour. Needless to say the influence underlying present events is that of Japan, exercised in a negative sense, Japan, it may safely be supposed, would not be sorry to see Russia put pressure upon China, for it would give her what she needs, countenance and justification for a step in Manchuria. For her heavy expenditure in Korea and Manchuria, incurred during the war, she has obtained nothing that as yet yields a tangible return. Korea instead of proving a source of revenue is realized to be almost worthless without heavy preliminary expenditure on development. Her slender rights in Manchuria are stultified to a great extent by a lack of the control which would render them valuable. Nothing indeed would seem more imperative for Japanese needs than an extension of her position in Manchuria, and the opportunity more effectively to develop the resources within her zone. But she is tied by obligations, both written and unwritten, which prevent her doing what she would wish. With a doubt as to her footing in the London money market, and the larger issue of the renewal of the Anglo-Japanese Alliance awaiting settlement in the near future, anything in the nature of independent action in Manchuria is out of the question. Nothing short of aggressive action by Russia on the northern frontier of China would give her the excuse to make a move in Manchuria.

The Willard Straight Papers at Cornell University
A dispatch to the Nanking states that the loan negotiations between the Chinese Government and the representatives of the four Powers concerned have made remarkable progress. It has been agreed to reduce the rate of interest on the loan and to commence the redemption of the principal and interest from 1913.

A belief obtains in a reliable quarter, as our contemporaries here in the conclusion of the loan negotiations is probably wrong in the point that the question of the appointment of a financial adviser, which was one of the most difficult in the negotiations, has been accepted to a future occasion for settlement, and the representatives of the four Powers have acceded to the demand of China, who is in urgent need of capital, so that the contract has been signed.

Judging from the latest reports, $5,000,000 of the proceeds will be used for the development of Manchuria and the rest for the refund of the currency system. A few days ago, a report reached Tokyo of the immediate departure of Mr. Straight for home. The report tends to confirm the above dispatch reporting the conclusion of the loan negotiations.

Our contemporary also publishes a review of the origin and program of the loan negotiations in which it is stated that the proceeds of the hundred million yen loan originated in a loan contracted by the United States. Prior to the conclusion of the contract the United States succeeded in purchasing the Anglo-Franco-German railway loans. Since that time, the Chinese loan fever has risen in the United States, culminating in the proposal for neutralization of the Manchurian Railway and the contract for the Chinchow-Aigun railway loans.

The former was, however, dropped, owing to the pointed opposition of Japan and Russia, while the latter also failed on account of the protest put forward by Russia. Perceiving that the Viceroy of the Three Provinces was working over financial resources for the completion of the defense and development of Manchuria, Mr. Straight, the representative of the United States capitalists, succeeded in concluding with the Viceroy a secret contract regarding a ten million yen loan. Prince Tse, Minister forFinance in the Peking Government, raised strong opposition to the loan. The Peking Government was, nevertheless, so badly in need of money for the defense of the currency system and the administration of the government, that Prince Tse was compelled to have recourse to foreign loans. Consequently negotiations were entered into between Prince Tse, Cheng Hsun-hui, Tang Shao-yi, and the United States bankers together with the representatives of the Morgan syndicate. The negotiations resulted in the conclusion of a $5,000,000 loan bearing 5 per cent interest, the proceeds being $5,000,000. The provisional contract was signed on the 15th of October last, and the Peking Government decided to make over $5,000,000 to Viceroy Ho Liang for the purpose above described.

The loan was not based on any security, in consideration whereof the United States put forward a proposal for the appointment of an American financial adviser. Mr. Straight, who was at home at that time, hastened back to China, and entered into negotiations with the Chinese authorities as to the details of the appointment. A hitch was created owing to a difference in opinion on the question of the financial adviser, whom the United States meant to superintend the use of the proceeds of the loan, whereas the Chinese Government thought he was to have control of China's finances, which China feared would lead to an interference in her domestic administration. The difference proved insurmountable and rendered a satisfactory conclusion of the negotiations impossible. In the meantime the so called rights recovery and anti-foreign loan fever reached its height, but the necessity of foreign loans for the reestablishment of the domestic finances was recognized amongst the intelligent classes, and the representatives of the four Powers were consulted in regard to the question of a credit line.

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My wife is down south at present, taking a fortnight's rest after recovering from a slight bronchitis. After the Secretary gets back next week, I hope myself to join her for a week's holiday. Things here have been humming, as usual.

With the kindest regards and the assurance that my thoughts of you are far out of proportion to my brief and seldom writing, I remain, always,

Very sincerely yours,

Willard D. Straight, Esquire,
Care of American Legation,
Peking, China.

March 19, 1911.

My dear Straight:

I read your very long and exceedingly interesting letter the moment it arrived and I have this afternoon been reading lengthy accounts of your more recent interviews at Peking in connection with the difficulties of your work, which we all now hope is about to end in success.

To show how true this is, permit me to enclose a clipping from the LITERARY DIGEST, calling particular attention to the flattering picture of your precocious, youthful and illustrious self. You can kill the editor when you get home.

Original in private hands.

The Willard Straight Papers at Cornell University
AMERICAN SETBACKS IN CHINA

The Japanese press have concluded that American diplomacy in China has experienced a dash of cold water. They believe that the plans of Mr. Knox to "neutralize" the Manchurian railways has come to grief, that the projected rival railway to be built with British-American capital has come to nothing, and that our plan to loan $50,000,000 to China is a failure. The Chinese loan may be merely delayed, but the delay elicits much surprise and speculation from Japanese editors, who have been watching the progress of the loan negotiations with keen interest and serious concern.

Mr. Willard Straight, representative of the American financiers interested in the loan, had been carrying on the negotiations with success, and the Chinese Government was about to affix the seal of state to the loan contract.

What, then, caused the Chinese statesmen to change their minds so abruptly? asks the Mat Nichols (Osaka), which tries to explain the matter in these words:

"The reason for the Chinese refusal seems to be two-fold. In the first place, President Taft's announcement, in his message to the Congress, that the loan negotiation had come to a happy issue, was not agreeable to the Chinese Government, which desired to keep the matter quiet until the contract was practically signed. Such a public statement from the American Executive was not unreasonably expected to inspire the Chinese mind with suspicion. In the second place, the Chinese Government was given to understand that the Tei Cheng Yuan, the Senate, would not approve of the loan.

That the Japanese papers do not see the matter in its true light is intimated in a letter addressed to the Editor of The Literary Digest by the State Department at Washington, from which we learn that the negotiations with China are still pending and that it is quite premature to predict their result."

Mr. Knox speaks of the loan and railway matters in the following very guarded terms:

DEPARTMENT OF STATE, WASHINGTON,
February 25, 1911.

"Editor, The Literary Digest,

Sir: In reply to your letter of the 18th instant, I beg to say that the proposed loan to China of $50,000,000 for currency reform is still under negotiation. The proposed railway across Manchuria is not an American, but British-American project.

The Department of State has no knowledge of any desire or intention on the part of the interested British or American corporations to abandon the project. The proposal to internationalize all the railways of Manchuria was made as an alternative to the construction of the last-mentioned Chinchow-Algin Railway.

Since the plan contemplated the cooperation of Russia and Japan, with other Powers, it is evident that it can not be realized until these Powers are agreed to it, and the Department can not prophesy what development in this direction the future may show.

"I am, Sir,
Your obedient servant,
F. C. Knox."
F. McC. Peking  
27 West 81st, New York 

March 20, 1911.

My dear Straight —

Your of Feb 17. at hand also your good notice of some time ago. much obliged for both. Hope you will send me three Russian and Japanese notes. At the Currency Room also the date of the French representations. Notes are valuable to any work. Do you think the French representations were made independently or in sympathy with the Russian representations and if the Japanese made representations what sympathy did the British Legation have with them? I suppose all this action was automatic depending from the

Original in private hands.
meet it would have been (this in the Law of the Potency). I would have feared you, when the matter came up in my mind. I recognized that you had deprived me of your name in my book on the war, however, henceforth I will give you the same treatment as the others which is the safest way because it will not provoke remark. Of course my first thought is not to seek a name in a war that will be the person often to the being charged with seeing information. That is a very important thing with respect to one like yourself who are known as a semi-official representative of the State Department as well as the French representative. I agree with you alliances... Let me the French representatives of confidence. I suppose they were more or less conventional. If specific and positive all the more interesting.

Regarding something your name with regard to this August statement, or whatever it was, I was in some doubt at the time on account of your close connection with both the State Department and the French and so to be on the safe side I thought it would perhaps suit you best to make your name as inconspicuous as possible though if I had followed the rules of the articles in putting all the personal ele-
about the game being the thing. The lines are already laid down for me now, couldn’t do otherwise and shouldn’t want to. I feel sure we have the right game and that it will come out all right eventually. I was astonished at the strike he has made in Britain on the Peace court proposal.

Send me what I need. Keep things as close as you can for the next few days, especially to these great efforts in the game as of most value to me. If you can write under your name, with opinions, jot down some of your ideas, the notes and send the documents anon. The next time you come here I shall again many thanks for your letter. And send [illegible] in Cornwall.
What a dear Wonder child you are-- and how grateful Dick must be to you, for you don't know what it is to be comforted when you feel as he does-- for you've never felt that way. Not that I don't understand, dear, how hard it all is for you, child-- for I do-- but it's different. You have the decision to make-- we have to wait for it.- Do you see - and no one I know, could have been more understanding, and for Dick and for myself I bless you.

This means that your letter started on February 19th some tonight. I'm sorry that my letters hadn't turned up, but that was just about the time that the one letter-- I think it was only one-- mailed via San Francisco, was due. After this-- long after-- you'll have received a bunch all at once, and will probably be bored to tears by the length thereof.

Enclosed a copy of my telegram to Frenzech. You'll see by the last sentence that I wasn't mad because he disagreed,-- in fact was prepared for a disagreement -- but in the light of what I could see here, recommended a certain course, and in doing so, was quite prepared to accept his judgment if his knowledge of the situation at home made him prefer a quite different one. Your point is well taken-- and hoister touches, however, -- for I am inclined to get very shirty when people disagree with me. But again in self defense, let me explain. In an argument I'm always open-- I hope at least I try to be-- to conviction. If the other side's reasons are better than my own, and when both are arguing on an equal knowledge of the situation under discussion. I do not, and make personal remarks.

when people eleven thousand miles away, who are not informed as to actual conditions, and who ignore the facts when they are presented--badly perhaps--but presented nevertheless, insist upon a certain line of action which I on the spot know to be impossible. If representations in far away places are worth sending, then their judgments should be relied upon and their recommendations adopted, unless other circumstances of which they are not aware make the opposite course necessary. In all our row with the Department and the Group they ignored our reports, and bull-headed, followed their own devices. I think I know enough of general politics to know that their policy was not due to any broad considerations of which we were ignorant, but was persisted in because they were blind to the actualities which we repeatedly placed before them. Hence I was mad when they disagreed and was quite satisfied when Frenzech preferred his own line to the one I thought should be followed. Do you see? Your point is true just the same and I'll try to do better.

I'm glad too, child, that you tell me folk say I am conceited. I don't think those who know me well would say that, for I don't think I really am. I do think that I have a good deal of self assurance, and as long as it is not conceit, I'd rather be known as conceited than not have the assurance. People's gibes I can stand-- without assurance, in a certain measure, a man can do nothing.

You're a fine champion Dorothy mine-- and as long as you say you don't think I am wrong headed the World can be blown. I know that I am shy-- and particularly reserved,-- especially with people whom I think looking for a chance to knock. That being the case they generally get the chance. I think I'm suspicious and too analytical, but that's due to the East, and is necessary. More than that I am gradually getting to the state of mind when I feel that people can take me as I am or leave me-- and when I do not put myself out particularly to please. That is probably a mistake too. But you can call me down as much as you please, for its good for my soul-- like David Harms, please on the dog-- not a pretty simile, but an apt one. The whole thing amuses me rather than otherwise, as I know so few people in New York-- though I've met a good many, and the many certainly have but little right to express an opinion. All the more reason they do so, I presume. I shall be interested some day to hear who those wise guys may be.
Things are going along. A conference between the British, German, French, and American Ministers and the Bankers today—regarding the Rupee. The flare up over the Currency Loan was fairly well straightened out. Hillier had his wire saying that all was going well, and I presume we should have ours in the morning. A month, Dorothy mine, and I should be speeding toward you.

God Bless you.

Tuesday Night.
MARCH 18th, 1911.

Dear Dorothy child— I want to know all about the talk you give the poor girl when you took her to the country— and how many other people you have been looking after in the Children's Court— that and all the rest about yourself. Have you been comforting Dick, too, while Ethel was in the West. I'll bet you have, and I know he will bless you for it. Poor lad— but he's lucky to have you to cheer him.

I'd better not write much tonight. The telegram came this morning and were quite satisfactory. We won't be able to sign on the 23rd as we had hoped, but we should have our final conference that day, which is the next best thing, and I want it to be a real event this time, as was the meeting of 9/3/11. We'll hope for the best.

Tonight I feel very glum. I've been reading Groly's "Promise of American Life" recently. He is absolutely right. Most of us gas about the Promise and few realise the responsibility. That's the trouble with the country— and when I think about it I go nearly wild— for there is so much to be done— a hundred lives would not be enough— and it all sort of sizzles and ferments and works inside of me— for I want to see a stick and make people do things— and I know that I must, but that they must be led and pampered and enjoined, and I hate it— but am willing to do it to get the results. The whole thing here has worn me to a frazzle I guess. I know that I couldn't stand much more of it, for between the Chinese and the Bankers, the Department and the Group, and poor dear old Mr Calhoun— I feel as if I had been working people into line about long enough— and as if I would like a rest— a long rest.

Dorothy dear— peace near you, with you-tenderness— and to have you stroke my head. I want you so.

God Bless you.

Wednesday Night, March 22nd, 1911.

You're right— oh Dorothy child— not you, but the others. I guess I am a contentious disagreeable person. I've been dining with Lady French and after dinner she read me from a letter from "Charlie". I was sitting next her, and helping her decipher things, and ran across a remark of his about my telegram urging him not to go to Petersburg— which he said to her was "rot". Probably it was— but it hurt me a good deal, for I have so much confidence in French that any message merely gave my view based on circumstances here, which had changed since he left, and was qualified as I told you, by my deferring to his judgment— as I did— gladly when he said he'd decided to go anyway. He was at home and had to decide I only wanted to give him the situation here to enable him to act more intelligently. Just as I should want him to give me a tip, which I should quite readily disregard if I thought circumstances justified it. But you mustn't take all this too seriously. I got so sore, that I left as early as I decently could— after the British Minister had gone— not so sore at him and certainly not at Lady French, but sore at myself for being so sensitive. In fact I guess I'm so frightfully on edge after these months that if anybody called me all the names in the universe I would probably bite 'em, and weep copiously at home and admit they were quite right. I'm afraid that I shall go bust if the strain keeps up much longer, for I can feel that I am just about the breaking point. It doesn't seem that I have a decent word for anyone— does it? You've probably noticed it. Never mind, the state of mind won't last, and when I see you, you can make of me what you will— So I'd better confine confine my letters to cursing myself and the Chinese, and telling you facts without without any further comment on persons or things in general. Otherwise you'll think me
horrid and bad tempered and that would never do. As a matter of fact I suppose I am. You'd better consider that- Miss Dorothy-I am quite serious-- for when I'm hard at a thing it's almost impossible for me to get off it for a second. To you and with you, of course it's very different, but for other people I presume I'm impossible—just as I must have been this summer—between you being in Europe, and the apple cart being so very wobbly at home. So you should think of that, and know, that to the world, I'd often be like a bear with a sore head. For you, oh Wonder of the World, I'd always be my best self—the best, even though it be not such a devil of a thing after all. Stock's very low at present.

I'm pretty weary I am afraid.

Tomorrow's twenty third, and we see Sheng—all four of us. We can't sign but it should be the last conference.

Since its your day I pray that all may go well—for it means that I can get away to go to you—oh, Dorothy child—

God Bless you.

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It's getting on pretty well toward the A.M. of the 26th, though— oh Wonder of the World—and tomorrow I'll not have a telegram from you to wake me, and make the day bright, as it was today. But that can't be helped. Tonight there was a letter from Beatrice and I so wanted a letter from you. But none came. However I suppose one can't have everything.

The conference was fairly successful. We argued from eleven till four thirty munching on biscuits drinking tea and smoking too much—all four of us. Sheng, the old fox, didn't turn up. He left things with Li and Dr. Chen and one Chang, in order that no commitments should be made before he'd had a chance privately to pass our propositions. There were a number of outstanding points when we left. But we were all highly satisfied—of course the 23rd. Now could it be otherwise, and a Red Letter Day, for it was the first time the tripartite had really entered the negotiations. It would have made you laugh to see me taking the lead in these deliberations and saying "myself and my colleagues", when they, dear souls, are about twice my age. Very dominating, I am afraid. As a matter of fact, I was thinking of you Dorothy child, and wasn't. Tonight at about nine thirty Sheng's Secretary came in to say that Sheng had passed on our proposals and sent them in to the Duke and that there was only one point—everything else was O.K. That one point consists in the rebate to the Spucks and we can't let it go. Its my opinion that we can get it if we make it an ultimatum and I guess we will. Its time fooling of this sort was stopped, and the Chinese have known pretty well all along that they would have to pay it. Then since dinner, which was pretty late and hectic, though lonely—I've been doing minutes of the meeting and drafting memos and telegrams for the Bankers meeting at 10:30 tomorrow.

I'm hearing strange noises and seeing things a little—Wonder Child, but I don't care if only it goes through, and I can get away to you. That's by one prayer and the entire the great, the only thing, Dorothy dear, I'm living for.

God Bless you.
Dear Sirren:-

I received your letters of February 17th a day or so ago, their arrival having been somewhat delayed owing to the fact that they were dispatched via the Pacific instead of across Siberia.

I am more than pleased to have such a full exposition of your views and entirely concur in your analysis of the European political situation and its bearing upon Far Eastern conditions and our own particular interests.

You will, of course, recognize the impossibility of conveying shades of meaning over the telegraph wire. My message of the 7th of February to you will, by this time, have been explained somewhat by my letters and I think that you will see from my letter of the 17th of February that I have had in mind much the same solution as has occurred to you.

My reason for believing that the conclusion of the Mukun and Currency Loans might so strengthen our hand as to enable us to force a reasonable solution has been based upon the following: that once the English, French and Germans were associated with us in definite transactions, through which we all expect to profit, we should be much more likely to gain their support in anything which we might wish to do in Petersburg. I have not, for a moment, assumed that this Quadruple Combination would defy either Russia or Japan, or both. I have believe, however, that if the combination were affected Russia would be much more inclined to listen to any representations which might be made. More than that, I have felt it not impossible that, realizing the difficulty of competing with the Quadruple Group, the Russo Asiatische Bank, though assisted by the Belgians and certain London Banks, would attempt to become part of our understanding rather than to follow an independent course. Until the Mukun and Currency Loans are concluded, however, there will be little of real common interest between the Quadruple Banks, hence my point.

You will realize, I think, that in recommending a possible "hands off" attitude for the British and American Governments I hardly expected Messrs. Rockhill and Buchanan to pound K. Taiarnoff's table. What I did feel, and do still feel, is that it would have been highly desirable if an understanding could have been reached between the British and American Governments as to a certain definite route, and if these two Governments could have been persuaded in the softest and most honeyed phrases, but firmly nevertheless, to tell Russia that they hoped she would see her way clear not to raise any objections to the construction of such a line.

If you have been unable to persuade Washington and Downing Street to adopt these measures it is certainly not your fault, and I am quite ready to accept the line of action proposed in your letter as the best possible under the circumstances.

Russia's recent table pounding will, I presume, either greatly assist your mission or make it wholly useless. I sincerely trust it may have the former effect, and that having gained face by diplomatic fulminations, St. Petersburg will now be willing to adopt a conciliatory attitude towards British and American interests in Manchuria. Speculation on this point, however, is not apt to be profitable. In any case this matter will probably have been decided one way or the other before you receive this letter.

Very sincerely yours,

[Signature]

2/6

Feking, March 23rd. [1911]
Peking, March 23rd,

My dear Effrench:-

Your letter regarding the Currency Loan was very much appreciated. We have all felt how that your presence in Washington and New York at what was a very critical period has been very largely responsible for the satisfactory telegrams which we received about that time.

As you will have gathered from my various telegrams to the Group and my personal messages to Davison, things were pretty warm here in the early days of February.

Your remark about Mr. Knox's reinserting the word "American" before "Advisor" in his telegram to Mr. Calhoun without intending that the accent should be laid on the word "American" inspired a sardonic grin, not to say smart, on my part. It has been just this sort of think, which appears to me inexcusable, that has made our negotiations so difficult.

I am very grateful for all you have done, for had you not been in Washington and New York I am afraid that the situation would have become intolerable and I am quite certain that the Group would have been requested to place its interests in other hands.

Things have been moving rapidly in our negotiations and the effect of admitting the Tri Partite Banks has been most gratifying. Grenfell doubtless keeps you informed of what we are trying to do so there is little use in my elaborating on the story.

I have found Sheng one of the most disagreeable and irritable Chinese I have ever met. He is slippery, tricky, and has a very unpleasant habit of judging others by himself, and imputing all manner of disagreeable motives to those with whom he is dealing.

The general situation is quite as unsatisfactory as when you left, and perhaps more so, and I many times smile when I think of the altruistic views which we used to entertain and because of which we so gladly attempted to fight China's battles in Manchuria. I hope that the United States and Great Britain will never be the cause of imposing a foreign dictatorship on this country or of hastening its partition. The people of the country may not deserve such a fate but if the break-up comes I hope that we may be in on the ground floor, and in my present temper nothing would give me so much pleasure as to have a chance to wring the necks of a dozen or two of these precious rogues who misdirect the destinies of this flabby empire.

I am hoping to hear from you regarding the various friends of mine whom you saw while in America. I received glowing accounts of your attractive personality from all sides, but nary a word from you as to the fair ladies whose hearts you won.

Yours very sincerely,

S/G

Original in private hands.

The Willard Straight Papers at Cornell University
Dear Frank:

Many thanks for your letter of the 27th of February. Between you and me it is to laugh. No, I did not think that the Group was very slow in authorizing me to consult the Representatives in Peking of the Tripartite Banks, but the things said about the Department of State, whom I realized to be responsible for your delay, would not look well in print.

I am glad to learn through your pious communication that the Group appreciated what you call "a very considerable concession" on the part of the State Department.

I do not want you to feel that I knock unduly, but I hope by this time my letters have made clear to you that the position taken by the State Department was from the outset untenable and that the Group's telegram read by Grenfell in the London Conference, in which he quoted the Secretary of State as saying that the other Groups should be admitted to this Currency Loan on a basis of absolute equality, from the very outset, made the appointment of an American Adviser without their acquiescence an absolute impossibility. The President was, I think, most unwise to mention the probable appointment of an American Adviser in his message to Congress, for the Chinese had not been, except in an indefinite way, committed to make such appointment, and their assurances to Mr. Calhoun were made contingent upon the flotation of the Loan in America.

As to the Department's contention that there were some considerations of national prestige involved, it is my conviction that our national prestige would have suffered irreparable damage had this Loan failed to go through owing to our insistence upon the appointment of an American Adviser, for such insistence, in view of the fact that three-quarters of the loan had to be handled in Europe owing to the well-known inability of the New York market to absorb foreign bonds, savoured much too much of petty puff-hunting.

Your point that the Government's delay, though perhaps justified by the fact that up to the date of your letter no official intimation had been received from any of the Governments concerned that the appointment of an American Adviser would be objectionable, is not well taken. Our Government is well aware that in November, last, the French Minister had informed the Chinese that while the French Government had no objection to an American Adviser, if one were

2- P. K. McK.

appointed France would also demand an Adviser. Russia and Japan took similar action. It was impossible to expect that China would submit to an International Board, and it was therefore, from the very outset, necessary that our Government treat the whole question of an Adviser in the broadest and most statesmanlike way, subordinating their desire to catch diplomatic feathers by the appointment of an American, to the much more important consideration of assuring Currency Reform by obtaining the international co-operation which was necessary to make that reform effective.

However, this is all ancient history and I hope that before you receive this letter the Loan will be signed.

The developments of the next few years will, I believe, make the Department realize that the course it finally followed was the only practical one.

I am glad that you liked Sfrench so much, and am enclosing herewith copies of letters addressed to him.

I hope that everything is going well with you, and that I shall be conveying my respects to Mrs. Mc Knight and yourself in person before very long.

Very sincerely,

[Signature]
March 26th, 1911.

Dear Old Prather:

Your Saeed of February 2nd reached me yesterday, last night to be correct when I'd beaten it from a party at Mary's being able to no longer stand the boredom of the damned thing. In your 'erabbednest days you were a bleating lamb to my present soreheaded attitude toward the World in general.

Anent the Boy. Methinks that two months, i.e., $70.00 of the stipend again found it's way to his brudder, for I wrote or had written a note to Tienstin, the address you gave to ask how they wanted the dough delivered, and this gent appeared howling for $40.00 per mensem. I told him to go to hell, but gave him two months at thirtyfive per.

Your letter was manna to such starving soul. Lord, but I'd like to bellyache with you, for there are things that I have sitting on my chest that would not look well in the written word. They don't affect the affairs of nations very vitally, at least they do, but the kick I have would not be effective, so the wisest thing is to close the face, and hit another key on the machine.

You're on the right tack I think about the Dagos, for the line you lay down is one that should have been followed years ago. Had it been "Dollar Diplomacy" today might be more effective and less unpopular. There's no Belle about it Henry, so

gather Ye Rosebuds while Ye may, and the bouquet that you collect will stand in good stead when the appointed hour comes.

As you know I like Wilson, who has always been a good friend of mine, but the Department, largely I think, under his guidance has been guilty of so many egregious errors in its attempts at handling this situation that I can but feel that it would be well for all concerned if he were to get out provided toujours that you want in. Sherrill, Mei-yu. I'm sorry about H.W., but his mistakes have been due to that lack of taste and knowledge of men which his best friends have to admit, he never possessed.

After much wire-burning we've forced the Department to take water on every single line it had laid down. We've hit several stone walls, when following their precious instructions and after each bump they have taken the dope, which had they but swallowed it before would have saved them their sore heads. One step after another, they consented to the Neutral adviser, to his nomination by the Banks, not by the four Governments, and as a result our loan, D. V. should be signed within the week. I ought to have been last, but Sheng who is the damndest scoundrel, and trimmer I've met yet, in this land where they grow like weeds in every Hamlet, has been sticking out for 95 instead of 94, and we've refused to come down. With Hillier, Cordes and Casemave, I've been pulling up in great style. The two former are a bit sore for the whole show has been pulled up to this point within a month.
from their entry into the negotiations, and most of the time I had the whole thing in my hands, doing all the business with the Chinese alone, and consulting them afterwards. Our first joint conference took place on Thursday last, and within three hours Sheng had sent word that everything would be o.k. except the price, on which I presume we will compromise making it 94½. The Hookworm also seems in a fair way to settlement at last, by our granting the Provincial R.R. Co. three years in which to build the Chingmen-hou-Hanyang "branch" line, it being understood that if it be not completed within that period construction rights revert to us. Amount of the loan, etc. etc. to remain unchanged. This bright thought emanated from your Uncle and though accepted by the others, with cheers by Casenave, relief by Miller, and grudging assent by Corde, did not endear me to the latter gent who had advocated a table thumping policy which would have got us no railway loan but a divil of a lot of unpopularity. All four Governments accepted the scheme and we are now working on it. Though perhaps unduly optimistic I am hoping to get away in two or three weeks time.

Our Currency Loan contract gives us six months within which to study the Reform scheme already drawn up by Sheng. Within this time the advice will be here, and we will have advanced $1,000,000 for Manchurian industry. This hold, and the fear that if we turn down their scheme because they will not accept such modifications as we may desire to make their credit will be ruined should force the Chinese to take the dope weekly. I am therefore figuring on beating it for home, being present at the conference this summer, and coming back for the wind up to make them take the medicine in the form of amendments to their Currency Programme. That would mean that I should be able to get away again, this time I hope for good and all, or for all but spots, by the end of October. Then unless by that time you are in the Department I think I shall try to go back to the Far Eastern Division. If you are there, Wall Street, Peking now I think can be put in the hands of a Banker.

A letter from B. N. the other day who said that you were regarded by those in high places as "the best man in the service." I don't know, between you and me that that is such a compliment after all. But it's something, and shows that at least you are appreciated at your true worth.

The old man is going along at a gait such as we anticipated. Some day when in vino veritas, there will be a story of that. He's a fine old lad. Joe is a great comfort. He should be made an active Brawler, and George be made Brawler Emeritus. I've had a couple of letters from him. He seems to be chasing Butterflies as usual. He can be the Poet Laureate or the Historian or the Dramatic Critic or what you will, but as a working force I fear that he petered when he went rainbowing out of Wall Street.

Casenave is cheerful and always asks for you. He's
all to the good. Cartier is also a nice fellow. I see practically no one as old French has been gone since December 19th, looking for the Gold cure for the Chin-Ai. He should be in Petersburg now, but with Russia in her present frame of mind about the Chinese I doubt if he pulls anything off.

The Japs signed up a Yen 10,000,000 loan 5% 96 day before yesterday with Sheng. It may be that he thus tried to buy them off, for they've been talking of demanding participation in both the Currency and the Hukouang loans. In any case it's rotten policy, for it gives them a hold in the Yu Shang Fu that will make it difficult for honest vultures like ourselves to do any business. As for the Chinese, I have lost all sympathy. I do not want to be too harsh, for the Lord knows we made a bad enough showing ourselves in the first few years of our independence but at least we had a few patriots. If in addition to Chao and Tang there be such in China, they have kept their lights well under the bushel. I eliminate old birds like Chao Erh Sun who have good hearts but damned bad execution.

Your views on matrimony Frather are Balls. That you are a disagreeable cantankerous one I'll admit, but if you'd forget it for a minute and try to let yourself go, and do something for the Lady, whoever she might be, you'd find it worth while, and you'd be surprised at what a really delight-ful person you would be. In other words forget yourself Henry in the thought of being and doing for another. S'hole. But it's true. You're getting muscle bound, and this self-deprecation of yours, which is nonsense will increase unless you get out of yourself, and have not only an interest but another person for whom you're working. For be it from me to say to you, Rope and Brand. But there are ladies who would be the making of you, and who would understand your ways. You're past the stage when you want a pink and white, for you a woman who understands the world and who would give you intellectual companionship and stimulus and hold you up to that very passable article which is your real self. Again S'hole, and again the truth.

When next you write address me in New York for there I'll be if I can get away.

Polo started Saturday. Many stood up and many fell.

Good luck to you, Soldier.

'tever,

S.
March 27th, 1911.

Dear Falkner:-

Shortly after I received your letter of March 4th I heard that you had received the appointment as police inspector which you desired, and therefore did nothing further about it here. If this report is not justified and you are still looking for the job please let me know and I will take the matter up and see what I can do.

Hoping you have escaped the ravages of the plague,

believe me,

Yours truly,

S/G

March 27th, 1911.

The Fukushima Company,
24 Aomono-Cho,
Nihon Bashi-Ku,
Tokyo.

Dear Sirs:-

Will you kindly send to me three copies of the volume issued by you entitled "A Guide to Investors" in Japanese bonds and shares, together with an account for the same.

Yours truly,
March 29th, 1911.

Dear Blando:—

The letter from the Clock House, enclosing your cheque for $25 reached me before that emanating from the Castles in Spain. Thanks for the check. As you know while I am glad enough to have it, I have not felt that there was any particular compensation coming to me for my share in the production. Don't let this matter, therefore, sit too heavily on your chest.

ffrench has been strangely silent. He wrote Gatrell some days ago and said he was doing a Memo on the new Group, but it has not been forthcoming. The whole Russo-Chinese situation seems to promise but little for the moribund Chin-Ai. For ffrench's sake I hope that something may come of it, likewise because I hate to see a thing thus started fall through for such iniquitous causes. But as for the Beaux yeux of the Chinos, my work is done. I have always advocated altruism as you know, and that coupled with a desire to help the helpless, a species of noblesse oblige, has spurred me on despite the many ideals that have been shattered one by one, as I have dealt more intimately with the Mandarin. There may be some of the old feeling left. I am not ready to take it's p.p.e.
until I have had some time quietly to think these last months over. At present writing however I am disgusted if ever one has been with the corruption, stupidity, obstinacy, pusillanimity or whatever it is, trickery, and general impossibility of the whole boiler. If they would play their own game one could go on. But when the Wai Wu Pu for a month haggles, and vacillates and quibbles over the Russian notes, when Sheng, that arch thief, takes his loans from Odagiri, as a sop perhaps to smooth the way for our transactions, but inexusable even at that, I feel inclined to lay down my arms. Although we seem to be nearing a settlement, the pleasure of the thing is largely lost, for instead of being able to regard the Currency Loan as a great potentiality in effecting the regeneration of this country, one has to regard it as a loan transaction, which may benefit trade it is true but which will be of little avail in saving the Empire from the Pirates who will secure their ends by force if indeed they will not be spared the trouble by being able to get all they want through the knavery and treachery of Chinese officials.

It's snowing and raining and generally depressing, but it generally takes more than the weather to put me down, and for a week now, since Sheng closed with Odagiri I've been asking myself, with no answer, - What's the use anyway?

Once these matters are closed, if they ever are, I shall clear for home, and at present writing hope to leave by the end of April. That will bring me to London in early May, but I shall not tarry beyond the days which I must wait for the first express steamer. It may be that I shall have to return in the summer time for conferences and things, but that future is too dim to make speculation aught but empty and unprofitable.

My salaams to your Lady Blanzo, and repeated thanks for the check. Good luck to you, and write me not here but care of Morgan Grenfell & Co. who will forward the same in case I have not started for home.

Thine,
Willard Straight.
March 29th, 1911.

Dear Whigham:

Many thanks for your letter of the 14th February, with the check book. Enclosed a check for £26 which should I think more than cover my outstanding balance with you. There is no use in drawing on New York for a larger amount as I shall, D.V. be out of this place within two or three weeks more.

You must have had an interesting time at the Brussels Conference and we have all been greatly gratified and relieved that you accepted so fully our recommendations.

The only real trouble now is that regarding the one per cent rebate and the telegram in today looks as if you at home would be willing to compromise at ½ which I fear from present indications will be the best we can do for you, as the Chinese seem to be getting the bit between their teeth and becoming wholly intractable.

With kindest regards and many thanks to you for the trouble you have taken on my behalf, believe me,

Sincerely yours,

WILLARD STRAIGHT.

Charles F. Whigham, Esquire,
22 Old Broad Street,
London.
The "overture" letter was very welcome - oh - Dorothy child - but I wanted so much more. Maybe it will come tomorrow. You and Ethel ought to be ashamed of yourselves for staying up to such hours - it's disgraceful!!

What way is that to keep the swear-off? Your telegram came this morning and I'm glad you approved and sent the letter to Davisen. Did you write a note with it?

Since Friday little has happened, and yesterday afternoon and today I have been laying off - absolutely done to a frazzle. After two weeks continuous banging, on Friday I sent for Chu Tse Chi of the F.O. and told him that Sheng was sticking out for the 1½ and had asked us to telegraph about it. He asked whether we'd do so - and I said we couldn't well refuse, but that it would do no good. He was angry with Sheng for holding things up and cursed him properly - telling me to write him a note stating that it would do no good to wire. This I did. Then we learned that Sheng had that afternoon signed with the Japanese a loan for Yen 10,000,000, 5 of a at 9½ for "general railway purposes" i.e. to make up what some of these precious folk had stolen from the Yu Chuan Fu - (2d of Communications). It's probable that Sheng did it as a sop, for the Japanese were demanding participation in both Hukuang and Currency loans. But even so it's bad policy for China, for the Japs will now run the Board. Sheng doubtless received a large squeeze - for that same afternoon when Getrell went up to see his Secretary about some translation - this precious youth began to kick about his extra work and to wonder where he'd get his compensation? Plain hint for squeeze - I've had no reply to my note to Sheng - which may of course mean that he's waiting till his palms are greased - he'll continue to wait. His action in floating this Japanese loan - and the whole official attitude here - make me feel that it is hopeless to try to do anything toward bolstering up China. If we got our place in the Hukuang and Currency I think that for the future we want to sit very tight - against the inevitable day when

China's finances will be administered like Egypt's - by an international Board - Another dream shattered!

Dorothy dearest - I want you to kiss my forehead - will you?

God Bless you -
The long letter that you said would be written "tomorrow" didn't turn up—oh Wonder of the World—It may come tomorrow night. I hope so. There's been a lull, and it puts me down on my springs—for everything was going splendidly for a time. We haven't heard directly from Sheng, but Gatrell saw his Secretary yesterday, and he said that the old man was working out some sort of a compromise. We think that he will offer to split the difference on the $5 rebate we've been demanding and give us $3—which will not be bad.

New York has consented—or virtually consented—by saying "For your private information Banks might agree to $3 rather than rupture negotiations." Of course give us a free hand, and all we've really got to do now is to wait till the Chinese counterproposals come in—then hem and haw for a while, and when any other point is whipped into shape, yield on the $3 and $5. At least so it looks now. What may happen no one can tell.

The Huakang too is coming along, and we learn today that Sheng is working on a compromise for that also. He's been frightened, I expect, by the request of the Four Ministers for an interview with Prince Ching, where Sheng would be present.

If all goes well both loans should be closed up in two weeks now—that or a little more—and I am hoping to leave by the end of April at latest, which would bring me home toward the end of May—sometime after the 3rd. I'm afraid—oh Dorothy—true—but perhaps we can have the 3rd of June together. I pray that we may.

It's raining and snowing and very gloomy. We played polo Saturday and yesterday but I fear there will be no game tomorrow. I am sorry, for that's really the only pleasure that I find here—and it's necessary, for there are lots of boresome dinners just now.

Casanove had an enormous party last night, where(them) I nearly screamed with excitement—and tonight I go to Max Muller to meet Mrs. George Rappold and some other hard fisted沙龙es of the British aristocracy. They were all at Casanove's last night, but I wasn't introduced.

A telegram just in from Fairchild, who is due here from Japan on the 8th of April. It all goes well I shall go with her to Shwedzhang and Hakiden and thence home.

Somehow I don't feel in a writing mood today, but Dorothy—I want you so—if only we could talk. But children will soon, and then all will be well.

God bless you.

**Original in private hands.**

The Willard Straight Papers at Cornell University
Actual Advantages from Loan to China

Commercial Importance of New Departure Emphasized

Bankers Decide Upon Terms

Meeting Yesterday in Tokyo, Professor Tarou on the Policy of Promoting Friendships

Representatives of the banks underwriting the new loan conducted with China met at the Bank of Japan yesterday and agreed upon the following terms:

Face value: par.
Interest: 5% per cent.
Redemption: 15 years after maturity.

It is understood that these representatives will meet Mr. Kiyama who represents the Osaka bankers in a few days and consult with regard to the date of issue, etc.

In the matter of security it has been ascertained that the issue tax in Shanghai Province (total 1,000,000 silver a year) will be offered.

Common Aims

Prof. Taro of the Law College of the Tokyo Imperial University in an interview spoke as follows: Japan should take most care about her attitude towards China, who has much in common with us in Far Eastern politics. Every endeavor should be made by us to promote the friendship already existing between the two nations. If we are content with the success of the present loan, which is only one third of the country, believing thereby that our intimate relations with the Chinese are cemented, nothing would be more mistaken than such contentment. We have to make further efforts, politically and commercially, to promote the relations between both nations. The arbitration treaty just concluded between Great Britain and the United States shows how these two nations are eager to promote their mutual interests. And there can be no doubt that the new arbitration treaty will prove in the long run of great mutual benefit to both parties concerned.

Mutual Advantages

The Kajimai says that the new loan has been concluded not so much for profit as for the establishment of friendly relations between the two nations. If China should understand that it is more advantageous and more convenient to rely on Japan for the supply of funds, the object of the loan will have been attained. The fact that Japan needs a great amount of capital does not necessarily prevent her from making investments in the neighboring country, since such investment is a kind of national commerce.

The Tokyo Journal of the opinion is that the national economies can only be developed by increasing the goods as well as the industries, and in supporting the argument quoted the United States which is a great debtor as well as a great creditor nation.

China's Growing Debt & Financial Status

Pessimistic Views Expressed by Japanese Authorities

Opinions of Mr. Takakoshi, M.P., Who Believes China Is Unable to Digest Huge Loan

Telegram of an indefinite character comes from Peking regarding the conditions of the new loan, but until an authoritative announcement is made, either by the Legations concerned, or from London, it is impossible to say what stage the negotiations have reached, or whether they will be successively concluded.

A Supplementary View

An activity on China, Mr. Takakushi, M.P., in a leading article in the Nikko News, deals upon the new Chinese loan. At first appear alone, he says, the loan of yen 100,000,000 in addition to the present debt of twice 1,000,000,000 which China has already incurred, seems to be well in comparison with the national debt of Japan, which is yen 5,000,000,000. Mr. Takakoshi, however, says that the loan will prove a source of constant trouble to the state and future. It is said that the Chinese has a population of 400,000,000 but it is more probable that the population is only 370,000,000. Its foreign trade is much less than that of Japan, and its productive power is only about one third of that of this country, which is due probably to the poor administration now in force. If this state of affairs continues, China will in the course of time, find it almost impossible to dispose of the huge amount of the loan. In other words, the Government will have to increase taxes in order to redeem the loan, even at the risk of civil disorders. Since the Tartar War was organised, efforts have been made by the statesmen to prevent local and central finance, and naturally strict supervision has been exercised over the annual income and the expenditure of local governments. Viceroy and Governors are no longer permitted to deprive the people of their property as they have been accustomed to do in the past, and as a natural consequence local business have become depressed. This account for the frequent rising of local disturbances in various districts, and which is the final result if China continues to raise loans both centrally and locally.

Mr. Takakoshi concludes by saying that China has already gone into moral bankruptcy on account of the high price of political stability, and the necessity of great taxes to meet the affair of the national, and therefore there is all the more reason to fear that China will come into a state which will make it impossible for it to secure loans abroad.

The Chinese Loan

The negotiations for the one hundred million yen loan are making steady progress, according to a Peking telegram, and the New York Herald, but it is certain that even a provisional contract remains unsigned. The conclusion of the Yeh-Han and the Chusan-Han railway loans will positively be deferred until after the conclusion of the first loan. The Chinese authorities are of opinion that the feeling between China and the United States is very friendly and that if the loan be accepted by the United States, it will not only have the effect of relieving the financial difficulties but also serve to establish an even more friendly relations between China and the United States, besides putting a check on the reparations policy of other Powers through the influence of that country. Public opinion is, nevertheless, in opposition to the American loan, and, in fact, to all foreign loans. The details of the loan remain uncertain, the Government being anxious to avoid arousing public opposition. Owing to the illness of Cheng Hsiao-hsien the negotiations will be delayed for at least one week.

Chao Hui, a connoisseur, has presented a memorial imposing Cheng Hsiao-hsien. He states that Cheng, who has incurred a heavy loss in collecting the silver coins, is now attempting to contract the American loan for his personal emolument. The loan should be prohibited, as it will ultimately prove a detriment to the welfare of the State.
A VISIT TO THE TUCHENG YUAN.

(Specially Contributed)

The Tucheng Yuan meets in the converted lecture hall of the Law School, west of the Hanshi Chih Men, and in the northwestern limit of the Tartar City. Past the old Elephant Park, now the site of the modern Finance School and beyond a Buddhist temple, now converted into a bureau of modern education for Buddhists, in the cold winter shadow cast by the old gray wall of the city, into a puzzle of Peking cars, plate-glass window coaches, rubber-tired and ordinary bicycles, and outsiders’ positions. You find yourself in the arms of a smart crowd of Chinese policemen at the gate of the Tucheng Yuan, asking for your admission ticket. These policemen are different from the ordinary ones. Their trousers fit. Their knees do not bend with the tiredness that sometimes characterizes the Chinese policeman. Their overcoats are neatly cut. Their hats do not sit on a bump of their heads to revolve around their ears at will, but are well-behaved hats that use their rims to sit tightly and quietly on the head. Their yellow beard is bright and new and there is plenty of it.

They politely demand your card, and then pass the news of your coming along the line that stretches up the winding walk of the courtyard to the rear hall of the school—the home of China’s first Assembly, that seems to have made itself a power in the land within so short a space of time.

The Assembly hall itself is an imposing building, where two years ago a Japanese professor was lecturing on law to a class of five hundred. But the academic atmosphere has departed. On a dias raised above the second-tier platform in an alcove on the north side, is the Throne. Covered with a common-looking clock, as viewed from a distance it seems a little out of keeping with the general dignity and good taste prevails in the simple arrangement of the room.

Below the dias is a row of five desks, the President, Prince Pu Lan, occupying the centre one, two secretaries of the other side the others. During session four or five assistant secretaries and readers rustle along the line, with piles of books, memorials, telegrams, bills and petitions, which they hand to the Prince from time to time. On the platform, just below these desks, is the rostrum occupied by committee men and government delegates when making special reports or giving long speeches. In an arc on either side, facing the main body, are seats for the sixty-two deputies sent by the government boards to answer questions. The two hundred members sit at desks arranged in arcs, princes and nobles in the first two rows, government members in the next two. The provincial delegates sit in the back three, and it is from here that most of the talking and excitement emanates. The first two lines seldom enter the debates, the second sometimes. But the last three are always at it.

The short hand writers who work four at a time, and in three relays, at the table just under the rostrum, are preparing to write a few of the members have taken their seats the bell in the courtyard is ringing, and at about 1:45 the representatives have noiselessly filed in.

A quick word from Prince Pu Lan and they are standing to hear the reading of an Edict from the Throne, acknowledging one of their own memorials. A round secretary is now gathering up and down the columns of telegrams, petitions, and committee reports. His pace is so fast nobody understands much of his reading; but that does not matter much, for printed information on all important subjects lies before each member.

Suddenly before all the documents have been read, a member over in the corner jumps up and opens fire. His words pour forth like a torrent, while violent gesticulations accentuate each sentence. He wants to know why one of the Boads keeps up a policy that injures industry instead of helping it, and the three back rows of members, smiling at his vehemence, applaud approvingly.

The reading of the documents finished, the Assembly plunges into bills and discussion. A deputy from the constitutional bureau is in the rostrum—giving a long and scholarly exposition of the new Criminal Code. He is a returned student from Japan, and also a good Chinese scholar. A certain grace of physical carriage a d movement, suggestive of the modern spirit of athletic development, marks him, and also a warm enthusiasm of tone and gesture when he reaches the climax of his speech, urging a change from the old so-called "'filial' devotion to family, to that of country, as the basis for the new code.

But the picturesqueness of his opponent who follows, fairly takes one’s breath away. A venerable old Hanlin, a man of big frame, back bent in a pronounced curve almost into a branch, his pointed beard thin and white, slowly mounts the rostrum. His coat is the most prominent thing in the room as he stands before the Assembly. It is furry one of long fur, and on his big body gives him the appearance of a yellow Polar bear. Of course he is a conservative and of the oldfashioned type. But he has a sense of humor, for he knows, he says, that never having been abroad nor studied in foreign countries, his opinions are of small value. Nevertheless, he must answer his opponent, for if he does not, the Assembly might say that he was not able to talk. This new Code with such light punishments will never do for China, in his opinion.

Here is another old fellow rising to speak. He draws out his number—every member must announce it before being recognized on the floor. Before he is half way through, a young and rapid speaker has shot out his number and gained the right to speak. The other sits down and waits. Again he rises and again he loses his opportunity. But his persistence wins, and after seven or eight cries he succeeds in attracting attention.

The discussion just now moves along in orderly fashion. It can be truthfully said that the meetings in great part have been eminently well conducted. But they are not monotonous by any means. Almost every session has one or two intense periods with plenty of excitement and sharp bursts, when six or eight men want to speak at once—and do so—until the young President is able to maintain order.

Prince Pu Lan is a happy presiding officer. Not that he looks overjoyed when six men at six points of the compass are firing six different opinions into the air and at each other, but because he generally manages to smooth over both men and things to the satisfaction of the majority. He is very quiet in manner, eminently polite as he leans forward intently to catch a member’s question, and shows considerable declension in answering. Now and again he sharply reprimands a too insistent delegate. He is popular with the members, who consider him fair, anxious to meet their opinions and to advance the best interests of the Assembly.

The speeches of the majority of members, except on special occasions, are not overburdensingly long. If a man is wandering over a field and saying nothing, it happens often that some kindly advising member will rise and tell him to get to the point. Some of the members have shown good natural
cal powers, as Li Fei, for instance, whose name means "Thunderer." And when Yib Yung Kwei speaks, the sharpness of his voice generates the whole room. Speakers show much decision, and their grasp of the essential point is a discussion in remarkable especially on the part of the modernists from the Provinces.

The galleries are interesting. Two compartments, on one side of the wall, are full of Chinese newspaper men, a dozen or more in each, who scribble Chinese characters as fast as their cold hands will allow. The public compartments are usually crowded with well-dressed men of the younger type, many of them officials, many bearing the stamp of returned students and men of modern thought. Some military officers, exceedingly smart looking in new well-fitting uniforms, their heads closely cropped, not, were interesting figures the other day in the special gallery in the rear.

Of the foreigners, the Chinese secretaries of the Legations are usually present, watching developments. As the afternoon wanes and the ten or more stores in the Assembly gradually die down—they have not been fiery furnaces at any time of the day one is reduced to relying upon the heat of debate for warmth, and so one concludes that it is time to leave politics to the representatives of China and to save oneself from catching cold by going home. On leaving, two Mongolian Princes are conspicuous, stepping into their coach. Their dusky, broad-faced, bow-legged, Mongol countenances are in enormous shaggy boots, swung into the saddles and caught off behind their coats. One wonders what the whole party thinks. Does it bore them to forsake their grassy plains in the distant north to cut a figure in the capital of China, or are they proud to have been allowed a share in directing the destinies of the great country to which they owe allegiance.

The Shun Tsin Shih Pao understands that the Imperial Household is preparing a Civil List.

The same source states that H. H. The Prince Regent is gifted with an artistic turn of mind. In his leisure hour he indulges in painting.
JAPANESE RAILWAY LOAN TO CHINA.

Dispatches dated the 24th, appearing in the Tokyo Asahi, Nihon Nichi, and other Tokyo papers, report the conclusions of the contract for a ten million yen loan between H.R. Cheng Hsuan Hau and Mr. Ogata, representative of the Specie Bank. The contract was signed at Peking on the 24th instant.

In this connection the Nihon states that the activity shown by foreign capitalists in the investment of their capital in Chinese enterprises has given an impetus to Japanese capitalists, who are waking up to the fact that not only would it reflect on their honour but it would also prove detrimental to the commercial policy of this country, to remain idle when others are showing such activity in China. The negotiations with the Chinese authorities have been going on since January.

The rate of interest is fixed at 4 per cent, and the loan is to be issued at the rate of 90 yen per 100 yen. The redemption will begin after five years and will be spread over 25 years, and the Chinese Government will receive 3 per cent. The proceeds of the loan will not be used for the construction of a new railway or for the readjustment of the currency system, but will be appropriated for the repayment of the capital of the Peking-Hankow railway, which the Peking Government bought back from the Belgian syndicate. A portion of the proceeds will also be used for redeeming the advance made by the Government.

The profits of the Peking-Hankow railway are to be appropriated for the redemption of the loan. In addition to the above, taxes in certain provinces also form a security for the loan.

The Specie Bank has agreed to undertake the flotation of the loan bonds, so that the loan will be floated through the Specie Bank on the home market as the Peking-Hankow Railway Loan. Inasmuch as an agreement relating to the flotation has already been arranged between the Specie Bank and the Tokyo and Osaka bankers syndicate, there can be no doubt as to its success.

It is stated that before the negotiations for the loan were entered into with the Chinese authorities the capitalists interested asked the Foreign Office for support. Inasmuch as the line of policy of the Foreign Office is that the loan should not lead to political complications, but should give all possible support to the supply of capital which will contribute to the reform of the domestic administration of China as embodied in Count Komura's answer to Mr. Matsumoto in the House during the last session of the Diet, the Foreign Office has cautioned the capitalists against giving any political colour to the loan and on this condition the Foreign Office acted as a medium in the negotiations with the Chinese authorities.

