

and in the spirit of its operations and, while very anxious to stimulate our foreign trade, they do not wish to, in any respect, act otherwise than in complete accord with the policy of the Government.

For the purpose of enabling European Governments to make cash payments for American goods, it is suggested to grant to them short time banking credits, to both belligerent and neutral governments, and where necessary or desirable replenish their cash balances on this side by the purchase of short time Treasury warrants. Such purchases would necessarily be limited to the legal capacity of the particular bank and, as these warrants are bearer warrants without interest, they could not and would not be made the subject of a public issue. These securities could be sold abroad or be readily available as collateral in foreign loans and would be paid at maturity in dollars or equivalent in foreign exchange.

Robert Lansing.

TS memorandum (WP, DLC).

## A Memorandum by Robert Lansing

[Washington] 9:30 p.m. October 23, 1914.

*Memorandum of a Conversation with  
the President at 8:30 this evening  
relative to loans and bank credits  
to belligerent governments.*

From my conversation with the President I gathered the following impressions as to his views concerning bank credits of belligerent governments in contradistinction to a public loan floated in this country.

There is a decided difference between an issue of government bonds, which are sold in open market to investors, and an arrangement for easy exchange in meeting debts incurred in trade between a government and American merchants.

The sale of bonds draws gold from the American people. The purchasers of bonds are loaning their savings to the belligerent government, and are, in fact, financing the war.

The acceptance of Treasury notes or other evidences of debt in payment for articles purchased in this country is merely a means of facilitating trade by a system of credits which will avoid the clumsy and impractical method of cash payments. As trade with belligerents is legitimate and proper it is desirable that obstacles, such an [as] interference with an arrangement of credits or easy method of exchange, should be removed.

The question of an arrangement of this sort ought not to be submitted to this Government for its opinion, since it has given its views on loans in general, although an arrangement as to credits has to do with a commercial debt rather than with a loan of money.

The above are my individual impressions of the conversation with the President, who authorized me to give them to such persons as were entitled to hear them, upon the express understanding that they were my own impressions and that I had no authority to speak for the President or the Government.

Robert Lansing.

Substance of above conveyed to Willard Straight<sup>1</sup> at Metropolitan Club, 8:30 p.m. October 24, 1914. RL.

Substance of above conveyed to R. L. Farnham<sup>2</sup> at the Department, 10:30 a.m., October 26, 1914. RL.

TS memorandum (SDR, RG 59, 763.72111/630½, DNA).

<sup>1</sup> A partner in J. P. Morgan & Co.

<sup>2</sup> Roger Leslie Farnham of the National City Bank of New York.

## An Address to the Pittsburgh Y.M.C.A.<sup>1</sup>

[[Oct. 24, 1914]]

Mr. President,<sup>2</sup> Mr. Porter,<sup>3</sup> ladies and gentlemen:

I feel almost as if I were a truant, being away from Washington today, but I thought that perhaps if I were absent the Congress would have the more leisure to adjourn. I do not ordinarily open my office at Washington on Saturday. Being a schoolmaster, I am accustomed to a Saturday holiday, and I thought I could not better spend a holiday than by showing at least something of the true direction of my affections; for, by long association with the men who have worked for this organization, I can say that it has enlisted my deep affection.

I am interested in it for various reasons. First of all, because it is an association of young men. I have had a good deal to do with young men in my time, and I have formed an impression of them which I believe to be contrary to the general impression.

<sup>1</sup> Delivered in Exposition Music Hall on the occasion of the seventieth anniversary of the Pittsburgh Y.M.C.A.

<sup>2</sup> Ralph Warner Harbison, Princeton 1898, associated with the Harbison-Walker Refractories Co., manufacturers of fire bricks; father of Elmore Harris Harbison, Princeton 1928, and Frederick Harris Harbison, Princeton 1934, long-time, distinguished professors of history and economics, respectively, at Princeton, both now deceased.

<sup>3</sup> Henry Kirke Porter, president of H. K. Porter Co., manufacturers of light locomotives; Republican congressman from Pittsburgh, 1903-1905.