

ESTIMATE OF CASH POSITIONFebruary - June, 1937

(In millions of dollars)

	<u>FEBRUARY</u>	<u>MARCH</u>	<u>APRIL</u>	<u>MAY</u>	<u>JUNE</u>	<u>TOTAL</u>
Balances at beginning of periods ...	924	769	1,149	1,304	1,039	924
Receipts:-						
General revenue	275	1,175	290	300	900	2,940
U. S. Savings Bonds	50	40	40	40	40	210
Treasury Bills (extra)	100	200	-	-	-	300
Treasury Notes	-	-	500	-	-	500
TOTAL	1,349	2,184	1,979	1,644	1,979	4,874
Expenditures:-						
General	280	290	310	320	330	1,530
Emergency	200	200	200	190	180	970
Interest on debt	15	155	80	10	150	410
Redemption of debt	40	325	20	20	320	725
Special transactions	15	15	15	15	15	75
Gold purchases	30	50	50	50	50	230
TOTAL	580	1,035	675	605	1,045	3,940
Balances at end of periods	769	1,149	1,304	1,039	934	934
Refunding operations:-						
Treasury Bills:-						
Regular	200	250	200	200	250	1,100
Special	-	300	-	-	300	600
Treasury Notes	-	-	502	-	-	502
TOTAL	200	550	702	200	550	2,202

February 8, 1937

Prepared by: Lawrence H. Soltzer,
Assistant Director of
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Sidney G. Tickton

INTER OFFICE COMMUNICATION

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DATE February 8, 1937

TO Secretary Morgenthau
FROM Mr. Haas
Subject: Financing Possibilities (Preliminary)

(Revision of
memo dated
1-29-37.)

I. Cash Requirements

1. On the basis of Mr. Bell's estimates of the prospective changes in the Working Balance in the General Fund, it will be possible for the Treasury to coast along without raising new money until April 15, provided we are willing to allow the Working Balance to run as low as some \$550 millions early in March. Without new money, the month-end Working Balances are estimated as follows to the end of March:

February	\$ 658 millions
March	858 millions

2. Unless we do raise new money between now and the middle of April, the Working Balance at the end of each of the three last months of the fiscal year is estimated as follows:

April	\$ 533 millions
May	288 millions
June	503 millions

3. Judging by the bid and ask quotations for Treasury bills, and the price behavior of our outstanding notes and bonds, the market's response to the announcement of the increases on March 1 and May 1 in reserve requirements has not been unfavorable. The last two 273-day bill issues, which were sold at an average bank discount rate of .361 and .401 percent, respectively, were quoted on February 6 at a bid price to yield .42 percent on a bank discount basis. Unless the market's action becomes more unfavorable, it would appear feasible to raise \$200 millions of new money by additional bill issues of \$50 millions each on February 17 and 24 and March 3 and 10; or \$300 millions if the additional bill issues are continued on March 17 and 24. The first of the additional issues would preferably be for 119 days, and the succeeding issues for successively shorter periods, so that the entire extra amount of \$200 or \$300 millions would mature in the middle of June.

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A distinct advantage of concentrating \$200 to \$300 millions of bill maturities in mid-June is that it would coincide with an income-tax payment date and would therefore reduce the strain on bank reserves incident to the latter. Dr. Goldenweiser indicated in a telephone conversation today that his people would prefer \$300 millions to \$200 millions of such bill maturities, distributed between June 16, 17, and 18. If it were desired to confine the additional bill issues to \$200 millions, but to have \$300 millions of mid-June bill maturities, this could be accomplished by substituting mid-June maturities for two weekly issues of our regular 273-day bills, though this method might be open to the objection that it would interfere temporarily with the uniformity of the present series of regular bill issues.

Having raised \$200 or \$300 millions of new money by these bill issues, we could then, on either March 15 or April 15, obtain an additional \$300 millions of new money by a note or bond issue that also covered the \$502 millions note maturity of April 15. The \$500 or \$600 millions of new money raised in this period through bill issues and the bond or note financing would just compensate for the retirement during this period of maturing bills -- \$300 millions in the middle of March and either \$200 or \$300 millions in the middle of June. So far as these new money requirements are concerned, therefore, no net change in the public debt as of June 30, 1937 is involved.

Assuming that \$200 millions is raised through bill issues in February and March, and \$300 millions through a note or bond issue sold on March 15, our month-end Cash Balances would be approximately as follows:

February	\$ 758 millions
March	1,358 millions
April	1,033 millions
May	788 millions
June	803 millions

4. If market developments are altogether unfavorable, the raising of new money could be deferred entirely until the middle of April (provided gold imports are not too large), when \$500 millions could be raised in conjunction with the refunding of the April note maturity by an issue of notes or bonds. If this procedure were adopted, the month-end Cash Balances would be as follows:

February	\$ 658 millions
March	858 millions
April	1,033 millions
May	788 millions
June	1,003 millions

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This plan would involve a net increase of \$200 millions in outstanding debt issues at June 30, unless four of the regular June issues of \$50 millions each were repaid out of the Cash Balance and no replacement bills were offered, in which case the June 30 Balance would be \$803 millions.