It is also stated in this context that the delegates of the Tokyo and Osaka bankers syndicate will hold a conference on the 1st pronto to consider the issue price and other matters connected with the flotation. The loan bonds will all be taken up by the syndicates at the rate of 95 yen and the issue price will be fixed at a higher figure. It is considered rather difficult to fix the issue price as it is doubtful whether the bonds can be issued at par with success, seeing that though 5 per cent. bonds have risen above par during the past few days, they were long quoted at 99 20 or 99 30 yen in the market. In fixing the issue price, the good security with which the loan is backed will be taken into due consideration.

The Asahi quotes an anonymous authority in the Foreign Office to the effect that the loan negotiations had long being pending between the Specie Bank and the Chinese Authorities. The loan was in no way connected with the Yu-Han railway loan, as the proceeds were to be appropriated for the improvement of the existing railways such as the Peking-Hankow railway. He was not in a position to disclose the conditions of the loan and the nature of the security, but was gratified to note that in the acceptance of the loan Japan had given expression to her good will towards China and also that China had given evidence of her reliance on Japan in the matter of economics.

The Four-Power Chinese loan was not yet signed owing to some difference on the question of security with which the loan is backed. It was stated in regard to Japan's relations with China that Japan's official attitude had been that it would not accept the loan unless it was backed with a security of some value. Suspicion apparently existed in some quarters as to Japan's willingness to invest in China's railway development, but as the negotiations were proceeding satisfactorily, it was gratifying to note their success and the good faith with which Japan had carried on the negotiations.

The Peking-Hankow railway loan was signed with the Chinese authorities on the 24th instant, and it is stated that before the negotiations for the loan were entered into with the Chinese authorities the capitalists interested asked the Foreign Office for support. Inasmuch as the line of policy of the Foreign Office is that the loan should not lead to political complications, but should give all possible support to the supply of capital which will contribute to the reform of the domestic administration of China as embodied in Count Komura's answer to Mr. Matsumoto in the House during the last session of the Diet, the Foreign Office has cautioned the capitalists against giving any political colour to the loan and on this condition the Foreign Office acted as a medium in the negotiations with the Chinese authorities.
March 31st, 1911.

Dear Frank:

Many thanks for your letter of March 3rd. You must not think that I have been unaware of your difficulty in dealing with the Department, nor that I have not appreciated the quite justified reluctance of the Department to fall in at once with all our proposals. I have understood and realized all these things but I have been impatient for the facts seemed so very clear, and I have all along felt that the Secretary and his minions failed to look these facts squarely in the face. That I think is pretty inexusable no matter how disagreeable the facts may be, the more disagreeable, really, the less exusable, for they are just so much more likely to assert themselves. The essence of good diplomacy is to anticipate facts, and never to let the disagreeable ones place you in a position of being forced to yield, but to stand firm in due time, and to get as much kudos as possible out of concessions which careful analysis of a situation makes it certain you will be obliged, in any case, to make. In other words never let your bluff be called, and be prepared, in order to avoid such an unpleasant contretemps, always to make a virtue of necessity. If you have ever played poker you will know

the fatal consequences of attempting to bluff on a busted straight (in this business you have tried to bluff with one) or to run up a jack pot on a four card flash, especially if, as has been the case in these negotiations, the other folk sitting in the game were wise to your play.

It has been a great relief to have a free hand and I am very grateful to the Group for having authorized us to go ahead. We have now, as you know, brought things down and will I think offer to compromise on $300,000. If possible we will get two months antedating, for we all feel that you at home have treated us with the greatest consideration and we want to do our damnedest to get the best for you that we can.

Very luckily an old friend of mine Chao Erh Sun, present Viceroy of Koochuan, has come to Peking and will probably be transferred to Manchuria. He is much interested therefore in the Manchurian end of the Currency loan, and yesterday and today has talked of borrowing much more for Manchuria. I've pulled a long face and told him that unless the Currency loan went through at once I doubted whether any of the Banks would be willing even to discuss any further loans for Manchuria. I explained fully that unless we get our one per cent rebate there was nothing in the business for us and that it looked as if, in case Sheng stuck out on this point, the whole thing would bust. He went this morning to see Sheng after he
left me, and I imagine will give him a little heart to heart.

You should win your bet from old Jameson for it looks now as if the contract would be signed next week. Then comes the Hukuang which we hope to settle also on the lines wired home. Hillier proposes that when we have the Chinese Currency scheme in hand that he and I should go to Shanghai and consult the Banks there as to the whole project. The French and Germans as well as the British will in considering Sheng’s Programme rely a good deal on Shanghai’s opinion. They are a particularly cocky people down there and we all feel that if Hillier and I flattered them a bit by consulting them they would be much easier to handle. We propose to leave Shanghai for Dalny and then go home together across Siberia, working on the scheme on the train. It’s rather amusing, the thought of my taking my late antagonist by the hand and helping him home. The poor fellow is blind you know, and is really a wonderful man, though I’ll take back none of the hard things I’ve said about him. The whole difference comes from being at last really in the same boat.

If all goes well I’ll hope to be in New York somewhere around the end of May. I shall find it terribly hard of course to leave Peking especially after this jolly winter! Past!

Give my regards please to Mrs. McKnight.

Yours,

Willard Straight.
Your letter of March 5th- from Oyster Bay- with that of the 7th from New York - came last night, Wonder of the World - I'd been waiting for it so long, that having read it I want another at once. You don't know, child of mine- what your letters mean. I'm glad you had such a fine talk with C. Since he has told you everything, one of these days we may go over the rest, for I've always been a bit handicapped before. Perhaps it really makes but little difference, but it's better to be clear always- don't you think so?

Ethel and Alice must be great comforts to you. Alice I've been devoted to for a long time, and the Little Princess won my heart long ago in Ceylon- but I've never felt that I knew her very well, until you brought us together, Dorothy dear.

Yesterday morning I thought that we should go into our final conference - Since I wrote last the clouds broke and Sheng made an appointment for Saturday morning. We had a short meeting before going up to see him - and debated amongst ourselves as to whether or not we should initial the Final Agreement - or even sign. We were all confident - and to me it meant everything- for it would have made it possible to go to you - then as we drove up to Sheng's I saw the Manager of the Yokohama Specie Bank ahead - we turned off, and went by another road. Five minutes after we reached Sheng's the Band of Loo was there- and Sheng saw him before he came in to us - When we had our last conference on the 22nd, Odoriz was in another room with Sheng settling the final details of his loan which was signed on the following day. The coincidence of Yamasaki's appearance yesterday made me very dubious about the result of our conference.

Sure enough- when once the pretty prettiness had been made - Sheng read a letter from Duke 2nd Eee - which in addition to refusing the ½ rebate which we had demanded brought up an entirely new point - and one which we had thought - after long discussion had been settled. Our contract provides that we are to have six months in which to examine the Chinese programme for Currency Reform- and that if satisfactory, we'd issue the bonds-

if not the Chinese would repay all advances and our contract would become null and void - Our scheme was of course to get the Chinese so far commited that they would have to accept such modifications in their Reform Scheme as we thought, after examination, to be essential to its successful inauguration and operation. The scheme - to me a layman - seems not bad, but needs some important alterations. They twigg'd ours- that's all. They have no intention of doing more than making a pretence of currency reform, and have thought the clock a good one under which to make a loan. They knew their scheme to be weak and are afraid that if they sign the agreement now we will hold them to effective Currency Reform. So they appeal to our principles - say that they cannot sign a final agreement containning a "conditional clause"- and hope that we in order to make our profit on the loan, will pay little attention to securing Currency Reform- but will give up our period for the examination of the programme - make a cursory examination thereof and agree to issue the loan at once. Of course as a banking proposition their attitude is good enough- buyers of bonds don't care whether the Chinese Currency system is reformed or not -- and we could undoubtedly do as they wish and make a profit. Hillier and Cordes I think are inclined to do this - Casman and I are not. We both feel - as does Mr. Calhoun- and the Department and the Group, that we cannot regard this loan as a mere loan- but must look upon the Preliminary Agreement as an instrument which gives us a hold that should enable us to force China even against the selfish, narrow-minded, bigotry of these officials, to adopt a scheme which will really make currency reform effective, we would rather have the whole thing hush than multiply ourselves by accepting any sort of a compromise. So here we are- and I should not be surprised if it would bust. In my heart of hearts however- I cannot but feel that we shall win even yet - for the thing is too big - and we have overcome too many seemingly insuperable difficulties to have it all go by the board now. But it almost breaks my heart to think that when it seemed that my leaving was only a matter of weeks.
April 2nd, 1911.

things should have taken this new turn, which makes it probable—though not of course sure—that it will be another weary drag of two or three months before we gain our point.

I want so to go to you—dear—I feel that I need you so greatly, to talk with you, to be near you once more—my Dorothy—you're quite right in saying that success does not necessarily mean the gaining of one's ends. Of course I want to win here—for you—for the Group, for American prestige—and for myself—but I should rather fail than sacrifice any of the possibilities of this scheme which we have seen and which mean so much for the future of China. Yet I know that failure will mean an American defeat—it will mean that we have built on sand—a belief that has been growing on me constantly—ever since I realized that the Department's attitude was political—the Group's largely financial—bluff. It is so dreadfully humiliating—personally of course—but that counts for little, when one thinks of it as a national disgrace.

Tell me more about the girl you took from the Children's Court—What are you doing with her in the country—and about the Tenement—All these things I want to know—Oh wonder of the world—for they make up the life you're leading at home, just as these things that I write you, make up mine—and I want to share.

Tenney had just come in from a talk with Sheng—and things are looking up again. Perhaps we can get it through after all—before another week or two.

I want you—oh Dorothy child—
God Bless you—

MONDAY AFTERNOON.

Just off to another meeting. Bankers agreed to all suggested amendments this morning. Saw Chow To Chi and filled him up—and Tenney should see Sheng again tonight. She ought to go through now or bust.
April 4th, 1911.

Dear Willard:

There is one letter to Mr. Davison which, while I cannot answer it, I thought that I might reassure you upon. That is the one enclosing a copy of a communication from Mr. Max Warburg. Personally I know of no plans for any closer German-American co-operation or for any "strengthening of the Chinese staff" of the American Group, and I have not heard these matters mentioned at all. I am simply writing you this thinking that you may have worried a little over the matter.

I might also say that the project for an Anglo-American construction company, to which you refer in some of your letters, was not mentioned to the Group by Lord Holford; he told me that he considered the time inopportune to bring that up. You may have thought it odd that the Group did not refer to this plan in some of the letters to you but the reason is that it was never discussed.

Very truly yours,
Another rise in the fever chart.—Wonder of the World.—The bankers agreed
to make certain changes in the agreement and today Tenney took them up to Sheng
who virtually agreed and asked Tenney and myself to go up on Thursday the 7th
and check over (on) the final copies. This looks pretty near a settlement, doesn’t
it— but we can never tellin this land of upsets—and so we won’t do any cheering
yet—in fact nary a cheer until we know that the thing is signed. I’ve a sort of
an idea though that it may be signed on Saturday—Why? Because 4/8/11---23
again—which is a good reason. Don’t you think so?

More news about the Hookworm though—Max, the German Minister insisted on a
rather drastic course—against the wishes of Jordan, Calhoun and Margerie. Calhoun
yielded—he was for doing one thing or another—either making a row or going
about it tastefully. He preferred the latter course. Jordan and Margerie wanted
the middle way which was nonsense. Now Max has been transferred to Tokyo—a man
named Leuch—whom you may remember, is charge—and they have switched around
entirely—in the meantime having arranged an interview with Prince Ching. If they
do as they now propose the whole performance will be perfectly ridiculous.

Casenave put it this way’s course was imprudent— the present proposition is insane!*

These diplomats have about as much nerve and sense as flies. Max is a damned
old ass—but he was a strong man and brooked no argument, so they all yielded—now
he is gone—and have thundered and stormed they are preparing to give (go) up
tomorrow and do nothing at all. Such is life! The old man I must see in the early
morning and set him straight. The whole performance is peculiar—for last time
the Ministers asked the bankers to be present at their meeting—-a course of
action—-regarding our business of course—was agreed upon. Now they make a com-
plete volte face without even informing us. They’re a fine lot.

Perhaps though I’d better not write all I have on my mind—for I fear that
I am neither charitable nor even perhaps always fair these days—I am so wild to

get these things through and get away to you.

I enclose a letter that came from N. the other day. She seems very
very happy as you say— and I love the way in which she is absolutely wrap-
upped up in P. It is right and as it should be. It makes me very happy to
think that she has so truly found the Greatest Thing in the World. It’s
fine.

Goodnight—my Dorothy child— God bless you—


What did I tell you, oh! Wonder of the World—23 did it and your letter
too of the 13th of March— It looked pretty black till late in the after-
noon— I had had a long session with Sheng on Thursday— two— to nine-ten
P.M.—after which there were still four points unsettled—I found a way
around—but Hillier and Cordes kicked—Casenave—however was steadfast.

So yesterday I told Mr. Calhoun to have Tenney write to Sheng saying that
we’d call this afternoon last night after dinner Casenave told the old
man that—we should have a hard time with Hillier and Cordes—so he had
cold feet and told Tenney not to write till he heard how our conference of
this morning came out. I knew we’d get something anyway—so when after
two hours fight when Hillier had to yield, because Cordes— and even his

*.

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one point of $50,000 compensation - to the Banks which Sheng said the Duke would have to agree to - but which he said he would recommend - which means we’ll get it. This is not in the agreement, any how, and the agreement thank the Lord is now O.K’d throughout. We are to have one conference - which Sheng says will be formal only - with the Duke - and then sign!! and then - My Dorothy - You ----

Yesterday too we thrashed out the Hukuang - Sheng had told the Ministers on Wednesday - that we would have to give up the Branch Line - and every other point he’d demanded! Consequently the Ministers were much discouraged - When we met him however he yielded on practically every point - that we wanted - on condition we gave up the branch line - so you see, child, my compromise was right after all. I was delighted - Tonight he said we must sign the Hukuang at once. It looks as if both would be finished before the end of the week!! Just think of it!

But to me - child - it means but one thing - You - it means that I can go for you - You - little girl - who - tell me I may tell Mr. Calhoun if I still feel the same way! Aren’t you a little ashamed of yourself for writing such a thing to me! If not you ought to be, for I am ashamed for you. I’m so glad that you don’t mind my putting the pictures on my desk, for they’ve been such a tremendous help. I look up from my work, and see you smiling, and then I go back at it again with a hundred times the vim - for I must see you - yourself - and hear the - Oh, little Dorothy mine - and hear you laugh and hold you very close and tell you that marriage is indeed a great wonder - but that you must not fear it, little one - but have Faith in it, in love, in me - for always. How can you fear it - Dorothy dear? Yet I know that you must and I am glad that you do - for it is wonderful and sacred and one cannot but stand in awe of the greatest thing in the world. I do - dear, too - and I pray that I may be worthy of it and of you - and I too am a little afraid sometimes - for I want you so - and want so to make you happy - and give you all - Dorothy, for always. But the fear does not make me wish to hold back. It makes me realize how great it is - that which I have asked you - how Holy, Child -- but I love you - I want you - and now, before many days I hope and pray I may go for you and that we may be married and joined (1) for all time.

God Bless you -

Monday Morning - April 10th. 1.10. A.M.

Tonight - Dorothy dear - I read Mr. Calhoun the end of your letter - and told him what the pictures meant as you said I might. It was sweet of you to let me. He was touched deeply by what you had said, for the tears shone in his eyes - and he thrust out his hand - but I couldn’t take it, for I had to tell him that I was not engaged - that I hoped and prayed that I might be - and that it was because of you, that it meant such a tremendous deal to me to get these things through so that I might go back to you - child. He wished me the greatest joy in the world, and said he wished we were engaged, for he’d like to write you a letter. I’m going to tell him he can do that anyway - another recommendation like old Horse’s - maybe. He is a dear person. You’re right, I have wanted many times to tell him - and he has surely guessed, but I’ve never said a word. The other night I did tell Gatrell that there was no use denying that the loans - in many ways made little difference though of course I wanted them settled as soon as possible, but that my real hurry to close them and get away was entirely personal, as he may have imagined. That was all - Oh, Wonder Child, I want you so.

Today I’ve been hard at it since nine in the morning. We’ve revised the whole Hukuang Agreement - after arguing from 10.30 to 1 - 2.30 to 7.30.
April 10th, 1911.

They accepted the Currency Settlement I reached last night. Tonight Cordes and I checked proofs of the Currency Loan Agreement and also checked up the new Hukuang one-- in order to put it in a printer's hands the first thing in the morning. We thought that Sheng was in tremendous hurry about the Hukuang, but apparently not-- even after his talk of last night-- for we offered to meet him tomorrow-- and he wrote back that he couldn't see us until Thursday. We've no word yet about the final conference for the Currency Loan, and I am much afraid that there's going to be another delay-- when last night I had hoped we could close at once. It's getting pretty tough on the nerves-- Dorothy mine-- but I can stand the strain a little longer, if only it means that I can be with you in June. Now the sun or rain--nothing makes any difference-- it seems as if my whole being were concentrated in that straining effort to get away. It's all you-- dear-- Do you know how much I love you!

God bless you.

Monday afternoon. Such a sweet letter from the little Princess this morning. I'll send it to you however-- with my answer -- and one from Mrs. Lawrence yesterday-- also very dear. I'm writing her through you too but you must send it on quicker next time.
Tokyo, April 11th, 1911.

Willard D. Straight Esq.,

Peking, China.

Dear Sir,

After few months journey to the Interior Provinces, I was backed to Tokyo, and have received your letter dated Jan.3rd. I was much surprised to understood that the friendship between United State and Japan had been fallen into utmost coolness, but fortunately new Treaty having being signed recently, so it looks just as gloomy clouds cleared away.

I am now aosing with Authorities of Foreign Department, and President of Oriental Development Co., capitalist of the Kiang-se Railway.

I have took already an interview with Mr. Ijuin (Japanese Minister to Peking) to whom I was much interested with Chinese Problem, he advised me hereafter it will be much convience to take same steps with America in China. I am expecting to see you after few weeks in Peking. Please give my compliment to Mr. Ginnell.

Yours faithfully,

Bush F. Sugiyama
of October, it will be in time, although it is always an advantage to have them somewhat earlier than needed.

I hope to see you in this country before long and hear from you about your work and the situation in China. I am so glad that you agree with me in the importance of awakening the interest of this country to the real conditions in China.

Yours very sincerely,

Ellery C. Stowell

Willard D. Straight, Esq.,
Messrs. J. P. Morgan and Company,
23 Wall Street,
New York City.

Telegram received April 14th, 1921.

Straight Peking:

116 Grenfell has called our attention to issue phrase in Draft March 16th STOP We understand meaning clause 3, Article VIII, to be as if it read QUOTE Subscriptions invited by Banks in China, United States and Europe will be on equal conditions END QUOTE Clause should permit us issue United States but should not obligate us do so STOP If meaning not understood as above ought to be changed accordingly.

J. P. Morgan & Company.
THE AMERICAN GROUP

Peking, China.
April 16, 1911.

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

Gentlemen:

I have the honour to enclose herewith

1. Copy of the Currency Loan Agreement,
   (a) The Programme of Currency Reform,
   (b) Statement of Currency Reform Expenditures,
   (c) Statement of Manchurian Expenditures.

2. Letter from Board of Finance agreeing to pay the Groups Computation of £75,000.

3. Letter from the Board of Finance agreeing that interest on Loan Funds held in China shall be at the rate of 2½ Per Annum.

4. Letter from the Peking Representative of the Groups regarding Supplementary Manchurian Advances.

The Loan Agreement was signed at the Bureau of Currency Reform in the Board of Finance on the afternoon of Saturday, April 15th. The history of the negotiations subsequent to my letter No. 168 of March 19th will be transmitted to you under a separate cover.

You will, I trust, appreciate the fact that the letter written by the Peking Representatives of the Groups regarding Supplementary Manchurian Advances does not commit you, but binds us to recommend to you that such advances be made in case the Manchurian advance of £1,000,000 provided for in the Loan Agreement should be insufficient to meet the Chinese Government's immediate Manchurian requirements.

In my telegram No. 185 of yesterday's date I requested you, on behalf of my colleagues and myself, to express to the State Department our appreciation of the splendid service rendered by Mr. Calhoun and Dr. Tenny of the American Legation in so largely assisting in bringing these negotiations to a successful conclusion.

Mr. Calhoun has won the regard and respect of his colleagues, of the Chinese, and of the Bankers for the broad view he has taken throughout these negotiations, and for his high minded determination that this loan should be concluded only on a basis which would redound to the credit of his own country and subserve the true interests of China.

Dr. Tenny has been able, owing to the high esteem in which he is held by the Chinese and their implicit confidence in him, to render invaluable assistance in meeting difficulties created by their not unnatural suspicions regarding the intentions and political aspirations of the various interests involved.

During the course of these negotiations the somewhat strained relations which formerly existed between Messrs. J. P. Morgan & Company.

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Cordes and Hillier, and myself, have been replaced, I trust, by a sound basis of mutual confidence and esteem. For this result, which is as desirable for the Group as it is pleasant for me, M. Casenave has been largely responsible and I trust that the Group will appreciate that without his staunch and loyal friendship and co-operation it would have been impossible to overcome the obstacles created by the suspicion which has been entertained principally by the French, it is true, but to a lesser extent by the British and German Governments, and by the British and German Bankers and M. Casenave's own principals, regarding the intentions of the American Government and American Group in entering this field.

As stated in my telegram No. 156 Dr. Gatrell has been an invaluable assistant and in entering upon the broader sphere of activity which should follow the signature of this Loan Agreement I strongly recommend that the Group make arrangements to retain him permanently in its service irrespective of any commitments which he may have to Messrs. Pauling & Company.

I have already had occasion to call your attention to the services rendered this office by Mr. Geare. The press of work during the recent negotiations has made it impossible for him to call any time of his own and had he been less sturdy in physique he would have been unable to bear the strain he has been called upon to undergo. I trust that the Group will see its way substantially to recognize his services.

The significance of the Loan Agreement signed on 4 J. P. M. & Co. Letter No. 175

Saturday last will be better realized five years hence than it is today. It is the first tangible result of the new policy inaugurated by Secretary Knox and Mr. Wilson some two years ago and will, I feel sure, justify to the Group the wisdom of its venture in China. By virtue of this Loan Agreement supplementing, as it has, the Agreement concluded in London of the 10th of November, last, the American Group is now placed upon a footing of equality with the French, German and British interests, which have been entrenched here for the last 30 years. The position of the American Group as the first signatory of this Agreement for the Currency Loan imposes a heavy responsibility, for while the name of the United States in China has always been synonymous with fair dealing and honesty of purpose, the reputation of American financiers, owing to the corruption and fraud of which the American-China Development Company was guilty, has been bad. The American Group is now, therefore, in a position to remove this stigma. More than that, owing to its primary place in the Currency Loan, The American Group should be able to secure and retain the leadership of the interests associated under the London Agreement and with this leadership in your hands the American Government should be able to make good its repeated declarations and to render to the Chinese Government practical and much needed assistance in furthering administrative reform and in preserving China from the encroachments...
J. P. M. & Co.
Letter No. 175

of those powers who menace the integrity of this Empire.

Yours truly,

Copies of this letter and its enclosures have been sent to

E. C. Grenfell, Esquire,
H. Harjes, Esquire,
Max Warburg, Esquire.

G.
Dear Dorothy child— I'm so dead tired that I can't write tonight— though it's only half past eleven. This is just to give the latest news. Tenney saw Sheng at noon. Everything apparently is all right. Then a telegram came from the Group— making a suggested change in the agreement so ridiculous that we merely laughed and ignored it. The second point however was more serious. They refused to let Sheng use loan funds for indemnity payments in gold abroad in case as he promised— the silver(? equivalent thereof were deposited with the Banks in Shanghai for our Reform. This proposition was impossible— Sheng had accepted our text on Saturday night. The Groups had had since Tuesday the 4th to wire and hadn't done so— and to even suggest any change now might upset the whole show— so we wired back telling them practically to go to the devil— that we'd sign on whatever basis we could close. That was one slap in the face. Yesterday we gave them another— for we merely wired that we were about— if possible— to sign the Hukung on terms which we telegraphed and which in many ways are quite different from the original conditions.

Guess they'll think us rather fresh— So we may be, but we are four and we're on the spot and we can't let any foolishness at home make us lose our chance now. I'll bet that most of the trouble came from New York— hence I was all the more ready to ignore their instructions. The last few months have given me but little confidence in either the Group's or the Department's ability to grasp a situation out here and to judge rightly how to meet it.

At five Tenney—who is doing splendid work— saw the Duke, and an interview which ought to be final is fixed for tomorrow and we hope to sign on Thursday. If only we can— then your dear cable will be justified. To date it's not, and even now I am thinking now awful it will be to have the Siberian and the ocean trips before I can see you— little child. I can hardly wait.

God Bless you.

Original in private hands.

The Willard Straight Papers at Cornell University
What a Day-oh, Wonder Child! Bang-Biff-Smash- Bankers meeting at nine-fifteen

Then comparison of texts as per enclosed from 10 to 6.40, then a knock down and drag out fight with Hillier, the British Minister and old Calhoun. But I think we've got away with it. Yes, who is a very clever fellow and a nice chap — the author of a dictionary. — would not stand for Penney's translation of that darned Art. VIII, Section 2, which gives us the six months in which to consider the Chinese Programme of Currency Reform and makes our bond issue contingent upon our acceptance of said Programme.

He wanted "consideration of all the points involved" changed to "to make all necessary arrangements". I knew that Hillier would go up in the air — but since we'd got the Duke to consent to the 50,000 and knew that he was particular about this particular clause — since Ha Tung was obviously trying to wreck the negotiations — since Seng was very suspicious — I yielded. It was either to do that or to break off — for I would not urge a translation false in any way, and was bound that the English and Chinese texts should correspond as far as possible. On this basis we initialled and the altered wording in the light of the true construction of the clause made no difference. Then I went back to my chère colleagues — Casenave agreed with me — Gorde didn't at first, but came around — and Hillier was terrified. Finally we persuaded him to go and see Jordan. Casenave and I went to Calhoun. He at first shied and then admitted the force of my arguments. He went off to dinner with Cartier arranging to see Jordan later. Casenave went to Margerie and I, to Jordan. I had a scrap with Jordan and brought him around a little. He wondered why I hadn't urged the acceptance of an English text which was not an accurate translation of the Chinese! That I could not have done, but I had consented to reconcile the English with the Chinese because I knew that we could so construct the English text as to cover our point — and that the Chinese so understood it — while to pass a slipshod translation would lay us open to all manner of charges. Then Gorde, Casenave and I had a little con-
so did Cordes. It was worth the thing anyway just to see how the different men showed up. Tennery came back at about six, after having persuaded Sheng to make the changes that we had thought desirable, but which most of us felt to be unnecessary. So now it's all right, and we sign B.V. tomorrow a four. Hooray!

The Fairchilds came today, right into the midst of it all. When we sign I may be able to get down to earth but I fear that now I'm in no normal frame of mind, I can't tell you what the strain of the last twenty-four hours has been.

I'm dead tired and can't write any more - Dorothy dearest - in two weeks I should be starting to you - oh, how I want you.

God Bless you.

---

17/3/3---23 111

The telegram went - oh Dorothy Child - and before this letter reaches you I should be started on my way. That's all that matters really. The loan was signed today without any further quibbling, and it's been quite funny to see the effect of the success on the others. Casenave, jubilant - Cordes much pleased - and poor old Hillier rather sour about it all. It almost in fact makes me feel that both he and Jordan would have liked to have the thing wrecked because it was engineered not by Englishmen but by Americans. However that is the bitter we all have to take with the sweet.

Tonight I had hoped so for a letter, child - and none came. Only a formal communication from the Group and a lone Herald.

Well, here we are - the Currency Loan is finished and Dollar Diplomacy is justified at last. Knox and Wilson ought to be pleased, though - but what difference does it make - I'm dead beat, and nervous and captious - so I'll quit.

Oh Child - if only you had been here to celebrate, but you were - for it was your Victory, and the courage you gave, and my hope for you, Dorothy dearest - alone carried me through - so that the Victory is yours, and I've you to thank for all.

God Bless you.

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FRIDAY NIGHT.

APRIL 14th. 1911

It's been a hard day. Oh Wonder Child - We started with a meeting this morning - the four Ministers, four bankers and all the Chinese Secretaries. The French Chinese Secretary and the German sustained my view. The German charge did also - so did Casenave and Cordes. Calhoun was fine - he said the Bankers were perfectly protected under the wording I had passed - the only question in his mind being were we fooling anybody. Tennery and Gatrell both said as I did "No." That satisfied the old man. Margeris fell into line and Jordan shifted the whole responsibility to Hillier who was obstinate. The general sense was that we'd sign on what we had but would try to change the English wording - so Tennery went up to see Sheng at about ten thirty. We had a wonderful fight - and Casenave stood by splendidly.

The Willard Straight Papers at Cornell University
SUNDAY NIGHT. APRIL 16TH. 1911

It's been Master--but I'd forgotten it, I'm afraid, though had I been home I could have sent you, dear, some posies. Your telegram came today- and tonight a letter written March 21st. Your cable is all that I want, child, here--but I want you, and that's all that matters. To get the loan through meant--as I've written you so often--you, because till it was done I could not ask to go home. Now I can and it's what I've been living for all these months.

Oh, Wonder of the World-- Eliza may talk to you and Corinne Alsop may whisper, but I've a story to tell you, such as you've not heard before. And to think that really within another two months or maybe less--I will be telling it to you! Will you listen--dear Dorothy? You must--and to hear you must be very close, for I shall whisper--and it will be, oh--such a long story--a life story--Wonder Child--that will never be finished, for it will be new and more wonderful each day as we are together--and there will be pictures too--and it will be a story of travel and dreams--of love and life--but always of sharing--dear.

You were a sweet person to write to Davis, as you did--such a sweet person Dorothy mine--and you know I'll do whatever you want me to. But though I love to have you think that my letter was written for your sake, dear--I must in honesty tell you that it was also because I am a conceited one and felt the State Department to be too awful, and thought that perhaps we could help--You and I, as I know we could. Then too, I knew that you wanted me to go back to the Government, so really there's no use arguing for I guess it was all for you, after all--just as everything else in my life is, child of mine--all of it, every bit. I loved so your telegram "good for us." It's us--but it's more you, for as I wrote you in early February child, your letter written about January 12th gave me fresh heart and made me determined to win, for your sake--so you see dear, it is all you.

What a comfort you must have been to L. B. --to bring her calm and peace again after her terrible struggle. You can do it, Dorothy--Oh, Gift of God, for your soul is beautiful and sweet, and you bless all that you come near.

I want you to bless me--Sweetheart--to stroke my few remaining hairs--to kiss me on the forehead dear--You shouldn't have stayed up so late, but I'm glad you did, for otherwise I should not have had your letter tonight, and I needed it so. I need you so every minute.

God Bless you.

Original in private hands.

The Willard Straight Papers at Cornell University
The rest of the day
Put in a pair of shoes
naturally
Peking, China,
April 17th, 1911.

Letter No. 178
File No. 6219/178
Messrs. J. P. Morgan & Company,
For the American Group,
No. 23 Wall Street,
New York City.

Gentlemen:

Supplementing my letter No. 168 of March 19th
I have the honour to report that the Currency Loan Agreement
was signed on the afternoon of April 15th. Copies of the
Agreement and of the Programme of Currency Reform together
with the Two Statements of Currency Reform and Manchurian
Expenditures are submitted under another cover.

On the 21st of March we received your telegrams
numbers 110, 111 and 112 transmitting the instructions decided
upon at the Brussels Conference.

On the 23rd of March Messrs. Hillier, Cordes and
Casenave, and myself, met Lord Li Ching Feng, Dr. Chen Chin
Tao and Dr. Chang Chin Yuan of the Board of Finance, at the
residence of His Excellency Sheng Kung Pao, His Excellency
pleaded illness and was not present.

We laid before the Chinese the results of the
Brussels Conference, and after a lengthy conference, at the
conclusion of which a number of points were still left open,
we forwarded to you through Messrs. Morgan, Grenfell & Company,
London, a telegram giving a summary of the results of our
interview.

On the evening of the 23rd of March Mr. Chao,
Secretary to His Excellency Sheng Kung Pao, called on
med me a note from His Excellency stating that the various
points at issue could be easily arranged with the exception
of the 1⁄2 rebate which, in accordance with your instructions,
we had demanded, and which His Excellency believed it would
be impossible to grant as this would plainly make the price
of the bonds 94. He requested us to communicate this fact
to you. Mr. Chao suggested, however, that a compromise
might be arranged on the basis of 1⁄2 bonification or rebate.

On the 24th of March, after consultation with my
colleagues and with His Excellency Chou Tzu Chi of the Foreign
Office, I addressed to His Excellency Sheng a note stating
that my colleagues and myself believed that little would be
 gained by again referring this matter to you as you had
definitely stated that you would not yield on this point,
and again suggesting that the arrangement we had proposed
for 2½ months antedating would still leave the price of the
bonds ostensibly at 95. On the 24th of March, however, we
addressed to Messrs. Morgan, Grenfell & Company, London, a
telegram acquainting you with the situation by which we were
confronted.

On the following day we received your telegram 114
in reply to ours of the 23rd sent to Morgan, Grenfell & Company
regarding the procedure by which 2½ months antedating
might be arranged.

On the 29th of March we received your telegram 115
in which you stated that while insisting upon 1⁄2 bonification,
if absolutely necessary you thought the Banks might accept 1⁄2
rather than break off negotiations.

On the 1st of April Messrs. Hillier, Cordes,
Casenave and myself met His Excellency Sheng.

His Excellency opened the conference by reading a
note from Duke Tsai Tze in which His Highness stated that he
could not allow a rebate of 1⁄2 or bonification by means of
2½ months antedating and objected strongly to the stipulation
which we had embodied in the Agreement, that in case the
Banks, after examination, did not find the Programme of
Currency Reform and the Two Statements submitted to them, a reliable basis for the issue of bonds, the Agreement should become null and void. After considerable discussion it seemed apparent that Dr. Chen Chin Tao and others who had, from the outset, opposed the idea of granting the Bankers the right to consider the Chinese Programme, had induced the Duke to take this attitude and that it would be impossible to conclude the Loan Agreement unless we were prepared to accept the Chinese Programme as drawn. Various suggestions were made as to a means by which this difficulty could be overcome, but without result.

His Excellency then stated that the maximum transfer of £300,000 in any one week would be insufficient for his purposes and suggested that the Bankers release funds to the extent of one-half of the proceeds of the Loan in amounts not to exceed £1,200,000 in any one month to meet Boxer Indemnity payments in gold in Europe and America against the deposit of the silver equivalent with the Bankers in Shanghai. In compensation for the loss of exchange business incident to this transaction His Excellency offered to pay the Bankers £50,000. It was pointed out that his proposition did not in any way affect the rebate of 1% upon which we had been instructed to insist. His Excellency, however, refused to give us any satisfaction on this point.

The Representatives left His Excellency's residence believing that the negotiations would have to be abandoned.

At the request of the Representatives Mr. Calhoun instructed Dr. Tenny to call upon His Excellency Sheng on Sunday morning, April 2nd. His Excellency informed Dr. Tenny that the Prince Regent and Duke T'ai Tze objected to the wording of Article XV of the Draft of March 16th referred to, principally because they felt that China would "lose face" if an Agreement containing a clause providing for the cancellation thereof in case the Banks did not accept the Programme for Currency Reform, sanctioned by the Throne, were ratified by Imperial Edict. His Excellency informed Dr. Tenny that he thought Article VIII, Draft of March 16th, stipulating that the bonds should be issued in case the Banks found the Programme and Two Statements to be a reliable basis for a bond issue clearly implied that the Banks were not committed to issue the bonds in case they were unwilling to accept the said Programme and Two Statements. He felt that if the objectionable sentence were omitted from Article XV the difficulty might be overcome.

His Excellency further informed Dr. Tenny that he thought that if the Groups would be willing to advance £2,000,000 for Manchuria prior to their acceptance of the Programme and Statements, negotiations would be greatly facilitated, and suggested that his offer to pay the Banks £50,000 in return for their making gold Indemnity payments was in reality equivalent to a 1% rebate.

On the morning of April 3rd the Representatives of the Groups decided to amend the Draft Loan Agreement as far as possible to meet the views expressed by His Excellency Sheng to Dr. Tenny on the previous day. In view of your telegram No. 115 it was decided to demand a total commutation of £100,000 in compensation for the loss of exchange business incident to the Indemnity Service and instead of the rebate or bonification requested. The Representatives further thought it would be desirable, since a further Manchurian advance making the total £2,000,000 could not be stipulated in the Loan Agreement, to give their personal assurances to His Excellency that in case the advance of £1,000,000 for Manchuria already provided for in the Agreement should be insufficient to meet immediate Manchurian requirements during...
the six months period allowed the Banks for the examination of the Programme and Two Statements that they, the Representatives, would use their best efforts to secure an additional advance of £1,000,000 to be repaid from the first proceeds of the Loan.

On April 4th the results of our conference of April 1st, Dr. Tenny's interview of April 2nd and our deliberations of April 3rd were communicated to you in our telegram No. 152.

On April 6th with Dr. Tenny and Dr. Gatrell, Mr. Straight met His Excellency Sheng Kung Pao, Lord Li and Dr. Chen Chin Tao. The English and Chinese texts of the Draft Loan Agreement were carefully compared and certain alterations made therein. The principal discussion centered on Article VIII, Section 2, to the wording of which the Regent and His Highness Duke Tsai Tze had taken exception and still objected. While prepared to grant the Banks a period of six months within which to examine the Programme and the Two Statements of Expenditure His Excellency insisted that this rather uncomplimentary condition should be stated as euphoniously as possible.

During this conference Lord Li was apparently desirous of raising difficulties, and it has since developed that he had been endeavoring for some time to induce Duke Tsai Tze and His Excellency Sheng to break off negotiations with the Quadruple Banks and to make the Loan with the new Anglo-Russian-Belgian Group.

After examination of the Protocol for the Boxer Indemnity Settlement we had discovered that the amount of gold which His Excellency Sheng desired to release in Europe for Indemnity payments was largely in excess of the requirements of the regular Indemnity Service. This was pointed out to His Excellency who stated that he, himself, had looked the matter up and had found the arrangement originally suggested by him to be impracticable. He therefore stated that he desired the Banks to make gold payments up to a total amount of £1,200,000 in any one month not only for Indemnity charges but for the service of other loans. Mr. Straight informed him that he feared that this would be impossible.

From the various conferences above described and from Mr. Straight's conversations with His Excellency Chou Tau Chi of the Wai Wu Fu, it was obvious that it would be impossible for the Banks to obtain a commutation of more than £50,000 in addition to the compensation for the loss of exchange business incident to the arrangement suggested for meeting the Indemnity Service in gold abroad.

It had further developed that whatever commutation might be agreed upon could not be mentioned in the Loan Agreement itself but would have to be provided for by an exchange of letters or by supplementary Memorandum of Agreement.

These facts were communicated to you in our telegram of April 7th to Morgan, Grenfell & Company.

On the evening of April 8th Mr. Straight, with Dr. Tenny and Dr. Gatrell, called upon His Excellency Sheng. An understanding was reached regarding the point i. e., Article VIII, Section 2, of the Loan Agreement, which had caused so much difficulty, and all other outstanding points were settled with the exception of the rebate of ½% in addition to the compensation for loss of exchange profits.

His Excellency in this Agreement agreed to pay to the Banks the sum of £25,000 in compensation for the loss of exchange on the sum of £2,500,000 which it was agreed the Banks should release in America and Europe for Indemnity Service against the deposit of the silver equivalent in Shanghai. Mr. Straight insisted that the Banks should be given in addition to this £25,000, the sum of £30,000 or in other words a rebate of ½%. His Excellency stated that he, himself, could not agree to this but that he would use
his best efforts to secure the Duke's acquiescence thereto.

His Excellency promised to submit the Draft Agreement to His Highness Duke Tsai Tze who, he said, would appoint a date for the final conference, which His Excellency assured Mr. Straight, would be merely informal and would be immediately followed by the signature of the Agreement.

On the morning of April 9th, having received no reply to our telegram of the 4th and 7th of April, we sent a personal wire to Morgan, Grenfell & Company asking for your probable decision as to the omission of all reference to commutation, from the Loan Agreement.

On the morning of April 11th we received your telegram No. 116 in which you refused our proposition regarding the Boxer Indemnity Service and suggested an amendment to Article V, Section 4. You further requested that we confirm by wire that we had obtained all other conditions cabled us by you on March 20th.

Inasmuch as the Final Draft of the Loan Agreement had been agreed upon by His Excellency Sheng and submitted by him to the Duke we felt that to suggest any alteration might endanger the success of our negotiations, which had been brought to this point with so much difficulty. We therefore replied to you in our Telegram No. 153 laying the situation fully before you.

On the morning of April 11th Dr. Tenny called upon His Excellency Sheng to ascertain the probable date of the final conference which His Excellency had agreed, on the night of April 8th, was so shortly to take place. His Excellency informed Dr. Tenny that the Duke did not see any particular cause for haste and that he and the officials of the Foreign Office were studying the Draft Loan Agreement.

At Sheng's request Dr. Tenny called upon Duke Tsai Tze and urged him, since a practical settlement had been reached, to sign the Loan Agreement at once. The Duke then fixed the final conference for Wednesday, April 12th, at 4:30 P.M.

On the morning of April 12th I received from Morgan, Grenfell & Company a telegram stating that one of the Banks refused to reduce the commutation below 1½ and instructing me not tocede this point without further reference. This telegram I submitted to my colleagues and after mature deliberation we telegraphed Morgan, Grenfell & Company that to suggest any alternation in the proposal laid before Sheng would result in a rupture of negotiations.

The result of the afternoon's conference fully confirmed our view. The four representatives met Duke Tsai Tze and His Excellency Sheng with certain other members of the Board of Finance, at the residence of the Duke on Wednesday.

The Grand Councillor Na Tung and Tsou Chai Lai, President of the Foreign Office were present.

The discussion was at first merely informal. It was arranged that Mr. Straight should meet His Excellency Sheng on Thursday morning at ten o'clock, and with two representatives of the Foreign Office, compare the English and Chinese texts of the Agreement; that the Agreement should then be initialled and the Memorial requesting Imperial Sanction therefor submitted on the afternoon of Friday, the 14th, signature being fixed for 4 P.M. on Saturday the 15th of April.

In the conference of April 8th His Excellency had stated that while agreeing that interest on Loan Funds held by the Banks in China should be at 2½ Per Annum he did not desire this fact stated in the Loan Agreement but preferred the words "and the Banks shall pay interest on the Loan Funds held by them in China at the Banks rates in Shanghai for current accounts." He had agreed that a stipulation regarding interest at 2½ should be embodied in a supplementary letter.
J. P. M. & Co.
Letter No. 175

The details for initialling and signature having been settled, Mr. Straight asked His Highness whether he preferred to arrange for the payment of the commutation of £75,000 and to fix the rate of interest on the Loan Funds held by the Banks in China at 2% by an exchange of letters or by signing a supplementary memorandum of Agreement. His Highness replied that he preferred letters but that he understood that the commutation should be £25,000 not £75,000.

Mr. Straight explained that £25,000 of the total sum requested was but legitimate compensation for the actual loss on exchange transactions and that the additional £50,000 was asked as commutation for the absence of any purchasing agents' commission or profit on the sale of materials usual under former loan transactions.

His Highness and the Grand Councillor, Na Tung, protested against making this payment of £50,000.

The Representatives explained that they had originally asked for a rebate or bonification of 1% on the total amount of the Loan and that while their principals were unwilling to make any concession on this point, the Representatives had laid the matter very strongly before the Banks in America and Europe urging them to accept a compromise on a rebate of ½% or £50,000. This, they stated, must be regarded as a final offer.

His Highness then suggested a total commutation of £50,000. The Representatives regretted that they were unable to yield on this point.

His Excellency Na Tung, with considerable asperity, accused the Representatives of being unreasonable and of menancing the conclusion of these protracted and difficult negotiations by their demands for excessive profits. He stated that since we had demanded £50,000 while His Highness had refused any commutation whatsoever, we should be willing to accept His Highness' generous offer of a commutation of £25,000 in addition to the £25,000 for loss of exchange, or a total of £50,000.

The Representatives replied that they were unable to accept a total commutation of less than £75,000 and while they greatly regretted the fact, feared that in case this were not granted there was little hope that their principals would authorize them to sign the Agreement.

Duke Tsai Tze had been warned by His Excellency Sheng that the Representatives would not yield on this point.

The Grand Councillor, Na Tung, was also entirely unfamiliar with our position. It was obvious, however, that he had come to the conference with the intention of wrecking the negotiations if possible, and his attitude confirmed the suspicion which we had, for some time, entertained; that, under the influence of his patrons, the Japanese, he had long been intriguing against us. Seeing that we were unwilling to yield and that Duke Tsai Tze and Sheng Kung Fao were not disposed to break with us, Na Tung left, taking with him the President of the Foreign Office. He apparently desired to return to his masters and to inform them that he had tried his best to bring about a rupture, but that Tsai Tze and Sheng were determined to carry through the negotiations and that he, Na, had been unable longer to sanction this procedure by his presence.

After considerable further discussion throughout which the Duke and Sheng were entirely reasonable, His Highness stated that he, himself, would agree to the total commutation of £75,000 but that he must submit the matter to the Regent before giving us his final decision. He promised to lay the matter before the Throne on the following morning and suggested that we proceed with the comparison of the English and Chinese texts as had been arranged, stating that on his return from the Palace he would send word to His Excellency Sheng's residence regarding the Regent's decision.
On Thursday, April 13th, Mr. Straight and Dr. Gatrell met Dr. Chen Chin Tao, His Excellency's Secretary, Mr. Chao, and Dr. W. W. Yen, formerly Second Secretary of the Chinese Legation in Washington and author of an Anglo-Chinese dictionary, and Mr. Ivan Chen, recently returned from 12 years service in the Chinese Legation at London.

The Chinese and English texts of the Agreement were compared and Dr. Gatrell was complimented as having translated English into Chinese more successfully than had been done in any former Loan Agreement.

The only serious question arose over the much discussed Article VIII, Section 2. The English text of this section had been approved by Mr. Chao, Dr. Tenny and Dr. Gatrell on the evening of April 8th and read as follows:

"The Programme and Two Statements above referred to shall be handed to the Banks on the date of the signature of this Agreement. The Banks shall be given a period not exceeding six months from the said date for the consideration of all points involved and they shall issue this Loan to the public as soon as possible after they shall have notified the Board of Finance that they will make the said Programme and Statements the basis for the issue of the Bonds hereunder."

Dr. Yen and Mr. Chen stated that the words "for the consideration of all the points involved" was not an accurate translation of the Chinese text. They contended that the Chinese wording, while it covered the idea of consideration, denoted primarily the idea of making arrangements. Mr. Straight pointed out that His Excellency, himself, in selecting the Chinese phrase, had stated that he intended it to convey the idea that the Banks were to be given six months within which to consider the Programme and Statements and also the idea that during this period they would make preparations for the issue of the Loan. His Excellency had, in fact, assured Mr. Straight that the use of his wording in the Chinese text would, without eliminating the idea that the Banks were to examine and pass upon the Programme and Two Statements, be better calculated than the original Chinese wording to meet the views of those who feared that China would "lose face" and be subjected to foreign financial control by permitting foreigners to accept or reject a Programme for Currency Reform which had been already sanctioned by the Throne.

Dr. Yen, however, suggested that the words "to make all necessary arrangements" be substituted for the words "for the consideration of all the points involved."

His Excellency's Secretary, Mr. Chao, assured Mr. Straight that there was no intention to curtail the right of the Banks to examine and pass upon the Programme of Currency Reform and Statements by this proposed change. Mr. Straight, feeling that it might be dangerous to embark upon another discussion of this clause, especially with Dr. Yen, a henchman of Na Tung's, accepted the revised wording, feeling that the use of the word "arrangements" in this connection was, perhaps, preferable to the other wording inasmuch as it conveyed the idea not only that the Banks had the right to consider the Programme but that they would also be entitled to discuss with the Chinese Government any modifications or changes which they might wish to suggest.

The Loan Agreement was initialled at about 6 P.M. Word had been received from Duke Tsai Tsu that the Regent had consented to the total commutation of £75,000. The draft letters providing for the payment of this sum and for the 2% interest on Loan Funds held by the Banks in China together with the Draft of the letter from the Peking Representatives of the Banks regarding an additional Manchurian advance, were also initialled at the same time.

Messrs. Hillier, Cordes and Casemarre, in delegating Mr. Straight to compare the Chinese and English texts and to initial the Loan Agreement, had arranged with him that no material changes should be made in the English text.
Mr. Straight in accepting the wording suggested by Dr. Yen therefore had exceeded the authority given him by his colleagues. His action was taken after careful consideration and with due appreciation of the gravity of the step.

Mr. Straight reported his action to his colleagues. M. Casenave cordially endorsed his action. Mr. Gatrell at first was inclined to feel that the new wording materially altered the sense of the section, but after careful consideration also approved the wording Mr. Straight had accepted. Mr. Hillier, however, felt that the new wording bound the Banks to accept the Chinese Currency Reform as prepared, issue the Loan upon this Programme as a basis, and that it deprived the Banks of their right to examine and to suggest modifications in the Currency Programme and Statements.

Messrs. Cordes, Casenave and Straight pointed out to Mr. Hillier that the key of the whole Article lay in the phrase "and they (the Banks) shall issue the Loan to the public as soon as possible after they have notified the Board of Finance that they will make the said Programme and Statements a basis for the issue of bonds hereunder."

Mr. Hillier was unwilling to accept this view but agreed to lay the matter before the British Minister, Sir John Jordan.

Sir John was of the opinion that the word "arrangement" referred to arrangements for the issue of the Loan in the ordinary sense and that it did not entitle the Banks to examine and suggest changes in the Chinese Currency Reform Programme.

Messrs. Casenave and Straight submitted the altered wording to the American Minister. Mr. Calhoun agreed that the Banks were entirely protected by the accepted wording. His only question was whether by inducing the Banks to delete the word "consider" the Chinese would be able to hold that the Banks were obliged either to accept or reject the Currency Programme and that they had no right to suggest modifications therein.

Dr. Tenny, Dr. Gatrell and Mr. Straight pointed out that His Excellency Sheng had categorically stated that there was no question regarding the Banks' right to consider the Programme; that the Chinese wording contemplated such consideration and that the word "arrangements" could not be used in its ordinarily accepted sense but in view of the Banks' commitment to issue the Loan only after they had notified the Board of Finance that they would make the Programme and Statements a basis for the bond issue must be considered not only "consideration" of the Programme but the right to suggest and to arrange for changes.

On the morning of April 14th the French and British Ministers and the German Charge d'Affaires, the Representatives of the Groups, Dr. Tenny, Dr. Gatrell and the Chinese Secretaries of the French and German Legations met at the American Legation.

Dr. Tenny, Dr. Gatrell and the French and German Chinese Secretaries all agreed that the words "to make all necessary arrangements" was an accurate translation of the Chinese text but that the phrase was meant to convey the idea of "consideration" or "study." These gentlemen, the German Charge d'Affaires, Messrs. Casenave and Cordes all sustained the interpretation of the word "arrangements" advocated by Mr. Straight.

Mr. Calhoun and the French Minister agreed that the Banks were not committed to a bond issue until they had accepted the Chinese Programme but felt that since the Banks intended to pass upon the Currency Programme it would be more desirable if the word "consider" were inserted in the English text.

Sir John Jordan and Mr. Hillier adhered to their original contention.
As unanimous action was desirable, Mr. Calhoun instructed Dr. Tenny to call upon His Excellency Sheng Kung Pao and ask him to insert the word "consider" in the initialled English text in order that there might be no further discussion of this point.

