

September 27th., 1915.

Mr. S. S. McClure,

Editor, The Evening Mail,

Broadway and Fulton Street,

New York City.

Dear Sir,

Complying with your request, in your letter of August twenty-seventh, I enclose herewith a brief statement of my views of the opportunity and duty of this country in relation to current commercial and financial international relations.

Yours very truly,

American interests will be better served if our people cease speculating about big possibilities of future international finance, and our relation to it, and study the smaller but more practical issues of the present. The former raises a mental fog by its vagueness and uncertainty. The latter has to do with the main business of dealing wisely with the concerns of today.

The loan of credit to England and France by the United States is much more a commercial than a financial affair. It is quite as necessary for us to lend as it is for them to borrow. Whoever thinks that we can make what terms we please or refuse to loan altogether if we like, does not understand the situation.

We are heavy exporters of the products of the soil. Our surplus of these must be sold abroad or left on our hands. In the latter case, prices would fall to a level ruinous to all our industries. The condition of the foreign customer, deprived of his supply, would be only a shade worse than that of the domestic producer, deprived of his market.

Reliable statistics show that the total requirements of England, France and Italy for the coming year will be about 400,000,000 bushels of wheat. The same figures show that Canada, Australia, India and Argentina will have a surplus of 415,000,000 bushels to sell. So the supplies we have are not "indispensible". The policy of "holding back" until the buyers come to our terms would simply send those buyers to markets where a pound sterling will buy its face value of wheat, because London exchange remains at par in the English possessions.

American securities owned abroad are held by individuals, not by governments. An immense quantity of them has already been sent here and sold. Neither the bankers of the United States nor the governments of England and France can make the holders of the remainder part with them unless they please.



All agree that we do not want to see more gold shipped to this country at this time. No money should be sent out of the country on account of the loan, because the proceeds are to be used only to pay for products, excluding war material, in the districts where produced. Our financial institutions are amply able to supply the credit necessary without denying any legitimate need of our own. The bonds of England and France are Perfectly good, will be absorbed without difficulty, and doubtless will be refunded after the war and exchanged gradually by their holders for American securities now held abroad, on terms that will be satisfactory to both parties.

The Paramount duty of American capital just now is not to imitate the dog with the bone who grabbed at its shadow as he was crossing a stream, and not to be deceived about the present by imaginations of future financial control of the world. If that is coming, it will come through doing the wise thing today. And that thing is to see that we get a market for the billions of dollars worth of products which are now on our hands and must be sold.