Dr. Tenny laid the matter before His Excellency, who agreed to the alteration, which he said merely expressed the idea of the Chinese text. He requested Dr. Tenny to call upon Dr. Yen and Mr. Chen of the Foreign Office who had passed upon the translation the day before. These gentlemen refused to agree to the use of the word "consider" which it might be added is sanctioned by all Anglo-Chinese dictionaries. It developed that Dr. Chon Chin Tao had induced Dr. Yen to insist upon the elimination of the word "consider" in order that he might later contend that the Banke had no right to suggest modifications in the Currency Programme. Dr. Yen and Mr. Chen wrote a Memorandum on this point refusing to accept Dr. Tenny's translation. This was submitted to His Excellency Sheng, who characterised the action of the two members of the Foreign Office as tricky, and who agreed himself to accept the responsibility of making the change, in accordance with Dr. Tenny's wishes.

The section was amended to read as it now stands in the Loan Agreement.

On April 14th we received your telegram No. 117 stating that your views regarding the Indemnity Service were unchanged but authorising us to make the concession if absolutely necessary and to sign on condition that the Banke received a total commutation of £75,000.

The Agreement was signed at the Bureau of Currency Reform at the Board of Finance on the afternoon of Saturday, April 15th, 1911.

Yours truly,

Oh-Dorothy dearest- it's pretty hard to write these days, for all I can think of is getting away—that writing will be necessary no longer and that I can see you and be with you—child—forever. Today our Hukuang conference went off very well and the agreement should be signed within ten days—perhaps a week from today—who knows. There are no longer any outstanding points for discussion—and it is only a question of bringing the English and Chinese texts into complete agreement—then making clean drafts— and signing. That will be fine—want it—and after that only the Shih Ai still on the carpet. It will be there for some time I'm afraid, and I'm sorry, for I want something to happen for France. He's worked so hard and so long—and it will mean so much to him to get it through. Personally, I'm afraid I've a little lost interest, for these people are so impossible when it comes to a question of backing against the Japanese.

Tomorrow my telegram goes off asking to go home. I've been writing to see what they had to say in answer to my note that the Currency loan was signed—but not a word save a bare "congratulations" contained in a telegram that wasn't even signed. That's the way—I don't care for myself but I want some recognition for the work done by Mr. Calhoun and Dr. Tomney and Gatrell and Scarf. Perhaps we had nothing more on account of the Easter holidays. But I doubt it—Rash is life!

Dorothy—Dorothy—Dorothy— I want you.
God bless you.
April 17th, 1911.

Dear Mr. Warburg:

Very many thanks for the telegram which you and Dr. Melchior so kindly sent me. It was most thoughtful of you and very much appreciated I assure you.

The story of these negotiations would make an interesting novel, and the last two days before signature were the most exciting of all, so much so in fact that when we went to the Board of Finance to finally close we were not at all certain that a hitch would not occur at the last minute.

If all goes well we now hope to close the Kukuan within the next ten days and these negotiations after the others should be child's play.

I am planning to leave at once for Europe and shall hope to meet you in the discussions which will take place regarding the Chinese Programme of Currency Reform, a copy of which I am sending you today, together with the Loan Agreement, under a separate cover.

Since I shall probably be somewhere in Siberia on May the 8th I fear that it may be impossible for me to telegraph my congratulations to Aunt Melchior. Will you please convey them to her on my behalf.

With kindest regards to you all, believe me,

Sincerely yours,

WILLARD STRAIGHT

Dear Straight:

Though you may possibly have left Peking before these lines will reach you, I feel like writing this note, in order to congratulate you upon the successful signing of the Currency Loan.

It is a great satisfaction to us all to have at last scored this point, but it must be immensely more gratifying to you, who have put so much of your time and energy into this work. I am heartily glad for you that you could "pull it off" and that now it may be possible for you to carry out your plan to sooner or later - I hope sooner - come back to New York.

Personally, I am much pleased that we won on the lines for which I have been fighting almost since the inception of Chinese business in New York, that is, on the lines of international cooperation, on the broad principle of equal rights and equal opportunities for all, without attempting to secure any special privileges for ourselves. In signing this agreement, we have gained a firm foothold in all future Chinese business, which I hope will be profitable, though I have no doubt that transactions in the future will be as tedious as in the past.

Mr. Schiff has shown us your interesting letter of March 5th, which we have all read with great interest. He would have answered you himself, were he not convinced that his reply would not reach you anymore at Peking, but knowing that I am writing you, he has asked me to send his kindest regards and warmest congratulations,
and thanks for your letter.

I wonder whether there is any chance of closing up the
Hukouang Loan in the near future and whether you intend to stay till
this negotiation has been secured.

I agree entirely with what you write about Japan and am
looking forward to some interesting talks with you concerning this
subject, when you return.

Davison is in Europe at present, trying to rest after the
winter's hard work, and I am sure that the news from Peking will
contribute to his enjoyment of his holiday.

With kindest regards from us all and wishing you a very
pleasant trip and a happy return to New York, I am

Very sincerely yours,

[Signature]

Willard D. Straight, Esq.,
c/o American Legation,
Peking, China.

April 19, 1911.

Dear Bland:-

Our friend Mr. J. O. White wrote me a letter, a copy of which I enclose, transmitting a copy of his letter
to you, which I presume you have by this time received. I
send, you herewith, a copy of my reply which I trust you will
feel destroys your reputation as an artist but clears your
character as a business man. The few of us who have been
able to glorify the humdrum affairs of this world by the
introduction of a little of the divine fire into our daily
round must be tolerant with those who merely grab for money
and whom, luckily for them, the good Lord gave no sense of
honor. So do not get on your high horse, Bland, but put
the world once on the back and be tender of their little
folks and if, by chance, you can touch them for some small
portion of their ill-gotten wealth do it gaily but not blatant-
ly, praising Allah.

If everything goes well I shall be passing through
your town some time with the next two months, however, do
not get your guest room ready until you hear that some of
our numerous schemes have been consummated.

Yours sincerely,

WILLARD STRAIGHT.

April 19, '11.

J. G. White, Esquire,
No. 9 Cloak Lane,
London.
My dear Mr. White:

Thanks very much for your letter of March 10th containing a copy of your letter to Mr. Bland. I think you wrong Bland in suspecting him of being, as you say, "like most newspaper and literary people; rather casual and not always accurate." On the contrary I have always found him most careful and though, like most of us, he is inclined to hot air at times, he does not let his literary talent impair his efficiency. With him journalism and the other fine arts have always been a side issue, a hobby which he has ridden in addition to his regular work. It is quite probable that his letters were either not properly addressed or else unpost— they were posted in Spain or some other place where the postal service is not good.

I am much pleased to learn from your letter of the organization of the Russian Syndicate which I trust will be successful, as I feel a great personal interest in the matter, having in a way fathered it by catching the somewhat elusive Commander Soldatienoff and bringing him into your fold. I hope you will be able to use Bland in connection with this enterprise, but inasmuch as he has not felt that he wished to be tied down I quite appreciate your position as expressed in your letter to him.

The Campbell to whom you refer in your letter to Bland is well known to him and is a very good man. I shall be very much pleased if you are able to do anything for him.

With kindest regards,
Believe me
You're sincerely,

S/G
Dear Sirs,

For your information we enclose herewith copy of memorandum prepared by Mr. Straight regarding the organisation of an International Construction Syndicate to operate in China.

This memorandum was handed us yesterday by Lord Ffrench, at whose request we forward it to you.

Yours very truly,

Morgan, Grenfell & Co.
It might be arranged that The American Group and
The Hongkong & Shanghai Banking Corporation, with the British
and China Corporation should give this Syndicate their finan-
cial backing and lend their influence towards associating with
this Syndicate or including in its organisation the Railway
Construction Department controlled by the Deutsche-Asiatische
Bank, and some French concern of a similar character which
might be recommended and financially supported by the Banque
de l'Indo-Chine.

Aside from the work of constructing extensive Rail-
way lines there are, at present in China, opportunities for a
great deal of work of less importance but which in the aggreg-
ate would form a very valuable field for exploitation.

These enterprises comprise City Water Works, elec-
tric light installations, bridges, mines, and the construction
of short railway lines in connection with the operation thereof.
The amount of capital required for these various enter-
prises varies from $800,000 to $4,000,000.

It would not be possible to secure Imperial guaran-
tees on loans for financing these various undertakings but it is
suggested that a satisfactory arrangement for handling this
class of work might be made by the International Syndicate, as
follows:—

1. The Syndicate to undertake the construction, say,
of a short railway line in connection with the operation of a
coal mine, outlay required being, say, $4,000,000. Gold.

2. The contract entered into by the Syndicate with
the Chinese to be sealed by the Viceroy of the Province in
which the work is to be undertaken, the Viceroy's action to
have previously been authorised by the Throne.

3. The Syndicate contract to provide for payment in,
say, 15 years, by annual instalments. The Chinese to pay, say,
5% on the balance of their debt outstanding.

4. In case the Syndicate did not, itself, wish to
carry this financial burden it might be possible for the Syndicate

5. It might be possible when negotiating for the
Construction Contract for the Syndicate to arrange to share in
the profits of operating the Railway or the mines during the
currency of the debt.

6. Whether such joint operation would make it de-
sirable for the Syndicate to float a Company in Europe or America
would have to be settled in each particular instance.

The joint control of a Syndicate of this sort under
English and American auspices would not be difficult as the
system of construction by contract in both countries is more
or less the same. Careful provision would have to be made,
however, regarding the inclusion of the German and French.
Such inclusion would be desirable for political reasons though
it might be difficult to arrange owing to industrial conditions
in these two countries.

In view of the Inter-Bank arrangement it should be
possible to work out a scheme whereby this Syndicate should be
financially backed by a closely identified Quadruple Banking
Group.
Poor old William is dead- Wonder child- and it is pretty hard for I was very fond of him.
It seems that he went home and was married, though even at the time of his wedding he
was ill. Then the bad spot in his lungs- which Getrell had discovered before he went
away- became worse and he had a hemorrhage. Poor lad- He was so loyal and honest. Thus
it goes on- and sometimes it gets rather discouraging, for there is death, and sorrow
always- then the smallnesses, the meannesses, the disloyalty- all these things have been
rather crowding in on me of late. It doesn't discourage perhaps- but it makes me realize
with all the greater force, what true Faith and Loyalty must mean- what wonderful rare
things they are- how priceless beyond all else. It all makes me very lonely, and makes
me turn to you all the more- for with you I know that there is Faith and Trust- and I
am so grateful, child, to you for being and oh, I want you so. I engaged my passage
yesterday, and I shall get away I hope on Tuesday the 2nd, giving me one day with the
Fairchilds in Newchwang and another in Mukden- whence I shall catch my fast train for
home- for you dear, Dorothy. This is all that I think of now- You, You, You- and I pray
all the time, by night and by day, that when I reach you, dear, the miracle will have
happened. It must, child- You must be ready now.

God Bless you.

Your letter- child- came this morning- and it was right that it should- for it was
of all the wonderful ones, the finest you have ever written. You are a wonderful person
Dorothy mine- I realize it more each day, but today especially- and I love you, dear, it
seems almost more than ever before, because of what you've said and the way you said it.

Our belief in each other-dear, would not be so sacred- our sharing would not be so wonderful-if you didn't wish me, and make me wish, to do the very best and trust and strongest
that I am capable of- to be true always to my trust- and make the work- without
sparing which we could never be truly joined- our work- yours for me and mine for you,
making me true to you and that which I must be to be worthy of you- by being true to
that which has been given me to try to do.

God Bless you- Dorothy- for taking the stand you did. You were absolutely right
when you told Davison that you would rather have me stay here until the job was done
as well as it could be. The Currency Loan has been, and I ought to go home at once.
If I can stay for the finish of the Hukumang without delaying so long as to prejudice
what I ought to do at home about the Currency- I shall wait- if not, I shall go. The
decision will be hard to make, and the only trouble is that I want so to go to you, that
I will instinctively feel that I should wait longer for the Hukumang than I really ought
to.

I love you, Dorothy- for writing so straight and clear. I love you when you are
so serious, as when you are just my little Dorothy child- You are a woman because you
are a child- and I love you most of all for that.

What Davison says about our being in New York is fine- it would be wonderful--
and you'll remember it's what we talked about. But things have happened since then. I
want to stay at home, but I am afraid that it will have to be China again for a time at
least, and the events of the past few weeks make me afraid that it may- unless they
find just the right man- be better if it were China in spots at least for some time to
come. You must not think me conned, child- when I tell you why. It's because in these

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The Willard Straight Papers at Cornell University
last six weeks I have, I think, won the respect and esteem of the Ministers and the Chinese. Chinese and my colleagues— to a degree that I've never enjoyed before— and in the Currency negotiations and in the Ruuan, I've carried Cordes and Caseneuve and— after a good many tussles— Hillier too— so that I feel that in staying here I could practically direct the combination, and in view of distances and many other things, that's much easier done, and much better, here than from Washington or New York— for from here I can see that proper recommendations are always made to the Groups at home. At least if the experience of the past few weeks means anything— Cordes, Caseneuve and myself between us, can run things. That's the long view which we must discuss, for you must do more than suggest, dear— You know that— You are the one to rule.

As for the immediate. When I go home I shall have to consult with the Group about the Chinese Programme of Currency Reform. They will have suggestions to make. In the meantime the other Groups will have been studying too— and then sometime in July, there will be a conference in Europe where all four Groups will decide on the changes in the Programme which the Chinese must make before the Banks will issue the bonds. The hardest part of the whole thing— not even excepting these last months, will be to get the Chinese to adopt the suggestions made by the Groups. The six months examination period is up on October 15th and I shall, I am afraid, have to be here six weeks or a month before, to negotiate with the Chinese about these changes. That done, I can doubtless get away again quickly.

I write "I-child"— but I want to write "We". You must come back with me, my Dorothy. We must go to the conference in Europe together. We must see this thing through in Peking together— then we can go home to do what they wish us to do there.

If you will come, child, I am glad that it should be this way. If you will be my wife, Dorothy— it would be much more wonderful that we should first go to Europe together. We'd go to Stresa, dear— and Divonne, as well as work— and then here, for only a little time, it would be— for we could bring another man, or have him sent out— and then break him in— go home, and come back seldom if he was good— often if we had to keep our hold on the British, French and Germans. But this would be so much more wonderful than starting in New York. We can go back quickly— yes— but when we've been separated so long, I want to take you away with me, child, where there will be just you and I— where you have't even your Children's Court, or anything, for a little while. You can do it later if you wish, but Dorothy, when we meet again I must carry you off, and to go to Europe and come back here, would make it right— or do you think differently? I want you so alone— all to myself— Dorothy child, and we'd have a Blue Moon of Blue Days— Dorothy— blue, gray, not regular Blue— a wonderful, wonderful Moon— sharing— and we'd finish together this work that I've tried to do for you and in every step of which your inspiration alone has carried me on. I'd cherish you and guard you, child— and we'd have each other— and be in the midst of— but away from— the world— just you and I.

You must come, Dorothy— I love you so. I want you so.

God Bless you.
THE CHINESE CURRENCY LOAN.

Information reaching Shanghai concerning the Four Powers' loan seems to be rather conflicting, but it appears certain that the loan contract was signed on the 15th inst. by H.H. Prince P'ing and the representatives of the U.S. syndicate, the Deutsche-Austriache Bank, the Hongkong and Shanghai Bank and the Indo-China Bank. The loan bears 5 per cent interest, the period of redemption being forty-five years. The revenues of two or three provinces form the security for the loan. The Department of Finance will retain the services of a Belgian financial adviser in regard to the use of the proceeds.

The Chinese Press at Peking today states that the revenue of Manchuria is to be used as security for the loan. Inasmuch as thirty million taels of the loan is to be used in the development of Manchuria, it seems only proper that the revenue of those provinces should form the security. The report leaves no room for doubt, since it was quite anticipated by the Government authorities.

As a result of this arrangement the principal revenue of the Three Eastern provinces will be placed under the management of the four Powers concerned for a period of forty-five years. This has an important bearing on relations with Russia and Japan, who have prominent economic interests in north and south Manchuria. The gravity of the position will be determined by the settlement of the question of financial adviser. The information to hand is that an expert on financial matters is to be appointed for the post. His power will be very limited, and he will have no voice in public and general finance. It is, nevertheless, reported that a special financial adviser will be appointed to supervise the use of the proceeds in the Three Eastern provinces. The financial adviser will in all probability not be vested with such immense power as is vested in the controller of the Chinese Customs, but the danger of its ultimately taking the form of political power, as feared by the Chinese Government, is inevitable. Thirty million taels apportioned to the Three Eastern provinces is to be used, not for such specific purposes as the currency reform, but for general administrative affairs. It is also not difficult to see that the Manchurian Bank, to be financed with the proceeds of the loan, has a close relation with general finance. So long as the principal revenue of the Three Eastern provinces forms the security of the loan the financial adviser (to be stationed at Mukden) to supervise the use of the proceeds must necessarily be in contact with political affairs. The preservation of the security and any other action necessary for supervision would forthwith be transformed into a political power. The public must, therefore, be prepared for the day when the Four Powers loan will turn out to be a political loan, as far as the Three Eastern provinces are concerned. Diplomatic troubles have repeatedly occurred in the past between Russia and Japan and the Chinese authorities with regard to the tobacco and other taxes in Manchuria. In the event of changes taking place in the present laws the Chinese might be induced to retain certain powers which are now vested in the Four Powers. The Four Powers, therefore, must be prepared for a heavy blow to the two countries. Close attention must therefore be paid to the appointment of the financial adviser for the Three Eastern provinces.

The Fii also quotes an anonymous authority, who is credited as saying that the telegraphic news from Peking explicitly states that the tobacco and other taxes in the Three Eastern provinces, as well as the salt tax of all the provinces, form the security for the loan. The Foreign Office is not yet in receipt of the details beyond the information that the revenue of a certain province is offered for security. Being that thirty million taels of the loan is to be used in the development of Manchuria, it seems only proper that the revenue of those provinces should form the security. The report leaves no room for doubt, since it was quite anticipated by the Government authorities.

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The Willard Straight Papers at Cornell University
The Tokyo Nishi Nichi also quotes an anonymous authority on Manchurian affairs as saying that the Government authorities were evidently aware, prior to the conclusion of the Specie Bank's Chinese loan, that the Four Powers concerned had an idea to set their hands on the revenue of Manchuria as security for the one hundred million yen loan, although it is not clear whether the Government authorities obtained the information from the United States or some other Power, or learned it through its own inquiries. The Government had demanded of the Four Powers participation for Japan in the loan or some consideration in lieu of participation, provided the Four Powers sought the revenue of Manchuria as security for the loan. The fact that the revenue of the Three Eastern provinces was offered by China as security was therefore no news to the Government authorities. The question turned on how Japan's proposition was received by the Four Powers concerned. What consideration had the Government received in lieu of participation in the loan? It is rumoured in some quarters that a Japanese will be appointed as the financial adviser, but no credence could be attached to the rumour. The diplomatic skill of the Chinese Government in bringing the Four Powers in close touch with Manchuria deserves high admiration. It is Japan on whom the blow falls heaviest.

The same paper also quotes a certain businessman to the effect that the fact that the revenue of the Three Eastern provinces forms the security for the loan is inimical to the interests of Russia and Japan, and seems like an intrusion on their sphere of influence. China's diplomatic policy has been to implant in Japan's sphere of influence the influence of some western Powers and mix them to make them counter-check one another. This line of policy was brought forward prominently when China offered the revenue of Kiangsu province, which lies in the British and French sphere of influence, as security for the Specie Bank's loan, and the revenue of the Three Eastern provinces as security for the Four Powers loan. From the standpoint of the Four Powers, it is desirable to bring in Manchuria, as it will always give rise to trouble if the territory be left to Russia and Japan, and the Chinese Government is powerless to control Manchuria if left sole master there. Viewed from the standpoint of this country there exists a necessity for participating in the loan if the revenue of Manchuria be used as security. The Government authorities ought to have paid great attention to this matter and contrived to lead Japan's capital in this direction. Their inaction in the present case must be regarded as a blunder on the part of the diplomatic authorities.

Original in private hands.

The Willard Straight Papers at Cornell University
April 24, 1911.

Morgan, Harrès & Company,
No. 31 Boulevard Haussmann,
Paris, France.

Gentlemen:

I beg to acknowledge the receipt of your letter of February 27th in which you inform me in reply to my enquiry that the item $1,512.50 paid to N. Martin was for passage to the United States on the Steamship "New York" on July 30th, last.

I had thought that this item had been settled by me but shall be glad to close this account when I pass through Paris some time within the next three weeks.

Yours truly,

S/g

H. O. Loderhose, Esquire,
C/o Messrs. Morgan, Harrès & Company,
No. 31 Boulevard Haussmann,
Paris, France.

Dear Mr. Loderhose:

Thank you very much for your letter of the 11th of March and for your trouble in looking up my account with Cartier.

I find that most of his cigarette cases have been given away so there will be nothing to return.

With many thanks,

Yours very truly,

S/g
Dear Dorothy child- it seems such a waste of time, almost, to write. In a week, just think of it- I should be leaving for you, and I can hardly bear to write now. Your letter started at Roslyn and finished in New York kept me awake almost all [on] Saturday night, wondering what Davison could have said. Then- oh it was lucky- your wonderful letter of the next night. I found the next morning at the Legation as we were all starting for the Summer palace-- the Calhouns, Russells, Fairchilds, and a couple of men and myself. I can hardly bear to go there, for it has too many associations of Necktie Day. Last spring I went with the Robinsons gladly for she understood-- and with her I always felt-- though nothing was said till the very end-- that you were near. Now I can hardly bear it, and I was glad when we went away. On Friday too- I took the Fairchilds to the Lama Temple I had not been there since we went together, Dorothy child- and in each place I burned two sticks of incense-- one for you and one for me-- and they were lighted-- and let us hope that they burned out together. At the Lama Temple too I missed you so, that I'm afraid I was hardly polite, though I tried ever so hard to be.

Tonight Mr Calhoun had all the Chinese and foreigners connected with the Currency Loan at dinner. There were to be speeches by all the Ministers, but Mr Tung, who I suppose was afraid of some anti Japanese statement, asked that there should be none. It made me frightfully angry at first-- and then I was glad, for all noticed it, and it will not be forgotten. I took particular pains to tell Du-e T'ai Tae, who distrusts Ha anyway, that Mr Calhoun had wanted to drink his health but that Ha had prevented it. One stroke scored anyway. They don't forget-- the Chinese.

Today we won the Peking polo tournament. It is really to laugh. Frasier, who is really good, another soldier, a man in the Hongkong Bank, and myself. Prizes, cigarette cases-- of course worthless to me, but I was tremendously pleased, for I made four of our six goals, which is ridiculous, and makes Peking polo a joke. I'm to play No. 1 against Tientsin, and am also delighted, though ashamed of Peking withal. There are ten thousand other things to tell you, child.

Calhoun saw Sheng this morning, who said he was anxious to go on with the Huizang, but that the Grand Council was wavering. So tonight Jordan told me that the Ministers were coming to see him again. That's what Sheng wants. But I'm afraid it may all drag on indefinitely, and am wiring H. T. tomorrow to ask whether they wish me to hang on or not. I'd like to see it through, but the Currency Loan is much more important and for that I am needed at home. For that child mine-- and because it doesn't seem as if I could wait longer to see you.

God Bless you.

-----Original in private hands.

The Willard Straight Papers at Cornell University
In a week I thought I could start, oh, Dorothy mine, but your letter has upset me and I've got to try to do the Huamun if it can be done. What a Master you are! So today I wired to ask New York what they wanted me to do—stay or leave. The answer, you see, has been approved by Sheng, so it's practically only a question of signing. That someone else can do just as well. But the Currency Programme needs a lot of handling at home.

I want to rush to it, though I think I ought to, I'm afraid my judgment is not balanced. I know too that for just plain nerves I've got to get out soon, for I am in a rather bad way; I fear nervously, not physically, and wary and critical and jolly in a way I have no business to do. I know this will wear out on route or you will think me perfectly impossible. Wouldn't that be dreadful?

I want to write and write and write about people and things—but Miss Dorothy, I don't dare, for you'd scold me so I won't— but shut up and go to bed, which I don't want, but ought to do.

Dear little Dorothy—God bless you.

THURSDAY AFTERNOON.

London wired this morning yielding everything we'd asked. They might better have saved telegraph charges by doing it three weeks ago! But that's ungrateful. So now we are going to forge ahead once more— and since the group has told me to use my discretion about staying for the Huamun I'm going on the 9th, unless of course, we're just on the point of signing. But I pray that it may be all finished before that. It must be child—

for I must go to you soon.

God bless you.

THE CHINESE CURRENCY LOAN

Some details of the new Chinese Currency loan are given by the Peking correspondent, who states that the provincial interest forms the first security. The loan contract stipulates that the proceeds shall be appropriated for the reform of the currency system and the development of the national industries. Out of the total proceeds, thirty million dollars will be used for the improvement of industries in Manchuria and the balance will be applied to the adjustment of the currency. Ten million dollars will be set aside for the purchase of gold by the Bank of China, and the balance will be paid into the Department of Communications and the Bank of China.

The loan is to be paid in two equal instalments, the first six months after the contract is signed and the second six months thereafter. The interest rate is 5 per cent. The proceeds of the loan shall be deposited with the Bank of China under Government guarantee. The total amount of the two loans has been increased to £7,500,000 sterling.

The Peking correspondent wire under date of the 16th instant that the one hundred million dollar loan has been brought before the notice of the public, as much as United States capitalists, who have heretofore stood aloof, have participated in it and that the reference to be made to the loan in the President's message to Congress. The Americans made great exertions towards landing the loan to a successful conclusion and their success must prove most satisfactory to them. As Great Britain and Germany, have already participated in two previous loans, their capital invested in the T'ien-Ho railway in Manchuria, alone being equal to the present loan, their interest in not very great. No further information is yet obtainable as to the terms of the contract other than that already reported, but it appears that the United States insisted on the appointment of a financial adviser, and consequently a memorandum regarding the matter was given to the United States Minister to the exclusion of the representatives of the other Powers. No agreement is yet made as to the details. Besides the question of the appointment of a financial adviser, the views of the negotiators differ on the point of the contract.

The Chinese authorities desired to fix it at 95 whereas the representatives of the Four Powers insisted on 95 as the price. It was eventually fixed at 95 through a concession on the part of the Chinese. The Chinese authorities desired to appoint a financial adviser, and consequently a memorandum regarding the matter was given to the United States Minister to the exclusion of the representatives of the other Powers. No agreement is yet made as to the details. Besides the question of the appointment of a financial adviser, the views of the negotiators differ on the point of the contract.

The drafting of the currency reform programme will require some time and it will be over six months before the programme will be approved and the total amount of the loan paid to China. The fund subscribed for the loan in the interest will be deposited in the foreign banks at Shanghai. The capital to be invested will be divided into a substantial part of the total and the balance will be payable within six months when China has given evidence of her intention to devote the proceeds to the reform of the currency system and the development of domestic industries.

The second contract, in which all the details will be embodied, will be drawn up later. It is stated that two-thirds of the loan will be paid to the Bank of China on the appointment of a financial adviser. Only a small portion of the loan is to be paid to China within one month after the balance is payable within six months when China has given evidence of her intention to devote the proceeds to the reform of the currency system and the development of domestic industries.

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The Yeh-Han and the Ch'oo-Han railway loans will also be concluded in the near future. The difference of opinion that existed between the negotiators in the matter of the construction of the branch lines has been settled in favour of China's contention. It has also been agreed that the proceeds of the loan shall be deposited with the Bank of China under Government guarantee. The total amount of the two loans has been increased to £7,500,000 sterling.

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The drafting of the currency reform programme will require some time and it will be over six months before the programme will be approved and the total amount of the loan paid to China. The fund subscribed for the loan in the interest will be deposited in the foreign banks at Shanghai. The capital to be invested will be divided into a substantial part of the total and the balance will be payable within six months when China has given evidence of her intention to devote the proceeds to the reform of the currency system and the development of domestic industries. The second contract, in which all the details will be embodied, will be drawn up later. It is stated that two-thirds of the loan refer to the loan contracted between the representatives of the American syndicate and H. E. Viceroy Hsi Liang, of the Three Eastern Provinces.

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The drafting of the currency reform programme will require some time and it will be over six months before the programme will be approved and the total amount of the loan paid to China. The fund subscribed for the loan in the interest will be deposited in the foreign banks at Shanghai. The capital to be invested will be divided into a substantial part of the total and the balance will be payable within six months when China has given evidence of her intention to devote the proceeds to the reform of the currency system and the development of domestic industries. The second contract, in which all the details will be embodied, will be drawn up later. It is stated that two-thirds of the loan refer to the loan contracted between the representatives of the American syndicate and H. E. Viceroy Hsi Liang, of the Three Eastern Provinces.

The Yeh-Han and the Ch'oo-Han railway loans will also be concluded in the near future. The difference of opinion that existed between the negotiators in the matter of the construction of the branch lines has been settled in favour of China's contention. It has also been agreed that the proceeds of the loan shall be deposited with the Bank of China under Government guarantee. The total amount of the two loans has been increased to £7,500,000 sterling.

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The security offered for the large loans 

was the same correspondent under the date of the 1790s, completing (1) the tobacco tax, alcohol tax, and business taxes in the whole of Manchuria, amounting to $5,000,000, and (2) the transit tax over the whole of China amounting to $5,000,000. These receipts are, it is agreed, to be made over to the Customs House annually. The loan will remain unredeemed for the first ten years, and will be redeemed in the subsequent fifteen years. Out of the total proceeds ten million taels is to be appropriated to the development of industries in Manchuria and another ten million is to be paid to China for that purpose simultaneously with the formulation of the currency reform programme.

A pending dispatch to the Nichik Nichi states that the clause "the revenue of a certain province" as specified in the loan contract for the security is said to mean the "revenue of the Three Eastern Provinces" and the clause is specially inserted to preserve the integrity of Manchuria by the Four Powers concerned.

The placing of the Three Eastern Provinces under the protection of the Four Powers concerned for at least forty-five years is to serve to keep the influence of Japan and Russia at bay, and in substance may be regarded as a metamorphosis of the railway neutralization proposition. The Russian authorities in Peking have declared that this is a serious question, not only to Japan but to Russia also. China's policy, such as the correspondent, may be considered more dangerous than tactful.

THE INTERNATIONAL

LOAN.

TERMS OF THE CONTRACT.

Peking, April 12.

The Currency Loan agreement between the syndicate representing Great Britain, the United States, France and Germany on the one hand and China and the other, was signed on Saturday. The loan is for £10,000,000; it carries interest at five per cent, and the issue price is 95. The security consists of first charges on ample provincial revenues. Thirty per cent of the amount is intended for the development of industries in Manchuria and the balance for the reform of the currency.

China receives £1,000,000 now and a similar amount when the international group approves of the silver currency scheme and the manner in which the expenditure in Manchuria is carried out. The remainder is payable in October, if many details which have not yet been arranged are then agreed upon. The contract does not mention supervision, which has been arranged merely by a note from H. H. Sheng Kung-pao, Minister for Posts and Communications, to Mr. W. J. Colhoun, United States Minister in Peking, requesting the latter to appoint a supervisor, who will most probably be a Dutchman. Failing a satisfactory representative, the supervisor will probably be an Englishman.

China will pay the Banks one-third per cent commission. The contract provides for a gradual circulation of the new coinage. The contract apparently leaves a wide field for future complications.—Our Own Correspondent.

THE CURRENCY

LOAN.

It is considerably less time than it once appeared reasonable to expect, the agreement between China and the Four Nations Syndicate for the Currency Loan of £10,000,000 has been brought to the point of actual signature. As matters stand, it is expected in China to-day, a period of but six months between the opening and conclusion of negotiations, is too large a question, cannot be considered excessive. The story of the Central Chinese Railways Loan, for example, involves a sum of three or four millions less than the present amount, dates back to more than two years ago; and all that can be heard of its prospects of reaching some conclusion is that the negotiations are still proceeding. Possibly an explanation of the comparative rapidity with which the present stage has been brought about may be found in the extremely conditional nature of the whole bargain. So much is left to future discussion, barely less, apparently, in respect of the money to be spent in Manchuria than of that devoted to currency reform, that the agreement signed last Saturday would appear to be only a little more conclusive than the preliminary arrangement rushed through at the close of last October between H.E. Sheng Kung-pao and the American group of financiers. How that arrangement, which received the sanction of an Imperial Edict authorizing the Ministry of Finance to contract a loan of £60,000,000 on the terms now agreed upon, was brought about, has not yet been made quite clear. The scheme is said to have originated some considerable time ago with H.E. Liang Tung-yen, then President of the Wheelworks, and members of some practical group began to circulate last August. From President Tung's subsequent message to Congress, it is to be inferred that the actual overtures for the loan were made by the Chinese to the United States Government, which thereupon communicated with the American financial group whose interest participation was extended to Great Britain, France and Germany.

For the development of Manchuria, for which a separate loan had nearly been concluded last October when the major scheme was brought upon the scene, "the remainder is payable in October, if, any details which have not yet been arranged are then agreed upon." What has closely to be understood is that, before any money is forthcoming, the scheme of currency reform has to be approved by all parties concerned. That is not the work of a few weeks or even months; and before it can be accomplished many points of vital Oriental uncertainty must be made clear.
The Willard Straight Papers at Cornell University
The Japan Daily Mail
YOKOHAMA, FRIDAY, APRIL 21, 1905.

THE MUCH-TALKED OF LOAN.

It is satisfactory to observe that on the whole the much discussed question of China's latest loan is removed from the realm of sensation. After all, nothing could be more natural than that Manchurian resources should be pledged as security for the repayment of a loan whose proceeds are to be devoted to developing those resources. Had the leaders of the money interested in this and Chinese Central Government, some special responsibility for the repayment of the portion of the debt which does not directly concern the Three Eastern Provinces, some suspicion of chicanery design might perhaps be entertained. But there is no sign of anything of the kind. It must also be remembered, though, that the pledging of property as security for the repayment of a loan does not confer upon the creditor any right of interference so long as the instalments of the loan are duly paid up. Thus the fact that the Four Western Powers acquire a title to supervise Manchurian economics throughout the whole of that period. Only in the event of default on the part of the debtor can any interference on the part of the creditor become legitimate, and between Manchuria and such interference, the Chinese Government will always stand. The Western Powers are not dealing with Manchuria over China's head. They are dealing always with China and with China alone. Hence if Hilden fails to make good his obligation in connection with the loan, the responsibility will rest with Peking, and no new function will devolve upon the Powers. Only in the event of the Chinese Central Government repudiating its responsibilities would the Four Powers acquire the right of themselves collecting the money due to them. Such a contingency would signify the disintegration of the Chinese Empire with the consequent loss of China itself, and that is a contingency scarcely worth contemplating. As for the talk of a blow having been struck at Russian and Japanese interests, it should always be remembered that those interests are guaranteed by a previous treaty, and that, as a probable sequence of this loan transaction is to suggest, it is not that Russia and Japan want to reap a larger harvest than their treaties and conventions have actually given.

These facts are elementary, and they can safely be predicted that they will ultimately be recognized by the majority of publicists in Japan. When everything is said and done we cannot but agree with Mr. Neko that the taking of security in the case of foreign loans to China is intended to constitute an inducement to private investors only. These fulls do not pause to consider what processes are involved in realizing the hypothecated assets. They merely pay attention to the fact that a substantial pledge has been given, and on the strength of that fact, they put up their money. As to the possibility or probability of the Four Powers stepping in and establishing a receivership in Manchuria, the thing is virtually out of the question. The only feature of the transaction which seems at all regrettable is that Japan is not a party to it. Even then, however, really practical critics will find little ground for comment.

NOTES AND COMMENTS.

The very low estimate which some critics form of diplomatic ability is illustrated by comments assigned to an anonymous publicist in the columns of the ShONY Shinto. This writer is made to say that Japan, having applied for and being refused a share in the big loan, went in for a small transaction on her own account under the influence of pique. This mood was utilized adroitly by China, who employed her Japanese loan as a screen for bringing the representatives of the Four Powers up to the scratch. That is a theory worthy of the proverbial "blind and naked ignorance, delivering bawling judgments all day long on all things, unashamed." One would think that Japan's diplomacy was in charge of the shallowest types instead of being manipulated, as it is, by men of consummate ability.

The ShONY Shinto makes a Iew remark. It says in effect that every shadow has some light to relieve it. The acquisition of a fund for the development of Manchurian resources may mean the inauguration of enterprises which will compete severely with Japanese plans, but, on the other hand, the security given for this loan will furnish an answer to those who contend that Japan is best upon monoplingizing Manchuria on her own account. That is certainly true in a measure at all events.

Censor Chou has memorialized the Central Government. He vehemently attacked the Minister of Communications, Mr. Sheng, on the grounds that the money raised for currency reform is too large, and that to do a considerable sum in developing Manchuria is an extremely short-sighted

Original in private hands.

The Willard Straight Papers at Cornell University
NOTES AND COMMENTS.

It is to be expected that the loan question will for some time continue to suggest theories and start rumours. The subject has already grown somewhat wearisome, but we are in a snanner compelled to take note of its features. The latest comment is made by the *Shinsho* and is of a somewhat alarming character. Our contemporary affirms that the appointment of two advisers was originally contemplated; one to deal with matters relating to currency reform, the other with matters relating to Manchuria's development. It was finally agreed, however, that one adviser would suffice; that he should be stationed in Peking, and that problems concerning Manchuria should be submitted to him there. This means that the development of Manchuria will be practically directed from Peking by an employee of the Four Powers Syndicate. But can credence be given to this statement? We think it doubtful. Previous intelligence about the adviser showed that his functions were to be limited strictly to currency reform, whereas, according to this latest story, he will have to cover the whole ground.

Another point upon which the *Shinsho* puts its finger is the agreement that, in the event of funds being needed hereafter to extend or perfect Manchuria enterprises, the Four Powers Syndicate will have the right to be the first consulted, and only in the event of its refusal to do the business will recourse be had to third parties. Interpreted in a wide sense, this signifies that Manchuria is practically placed in the hands of the Four Powers. But we are not justified in giving to the provision its broadest bearings. It may mean, and probably does mean, that particular enterprises undertaken with the proceeds of the loan are solely contemplated. The enterprises are understood to be the adjustment of the finances of the Three Eastern Provinces, the repayment of the loan; the 'establishment' of a colonial bank and the building of a harbour at Leyshan Bay. These four matters alone are in view, according to one interpretation, and of course if that be a correct rendering, the provision becomes much less significant.

An anonymous authority of the Foreign Office in quoted by the *Kyo Anbo* as saying that various rumours are current as to the details of the Four Powers loan. These rumours can neither be accepted as true nor can they be denied until accurate information has been obtained. In the event, however, of the loan proving prejudicial to Japan's interests in Manchuria, Japan will be compelled to resort to some adequate measure to safeguard her interests. It is rumoured in some quarters that a Belgian financial adviser will be appointed to supervise the use of the proceeds of the loan, and also that Mr. Straight will be accredited to Manchuria to supervise the use of that portion of the loan to be appropriated to the development of industries in Manchuria. As to the financial adviser, two different stories are current, one suggesting the appointment of a Belgian, and the other stating that a Dutch adviser will be selected. Some time must necessarily elapse before the final decision is made. The rumour that Mr. Straight will be accredited to Mukden is probably a rumour arising from the fact that he held the post of United States Consul-General there. No credence, however, can be placed in these rumours.

Some Japanese newspapers seem to find great difficulty in regarding the Chinese loan as an accomplished fact. Doubtless this incredulity arises in part from an apprehension that the terms of the loan will be found inhospitable to the conservation of Japanese interests. Any such difficulty, however, must be attributed to the facts that great opposition to the loan is said to be shown by influential members of the Council of State in Peking, that Mr. Shengnian has been displaced by a censor, and that the Treasury of the Three Eastern Provinces is apparently to go into retirement. These journals insist that the problem of an adviser has not yet been solved, and that Mr. Straight is not unlikely to be nominated, a choice which would be opposed by China. Surely it is difficult to suppose that any serious issues still obstruct the path to the completion of the loan? Things have been carried too far to warrant such a hypothesis.

The Monday issue of the *Yomeda Chubu* states in this context that, according to information reaching a certain quarter, it has now been decided to appoint a Belgian financial adviser, while Mr. Straight is to be stationed at Mukden to supervise the use of the proceeds of the loan in industries in Manchuria.
April 27th, 1911.

Dear Mr. Secretary:

Your letter which reached me this morning gave me the very greatest pleasure I assure you. You seem quite gay despite the cares of nations, your little Three Ringed Mexican Circus, and all the rest, and I hope that you may continue to be so, for it’s a great thing to keep smiling.

There are ten thousand things to write of, but I’ll say I shall be leaving here in ten days time and it will be much more satisfactory to me, and, I hope, less amusing for you to have the recent battles fought over inter-panamericas. The stories will be long but they are well worth while.

It has been a great relief to get the Currency Loan signed. You know, appreciate the rock we’ve had to surmount, but I doubt if eleven thousand miles away you can appreciate the petty jealousies, suspicion, and intrigue that have made the task so difficult. For the present our position is splendid, and the spirit of leadership, which was laid before you in my memorial, has fallen on your shoulders. Between you and me though it is going to take a good deal of keeping, for the storm of criticism in the Japanese press has already darkened somewhat the feet of our tripartite allies, who are a little inclined to feel, I think, that they have gone in a bit deeper than they had expected. I doubt if their surprise will make them draw back, but we are not through the woods yet, and they will take many arrows before they will go as far as they must if we can hope to get China well started on the path we’ve tried to blaze for her. The French as usual are wary. Casenave, my French colleague, is a wonder, and will show his minister along, but the inoculation from our side must be laddled out gradually, and Casenave will see that it is applied at the proper time and place.

The British are much more cocky than I had dared hope, and the Germans are chewing nails, all clinging to the band wagon with charming insincerity. If only the cart can be made to travel gently for a while till they get stuck on their seats all will go well. For this we are relying on you. Everyone out here is inclined to regard American diplomacy as bordering on the Machiavellian, for having buttered the Bandarlog with a nice new Treaty, you are in a fine position to smite 'em in the face with the Currency Loan, which they certainly are taking lots of trouble about swallowing.

We are all much excited about the report that you are to go to Tokyo. If it’s what you want I hope you’ll do it. With you there at the present juncture I think we could do some team play which might help along the general game, through having a little closer understanding than that which now exists between the two places.

Thanks for the Article from the “Digest”. I’ll bet Lebeaux R. Milflay is suing the Editor for taking his face in vain. I feel like doing worse than that for the use of my name under Leb’s picture.

With kindest regards always, and hoping that the month of June we can have a bit of close harmony and a chin-fest.

Yours sincerely,

The Honorable Huntington Wilson,

etc. etc. etc.

Assistant Secretary of State.
The American Group

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

Gentlemen:

I beg to enclose herewith an alleged copy of the loan agreement recently concluded by Mr. Odagari of the Yokohama Specie Bank, Limited, with His Excellency Cheng Kung Pao. This document was secured by Mr. Gear from Chinese sources.

There may be some question about its authenticity as we have recently discovered that certain Chinese whom we have been unable to locate have given out what they claim to be copies of the Final Agreement for the Currency Loan which were, in fact, copies of the counter-draft prepared at an early stage of the negotiations by Lord Li Ching Fong.

It will be noted that the Japanese Loan has been given no Imperial Guarantee and contains no control provisions.

As telegraphed you through the Banque de L’Inde-Chine we have regarded this transaction as a sop to the Japanese, who...

Yours truly,

Ene:

E. J. F. M. & Co.
Letter No. 197

were bringing great pressure to bear either to secure a participation in, or to prevent the conclusion of, the Currency Loan.
May 1st, 1911.

Dear Billings:-

Thank you very much for your kind letter about Mrs. Childress and her children. I quite see your point and realize that an attempt to send these people to Groton might not be successful.

I took up with Mrs. Childress the question of going to Ootilby's school at Bagui but it did not seem to appeal to her as she says she owes a good deal of money in Peking and must attempt to pay it off before she can think of going away. I am a little bit afraid that the idea of entering an Episcopal boy's school did not appeal to her, and that being the case there seems nothing to be done.

I am very much obliged to you indeed for the suggestion and possibly later I may be able to persuade Mrs. Childress to leave this place and to give her children a chance.

Marvin I have not heard from for a long time. You are quite right, I am afraid, we shall always have him more or less on our minds but he is such an attractive person that he will be certain to land on his feet in some way or other.

After six months negotiation we finally succeeded in closing up the Currency Loan and I am hoping to get away in a week to spend June in America, July and a part of August in Europe, and be back here about the first of September to tie up the last knots if by that time our Russian and Japanese friends have not exploded some counter-mine.

I hope that you have had a most successful year. I have been tremendously interested in Groton ever since my visit there and if, in the course of events, I should ever get married and have a son I hope that you will take him in. This is what you might call a conditional application with a large piece of gutta percha attached.

Yours very sincerely,

Rev. Sherrard Billings,
Groton School,
Groton, Mass.

J. A. Foley, Esquire,
Chief Traffic Manager,
Imperial Railways of North China,
Piermont.

May 1st, 1911.

Dear Mr. Foley:-

I expect to be leaving Peking on Tuesday, the 9th of May, and should like if possible to have a private car attached to the fast train which, I understand, now leaves Peking at 2:30 in the afternoon. I desire to go straight through from Peking to Newchwang at which place I presume we are due sometime on Wednesday afternoon. If there is a goods train leaving Newchwang on Wednesday night for Koupantze I should like to have my car attached thereto as I desire to go from Newchwang to Mukden as quickly as possible. If this arrangement can be made I should like to have my car attached to the regular morning mail train from Newchwang and there put on the mail train for Mukden at Koupantze, arriving in Mukden in any case sometime on Thursday.

I am leaving Mukden for home by the South Manchurian Express on Friday. I understand that this train leaves at 2:15 in the afternoon. Lady French desires to catch the same train and had intended to leave here on the Thursday night fast train. Unless you have made some alteration in your schedule...
I am afraid that this will not connect. Will you be good enough to tell me when Lady ffrench must leave Peking in order to catch the South Manchurian train on Friday afternoon.

Thanking you in advance for your trouble in this matter, I am

Sincerely yours,

S/G

Dear Kent:-

I am about to start for home and before leaving I would like to get your account with Mrs. Childress out of the way.

Can you give me any idea as to whether Giles, Harper and Company have decided to accept Haste's judgement.

Yours truly,

Percy H. Kent, Esquire,

Tientsin.

S/G
W. A. Miles, Esquire,
Circulation Manager,
The Outing Magazine,
315 Fifth Avenue,
New York City.

Dear Sir:

Enclosed please find my subscription for $2.50 for the Outing Magazine, to be directed as per enclosed slip.

I am very much obliged for your letting me know of the impending publication of Mr. Furlong's articles, which I am sure will be of great interest. You will please send me the April number in which you state his first article will appear.

Yours very truly,

Ene:
S/G

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Yours very truly,

Ene:
S/G

May 1st, 1911.

Honourable William Phillips,
American Embassy,
No. 123 Victoria Street, W.
London.

The Willard Straight Papers at Cornell University
My own Dorothy—Your letter tonight makes me wish to hold you close and to comfort you— to cherish you—dearest, for you are sore and sick at heart. My love for you surges through me, and chokes me almost, Child. Oh, I want you so— and I love you so Dorothy, for you tenderness and sweetness,—because you have written me as you have— and let me share your trouble. Dear child— sharing means nothing at all if it is only the pertaining together of life's pleasant things. You have been drawn near, into the whirl of the world—men and women cannot meet on the one basis of friendship, as you suggest. It was not meant that it should be so—it could not be—and you have been meeting life in all its tremendous seriousness. God bless you, dear—for writing me as you have. It has been hard for you, little girl, all this— with D.A. and poor B. My heart goes out to the letter, as it has ever since I read the announcement of his engagement, for I have understood it all so well, as you know. I had hoped that he might have found peace, but if he has not, the best and fairest thing has happened for both. I want to hear the story, child, for it is part of your life—and it has made you suffer—and for that I almost hate it all, yet I cannot hate it quite—for you suffer because of your dear true heart, which makes you truly The Gift of God. Do you see what I mean? I'll tell you when I can hold you close again, child. D.A. is another matter. You have been square and honest I know, in this as in all things, and what must be, must be—and he is a man and I am sorry for him. But it is all so hard on you, child. Dorothy I cannot bear to think you worried and heart-sick—it should not—it must not be. For you, oh should be brightness and sunshine and Love. I want so to bring you all these. I can to try to give them to you always. I can't help bringing myself in—for this all is your life, and you are troubled, and your life and happiness is my whole being; dear—all that matters to me in the whole world—to be and do for you, and to guard you against all worry and sadness. To read your letter—to think of you crying—Dorothy—Dorothy mine—it hurts so—for it makes me feel that I should be by your side, holding you close and warding off any breath from the world that might disturb you. These things must never come to you again—never. You must be mine, child—you are—and you must
The national loan to China will remain unredeemed for fifteen years, says the Nichi Nichi's Peking correspondent. The security comprises taxes on tobacco, salt, sugar and other products in the Three Eastern Provinces, amounting in value to 5,000,000 taels. By the conclusion of the loan the Three Eastern Provinces will be placed under the control of Great Britain, France, Germany and the United States at least for forty-five years. This means that China is anxious to suppress the growing influence of Russia and Japan in Manchuria, and it may be stated that the loan is another form of the railway nationalization in Manchuria. The Russian authorities in Manchuria are declaring that the four-nations' loan is a serious question not only to Japan, but also to Russia.

The News in London.

London, April 17.

The news of the signing of the four-nations' loan to China is being received here with much satisfaction. The financiers hold the view that the various Powers will take concerted action for the maintenance of China's Independence.


Commenting on the four-nations' loan of ¥100,000,000 granted to China, the Nichi Nichi expresses surprise that the likin tax in the various Provinces, together with other duties on salt, tobacco and products in Manchuria, have been offered by China as security for the loan, and accepted by Great Britain, France, Germany and the United States. At one time the various Powers demanded of China the abolition of the likin tax, on the ground that it hampered the development of commerce in the interior of China, and now the four Powers have accepted the likin-tax as part security for the loan. The proceeds from tobacco and other products in Manchuria, all of which are offered as security, constitute the principal resources of the Three Eastern Provinces, and it is therefore no exaggeration to say that under the loan contract the fate of Manchuria is now in the hands of the four Powers. What is remarkable also in the loan contract, remarks the Tokyo paper, is that both Russia and Japan, which possess superior rights in Manchuria, have not been referred to by the four Powers as to the security offered by the tobacco and other duties in Manchuria. In future the four Powers will interfere in all questions concerning Manchuria, and it remains to be seen what attitude Russia and Japan will take in regard to the Three Eastern Provinces. If telegrams from Peking can be trusted, it appears ¥70,000,000 of the loan is to be utilized in adjoining the currency system and the remainder for developing resources in Manchuria. The paper, however, doubts whether these proposed reforms will be carried out by the Chinese Government, even under the guidance of a foreign financial adviser, whose services, it thinks, will be of little avail.

The Tokyo Asahi welcomes the news of the signing of the four-nations' loan. Needless to say, in this loan the United States will play a conspicuous part in dealing with all affairs attending thereto. Viewed from Japan's standpoint, the new loan is to be welcomed, for the reason that the currency...
in China will thereby be adjusted, and great advantage will be derived by Japan and other Powers in their trade relations with China. As to the engagement of a foreign financial adviser, Japan has no objection, because without assistance from outside, China is at present quite unable to undertake such a task as the adjustment of her currency system. The paper fears that under the provisions of the new loan contract, affairs between China and Japan in Manchuria will become much more complicated than hitherto.

The Hohi remarks that in the four-Powers' loan to China are involved political designs on the part the creditors. While Count Komura and Mr. Thomas O'Brien were exchanging toasts in celebration of the signing of the new America Japan Treaty of Commerce and Navigation, the American diplomatists in Wall Street were bent on creating as much trouble as possible between China and Japan, and their designs have now been realized. Prior to signing the loan contract, it would be necessary first of all for the four Powers and China to draw up a definite line of policy regarding the adjustment of the Chinese currency system, but this they have failed to do. Several years ago, when Tang Suo-yi was Viceroy of Manchuria, he contrived a scheme to drive Japan out of Manchuria by means of the introduction of American capital, and the recent disputes between the police and soldiers of China and Japan in Manchuria are the outcome of the scheme, which is also responsible for the recent collisions between Chinese and Russian soldiers. The fact that the American financiers have pressured China to borrow money in the form of a four-Power loan under existing circumstances means that these Americans are advocates of an anti-peace movement in Manchuria and elsewhere. The deficit in China's finances amounts to Y 50,000,000 annually, and it will be totally impossible for her to redeem the new four-Power loan of Y 100,000,000. The Opposition organ predicts that the four-Power loan is the forerunner of the much-talked-of partition of China by the Powers, and is apparently intended to check the further expansion by Russia and Japan on the Asiatic Continent. In short, the four-Power loan is the Manchurian railway neutralization scheme in disguise.
A dispatch to the Tokyo Asahi states that a united conference of the provincial assemblies is to be held in Peking to oppose the hypothecation of the revenue of the Three Eastern provinces as security for the Four Powers loan, it being considered that the hypothecation signifies the cession of these provinces to the creditor countries.

The president of the Hupei Provincial Assembly will start for the capital on the 25th instant to attend the conference.

As a result of repeated negotiations between H.E. Sheng Hsuan-huan, the Minister for Communications, and the Representatives of the Four Powers, says a Peking dispatch to the Nihon Nichi, a radical amendment has been introduced into the original contract drafted by the late Chang Chih-tung, and proposals have now been excluded on the new basis. Inasmuch as sanction has been granted for the construction of the Hupei and Hunan railways by private enterprise, the Peking Government addressed to the Viceroy of Hu Kwang a telegraphic inquiry under date of the 25th instant asking his opinion as to whether the Hupei-Human Railway Company should be notified of the fact that the contract is now ready for signing, or whether the matter should be dealt with in the same manner as the Su-Huang-Yung railway project. The inquiry originates in the fear that the people of the two provinces may take opposition to the loan.

The Peking correspondent of the Nihon Nichi Shimbun has interviewed the Representatives of Great Britain, United States, Russia, and France and also Mr. Straight with regard to the character of the loan and its bearing upon the political situation in Manchuria. The answers obtained were reassuring, as might have been expected, but being couched in diplomatic phrase, the information conveyed by them is not very substantial. We observe that Mr. Straight is credited as saying that the contemplated project was not an error in view of the Sino-Japanese Railway. Did Mr. Straight say anything of the kind? We doubt it. After all, there is one mistake which has been more frequently and publicly corrected than another, it is this misapprehension about Japan's attitude towards the railway problem. She did not oppose the project. What she did was to declare her willingness to approve it provided that she herself was admitted on equal terms. In fact she merely asserted the principle of the open-door.
AMERICAN SETBACKS IN CHINA

The Japanese press have concluded that American diplomacy in China has experienced a dash of cold water. They believe that the plan of Mr. Knox to "neutralize" the Manchurian railways has come to grief, that the projected rival railway to be built with British-American capital has come to nothing, and that our plan to loan $50,000,000 to China is a failure. The Chinese loan may be barely delayed, but the delay elicits much surprise and speculation from Japanese editors, who have been watching the progress of the loan negotiation with keen interest and serious concern.

Mr. Willard Straight, representative of the American financiers interested in the loan, had been carrying on the negotiation with success, and the Chinese Government was about to affix the seal of state to the loan contract. "What, then, caused the Chinese statesmen to change their minds so abruptly?" inquires the Meisenichi (Osaka), which tries to explain the matter in these words:

"The reason for the Chinese refusal seems to be twofold. In the first place, President Taft's announcement, in his address to the Congress, that the loan negotiation had come to a happy issue, was not agreeable to the Chinese Government, which desired to keep the matter quiet until the contract was practically signed. Such a public statement from the American Executive not unnaturally inspired the Chinese mind with suspicion. In the second place, the Chinese Government was given to understand that the Tsin Cheng Yuan, the Senate, would not approve of the loan."

That the Japanese papers do not see the matter in its true light is indicated in a letter addressed to the Editor of THE LITERARY DIGEST by the State Department at Washington, from which we learn that the negotiations with China are still pending and that it is quite premature to predict their result.

The Willard Straight Papers at Cornell University
VIEWS IN PEKING AND
TOKYO ON CHINA LOAN

Japan and Russia Checkman
ed in Manch-

APRIL 1925

FRUITS OF AMERICA'S NEW POLICY

ICHIKO I. ITO

The National Opinion in Tokyo
on the Drift of Affairs in China
and the Remedy

A Peking dispatch reports that one
of the leading officials pointing out
the clause in the new loan which says
that in case another loan is needed
in Manchuria China should consult
the Powers concerned, expresses the
view that it counteracts the effect of
the Russo-Japanese Convention, thus
putting a stop to the ambition of the
two countries in the Three Eastern
Provinces. Most of the Chinese
journals agree with this view.

PUBLIC OPINION IN TOKYO

The Tohoku regional Pacific Associa-
tion, recently organized with a
view to studying all objects pertain-
ing to the Pacific, held a meeting
a few days ago and discussed the new
Four Power Loan. Dr. Hasegawa
expressed the following opinion on
this occasion

The new loan is a result of the new
policy adopted by America. This
country, throwing aside its hereditary
policy i.e., the Monroe doctrine, has
adopted Imperialism and it is Amer-
ia's scheme to drive Japanese
influence out of the Chinese
domains. With this object in view
America is trying to acquire various
rights in the Middle Kingdom.
This is proved by the fact that the
tariffs in Manchuria have been reduced
as the security of the loan. Anti-
Japanese feeling in China has recent-
ly become intense. Japanese tobacco
which maintained a price of yen
90 at one time has fallen to
yen 70. With reference to the plague
in Manchuria there is a suspicion of the
Chinese authorities having facilitated
the spread of the disease, having
knowledge of the fact that the
Japanese fear it above all things.
It is because she is hated by
America that China shows an un-
friendly attitude towards Japan
in every question that turns up.
Through the labor question America
is harboring anti-Japanese senti-
ments and at present she is united
with the "Japanese peril." She
is trying to make China a cat-

The Willard Straight Papers at Cornell University
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the Threc Eastern provinces. He assigns
them on the score of ill-health, by which,
and as the Imperial Edict recalls,

he was very reticent. He
discovered any knowledge of the
text of the loan agreement. He
assumed the delegation that the
government was making careful
investigation into the question,
the basis and data in connexion there-
on. At the moment he said it was
impossible to disclose the details.

The delegation protested strongly
against the excessive secrecy with
which Japanese diplomacy in matters
affecting national interests was being conducted,
avo so much, that financial em-
The Four Nations' Loan.

Japan's Attitude.

(Special Dispatch to the Daily News.)
Tokyo, April 23.

Japanese residents in Manchuria have cabled the Tokyo Press protesting against the Four Nations' Loan. This, they say, foreshadows a concerted attempt to purchase the South Manchuria Railway. They anticipate that Russia will consent to sell the Chinese Eastern Railway in return for a Krasno-Ugra railway concession after the construction of Russia's Amur line thus forcing Japan's hand in Manchuria.

In regard to the Four Nations' loan, the Shuntien Shih Pao, a Japanese newspaper published in China, in a series of articles endeavors to put before the Chinese public the dangers of this loan from a political standpoint.

The Japanese organ says that all the foreign loans China has contracted, the one for Yen 100,000,000 from the Japanese is the best, because it has no political entanglement attached thereto.[Ed.P.D.N.]

Telegram from the "Peking Daily News."

The Four Nations' Loan.

Japan's Attitude.

The loan agreement and the press.

It seems that the loan agreement between the Chinese Government and the Quadruple Syndicate has been finally concluded. The terms of the loan are somewhat to the following effect: China borrows $50,000,000 gold, issued at 5%, and bearing interest at 5% per cent, the security being the first charges on ample provincial revenues, including those of the Three Eastern Provinces. Part of the fund is to be devoted for the currency reform and part for the development of the industrial resources in Manchuria. It is also stipulated in the agreement that China is to have 5,000,000 gold dollars down, another five millions when the proposed silver currency reform and the expenditure in Manchuria have received the approval of the Quadruple Syndicate and the balance in October.

Much comment has been advanced for the past several months both by the Chinese and the foreign press, The Chinese Press, though in favor of the conclusion of the loan in general principle, is opposed to its negotiations being solely undertaken by administrative officials without having first obtained the sanction of the Taisho Empress. Much objection has also been raised against the proposed appointment of a foreign financial adviser. Our Chinese contemporaries object to giving any foreigners rights to interfere in our financial administration. Of course the Quadruple Syndicate naturally insisted on making the appointment of a foreign financial adviser a provision in the loan agreement whilst the Imperial Government was in no mood to bind itself in this way.

To effect a compromise in this matter, however, it has been arranged that His Excellency Sheng, Vice-Minister of Currency Reform, should address a letter to H. E. the United States' Minister requesting him to appoint a foreign financial adviser who should be of a nationality other than any of those represented in the Syndicate.

This simple solution of the matter, it seems, is a sufficient guarantee to the Syndicate that its funds will not be squandered upon useless and ill-advised schemes. In the meantime the members of the Taisho Empress are still negotiating with the Imperial Government for the convocation of a special session of the Assembly to discuss the question.

Most of the foreign press have expressed satisfaction with the conclusion of the loan agreement though of course we expect to meet with opposition among them. The Press in Tokyo especially has regarded this Four-Nations Loan with much perturbation; and as examples of this we have published in our yesterday's issue the editorial utterances of the Nichi Nichi, the Tokyo Asahi and the Hochi. These...
papers seem to assert that the loan is a scheme for the neutralization of Manchuria in disguise, that by its conclusion the Three Eastern Provinces will be placed under the control of Great Britain, France, Germany and the United States, and that it is an involved political design on the part of the creditors. According to a late telegram from Shanghai which we publish in another column, the Nichi, in an article, even goes so far as to assert that the loan of the four powers means a violation of the open door in China and of equal opportunity in Manchuria.

Prima facie, it is obvious that the logic in all these arguments is not consistent with facts but on second thought one would incline to think that the Japanese Press has inadvertently made an indirect confession as to the sinister motives of Japan in Manchuria. The Tokyo Asahi fears that under the provision of the new loan contract affairs between China and Japan in Manchuria will become much more complicated than hitherto and some Japanese papers also report the Russian authorities in Manchuria as declaring that the four-nations' loan is a serious question not only to Japan but also to Russia. The Nichi Nichi claims that Russia and Japan have superior rights in Manchuria, and that they have not been referred to by the four powers as to the security offered by the tobacco and other duties thereon.

The bitterness of the Japanese Press against this loan is therefore quite natural though somewhat ill-advised. Admitting that both Russia and Japan have some specific rights in Manchuria, we must remind our Japanese contemporaries that these are expressly or impliedly granted by China through treaties and the position of Japan as to these rights is somewhat likened to that of a tenant to his lord in the English law of realty. The Japanese may have an army and navy superior in strength to ours but she cannot as a consequence, claim to have rights superior to ours in Manchuria unless might could be construed as right. It is preposterous to state, as the Japanese Press does, that our creditors in the present loan advocate an anti-peace movement in Manchuria and elsewhere. All these statements by the Japanese papers, it is only fair to remark, are based on the false assumption of facts and its ingenuity in matters of this nature surpasses our imagination. If it were safe to follow the example of our Japanese brethren in their realm of reasoning, how happy we would be! Japan has borrowed money from the French financiers, therefore Japan is under the control of France. The South Manchuria Railway has floated a loan in the London market and therefore the railway is managed by the British capitalists!

Such then are the representative opinions of the Press with regard to the present four-nations' loan. What do we gain by this host of gratuitous advice from the Japanese Press? We have no doubt gained a valuable lesson, without entailing, however, any cost to us except by paying for the price of the papers themselves, to the effect that the Japanese are better able to mislead, or rather, to misrepresent than any other nation in the world.
May 2nd, 1911.

Dear [Name]:

Thank you for your letter of March 20th. I am sending you today a bunch of Peking Daily News which contains some of the news you desire and which you can comb out yourself.

As to your questions the French representations regarding the Adviser were made about the 15th of November. The Russian and Japanese representations were made some time later. The action of the three powers may have been taken after mutual consultation, and certainly the British Government strongly objected to the Japanese and Russian attitude and succeeded in keeping the French quiet after their initial outburst. The whole matter has been settled now, of course, by the State Department's generous concession regarding the appointment of a neutral adviser. The French have acquiesced in this arrangement and both Russia and Japan have stated that they would have nothing to say.

As you have doubtless seen from the papers, the Japanese are making quite a row about the Currency Loan. I presume that this is not done without official inspiration. I notice, however, in recent papers that doubtless owing to the effect of these fulminations in Europe the Japanese Government is assuming a pious attitude of non-interference. What their next move may be I do not know, but we must always look out for squalls.

I have a number of clippings from the Japanese papers about this matter which I will give to you when I reach home, which should be shortly after you receive this letter.

We hope to get the Hukung Loan finished up inside of a week or so if there is any man who has the nerve to sign the Agreement, which I sometimes doubt.

You are quite right about omitting my name from your various articles. The omission only struck me as peculiar because you apparently mentioned everybody else who had any connection with these negotiations except myself. Personally I have not changed my views and still feel it much wiser to make articles of this sort as impersonal as possible.

We have, all of us, every reason to be satisfied with our present status here in China and if ever you start throwing boquets again I hope you will hand a few to Mr. Calhoum, who has won Chinese confidence in a marvelous manner, and also pin a few roses on old Doc Tommy to whom I take off my hat.

My opinion of the old Doc has changed absolutely and I now regard him as one of the greatest assets American diplomacy has ever had.

I hope to reach home early in June and shall, of course, see you at that time.

With kindest regards always,

Yours sincerely,
May 3rd, 1911.

M. G. Falkner, Esquire,
Mukden.

Dear Falkner:—

I am sorry to learn from your letter of April 29th that you did not secure the appointment which you desired. It is possible that we may be able to do something with the new Viceroy and I have already taken the matter up with him. I hope that something will come of it.

Yours very truly,

S/G

May 3rd, 1911.

My dear Fisher:—

This is just a word to tell you that I expect to arrive in Mukden on Thursday, the 11th, leaving for home on the afternoon of Friday the 12th. If you could arrange an interview with the Viceroy for me on Friday morning I should be very much obliged as I should like to see him. I should also like to meet His Excellency Han Kuo Chuan.

I presume that Dr. Gatrell will go up to Mukden with me and I should like to have him also meet the Viceroy.

With kindest regards to Mrs. Fisher and yourself,

Believe me

Yours very sincerely,

S/G

The Willard Straight Papers at Cornell University
May 3rd, 1911.

Dear Kent:-

I am sorry that I have an engagement for Friday luncheon, but I shall be very glad to see you if you can come in here immediately upon arrival in Peking or later in the afternoon. Possibly if you are to remain over Saturday it might be better if you come in on Saturday morning.

Yours sincerely,

Percy H. Kent, Esquire,
Tientsin.

May 3rd, 1911.

Dear Parker:-

Many thanks for your letter of April 29th with its interesting enclosure. If you have this carefully translated and handed to the new Viceroy I am sure it will create a very good impression.

If you have any definite scheme in mind regarding the form which an Agricultural Development Company should take I wish you would work it out for me and hand it to me as I go through Mukden the latter part of next week as I should like to take it home with me and go into the matter thoroughly with our people.

With kindest regards, I am

Yours sincerely,

Prof. E. C. Parker,
Mukden.

S/G
May 4th, 1911.

F. D. Fisher, Esquire,
Consul-General,
Mukden.

Dear Sir:-

Mr. Straight has requested me to inform you that he has changed the date of his departure from Peking and is now leaving on the 16th instant instead of the 9th, as per his letter of recent date. Will you therefore kindly arrange an interview with the Viceroy for the following Friday.

Thanking you in advance, I am

Yours very truly,

Secretary.

May 4th, 1911.

J. E. Foley, Esquire,
General Traffic Manager,
Imperial Railways of North China,
Tientsin.

Dear Mr. Foley:-

Many thanks for your letter of the 3rd of May. My departure has been postponed for one week but I should like to have the private car on Tuesday the 16th, my other arrangements remaining the same.

Thank you for your information regarding the time at which Lady ffrench must leave Peking and for your good wishes.

Yours very sincerely,

S/G
May 4th, 1911.

H. V. Kao, Esquire,
Changchun.

Dear Sir:

Mr. Straight has requested me to inform you that he has changed the date of his departure from Peking and is now leaving on the 16th instant instead of the 9th, as per his letter addressed to you on the 29th ultimo. Mr. Straight will therefore pass through Mukden sometime during Friday, the 19th, but I would advise you to arrange to be in Mukden on the day before in case he should get in late that evening, should it be your intention to see him as he goes through.

Yours truly,

Secretary.
Dorothy child-- today it's been put off a week, which means five days 'difference at home--m weeks' really-- but I wired you that it would be the fourth--a month from today. But I am trying to play the game as I know you would have me do-- and if by staying on, I can, as you say, put my hands on your shoulders and tell you that I have done my best and stayed till all that I could do, was done-- it will be worth it. God bless you, child, for holding me to it-- and making me know that to go to you, I must have my shield on my arm, or be borne to you cuit. It's fine-- you are a Spartan-- and my inspiration, child-- but you don't know how hard it has been to decide to take the step. You want the Hukung done too-- and it will be-- but those five days mean a lot, after all these months. You see, it's five days, because starting next week I would have reached home on the 2nd, not the 4th, as I mistakenly wired you. Now it will be not before the 9th.

Sheng, I saw yesterday, and told him how anxious I was to go. He said that I had better not-- that ten days would see it through, but that he had other things up his sleeve-- and that I'd better postpone my trip for a week anyway. Then when I went away, I asked his secretary Chad (?) to speak to him again, which he did, and today came with the answer-- ten days for settlement, but that the departure had been postponed for a week. It's worth it-- if the slate can be rubbed clean-- worth it for you, that's all, child.

We went over our war, of which I wrote you, about Manchuria. I told Sheng how angry I had been and he laughed. I told him too that he had believed Tenney but not me-- then he said-- I've known Tenney for twenty-five years, and I had never had dealings with you before. Now I know you and in the future it will be all right." That was worth while-- wasn't it-- and the score was cancelled for all time, I hope. He told me that he wanted a loan from the four Groups for the Yunnan Railway and for other things-- that there was much business to be done. So after all the arguments advanced when I first came back, have taken root. It's a great satisfaction.

Cassaneva too last night told me that the French Government would be willing to sell its railway in Yunnan-- and this if properly handled can be made the basis of a new attack on Manchurian neutralization.
May 5th, 1911.

Dear Harjes:—

The invitations to your wedding reached me yesterday. I had heard of course of your marriage, but so late that even a telegram seemed too much like a "chaser" instead of the real red, so I thought that I'd wait and convey my felicitations in person. It's fine. The good luck which you told me one day last summer you needed so badly seems to have been yours at last and I am delighted. Mine own seems to be a very tardy bird, and difficult to catch.

If all goes well we should have the Hukang Loan signed up in another week and then D.V. I shall be starting for home. It is my present intention to pass through Paris where I hope to get a good talk with you. I shall be there only a day however and will therefore wire you when to expect me. I shall want to see Ullmann and Simon, and have a dinner date with Mr. Charles Lawrence if she is there at the time, so perhaps we could lunch together, and go to see the gents above mentioned afterwards.

Our quadruple combination, thanks to the Currency Loan, now occupies a tremendously powerful position here, and can be made the instrument for performing great operations in which country which will benefit China, and be profitable to us. It is essential however that the ties that bind us be made as close as possible, and it is in this connection that I want so much to see you. The French seem to suffer from constitutional cold feet, and we've got to find a way in which to keep 'em warm. Casemate, whom you know, is working his head off along these lines, and is writing very strong letters to his people but there has got to be some good play at your end too, and I know that you can do it. Apparently the Hoetzel outfit, who have combined with the Banque de l'Outre Mer, and the London City and Midland, are bringing great pressure to bear on the French Government, through the Russians. They are pointing out that by working in our combination, the French are no longer cooperating with the Russians as they used to do, and are making every effort, not perhaps to wreck our understanding though I don't doubt that they would like to, but at any rate to make it a less effective instrument, than it now promises to be in assisting the development of China. Neither Russia nor Japan want China strong, and their whole policy is at present directed to keep her too supine to resist the aggressive designs which these two pirate powers entertain.

I am rather inclined to think however that if we hold close together, M. Hoetzel will see that he is embarked on a losing game, and that he will then approach us and try to get a seat on the Band-Wagon. This may come now, or it may come later, but it is almost certain, if we present a stiff
enough front. Once he makes advances we might come to some mutually satisfactory understanding. It would be a mistake to let any organization with a Russian odor into our combination, with right of signature, etc., but I should think we could very easily come to an understanding with the other Group whereby we would give them a share in the flotation of anything we might get, in return for a similar participation in business secured by them. With this arranged we could then come to an arrangement about the prices we would quote to the Chinese, which would give us the benefit of the combination without making the Chinese feel that we four who stand more or less for the "open door" have entered into a pact with those who represent quite an opposite point of view.

This is all tentative of course, but will perhaps give you a general idea of the points I hope we may go over together before long. It's a big game and at the present time, we Americans have by far the most influence in this country. This we can turn into dollars and cents I hope, but at the same time I hope that we can make the turning process work in such a way that it will be to the advantage of China, and to the credit of our own country's fair name in the East.

Please convey my salutations to Madame Harjes, to whom

I trust you will present me when I turn up in your gay city.

With kindest regards always,

Yours sincerely,

WILLARD STRAIGHT.

Hermann Harjes, Esquire,
Paris.
Memorandum of Conversation with
His Excellency Sheng Kung-Pao
May Sixth, 1911.

Mr. Straight urged His Excellency to call upon Mr. Calhoun as soon as possible and discuss the matter with him. He suggested, however, that since British trade predominates in China and since the Nanking Treaty first stipulated the abolition of the Opium and the increase of tariff it would be probably desirable that Great Britain should take the lead in the negotiations for any conference that might be called. Mr. Straight felt that since America had taken the lead in the negotiations for the Currency Loan if China were to approach the other powers through the United States their jealousy would be aroused to such an extent as to greatly lessen the chances for ultimate success.

In this view His Excellency agreed.

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Telegram sent May 7th, 1911.

Morgan for H. Knight New York.

Private. Please communicate this to Jack Morgan or Vanderbilt. Calhoun has asked permission to visit America now. For political reasons believe it is highly important that he should do so. Gentleman now Second Secretary has applied for the first secretaryship. He is not discreet. Should be removed to consulate in any case, and his promotion here would seriously endanger our interests. Stop. Tenney now Chinese Secretary should be placed in charge Legation during Calhoun's absence. Can you arrange this? Stop. This may seem to you gratuitous interference. American Minister however is in very embarrassing position. Full explanation on arrival. American Minister approves this confidential telegram to you.

Straight.
The American Group

Letter No. 179
File No. 4-
Messrs. J. P. Morgan & Company,
No. 25 Wall Street,
New York City.

Gentlemen:

Referring to my letter No. 161 of February 10th last, I beg to report that on Friday, May 5th, M. de Hoyer, the representative at Peking of the Anglo-Russian-Belgian Group proposed that an understanding of some sort be effectuated between his own organization and the Quadruple Syndicate, and suggested that we co-operate in inducing China to make a loan for the construction of the Kalgan-Kiaochua Railway.

A Memorandum of this conversation, together with a copy of the telegram conveying the foregoing information, despatched to Mr. Grenfell for communication to Lord French, is enclosed.

M. de Cartier, the Belgian Minister here, on the same day approached M. Casenave with a more general proposition along the same lines.

On Sunday morning we received a telegram from Mr. Grenfell stating that the London City & Midland Bank had announced that it was not associated with any syndicate formed for transacting business in China.

This seemed to us largely to explain the sudden friendliness of the gentlemen above referred to, especially since M. Casenave had learned on good authority that the French interests affiliated with the Hoyer Group, presumably M. Noetzlin, had been informed by the French Foreign Office that this Group would not be given a quotation on the Paris market.

M. de Hoyer's proposition was discussed by the Peking Representatives of the Quadruple Groups on Saturday evening and at the request of my colleagues and with the assistance of M. Casenave I prepared the Memorandum, copy of which is enclosed herewith, which was today approved by Messrs. Hillier, Gordes and Casenave, and which it was decided we should forward to our principals as our unanimous recommendation regarding the course to be followed.

Mr. Calhoun concurs in the view we have taken. I am not accurately informed as to the attitude of the German Charge d'Affaires and the British Minister, but understand that the French Minister, M. de Margerie, who has been somewhat apprehensive concerning possible Russian action on the Currency Loan, is highly gratified at our reception of M. de Hoyer's overtures.

The strong position of the Quadruple Syndicate which has undoubtedly been responsible for the French Government's refusal to give an official quotation to an issue by the rival Group, and which has unquestionably influenced the attitude of British finance toward this combination, may be almost wholly ascribed to the situation created by the conclusion of the Currency Loan. Had the Agreement, therefore,
not been signed as it was, a few days prior to the arrival of M. de Hoyer in Peking, I fear that we might have found him a dangerous competitor.

His present advances are, however, none the less welcome because he has seen fit to make a virtue of necessity. I believe that we have now an opportunity to make use of Russian co-operation in Mongolia in such manner as to enable us eventually to secure the construction of the Chineho-Aigun Railway, and possibly to obtain control of the Chinese Eastern Line. Our experience with the former road has clearly shown that for the present at least we can hope to make but little headway against Russian political opposition. In view of Chinese distrust of Russian ambitions however, it is improbable that M. de Hoyer's Group will be able to induce China to utilize funds with a preponderating Russian colour, for the development of either Manchuria or Mongolia. Our political and financial co-operation is, therefore, as essential to the Russian-Belgian Group as Russian disapproval is inimical to our own success. While a general understanding would be both unnecessary and undesirable we feel that an arrangement regarding specific enterprises in this region would be mutually profitable, and would, if properly presented, prejudice the position which the Quadruple Syndicate now holds in the minds of influential Chinese as the most potent factor in the maintenance of the "Open Door" and the preservation of China's integrity.

With the approval of my colleagues I have arranged with M. de Hoyer to meet his principals when I pass through St. Petersburg, the understanding being, of course, that I make no commitment whatsoever but merely ascertain their views as to the nature of the arrangement which might be made. This fact I have wired to Mr. Grenfell in a telegram of even date, copy of which is enclosed. The results of my interviews will be communicated to you on my arrival in the United States.

I trust that you will approve my action in this matter.

Yours truly,

[Signature]

Enclousures:
Memorandum of conversation with M. de Hoyer,
Copy of telegram to E. C. Grenfell, May 5th, 1911.
Identc Memorandum transmitted by Representatives to
Four Groups.
Copy of telegram to E. C. Grenfell, May 6th, 1911.

Copies sent to:
E. C. Grenfell, Esquire,
H. H. Harjes, Esquire,
Max Warburg, Esquire,

S/G
Memorandum of Conversation
with M. de Hoyer, Manager of the
Russo-Asiatische Bank, Peking,
and Manager of the so-called
Anglo-Belgian-Russian Group.

M. de Hoyer lunched with Mr. Straight on May 5th.

After a few general remarks regarding the Currency Loan he
asked what progress was being made regarding the Chinchou-
Aigun Railway, and upon learning that Lord French was in
St Petersburg endeavoring to remove Russian objection to
this line he stated that he thought that Lord French's
mission was fore-deemed to failure. He continued to say
that Russia had been originally invited to her Far Eastern
adventure by Germany and that the Russian defeat had resul-
ted in the Austrian seizure of Bosnia and Herzegovina. After
the war Russia's position in Europe was precarious. This
situation could not have been remedied without removing the
Japanese menace in the Far East and Russia had therefore come
to an understanding with Japan. He admitted that Russian
objection to the Chinchou-Aigun Railway had been inspired
by Japan at a time when negotiations were in progress for the
arrangement signed on July 4th, 1910. This arrangement
Russia hoped would postpone the inevitable renewal of the
Russo-Japanese conflict for at least a few years and enable
Russia to regain the ground she had lost in European politics
while, at the same time, consolidating her Far Eastern posi-
tion by the construction of the Amur Railway.

M. de Hoyer stated that the Far Eastern situation
seemed to him to be very unsettled and that it was quite
possible that Russian policy might alter within the next few
years. For the present, however, he thought that Russia
must, at all costs, keep on good terms with Japan for his
countrymen felt that no matter what diplomatic arrangement
might be made with other countries Russia could not afford
to count upon armed support against Japan in the event of
another war, while it was not believed possible to effect any

international financial understanding which would prevent
Japan from securing money in case she again wished to fight.

He then stated that in studying the situation here
he desired to know what would be the attitude of the Quad-
ruple Groups via a via his own organization. He was pre-
pared to compete with us, but felt that the Chinese would be
the only ones to profit by such rivalry. It had therefore
occurred to him that some arrangement might be made whereby
our interests should not clash and under which it might even
be possible to co-operate under certain conditions. He
stated that there seemed to be three possible relationships
(1) Competition; (2) Mutual non-interference with an
understanding regarding prices to be quoted to the Chinese
and possible co-operation in certain enterprises; (3) Co-
operation.

Mr. Straight asked whether the second suggestion con-
templated an understanding as to specific undertakings or
whether the division would be along geographical lines.

M. de Hoyer replied that he thought a geographical
division undesirable inasmuch as his most natural field would
be the North, where China would not be inclined to show great
favor to a Group having Russian affiliations.

He stated that he, of course, had no intention of
interfering with the Hukouang Loan but asked regarding our
attitude towards other enterprises in the Wangtse Valley and
Central and Southern China.

Mr. Straight replied that the Chinese Government was
committed to Great Britain and the United States regarding
the extension of the Hukouang Railways to Chengtu. M. de
Hoyer said he had no intention of interfering in this matter.

M. de Hoyer then asked whether Mr. Straight thought
the Quadruple Groups would be willing to co-operate with his
Group in loaning China funds for the construction of the
Kalgan-Kiaicha Railway. Mr. Straight replied that he person-
ally thought that some such arrangement might be made. He
stated, however, that the American Group was, of course, committed to Pauling & Company in the Chinchou-Aigun affair and that unless Pauling & Company were given work to do on any new enterprise, the commencement of which would necessarily result in the postponement of the construction of the Chinchou-Aigun Railway, he felt that no understanding would be possible.

M. de Hoyer thought that Pauling & Company might be looked after.

He asked Mr. Straight whether further discussion of this matter would be postponed until his return. Mr. Straight replied that it would be impossible for him to make any definite commitment until he had consulted his principals but he would be prepared to call upon M. de Hoyer's friends in St Petersburg and Paris.

It was arranged that Mr. Straight should ascertain the views of his colleagues and meet M. de Hoyer again on Monday, May 8th.

S/G

Telegram sent May 6th, 1911.

Morgan for Grenfell, London.

Referring to my letter of February 16th, Hoyer today approached me with a view to understanding between his Group and Quadruple Banks stating that he did not wish to compete with us but preferred join forces or exchange promises mutual noninterference. Stop. He frankly discussed Russian-Japanese relations informing me pressure for Chinchou-Aigun Railroad would not now be advisable or successful but that it might be possible remove Russian objection later. Stop. He suggested that Quadruple Group cooperate with him for construction Aigun-Kishta Railway. I replied my personal opinion was that arrangement might be possible in case Pauling and Co. were given work to do it being understood however that such arrangement contemplated postponement not abandonment of Chinchou Aigun Railway construction of which we could take up again once our cooperation with Russian interests was firmly established. Stop. foregoing arrangement seems highly desirable as in view Russian-Japanese distrust of Manchurian features Currency Loan believe we should now endeavour conciliate Russia in order to forestall possible opposition Currency Reform and to secure eventual construction Chinchou-Aigun Railway. Please consult ffrrench and telegraph your views. If you approve general idea I will inform Hoyer something can be done and thoroughly discuss matter with you when I reach London.

Straight.
Memorandum Regarding Proposals
From M. de Hoyer, Representative
At Peking of the Russo-Belgian Group.

On Friday, May 5th, 1911; M. de Hoyer, after a general conversation with Mr. Straight regarding the Currency Loan and the Chinchou-Aigun Railway, stated that he had given considerable thought to the position of his Group vis-à-vis our own. He stated that he had no desire to compete with us as such competition would be profitable only to the Chinese.

M. de Hoyer then suggested that three relationships were possible:

1. Competition.
2. A mutual understanding regarding prices which might be quoted to the Chinese Government and an arrangement for mutual non-interference; with possible co-operation in certain specific enterprises.
3. Co-operation.

Mr. Straight enquired whether M. de Hoyer's second suggestion contemplated a division along geographical lines. He replied that he regarded a geographical division as undesirable, as the Chinese would not regard with favor the operation of a Russian Group in Manchuria and Mongolia, which field would naturally be his if a geographical division were made.

M. de Hoyer stated he did not wish to interfere with the Hukung Loan but asked whether we had other enterprises in mind in Central and Southern China. Mr. Straight replied that the Groups had certain claims on the Chengtu-Extension of the Hankow-Szechuan Railway. M. de Hoyer said he had no intention of meddling in this matter. He then asked whether the Quadruple Groups would be prepared to co-operate with his Group in loaning to China funds for the construction of the Kalgan-Kiaochta Railway.

Mr. Straight replied that he could not say, but that he personally thought that the American Group at least might be willing to favor such an arrangement if it were understood that this did not contemplate the abandonment of the Chinchou-Aigun Railway and further if Pauling & Company were compensated in some way for the postponement of this enterprise.

Mr. Straight pointed out, and M. de Hoyer admitted that it would be impossible for a Russian Group to secure from China a right to build the Kalgan-Kiaochta Railroad unless the Quadruple Groups participated in a loan thereof.

M. de Hoyer stated that he understood, of course, that in any arrangement that might be made the Groups would be on a footing of equality. In this view Mr. Straight agreed.

On the same day M. Cartier, the Belgian Minister, approached M. Cassanove with regard to the possibility of making some arrangement between the Russo-Belgian Group and the Quadruple Syndicate in order that unnecessary competition might be avoided.

The explanation of this conciliatory attitude on the part of M. de Hoyer and M. de Cartier is probably to be found in the news received from London that the London City & Midland Bank has formally announced that it is not associated with any Syndicate organized for the purpose of doing business in China, and also in the fact that the Russo-Belgian Group may anticipate some difficulty in securing a quotation on the Paris market.

We are unanimously of the opinion that the competition of the Russo-Belgian Group is not now seriously to be feared. We are further unanimously of the opinion that our present strong position in China is due to the fact that the Chinese feel that we represent nations friendly to China, anxious to assist in her development, and pledged to the maintenance of the Open Door. We therefore believe that it would be unwise even to consider any general understanding with the Russo-Belgian Group.

At the same time it must be remembered that Russia exercises considerable political power at Peking and that Russia and Japan together could seriously hamper our activities here, while it is not at all impossible that these two powers
3-

might attempt to interfere with the consummation of the loan
for Currency Reform and with the eventual inauguration of
the Chinese Programme.

It should further be pointed out that while a Group
with Russian affiliations will probably alone be unable to do
business in Manchuria and Mongolia, we, ourselves, would be
able to accomplish little in these regions against a Russian
political opposition which we should certainly encounter in
case we had not reached some understanding with the Russian
Group.

Therefore, in order to conciliate the Russians,
if possible, and to prevent their opposition to the Currency
Reform scheme, and further in order to facilitate our own
entry into Manchuria and Mongolia, we believe it desirable
that we express to the Russian Group our willingness to con-
sider a proposition from them regarding some understanding as
to future co-operation with them in case they secure, or con-
sider themselves in a position to secure, loan contracts for
work to be done in the regions before mentioned.

8/8
Dearest Wonder child -- a week from tonight should be my last before I leave for You--dear.

The Chinese have invited us to a great celebration on Thursday and that almost certainly means that the Hukung will be signed before. At least I hope so. It may mean that they will merely fix a date for signature. One never knows.

Enclosed a whole lot of trunks. It's now awfully late again and I've been writing draft letters for Gears to type in the morning and am, oh so tired--Dorothy mine.

Isn't this a bully telegram from Davison. I wired back that I'd rather hear that from him than from anyone else--except one, whom he knew. Who do you suppose it could have been--this person--Very important in my life--don't you think? You're right.

God bless you.

Monday night, May 7th, 1911

Goodnight--little child--

God bless you.

Dearest Wonder child-- your letter came last night. How wonderful you have been to poor A. And how your counsel and sympathy must have helped him. You were quite right in saying that if he didn't love her it was better for both that he should not risk his teeth and see it through. I hope that the Great Love will come to him and that it will be returned. Otherwise a Great Love is a rather sad thing. I'm afraid. But if it's great enough it is returned almost always. I think--for its very greatness means that though one may know and one not—that there is an answering gleam in the heart of the unknowing one—a responsive chord, to the heart beat of the one who does know—which grows—grows until both realize that it has been their Great Love all along. Love is so powerful, so dominating—even with all its infinite tenderness—that it must find its answer sooner or later. This seems involved—I'm afraid, but you will understand—for I am writing of You and me—dear child— and I know that since that 7th of November—and indeed I think, before—there has been a harmony in our souls, which I've never known before and which can only be known once and which means Dorothy—that it is, and has been—and will be, always—and that you will be my wife, dear. God bless you and bring you now.

The last two days have been very exciting. I am too tired I am afraid to write them, but I dictated tonight, and will send you copies. Today the Fairchilds went on a picnic, but I stayed here to do up some loose ends, and really, more than anything else, to rest—for I am afraid I have about reached the end of the rope—and now I've got to be careful of my strength or it won't hold out till I can get away. There's the old faintness that bothered me when I went away from Hidden that time—so that I must watch myself. It's a nuisance. Don't let this worry you. I suppose I shouldn't write it—and I wouldn't, were I not going so soon—and so sure that the thought that I am really starting for you will make me a new person—so that I'll be bursting with health when I reach home. But Dorothy mine—when I do get home to you, we must go somewhere and play for a while and read books— and will you stroke my head—and we'll let everything else go to blazes—for it doesn't any of it matter much, save that it has

Original in private hands.

The Willard Straight Papers at Cornell University
Our contemporaries in Japan, both vernacular and foreign, continue to discuss the renunciation of the Four-Nation Loan to the position of Japan in Manchuria. The Japan Times, in an issue of a few days ago, states that "interviews with the Peking representatives of the four Powers interested in the Loan to China have developed the fact that the United States and England have an unfriendly intent toward Japan in supporting this Loan. Mr. Calhoun, the American Minister, a wise and well-trusted representative, says that so far as Manchuria is concerned he had nothing to do with the negotiations." This reference to Mr. Calhoun needs confirmation, for it is very doubtful that he would make any such statement as is attributed to him. However, upon this statement as a text, the Japan Times goes on to comment concerning the position taken by Mr. Straus and Mr. Clough in the matter. It says that both of these gentlemen, while acting as Consul-General of the United States in Melbon, developed violent and remarkable antipathies toward Japan. After their recall, the paper continues, "both returned to China to enter actively into the completion of undertakings which originated doubtless while they were Consul-General." We believe these references to Mr. Straus and Mr. Clough to be wholly gratuitous, for the impression that the ordinary reader would gather from the statements would be that both of these American officials were dismissed from their office, whereas the fact is that both resigned. They are exactly the same footing as Mr. Osagawa, formerly Consul-General for Japan in Shanghai, and now Director and Agent of the Yokohama Specie Bank. It will be remembered that Mr. Osagawa conducted the recent negotiations for the ten million yen loan made by the Board of Posts and Communications with the Yokohama Specie Bank. It has come to be the fashion for retired consular representatives to enter the commercial field. There have been three instances of it in connection with the British Consular Service. Mr. Gannett Jamieson represented for some time the Peking Syndicate, and was succeeded by Mr. George Brown, who now represents its interests. Several years ago, Mr. Byron Baker was the representative in China of the British and Chinese Corporation. All of these three representatives had spent many years of service as British Consuls in China, and were thus well fitted for the work which they undertook. We see no reason why superiors should be cast upon men of any nationality who retire from the service of their country and enter commercial life, any more than upon those who leave mercantile pursuits to enter Government service. The Japan Times quotes Mr. Straus as saying that the Four-Nation Loan "was made as a substitute for the Knox Neutralization Plan, and is America's answer to the refusal of Japan and Russia to consider neutralization." We must express the same doubt as to the accuracy of this statement that we made above in reference to the alleged statement of Mr. Calhoun, Mr. Straus, as the representative of the American group, would scarcely be so unwise as to deliver himself of such an utterance. The Japan Times is on safer ground when it says that "the Loan is so far purely a bankers' proposition, made upon good security at good interest." The paper further remarks, in a cautious spirit, that "one thing is notable. America returns, as it were, to a seat at the Financial Council Table in China." It might also have added that America expects to remain there.
Imperial Edicts.

The recent financial difficulty of the Government has been brought about by the lack of uniformity in the currency system and the poverty of the people is due to the fact that industrial enterprises have not been promoted. Being well aware of these causes the Throne feels constrained to order the Board to conclude a loan of £10,000,000 from the banks of four countries, namely, England, America, Germany and France, and also a loan of $10,000,000 from the Yokohama Specie Bank, Japan, for the specific purpose of reforming the monetary system, developing industrial enterprises and expanding the railway service. The Yamanese concerned should exert their utmost to effect economy in expenditures and under no circumstances shall the proceeds of the loans be employed for any other purpose. The said Yamanese are ordered to prepare and submit for our perusal from time to time returns and statistics so as to meet our desire in actually carrying the measures into effect.

Original in private hands.

The Willard Straight Papers at Cornell University
Letter No. 180
File No. 8-

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

Gentlemen:

Referring to my letter No. 176 and to our joint telegram of today’s date transmitted to the Groups through Morgan, Grenfell & Company, I beg to enclose herewith for your information:

1. Translation of letter received from Board of Finance.
2. Translation of Statement of Manchurian Expenditures.
3. Form of Bond which we propose to submit to Board of Finance for signature.
4. Form of receipt which we propose shall be signed by Ta Ching Bank, Shanghai, on receipt of first installment of Manchurian Advance.

We believe that the Statement of Manchurian Preliminary Expenditures prepared by His Excellency the Viceroy Chao Nrh Sun, is highly satisfactory, and we feel that the choice of so able and so honest an official to fill this important post as this time is, in itself, an assurance that the Chinese Government is determined that the portion of the loan to be expended in Manchuria will be utilised in such manner as to be of permanent benefit to the country.

You will be interested to learn that His Excellency is considering the advisability of employing a number of foreign experts to assist him in the work of Manchurian development and we have already informally suggested that in addition to the American now in charge of Agricultural work in Manchuria he engage an English Mining Engineer of experience, a German forester, and a French expert to take charge of the Agricultural Bank which he expects to establish.

Yours truly,

Enclosures as stated:
Copies sent to
R. C. Grenfell, Esquire,
E. H. Marjes, Esquire,
Max Warburg, Esquire.

3/6
Translation.

Received 6th of May, 1911.

The Representatives of
The American Group,
The Hongkong & Shanghai Banking Corporation,
The Deutsch-Asiatische Bank,
The Banque de l'Indo-Chine,
Peking.

Gentlemen:

I beg to inform you of the receipt of a letter from His Excellency Chao, the Viceroy of Manchuria, requesting that from the advance of One Million Pounds (£1,000,000) provided for in Article VIII, Section 4, of the Imperial Chinese Government Five Percent Currency Refund and Industrial Development Sinking Fund Gold Loan signed on the 17th day of the third month (April 16th, 1911) the sum of £400,000 be transferred as a first installment to meet Manchurian requirements.

A Statement clearly setting forth the purposes to which the Viceroy proposes to apply these funds is herewith presented for your approval with the request that if the same is considered satisfactory the Banks will, as soon as possible, deposit with the Shanghai Branch of the Ta Ching Bank to the credit of the Manchurian Development Account, the sum equivalent of the sum of £400,000. The rate of exchange for the same to be settled between the Ta Ching Bank in Shanghai and the transferring Banks on the same day.

Signed: The Board of Finance.

Enclosure: A Statement.

Statement of Enterprises in Manchuria for which the first installment of loan funds is required.

(a) For repayment of funds borrowed from official sources, from various Banks and from merchants for plague prevention, £250,000.

(b) For initial expenses in connection with agricultural enterprises:

1. Establishment of administrative bureaux, deputies, renting premises, etc., etc.

2. For making surveys of agricultural lands, roads, and waterways, and for making maps, etc.

3. For investigations into conditions and reporting thereon.

4. For compiling reports and making translations of foreign books relating to agriculture, industries, and colonization, £30,000.

(c) For Industrial Experimental Stations with a view to:

1. Sugar making

2. Paper making

3. Dyeing and weaving fabrics from wild silk.

4. Establishing distilleries.

5. The making of materials used in house building, such as bricks, timber sawing, etc.

6. Analysing mining products, £35,000.

(d) For iron designing works with a view to the manufacture of agricultural and other implements, machinery, etc., £30,000.

(e) For the Chen-An Cattle Ranges, £5,000.

Grand Total, £400,000.

Signed and Sealed by
Chao Erh Hsuan,
Viceroy of Manchuria.

Hsuan T'ung 3rd Year, 4th Moon, 5th Day.
No. 1.

Imperial Chinese Board of Finance Bond
3400,000.

The Imperial Chinese Board of Finance for, and on behalf of the Imperial Chinese Government, hereby promises to pay on or before the 15th day of October, one thousand nine hundred and twelve, Western Calendar, from the first proceeds of the Imperial Chinese Government Five Percent Currency Reform and Industrial Development Sinking Fund Gold Loan of 1911, when issued, or from other sources, in gold in equal shares, to the American Group in New York, the Hongkong & Shanghai Banking Corporation in London, the Deutsch-Asiatische Bank in Berlin, and the Banque de l'Indo Chine in Paris, the sum of Four Hundred thousand pounds sterling (£400,000) with accrued interest at the rate of six per cent per annum calculated from the date of this Bond, for value received, being the first installment of an advance of £1,000,000 Sterling for Manchurian requirements to be held at the disposal of the Imperial Chinese Government under the provisions of Article VIII, Section 4 and 6 of the Loan Agreement signed at Peking on the 17th day of the 3rd month of the 3rd year of His Imperial Majesty Hsuan Tiung, being the 15th day of April, 1911, Western Calendar, the said advance being secured by a first charge on the revenues pledged as security for the said Lian in terms of Article V of the said Loan Agreement.

Peking the _____ day of the _____ month of the _____ year of His Imperial Majesty Hsuan Tiung, being the _____ day of the _____ month, 191____ Western Calendar.

Ta Ch'ing Government Bank,
Shanghai, May, 1911.

To the International Banking Corporation,
Shanghai.

We hereby certify that, under instructions received from the Imperial Chinese Board of Finance, Peking, we have this day received from the International Banking Corporation, Shanghai, the sum of Shanghai Taels______; equivalent of One hundred thousand pounds (£100,000) Sterling at the rate of____ per Shanghai Tael, being one fourth share of the proceeds of the Bond of the Imperial Chinese Board of Finance, Peking, dated____ May, 1911, for Four hundred thousand pounds Sterling, the same being the first installment of an advance of £1,000,000 sterling for Manchurian requirements to be held at the disposal of the Imperial Chinese Government under the provisions of Article VIII, Section 4 and 6 of the Imperial Chinese Government 5 per cent Currency Reform and Industrial Development Sinking Fund Gold Loan of 1911.

Shanghai Taels____@_£100,000.

Signature of Ta Ch'ing Government Bank.
Last night—Wonder Child—when an American mail of the 19th April (last N.T. Herald) came with a letter from Beatrice about the signing of the loan, and none from you—I was terribly hurt—so much so that I had all that I could do to refrain from writing you at once and telling you so. Your word is the only one that counts—and I wanted it so badly. Of course your telegram had come long before, but I wanted a letter. Then I thought “No” — there must be a letter at the Legation as there has been once or twice before when I had expected one here. So I kept still. But this morning I went there early and there was nothing—so now though I write this as I feel somehow in honesty I must—I am sure that you must have started, and not finished a letter mailed later—and that I shall have tomorrow. For I can’t believe that you didn’t write then. Even with your telegram Dorothy child—it would make me feel funny to think that you hadn’t written. Perhaps you thought I’d be coming home at once and that your letter wouldn’t reach me. It will all make no difference—dear, when I see you again, for them all will be well—but I couldn’t help writing you what I felt. Do you mind?

Today we had a great luncheon of the people concerned with the Currency and the Hukung Loans at the Zoo (Pine & appropriate) and then we learned that Shanghai wanted some arrangement made under the Hukung agreement whereby he could go on with the Shanghai-Changtu extension (another 1000 miles almost) and that we have to negotiate for this. We see him tomorrow at eleven. But I’m afraid that it means another week—perhaps two, of Peking. Stay—I’ll have to stay because you want me to play the game, and because I’ve got to do so in order to go back to you and place my hands on your shoulders and look you in the eyes, child. But it is terribly hard. It will mean that I won’t be home until the 15th at the earliest. That seems too much—and you’re sailing on the 28th, Dorothy, when next either of us sails, the other must go too. There can be no more separation. I can’t bear to think of it—of my getting home and you going away. You can’t—I’ll hold you up, really.

Yesterday I talked to Mrs. Fairchild—I couldn’t help it—nor did I try to, for I knew that you would not mind. I wrote you that after you said I might, I told her...
Telegram sent May 15th, 1911.

McKnight for Morgan New York

American Minister has received leave of absence from June first but Heintzeleman in charge pending arrival new first. Stop. Believe it is very important American Minister personally report to State Department as soon as possible but must urge him to remain here unless you can arrange Semeyes in charge until Calhoun returns. Heintzeleman dangerously incompetent. We will be obliged for early reply. Straight.

Copy of Telegram

New York May 18-1911.

Hon. F. C. Knox

1527 E Street,
Washington D. C.

H. F. Davison now in Europe instructs me communicate to you unofficially the following quote: Am informed position first secretarship Peking vacant. Understand Straight very desirous securing appointment. It would be matter of much regret and loss to us to have him leave as he has rendered exceptional service to us. However, would be gratified to have him realize his desires and therefore I am pleased to recommend him for your consideration believing him to be especially competent and qualified for position and quote. I shall be pleased cable your reply to Davison.

F. H. McKnight 12 55 P.M.
New York,
Dated May 19, 1911,
Rec'd 2:17 P. M.

Honorable F. C. Knox,
Department of State,
Washington.

H. E. Davison now cables asking that you disregard his message regarding Straight.

F. H. MCKNIGHT

Dear Francesco:

Your letter of March 23rd reached me sometime ago but as usual I have procrastinated in sending my reply.

I am very sorry that nothing more could be done with Kahn or Davison but I am starting for home next week and once I get there I shall see if we can't have a little better luck as I shall probably have a chance to talk to Mr. Morgan personally about you. You may rest assured that if there is anything I can do I shall do it.

I am glad that you find so much interest in your out-of-the-way corner of the world. Please do not make any move until you hear from me. If I find there is a chance for you in America I will telegraph to our office here and ask them to communicate directly with you.

Keep as cheerful as you can and remember that things generally work out right if you try long enough. That may be poor consolation but it is nevertheless true.

With warmest regards,
Always your very sincerely,

WILLARD STRAIGHT.

Don Francesco Rosignoloni,
Imperial Maritime Customs,
Saemao.

May 30th, 1911.
May 20th, 1911.

Dear De Vos:

Your letter from Kobe reached me a long time ago and I should have answered it before and this is hardly an answer as I am in a rush of preparation for returning home. I shall be knocking around Europe during the summer and hope that we may meet as it is not improbable that I shall stop off at Brussels. Write to me in care of Morgan, Crenfell & Company, 12 Old Broad Street, London, somewhere about the first of July and we will see what can be done.

Thank you for your kind interest in what we are trying to do here. I am very much pleased that we have been able to tie up the Currency Loan and I hope that the Hukuang which, like the poor or the taste of garlic, has always been with us will finally be signed today.

With kindest regards for Mrs. De Vos and yourself.
Believe me,
Always sincerely yours,

Robert De Vos, Esquire
31 Dodoens Street, Antwerp.

[Signature]

WILLARD STRAIGHT.

May 20th, 1911.

Dear Lew:-

I was very glad to have your letter giving me news of your whereabouts. I am afraid that this will be but a poor reply as I am very much rushed; however, I hope to be in New York about the end of June and if you are there please call me up at J. P. Morgan & Company.

I am very glad indeed to have news of Mrs. Scott whom, strangely enough, I remember quite well.

I hope that your eyes are quite all right again and that you have ceased to fretterise your food.

Of Jameson's whereabouts I have no idea. He has disappeared completely. Your friends here frequently ask about you and are glad to hear that you are still in the land of living.

With kindest regards,
Always yours sincerely,

WILLARD STRAIGHT.
May 20th, 1911.

John L. Senior, Esquire,
No. 15 Broad Street,
New York City.

Dear John:—

I am glad to hear that you have entered a life of comparative respectability and ceased gambling with fate. Perhaps you were married before; if not you ought to be though I do not doubt you have a preference for violet trimmings.

I had hoped to get back before the decennial but as far as I can make out will reach New York just a day or two late as I am obliged to remain in Europe for a week or ten days before coming home. When I do get to the great city I will look you up.

Yours sincerely,

WILLARD STRAIGHT.

May 22nd, 1911.

Dear Mr. Warburg:—

Very many thanks for your kind letter of April 17th and for your congratulations, which I most heartily appreciate. You will understand that it is a great satisfaction to know that one's efforts are given human appreciation and not regarded merely as mechanical operations at so many dollars per foot-pound of mental energy expended. Your telegram, received on the morning after signature of the Currency Loan, was therefore particularly appreciated.

I will not attempt to take up the various points which you raise in your letter as I am looking forward to discussing all these matters with you when I reach New York inside of a month.

With kindest regards to you all,

I am

Yours very sincerely,

Paul M. Warburg, Esquire,
William & Pine Streets,
New York City.
The letter didn't come after all, Wonder Child - and it makes me fear that you may have decided that you couldn't catch me here, and that you haven't written any more. It will be very lonely if you haven't - worse even than before. But never mind - when I see you again all will be well.

Today I wired you that it would be the 23rd, which means that I leave here on the 30th of May. Perhaps I can make it a week sooner, but I'm afraid not. We all saw Shanghai today and he has put up a new proposition regarding the Jukang - just as I wrote you last night, and it may be two or perhaps three weeks before I can leave. If it's only two, I can still catch you at home - though there's but a narrow margin. Perhaps though you'll be willing to postpone your sailing for a week or so - would you, Child? Perhaps, Dorothy dear, we could sail together.

If it's three weeks more here, I'll wait for you in Europe. That you will know by cable before this note reaches you. It would be so much more wonderful though, to find you at Roslyn - to ride together again, Child - and to sit in the moonlight on the lawn, as we did that Sunday evening. So I shall rush home even if it be to have but five days with you - otherwise it would mean a delay of almost two weeks, and it seems as if I couldn't bear to think of that. It's all right (ought) - you want me to play the game out - and I shall - but, Child, I want you to. Goodnight.

God Bless you.

Dorothy child - a year ago this morning - you came into the stuffy reading room of the Hotel at Milan - to meet me - then we had breakfast, or I did - for you ate so little - and afterwards I told you, that which I wished to tell you for so long. Then the Cathedral, and the ride to Certosa - the dinner in the Restaurant and afterwards - when you told me why you would not smoke and of the Pearl that as yet had no name. Then with the lights out - you sat, silhouetted against the brightness of the window. - I kneeling beside you - do you remember Dorothy. I wonder if you it all comes back tonight - as it does to me. A week has gone by since I've written and much has happened skirmishes of all sorts - people here to dine - the Wendells, Mrs. Hipley, and a host of others. My thoughts have been with you constantly, though I've sent no word. Your letter from Washington came on Sunday morning. It seems as if I had waited for years for it.

The result of the week has been signature of the Jukang tonight - and at last I'm free to go - almost, almost I say - for I cannot honorably leave until a middle about the Manchurian advance is cleared away. But I hope it will be Tuesday - Our Day, the Twenty Third. Davison has wired that he will wait for me in Europe till June 16th and that they want a conference at which I shall be present as soon as I arrive. That means a week's delay in my seeing you. It seems almost more than I can bear - but I know that you wish me to play the game through - so I shall not balk, though I want to. All this I wired you today. I hope that you can postpone your sailing for Europe, for otherwise, to arrive on the Our Day in June - as I hope - and to have you go five days later - would be too cruel. We must go together next time Dorothy. There must be no more "Aiken", for we must be always together.

My heart is full tonight, Wonder Child - full of you-of hope of love. God Grant that the Miracle may happen.

Goodnight.

God Bless you.
Your cable came this morning, Dorothy dear— and I'm so glad it's Roslyn, not Paris—and think of it, a month from today. There was a letter too on Sunday, but the answer in my heart is hard to write now— for I want to give it you, myself, not on paper.

I can't leave today as I'd hoped— but everything seems settled and the Manchurian advance over which the French were making a row seems now to have been fixed up— so that on Thursday morning we can start— Dorothy— Dorothy mine— at last— to go back to you.

God bless you.

Enclosed two notes from Mrs. Wheelock. I answered the first by saying that success meant nothing unless it were success in doing for some one— and that it all depended whether that one accepted it or not— whether it meant happiness or was ashes in one's mouth. She's a very sweet person— and seems to feel, doesn't she?
To His Highness
The Duke Tsai Tse,
Minister of Finance.
Your Highness:

We have the honour to acknowledge the receipt of Your Highness' communication of today's date stating that the Imperial Chinese Government having had to borrow funds from official and other sources in order to meet extraordinary expenditures in connection with measures necessary for dealing with the outbreak of plague in the Three Manchurian Provinces in the early part of the present year, it now becomes necessary to discharge these liabilities as a condition precedent to entering upon the Industrial Development Programme contemplated by the Agreement for the Imperial Chinese Government 5 per cent Currency Reform and Industrial Development Sinking Fund Gold Loan, signed at Peking on the 17th day of the 3rd moon of the 3rd year of Huan Ts'ung, being the 15th day of April, 1911, and that the Imperial Chinese Government authorizes the reimbursement of the said plague expenditures from the proceeds of the above Loan to the amount of Three Hundred Thousand Pounds Sterling (£300,000) as a proper and legitimate application of the loan proceeds under the terms of the said Agreement.

In reply we have the honour to state that the application of the loan proceeds to the purposes named has our concurrence as coming within the intentions of the contracting parties of the said Agreement.

We have the honour to be

Your Highness' obedient servants.

COPY
frustrated; their faith in Americans was impaired; and they began to think they could not depend on the latter for either financial or political support.

The local representatives of the interested European banks, with one notable exception, took advantage of the situation to add to the discomfort of the Chinese by making unfriendly criticism of the Americans and by goading the Chinese for depending on them. They told the latter that the London agreement was evidence that the Americans were financially weak; that they could not float or carry the loan; that they had to come to the European banks for help; and therefore the Chinese might as well have come to the Europeans in the first instance. The Chinese were disposed to take very much the same view of the situation. Sheng Kung-pao told Mr. Straight in the first interview the latter had with him that, if he, Sheng, had known he would have to deal with European bankers he would have gone to them direct, as he knew them well, had done business with them before and did not need the intervention of the Americans to do business with them now.

No special emphasis is intended to be placed upon the attitude of these bankers, except as a side light on the situation with which the Legation and the representative of the American bankers were confronted. These local bankers had been long established in business in China. Their acquaintance with the Chinese was intimate and of long duration. They had, severally or jointly, negotiated all large loans previously made. They resented and were alarmed at the intrusion of the Americans as competitors, especially as the latter's advent was attended with marked manifestations of sympathetic support from the Chinese, for reasons both sentimental and political.

It is to be also noted that these bankers, including their principals in Europe and their diplomatic representatives in Peking, were much irritated at the Americans for their intrusion into the Hukou loan after the contract thereto had been agreed upon and initialed. As M. Caseneuve, manager of the French bank, said to me not long ago, it is probable the Americans had to force themselves into this Hukou loan as they did in order to get in at all; but it had made the European interests very sore and suspicious of the motives of the Americans. Despite both the Paris and the London agreements, much of this soreness and suspicion remained when the negotiations for the final currency loan agreement began. We felt its presence but did not realize its intensity until some time afterwards.

It was also disclosed that these bankers, usually so well informed as to what is going on in Chinese official circles, had no knowledge of the negotiations which eventuated in the preliminary loan contract until after it had been made public. They were not only surprised but much irritated, because in the negotiation of this contract they saw further evidence of the purpose of the Americans to enter the field as a competitive force and, as they thought, intent upon an aggressive and exclusive policy. While the subsequent London agreement brought them a sense of relief in the fact that they were allowed participation in a large financial transaction, and were given identification with so important a measure as Chinese currency reform, nevertheless their alarm and resentment...
resentment had been so great it could not be dissipated at once and they could not refrain from pointing out to the Chinese, in a spirit of criticism, what they believed to be the vulnerable point in the American armor, viz: financial weakness.

It is proper, however, to note one honorable exception among these bankers. M. Casenave is the manager of the Banque L'Indo-Chine. For many years he was connected with the French diplomatic service, and, although now managing the Peking branch of the aforesaid bank, it is understood that he is still identified in some way with the diplomatic service. He is therefore more of a diplomat or politician than a banker. He was away on leave of absence when the preliminary loan contract was negotiated. He only returned to Peking a short time before Mr. Straight arrived. He is friendly to Americans in general and to Mr. Straight in particular. He is a man of broad views and liberal impulses. He looks upon the situation here from the viewpoint of a diplomat and in the light of a comprehensive political policy towards China. He is friendly to China, and believes the stronger nations owe a moral duty to help her in her present stress. He was quick to see the possible political as well as economic value of the London agreement. While his minister was lukewarm for a time in his support of the negotiations for the final contract, and was disposed to be cautious and critical, yet Casenave was very effective in holding him in line and also his government likewise in repelling the undermining effect of Russian intrigue. I feel no appreciative of M. Casenave's sympathetic support and of his generous attitude towards Americans that, if it is within the limit of diplomatic propriety, and you feel so inclined, I will be glad if you will express that appreciation to the French Ambassador at Washington.

Another phase of the situation was the attitude of the diplomatic representatives of the other powers, especially those whose bankers were parties to the London agreement. They were also much surprised and not a little alarmed when they learned the Americans had secured the preliminary contract for the loan. The British Chargé d'Affaires, Mr. Max Muller, was, as he generally is, decidedly hostile to Americans, and to their influence in Chinese affairs. The English have so long enjoyed a large measure of supremacy in China that they naturally. Perhaps, looked askance upon the advent of the Americans. Mr. Max Muller was reported to be severe in his criticism of the Tang Chiao-yi note upon which the Americans based a claim to Manchurian loans; called it disgraceful; denounced it as without binding force or credit. Fortunately before the negotiations for the final contract had gone very far, Sir John Jordan, the British Minister, returned and took charge of the negotiation. His attitude was more friendly but somewhat negative. He called on me occasionally and inquired as to the progress of the negotiations. I treated him with the utmost frankness. He rendered no active assistance, but expressed sympathetic interest.

The German Minister was silent. He made no inquiries, and, as far as I know, made no comments. The French Minister, M. de Margerie, was cautious and critical from the very start. I now have reason to believe he was better informed as to the effort and purpose of the Americans in reference to a financial adviser than
could reasonably be expected. He had an exaggerated idea of the importance of the adviser. He thought the Americans intended to take advantage of this loan to entrench themselves in the financial affairs of China, and to secure a permanent influence in the control of all future loans, while imposing the burden on Europe of carrying the greater part of the financial burden. He frankly admitted that as soon as he heard of the London agreement he asked his government that he be instructed to notify the Chinese that if an American adviser was appointed, France would expect and insist upon a co-adviser. He received the instruction for which he asked, and he immediately notified the Foreign Office here of the purpose of the French in that regard. So far as I know, neither the English nor the Germans made any representation to the Chinese on the subject. It is to be assumed, however, that they were watching the situation closely, that they were in sympathy with the French, and if the Chinese had consented to the appointment of an American adviser, they would have supported the French in a demand for like recognition in behalf of such national interest.

The attitude of these European interests towards the Americans was expressed to me by Herr Bernhard Dussburg, of Berlin, late Secretary of State for the German colonies. He made a trip through Manchuria and arrived in Peking a day or so after the fact of the preliminary contract was announced. He called on me and discussed the proposed loan in a very frank way. He said the Americans had such demands for money in the development of their own country, and were accustomed to such large returns on their investments in the way of interest and profits, that they were not in the habit of making investments in foreign bonds bearing a low rate of interest, and therefore there was no ready market in the United States for that class of securities. He further said that while in recent years the Americans had negotiated certain international loans in Mexico and other Central American and South American countries, they had, however, uniformly disposed of the bonds in Europe. Even the bonds of the Japanese loan which were so freely sold in the United States ultimately found their way to Europe. He also said that the European bankers had made up their minds that the Americans should not be allowed to enjoy the exclusive prestige of negotiating foreign loans and then floating the bonds in the European markets. Therefore, in this instance, the Americans would find that the European exchanges would refuse to list the bonds of the proposed currency loan, whereby the latter markets would be closed against them, and the American bankers would find it hard work for them to dispose of the bonds at a profit in their own country.

In the light of this statement made by Herr Dussburg, the attitude of the French Minister can be more clearly perceived. It was, I think, the next day after this conversation that the making of the London agreement was announced. I supposed its effect would be to avoid the difficulties suggested by Herr Dussburg. But it soon became apparent that the French Minister thought that the Americans were intent upon securing an exclusive prestige in the negotiation of the loan, and a commanding influence in the application and use of its proceeds, while the Europeans would furnish at least three fourths of the money; and France, very likely, would furnish even more.
more than her quota, because the Paris market absorbs this class of securities more readily than do the other European markets.

Taking this view of the situation into consideration, the French Minister no doubt felt justified in contending that all the prestige and influence resulting from or incident to the loan should be shared equally by all the national interests contributing thereto. Or, to put it in another way, he thought that inasmuch as the European nations were to furnish three-fourths of the money, and each of them already had large interests in China and the Americans practically none, therefore the Americans should not be allowed to claim for themselves all the prestige and influence attending the negotiation of the loan. He felt commanding strength in his position by the fact that the French government controls the listing of securities on the Bourse; and Paris being the financial nerve center of Europe, if not of the world, the exclusion of these bonds therefrom would seriously depreciate their value in the markets of both Europe and America; therefore the French were a necessary factor in the successful flotation of the loan, and for that reason, if no other, consideration would have to be given their demands. And the fact that the Americans had secured the preliminary contract for the loan was not considered of such value as to give them any superior claim to the financial adviser or to any other preferential recognition. Because, it was believed, that it was only their financial weakness or their dependence on the European markets for the flotation of the loan, that induced the Americans to consent to European participation; they could not alone carry the financial burden; they recognized

recognized the necessity of shifting the larger part of it upon Europe; and that being true, it was unfair for them to claim all the honors. This is not alone my interpretation of the reasons for the unsympathetic, even threatening attitude of the French Minister; it was confirmed by frank and frequent statements made by him to other parties, and all to the foregoing effect. It may be said this was a narrow and selfish view for him to take, but it must be admitted there is much that is human in it.

Therefore, when Mr. Straight arrived at Peking he found the conditions very unfavorable for the negotiation of the final contract on the lines required by the London agreement. The Chinese were sore and sullen. The other bankers, and some of their ministers, were suspicious and jealous. The situation was most delicate and required careful handling.

The first interviews Mr. Straight had with Duke Tsui Tse and Sheng Kung-Pao were very unsatisfactory. He explained the conditions which made the London agreement both necessary and advantageous. That as the result of the agreement the Chinese could get a larger price for their bonds than they would if they negotiated with the Americans alone. He emphasized the probable political advantages thereby resulting to China, because the bankers' combination drew it the patronage and support of their respective governments, which might be hereafter invoked or used for the protection of China. But it was of no use; the Chinese representatives listened indifferently and made no satisfactory response. Dr. Tenney, who was with Mr. Straight at these interviews, afterwards told me that the arguments and representations of the latter
latter, although forcibly presented, had no more effect
than if he had been talking to a stone wall.

Under these circumstances it was apparent that it
was useless as well as inexpedient to make any great
pressure for the appointment of a financial adviser.
This conclusion was based on several reasons which I
believed to be sound. In the first place, the suggestion
of any kind of a foreign adviser is to the Chinese mind
most distasteful. It arouses the habitual distrust of
the foreigner which is deeply imbedded in the soul of
these people. It necessarily involves a certain measure
of "loss of face", because it imputes incompetency, and
on this point the average Chinese is most sensitive.
The consent already expressed when the subject of an
adviser was first broached by me, was reluctantly given;
it was only obtained because of the expectation that the
loan would be solely negotiated with Americans; and
because of the good feeling which then prevailed, in such
a marked degree, for that nationality.

It was also clear to me that with or without the
London agreement, or independent of whether the loan was
negotiated with one nation or with four, no adviser would
be appointed, and no further commitment on that subject
would be made, until it was definitely known that a
satisfactory final contract would be negotiated. The
character of the men who negotiated this contract, in
behalf of the Chinese and their general attitude towards
the subject, were such as to convince me that while they
understood that the appointment of an adviser was a
condition precedent to making the loan, they were also
determined that a contract satisfactory to them should be
a condition precedent to the appointment of the adviser.

They

They had already committed themselves to the general
proposition, but beyond that they would not go, until
they knew what the terms of the contract were to be.
No personal influence could make them change from this
position.

The three men who had to do with the negotiation of
the contract in behalf of the Chinese are no ordinary
men. Duke Tsai Tsu, the president of the Board of
Finance, was primarily in charge and was officially
responsible for the result of the negotiations. He
impressed me, as he does every one who meets him, as a
man of great dignity in bearing and of high character,
although of limited experience. He probably does not
have that kind of force which qualifies for leadership,
but he has a measure of firmness, once his mind is made
up, that makes him impresive alike to threats or bland-
ishments. He is supposed to head a political faction
favored by the Empress Dowager, his sister-in-law, which
is antagonized, and, at least, is feared and distrusted,
by both the Prince Regent and Nanking. For that reason
he knew he was closely watched, and if he made any mis-
take he would receive the severest criticism. He also
knew the introduction of a foreign adviser under any
circumstances would be the subject of public criticism,
but if the appointment was made in advance of making the
loan contract, a still greater outcry would result.

His attitude throughout the entire negotiations was one
of great caution. He could neither be hurried nor influ-
enced to make any advance until he had carefully consid-
ered every step. He was much disturbed and irritated by
the London agreement. He had previously emphasized the
fact that he would only make the final contract with

Americans

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Americans, that, while the latter might allow other foreign bankers to take a part of the bonds, yet he expected them to take and hold the larger part; and for him to permit other foreign bankers to become signatories to the contract and take equal parts of the loan, was to go back on his declarations previously made. For some time after the London agreement I knew full well that he was in a mood that made it useless to expect, and impractical to ask, him to agree to the appointment of an American adviser at that time.

Sheng Kung-tao was, as subsequent events proved, the ablest and strongest one of the trio. He is advanced in years, in bad health and frail of body. But he has a very acute and alert mind. He is a man of large business experience. He is the principal owner and director of the Han Yan iron works; the owner of ship lines and various other large business enterprises. He has negotiated many of the existing treaties to which China is a party. He has had dealings with foreigners, understands and appreciates them. He is a smart, wily politician, although more devoted to business than to practical politics. It was interesting to watch him in the conduct of this currency loan negotiations, and more particularly in the Hukuang affair. In closing up the latter contract he had not only to deal and combat with the foreign ministers and bankers, but he had to manage and control the Prince Regent and the members of the Grand Council, all of whom were disposed to avoid responsibility and were controlled by their fear of the Hunan and Kueich royalty. Sheng was the only man in the lot who had an ounce of courage. He was not only very keen and alert in the negotiation of these contracts, but he impressed the ministers and the bankers as being a man of great shrewdness and ability, as well as having more force and courage than any other man in the government. He was too smart, too crafty and shrewd not to appreciate the vantage point of holding back any positive commitment on the question of adviser until he could clearly understand what the terms of the contract would be; although he has more liberal views as to the necessity of the adviser than has either of his colleagues.

Dr. Chen Chin Tao is the third member of this trio. He does not have the rank or authority that the other two members have. His activity was more in a consultative capacity with the Duke. He is a young man with a future in this country, because he is able and well educated - graduate of the University of California and post-graduate of Yale - serious minded, ambitious, industrious and, I believe, honest, but very self-opinionated and stubborn. From the very first, I recognized in Dr. Chen a stubborn factor in the problem and I feared his influence on the Duke. But it subsequently developed there was some antagonism between him and Sheng, and finally Dr. Chen was pushed very far in the back-ground. Nevertheless, he is able, and is said to be the hardest and shrewdest trader in the country. He is well up on questions of banking, currency and exchange, and it is evident the Duke holds him in high regard. He it was who suggested that the adviser be made a subordinate officer in the Ta ching Bank, of which he is vice president and manager. Sheng expressed himself in favor of this proposition, but he was never very strenuous in its support. Sheng is very wily; he said little about
about the adviser; he let Chen do a lot of talking, while
he quietly bided his time until he could come forward
and brush Chen aside and take the negotiations entirely
in his own hands.

So much for the personnel of the Chinese negotiators
and their general attitude on the question of the
adviser. Two other important considerations entered into
the proposition. The Chinese were unwilling to consent
to the appointment of an adviser, in advance of fixing
the terms of the contract, because they especially
feared the adviser might seek to impose upon them a
currency system based on the gold standard; to this they
were unalterably opposed. In the course of the subse-
quent negotiations it developed that they were determined
to insist that the loan should be predicated on the
currency plan already devised; the issuance of the loan
to be dependent on the acceptance of that plan by the
bankers, after due examination.

In the consideration of their position in this
regard, it must be admitted there is much justification
therefor to be found in existing conditions in China.
The present currency evils, which are many and varied,
are deeply imbedded in the life of the people; symp-
thetic radical change, however beneficial in the end, will
seriously disturb the country. Great political and
financial interests are identified with the existing
evils, and have from time immemorial lived and fattened
thereon, through the agencies of native banks, "cash"
and exchange shops. It may be reasonably expected that
all of these interests will obstruct and oppose any
reform that may be inaugurated. Both the Duke and Sheng
were strong in the conviction that a change to the gold
standard

standard at once would in itself be so radical as to
make the reform impracticable. When India and the
Philippines were cited as instances where the gold
standard had been introduced without undue friction, the
reply was that in each of those cases there was a strong
government behind the reform, capable and willing to
support it with all the force that was necessary, while
in China there is no government with the force or admin-
istrative ability to enforce such a reform. Taking the
conditions of China as they are into consideration, the
deep rooted character of the evils which are to be re-
moved, and the admitted inefficiency of the central
government, they thought they dare not go so far as to
accept the gold standard at this time; and in this con-
clusion most, if not all, the bankers are inclined to
agree. In their view of the situation, a foreign finan-
cial adviser suggested to their minds a foreigner,
Perhaps a scholastic theorist, who knew nothing about
China; who had no appreciation of the stubborn conserva-
tism of the people, of the selfish but powerful influ-
ences of the many who are interested in the maintenance
of existing conditions, and of the inherent weakness of
the central government.

In addition, the action of the French Minister in
demanding a co-adviser if any American was appointed,
suggested to the Chinese the possibility of a board of
advisers, and to this they were unalterably opposed.
Their fear, in this respect, was much increased by the
Russians and Japanese also intimating that they desired
participation in the loan, and representations among the
advisers. The National Assembly was in session; it had
become demonstrative in its criticism of the government;
and it evinced opposition to the appointment of a foreign
adviser.
adviser. Of course the natural inclination of the members was adverse to the idea of a foreign adviser at all times and for all purposes, but in this instance we have reason to believe our Japanese friends intensified this opposition by their intrigue. It was known that Japanese nationals circulated very freely among the members of the Assembly. The latter were disinclined and made the subject of many social courtesies by the Japanese. The native newspapers discussed the subject; some of them were very vehement in their opposition to the idea of an adviser. The fate of Egypt was used as an object lesson and as a warning. The situation was growing worse all of the time. The Chinese were naturally friendly to us. If the loan had been taken or negotiated exclusively by the Americans, we would have been in a position to demand the adviser, and the Chinese would have been inclined to demand their promise. But when the Americans, without the knowledge or consent of the Chinese, entered into the London agreement, the situation here was instantly changed. As Natung said to me, his promise was to the effect that if the loan was negotiated in America, an adviser of that nationality would be appointed; but when the Americans voluntarily and without consulting China, invited the other nationals to join with them in making the contract and in floating the loan, that fact in itself was sufficient to invalidate any exclusive claim to the adviser on the part of the Americans; and, he complained in addition, that the Chinese as the result of our action were now involved in a conflict of claims with the French, and probably with the other nationals over the question. He also commented on the public opposition to the proposition that had been excited, and the activity of the National Assembly against it, and said that under these circumstances he knew positively that the Duke would never consent to any provision for an adviser being inserted in the contract. As for himself, he declared all responsibility for and all power over the subject.

On December 31, 1910, I had a long conference with the Duke, the result of which I reported to you in my telegram of that date. He referred to the current report that the London agreement meant a combination of bankers to control China's finances; that this report and the question of an adviser had been freely and adversely discussed in the native press; that the National Assembly had become alarmed over the subject and had summoned him to a secret conference, in which he had promised the Assembly that no adviser should be appointed; and having made such promise, he could not now depart from it. Besides, he said, both Russia and Japan had notified the Foreign Office that they wanted participation in the loan and representation in the advisers. He also said that one of the countries named, undoubtedly Japan, had thrown every possible obstacle in the way, and had threatened to make serious trouble if it was not recognized; the danger from this source he regarded as serious and imminent. It was plain that the Duke was seriously disturbed and much distressed. He talked freely of the troubles confronting his country, its defenceless condition and friendless situation. He finally referred me to Sheng for further consideration as to what could be done.

Up to this time Mr. Straight had been alone conducting the negotiations. He was very active and efficient in overcoming the many and varied influences at work against him. He conferred with Prince Taui Tao, the brother
brother of the Prince Regent, with individual members of the Foreign Office and of the National Assembly. The hopelessness of having an adviser appointed in advance of negotiations for the contract was apparent to both of us. Sheng had practically shut off all negotiations. He would not see Straight, and he sent word that he could not come to see me, and he did not want me to go to see him, because he was too closely watched.

As before stated, up to this time Mr. Straight had been working alone, except with such assistance as I could give him. It was obvious to him that the representatives of the other banks were becoming restless and dissatisfied with their exclusion from the negotiations. It was equally obvious to me that something had to be done to remove the obstruction caused by the question of the adviser. Whatever was to be done, had to be done quickly. We felt sure the Russians and Japanese were doing their utmost to defeat the loan. They were also supported to some extent by the Belgians. The latter had no political end to serve, but they regarded the combination of bankers as hostile to their interests. M. Cartier, the Belgian Minister, admitted he had been sent here for the special purpose of securing business. He first tried hard to be admitted into the combination. Failing in that, he joined with the Russians in an effort to form a rival combination. He became very active in his effort to divert the attention of Sheng from the quadruple group to the financial opportunities he had to present. I have no complaint to make against M. Cartier. His competition was honorable in every way, so far as I know. I only mention it to show the varied contending elements with which we had to deal.

Up to this time I had not fully realized how sensitive the French Minister was on the question of the adviser. My attention had been directed more to the Chinese. But through Casenave I learned of his minister's dissatisfaction, and of the suspicion generally entertained by the other bankers and their ministers that the Americans were intent upon securing for themselves all the prestige and influence incident to the negotiation of the loan and to the position of the adviser. The situation presented not only a reasonable possibility of a final break with the Chinese, but a rupture of the combination of the bankers as well.

In which case the Americans would lose prestige with the Chinese and be chargeable by the bankers and the other ministers with wrecking the loan. In which event American prestige and influence, I thought, would suffer seriously. The only solution was to eliminate the question of adviser by having one appointed from some neutral nation, not particularly interested in China. I therefore cabled you on January 33rd, suggesting an agreement with other powers that a single adviser should be appointed, whether American, Dutch or Swiss. Subsequently I had Dr. Tenney confer with Sheng. The latter has great confidence in and friendship for Tenney. It resulted in Sheng consenting to see Straight, which he did on the evening of February 20th. A plan was outlined for the appointment of adviser somewhat in line with my suggestion last aforesaid, of which I cabled you on February 19th.

Mr. Straight was also authorized to discuss terms of the agreement with his colleagues, which he did, and thereby allayed their growing suspicions, and finally
as the result of great tact on his part, and the personal support of Casimiro, friendly relations with all the banking representatives were restored. As soon as the Chinese saw they could be relieved from the pending complications incident to the adviser, they began to show renewed interest. Sheng then undertook to bring the Duke around; it took him some time to do it, but he succeeded in the end. I also called on M. Margerie, the French Minister, and had a friendly and frank conference with him. I learned that he had been very suspicious of me, thinking I was intent on having an American adviser appointed as a matter of personal prestige. When he found that such was not either your or my attitude, his manner changed, and since then he has been very friendly. I also called on the British and German ministers and had a friendly understanding with them. From that time on the atmosphere completely changed. All doubts, distrust and outward evidences of jealousy disappeared. A spirit of friendly cooperation became manifest. Mr. Straight was allowed to keep the lead in the negotiations to the end. It was not entirely plain sailing with the Chinese. There were several severe contests with Sheng which, at times, threatened to wreck the whole enterprise. It is due to Mr. Straight to say he exercised great tact both with the Chinese and with his colleagues; he now has the confidence and good will of both; and during all of these difficult negotiations, which were the most tortuous and nerve racking with which I ever had anything to do, he showed the highest order of ability and the success so far achieved is principally due thereto.

The result has been that a general era of good feeling now prevails. The Chinese are very much pleased at the result. They are grateful to us because we

enabled them to escape from the dilemma they were in concerning the adviser. Mr. Straight's leadership in the negotiations was so pronounced that to him and to the Americans they give full credit for the loan. We also stand well, I feel sure, with the bankers and their representatives. They are convinced that the American policy towards China is fair and altruistic as claimed by all our professions. If this loan is finally consummated, the Americans have a great part to play in China. We have, perhaps, aroused the antagonism of Russia and Japan. But we have gained a place in China, and the basis on which that place has been established, has demonstrated that we are not pursuing any selfish or exclusive policy, and therein lies our greatest strength and prestige. The way these loan negotiations have been handled is strictly in line with your neutralization policy, which, as the years go on, will become as famous and as much honored in diplomatic history as is the "open door" policy proclaimed by Mr. Hay. I shall take the liberty of making some suggestions for your consideration as to what our future policy in China should be. For the present, I think, our position is secure.

In conclusion, I beg to acknowledge my great indebtedness to Dr. C. D. Tenney, the Chinese Secretary, for his valuable assistance in this trying period. Dr. Tenney is well known to the Chinese officials. He enjoys their confidence and good will more than do any other member of either or all of the legations represented here. Several times the loan negotiations were abruptly suspended, because of differences between Sheng and the bankers, and further progress seemed impossible. In each instance, after waiting a day or two, I sent

Dr. Tenney
Dr. Tenney to see either Sheng or the Duke, with whom he had a private conversation. He invariably smoothed out the difficulties in the way and made it practicable for the negotiations to be resumed. I think all of the bankers are highly appreciative of Dr. Tenney's service; it was exceptional and deserves special commendation.

It has been a period of strain and much of my attention was given to its passing phases. To Mr. Keintalser, Second Secretary, I am much indebted for his close attention to the current business of the legation.

I have the honor to be, Sir,

Your obedient servant,
It's daylight, Dorothy, of the day that I start for you. Just seven months ago to a day I left Roslyn early in the morning. I pray that it's a good omen-- the Seven. Everything almost is finished. I have just put away your pictures and now this is the last word to you -- the last word from Roslyn. There is a Great Prayer in my heart, child-- for you, for us both. God grant that you may give all that I ask-- God grant that you may be mine for always-- God grant that I may cherish and care for you always-- for I love you, dear, and today I start back to you---- the day I've longed and prayed for, so long.

God bless you.

It seems foolish, somehow,-- Wonder child, to be writing you on a train that's carrying me toward you as fast as I can go-- 'especially since what's written is but such a small part of what is in my head, which also is consigned to you, though not stamped and in a locked envelope! (You may ask about my well groomed hair!) You are always in my thoughts-- always, but these days on the railway you have been dominating them completely. You are in the page of the book I try to read-- in the glinting streams in the purple hills-- in the broad stretches of rolling pasture land that from my window I see sweep by-- dimly conscious of the scenery that serves only as a background for you.

Oh Dorothy mine-- do you know what it means,-- at last to be starting for you. Do you know the great hopes-- the prayers that fill my heart-- and the shrivelling, knawing fear that sometimes grips me-- grips me because I want you so terribly, child.

I've not written much these last days because I've been too frightfully depressed.

As the journey goes on and I sleep, I'm better-- and cheerful again. Now I know that I've been very near the breaking point-- nearer I guess than I have imagined, though sometimes it seemed that I must crack somewhere. The trip had rather appalled me too.-- for that one three years ago is still a horrid memory. But its all right now, for sleep comes-- and that's the main thing.

There has been much in your last letters to answer. I loved yours saying that the Currency loan was our victory-- for it was, child,-- and your prayers did help, I know,-- and the courage that love for you gave, carried the day, dear, in that as in the Upanamg-- so we've (we're) two now.

But Dorothy beloved-- your Willard boy is tired, tired, tired of fighting. He wants peace with you-- the peace that only your love and tenderness can bring. Just you, far away from all others, and then if you wish, he will don the armour again, and wearing your favour go once more into the Lists. But this time dear, it will still be for you, but it must be with you, too. I cannot leave you again. Life is too short-- these months apart have been too dreary. We must be together always, sharing, sharing even you, child.

The thought of this coming conference drives me mad almost-- for it keeps me away from you for a week longer. But I know that you would have it that way-- the work done well, the
trip home with Davidson, the slate clean, and then I think of it— the Twenty third—our
First together. It seems too wonderful— too wonderful, were it not as it should be—
as it has been, always, dear.

My heart is too full, almost, child. I can't bear to write more. I want to hold you
close and tell you—tell you all— and hear all from you. But Dorothy, all that I would say
means only that I love you, with my whole mind and heart and being— all that I would hear
is that you, child, love me.

God Bless you.

JUNE 16. SCHWEIZER IN RUSSIA 1911

The days have been dragging, oh so wearily, my child—but now we're due in Peterburg
tomorrow and then it won't be long till Paris and London, where I hope to see your friend
Margaret Lawrence, and where I shall find Pauline and Davidson. It's been a good deal of
a bad dream, the trip—Peeking seems far away now, and these days have served as a soil
of awakening time— they have made me realize how starved I had been, how concentrated,
and the thought of seeing folk I really care for again, seems almost too wonderful. To be
with you again, child, will be to live indeed, for all months I have been but half person,
I know—a machine doing certain work, striving and straining, but with the soul of
me always with you. Three weeks from yesterday—think of it. But such a long three weeks,
cruel too, for it might be two, if only I could go straight through.

I'm not sure that I've written you that Davidson telegraphed that he would wait
in Europe for me till June 15th, and that they wanted a conference on my arrival to discuss
the Chinese programme of Currency Reform, and to settle some other outstanding matters.
That's why I had to wait to see you until the 22nd, it may be the 20th, but that I must
tell till I've seen Davidson.

Then too, to cross with Davidson will give a splendid chance to clear things up, for
we'll have an unbroken week which in New York is impossible. But child Dorothy, knowing

that I could see you on the twenty third, you couldn't really think, could you, that I could
bear to wait until the fifth of July.

It would be impossible—eight months, we couldn't help, for you wanted me to do my job,
just as I wanted to do it for you—and two weeks delay, unnecessary waiting—never! ?
What do you think I am, Miss Wonderful ?

Strangely enough, you have something to say about all this, but not much ! ! but it
seems to me pretty good, for with the conference now it will mean that the next, which they'll
have to have to come to a final decision, need not take place till the end of July or the
beginning of August. By crossing with Davidson most of this work will be cleared off— so
Dorothy. I should reach home practically free to do as I wish for a time— So
look out !

--- We—I say we, for it must be now, dear—can do what you wish. I'll be ready for
anything as long as its together. Shall we play about at home a bit—or shall we go to
Europe, toreece, and back again to Chamonix. Perhaps we could be more alone there.
But let it be as you want. Will you take me away with you to Borderland, Dorothy— to
our country, where we can be alone—where we can read and dream and talk, and share and be
everything to each other— you and I. Will you make me live again, Dorothy— bring back to
life all within me that's for you alone—that makes me sweeter and cleaner and more pa-
tient and more humble— make me the person that I want to be for you, dear. Will you take
me away, Dorothy. Will you make me complete, child—a half person no longer. ?

This is the third day I've been laid up— Influenza I guess it is, with a sore
throat and headache and fever and the usual aches all over— but I don't mind much, for I
feel so much more normal than I have for a long time. The more I think of it, the more
I realize that your Willard boy came pretty nigh to being a crook, for a little more twisting
on the strings would have snapped 'em I know, and now as I look back I wonder what
awful disorders they must have given off— Chinese music is bad anyhow, so we won't worry.

This is written as I lay flat on the bunk, surrounded by works on currency reform
whilst I don't take, and pills that I do.

It's a day under three weeks now. Child. Three weeks from today, shall we be riding
together on Long Island— shall we have commenced our long ride then, Dorothy mine ? I have

Original in private hands.

The Willard Straight Papers at Cornell University

302515
BEEN counting my Rosary these days, child—Peking, Milan, Stresa, Paris, Borking, Divonne, Rezlyn. Kissing each pearl in memory, child—and I have tried to kiss the cross, for I have had the cross, dear—and I think I have kissed it, don't you—and as I look back I feel very sure dear heart, that our long ride commenced many months ago when we stood in front of the fire place in Peking—when I knelt beside you that 7th of November and read "Maryeena". It's a wonderful Rosary child—it's been a hard cross—and now dear, I'm coming for you, to hold you and guard you and cherish you, for always.

God Bless you.

Dorothy child— it is almost more than I can bear to be here in the Tendome again. You came so near, and tonight after I had seen E.I. this afternoon and then had them both and Mrs. Dix to dine, at the Larue with "Les Fleurs de mes Amours" and "Boheme" and "Butterfly"—Ch Dorothy, I want you so terribly— Dorothy, Dorothy child. Two weeks more. I don't know how I can bear it—it seems almost as if I should go mad. I love you, Dorothy—do you know how I love you.

God Bless you.

SATURDAY THE 10TH, ALBANY, NEW YORK

Dorothy child— no word from you here to greet me, when I wanted it so, wanted it so. But I know dear, that these last weeks with the excitement about the polo and with what I know you've been thinking, thinking of the decisions that means everything to you, and that means life to me— So I understand child, and its all right— it will be when we meet in ten days now. How I have prayed for this day— how I long for it dear— my own dear Gift of God.

All that I would say, oh know-beloved— You know that my heart is breaking, dear to be with you again, and never never leave you, while God spares us.

To sail on the "Olympic" and are due on the 1st. You know all that I hope and pray for, Dorothy— You know that those first days I want you only, only alone.

God Bless you.
MEMORANDUM SUBMITTED BY LORD FFRENCH AND MR. STRAIGHT ON THE
PROCEDURE THEY ADVISE SHOULD NOW BE ADOPTED IN REGARD TO
THE PROPOSED ALTERNATIVE ROUTE OF PEKING-TAONANFU-HARBIN.

Mr. Straight and Lord ffrench, having carefully gone
through the various memoranda and letters setting forth the
negotiations which Lord ffrench conducted in Washington and
St. Petersburg, have come to the conclusion that the following
method of procedure is the one which is now desirable:

(1) That, as proposed in Lord ffrench's Memorandum, a
Conference should be arranged between the
Japanese Ambassador in London, a representative
of the British Foreign Office, and a representa­
tive of Messrs. Pauling & Co., with a view of
discovering the Japanese attitude in regard to
the proposed new route.

(2) That the policy to be adopted after it has become
clear what attitude the Japanese will really
take up, should be the subject of further
discussion between the American Group and
Messrs. Pauling & Co. Ltd.

(3) That, at the present stage, the object in view is to
obtain, as far as possible, sufficient diplomatic
support from the British Government, to induce
the Japanese to agree to a friendly settlement,
so as to avoid all irritation either to them
or to the Russians.

(4) In order to strengthen the hands of Messrs. Pauling
& Co. in obtaining full diplomatic support from
the British Government at the suggested
Conference, it is extremely desirable that it
should be made clear that the American State
Department feels strongly in this matter, and
are desirous that all difficulties in the way
of the adoption of the new route should be
removed.

THE AMERICAN GROUP

W. B. Straight
Special Representative,
WASHINGTON, D.C.

Per Chung, China

June 13, 1911.

Letter No. 186
File No. 8-

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

Dear Sirs:

We beg to enclose herewith:

1/ Copy of the Imperial Chinese Ministry
of Finance Bond for Your Hundred Thousand Pounds Sterling.

2/ Copy of letter from the Imperial
Chinese Ministry of Finance regarding the portion of the
advance of Your Hundred Thousand Pounds for Manchuria which
it was proposed should be applied to repayment of funds
borrowed for defraying extraordinary expenditures connected
with anti-plague measures in Manchuria in the Spring of this
year.

The above two documents are certified to by the
custodians of the original documents: the Hongkong & Shang­
hai Banking Corporation, Peking.

3/ Copy of letter from Quadruple Repre­
sentatives acknowledging No. 2 enclosure.

4/ Copy of the receipt given by the Ta Ching
Government Bank, Shanghai, for £1,000,000 being the International
Banking Corporation's share of the proceeds of the Bond of the
Imperial Chinese Board of Finance, Peking, dated the 25th of
May, 1911, for £1,000,000, the first installment of an advance
of £1,000,000 for Manchurian requirements under Article VIII
of the Currency Reform and Industrial Development Loan of 1911.

5/ Copy of letter acknowledging receipt of
the above.

Yours very truly,

W. B. Straight

The Willard Straight Papers at Cornell University
Imperial Chinese Ministry of Finance Bond
Four Hundred Thousand Pounds Sterling

The Imperial Chinese Ministry of Finance for, and on behalf of the Imperial Chinese Government, hereby promises to pay on or before the Fifteenth Day of October, One thousand Nine Hundred and Twelve, Western Calendar, from the first proceeds of the Imperial Chinese Government Five Percent Currency Reform and Industrial Development Sinking Fund Gold Loan of 1911, when issued, or from other sources, in gold in equal shares, to The American Group in New York, The Hongkong and Shanghai Banking Corporation in London, The Deutsch-Asiatische Bank in Berlin, and The Banque de l'Indo-Chine in Paris, the sum of Four Hundred Thousand Pounds (£400,000) Sterling with accrued interest at the rate of six per cent per annum calculated from the thirtieth day of May, 1911, for value received, being the first installment of an advance of One Million Pounds (£1,000,000) Sterling for Manchurian requirements to be held at the disposal of the Imperial Chinese Government under the provisions of Article VIII, Sections 4 and 6 of the Loan Agreement signed at Peking on the Seventeenth Day of the Third Moon of the Third Year of His Imperial Majesty Hsuan T'ung, being the Fifteenth Day of April, One thousand nine hundred and eleven, Western Calendar, the said advance being secured by a first charge on the revenues pledged as security for the said Loan in terms of Article V of the said Loan Agreement.

Executed in Chinese and English at Peking the Twenty-sixth day of the Fifth Month of the Third Year of His Imperial Majesty Hsuan T'ung, being the Twenty-fourth Day of May, One thousand Nine Hundred and Eleven, Western Calendar.

Witnessed by
(Signed) Willard Straight
E. B. Miller
J. Cordes
Cassine

Imperial Chinese Ministry of Finance, Peking, 23rd May, 1911.

To
The American Group,
The Hongkong & Shanghai Banking Corporation,
The Deutsch-Asiatische Bank,
The Banque de l'Indo-Chine.

Gentlemen:

In the Agreement for the Imperial Chinese Government Five Percent Currency Reform and Industrial Development Sinking Fund Gold Loan of 1911, signed on the 17th day of the 3rd month of the 3rd year of Hsuan T'ung, being the 15th day of April, 1911, it is stated in Article III, Section 2, that the Loan is "inter alia" - "To provide funds for the promotion and extension of Industrial Enterprises in the Three Manchurian Provinces."

In Article VIII, Section 4, of the same Agreement it is further provided that: "In the event of the Imperial Chinese Government requiring funds immediately for the commencement of any of the undertakings contemplated for Manchuria, the Banks agree, upon the execution of this Agreement and as soon as they shall have been furnished with a Statement satisfactory to themselves of the nature of such undertaking or undertakings, and the amounts to be applied thereto, to hold in America and Europe at the disposal of the Imperial Chinese Government the sum of £2,000,000 Sterling, and to advance the same, or such portion thereof as may be required, against the order of the Board of Finance."

The Imperial Chinese Government having had to borrow funds from official and other sources in order to meet extraordinary expenditures in connection with measures necessary for dealing with the outbreak of plague in the Three Manchurian Provinces in the early part of the present year it now becomes necessary to discharge these liabilities as a condition precedent to entering upon the Industrial Development Programme contemplated by the aforesaid Loan Agreement.

I have therefore the honour to inform you that the Imperial Chinese Government authorizes the reimbursement of the said plague expenditures from the proceeds of the above Loan to the amount of Three Hundred Thousand Pounds Sterling (£300,000) as a proper and legitimate application of the Loan proceeds under the terms of the Agreement sanctioned by Imperial Edict of the 17th day of the 3rd month of the 3rd year of Hsuan T'ung, being the 15th day of April, 1911.

I have the honour to be, Gentlemen,
Your obedient servant,

[Signature]
To the International Banking Corporation,
Shanghai.

We hereby certify that, under instructions received from the Imperial Chinese Board of Finance, Peking, we have this day received from the International Banking Corporation, Shanghai, the sum of Shanghai Tael Eight hundred and fifteen thousand two hundred and eighty six mace six and candereens two equivalent of One hundred thousand pounds (£100,000) Sterling at the rate of 2/5 7/16 per Shanghai Tael, being one fourth share of the proceeds of the Bond of the Imperial Chinese Board of Finance, Peking, dated 25th May, 1911, for Four hundred thousand pounds Sterling, the same being the first instalment of an advance of £1,000,000 Sterling for Manchurian requirements to be held at the disposal of the Imperial Chinese Government under the provisions of Article VIII, Sections 4 and 6 of the Agreement for the Imperial Chinese Government 5 per cent Currency Reform and Industrial Development Sinking Fund Gold Loan of 1911.

Shanghai Tael £15,286.62 @ 2/5 7/16 £100,000.

[Signature]

The Willard Straight
June 9th, 1911.

D. A. Menocal, Esquire,
Manager, International Banking Corporation,
Faking.

Dear Sir:-

I beg to acknowledge the receipt of your letter of today's date in which you enclose duplicate copy of the receipt given to the Shanghai Branch of the International Banking Corporation for the sum of Shanghai Taels Eight hundred and fifteen thousand, two hundred and eighty six mace six candareens two, equivalent of One Hundred Thousand Pounds (£100,000) Sterling at the rate of 2/6 7/16 per Shanghai Tael, being one fourth share of the proceeds of the Bond of the Imperial Chinese Board of Finance, Faking, dated 26th May, 1911, for Four Hundred Thousand Pounds Sterling, the same being the first instalment of an advance of £1,000,000 Sterling for Manchurian requirements.

Yours truly,

Signed (T. J. M. Catrell)

[Copy]

Dear Willard:-

Here's a chance for us both to make immortal fame. I've written a play, skeleton herewith, absolutely new I believe, to be presented only by Voices with Souls — (not by mouthing elocutionary gymasts).

It was suggested by closing the eyes to rest them, and to shut out the unpleasant visual impressions of red-wigged mouthing self-conscious Hantell in Hamlet at the Richardson Theatre.

The imagination kindled by the wonderful words of the play, and free to create its own actor people of ideal appearances and abilities can soar to almost any height.

If "between loans" you had time to illustrate it, something on the lines of my indications, or on lines the ideas may suggest to you different, it might make a worth while two page decoration in Harpers Monthly, and if accepted and paid for, I'll divide the profits, if there is anything left after "buying" to celebrate your recent victories, you "marplot".

Neil Gray, Jr.
New York.
Glad to see you are headed this way, and hope you'll be able to come up.

Yours sincerely,

NIEL GRAY, JR.
OSWEGO.
NEW YORK.

Oswego,
June 17, 1911.
Willard D. Straight,
c/o J. P. Morgan & Co.,
25 Wall Street,
New York City.
Negotiation of China's Two 1911 Loans
Great Triumph for American Diplomacy

The Willard Straight Papers at Cornell University
The Willard Straight Papers at Cornell University

Original in private hands.

---
June 20, 1911.

Messrs. J. P. Morgan and Company,
23 Wall Street,
New York City.

Sirs:

I beg to quote for your information the following passage from a despatch received today from Mr. Calhoun, American Minister at Peking, on the subject of the recent negotiations for the Chinese currency loan:

"It is due to Mr. Straight to say he exercised great tact both with the Chinese and with his colleagues; he now has the confidence and goodwill of both; and during all of these difficult negotiations, which were the most tortuous and nerve-racking with which I ever had anything to do, he showed the highest order of ability and the success so far achieved is principally due thereto."

I am, Sirs,

Your obedient servant,
June 23rd 1911

Evelyn, It

Dorothy to writing to tell you
what has come to us. Of new
we were here that we might go
up F flake and bale you
and have you bless us both.

It has been wonderful to be
with you all in the past.
but please let it be more
wonderful still in the future.

Please take me two and let me
call you mannae - and please
let me feel that you have found.
a son as Dorothy has always been a daughter. I only hope
will let us be this 1st yr - if only we will learn on our
youth and strength and love. I shall be very very happy
Willard.

Original in private hands.

The Willard Straight Papers at Cornell University
New York, June 28th, 1911.

Willard D. Straight, Esq.,
New York City.

Dear Sir:-

We hereby confirm the arrangement authorized by the American Group, on June 26th, 1911, by which your employment is continued as the special representative of the Group for Chinese financial business, your authority being confined to initiating, investigating and reporting on Chinese business opportunities and propositions as before. We also beg leave to confirm the change by which your salary from July 1st, 1911, will be at the rate of $15,000 per year, with traveling and other expenses not to exceed in any one year a total of $8,000.

The engagement is terminable at your option or ours upon three months' notice, and the arrangements are the same in every respect as embodied in our letters of June 14th, 1909, and June 1oth, 1910, except with respect to salary, which is to be as mentioned in the preceding paragraph of this letter.

Very truly yours,

[Signature]
its interview with Lord ffrench on February 1st, and referred to
in the Secretary of State's letter above mentioned, was as follows:

"If a route can be decided upon by the interested parties
which is commercially profitable, and which China desires
to have built, the American Government will join with the
British Government in supporting the enterprise. He saw
no objection whatever to Lord ffrench going to St. Peters-
burg as proposed, and if a satisfactory compromise should
happily be affected, and the American bankers decided to
put their money into the enterprise, this Government would
give the bankers the same measure of support as the British
Government gave to its Nationals."

The line proposed will be commercially profitable. It
will open up a rich country and it is hoped that once Russian and
Japanese objections have been removed to the construction of the
Peking-Harin line, it may be possible to build a branch line from
some point on this main route to the ice-free port at Hulutao, near
Chinkow.

Mr. Straight hopes that the Group will approve of the
procedure suggested by Lord ffrench and will press the State De-
partment to inform the British Government that it will be pleased
if the British Government would assist Lord ffrench in arranging
an interview with the representative of the Japanese Embassy.

Mr. Straight believes it desirable that at this original
conference no representative of the American Government or the
American Group should be present.
Messrs. J. P. Morgan & Co.,
For the American Group,
23 Wall Street,
New York City.

Gentlemen:

Enclosed I have the honour to forward you the following accounts:

Account I. Statement of Funds to the credit of the American Group, Peking on May 23rd, 1911, and showing the amounts to be accounted for by Mr. Geare to Dr. Gatrell, by Dr. Gatrell to the Group, and by Mr. Straight to the Group.

Account II. Statement explaining expenditures of funds to be accounted for by W.D. Straight under above.

Account III. Statement of Salary and Expense Account for period May 1st. to July 1st., 1911.

Messrs. J.P. Morgan & Co. paid $850.00 for my passage on the S.S. "Olympic". Of this amount I beg to refund one-half as I do not feel justified in accepting from the Group accommodation so unnecessarily expensive. The fact that it was imperative that I should travel by this steamer however made it obligatory for me to take whatever cabin I could secure.
The sum of $500.00 in excess of the amount actually due me was credited to my account with the International Banking Corporation, and the sum of $100.00 and $100.00 handed me in New York for expenses. Instead of accounting for these advances in subsequent statements, which would necessitate carrying over a debit balance to begin my Account year, on July 1st, 1911, I beg to enclose herewith my cheque for $1,094.94, the amount of my debit balance on July 1st. This procedure will I trust be satisfactory to you.

Yours truly,

[Signature]

Enclosures as stated.
W. D. Straight in Account with J. P. Morgan & Co. for the American Group.

Salary and Expense Account May 1st. to July 1st. 1911.

Statement explaining Expenditures of amount to be Accounted for under Statement of Funds, Peking, of May 23rd., 1911.

<table>
<thead>
<tr>
<th>Dr.</th>
<th>Cr.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance from safe</td>
<td>£ 24. 12 s.</td>
</tr>
<tr>
<td>Cash P.</td>
<td>$ 4,706.80</td>
</tr>
<tr>
<td>U. S. Gold</td>
<td>$ 2,122.09</td>
</tr>
<tr>
<td>Peiyang</td>
<td>$ 69.18</td>
</tr>
<tr>
<td>U. S.</td>
<td>$ 297.38</td>
</tr>
<tr>
<td>Entertaining month of May</td>
<td>669.60</td>
</tr>
<tr>
<td>Tickets (X)</td>
<td>1,764.70</td>
</tr>
<tr>
<td>Cash (Y)</td>
<td>1,173.50</td>
</tr>
<tr>
<td>Part Salary May</td>
<td>1,109.00</td>
</tr>
<tr>
<td>Total</td>
<td>$ 4,706.80</td>
</tr>
<tr>
<td>Cash</td>
<td>$ 2,122.09</td>
</tr>
</tbody>
</table>

Note. Items (Z) £ 24. 12 s., (X) Peiyang $ 1,764.70, (Y) U. S. $ 1,173.50 explained in accompanying statement Travelling Expense Account.

Note. Salary for May, 1911 $ U. S. $ 1,000.00

Drawn Peking $ 500.00
Sent Oswego $ 226.00

Balance due W. D. S. $ 300.00

Credit from above 4.49

Items in Yen, Rubles, Marks, Francs, Z. a. D., (as per Statement, appended) £ 122.18.9 $ 604.61

Items in U. S. $ 41.50

From safe, Pkgs. 24. 12. 109. 4 537.14

Drawn M. G. & Co. 162. 11. 8. (June 13th, 1911) 793.30

Ree'd N. Y. 100. 00. 0 100. 00 490.00

" (June 27th, 1911) 490.00 100.00

Credited to W. D. S. with I. B. O. 733.50 733.50

Refund on SS. ticket. 426.00 426.00

Credited to Oswego, May & June. 400.00 400.00

Debit Balance $ 3,478.94
Entertaining Account May 1911.

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Carriage for month of May.</td>
<td>$150.00</td>
</tr>
<tr>
<td>Dinners and lunches, Cook, Cigars, Wines etc.</td>
<td>$254.00</td>
</tr>
<tr>
<td>Entertainment at dinners.</td>
<td>$32.00</td>
</tr>
<tr>
<td>Polo Caps, presented to Peking Club.</td>
<td>$173.60</td>
</tr>
<tr>
<td>Subscription Medical College.</td>
<td>$50.00</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$659.60</strong></td>
</tr>
</tbody>
</table>

Peiyang $659.60 @ .2218 - U.S.G. $297.38.

Statement of Travelling Expenses.

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Peiyang Dollars</strong></td>
<td></td>
</tr>
<tr>
<td>Tickets, Peking - Paris, self and servant (1)</td>
<td>$1,782.87</td>
</tr>
<tr>
<td>Tips to servants, Peking.</td>
<td>$25.00</td>
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<tr>
<td>Cook's expenses, Mukden return</td>
<td>$44.56</td>
</tr>
<tr>
<td>Tips on train, collies for baggage etc.</td>
<td>$23.00</td>
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<tr>
<td>Carriage, Mukden.</td>
<td>$3.00</td>
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<tr>
<td>Telegrams. (1)</td>
<td>$4.40</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>$1,872.82</strong></td>
</tr>
<tr>
<td><strong>Yen</strong></td>
<td></td>
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<tr>
<td>Telegrams.</td>
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<tr>
<td>Hotel, Mukden.</td>
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<td>Coupe, Mukden to Kuanghengtzu.</td>
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<tr>
<td>Food on train.</td>
<td>$4.00</td>
</tr>
<tr>
<td>Porters and tips.</td>
<td>$4.00</td>
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<tr>
<td><strong>Total</strong></td>
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<tr>
<td><strong>Roubles</strong></td>
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<td>Loss on exchange.</td>
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<td>Excess baggage to Harbin.</td>
<td>$5.80</td>
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<td>Tips.</td>
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<td>Soda.</td>
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<td>Porters, Harbin.</td>
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<td>Excess baggage to Petersburg.</td>
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<tr>
<td>Baggage and tips, Irkutsk.</td>
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<td>Births, self and servant, Irkutsk to Petersburg.</td>
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<td>Tips on train.</td>
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<td>Baths.</td>
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<td>Petersburg, porters.</td>
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<td>Carriages.</td>
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<td>Tips.</td>
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<td>Hotel (5)</td>
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<td>Food on train to German frontier.</td>
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<td><strong>Rns. &amp; Yen</strong></td>
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<table>
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<tr>
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<tr>
<td><strong>Marks</strong></td>
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<tr>
<td>Food on train to Berlin.</td>
<td>$20.00</td>
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<td>Tips.</td>
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<td>Cabs.</td>
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<td>Dinner, Berlin.</td>
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Statement of Travelling Expenses.

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<tr>
<th>Item</th>
<th>Costs</th>
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<tbody>
<tr>
<td>Porters, Paris</td>
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<tr>
<td>Hotel</td>
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<tr>
<td>Taxis</td>
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<td>Porter's h/c Tickets</td>
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<td>London, etc. (6)</td>
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<table>
<thead>
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<td>Service, servants, London</td>
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<td>Taxis</td>
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<td>Soda etc., steamer</td>
<td>3.06</td>
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<td>Tips on steamer</td>
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<td>Telegrams &amp; postage, M. G. &amp; Co.</td>
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U.S. Gold.

<table>
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<tr>
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<td>£ 41.60</td>
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<table>
<thead>
<tr>
<th>Item</th>
<th>Costs</th>
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<tbody>
<tr>
<td>Total</td>
<td>£ 41.60</td>
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I have the honor to acknowledge receipt of your letter of June 28, 1911, confirming the arrangement authorized by the American Group on June 26, 1911 by which my employment is continued as the Special Representative of the Group for Chinese Financial Business, my authority being confined to initiating, investigating and reporting on Chinese business opportunities and propositions as before. I beg to thank you most heartily for increasing my salary from July 1, 1911 to the rate of £15,000 per year, with travelling and other expenses not to exceed in any one year a total of £6,000.

I have the honor to confirm my understanding that my engagement is terminable at your option or mine upon three months' notice, and that the arrangements are the same in every respect as embodied in your letters of June 14, 1909 and June 10, 1910 except as regards the salary, which is to be as mentioned in your letter under acknowledgment.

Yours truly,
22 Old Broad Street.
London 11th July 1911.

Messrs. J. P. Morgan & Co.,
For the American Group,
New York.

Gentlemen,

Referring to Dr. Gattrell's cable to me dated 30th June 1911, in which he states that His Excellency Sheng Kung Fao is anxious to expedite the International Lekin Conference, I beg to enclose herewith in duplicate a memorandum of my conversation of 6th May with His Excellency regarding this subject.

Dr. Gattrell states that the Belgian Legation was urging the Chinese to call an early Conference. I believe this to be part of the Russian Japanese plan to interfere with our Currency Loan, and hope that the Group will, if the matter be brought to the attention of the State Department, take the view that it is undesirable to have a Conference of this sort until after the flotation of the Currency Loan and the inauguration of the Currency Reform Programme.

Very truly yours,

The Willard Straight
the abolition of likin.

The late Chang Chih T'ung, however, had objected to the abolition of likin and his negotiations with Germany were abandoned.

His Excellency Sheng had recently re-opened this discussion with the German Charge d'Affaires and on the evening of Friday, May 5th, the Chinese Minister in Berlin had telegraphed that Germany would consent to the proposed arrangement suggesting, however, that China instead of entering upon separate negotiations with each of the powers not already committed in this matter, call an international conference for its discussion.

His Excellency said that he proposed to call upon Mr. Calhoun to discuss the question with him.

Mr. Straight stated that he knew Mr. Calhoun to be greatly interested in this subject and that he believed that the American Government would be glad to assist China to accomplish the end desired. He stated that in 1908 when Tang Shao Yi was Special Ambassador in Washington, that the matter had been discussed with the President and Secretary of State and that as a result China had invited the various powers to appoint special representatives to discuss with China the increase of the Customs tariff and the abolition of likin. Great Britain had responded in the affirmative and the United States had also signified its willingness to appoint a representative.

Owing to the downfall of Yuan Shih K' and, however, the matter had been dropped.

His Excellency said that in order to carry out this reform China would be obliged to borrow a large sum and that he contemplated offering for such a loan no security save the Imperial Guarantee.

Mr. Straight stated that if the abolition of likin and increase of the tariff were agreed to by international conference it would be wise to secure the contemplated loan from the bankers of all the interested powers and that China should be able to obtain very satisfactory terms for such a loan as it would carry virtually an international guarantee.

Mr. Straight urged His Excellency to call upon Mr. Calhoun as soon as possible and discuss the matter with him. He suggested, however, that since British trade predominates in China and since the Mac Kay Treaty first stipulated the abolition of likin and the increase of tariff it would be probably desirable that Great Britain should take the lead in the negotiations for any conference that might be called.

Mr. Straight felt that since America had taken the lead in the negotiations for the Currency Loan if China were to approach the other powers through the United States their jealousy would be aroused to such an extent as to greatly lessen the chances for ultimate success.

In this view His Excellency agreed.

This conversation was reported to Mr. Calhoun, who approved the attitude Mr. Straight had taken.
Willard B. Straight, Esq.,
Special Representative,
THE AMERICAN GROUP,
C/o Masers, Morgan, Harjes & Co.,
Paris, France.

Dear Sir:-

We beg to acknowledge receipt of your favor of the 6th inst.,
with the following enclosure:-

Account 1. Statement of Funds to the credit of The American Group,
Peking, on May 23rd, 1911, etc.,

Account 2. Statement explaining expenditures of funds to be accounted for by J. B. Straight under above,

Account 3. Statement of Salary and Expense Account for period
May 1st to July 1st, 1911,

Check for $1,094.94.

We have duly noted your letter and contents and enclosures
have our attention.

Yours very truly,

[Signature]
Paris, July 16th, 1911.

Dear Harry:

You probably do not wish to be bothered much with China during the dog days. This is merely, however, to say that I have seen envoys and that it seems that he will do the job very well. He had some excellent suggestions to make right off the bat and will, I feel sure, proceed with dignity and credit over the committee. He naturally wondered why the Chinese had not taken his plan but I told him that that matter could not be discussed, and that we should have to confine ourselves, officially, at any rate, to a consideration of the scheme they had themselves formulated. In this he acquiesced.

I have written Grenfell about his remuneration, he wants expenses for himself and his wife if she stays over. He said he would leave the rest to you but mentioned casually that the Australian Government had given him $1,000.00 for a trip that took him four weeks away from Broadway and kept him on the job two. There are other side lights which I refrain from noting here. You might think me prejudiced. However, he will do the trick at the Conference very well I am sure.

Calhoun is here and together we have cabled out a telegram for Getwell which I am sending Greensell for his approval today. The old man smiles shortly for home and I do most sincerely hope you can see something of him. I will wire him Steamer.

Everything else is fine. The thought of the conference is rather depressing but that will be done as well as I can know. I feel very strongly that I have a large packet of goods to deliver for you personally, and will do my best. If China looks safe enough and you can't find anybody better we'd both like to go South America. This is just a thought, and not a sign of restlessness.

We hope that you have all stood the heat, and that you are all well. With the very warmest regards to Mrs. Davison and yourself, in which my Lady would join were she only here.

Yours,

Edward L. Robertson
Attorney and Counselor at Law
201 North Second Street
Syracuse, New York

7/14/11

Dear Willard—You will be immensely pleased, I know, to receive the enclosed clipping. You, with a salary equal to that of the President John W. D. have now to pay the penalty of being a public character and, therefore, must play the rules of that game.

I know from your attitude when I saw you in 1910 and from your changed point of view in 1911, that you have succeeded in winning the first you want irrespective of the physical advantages which appear to be accruing to you and many.

Good luck by you and may you go a long way. The happy I know for you have given your going a good wholesome capacity for it. Let me hear from you when in these parts.

Yours ever,

Edward L. Robertson

PS. Present my compliments to Mrs. Whitney.
Dear Sir,

I am so glad I feel at the present moment that it is best

With all good wishes,

Yours ever,

George [signature]

George [signature]

July 24th

1st St. James' Square
S.W.
for North of Scotland of course, we are off to St. Petersburg early on Wednesday morning, so I fine there is little chance of seeing you, but if you have a moment to spare tomorrow, Tuesday, come in. I see us about the time. It would be too much to ask you to bring Miss Whitney with you, but tell her that I am sure you would appreciate the opportunity. We have just come back from our honeymoon in the F.C.T., and I know how much both you and I want to be happy under the special aspect we have been married just a month and find that it is very good and I cannot wish you greater happiness than that you two should meet once more.

The Willard Straight Papers at Cornell University
My dear Straigh,

The official news of your engagement has just reached me. I have only the pleasure of a slight personal acquaintance with Miss Whiting—though sufficient to be aware of the charm and attractiveness of her personality—but we have many friends in common and from them as
It seems there is an error in the text as it appears to be a mix of random characters and symbols. It is challenging to interpret the content accurately.
Noerheimund, Norway

July 25, 1911

Dear Willard, - Nothing could have made me happier than the news that came in your letter. I am so glad you found just the right girl. You have long been my wish for God. 

You have found her! She is a princess, and I am glad you have her too, for she has found a prince.

Do you want to know the picture that flashed before my eyes as I read your letter? I saw a man-side road in a hot summer day, and going along it a little girl...
boys playing soldier. They were big boys, seven or eight years old, all but the captain who was a little rascal only three or four years old, both in kilts and white bright yellow curls standing like churls about a pace as red as fire with sun and excitement. He marched with many long steps, blowing a trumpet and the big boys did just as he said, at last the man who led the column had his right hand as red as blood and watched the procession. I wish his mother could know how his whole life has been like that—a success.
cannot do, but the latter I may hope for, at some future time. I know you had a terrible and nearly fatal illness about two years ago and were not well too much for a long period for ordinary travel or two or three times a week.

I am just beginning work in this sweet place, getting the taste of the mountain air, and planning to re-visit my Southern home town in a little while to spend another quiet winter, when I hope again to be good for something.

Great gains, I am sure, and as

The Willard Straight Papers at Cornell University
The Fillard Straight Papers at Cornell University

Gronov's news, Straight, Gronov's news, but did I not profess it all at 1 am in the clock house when last we had a real talk? There was never a doubt about it in my mind, but it was right. Now by all the laws of chivalry that for so farseen a lady you should go out into the desert of fight with wild beasts. I am very glad for you, for her, for the eternal friendship of things. And more. I hope, you will remember the whole of the
The Willard Straight Papers at Cornell University
before your leaving, so I don't expect to be back in London before the first week in September when you will have finished, will you? I wish the house had you look down to the Clock House for the little dinner if you can manage it. I know you will.

And so, these you, and the 9. faults. And when you have come to the garden of the Golden House think kindly of old friends.

among them.

July 23, 1907

This Roman trip will bring me nearer home, my dear. But it brings little comfort of knowledge to my store house 9 gives a little more insight into the machinists of that house's machinery.

July 27, Pekin

My dear Willard

When my arrival here yesterday from South America your letter from the "Olympia" brought the information which I agree is indeed "wonderful." Only because it is rarer than a summer day.
July 27, Lisbon

My dear Willard,

Upon my arrival here yesterday from South America your letter from the "Olympia" brought the information which I agree is indeed "wonderful" only because it is rarer than a summer day.
and blessed things. It would be
superfluous to say how glad,
and satisfied I am or to wish
you the full good fortune which
is now occurred to you. My complete
effection and faith went to you
during our common association
in 1905 and '06 and never has
faltering and never will — as
any vital incident and the
gratification of any
great desire of yours leaves me
from my expression because I
feel so much.

I wrote you from the steamer
addressing New York from where
the letter will follow you. I
in January that two such
remarkable people as you
two should be united to-
gether. After three years of
friendship and admiration
you can not expect me to
feel that either of you have
more than your due, but
that in the full sense that
due should come to any
one - is indeed a marvel-
ous

...in the midst of a diffi-
cult situation to which S
must give all my atten-
tion else I should come
to Paris. Penultimates letter
in the year August or
September before South-
land goes I leave - I can
do it for a few days.

With every affectionate
wish - I am -

Edwin Moreau
Dear Turkey:—

Here is a cheque for $800.00 to help you get yourself a new house. This is of course a loan to you—me half of it from quite honestly—when I begin to be married—and one half from myself. In short, it is not a loan in the sense that I ask for any security. Same ten words: but you can pay interest at 4% on annual installations. By
looking after the family baggage -
a whatever you wish
please write to help
writing an acknowledgment
our address is Palace Hotel
Caux - Switzerland.

Hoping that your family and
all well - and that this will
help on your business -

Yours sincerely,

[Signature]
Copy Cable from Morgan Grenfell & Co. to J.P. Morgan & Co. 31/7/11.

Refer to your cable of the 28th., Addis and Hillier for English Group, Gordon French Bank representative here share our opinion that it might be mistake for Groups to suggest to China that contemplated interpretation Article 16 be embodied in or attached to Loan Agreement, especially since we feel that if Groups in this executed instrument should presume to state interpretation placed thereon by Governments we should open way for emasculation whole agreement. Stop. We recognise necessity conciliate Russia, Japan, but suggest that this can be done with equal dignity and effectiveness if Governments to whom Japan, Russia addressed enquiries should formally and in suggested wording inform Japan, Russia of their interpretation Art. 16 and state that they would not support Groups in any other interpretation. Stop. If Japan, Russia deem it is essential that Groups who can scarcely be parties to these diplomatic negotiations, should be more definitely committed to this interpretation we would suggest that each Government secure the concurrence of its own Group in suggested formula and so inform Russia, Japan. Stop. In other words that Groups should be placed in position of accepting Governments interpretation rather than themselves giving this interpretation to an executed Agreement. Stop. Whatever procedure is adopted China should be advised and care should be taken that Chinese are reassured that this action is taken for their benefit and to remove Russian, Japanese opposition, rather than as presaging general acquiescence in whatever demands for amendment or restrictive interpretation Japan, Russia may see fit to make. Stop. We have reason to believe British Foreign Office can be induced accept this procedure.
August 1, 1911.

Dear Straight,

I had a faint idea of what you were up to when you absolutely refused to run down to Washington for a few hours to see me. I don't blame you in the least however. In fact I quite fell in love with Washington, getting myself in New York, and it may be that you got back just in time.
I congratulate you with all my heart and both of you have my sincerest wishes for all the best there is in life. You may think that you have that already, but wait!

I presume you are again touching earth occasionally in the sky place. Certain echoes across the water from The Tower Conference have a familiar ring and when you are again in the same. It certainly has been a great game and you have done your steering part brilliantly. I sometimes am reminded of the circus parades in which one name carries a 24-hour team through theAcme streets, but that seems exceptionally simple alongside the feat of changing six a day, braving storms, and as many dangerous financial storms, all with different adjustments.
interests, in line. You surely are entitled to a larger sized lake. But then, as you say, there are other kinds of luck or anything more white. There's the good old days and the better ones to come.

Kindly remember me to Miss Whitney and believe me always,

Sincerely yours,

Rearrang Miller

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MORGAN, GRENfell & Co.
London.
J.P. MORGAN & CO.
New York.
DREXEL & CO.
Philadelphia.
MORGAN, BAR JES & CO.
Paris.

22, Old Broad Street.
LONDON. 23rd June 1911

W. B. Straight Esq.,
9, Berkeley Square. W.

Dear Sir,

As requested we enclose here Bank of London notes for £70. (2 cheques from 37) of what please acknowledge receipt.

Make these as desired. A term Statement of your account to date, showing a debit balance of £70. 17s. 3d. which we hope you will find correct.

Yours, Sir,

[Signature]

Morgan Grenfell

[Notes:
- 79. 30/7/12 - 10 of £5
- 9/4/30/79 - 5 of £10]
Dear Mr. Straight,

The news of your engagement in more than one way. When Mrs. Butterly, who it seems was a school friend of your mother, told me so much of her that I thought you might like to have me pass it on to you. The days she has never seen.
A few years ago she said she received quantities of her letters, for they had always kept up a frequent correspondence. She said, "Oh, why didn't you let your children see them first?" She replied that she thought of it and how they were so intimate a nature she was not sure that her friend would have wished it. She still keeps some of them. Your mother and I think of

as being a remarkably gifted woman, that there was nothing that she could not do that she could draw anything she saw. It is easy to see whether her son gets big or not, or whether her father is still in the highest terms, but I fancy she had not known him. Will your thoughts

must peculiarly turn her parents now as you

The Willard Straight Papers at Cornell University
seen you but visited your
mother once and saw your
sister whom you were both
with your father.
Mrs. Will and your mother
were inseparable friends.
We always called David
and Jonathan by their
school mates. Your mother
was the only one who was
ever a rebel of Mrs. Belli
in standing at the head
of the class. She said
it was always nip and
tuck 'between them.

are about to take another
important step in life.
My heartiest good wishes
Go with you, my dear
friend, and I wish
you every happiness
and joy. When dreams
come, let they must
in time, may they only
serve to strengthen the
love between you and
she who is about to
become your wife.
Dear Emo -

Yes you'll have to give up that Yellow Temple Picture. That was agreed upon many months ago. Thank you very much. You can give it to us when we get home.

Many thanks for the proof. I have marked a number of points on the margin and am returning it to you herewith. These points are specific things, but I must say that the impression which your article leaves is that the horrid Octopus was endeavouring to throttle China and was only coerced by an active State Department into being decent. You make it seem that the Group and the Department did not work in complete harmony. Where you get your impression I do not know. There may have been some friction over various points, I know however, from a bitter experience in trying to get them to do otherwise that the Group absolutely refused to take any steps which had not been thoroughly discussed with and sanctioned by the Department.

As you know people at home are only ready to look for Wall Street Scares in any case, and you should at least give the Devil his due and say what is true, that the Group in this China business have been the instrument of Knox and the President, have played the game for them loyally and conscientiously, have paid the freight, and made damned small profit as yet, when the returns are compared with the fight they have stood and won, for the sake of American prestige in the East.

To take up specific points them:-

1. Tang's Mission was a failure because as I told you that night at the University Club, CNS had been intrigue out by the Japanese. It is hardly fair to say that the silver standard was a "fiasco", for no attempt was made at this time to adopt it. Tang's endeavour to secure a large loan did however come to naught because he was recalled to soon.

2. There was no difference between the position of the American Government and the bankers. The Government was fully consulted and approved the London Agreement. You might better say if you wish to point a difference "the functions".

3. The action of the Group did not undermine the position of the American Government. The Group did nothing that was not approved absolutely and categorically by Washington. We have documents to cover every point.
4. Again there was no difference of opinion. The Government like the Group recognized the futility of attempting to reform China's Currency, without the support of the great trading nations, England, France, and Germany, a support to be obtained only by giving their bankers a participation in the loan.

5. China did not play the Laggard against the Group. Calhoun and I worked in absolute harmony, he playing his part, and I mine, in a game that we both recognized as depending for its success upon our combined, and above all our harmonious endeavour.

6. Japan actively intrigued amongst the members of the National Assembly to stop the loan, brought pressure to bear on Sheng and Tsung Tien, who, on the last day tried to wreck the whole show by endeavoring to embroil the representatives with Sheng and the Duke, who had determined to put the thing through. Seeing this I left the room where we were. The Russians were as you any comparatively neutral.

7. It seems to me you might play up the generous part played by the American Government, in foregoing what would have been a diplomatic feather in securing the adviser, in order to secure harmony between the powers, thus showing the disinterestedness of the President and Mr. Knox who were really sincerely anxious to further the great reform and selfishly anxious to increase their own prestige by obtaining the appointment of an American adviser. No one thing that American diplomacy has done, not excepting the remission of the indemnity, which was of course given greater publicity, has so convinced the highest Chinese authorities of the disinterestedness of our motives. It was one of the best political plays we ever made.

This criticism is frank, Mac, because I want to hope your article cover this ground in the best possible form, and be really a truthful record of what actually took place.

I fear that unless you do embody changes along these lines, some one could come along and punch you full of holes, and thus give the whole thing a black eye more or less, where in reality your mistakes have been trifling, and quite natural since you could not possibly have had access to all the documents in the case, and since no one, not even one who knows Peking like yourself could at a distance of eleven thousand miles visualize what actually took place.

Must dress for dinner. Hope all goes well with you.

Yours,

Frederick McCormick, Enquirer,
27 West 67th. Street.
New York City.
Paul Warburg was present at the death, as was Calhoun.

At the end of the conference Chen stated that his Government wanted to go on the gold basis as soon as possible, and that he had by telegram requested permission to bring the matter before the committee and obtain their opinion. Jenks very properly replied that the Committee had been instructed to consider the specific Programme handed by the Chinese to the Banks, and that they could consider no other unless instructed to do so. Therefore if Chen wanted to bring up this point he must consult the Groups. I feel quite strongly that even if he does not do it now, he will as soon as he can get back to Peking, in which case I presume the Groups will ask for another six months, to enable the Chinese to work out their scheme with their adviser, and to have the Groups consider the same. In this case the Banks would not have to give their notification regarding issues until April 15th, 1912. This would have certain advantages it seems to me, for while not an economist, I should think the Banks plan the best solution, for all concerned and in such an important matter it might be well to wait the extra time and have whatever was done, as final and as satisfactory as possible. The added time also would enable the Vicerey to work out more in detail his plans for Manchurian development which are as yet pretty much in embryo as far as I can learn.

Frank will tell you about Jenks' statement. Jenks said that the Chinese plan is to work out their scheme with their adviser, and then to have the Groups consider the same. This would have certain advantages for all concerned and in such an important matter it might be well to wait the extra time and have whatever was done, as final and as satisfactory as possible. The added time also would enable the Vicerey to work out more in detail his plans for Manchurian development which are as yet pretty much in embryo as far as I can learn.

We hope to be married on September 7th, in Geneva, and after that we'd like about two or three weeks if you can give them to us, before we go off to China or Timbuctoo.

We both feel however, that a week is all that is really necessary and that after that we are ready to go where and when you direct. If the Chinese begin on this gold standard racket I cannot really see the necessity of going back, unless the Chinese would ask Jenks to go out on their own hook, to work with Vissering, and after this conference it is rather my impression, that if Vissering cannot accept, the Groups and Governments might be more inclined than before to allow "asks to be the adviser. He is obviously the man, were it not for politics. This would make it work out as you had planned, after all.

In case you do not want us to go out to China, which you'll probably know by the time you get this, unless you have work in New York, I must say I should like to try my hand at things there if you could use me, we'd like South America if there's anything doing, or wall sit tight here. In other words we are ready to do what we are told, which is a state of mind that I hope you will approve. Dorothy has been wonderful about it all, as you, of course, know, as I did, she would be. It's pretty wonderful to think that we are going into the game together, and I only wish that you and Mrs. Davison were to be here for the wedding. Don't you need Bivonne again? If you'll come I'll ask you to be Best Man.

Hoping that you are all well, and with warmest wishes in which I know Dorothy joins, to both of you.

Yours,

[Signature]

By the way if you think of it sometime, could you run me into the Midway or one of those lunch clubs? I should appreciate it very much if it would not be too much trouble for you, for it's nice to have a place to go, where you can meet the people you want to see.

The Willard Straight Papers at Cornell University
Dear Old Father:—

I'll admit lobsterhood, double boiled and purple if you will, but you'll have to admit that never in the several years of our relations during which the ties which bind the two nations have been knitted firmer and firmer, have you had the epistolatory bridge on me in this fashion. No, Father, 'tis the furthest time. I am ashamed, but not ashamed (beau Spayyer) and its really been rotten of me for I know what it is to be maimed and so well that if the spirit has made you wish for letters, I ought to have seized the chance to get some one who would listen to my prattling.

The great news you have, that we sent on to you long ago, and you'll have to admit that for the second time you misread a telegram of mine. The first was after the organization of the Brawlers you'll remember. I can't say I blame you for not catching on to this last one from Hurberville, for to tell you the truth, it has taken me some time to realize that what is, is true, and I have to pinch myself still, every new and then, to be sure that I am not in some sort of a trance. It's pretty wonderful, Oh, Father.

To give you the history of my life however, 'tis this. Left Peking on May 26th, Kinmeng and Currency Loans in the trouser pocket, and feet very hot for the trail. Had a conference in London, and then went home with Davison. Dorothy came in to town to meet me and I stayed in the country most of the time, going to Jusag to see my aunt and sister, and doing two days in the office, two days which I still remember as a sort of a blur, with faces peering at me over the tables, and my own voice replying to questions, sounding as if it came from a person some miles off. She was smiling on the 30th, just a week after I landed, with Beatrice and Mrs. Band, and there was only one thing to do, which chance to old Davison, I did, and that was to sail too. He very properly remarked that he might as well let me go as I be use if I stayed. That's what you call, not political, but diplomatic economy. We landed in Paris, then Dorothy and I came over to London to see her sister, after which we went back to the Continent and the Travellers returned empty for Kennion leaving Williams to go south to Bad Buchslon. (It couldn't have been worse) to see Jerry Jenks, and to secure his rhetoric for the Group in a conference on China's currency reform plan. Then I joined the Travellers in Brittanay and had almost a week of motoring, and stopping at little fishing towns where we played and lased and where I wanted to stay. Had to come back here two weeks ago for the conference however. That's now over and has been very successful. The English, French and Germans all sent distinguished citizens, China, our friend Dr. Chen Ching Tao, while Hilder, Gorder, S. Pierre, McElroy and myself were also present. The Committee covered the ground very thoroughly and a good report on the Chinese scheme which they all regard as excellent and well thought out as far as it goes, goes into the Groups so that the flotation of the loan would seem a certainty. Chen however now says that China may wish to go on the gold standard at once, more or less following Jenksey's original plan. If he makes a formal request that the Bankers consider this proposition we shall of course do so, in which case we will have an extension of time, say six months before having to notify the Chinese that we will make the loan, that will bring the date up to April 15th, next, and will. I hope it make unnecessary for us to go out this summer, if we should probably otherwise be obliged to do. If we don't go, we will meet you here when you get away and have some real parties.

Our present plan is to be married in Geneva in Early September and to go out when sent. I suppose from what you say about your Secretary that if we do this there will be no chance to see you this autumn. There was some talk about our going to South America for a look see. That sounded good, but apparently it has been more or less shelved now.

There was no chance to go to Washington, for I could only have made a two or three hours stop, and that seemed scarcely worth while, as the things to be said required too long in the saying for that. So I stayed away. Your memory is very vivid both in Washington and New York, and many have said that they wished you were holding down the Assistantes chair. You have the name of being the most efficient Minister in the service, so your work is not counting for naught. Davison, is wise as to the next move, and you may be sure that when the time comes, anything that we can do will be did.

I had a very nice letter from the Lady from Philadelphia. I wish that I might have seen her to give you the ex-cathedra but that too, was impossible as you will understand I know. Alice I did not see, T. L. Nor Mrs. But the Little Princess was fine, as was Mrs. Robinson. Mrs and Ross I did not see. Have too Father your name is like the green bay tree.

Calhoun is now here, having left Percy in charge. It's a shame and old Tammy crossed and kicked with great justice. Williams has now come out to take charge, a move of which I heartily disapprove, for though he's an excellent number two he's not the man for the top. The fact is, Washington seems to have no conception of the vastness of the country, and that it is necessary, in order to hold the line, to have the best men obtainable on the job. It makes me ill sometimes when I think of it. We get ahead the Department button in and we get a set back, to overcome which we have about ten times as much trouble as would have been necessary had the game only been played well from the start. Still, taken it by and large, one must not complain for I have a strange feeling that Dollar Diplomacy was conceived in the valour of ignorance, and that and their been more statesmanlike knowledge of world politics by the Potomac, we should now have gone fur further by the Knights and the Line. So one must not look the saw horse in the face, but endeavor to keep the seat, and make him go even if he rocks badly at times. Next pass?

Your Boy's siller is being paid by Gattle, at least such were my directions, so don't let that worry you.

french is still here trying to pull out a reanimated Chinee. His efforts are making some impression, and I think that he may eventually get something through. It's slow for him, though poor devil. His courage and his patience are really an inspiration. May and wiff are also in London. They go back in September, the P.O. insists that May go out to help Jordan, i.e. practically to take charge of the Legation, while the old lady is still sitting on the lid. Apparently he has so badly mishandled things that they would kick him out now save that if they did he would lose his pension. Their system after all has certain advantages over ours. Little Hone is brightening London assiduity. Po is somewhere in the offing, but keeping pretty low. After all that's natural. Joseph Addison I've seen, same as ever, and asking about you. Bobby Collins, your friend and a number of others, including the Loach, are in London. We saw a flock of em one night when Calhoun and I dined with french. They all want to know when you are to return to China.

London, August 7th, 1911.
Dear old George:

At last I have found the machine again and can write with my accustomed vivacity which I find fails me when I sit to it with a pen in hand and paper on the desk and conversation filling the chest of the student. The truth is that it is hard for me to think when confronted with an ink bottle.

We have just been having a conference on Currency Reform in China, presided over by that distinguished economist (not of words) "merish Whipple Jenkins, who has an a matter of fact covered himself with everlasting glory by the way in which he handled a very difficult situation, a in put the British, German and French to heel." The Chinese had one Chinese Chin Tao here, and he made a number one performance and convinced even the most hardened sceptic that there had been real progress in China and that the Chinese were determined to do this thing in a business like way and not merely going after a new tangled by equally lucrative Pork Barrel.

Hiller, Gordes, and M. Pierre were also present; foreign Calhoun, Campbell, ex-British Chinese Secretary, Max Muller, the first, Addison, young Harrison, Mung Tun Yan, old Sir John McLeay Brown, and a number of others, and all strangely enough were dining at the Ritz one night, making it look like a sort of an old homestay. Your friend Deary "ardness was also in the offing and asked after you.

Blando is in Russia, trying to stir up revolution I suspect, and want be back for some time to come. He wrote me however, a cheering word.

ffrench is still striving to drum nerve into the British Foreign Office and with certain prospects it seems of ultimate success, for Grey seems inclined to take up a rather strong attitude with the Sandenlog. But one can never tell and the Railroad to be built while in anchuria, will not follow the route we originally hoped for, though it will do a lot to weaken the grasp of the deepoilers. This though is in the most distant future and I much hope that the Currency Loan will be cut and in the hands of widows and orphans and others
who should buy Chinese bonds, before ground is broken for
this long dreamed of railway.

We landed at Cherbourg and then came over here for
two days, after which Dorothy started out for Harmandy while
I had to go to Bad Hauheim to see "enkidu. That finished
however I had a few days for play and we had a wonderful trip
along the coast of Britain, stopping at quite a little fishing
villages and being lazy generally. Then I had to come back
while the Travellers went on to Switzerland where they are
now and where I shall be within a very few days.

We expect to be married in September and then either
to go out to the "set or to do whatever else we are told. What
it may be we don't know yet, but it'll probably be something
way off somewhere. If we can get home in the early spring or
late winter we shall be doing well, and it ought to be rather
good fun knocking about. I wish the Brawlers were going to
stand by for the ceremony, but that seems impossible with
you in New York and Prather in Chile, and so we'll have to
hold this reunion for some later date, when with full Ladies
Auxiliary, we should perform certain solemn rites, which
Prather and I started last year, but which needs the offiatus
of your presence to give us a final and artistic touch.

More anon, George. The evening meal calls, and I must
dress me in fine linen, and black or else they'll make me
dine out with the Peepull as they did last night, and I like
the music. Let me know how the pen wags, and some of these
days if you are not afraid of my soothing articism based on
highschool rhetoric, send me something to look at. I should
really very much like to see on.

Yours,

Never in my life. I send it.

We go now next a few - and by-

their arms. Please write me.

Bless you. To man.

-2-

London, August 7th., 1912.

Dear Mr. Secretary—[To Huntington Wilson]

Your cable reached me many days ago, and since then I have been intending
to write you, but have been hard at my typewriter, and knowing your lack of confi-
dence in my written word have said nothing. It was nice of you to wire us and we
both appreciated it very much. Dorothy is now in Switzerland, but in this matter
anyhow I can speak for her.

We have both been delighted too first with the new Anglo-Japanese Alliance,
and with the Arbitration Treaties. The Anglo-American Treaty, and the amendment
of the Alliance in anticipation thereof seem to me one of the very biggest achievements
of American diplomacy. As a chess play it was wonderful, for it changed the whole
situation in the East. No matter what people have said the thought of an Anglo-
Japanese war has been a very present theme, and though no one believed that England
would help her ally in such a contingency, the fact that there was a possibility of
her doing so greatly strengthened the Japanese position. Now that has been cleared,
and we should be stronger than ever in China. The papers speak of the possibility
of an arbitration treaty with Japan, and I am tremendously interested in seeing
whether it be true or not, for I am rather afraid, in a way which may be unexpressed
and due to over sensitiveness, that such an instrument in view of Japan's assumptions
regarding Manchuria, might be used against us with the Chinese just as those ill-
starred Notes of 1908 were. In this connection I enclose a clipping from the "Times"
in which Roosevelt rather scoffs at the reality of American's professions of friend-
ship for China, and her willingness to force adherence to the "Open Door" doctrine.
However, I am not, please, endeavoring to teach my Grandmother to suck eggs.

Our Currency conference has gone off most successfully, and without with-
drawing any portions of fact regarding Kandy I wish to rely on most of my conclusions
based on said facts, for he has done marvellously, shown himself, a matter of his
subject, tactful, adroit, and a regular steam engine for work. I have really the
profoundest admiration for him, which is shared I am sure by all who have been
with him during the past two weeks. The Chinese are now coming around to his gold exchange
ideas, and I should really be surprised if in the end his scheme were not the one
introduced, I am rather inclined to think moreover that they will themselves ask him
to go out to assist them, quite irrespective of Vissering, and am almost ready to
believe that the French, at least after the work he has done here, would be willing
to endorse him as Adviser if Vissering cannot accept. That the French Government
would do is another matter. They might come around and I think that the next week
or two may see some developments if the matter is left to work itself out in natural
course, without any further suggestions from us.

Caldwell has been here and installing on Wednesday. You will probably see him
at about the time this letter reaches you. He is not a trained diplomat, but he is a
shrewd and cautious man, whose frankness and honesty, and fairness have won him the
esteem of the Chinese in quite an extraordinary manner. Einstein I am sorry to say
was disloyal to him, laughed at him behind his back, and it was not until after 65
left that the tangles with the French, for which Einstein was largely responsible, were straightened out. This is what Casanova told me, not my own dope. I will tell to you, because Mr. Calhoun would not, and it's only fair to him. Parry who is now going back to the Department, didn't play the game very well either, and was easy prey for the Japanese and Russians who used to get more from him than he should have given. Now that he is returning to Washington, there will be not be the same difficulty, because there will be others to play with. Peking's a hard place because every man you meet is trying to spy into your business, and get something from you which you should not tell. A person naturally inclined to be friendly and frank therefore is easy meat. I hope you don't mind this sidelong.

Dorothy is now in Switzerland where I hope to join her at the end of the week. We expect to be married early in September, and the rest depends on whether we have to return to China or not. I am inclined to think that it will be unnecessary for the present, particularly if the Chinese ask the Groups to consider the gold standard, which would necessitate another six months for China to work out her plan, and for the Bankers to consider it. In this case we may come home, though our plans are perfectly vague and indefinite. As for myself I do not really much care, as long as we are together in some place that will be interesting for her.

We both look forward to the time when we shall all meet, and have a song fest, if after arbitration treaties and things you can still pipe a tenor. May it come soon. You're a fine record of achievement for your two years, more than any one has ever had, and I am delighted and very proud to know you.

With warmest wishes to you both,

Yours sincerely,

[Unsigned]

London, August 8th, 1911.

Messrs. Morgan, Harjes, & Cie.
31 Boulevard Hausmann,
Paris.

Gentlemen:-

I beg to acknowledge the receipt of your letter of August 7th, 1911, enclosing the statement of my debit balance with you of Franes 1,113.60. I enclose herewith a draft for this sum.

I am at a loss however to account for the charge of Franes 5,20 for a telegram to Edinburg as I have no recollection of knowing any one in that city to whom I could have wired. Kindly look into this matter. I also notice that you do not charge me with a wagon Lite birth from Paris to Frankfort on the night of July 15th, for which I believe you paid.

Yours truly,
London, August 8th, 1911.

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

Gentlemen:-

Enclosed I have the honour to forward you my accounts for salary and expenses for the period July 1st. to August 1st., 1911, supplementing the accounts forwarded to you under my letter dated July 6th., 1911.

Trusting that these accounts may receive your approval, I am,

Yours truly,

[Signature]

Sent to Oswego N.Y. 200.00

Drawn in London, August 8th, 1911. 1577.88

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Frankfort, make, 26.60
Porters, at tips, 11.00
Telegrams, 4.90
Food, 10.00

Total 1777.88

The Willard Straight
Gentlemen,

In connection with the Report of the Committee appointed by the Banks to consider the Chinese programme for Currency Reform, I venture to lay certain matters before you for your consideration.

As is clearly stated in the Committee's report, the programme for Currency Reform handed to the Groups by the Chinese Government, contemplates the establishment of the new Currency, not on the silver standard, but on a temporary silver basis preparatory to the adoption of the gold standard.

As will be explained by Professor Jenks and Mr. McKnight there seems to be a disposition on the part of the German Group, at least, to insist upon the free coinage of silver and thus place China upon an actual silver basis.

This change would, it seems, result in blocking the plan which the Chinese now have in mind, and since the Groups have committed themselves to consider the programme placed in their hands it would seem that insistence upon so radical a change would
The Chinese plan for changing from the transitional silver to the gold basis is I believe, considered by Professor Jenks to be too speculative in character, and the Committee, while not expressing an opinion as to whether it would be desirable or not for China to go on the gold standard, points out that since this change is ultimately contemplated, the problem to be solved is one requiring the most careful study.

This being the case, it may occur to the Groups that before accepting the present Chinese programme as the basis for a Loan, it might be necessary to insist that China work out her scheme for the change from the basis contemplated under the present programme, to the gold exchange standard.

While disavowing any expert knowledge of economics, I venture to express my personal opinion that it would be unwise and unnecessary for the Banks, since the Committee has considered the present programme generally satisfactory for the purpose contemplated, to refuse to make a Loan until China had worked out her programme for the ultimate change to the gold standard.

In opposition to this view it may be stated that having insisted upon assuming the responsibility of examining and passing upon the Chinese programme, the Banks would lay themselves open to censure in case they identified themselves with a Reform, which while temporarily successful, was foredoomed to failure owing to

the ill-conceived scheme by which China intends to place the unified Currency on the gold basis.

Before accepting this view however, it should be remembered, first that the Financial Adviser with the de facto, if not the de jure support of the Groups and the Legations, will be in a position, once the Reform now contemplated is started, wisely to counsel the Chinese as to their next step. Further, China desires to increase her Customs Tariff, a step that requires the consent of the Treaty Powers - a consent which can be obtained only by the active support of England, Germany, France and the United States. England and the United States at least have already stated that they will do nothing regarding the increase of the Customs tariff until China has proven her ability to inaugurate effective Currency Reform. In this situation then, lies the greatest guarantee that China will heed the counsels of the Adviser and take no steps towards changing to the Gold Standard calculated to offend the Four Powers, on whose good offices she must rely.

In view of the foregoing considerations, it would seem safe for the Groups with such modifications as have been suggested by the Committee to accept the Chinese programme as a basis for the Loan.

It is suggested, therefore, that once the Group have had time to consider the Report of the Committee, either by another Conference
Conferece or through correspondence, an agreement be reached between them as to the instructions to be given the Groups' representatives in China.

Dr. Chen Chin Tao expects to arrive in Peking in early October, and it is practically certain the Chinese Government will not discuss with the Banks any modifications in their Currency programme until Dr. Chen's return. It is suggested, therefore, that no attempt be made to negotiate with China regarding the amendment of the Chinese programme until the 15th of October, on which date the representatives could inform the Board of Finance that the Groups will be prepared to accept the Chinese programme, if China will agree to certain modifications therein, and negotiations to secure the embodiment of thereof in the programme could be commenced on this date, the Chinese being assisted by Dr. Chen.

In case Dr. Chen succeeds in his expressed intention, and persuades his Government at once to adopt the Gold Standard, the Chinese would doubtless ask for time to reconsider their present programme.

Unless the request that the Groups consider the question of the Gold Standard emanates from China, however, I feel strongly that in view of the history of the Loan negotiations, it would be unfortunate for the Groups to give any justification whatsoever for the Chinese to assert that the Foreign Banks, instead of passing upon the programme for the transition stage handed to them, had

Yours truly,

[Signature]

Copies sent to
Messrs. Morgan Harjes & Co.
Morgan Grenfell & Co.
M.M. Warburg & Co.
Péring, 16 Avril 1911.

Mon cher Arthur, quand vous me rendez-vous pour que je vous télégraphe, et qu'un second venu? Vous voyez que je n'ai pas pour mon plaisir que je vous le dis, mais il est absolument nécessaire que nous réservions ici. Gaité est parfaitement bien, mais il n'y a pas a cause pas il n'y a pas tant de vie à que nous avons pour diriger le groupe. Il faut, ce qui monte plus tout lui faire la direction des affaires - et si c'est qu'il y a pression, car il est à la fois venu, intelligente et très consciencieux. — que vous comprenez ne faites que moi pour le peu de temps que vous les faire faire encore une autre intervention avant de la confirmer. Tel est mon avis, j'en vous enverrai.
...
Paris - le routé en pole en travers la France de France (à la Société de Paris)

A savoir, en m'excuse, bonne vacances, beau congé, l'idée de Marie de France qu'elle a eu bien raison de vous espérer, que je vous aime pour elle et elle même rend heureux et que j'ai détesté dans le cas contraire. Mais, pour combien de, je vous aime, tout gentil, et je le suis qui peut-être !

Adieu

George.

July 22nd. McKnight and Jenks dined here and I went with them to meet Dr. Chen.

Jenks is impressed by Chen and by the progress China has made and the serious intention of the Chinese to put through Currency Reform—Gratifying for it confirms my own views.

Mc Knight has ideas about control— one suggestion which if put up to the Chinese would knock out the whole show—it would mean practically a foreign dictatorship.

I have little responsibility—

July—

This morning Jenks and I went over a draft contract for an adviser. I'm afraid I cut his draft all to pieces.

Mc Knight has very decided views with which I entirely disagree.

I merely say— all right, go ahead, you're the doctor, not I,— but if I were you I wouldn't, that's all. As yet, he hasn't.

Conferees—

England—Sir David Harbord

Germany—Bernburg.

July 29th. References to Franco-Belgian whom had organized a rival group—

"He tried to bluff me about what Russia would do— and how much France was in Russian power."

Jenks is inclined to try to get his gold stand ard through.

The only fly in the ointment in the attitude of the Dept. of State.

Miller, Gordis, St. Pierre and I sat on the side lines. We are playing politics again in a quiet way because Knox with his usual diplomatic genius has suggested that the groups embody in the loan agreement a restrictive interpretation of Article XVII. We all agree that it's quite right that the four Govts. in reply to Russian and Japanese inquiries should state their interpretation in a restrictive sense if
Aug. 1st.

We met yesterday and had an all day session covering a tremendous lot of ground and the Committee finding the Chinese Programme in the main very satisfactory and Chen really accepting their suggestions with surprising celerity. Then we had a successful dinner, after which Dernburg talked ex-cathedra most interestingly. Today we had some knotty points and a longer session. I started here at 8:50 met the others at 10 and quit at 6:45—fairly tired. I can tell you. There were more points of difference with the Chinese but the Committee was fairly unanimous so we put up a united front, and in the discussion I learned an awful lot.

Tonight Dernburg and I had a talk—very satisfactory—and the beautiful part was that he made suggestions—that to save the Chinese face we have the Customs audit accounts, and that the Adviser should not sign the same—which things I had proposed to Jenks a week ago. I'd not had a word with Dernburg about it yet.

Tonight I'm rather set up in consequence—especially after today's meeting feeling much more in the game than before. Old Barbour the British delegate insists on going on his vacation tomorrow but we will go on with a substitute—Hillier perhaps—It's a great thing that we are all here.

As far as I can dope it, the thing will work this way. We've finished the programme of Reform today. Tomorrow till Friday we'll do statements—forms, etc., and then from Friday till Tuesday Jenks will write his report—Dernburg goes to the country and me for Switzerland. It's quite all right you see. Then the Committee will make its report.

1st—on the Reform Programme
2nd—on the statements, orders, and control of the Banks—
3rd—the functions of the Financial Adviser.

Chen can't possibly accept all the suggestions here. The reports will go back to the Group who will accept them. Negotiations regarding the Adviser's functions will be placed in the hands of our Legation here. We will have to go back to induce the Chinese to accept the other recommendations regarding the Programme and statements.

As to Art. XVI and the Russian and Japanese protest. Knox drew up a formula which he suggested should be "attached to or embodied in" the loan agreement. Grey accepted in principle and suggested new wording which Knox took.

Then the Ambassador told me that the Govts. proposed that this thing should be put in the Agreement. I queried H. Y. who queried the State Dept. who wrote the Group suggesting that we embody in our signed, sealed and delivered agreement a statement that "Art. XVI as interpreted by the Governments concerned" etc., etc.—This was too much. I saw Addie, who called up the British F.O. and asked if they would insist that this formula go into the agreement. Not at all—they said—that was Knox. On Sunday at Bill's I drafted a telegram—copy enclosed—which Bill took to the F.O. informally and which they discreetly approved—so did Hillier, Addie, Cordes and St. Pierre—so it went—and now we have a fire on Knox's foolish back. The game still goes on. The worst of it is that the Dept. will see my hand in this, I know.

Aug. 4th.

The Conference ended at noon today. Tomorrow and Sunday Jenks does his report then we check it over, and after that he signs and I'm free. I think there will be another Conference of the Group sometime soon, but it can't be for 10 days for Jenks's report has got to reach H. Y. and be considered first.

Article XVI worked out as we wanted.

Aug. 5th. Have been going through Jenks's report and some 57 printed pages of minutes, making corrections, arguing with him and Mc Knight, he accepted them all.

Aug. 6th. At the Chinese Legation. What Chen said showed me that Jenks had been much too optimistic. Chen thinks there is no chance that his Govt. will consider the gold standard till he himself gets out there to explain. He thinks the bankers must go ahead on the original lines, which will mean our going out to Peking in September.

Aug. 9th. Mc Knight and Jenks sail tomorrow.
Aug. 11th. There was lots of work in the office. I stayed there till four and then went out to see Chen at Richmond. I'll tell you all about it. New York has taken all the dope—they have acted on my letter of the 11th which you saw—at least they did why I suggested it or just because it was plain common sense, I don't know. Between you and me I should say the latter. They are ready to make the loan on the present programme and do not even make China's acceptance of the Committee's suggestions a condition. Isn't that splendid? Davison is enthusiastic still about the gold standard and the President and Knox and tremendously excited and Taft even wants to send a message to the Regent again. That's about played out though. Grenfell and I have called that off—but we're going to try to get Davis's scheme through somehow—and Jenks will probably try to get the European Groups to see things his way—sailing from home on Sept 7th. This will be all right I'm sure—and I'd love so to be able to do what they want—wouldn't you? The idea's good—but at first I was afraid they were going too fast. Now that they are willing to go slow it may work out.

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My dear Willard:-

So also would it be quite in line if I would pen a reply to your very pleasing letter of the 7th instant, but the same objection applies in my case as in yours, that is, you would not be able to read it.

I suppose that your mind may at the moment be engaged more or less in matters other than China. In fact I can quite appreciate that the radiance of your countenance would make things look bright even in this country. It has been more or less of a surprise to me that clouds have settled so thickly about the British Isles considering your presence. It may possibly be due to your trip to the continent that the situation seems by contrast to be so dark in and about our Fatherland. I have been thinking much of you and your prospects and am very happy in them, as you know. At the meeting of the Guaranty on Thursday, I bade Harry Whitney good-bye, and sent a message of love to you and his sister. The compliments you pay me by your suggestion are very much appreciated. I also wish Mrs. Davison and I could be with you, but, of course, that is quite out of the question.
The beauty of your situation is that it gives you all time to come. It is a great thing, you know, for a man to be as much pleased at the coffee pouring in the morning as in a ball room in the evening. Lots of fellows get fairly well fixed up for one end of the day but not as in your case. However, you thoroughly know of my feelings in this matter and there is little I can add to emphasize them. Compliments of you have been coming in to me from all sides regarding your work in China, which certainly has been unusual and should be extremely gratifying to you.

Mr. Calhoun came in the other day for a few moments. He was unable to give me any particular time as he had to go to Washington but expects soon to be back, and he has promised that he and Mrs. Calhoun will come down and spend the night with us. He was full of your accomplishments and confirmed other statements made of the very difficult task you had to perform in the currency negotiations. I can quite understand your liking for him and what a joy it must have been to have him with you in the many hours of trial and tribulation.

The American contingent from the conference arrived yesterday and went down and spent last night with me at the house. I read a report of the Committee and had several hours with Jenks and Mr. Knight. As hoping that we will have a meeting of the American Group at my house on Thursday night of next week, when we will endeavor to thoroughly cover the ground and declare our position. I personally am very much impressed with the importance and advisability of China's going on a gold exchange basis at this time. As I have said to you before, and repeat it now, but confidentially, nothing in the world would please me more than about three and a half months time, in which event I think we might take a little trip together and accomplish something which would be of great credit and of great satisfaction. Jenks and Mr. Knight feel this very strongly but I cannot possibly see my way clear.

As I read the report it amounts to this. The plan, although incomplete, is satisfactory provided it is properly executed and I personally can see no real reason why the loan should not be made although I do not feel as yet clear enough to say so at this time, and would prefer that you would not convey my opinions as far as they are expressed here. If we decide to endeavor to induce China to consider her going on a gold basis it may be necessary for you to go to Peking after your holiday for two or three weeks, as you suggest, but if not, I cannot see any reason for your going there now and would suppose that it would be well for you to return to New York.

There is at present no development which would suggest your going to South America but, of course, occasion my arise, in which event you will be promptly notified. I will keep you posted by letter, or cable, with regard to the conclusions of the American Group. I am extremely sorry that Dr. Chen is not coming here. I will not go into this matter further at this time as I
8-19-12.

as hustling a little to get this letter off by the "Olympic" which
sails in about two hours. Mrs. Davison joins me in love to Miss
Whitney and your goodself. As ever,

Sincerely yours,

Harry

8-19-12.

Dear Straight,

I am greatly obliged for your letter
and your kindness in sending me the 
news of my change. As you know I am
just after a long illness and I am out of
shape, so I need the rest from other 
propositions. I have written and made two or three arrangements, 
but I will correct all the rest as soon as
my health improves,

F. M. C. (Peking) at West Point, New York

August 19-11

One of the points on which I should like to get your 
opinion is this: I have been in the habit of ad
and for the last year or so I have 
been making a good deal of 
progress. One of the 
impediments to which I 
have been 
subjected is the 
separation of the 
Chinese 
from the 
rest of the 
people, and the 
general 
recognition of the 
Chinese 
language as the 
official 
language of the 
nation. I am anxious to learn 
more about 
the 
jurisdiction of the 
Chinese 
and the 
relations 
between 
the 
Chinese 
and 
the 
rest of the 
people.

I wish you would not think that I am after 
any 
information 
from 
me, 
but 
that I 
have 
the 
best possible 
cause 
for 
the 
information.

Yours truly,

[Signature]

Original in private hands.

The Willard Straight Papers at Cornell University
WO centuries before America was discovered Ma Tzu-li, the Chinese, wrote the whole story of China's money. In the seventeenth century a successor modernized his work. In 1910 it was still modern and showed that the currency mediums of China were tokens for exchange, and not fixed weights or measures. No progress was made until the great powers intervened, and America, by her aid, placed China, in 1911, among the currency reform nations of the world.

April 15, 1911, at America's solicitation, China signed terms for a currency loan from Great Britain, France, Germany, and the United States, and undertook, with the aid of these four capitalistic great contemporaries, broad measures in the form of a uniform standard currency scheme looking to the material reconstruction of the Colonial Empire, and June 2, in London, England, a financial council of these Western powers met to approve it.*

As there are but four capitalistic great powers among nations, it may be said that the outer world, in fact, June 2, 1911, as so often pronounced in theory, established itself in council to rule upon the future of China, and that these things, directed to trade and industrial regeneration in China, are a realization of the desires of western nations from the beginning of trade relations with China in the sixteenth century, and of the active aims of England, France, and America for about seventy-five years. This is something of what reform in China, under the principles of the open door and the new diplomacy, means.

It has been regarded as only a question of time when China would be bankrupt. In such a case, on account of her debt to Europe, ever increasing, she would have to surrender her finances to the management of a European board of control, consisting of representatives of Great Britain, France, and Germany. Special policies for China's protection and safety, such as are embraced in the open door doctrine, would be endangered by this and if America remained traditionally disinterested the forces that have threatened to break up the Chinese Empire would operate in spite of the open door doctrine.

America's only chance of averting this lay in anticipating the capitalistic powers of Europe and realizing all foreign financial and commercial interests on the lines of mutual advantage. It was not strange, therefore, that the government at Washington sought the opportunity to bring about the reform of China's currency, the organization of industrial development, and the creation of financial order.

Ten years before, John Hay arrested the partition of China by establishing among the powers the doctrine of the open door. Then began a dramatic Chinese struggle of peculiar oriental economic and political strategy against the modern science of money and commerce—a set fight with the money power of Europe covering six years, and until practical defeat forced China to seek foreign aid. It was a fact that in 1910 China was practically helpless before the European capitalistic allies, as in 1900 she was helpless before the military allies.

The question for China has been variously defined as foreign science, arms, foreign governmental methods, diplomacy, foreign religions, etc., but the bankers have determined it to be finance, and economists hold that if she does not reform her finances China is lost. Could America again save her from foreign domination and division by bringing about for her the creation of a system of finance? At the end of a decade of the open door doctrine, after the failure of the neutralization proposal in Manchuria—1909–1919—that was the foremost question of the American State Department. From its stand-point it was a question whether America might accomplish by

* Of the total amount of the loan, 62 per cent was to be used in China proper, and the residue in China and the other countries in the Pacific zone. So the loan is a part of the so-called China loan, which is described in Vol. 1 of this series. The loan is also described in tabular form in the map attached to the volume.
the instrumentality of a currency loan what in 1909 she accomplished by the pen. During all of 1909 and 1910 China had her ministers abroad, and others, feverishly working on plans for financial reform. Her minister in Washington, Chang Ws-tang, held half a dozen conferences with Jeremias W. Jenkins, of Cornell, who had made China's finances his special study. The internal financial drama in China, however, cut short all these endeavors; Chang Ws-tang received secret orders to suspend his investigations. China had been visited by overwhelming recognition of defeat in a lose effort to create a currency and fiscal system and could not delay her appeal for outside aid.

America was forewarned. October 6, 1902, China agreed in the American-Chinese treaty to adopt a uniform currency to improve trade. September, 1903, President Roosevelt sent Jeremias W. Jenkins as a special commissioner to confer with the Chinese Government regarding the introduction of the gold standard into China. China's persistent efforts at financial reform from then till 1910 have resulted in plans now approved by foreign experts, but every detail of her financial struggle was without success. She ignored the currency, and in 1906 founded the Board of Revenue Bank in Peking. According to her views she was now prepared to finance her own loans, but in beginning was without money, collateral, or national credit. Wrongly directed, her efforts to raise loans and terminate debt fell to a fiasco, and a procession of the foremost officials surrendered the presidency of the Board of Revenue one after another. Advanced Chinese saw that nothing was being accomplished and in 1906 the English newspaper Dowager supported an advanced policy, sending Tong Shao-yi to America to negotiate a loan.

Tong Shao-yi's mission, together with the adoption of the gold standard and uniform coinage, was a fiasco. Strange to say, China's credit was standing and unimpaired, and in the European competition to get firmly established in China's industrial development, and at the same time further alarmed the foreign bankers.

Foreign governments became anxious over the debt raised by financiers as to China's solvency, and China became alarmed about her own safety on account of the influence in the country of foreign finance, which had become the instrument of foreign power formerly wielded through "spheres of influence" agreements. "Spheres of influence" had changed to "financial spheres," geographically defined. China became highly agitated. In December, 1906, the "National Debt Association" was formed by Chinese, at Peking, to pay off China's foreign debt and save the country. This plan to save China from insolvency attracted foreign attention as showing China's intellectual bankruptcy. It collapsed.

Sir John Jordan, the British Minister at Peking, assured China that the powers were not intending to assume control of the finances, but cautioned her to devise fiscal remedies. Foreign financiers were justly apprehensive and tendered anxious counsel. The British, French, and German bankers affiliated for mutual protection and to withstand the crisis. Failure reached full headway in 1909. A report that the powers were about to take over China's finances and partition the empire swept the provinces. Viceroy and governors, fearing the Throne had been suddenly overawed by the foreign legations, telegraphed to inquire of the government what had happened. The government telegraphed its ministers abroad to trace the origin of the report.

China's alarm about herself was followed by fear of the consequences of foreign alarm, and she attempted to devise a budget. Duke Ts'ai Tseh, unable to audit or control expenditures, resigned. The Throne, in a moment of panic, instead of continuing the policy of the late Huxang, dismissed the cabinet of Li Yuan-hu, and instructed the Board of Revenue to follow its plan for the development of Manchuria, which lay upon the Yellow River at "China's Sorrow," all coming as a great light to the government in Peking. September 20, 1910, Duke Ts'ai Tseh, in an audience with the Prince Regent in the Forbidden City, disclosed the default of all efforts and plans for financial reform and asked for help in effecting reorganization of the imperial finances, otherwise China would default. The success of railways in the development of America was given in support of this recommendation.

Furthermore, China was now shocked by political developments. The startling diplomatic activity in America in 1909-1910, looking to the neutralization of railways in Manchuria, failed and was followed by the Russo-Japanese entente and later by Japan's annexation of Korea, and subsequent renewed encroachments in Manchuria, which long ago superseded the Yellow River as "China's Sorrow," all coming as a great light to the government in Peking. September 20, 1910, Duke Ts'ai Tseh, in an audience with the Prince Regent in the Forbidden City, disclosed the default of all efforts and plans for financial reform and asked for help in effecting reorganization of the imperial finances, otherwise China would default. The success of railways in the development of America was given in support of this recommendation.

The Willard Straight Papers at Cornell University
before declined a similar proposal, saying it preferred to continue simply in China's financial field, but it reconsidered this decision and adopted the view that the cooperation of the powers was essential to the success of loans, and of currency reform. It invited the European groups to a meeting in Paris, where, November 10, 1910, the previous overtures from the group for a quadrilateral agreement for equal participation in future loans was signed. The present or currency loan was specially excepted from the body of the agreement, but in the minutes of the meeting the American group agreed to European participation, conditional upon China's consent, and stipulations were imposed, leaving the conduct of all negotiations for the loan to the tact and endeavor of the American group.

This compact held out to the European groups the possibility of their participation in a loan which China had granted solely to America. It defined the essentially different positions of the American Government and the American bankers. Bankers can unite, and the American and European groups, in order to forestall Chinese financial motives, of which they had had previous experience, quickly did so before the negotiations began. Governments are powerless impossible in the same degree in China, where they have always been played by her, one against another. The government at Washington, called to act alone, confined its activity to an effort to secure the appointment of an American adviser. Its course was based on considerations of equality for all, including China herself. It hoped that international capital would find its way into the loan and that it deferred to the view that currency reform in China could be successful must have the co-operation of the powers. But comprehending the inevitable increase of foreign financial influence in China, fully appreciated by China also, it desired an American adviser, independent of foreign financial influence. It would have been glad to have had some adviser on the lines of, for instance, Jeremiah W. Jones, its former currency commissioner. Had the advisernship come to America independent of the loan the government might have been able to consummate its desires. But as the European groups were now involved the government agreed that no adviser would be chosen without consultation with the American group, which had the interest of the European groups in trust.

The action of the American group underlined the government's position. The European groups saw that equality in the loan implied joint advisernship, but having received, as it were, a gift horse, they could not at the moment look in the mouth. They could not set content with America's reservation of an exclusive adviser.

The task of the American Government was to secure from China, without international interference, the American advisership as China had desired. The task of the American Government was to persuade China to admit the European groups to the loan, thereby preventing competition on the loan terms.

The scene of action had been transferred to Peking. China, to the western world, is the battle-ground of nations, where the strong, aggressive, and needy struggle for trade and territory. It has been the bitterest international grudge in Asia since the days of Suez under the Japanese and Russians, and its comparative peace and political order is only due to the cooperation of the principles of the open door doctrine. It is the phenomenon of the era just beginning. Governments have at last invented this battle-ground to resolve, maybe, by industrial development the problems that diplomacy has so far failed to solve, and the American capital in its first start abroad this battle-ground to resolve, maybe, by industrial development the problems that diplomacy has so far failed to solve, and the American capital in its first start abroad.

When she obtained the preliminary agreement for her loan and foreign capital had been turned to Peking, China, under apprehension of further failures in finance, deferred prompt action and called upon America to proceed with the loan, stating she was acting by direction of the Chinese government as to its policy.

The government at Washington in its first report noted the view that the next step was the conclusion of details, but the confirmation in writing by China of her request for the American adviser was not given. It was later stated that in consideration of China's desire for assistance the American finance minister was sending a special representative (Mr. Straight), authorized to take up all financial questions, but as to other matters they could be concluded immediately through diplomatic channels, and the State Department asked China, straight out, to name the adviser.

China hesitated. She had never had an active adviser. She had notified the influence of some advisers she had employed for various services in the past. It was seen that there was a division of views between her and America, and in America it was suspected that China had not intended a directing adviser, and not at all such an adviser as America had just provided for Persia, for example.

But something had happened in Peking. About November 15 France informally told China that in regard to the proposed loan, France maintained the right of participadon, and joint advisernship in case advisers were appointed. Japan and Russia came forward and while they did not impose direct opposition to the loan in Manchuria, yet affirmed right of equality and required of China an explanation of the objects of the loan with respect to Manchuria, acts strictly in accord with diplomatic practice in Peking, but totally disconcerting to China's intentions. In fact, they prevented her confirming her request to America for an adviser.

Although the European groups had a right to expect participation in the loan, America stuck to her understanding with China. No time was lost and it was in the credit of the official alertness of France, Russia, and Japan that they acted, after China had made her overtures to a European group, and her government was prepared to instruct him to urge yet more strongly.

The Washington Government, unable to proceed against her indisposition without creating another situation, sat down to take counsel. Two months had elapsed, China would not appoint an adviser, and the government in Washington did not know whether she desired American pressure exerted against her, so that she might have an excuse for not accepting her obligations to America, or whether she was sincerely afraid of the powers. An effort was made to find out, and in the end it was seen that the currency loan was involved in complications such as had affected the previous measures of the government's "plan of State," namely, the Kjeldsen loan, the Kichino-Aguy railway project, and the neutralization proposal. China could not be blamed for resisting, in view of the intimidation inherent in the representations of France, Russia, and Japan, who constituted a majority of the political combination of European and Asian powers called the Manchurian allies, nor for making use of them. When the American bankers promised participation...
to the European powers conditional upon China's consent without opposition of the Washington Government, China apprehended that she was about to fall into the trap she had planned to avoid. Internationally, control of her finances had come. She was safeguarded, through American participation, by the principles of equal opportunity and Chinese integrity, and by American Government supervision of American finance in China, yet her understanding with America was threatened with failure.

Her methods that had caused the bankers to combine, but which cannot accomplish an alliance of so many powers, China now repeated in her dealings with the American Government, seeming to justify the course which the bankers had taken. China could not play the bankers against each other, and to further boost her visible credit she played the American Legation in Peking against the American group there. Mr. Calhoun urged that the advisability be settled so that the terms of the loan could be arranged. Mr. Straight urged the internationalization of the loan as to its future success of currency reform, to give China's securities a wider market, to say nothing of protection for the American bankers. To Minister Calhoun China's objection was that Mr. Straight proposed soliciting American advice, and perhaps others; to Mr. Straight that Minister Calhoun urged American sole advisement.

This had its effect in Washington. November 29, 1909, when the American Legation with China began in Peking, the governments of Great Britain, France, and Germany, had many in a night become tentative participants. Although the European groups had agreed not to interfere, the Washington Government could not refuse their governments, and the preliminary agreement with the British and German ambassadors in Washington and then to the French, completing the admission of America's three diplomatic colleagues to the field of negotiations. America, however, could urge restraint upon them, and the State Department and Assistant Secretary of the Treasury, with admirable discretion assisted in bringing China's statements to accept this programme, greatly accelerating the work of the American group carried on by Mr. Straight, upon whom the weight of the negotiations fell.

Duke Tsui Tao visited the National Assembly and explained the beneficial nature of the loan and quieted the misguided patriots from among the people.

Although Japan was accused of forecasting in China native opposition to the American-European capital in order to minimize and obstruct the extension of American and other Western influence; and although Russia's interests have been said to lie in the same direction, these two powers remained neutral during the controversies. When China agreed to European participation, and this desired object was guaranteed, President Taft relinquished his expectation of an exclusive and independent American adviser, and the four powders, together with America, with remarkable and ample international co-ordination in Eastern Asia, reached an agreement.

If an American loan the adviser could only have been an American, but when the loan became international, when the final negotiations of President Taft was a question of equal opportunity. China cordially accepted the view of the others, and governments, even to the advisement, which was to be neutral, and to complete the harmony of the powers, because satisfied that America should accompany the loan with an adviser from America, with the American in the loan commission, and the loan agreement, and April 15, as already stated, the final agreement for the currency loan was signed in Peking by all concerned, thus according with the pledges given by the Washington Government to the three European powers in November, 1910.

By American diplomacy, in bringing about currency reform through the currency loan, a new force was created in China from the four capitalistic powers of the world that may be called The Republican Allies. The acceptance by the hitherto intractable and unapproachable masters of the Celestial Empire of the most important reform required by present times and conditions is a tribute to the open door doctrine and is the first response from China of the effect of America's great doctrine upon her political life. America, by awakening and introducing currency reform and insuring the beginning of trade, financial, and industrial regeneration in China, becomes a financial ally of China, a member of the foreign financial council of China, and in fact united the capitalistic powers and defeated the movement toward consolidated "financial spheres." It is likely that by the cooperation of the government and American financiers American political errors of the decade in Eastern Asia have been as nearly re-deemed as they could be. The object attained by the currency loan, to which four-ninths of the whole loan are applied, is approximately the same as aimed at in the nationalization proposal.

The signing of the currency loan is the first step toward a China Loan and a China Loan, perhaps than the securing of the pledges of the powers to the doctrine of the open door in 1899-1900. It may be said that since the delegation by China of the foreign financial market, America, as her special envoy to the West has China country not concerned in the loan and his appointment was left to the President by the President's order of right of the United States, leadership. In American relations with China a wide gap since William H. Seward and China, as is the event of trusting the bringing about her currency reform to America's leadership. America in American relations with China a wide gap since William H. Seward and America, as is the event of trusting the bringing about her currency reform to America's leadership.
Dear Straight,

I have a special announcement to receive you and wish you to accept my warmest greetings. 

The news from home is not encouraging, but I am confident that the happiness that we once knew, which you and I share, will be the beginning of a long married life filled with joy and peace.

I congratulate you and your family. I think that your relationship is the most special one. 

Please tell the family about me as an old friend of your father. He is a lucky young lady to be in your shoes.

Your letter brings a ray of hope to my heart. I am so pleased to know that you are happy. 

I am very glad that you have decided to join. I am sure you will be happy. I hope you will enjoy your new life.

With best wishes,

[Signature]

March 1911.
to some day—
my wife told me to send you this note
I wish you success and
extend my best to Miss Whitney—
Sincerely,
Ferg.
to as you know
Dilly and I think
a lot of you and
she is such lucky
girl. Here in
are very comfortable
and with our car.
Life is certainly
much improved.
How I would like to
meet Miss Milligan,
and I am sure she
would like to meet
me, and should
talk a lot about you
and tell her all
sorts of things for
instance, about your
furniture for
your house, etc.
Will we see you...
The Willard Straight Papers at Cornell University

Dear [Name],

How are you? I think a lot of you and she is such a lucky girl. Here we are in Italy yet, and we are very comfortable and with our car, life is certainly much improved. How would like to meet Miss Willing, and I am sure she would like to meet you, and she should talk a lot about you and tell all the sale of things for instance the new furniture for your house. I will, maybe some day the four of us will meet and learn our good, long talk of the East.

Love and kisses,

[Aug. 1915]
Again with that pleasure do you and hoping you will make the visit before long. Believe me to  
As ever,
Jane Adams.

IMPERIAL JAPANESE EMBASSY
WASHINGTON

Sept 1 1911

My dear Mr. Straight:

To begin with I desire to send you my hearty congratulations on the most happy event of your life which, as I heard it to be told, is going to take place very shortly and with you and through you your prospective wife’s parents all the happiness and
Recognizing the opportunity to give an effort to my task, I have an appreciation of your kindness and good friendship.

I heard that you were back in New York for a while during the summer. I am sorry that I did not know it then, so I might have had a chance to see you there.

Your sincerely,

[Signature]

[Address]

...and prosperity which may be well deserve.

...for since I last you heard in Peking, I had written to you, but I finally let myself drift on till now, for which I have no word of excuse.

I felt back with a very pleasant and happy memory of the day you accorded me such a grand entertainment and there and I would be true to myself if I did not write this.
Dear Harry:

It was very nice of you to hand me a real letter at last. I have'nt seen one over your signature for more than a year, and I trust that this means the beginning of one of those long and interesting correspondences that will make up well into "memoirs" later! I sent it down to Dorothy and told her it was one of the most convincing and touching proofs I had ever had of your friendship! There's more truth than poetry in that.

We are to be married as you know on the 7th., and then plan to go on to Strauss and Venice, remaining in the latter place until it's time to lest it either for Peking or for the Conference, which I sincerely hope will not be necessary, in Berlin. In order to reach Peking a few days before Arbor Day— the 16th.— I have engaged passage for the train leaving Stareburg on the 30th., which will take us from Paris or London, on the 17th., and get us to Peking E.V. by the 10th.

Crenfell has shown me your private telegrams and I am delighted that you are so enthusiastic about doing a fine big job of it all. I only wish that it were possible for you yourself to go out to the East. Things would go very, very much better and easier, if you could come over here, holding Jenks up in the hands to sprinkle Gold Exchange balm on the European Garden, then having brought these Johnnies around, start for Peking with Jerry, Tom and Jerry if you will, to feed into the Oriental man. The fact of your being on the ground would make things infinitely
easier. You could do more than anyone to win over the European groups to taking a big broad view, and the fact that you had been willing to trek all the way to Peking would give you a very strong position with the Chinese. Furthermore, if you were a big man, you could come out with a letter from Tacto (I beg your pardon) to the Regent. That's the way to work it. Don't let very have this letter but you ring him out and play the hand that way. I had been rather afraid of another telegram from the President but this scheme would perhaps do the trick.

Otherwise, no matter whether Jenks brought the other groups around or not you are going to have trouble in Peking. Besides Jenks and myself we might ultimately be able to pull it off, but the weight which your prestige would give if you could come only, would make things infinitely gopher I feel quite sure. If Mr. Morgan is so enthusiastic would he not be willing to have you go?

I saw Chen day before yesterday. Poor fop, he says he's been eating too much meat and has the rheumatism and has therefore been held up here much longer than he expected. He is all for Jenks plan. He tells me however that he fears it will be very difficult to induce Sheng, the Duke and the Regent, to let him go to the National Assembly to make any change. I asked him if Jenks presence would do much good. He seemed to think it might but wanted to know what Vissering thinks of Jenks plan. He thought China might be much influenced by what Vissering had to say. That is doubtless true and Jenks should see Vissering and convince him before he goes out, if the other groups are willing. Involve of the jealousies in the first part and the likelihood that under Russian pressure the French may try to get out of their obligations anyway, it seems however very essential that Jenks should proceed with the greatest caginess.

Yesterday I received a letter from George Brunson Reynolds of the "Far Eastern Review", telling me that Mr. Salomon & Co. had wired him asking whether he would recommend Cloud. They were thinking of taking him on as Special Representative in Peking to negotiate Government loans. Sea didn't recommend him, but it shows that the success of the Hukang has whetted a few competing appetites. Perhaps you might warn them to keep off the grass. Please do not mention Sea's name in the connection.

I am writing the Group about Sea's proposition that he be helped out with his paper. I believe in Sea, and think him a very useful man. He's played the game for us from the beginning. If you can see your way to do anything it would I think be a good thing.

Poor Vissering is very down on his luck. His insides are ulcerated, and though he says nothing, I fear that it may be cancer. He has cut up such a fine fight and is such a fine man, that it seems too hard that he should be dogged by continuous bad luck. The British Foreign Office has taken his matter up with the Russians, but under Japanese pressure they have crawled on the assurances they gave him, and the whole thing looks pretty black. Failing is not well. Bringer has long been fed up with the whole Chinese proposition so Vissering, I am afraid sees not only illness, but lack of a job ahead of him. He proposes to go out within a week if he can't get the Chinese to give him other work. If he can't he will try and see if he cannot get compensation for the four years of labour in some other way. It's his last bolt of a fellow, and during all this hard four years of scrounging I've never seen him down on his luck as he is now. I do not know that there is anything you can give him, but I am sure that wherever you used him you would find him a valuable man, and if there is any pressure ahead that you could take him on it would be the very greatest kindness if you could give me a line that I might put him on and let him see a little bit of daylight ahead. It makes my heart ache to see him. He's lost his light touch and just wants to be with those whom he knows are fond of him, to feel that he's liked and cared for. I've been with him as much as I could, but it makes me weep almost to see him. Sometimes one feels almost ashamed of being happy, especially when one knows that one deserves happiness so much less than lots of those to whom it is not given.

We both wish so much that you were to be with us on the 7th. You and Mrs. Jenks are always in our thoughts and well - I feel that I owe you so much that I'm afraid to think about it, I can't express it to you. Dorothy is in Cannes still and goes to "Evea" Monday. I go over tonight to Paris, meet Adele tomorrow and go down to Cannes tomorrow night. We both send you and Mrs. Jenks a great deal of affection.

Yours,

[Signature]

[Addie, and Mrs. Jenks, as usual.]

The Willard Straight Papers
Morgan J. P., Morgan & Co.,
For the American Group,
New York.

Gentlemen,

Enclosed I beg to transmit statement of my account for the period 1st August to 1st September 1911, which I trust you will find correct.

In future, beginning with the end of September, will you kindly be good enough to forward to Oswego, New York, each month, the sum of $100, to be placed to the credit of Miss Laura R. Newkirk, and the sum of $100, to be placed to the credit of Miss Hazel Straight, who will on September 15th be married to Mr. James F. Sanborn. These sums please transmit to the First National Bank, Oswego, as before.

Yours truly,

[Handwritten date: 2nd September 1911]

The Willard Straight
PARIS, September 3rd., 1911.

Dear Grenfell,

After a long conversation with Addis this morning the following seem to be the principal points:

**CURRENCY LOAN**

Addis is strongly of the opinion that Vissering's demand for a salary of £10,000 per annum is disgraceful. He states that he is quite willing that the State Department should take the matter up with the Chinese Government if they so desire but that the British Group does not wish in any way to be implicated in making such an exorbitant demand on the Chinese Government.

Addis feels strongly that there should be a conference. He has recently seen some of the Germans and French people, and fears that unless we have a meeting there will be misunderstanding and bickering between all concerned.

He goes so far as to suggest that in putting the matter up to the French and Germans we should seem to have assumed from the outset that a conference would be necessary. This he feels will act as a safety valve, enable everyone to get their feelings fully expressed, and result in definite instructions to your Peking representatives as to the course they should pursue.

He thought of Brussels. I told him I felt sure that it must be Berlin: that the Germans would have a great deal to say anyway and that they might be conciliated a bit if we had the conference there. To this he agreed.

We discussed the question of who should preside. He thought that the American Group should do so. I quoted the precedent of the 1910 Hakouang Conference in Paris where the French presided. He then suggested that it would be a splendid thing if we could induce Davison to come over. He said that never in all his experience had he seen an unofficial meeting better handled, and never had he met a man, who, like Davison, was able to put through what he wanted to do without offending anyone.

I told him your ideas about setting Urbig act as Chairman. He did not think Urbig would do well and felt that if in the chair he might make the meetings unduly long and unsatisfactory.

At the close of the conversation Addis again remarked that he feared that unless there was a conference the Germans might think we were trying to put things through with too strong a hand, and suggested that we take steps at once to arrange for a meeting, communicating with the various groups and asking for suggestions as to date. I told him I thought we would have to go to Berlin and he said he was agreeable.

I mentioned nothing whatever about the Gold Exchange business and did not tell him Jenks thought of coming over.

Addis hoped that if we did have a conference we could pretty well work out what we wanted to do beforehand. I told him we could probably arrange an informal meeting with him and get up our slate.

He felt as regards the Programme that we should give the Chinese our confidence and as free a hand as possible, and although
he did not categorically say so, he intimated that he would accept the position taken by the American Group and be prepared to issue on the Programme as it stands.

He felt however that a satisfactory result could only be obtained if there were a conference which gave definite instructions to Hillier, Cordes and myself, and left no room for more than the usual jealousy and misunderstanding.

**ARTICLE XVI**

Addis said the French were still much exercised about this matter. Russia has apparently stated that she would not be prepared to accept the formula already drafted. After considerable discussion the Russians (Japanese) suggested that all would be well if we consented to cut out the last six lines of the objectionable Article. Addis told the French that this would be impossible.

He suggested that the Governments should inform Japan and Russia with the acquiescence of the Groups, of course, that not only did we not desire to create any monopoly, but that were there future loans, supplementing the present, for Manchurian purposes we would be prepared to admit Russia and Japan on a basis of equality.

I told him that I thought we had gone as far already as we in decency could, and that his suggestion showed us to be weak and pusillanimous.

He answered that the French Government had stated that the Groups might do as they pleased but that the French Group would not be given a quotation unless Russia were satisfied. I told Addis that this was a tall order. If the Russians knew this nothing short of wrecking the Loan, or eliminating its Manchurian features altogether would satisfy them. He thought we should do everything, be even ultra-conciliatory and reasonable. I agreed but stated that I felt we had already done all we could do, and that we ought to sit tight, and tell the French if necessary, to go to blazes. He then intimated that if Russia and Japan were still quibbling Great Britain might have cold feet, especially in view of the French attitude.

Addis's suggestion mentioned above has this merit which must not be overlooked. If Russia and Japan were to be satisfied with our promise to admit them on an equal footing to supplementary loans for Manchuria, they would tacitly admit that we were all on a basis of equality in that territory. This would be good. They will see this niggle in the woodpile however, and I doubt if they would accept even this promise. They are manoeuvring for a recognition of their special interests in Manchuria, and I myself feel very strongly that we in giving such recognition would be betraying the Chinese, and nullifying the very position which they hoped to secure for themselves in signing the loan. We knew well what they wanted and could not plead ignorance if we ignored these considerations now.

Therefore it seems to me since there is but little likelihood that either Japan or Russia would accept Addis's offer if it were made, there is little use in exposing our weakness by making it.

It
It occurs to me that Addis, who a month ago was most militant on this subject, may have been induced to shift his ground by the prospects of this Japanese loan of which you were speaking. It is otherwise hard to explain.

In view of the Department of State's repeated requests that we admit Russian and Japanese participation to this loan, they would doubtless favor Addis's suggestion.

Personally, though discretion may be the better part of valour, wobbling seems incredible. Addis's suggestion undignified, and I have little sympathy with it.

Addis felt that this matter would have to be worked out before the Conference and tells me that Langley of the Foreign Office is now trying to evolve some scheme that will placate the Brains and Sandalogs.

**The Shantung Loan**

Apparently both the British Minister and the French Chargé d'Affaires at Peking have telegraphed urging their Governments to impress upon their Groups the necessity of participating with the Germans in the Shantung Loan. This is on the political ground of which I spoke to you, i.e. to internazionalize, as far as possible, this province which heretofore the Germans have claimed as their particular preserve. This argument is very sound, and I heartily concur, and think it would by implication strengthen us in combating Russian and Japanese claims to a preferential position in Manchuria.

The French are willing now to go in but are waiting to see what the British do. Addis says that if the F. O. wishes it he will go in.

If the Germans handle the business alone, there would seem no necessity for our going in. If the French and British participate at the instance of their Governments I should think we ought to take our share, on political grounds. Our failure to do so would be used by the Russians to strengthen their argument that we are only interested in getting into Manchuria with the object of undermining the Russian and Japanese position there, and that we care not a whit for the "open door" throughout China generally.

I am sorry to bother your bright summer days with this screed, but here it is. I am sending a copy for the office also, together with a copy of this cable to H.P.B. If you approve of it will you ask them to send it on. If not never mind. I have taken the liberty of drafting it as coming from you.

Yours sincerely,
Pékin, 4 septembre 1911.

Mon cher ami, j'ai reçu de votre gracieuse lettre qui m'a fait une très vive joie. C'est l'appréciation de votre part de l'événement qui m'a tant plu, et je suis heureux de vous savoir sain et uni. Mes occupations ne devraient pas vous laisser le temps de penser à d'autres choses.

Je vous ai écris hier pour vous demander de me faire savoir la date de votre mariage. Toute l'année, je vous suis envers et contre tous, pour vous envoyer mes felicitations. J'espère que vous recevrez bientôt de nouvelles de vos amis et que vous pourrez vous rendre à Londres dans le plus bref délai.

Les nouvelles de New York sont venues de la conférence de Londres, où nous avons rencontré enfin la présence de notre ami, qui a été enchanté de nous voir.
Rentant avoir parlé quelques personnes avec la situation des Conseillers. Qu'y a-t-il en â cet âge?
— Bien entendu, gardez cela pour nous et n'en parlez pas. Que ce soit.
— Que vous pensez, pensez que vous êtes en droit de pas à l'âge que j'ai, pendant que je suis député de ce parti, mais pas en tant que représentant de l'Assemblée de Hong Kong de manière à avoir des maitres dans le district du majeur de Chine, de jour et de nuit, et à en faire profit? C'est donc de la taquiller je pense toujours et il ne semble guère de prendre soin de vieilles.

À propos, est donc une chose avant hier, il part pour le Japon. Je lui ai parlé nettement. Je lui ai dit de ne pas comprendre comment son gouvernement peut le traiter en n'étant pas protecteur. Il a ajouté que, si touts ce clairement devait à demander le supprimant de l'article 16, j'avais dit que, si touts ce clairement devait à demander la supprimant de l'article 16.

La réponse fut que, avant son retour, qui sera de bien au commencement de novembre, l'affaire serait réglé à sa satisfaction de tous.

Sens joyeux, mes meilleurs sentiments à votre famille et encore mille salutations, voici votre, Georges.
My dear [Name],

Your letter came a month ago but of every word I was laid up with a complication of things the severest kind of the East, and was compelled to leave Shanghai rather hurriedly.

I wish success to myself heartily.

Congratulations upon your appointment and marriage.

Your success, I won't call it luck, in that big affair, is in thorough accord with the fact that you have spent the last few years and nobody has been there.

Reading of your various successes, including the last triumphant one, than I see - if when you so

come to Shanghai, you should want to buy some

of the property that has been by falling to you, and

should want to spend your time in Shanghai, in

I guess that I can be of service, or what with the place

giving a thoroughly retired life and any demonstration

is an entire, uncommon for the East and in my view,

whence one knows oneself very few quiet periods of

invention, of the limitations that we are confronted with.

You don't need if you want to be one of the public's

give my letters to [Name] straight and yourself my own

Constant of welcome - of course, know my dearest business

may not permit you to do as you would with the

we would understand.

Nothing much doing in my life, only

By ordinary experience, business gives my self

Dirigible signs of flourishing, we are practically

looked up forth next 15 mos. In fact only yesterday

we turned down a 1,000,000 order, so we may also

been got a 1,000,000 order, so we may also

was compelled to go home, but since was

one of the least that I really can't help anything

or duties, neither is it was 2 to start it by himself

My range to let us know about your

Yours truly

[Name]

[Signature]
HÔTEL NATIONAL GENÈVE

Dept. 7 1911

Dear Willard — well well,

San forlo me: receiv'd 1 dinner.

San I woke before 1. Circumstances

Nancy stay my till Monday.

It was my kind of San —

very well I see me a Nancy;

back — meanwhile get

some offaccion!

I am myself glad I could

come, 1st. in all bow

perfectly well 1 me in every
way.

My very best —

Your wife please — a lot

of it! Yourself: I hope

to make next of it in

this great world — which

you make so very large!

meanwhile all good

wishes — love of you.

from my very heart —

your always

Blair Fairfield.

The Willard Straight Papers at Cornell University
Mr. & Mrs. Henry Payne Whitney announce the marriage of their sister
Dorothy to
Mr. Willard Straight.
on Thursday the seventh of September,
nineteen hundred and eleven,
at Geneva, Switzerland.
you have recent news
of your success. I
came to show you
such. I am only
in deep affection, but
the highest respect
for you. Your many
and exceptional
qualities will carry
you far in real

Somehow I never knew
to able to say or do
the things I have read
my heart. So many
times I have wanted
to tell you my deep
affection. I have deeply
felt your leaving
as much as I could.
dreams in that life, like to write Dorothy.

I am glad for you, but if I should
and dear Dorothy, she it would only try
you have concluded to tell her that I
take this step, as love you both and
I know it will prove wish you you trust
when and do you the happiest of those
that with your
subconsciously work

I sincerely

The Willard Straight Papers at Cornell University
Mr. Willard D. Straight,
Messrs. Morgan, Grenfell & Co.,
London, E. C.

Dear Sir:-

We beg to acknowledge receipt of your letter of the 2nd instant, written from London, enclosing statement of your account for the period from August 1st to September 1st.

We have arranged to forward each month to the First National Bank, Oswego, a check in the amount of $150.00 to be placed to the credit of Miss Laura R. Newkirk, and a check in the amount of $100.00 to be placed to the credit of Miss Hazel Straight, who will be married on September 19th to Mr. James Y. Sanborn.

Very truly yours,

J. P. Morgan & Co.

New York: Sept. 11th, 1911.

My dear Straight:

I returned from Chicago this morning and was delighted to find the announcement of your marriage. May long life and happiness be yours. I hear from all sides that you are one of the most fortunate of men and I hold to the opinion that you deserve your good fortune.

I saw Mr. Calhoun for a moment in Chicago recently and expect to see him when he comes to New York. He was trying to recall the name of a young man in Peking, who was formerly with Arnhold, Karburg & Co., a friend of Mr. Ohls. He is a railway engineer and has recently organized a new firm for the purpose of selling railway supplies, electrical and other engineering equipment, in China. Mr. Calhoun had spent an evening with him, was greatly impressed with his ability and energy, but could not at the moment recall his name. I should like to learn his name as the Baldwin Locomotives people occasionally ask me questions about men in Peking. If you can identify him from the above please be kind enough to do so. If you do not know him possibly Mr. Ohls would be able to tell you. I would write Mr. Ohls direct but do not know him personally and write you on the chance that you may be in Peking or on your way there.

Very truly yours,

W. D. Straight, Esq.


Charles D. Norton, Vice President.
MEMORANDUM of STATEMENT made by Mr. H. F. Davison at the Conference of the four Groups, held in Berlin, Sept. 23rd, 1911.

After the adjournment of the Conference, but before the members left the room, Mr. Davison stated that he would like to consult with them with regard to the question of presenting to China at this time a plan for a gold exchange standard. He stated that the American Group were convinced that China should arrange at the earliest possible moment to adopt the Gold Exchange Standard, and that until she had done so she would not obtain or enjoy the position in the World to which she would be entitled if on the Gold basis. He stated that in view of the great interest the American Group had taken in the success of the Currency Reform Programme and Currency Loan, the American Group thought it proper to suggest through him that they would be glad to send Dr. Jenks to Pekin to present the arguments in favour of the Gold Exchange Standard, unless there should be some objection on the part of the members of the Conference, or on the part of Dr. Vissering, whose cordial approval and cooperation would of course be required before the American Group would favour further discussion of the subject.

Mr. Urbig stated that he had been a Banker in China for 6 years and a student of their system and practice, and in his judgment she could take no more fatal step than to go on a Gold Exchange basis at this time, that she could only do that after unification of her coins and to accomplish that would require several years. He said that China had no statistics and was in no condition to determine the amount of gold which would be required to protect her silver.

Mr. Davison stated that time did not permit of an argument of the merits of the Gold standard as against the proposed plan, but stated that he and his associates were convinced that China could ill afford to contemplate anything else than the Gold Standard - it being therefore purely a matter of time - and that it was the thought of the American Group that she should seriously study the thought of the American Group that.

Gold standard, familiarize herself with it as understood by the American Group, and that as a result she might formulate all her plans having the adoption of the Gold Exchange standard as an ultimate plan.

To this Mr. Urbig and the other gentlemen stated that they all felt that ultimately China should adopt the Gold Exchange standard, but they were clear that at this time she was not in a position to even consider it, whereupon Mr. Davison stated that the American Group would not press the matter at this time.
MEMORANDUM regarding the statement made by M. Simon, representing the French Group, at the Conference of the four Banks, held in Berlin, September 23rd 1911.

The Minutes of the Meeting clearly set forth the proceedings of the Conference, to which reference is made.

After the Groups had voted to recommend Dr. Vissering, and after the Currency Reform Programme had been approved, the Minutes were prepared for signature. When presented in the afternoon for signature, Mr. Simon, representing the French Group, stated that before signing the minutes he would like to mention the fact that the Russian and Japanese Governments had noted a protest with the French and English Governments on Article 16 of the Loan Agreement. He stated that the French Group were therefore in an awkward position having been notified by the French Government that a quotation might be refused unless the Russian and Japanese objections were met, and that he could only sign and approve the Minutes, and the actions of the Conference, on condition that the following was added to the Minutes:

"Before signing the Minutes Mr. Simon stated that a difficulty had arisen with regard to the correct interpretation to be placed on Clause 16 which the Russian and Japanese Governments considered might be held to imply the granting of a monopoly or quasi-monopoly to the signatories of the Currency Loan Agreement. In order to obviate such a difficulty, should it arise, the Groups would be prepared to agree to any reasonable interpretation which Russia and/or Japan might suggest provided it did not involve or imply the recognition of a preferential position in Manchuria to either or both of these Governments."

Before this was agreed to on the part of the Groups the matter was discussed at considerable length, the statement being made that the French Group was in the following position vis-a-vis the other Groups, signed the Loan Agreement on the 15th April 1911 agreeing, subject to the unanimous approval by the four Groups of the Currency Reform Programme of China, to make a loan of £10,000,000., China to be notified of approval or disapproval on or before 15th October 1911: that in Conference held this day the French Group had, with the other Groups, approved the Currency Reform Programme and had joined with the others in voting that the Chinese Government be notified that the four Groups would make the Loan under the terms of the Loan Agreement: that therefore the French Group was not in a position to withdraw from such commitment to China as they had not signed the Loan Agreement conditional upon Article 16, or with any other condition save that of the approval of the Currency Reform Programme. Should, therefore, the fears of the French Group be realised and the French Government refuse a quotation for the Bonds to be issued, it was a matter purely for the four Groups to arrange, and in no sense a matter vis-a-vis China. Each Group present expressed great regret at the possibility of any embarrassment to the French Group, and furthermore expressed a desire and an intention of doing everything within reason to satisfy the reasonable demands of Russia and Japan, and to facilitate the situation of the French Group. After it was made most clearly understood by all present that the signing and approval of the Minutes committed each of the four Groups, thus sealing the obligation to China to take the loan under the terms of the Loan Agreement, the Minutes were signed and approved by each of the four Groups with the addenda above referred to.

H.R.H. 24/9/11.
Somewhere near Cheliabinsk,
(If you know where that is)

October 2nd, 1911

"Dear Harry:"

We wired you from Petersburg to the steamer, and hope you received the message. We think that your fruit and olives and biscuits were fine but that you yourself are the prize peach. Dorothy would tell you this but she says you couldn't read here train-ed handwriting. You probably couldn't read mine either from the dry lead, hence the machine.

Everything has gone well "so far" and we hope it will continue. Irirnch is on the train and we have been going over various schemes together. It is, as I told you in Paris, essential that he get something for Pauling now and he has ideas as to how this will be done. I agree with his premises but we both feel that it would be useless to bother you with the details of these plans until we have some definite proposition to put up. "I might give you the finest dope line in the world which you would receive with open arms, and telegraphic approval, and then find that on sounding the wily Celestial that we had stacked the wrong cards." For this reason - and from laziness - I was going to say because I knew you would be so busy when you first reached home - I didn't write you from Petersburg. When we find out what can be done I shall put it up to you by telegraph. I'm not even going to attempt writing long explanatory letters beforehand because from our experience with the Currency Loan they'll be all wrong by the time they reach you. Therefore please understand that when we do put the proposition before you that it has been well considered from all points of view and that we've taken into consideration your experience in such things as far as I can judge it from our recent experiences. I hope that you will feel that I do appreciate the way in which things appear to you eleven thousand miles away, and that you will have confidence enough in me to feel that in case anything should seem a little twisty, I will be able to explain it to your satisfaction once I turn up at home again.

I can't tell you how nice it was to be with you once more and to have you with Dorothy and myself. I only wish that Mrs. Lewis could have been with us, in which I know that Dorothy joins with all her heart. We are looking forward to a fine time inaking and we hope to pull off what you want us to do. The team play is what will count now, and I am sure
that you will feel a good deal more hopeful of a successful voyage
since you know and have such faith in the commander of the
bark.

We both send you and Mrs. Davie our best love, with
the same for the kids, and sincere words in his best wishes
also. We hope to see the Yellow Jacks very quickly and come
back soon with Double Dragons and may be a new loan, if you
and Paul want it! I suppose this is disrespectful. This is not
an official letter.

Yours,

[Signature]

Bear Norton:-

Your letter of the 24th, Augt, reached me in
Venice. I hardly do more, I hope, than apologize for not
having answered you before, for I think you will probably
understand my not doing so.

Paris, Berlin were so hectic that I failed there
also.

The German firm now representing the Baldwin Co.
have a very good standing in China, an excellent organiza-
tion, and clever representatives. I do not think moreover
that they, as so many other foreign firms do, try to favor
the goods of their own nation is whenever possible. However
they have this against them. The Baldwin Agency is but one
among a large number. Their agents at the different ports
have a hundred different types in store and the return
may not be large or immediate. On the other hand I personally
am convinced that there is going to be great railway develop-
ment in China within the next few years and I am sure from
what I have heard that the reputation of the Baldwin Company
stand very high. Therefore if you could see your way to
having a man sent out it would, I believe eventually be well
worth your while.

This question of the sale of American railway material
however opens a very wide subject. The French, German and
British Groups, the former only within the past few months,
have organized subsidiary concerns for the handling of the
materials manufactured in their respective countries. A number
of firms, Chewon Jones & Co., Pearson, Daniel & Co. and another
of which a man named Ralph Banger, whom you probably know, as
a member, have talked with Rolmnight and myself, and been very
anxious to secure the Group's backing and to represent in China, American manufacturers of railway material, working in close accord with our own organisation. In the past I have been rather opposed to this step, as I have felt that if manufacturers generally thought that besides getting the Government's support in the loan business, we had a close corporation on the sale of materials, they would raise an outcry against the 'department's support of Wall Street. In this you may think I have over-drawn the disadvantages. If you do, and think it practical, I should strongly recommend that either through one of these firms or by individual representation an attempt be made to have the industrial concerns in which the Group is interested, place their wares on the Chinese market in conjunction with the Group's representative in loan negotiations. China will eventually of course make her own stuff, or a large proportion of it, but that will not be for many years to come, and it seems to me that the Group which as years go by will be obliged to give ever more favorable loan terms, can better afford to do this if it follows the example of our colleagues, and has a selling organisation, as well as its banking representation.

By this time The Conquering Hero will be back on the Corner. He did a wonderful piece of work at that Berlin Conference, and though he may have been missed in New York it's a good job he came over, for without his things would have been in an awful muddle.

Trusting that you and your family are well, and with kindest regards,

Yours sincerely,

Morgan Grenfell
Irkutsk, Siberia,
October 6th, 1911.

Adhesive, seal request.

Professor I. B. Poucher, A.M. Ph. D.
West Fifth Street.
Brewgo, N.Y.

Dear Doctor Poucher:

Enclosed I am sending you some final paragraphs to add to the appreciation of my mother published in your Quarter-Centenary volume. I am sorry that I should have delayed so long in writing it and sincerely hope that it will not reach you too late to be of service.

I am also enclosing a cheque for one hundred dollars toward the expense of printing this volume, copies of which I hope you will send to me, when they are issued.

Again let me thank you for the great compliment you paid me in wishing me to give an address at your Anniversary. I wish that it might have been possible for me to be present in any capacity.

With kindest regards, believe me,
Sincerely yours.

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American Consular Service

Geneva, Switzerland, October 7, 1911.

Mr. Willard D. Straight,
c/o American Legation, Peking, China.

My dear Sir:

I have to-day received a letter from the Hon. Henry P. Fletcher, American Minister, Santiago, Chile, saying that, on Sept. 6, he sent the following telegram:

"Amoos, Geneva.

For Straight, Brawling Congratulations, Prather."

He requests that, in case for any reason the message was not delivered to you, I send you a copy.

I assume that the message reached you. My Vice has just left for a vacation, and I, having unfortunately for myself been absent at the time of your marriage, cannot for the present know positively about it.

I enclose a letter, about another matter, for the charming lady who is now Mrs. Straight.

With my best wishes for the health and happiness of you both, I am

Very cordially yours,

[Signature]
Francis B. Reams,
American Consul.
October 13th, 1911.

S2. Broadway, New York.

Mr. Willard D. Straight,

Peking, China.

My dear Straight:—

You will see from the above heading that I have left the employ of J. G. White & Company and gone into business for myself. It has occurred to me that during your stay in China you may be frequently asked to recommend some one to attend to business of more or less importance in New York or neighboring cities. In such event I hope you will bear me in mind and recommend such persons to get in touch with me either by letter or cable. We are prepared to look after business matters of all kinds for people who are located at a distance and need an agent in New York City. We are especially well equipped to look after the purchasing of engineering and construction supplies of all kinds in large quantities, and particularly those which should be thoroughly inspected before being shipped to the Orient.

My long experience in the East has given me a thorough knowledge of the methods of packing which are required to insure materials arriving safely at their destination.

Mrs. Donham and I watched with great interest the articles which appeared in the papers in connection with your marriage. We wish to congratulate you, most heartily.

Hoping that the next time you return to New York you will find time to drop into my office and with kindest regards, I remain,

Yours very sincerely,

[Signature]

B. C. Donham
23 Wall Street.
New York.

October 18th, 1911.

Mr. Willard D. Straight,

C/o American Legation,

Peking, China.

Dear Willard:

You referred to me in July a letter addressed to you by Messrs. Harwick, Mitchell & Co., and since that time they have been very active with suggestions and advice as to how the expenditure of funds of the Chinese loans might be checked. I have written them to-day as per copy enclosed, and I do not mind telling you, in confidence, that our experience with this firm has not been such that we would care to recommend them to the Chinese Government, although they seem to have a very good general reputation.

Very truly yours,

[Signature]

Enclosure:

October 18th, 1911.

Messrs. Harwick, Mitchell, Feat & Co.,

79 Wall Street,

New York City.

Dear Sirs:

Referring to your letters of September 6th and October 17th, respectively, and to Mr. Kennett's several calls here, I fear that I can give you no encouragement as to the prospects of employment in connection with any of the Chinese loans in which we are interested. The American Group do not propose to employ auditors to report to them individually regarding expenditures under any of these loans, and I do not believe I can assist you to employment by the allied banks in Peking, or by the Chinese Government. Of course there is a possibility that if you had an office established at Peking you might secure some loan business, but, as I have above stated, I could not assist you to it, and it is my personal opinion that you would find the results of such an establishment in Peking disappointing, unless you obtained commercial business entirely outside of the loans mentioned.

Very truly yours,
6716 Woodlawn Ave.
Chicago, October 20, 1915

My dear Willard,

Many times during the last few years I have been tempted to write to you, to tell you how glad I have been to hear of your success in various things, and now I can no longer refrain from doing so.

Mabel Anderson has been giving some lectures on China at the University of Chicago, and yesterday...
I spoke to him of you, and the enthusiasm of his regard and admiration for you has quite swept me off my feet. So you may frame him for the latter.

Probably you do not know it, but next to my own spawn, you have always been my warmest interest; but being a Patagonian I cannot express my feelings in a usual tongue, in a mild and dignified form.

I want to congratulate you on your brilliant marriage and to wish you all the joy, happiness, and peace it can bring you. All the pictures that I have seen of your wife will be to think that she is very nearly an ideal girl, sweet, sincere and charming.

Let us wish your fair and mother were here to enjoy your triumph. And your mother can so imagine the outcome for you will forget and so entirely set aside leaving you both. I trust she might see you now.

Do you remember Charlotte and Cornelia Smith?
Cecilia is married and living in the South, and Charlotte is on her way around the world. You may have seen the boy this time in Liverpool. Charlotte said she hopes she may see you there, for when she left here you were in New York.

Since the day when we knew you in Kentucky, our lives have been very quiet. Charlotte is happily married and lives in New York. Angel married the other, I think. Helen was in Honolulu for two years and while there became engaged to an Englishman. A few weeks before this she was taken ill and died, and I hear Helen will never care for any other man. Also for her, it would take a good kettles, or Modern Proverbs or a Mr. J.W. Hume to hold my attention long, and I know it's likely to find such men in a little Chicago flat! I like men who are masters of men, but I manage to...
Willard Straight Papers
at Cornell University

My copy fairly cheerfully written being tied up.
Klinn is teaching and I am doing secretarial work in
Chinese language for various professors in the library.
I have been there three years now and the business of filling
an envelope that to be given high and then too, one of us that
stay and I have been getting pretty old and rather helpless.

I wonder if you remember the various stages you evoluted through, locomotive engineer, journalist, artist, and
so on? And now you are a diplomat, financier and
"responsible for the Chinese rebellion"! Well, times have
changed.

Your brother to answer the letter. I know your time
is full and probably you are still sympathetic enough to be
bored by letters from your mother's friends. But sometime,
when you are going through the years, come here and tell us about
your life. Klinn and I do long to be free to travel, but
our wings are clipped. Always faithfully yours, Alice Straight.
Dear Mr. Straight:

Several of our articles have already been set up. We hope your article on the "Political Problem which must be solved before there can be any real American Investment in China," will arrive shortly. In case your article has not been already mailed, please try to send it with the least delay possible so that we may bring the volume out on time.

Our Editorial Board was, as I have previously written you, much pleased with your acceptance of their invitation to contribute an article. I am sure you will find the volume when issued of real interest.

Very sincerely yours,

[Signature]

F. S. I saw in the cable dispatches in the papers of your marriage this summer. Allow me to congratulate you and wish you all happiness.

Willard D. Straight, Esq.,
Care of J. P. Morgan,
20 Wall Street, New York City.
domination of foreign powers. The fact that the attached signature attached to the telegram would create confidence abroad would not appeal to the leaders and nationalist patriots who would see in this a legitimate the problem alter control.

The delegation of the National Assembly, which was opened yesterday, have since interpreted to create the situation, if not the facts, as having been seen by the patriot's signature for with the patriotic support of the people and the government of the movement. Therefore to sign the signature should have been reached even though it had been made a national struggle to the national conscience of the

Yuan Shih Kai has been ordered to take the Hukwang Viceroyalty, but I understand he will accept no terms whatever unless assured that he will be given power in Peking sufficient to enable him to undertake administrative reforms. Though reluctant to go so I believe that the Manchus will be obliged to accept a united China, and if this be done I feel confident that the present attitude of the government will be highly appreciated by a recognition of Government and prejudice on national territorial and Annexation.

Mr. Willard, the American Envoy d'Alton, concurs in the view that some terms of the convention. I trust that the, which will show an attitude.

Yours truly,

[Signature]

W. S.
Oct. 25, 1911

Dear Straight,

I am afraid it is an awfully long time since there written to you. There are now at least two stamps on which we both sent our heartiest congratulations. The fact is to you the most important is, of course, your marriage. We both know very well to feel that good people are hardly necessary for them unknowledge of you we know that your choice could not have fallen on anyone who would not make a happy future assured. Neither of us have had the pleasure of meeting Mr. Straight but look forward to doing so in the future.
The Willard Straight Papers at Cornell University
Dear Mr. Keene:

Many thanks for your letter of October 7th. I am afraid that Mr. Fletcher's telegram never reached us. I have handed your letter to Mrs. Straight who will communicate with you later.

We were both very sorry that Mrs. Keene and yourself could not be present at our wedding. I trust, however, that you had a most enjoyable vacation and hope that when we return to Geneva, as we surely will before long, we shall have the pleasure of seeing you.

Yours sincerely,

Willard Straight.

S/G
October 26th, 1911.

Charles D. Norton, Esquire,
Vice-President, First National Bank,
New York City.
My dear Norton:-

Very many thanks for your letter of September 22nd and for your good wishes. I assure you that all you hear about my good fortune but very inadequately expresses it.

The situation here at the present time is very much upset and I am afraid that the Government is on its last legs unless they bring our old friend Yuan Shih Kai back to power. If that is done I imagine that the revolution will fizzle out and rebels and semi-loyalists - for I doubt if there are any people who are really very loyal - will unite in stripping the Throne of most of its prerogatives, organizing a constitutional monarchy and starting on the road to reform.

We are all very anxious for Mr. Calhoun's return as the Chinese set great store by his advice, which is always calm and sane.

The man Mr. Calhoun referred to is, I think, a fellow named Van Corbeek. I, myself, do not know very much about him.

I hope that any influence you have may be directed to get the American manufacturers of railway materials to unite on some one firm out here who will, through a suitable organization, attempt to place our goods on the market. As I wrote you before, we have an excellent chance now but it will be of little avail unless our people come out here to take advantage of it.

I hope that everything goes smoothly in New York and that Mrs. Norton, yourself and your family are well. I also hope that we may be able to leave here before long for I do not feel that I was really at home during the Spring.

Yours very sincerely,

S/G
Dear Straight,

Many thanks indeed for your kind letter of yesterday's date, congratulating me on my new appointment and on the new addition to my family.

I also thank you for your kind invitation to dinner next Wednesday, but I fear neither my wife nor myself will be able to accept it. Mrs. she is still in bed, whilst I am still weak from my recent illness and have to diet myself.

I trust, however, you will allow me the pleasure of calling upon your wife on a day convenient to both of you.

With best wishes,

Yours, etc.,

[Signature]

Oct. 28th, 1911.

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October 18th, 1911

Dear Harry:

One or two official letters and the usual crop of telegrams may have given you some idea of what has been happening since we arrived, but not an adequate one. I fear, for that would take more space than you could read in the ordinary day’s work. The Apple Cart received a blow in the solar plexus on the morning we reached Tientsin when the rebels took off the lid at Nanking. I must confess that at the outset I did not take the thing seriously, and, in fact, to be honest, I feel myself much up a gun tree when it comes to prophecy at the present time. The row however seems not so much anti-dynastic as I had feared, but directed rather to securing those reforms which all friends of China desire, and which the Manchus have not inaugurated as quickly as the Young China Party has wished. It looks a good deal as if our friend Yuan who has today been made Commander-in-Chief had been doing a little dickering on his own account with the Patriote, and the feeling is general, and I think justified, that if the Government gives him the powers he demands, i.e. the right to reorganize the Cabinet and create a responsible Government, the revolution in the
south will fizzle, and the leaders thereof, having made
terms which will save their precious necks, mount on the
Band Wagon, very near the driver.

The Groups can put themselves, then, on the
back, as being the indirect cause of real Chinese Reform,
because the Nationalization of Railways, forced by our
insistence on the signature of the Hukuang agreement,
brought matters to a head in Szechwan, and the revolt
there undoubtedly gave heart to the malcontents in Hupch
province. The trouble was precipitated perhaps by the
Governments attempt to pay less for the old provincial
railway company shares, than the holders thereof demanded,
but so radical a step as nationalization, would in any
case, have created an uproar. The outcome of the present
difficulties, however, provided always Yuan comes into
his own, will probably be the generous reimbursement of
provincial shareholders, and the continuation of the
nationalization policy. In cashing up old Sheng the
Government showed itself cowardly, and impotent in the
face of unreasoning and therefore the more bitter and
dangerous anger of the National Assembly, but this
action, disgraceful and disgusting though it was, has
undoubtedly cleared the air. Sheng being the goat, Yuan
will doubtless have an easier time. The devils in the
Assembly, endeavoured, and certain sensors did, memo-
raise, demanding Sheng's head, as well as his degradat;
but the Regent pulled himself together and refused the.
had the pressure been renewed and old Sheng still in Peking
he might have yielded. Thanks to the courage and quick wit
of Dr. Tenney, and Williams, our Charge, however, the old
man was hustled down to Tientsin on a special last night, and
placed, we hope, on a German steamer for Tsingtau, this morning.
Tenney and Williams deserve great praise for their humane and
daring action. The other Legations played up in good form also,
and on the train were two French, two British, and two German
as well as two American soldiers. It was a dramatic exit for
the man to whom, above all others, we owe the Hukuang and the
Currency Loans, and who because he was far sighted and courage-
ous enough to see that they would benefit his country is now
thrown as a sop to this howling parliamentary pack.

One cannot help being disgusted. At the same time from
the practical point of view, sentiment aside entirely, I think
we should stand to profit by the upheaval, which in burying one
friend has brought others. XX leave destitute apparently to be even
more powerful, to the fore. Yuan and Tang, who will assuredly
not accept office unless they have practically dictatorial
powers, which in view of the situation should give them
an equal grip on the Court and on the popular party, favor the
development of China by foreign capital. In the past they have
been particularly inclined to turn to America for assistance. As
whether after the way we left them in the ditch when, in 1908,
we made that inter-change of notes with Japan, they will still
be so actively friendly I do not know, but in any case they
should turn to the four powers rather than to Japan and Russia,
and the prospects for business seem bright.
Even though their backers in the Young China Party are unreasonable as regards the terms of foreign loans, they will probably have to come to the Captain's counter, unless our competitors are much stronger than one can believe possible, and in the end those who want us to take their bonds at 97 without control will have to yield.

You may think me perhaps too optimistic regarding Yuan's return. It is pretty obvious however, that only by acceding to his terms, and bringing him back, can the Government cope with the revolution. The other alternative would be for the Manchus to flee to Mukden and place themselves under the Japanese protection which we hear has already been offered.

The Bandarlog have come up to the prophesied scratch and as soon as things were properly tied up in Europe, have through their agents started the revolution in the south. You may not believe this, but we have it from all sides, and it is doubtless true though hard to prove. With the configuration well started they offer, here, to lend to the Government, and to give asylum to the Imperial family. They have played a clever game and should make something out of it.

Sheng's dismissal may delay the letter he promised regarding the adviser's signature on the reports. It was due yesterday, but the blow fell too soon. I hope however that we can secure it from the Duke.

As reported in an official communication we have fixed the house up so that it is now very comfortable. That doesn't mean that we hope to remain for five or six years, but we are both, of course anxious to stand by and see what comes out of the present muss. I am rather inclined to think we may get a very large and comprehensive railway loan from our friend Tang, but one can never tell, and perhaps you don't want it anyway.

Calhoun turns up in two weeks time, and will be a great help, though Williams has been doing extremely well. I must say that I was not hopeful, but I have been very pleasantly surprised, and had one more shock on a lesson which I trust I shall someday learn, that is not to condemn people too hastily, and never till after working with them. We miss Hillier and Cordes at this time for their substitutes, have not much speed in the head. Genesee is fine as usual and always inquires for you.

Dorothy is fine and in interested and amused by all the whirl of the game. She takes it better than I do, in fact, for the Apple Cart contains so many of my fond hopes and imaginings, that it distresses me to see it wobble so. Also I confess to a feeling of personal responsibility to you for not keeping this empire in order and in condition to go on making large and well secured loans, marketable in the United States at a handsome profit to you all.

We both send you our love to you all, we hope you are well and hope to see so for ourselves before too long.

Yours sincerely,
October 30th, 1911.

Dear Teddy:

Enclosed is a copy of a letter to H. P. D. in which I have tried to give some idea of the situation and which I trust you will find of interest. Everything seems to be very much upset and unless there is a clearance before long I expect you will see us back in London, when I am sure you will welcome a cessation of China business. We hope you managed to get a little vacation, which you so much needed, and we are still grateful for the delicacies which you and Davie sent to the train. Dorothy sends her love.

Yours,

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

Gentlemen:

Enclosed I beg to forward my salary account from September 1st to October 1st, 1911, and my expense account up to the date of my arrival in Peking. As shown therein I have, according to a verbal understanding with Mr. McKnight, drawn a check upon my account with Messrs. J. P. Morgan and Company for $2081.14 forwarding the same to Messrs. Morgan, Grenfell & Company with whom I have a debit balance. I trust that you will kindly place this amount to my credit with Messrs. J. P. Morgan & Company to meet the check thus drawn. There are still one or two items of expenditure incurred by Messrs. Morgan, Harjes & Company on my behalf for travelling expenses to Peking which will be included in a later statement.

Trusting that you will approve the account transmitted herewith, I am

Yours very truly,

S/g

October 30, 1911.
October 30, 1911.

Morgan, Grenfell & Company,
No. 22 Old Broad Street,
London.

Dear Sirs:-

Enclosed I beg to transmit three checks as follows: (a) £300/ (b) $2,061.14 (c) $500.00 Kindly place these amounts to my credit. I shall be obliged if you will forward to me a statement of my debit balance with you, to date.

Yours very truly,

S/G

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Memorandum.

From
Wilson & Co.
Tientsin

To W. J. Straight Esq.
Faking.

Dear Sir,

We thank you for your letter of the 27th inst. enclosing cheques for Tls 155.66 being the total half yearly premium due on your three Policies 564/6/.

Enclosed we hand you the Standard Life Assurance Co's official receipts.

Yours faithfully,

[Signature]

The Willard Straight Papers at Cornell University
My dear Willard,

I am doubtful if this letter will get through to you in view of the troubles which, according to our newspapers, are disturbing the whole of China. In view, however, of the fact that cables are getting through from Pekin to the Hong Kong Bank, I am justified in confidently hoping that you and Dorothy are not in any danger. I was much pleased to get communications from that charming lady on your road eastward, though my knowledge of Russian did not permit me to understand the pleasant message on one of them.

I shall be glad if you will let me know at your convenience what Frenche is doing, and whether his health is improved. I felt very sad about his appearance when he last dined with us in London. In addition Herman Harjes has written me about a man to represent a French Group in Russia. The Group is composed of sundry Bankers, who you may remember were got together last year, partly by Soldatenkoff and partly by Harjes. I imagine that Harjes and the Bankers are not satisfied with the way in which propositions are being put forward to them by their Agent in Russia, and propose to send out a man specially on their behalf. We both think that Frenche would be very well fitted for such a job, but it might not be a permanent one, and it would, in view of the Russian climate, require a man in good physical condition. I have told Harjes that I would write to you on the subject, as being best able to give a friendly account of how Frenche was situated, both as regards Paulings and as regards his own health.

Please give my kindest regards to Nadan.

Yours ever,

W. D. S. Straight, Esq.,
c/o American Legation,
Pekin.
Morgan for Davison New York:

Referring to my telegram number 190 sent after consultation with Casenave and Representative Pando of the British Chinese Corporation who are informing their commanding officers that they concur.

Grenfell, for Addis and French Group, if they make request therefore, Difficult secure joint action representatives here until return Hillier Words. Frank corfuting with their substitutes difficult. Am doing best possible. Please

Tempel, gilr for wagun addo able getey gilr

Uplift

Straight
Morgan for Davison New York:

Referring to my telegram number 190 sent after consultation with Casenave and Representative British & Chinese Corporation who are informing their principals they concur. If you approve please repeat my telegram to Grenfell for transmission Addis and French Group if they make request thereof STOP Difficult secure joint action representatives here until return Hillier, Cordes. Frank co-operation with their substitutes difficult. Am doing best possible. Please request Grenfell handle this telegram carefully.

Straight.

Telegram sent November 1st, 1911.

Kev. 8, 1911

Uryc Willard's

2 have you, letters on the eating out of the head post card from the Manor of the married 2 remains. However, in Paris. The ignorance of your whereabouts which I said as when Rube was here with an effusion from Paris saying you had been in the hospital in the 28th of September from

The Willard Straight Papers at Cornell University
To use it to more - but I wish you would have it all transferred up to your house. I don't think Wilkins will want it any longer. I am enclosing with this a draft of $200 for the purchase of which we stumped on account of upkeep of the boys' family. I hope you will please arrange for regularly monthly stipends to be sent to them.

You have both you would do this - and I know you will. I hope for this - but you are the only person I can depend on. I place not on you another draft at this - but agree with you when we meet at home in the spring but please your father.

Do that - lovely dog - you are back in the dust pile for the farm - Perhaps now that you are married and have Dorothy along you will enjoy it so much - but I can't see any possible Son you have here not.

It must be highly interesting - I need not say that I have searched my cards roundly every since the fun attracted - I thought when I left China I could get back before the ball was thrown in.

It was not in the plans of the Gods at Delhi.

I left my black wood furniture with Borch when I left Berlin - I have written Williams that I he wants.
orders at Saltees - whom cousin
is left in the bed in your absence.
The Cisse are the Core we come at
is a beauty. The thousand species.
It is summer here now not really,
earn to S. have the boy
follows me around with it on
a yellow oiled tray. Don't
this without a decent boy although
Greece Martin - my nephews who is
Miss. Inc. is talking on my niece.
I hope to get me after the news but has
been examined most month - 2 from
of Bryan has been and 5 John is
a short time of and wishes to get each
from there - and that the nice folk
it on. It comes from Goodnam who
is now here and it may be to -
The Willard Straight Papers at Cornell University
November 7th, 1911.

Dear Mr. Calhoun:

William has doubtless written you giving you all the dope. We wish though to send you our welcome and tell you how glad we are that you are coming back and that the Walking Club can resume its sessions for Dorothy sayu that she and Mrs. Calhoun can have times while you and I doff the miles from our seven league boots.

You are much needed here. The diplomatic corpse is deader than I've seen it for many a moon, and this at a time when firmness, intelligence and courage are needed is pretty disheartening. From all sides there have been inquiries as to when you would return and visit hopes that it might be soon. Williams has been splendid and I take back the things I said to you about him in London. He has been calm and sane and did a fine bit of shirt sleeve work when he took the responsibility of getting old Sheng away from these curs and wolves who were demanding the old man's head. Tenny also pinned several roses on himself, and we have been very proud of the lot I'll tell you. Summerlin you will find a God-send, you would do so even though you hadn't had Percy as a background, for he's a corker. You will I am sure be much happier than last year in your staff, and for excitement, though you won't have any loan negotiations to back up just yet.

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I am sure your National Committee's heart will warm within you when you get into this whirlpool of conflicting interests and sit down to find out just where your at. Personally I feel a good deal like the drunk who eat and slumbred his bed and hollered that he wished the darned thing would stop whistling around.

The Manchus power is gone, as far as we can see, (have to qualify everything these days) He didn't have his wings clipped, the National Assembly just naturally pulled out the feathers, and found that it was only a jack-daw with wagles plumage after all. Harassed by the tumbling of the card castle the Government, if such the poor thing can be called, hollered for Yuan to return. Yuan however was not taking any till he was given full powers and assurances that he could go on with his reform schemes to such an extent as to satisfy the rebels for he realised the futility of trying to fight them. But these double damned fools here couldn't see the writing on the wall, and quibbled and blustered as usual, trying to make use of the prestige carried by Yuan's name without giving him any actual power. More cities fell, the patriot flag went up elsewhere and then the eunuchs and the Palace clique in order to save what graft they could yielded and appointed Yuan Premier. In the meantime however the Assembly had been thumbed by some thousands of inspired soldiers at Lanchou, and started a little constructive work on constitutional monarchy lines. The Court gave way in the most cringing manner. They couldn't do anything else, but they did it in the most cowardly way. Verily this is a nation of skunks. Now the man is holding off still.
for inspired by the spectacle of the National Assembly's bluffing the Government the provincial Assemblies are apparently trying their hand at dictating to the Peking Statesmen, and tell them that they have exceeded their powers and are not a representative body anyway. Shanghai has started up with some sort of a provisional Government, and a number of other southern cities fallen within the last few days so that it would seem that in the south they are not even satisfied with the Constitutional Monarchy wrung from the throne by the Lanckou troops but will not be content till the Lanckou have deposited their P.P.O.'s in the Card Box of Cathay. If you can say what this letter means or what the situation means you will be doing much better than I can hope to do. Anyhow I'd rather be a diplomat than a banker just now. You can sit down and write reams of epoch-making despatches but may a loan contract do I see in these troubled waters for some time to come. The Government is bent to the point of breakage, but I fear there's no brokerage for us just yet. You may find yourself establishing that foreign supervision, with a certain measure of control that the departure gazed about last year. How it can be done without troops beats me though, and can you get 'em? My days are spent in asking myself questions and without reply. How that you are coming I shall ask you. Hooray, I am trying to get a file of Peking Daily Snoozes for you, and will send them with this if I can find 'em. We both send our love to you both. It's going to be fine to be together again. Dorothy wants you to dine on Monday night if you are not worn out, and I hope you can. Yours,

Dear Frank:-

Enclosed is a letter from the Pan American Bureau in Washington regarding subscription for their bulletin, which I took on behalf of the Group. This publication contains a good deal of valuable information and my idea subscribing was to have it on file in the office. I hope you will renew the subscription.

We are busy getting settled down and watching the revolution.

I will write you a real letter in a few days.

Yours sincerely,

F. H. McKnight, Esquire,
No. 23 Wall Street,
New York City.

S/O

November 7th, 1911.
Dear Harry:

The interchange of cables this last week has given us both a deal of warmth at the heart, for we know how busy you are and therefore appreciate your thought of us all the more. We were most tremendously relieved to learn that Mr. Morgan was not ill, but well and strong. As to our own situation there were plenty of rumours about trouble in the city, which I was not inclined to credit. We packed some of our belongings into the Legation however, kept a young arsenal in readiness and had two rocketees to send up as signal in case of danger, with an understanding that twenty marines would be sent at once to bring us into shelter. Dorothy has been a brick and has been much less nervous than I. So much so that it increased my own fears, rather than quieting them. The worst trouble has been our servants who have been in a state of pet- put- refraction. Chinese have feared a massacre by "anchus", and "anchus by Chinese, and between the two they have been so scared that neither side has dared to move.

This is verily a nation of skunks. As you know I've always believed in 'em but I am afraid that I am taking water now. The whole house of cards has come tumbling down, with
the first breath of revolution and exposed not the corruption alone, for that we knew about before, but the inefficiency and pusillan-
imity of the Government, which, I for one will confess, I thought had some elements of strength and for which I believed there
was great hope. Sheng however was the only man with entrails in the whole lot, and him they threw to the wolves at the first
yowl from the Assembly. I am still not without hope for Yuan
has done wonders before, and one cannot condemn a great nation
for the ineptness of its officials if the face of a thunder-clap
crisis like the present. Yuan may yet pull things together and
if he does we can hope to have much, and good, business. If
not I can see nothing for it but foreign intervention in some
form or other, and the financial administration of China through
the medium of the Maritime Customs. By the date you get this
I will probably read the carbon copy I keep with horror at the
thought that I could have talked such arrant nonsense. However
such is the thing as it looks to me now, and, I might add, to those
with whom I have discussed the situation. In any case, having
been out here some ten years, I have reached the point which
all those who die in China reach sooner or later, of knowing
that I know nothing, and that they, may, is the beginning of
real knowledge. If intervention comes our Government can thank
the Group for having placed us in a position to sit in the game
for with out the Hukouang Currency, and even Chin-AI Agreements
which between 'em cover most of China, and give us a broad
interest, we should have been shut out as sure as little green
apples.

There is another matter which may come up some day before
long, and this is just to place it before you so that you
may think of it, and nothing else. We neither of us have cold
feet and Dorothy, as you know wouldnt let me get out under fire
even if I wanted to, so please dont think this new evidence of
restlessness on my part. Assuming that whatever happens the
Group will go on, as I think there is every reason for doing, for
China loans with the guarantee of international gun-boats, and
perhaps financial administration, there will assuredly be no
matter what the outcome of this row, there will be, or may be,
perhaps would be better, a question of what is to become of this
office. If you get the International Bank and have it represent
us the difficulty will be solved. But if that doesn't come just
yet? We will do what you tell us, as I've assured you many times,
but I do hope that you will tell us to come home, once things
are clearer, for I am disgusted, and sick unto death of this
whole boiling. Life in China was attractive when one could feel
that one was perhaps helping a little in addition to having
fascinating work. I should say rather that this feeling gave the
work it's fascination. Now however I can see nothing in it. I
might even go so far as to say that if the Japanese took over
South, and the Russians, North, Manchuria, we would probably
be able to do more business with less political complication.
Such a complete volte-face makes me sick at heart, but I can't
help it, and I want, really, to get out, in sheer disappointment
and disillusionment. One gets the same thing at home I'm sure
but then you are working with your own people and can get up and go
at it again with good heart, and not feel that it's a waste of
energy and of sympathy. This is a very personal feeling you will rightly say and does not affect the Group's desire to have me stay here and see this crisis through, and to pull out of it what we can. That of course we want to do, but that done, I'd like to beat it and not come back for many moons. If you should insist think that I could serve you at home, and that you'd be content to have me leave here, it has seemed to me that it would be wiser to have an American in charge, rather than have Gatrell take over for a long period. He has his own definite job to perform, and is willing to stick by it, and I think hopeful hope the Group will feel that he is essential, as I do. Therefore in looking things over, it has occurred to me that Williams, until Mr. Calhoun's arrival this morning Chargé D'Affaires would be the best man you could get, always provided you did not want a banker. I have been very much impressed by the way Williams has handled things. He is calm, sane, and very sound in his judgements. He is universally respected by foreigners and Chinese, and would command the confidence and cooperation of the other representatives. He and Gatrell get on splendidly. Williams knows Chinese also, though he could not, even with his knowledge well dispense with Gatrell's services, as the Representative has not time to do his regular, and the Chinese translating work, both. Williams and his family like China and would rather live here than at home, and this in itself is a great thing, for it would be difficult to find any one else who would take the same view. Personally, I like it less each time.

I return, and I imagine that any banker you might find to take the job here would feel more or less the same way. In addition Williams has a wide circle of acquaintances among both foreigners and Chinese, and this fact, in my judgement at least, is more important even than a knowledge of banking owing to the peculiar conditions under which business is done here. I do not know that Williams would take the job, I have discussed it with him in a general way, telling him of course that it was my own idea entirely and that I had not even suggested it to you. His position now is a difficult one, however, for with Mr. Calhoun's return, his salary is ridiculously small, and he cannot remain as First Secretary for any length of time on the pittance the Government pays. It is for this reason I write you now, as by the time this reaches you, the situation may be such that he will have to be considering his next move, and if that be so, and circumstances seem to warrant my doing so I may telegraph you on the subject.

Again please do not think that this letter means in any way that we would wish to leave here before you were ready to have us. We owe far too much to you personally, and to the Group, to think of such a thing. It does mean though that I should like to come home if you can use me, there or elsewhere, for I am fed up with China, and feel that I've been here long enough for the good of my soul. We both send our love to you and Mrs. Navy, and are always, yours to command, as you know.

Yours,
November 13th, 1911.

Dear Dunn:-

I was very glad indeed for your letter and to learn that you were still in the land of the living, for aside from various rumors I have heard nothing about you for these many moons.

We both appreciate your friendly messages and wish that you might take a run down to Peking where you could meet my wife, and we all could pick up old threads.

What you say about graft and squeeze is not surprising; it confirms other reports that have reached us regarding the situation in your part of the world. The old Chinaman seems to be the same wherever you put him. There may be a chance for change now, however, with all this revolutionary talk, for before you are done with it you may find your Japanese friends in control at Kirin, with the Russians taking charge of things to the North of you.

Everything here is very quiet although we have had all sorts of rumors about possible outbreaks and massacres of Chinese by Manchus or vice versa. Up to the present, however, nothing has happened and as it is reported Yuan Shih Kai turned up today I hope that trouble will pass us by. It has certainly been a most interesting period. The destructive work has been accomplished with marvelous rapidity and it remains to be seen whether there is anyone with any idea of a constructive programme.

I fear there is no chance of our getting up to Kirin but we hope to go home before very long, and perhaps may meet you in Kuangtsengtsze as we pass through. We send our kindest regards to you both and all good wishes for as pleasant a winter as it is possible to find in such a far away place.

Yours,

STRAIGHT.

K. C. A. Dunn, Esquire,
Kirin.

S/G
November 13th, 1911.

Dear Martin:

Your good letter of September 1st only reached me a day or two ago. Where it traveled to in the meantime I have no idea.

I had heard that Eleanor had gone to America but I only spent a week there myself at the end of June and then came over I Europe with Dorothy. We played around for a time in Britain and then she went to Switzerland and I to London to work. We managed, however, to have two weeks together in the mountains before we were married, then went off to Venice and were hauled back by a telegram to get on the job again for a few days before starting out here, where we have been since the 11th of October.

Your dope about Manila sounds good to me but I am afraid there is nothing doing for the present as we have got to sit here and watch the Chinese revolution until the kettle stops boiling and we are able, as honest bankers, to skin a little off the top. When that happy day arrives I am afraid we shall hear a little noise which sounds like God’s Country, and jump the first Trans-Siberian Express we can find and beat it for home. We both of us know how attractive you are in Manila and do not understand why such nice people, with such charming voices, live so far away; as when you stop to think about it you will realize that it would take us almost as long to get down to you as it would to reach London, and London is only six days from home. As far as I can see we will have to make a little compromise as to this reunion and meet in Westbury, L. I. instead of Manila P. I. I assure you that the cup that cheers, but not inebriates, and which has such a salutary effect on the vocal chords, grown amongst the Wheatly Hills just as well as it does on the edge of the Bosque. Besides, the Doctors have told me that it would ruin my fine tenor voice if I sang in warm climates, and as conversation seems to be my only sphere of activity in these days I have to be extremely careful of my neck work. Whenever there is any chance of our getting together please give me a respectable notice and I will sleep for a week in anticipation of one long continuous gab fest. My only hope of learning anything about what you are doing or thinking lies in looking you into an arm-chair with a bar of glasses. Although you may be a damn good editor you are a rotten correspondent, and having, by virtue of our engagement and marriage, a letter from your reluctant pen I don’t suppose there is a chance of getting a similar contribution unless there is a birth or a death in the family.

My wife is very anxious to meet you and Eleanor and
I assure you I have given you both a good reputation. We send our love to you both: to Peter, Warwick Green and all others who might chance to drive up in a tally-ho to enquire.

I hope you will see something of our friends the Fairchilds who are passing the winter in Manila.

As ever,

WILLARD STRAIGHT.

S/O

Martin Egan, Requere
Manila Times,
Manila, P. I.
My dear Straight,

I was very pleased to get your letter of the 30th ult.,
and especially to have a kind message from Dorothy. She is
having a rather brutal and violent experience as a start in her
Chinese career.

Our newspaper accounts as regards China are extraordinarily
interesting and would suffice to keep us interested, even if we
had not our complications nearer home, in the shape of Morocco
and Tripoli, which are also absorbing.

At our meeting in Paris last week (at which Jack Morgan
was present) we settled nothing except that, for the present, we
could not contemplate advances to either side. Yuan Shi K'ai
does not seem a sufficiently good character to make Europeans
anxious to lend money to the party of which he is virtually Dictator.

A curious little monkey, one Homer Lea - who makes such
of his title of "General" - has been very active here in inter­viewing Addis and myself. I have no doubt his personality
is well known to you and others in China, as I understand he had
some part in the Boxer troubles.

Your cable of yesterday making enquiry as to Kungfa taels
could not be answered by us as we had not the necessary information.
We accordingly asked one of the leading Exchange Houses but found,
after receiving their reply, that they had telephoned the HongKong
Bank for the desired particulars. It will therefore not have been

clear to the HongKong Bank that it was we who were making the
enquiry, but it may possibly have put the Bank on the track of
Casenave's business.

Hillier was to leave yesterday via Siberia to join you.

After our meeting in Paris on Wednesday Simon informed
us of the very strong action being taken by the Russians and Japanese
on the subject of Manchuria, and it would certainly appear
that if the state of revolution continues in China, Russia and
Japan may think it a fitting opportunity to consolidate their
position in Mongolia and Manchuria.

I saw Ambassador Bacon this morning, on his return
from the U.S.A., but he had little information to give me though
he seemed of opinion that in politics the Republican party were
losing faith in Taft, and that stranger things might happen than
that Roosevelt should again lead the party.
William and Roe Streets, New York, November 15th, 1911

Dear Mr. Straight:

This will be brought to you by my friend, Consul General Midsuno, who has represented the Government of Japan for the past four years at this port, and who has just been called home, with a view of appointment in Peking.

Mr. Midsuno has been in China for a number of years as Consul, before he came to New York, and is therefore, to some extent, acquainted with the conditions there, which have recently become both interesting and pathetic.

I am sure it will be interesting and pleasant for you to make Mr. Midsuno's acquaintance, and it will be an advantage to him to become personally acquainted with you.

I trust notwithstanding the tremendous upheaval which is just taking place in China, Mrs. Straight and you suffer no discomfort, and are not unwilling to undergo the excitement which the existing situation must continually call forth.

I take this opportunity to send Mrs. Schiff's and my own cordial greetings to Mrs. Straight and you, and I am, with kind assurances,

Yours most faithfully,

Willard D. Straight, Esq.,
C/o American Legation, Peking, China.

My dear Straight,

I enclose you copy of a letter written to Davison on the 15th on the subject of an interview that Addis and I had with Homer Lea and Sun Yat Sen, who is the Dr. mentioned in the letter. We have kept the matter absolutely private but Addis is writing today to Hillier on the same subject, though we have not informed either the French or Germans. Lea and the Doctor wished to have another interview with us today but Addis and I both thought there was no cause for such an interview and told them we could do nothing until there was a definite Government established.

If anything comes of this Addis told the Doctor that he could communicate with the E.R. Agents at Canton or Shanghai, wherever the Doctor might establish his Government. This will give you a chance to talk the matter out thoroughly with Hillier.

I may say that though Lea talks very largely about his acquaintance and friendship with exalted persons, yet Knox cables us that he has not seen Lea and Root informs us that he only saw him once.

Yours sincerely,

E. G. Crumpell

P.S. Although we have not told the French and Germans we bid tell the Dr. that if we did do anything for him it would be in conjunction with the other Groups.

The Willard Straight Papers at Cornell University
15th November 1911

My dear Davy,

I wish you had been here to take a hand in our little conspiracy. McIlvaine, the local manager of Harper's the Publishers, called in to see us on the 17th to say that general Homerlea the distinguished General and Author was here, and wished to interview us with the Doctor, but that the latter's presence in England must be kept a deep secret. I accordingly saw the General and the Doctor in the Office. The General entered with a low black slouch hat over one eye, a long cloak of the same colour wrapped round his person, a wand like a Conductor's baton made of ebony richly chased in silver. These mysterious adornments added to the interest of the General's appearance, though his military ferocity was somewhat tempered by the fact that he is 2 feet 6 inches high and suffers from having a bad hump-back. His companion, the Doctor, was dressed in an affluent fur-coat and a pleasing smile, and looked in no way like a revolutionary leader. I understand, however, from History, that in their youth, Robespierre and Marat were both of pleasing and affectionate disposition.

The General described in most interesting fashion the inception and growth of the present movement. He recited the gradual development of the Secret Societies from the time of the Manchu conquest until to-day, when the Societies have laid aside their individual jealousies and united to overthrow the Manchu Dominion and the Dynasty as well. Students to the number of 40,000, have been educated in Japan, U. S. A., and Europe in the arts of War and Peace, and have now returned to explain in every province of China the methods of other Countries, not only in development but in obtaining internal freedom. These Students and the Members of the Secret Societies are united to declare the Republic with the Doctor as President. They are against the Moderate Party who would have been satisfied to permit the Emperor to remain. The Revolution was not meant by the organizers to break out at this juncture and it was hoped that the outbreak could be put off till next summer, but in view of the great success that has attended the movement, it is now impossible to draw back, and accordingly the Doctor is proceeding, this week, to take up the duty.

The General spoke of the importance of his friends both in London and in U.S.A., and particularly emphasized Senator Root's desire to see both the General and Doctor succeed.

Although still somewhat alarmed by the General's appearance and eloquence, I thought it well to talk the matter over with Addis, and we arranged to dine with the latter at his house, where the reporters of Newspapers were not likely to track the mysterious Doctor. You may remember, some years ago he was kidnapped.
in one of the busiest streets of London and imprisoned in the Chinese Embassy without any one's knowledge. He is supposed to have finally escaped by getting an English housemaid to smuggle a note out concealed in a coal-scuttle.

Our friend Addis laid himself out to extract all information by plying the successor of General Tom Thumb with every form of spiritous liquor. According to his account he was not only very intimate with Lord Roberts, Lord Charles Beresford as prominent Warriors in England, but Lord Lansdowne, the late Foreign Minister had called upon him, and McKenna the Naval Secretary was also burning to help him. Further, your War Department were to send out two Generals - I forget their names - and our Navy were to supply Admiral Percy Scott, also a well-known Fighter. As the Evening progressed, the reports of his intimacy with Knox and Root became more evident, and he finally begged us in making enquiries about him, to inform Root that whereas he had told him formerly that he was to be in command of the First Army, the Doctor had now appointed him Chief of the Staff.

As you may imagine, the General did most of the talking, but the Doctor who neither drank nor smoked, was interesting when he did get a word in. He said their scheme from the beginning had been to encourage Foreigners, even Missionaries, not from a philanthropic motive, but from their knowledge that this was the surest way to develop the Country. If the Northern Provinces did not rebel successfully, the Republic would be established of all the Provinces south of the Yang-tse with a Capital to be settled thereafter, possibly Canton. The old troops would be disbanded.

He also stated that the new troops formed during the last year or two were efficient, though of course the Navy was practically non-existent. Likin was to be abolished, and it was hoped that gradually the old taxes, by honest administration, would produce a very greatly increased Revenue. He said that according to statistics, 82% of the Revenue vanished between the time of leaving the Tax-payers' pockets and getting to the Treasury which, I think you will agree, is a fair discount.

We asked him with regard to Manchuria and Russia and Japan, and he stated that while confident that most of the Provinces north of the Yang-tse would join him, yet in the last extremity, the Republic would have to permit Manchuria and Mongolia to drift by themselves, and even fall into the hands of Russia and Japan for the time being. If the new China in a year or 5 years developed as it was hoped, it would then be strong enough to demand back from Foreign Powers any Provinces lopped off in times of weakness.

As you may imagine, the object of these Gentlemen's visit was to obtain money, and they asked for One Million Sterling of which about 400,000 would go to pay Vickers for Rifles and Ammunition which were now ready, a further 300,000 for Guns, and about 300,000 for certain payments to be made out in China. The General suggested that in view of the position already gained by the Doctor, it was more than probable that he would be the principal Minister for nine years.
The Republic would acknowledge every Foreign Debt incurred prior to the 14th October 1911 by the old Government, but no money advanced since then would be recognised as a Loan.

We told these gentlemen that neither we nor our Associates would advance money either to the present Government in Peking or the Doctor's party until we were satisfied, or rather that our Governments were satisfied that there was a strong power capable of fulfilling its engagements and maintaining order. We also said that, subject to the approval of our Governments at Washington and London, we would certainly be disposed to make advances to the new Government when and if the Doctor was in control.

After we had sat for four hours round the table watching with surprise the absorbing powers of the General, he rose to his full height and placed his hand on Addis' shoulder, and with many gesticulations, fought over again as he had probably often done elsewhere, the battles of the future, in which he was the Napoleon. The impression upon our minds from these two interviews was that the Doctor might not have the force of character requisite to lead and hold a revolutionary movement, but he spoke little and seemed serious, and is no doubt responsible for the elaboration and development of the detail leading up to the present outbreak.

I have not mentioned these interviews to the Germans or the French, and probably you will not think it worth while to mention them to the Group, as we have not committed you in any way.

At present it is not known outside that the Doctor is here, and it is probably inadvisable that his movements should be public.

Yours ever,

[Signature: E. C. Grenfell]

H. P. Davison, Esq.
November 17th, 1911.

My dear Teddy:

Your letter reached us safely yesterday, and Dorothy and I both appreciate your concern tremendously. We have not as far as we know been in any danger here, and our mails and telegrams have been uninterrupted as to Peking, the only stoppage, and one which does not affect us, being on the road from Peking to Hankow. We have however had a rather anxious time, which Dorothy has laughed down, but which has made me rather nervous. Hundreds of thousands have left Peking, and for days many of the shops have been closed, it being reported each afternoon, that that night the ball would commence, that Chinese would massacre Manchus, or Manchus, Chinese, that the police, and a division of troops stationed here for the protection of the Court had divided the city into sections for looting purposes, and that, though foreigners would not be touched, we were in great danger from fires and stray shots. Hence we have always turned in with a brace of revolvers by the bed side, a flag in the corner, and a couple of rockets to send up to call in a promised patrol of twenty marines to bring us into Legation quarter if there was a row. This is all highly interesting in a diary years after-

but as a honeymoon experience it's a bit thick with excitement, and pull on the nerves.

What you say about an opening for old f'rench relieved me more than I can say. The chances for his doing anything here at this time are very very slim, and his realisation of this fact has made him pretty low these last days. When I spoke to him yesterday however about the job that you and Hermann had in mind, he was tremendously bucked up. His health is better than it was and I felt sure that if he could have a month or so in which to pull himself together, and if, more than anything else, he were assured that though the Chinese business failed he had something else to do that would keep him going, his insides would at once improve. To my mind it's been nervousness more than organic trouble alone, for there's nothing like worry to set the innards upside down.

He tells me that whether he gets anything here for Pauline or not, he would be free to take up a new job by the end of the year. If he is successful, he owes Pauling nothing and can turn their interests over to some one else. If he is not they won't wish to keep him on. So he will be free to talk with you at any time, and he expects to be at home sometime in December or early January. He is very grateful to you and to Hermann, and so are Dorothy and I, for we are very fond of old f'rench, and believe in him absolutely, and know he can make good if only he has a chance, where there are not all the powers of Europe and the East to be hestored and jockeyed into doing something contrary to their basic policies.
As far as his health and the Petersburg climate goes, you need have no concern about that, for I think there is no doubt but that with civilization two, or three days off, he would be perfectly able to stand it, even though he did not entirely recover his health as quickly as I think likely now that his worries seem likely to be over.

We are hoping that everything is going well with you all, and that we shall see you very soon for I tell you just between ourselves that I am disgusted with this place and this people. They are such cowards, and they are so inefficient. Yuan may be able to do a great deal, and probably will, but I am fed up, though willing to stay as long as I'm told, for Dorothy would not think of letting me quit under fire. But when stable conditions are restored, now that we have our place in the Quadruple Group, I'd like to have my job turned over to someone else and myself come home if there is anything for me to do. I've written Lavie in this sense suggesting Williams now First Secretary of our Legation, and until Calhoun's return the other day, Charge d'Affaires, as my successor. Any way qui viens verra, but I hope it will be verra soon, as this mode of vivre is on me nerves.

Dorothy sends her love and says you're fine to have found a job for old Charles? Please give our best too, to Vivian Smith, and Whigham.

Yours,
November 20th, 1911.

Dear Blands:

The words that trip so merrily from your machine have brought delight to My Lady and much pleasure to Her Unworthy Varlet who with halting fingers indites these words, picks them rather from a maze of keys which no longer seem to hold the inspiration which any means of written expression once carried to me, whose heart, then far away, now endeavors to squeeze its fullness through the spoken, rather than its yearning through the winged word. However. It's all well enow to sing a siren song of asphodel, caramel, vanilla or creme de menthe, sitting as do you in the Crook House, and casting literary omits or bums as the case may be at an unsuspecting public. For us, however, who are but starting out on the voyage of life, while the Gaderene places of cosmopolitan finance may reek of garlic, and even the atenobiles of the Ghetto, we must still walk warily on for a little time, keeping our feet as cleanly as may be and our eyes fixed on the sea and the green hills. And though I grant you that you're experiences with the money-changers brought you bitterness of spirit and but little dubs in the pocket, I must say that I like mine own better, and be it in the sweet walks of adventure, or in that financial aloofness which breeds lines, not tracks, with pen on paper, I have met none better than some of those who pay me my monthly stipend, and who have enabled me to regard such meagre talent as I may have had given, as a bond with a perhaps more generous world, rather than as an inadequate equipment for eking out a livelihood.

But all this persiflage is not for the serious. Things have been moving so rapidly here that it is hard to know from one day to the other just where one is at. You yourself must be crowing mightily for events have proved many of your wiseacre sayings and words of ill-omen to be correct. I tell you quite frankly that I did not think they were, for while admitting the corruption and rotteness of the Manchus and all their menials, I had thought that the last year had really made for improvement and that with the Tsoo Chung Y ocan there would be sufficient popular scrutiny to warrant the hope that while they might not be more efficient, the mandarinate might be less prone to peculation and percs.

So much for what has been. As to the revolution and all its works I cant help regarding its rapid spread as fresh evidence of the weakness and supinesness of the Manchus rather than as due to any organization or patriotic inspiration on the parts of the young patriots.

The result is that opinions for me are anathema, for they are like the gad-flies of the summer season, they last but for a day. Prophecy brings less honor here than in one's own country. Hence "Watch and Wait" hangs over the door.
and the latch string is always expectant for the drag of a fresh rumor.

The "ONLY CORRESPONDENT" is in his element and his dope is good. We see him now and then but not often. Millord's chances have their ups and downs. A day or two ago he and I went to see Yuan and had quite a talk which I have been hoping would be fruitful of results. But as the hours lapse I am less and less optimistic. The present is no time for making contracts with the dregs of the Manchus, for the coup methinks will be upset one of these days, and when filled with effervescence new China will not make a healthy draught for those who have endeavored to drain the last of the old brood.

Of the rest of Pekink, Sydney is developing and is a good and intelligent man. Brent and Eggeling who have acted during the absence of Hillier and Cordes have been a little trying to the soul, but Cordes is back and Hillier expected next week. The whole boiling however pall on me somewhat and I'd prefer to lay the trail elsewhere, for I am fed with China and all its unworkableness, the Yellow Man and his bumptious and inefficient conceit, and the manners, customs, and conversation of those Aliens who fish for goose eggs in this Oriental soup. This condemnation is not general for Praise Allah there be a few tried and trusty who wear well in all climates and whose friendship would be cherished and appreciated in fair open country, by brighter firesides, as under the shadow of great gray walls. Of these are Charles and Casemove and our own Old Man, Collhoun, and some others, but for the rest, "for me they do not exist." I only hope indifference will not be replaced by active resentment at their presence.

My Lady and I hope to leave these seething shores some time soon, as soon as we can and go away with colors flying, for unpleasantness and boredom alone do not justify seeking asylum at home. My Lady is greatly interested in all that goes on, and in her keeness much of my own pleasure lies, for but for that there would be no reward from a situation that for the honest dealer in money has little charm, there being great demand but no security, and no bottom.

Dorothy did receive Mrs. Bland's letter and is grateful though as yet inarticulate. She will write. We both send our love to you both, and hope we may see you before the Oobly birds sing again.

Thine,

S.
November 27th, 1911.

Dear Mr. Kahn:

It was most thoughtful of you to send me a copy of your most interesting interview on Art in America. I had already read the article and admired the lifelike portrait of yourself in the "New York Times," and am much pleased to have it in pamphlet form. I have not, as yet, dared to show it to my wife for fear she will be lured to return at once to her box at the Metropolitan.

We are passing through a most interesting and exciting time and no one can, without moral turpitude and self-deception, prophesy what the outcome will be. Wind-storms in China sometimes whirr round with a rush, rip off roofs, tear up trees by the roots and as swiftly sweep by on their errand of destruction leaving ruin in their track while the sun smiles and the few remaining coolies gamble on exchange as if yore. On other occasions, however, it will blow for days with sullen intervals when the sky is lowering and the very quiet ominous and prophetic of another blast.

If you can tell which kind of wind this is you can do more than any of us who are out here. For myself, I fear that it is the latter breed and I have been thanking my stars that

2- O. H. K.

the Hukuang Loan was, with profit, placed in the hands of the unsuspecting bondholders before the revolution began to rumble. It is interesting to note, however, that the conclusion of this same Hukuang Agreement is, in itself, very largely responsible for the present upset, for although the country seems to have been ripe for revolt the protest of the Szechuan gentry against the Nationalisation of Railways and the Government's methods of buying out the old shareholders started the apple cart down hill.

We are hoping to get home before very long but with this mix-up here any definite plans are, of course, impossible.

With kindest regards to Mrs. Kahn and yourself, in which my wife joins, believe me

Yours very sincerely,

S/O

The Willard Straight Papers at Cornell University
November 27th, 1911.

J. V. A. MacNurry, Esquire,
State Department,
Washington, D. C.

Dear MacNurry:—

Thank you very much for your letter of the 1st of October and the map which you forwarded therewith. I am very glad indeed to have it, and compliment you on the result of your labors.

Everything here is in a turmoil and we do not know from one day to another what is going to happen. It is interesting and exciting but rather tiresome, for while there seems little likelihood of actual danger to foreigners we might, at any time, be obliged to take refuge in the Legation quarter to avoid getting mixed up in riots. The discouraging feature is that I can see no chance for business for sometime to come and this is not at all to my liking.

We hope to come home as soon as the situation clears somewhat and this time I trust we shall be in America long enough to take a run down to Washington.

With repeated thanks and kindest regards,
Very sincerely yours,
WILLARD STRAIGHT.
END
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