II. Alternative Methods of Financing

1. Increase of \$50 millions in weekly bill issues of each of the ten weeks beginning February 17; The first \$200 or \$300 millions of these bills could be made to mature on June 16, 17, or/and 18, coinciding with the quarterly income-tax payment period. The first of these issues would be for 119 days and the succeeding issues would be progressively for 7 days fewer in length, except for the minor changes required for staggering the maturities over several days. The maturities of the remaining \$300 or \$200 millions of bills could be split between the middle of September and the middle of December. Both of these periods are convenient for bill maturities because they coincide with income-tax payment dates. A note issue of \$817 millions matures on September 15; there is no existing note maturity in December.

It is impossible to estimate at all accurately the rates at which our regular and additional bills would sell in view of the tightening in the money markets that may be occasioned by the increase in required reserves. It is reasonably certain, however, that the immediate absolute cost of additional money raised through bill issues would be less than the cost of raising the same funds through notes or bonds. Nevertheless, the raising of the entire \$500 millions of new money through bill issues would not necessarily be the cheapest method of finance from a longer-term viewpoint. Much will depend upon the relative market behavior of bills, notes, and bonds during the next several weeks. Our previous experience has indicated that additional bill issues of shorter maturity than the regular bill issues do not sell on a proportionately reduced yield basis.

2. Issue of \$200 millions of additional bills in February and March, and the offering of a 5-year 1-3/8 percent note on either March 15 or April 15 to raise \$300 millions of new money and to refund the April note maturity of \$502 millions; This method would bring about a net reduction in the aggregate volume of outstanding bills of \$300 millions by the end of the fiscal year, other things being equal.

While an open date exists for a 3½-year note issue to mature on September 15, 1940, and while such a maturity may be utilized if market conditions become more unsettled, it does not appear at this time that a sufficient saving in cost can be effected by reducing the proposed maturity from 5 years to 3½ years. The prices and yields of outstanding notes maturing on and after June 15, 1940 were as follows on February 6, 1937:

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Issue	Maturity	Price	Yield
1-1/2's	6/15/40	101-5/32	1.14
1-1/2's	12/15/40	101-4/32	1.20
1-1/2's	3/15/41	101-4/32	1.22
1-3/8's	6/15/41	100-19/32	1.23
1-1/4's	12/15/41	100-9/32	1.19

The foregoing figures indicate that a note maturing March 15, 1942 should sell on virtually the same yield basis -- about 1.20 -- as the three last-issued outstanding notes. A 5-year 1-3/8 percent note would sell at a price of 100-27/32 if it sold on a 1.20 yield basis. Such a premium would be liberal.

A great deal can be said for this method of financing. Five-year money at a cost of 1-3/8 percent is cheap money; and the 5-year maturity is ample compensation, in view of existing uncertainties with respect to short-term money rates, for the somewhat higher cost of such a note issue over exclusive reliance upon bills. Whether the financing should take place on March 15 or April 15 should be determined primarily by the state of the market at the beginning of March, with a slight presumption in favor of March 15 because it represents a regular quarterly financing date. The April 15 financing would be just as suitable as the March 15 financing from the sole standpoint of the Working Balance.

3. Issue of \$200 millions of additional bills in February and March, and the offering of a 12-17 year 2 1/2 percent bond on either March 15 or April 15 to raise \$300 millions of new money and to refund the April note maturity of \$502 millions: This possibility has the following advantages:

- (1) Like No. 2, it results in a net reduction rather than an increase in the volume of bill issues;
- (2) It provides for the refunding of the April notes into a medium-term bond;
- (3) It reduces rather than adds to the volume of our outstanding note issues;
- (4) The coupon rate of 2 1/2 percent for 17-year money represents distinctly low-cost financing;
- (5) An improvement is made over our preceding 2 1/2 percent bond issue by increasing the call period to 5 years; and

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(6) In the present market, the issue should command a liberal premium.

The most comparable outstanding issues are the following:

Issue	Price (Feb. 6)	Yield to call date	Yield to maturity
2-1/2's of 1949-53	101-18/32	2.36	2.39
2-3/4's of 1951-54	103-13/32	2.47	2.51
3-1/8's of 1949-52	108-8/32	2.38	2.49

The proposed issue would probably sell on a basis rather close to that of the outstanding 2 $\frac{1}{2}$'s. It differs from the outstanding issue in being 3 months later in final maturity and in being callable 9 months earlier. If it sold on precisely the same yield basis to call date as the outstanding 2 $\frac{1}{2}$'s — 2.36 —, it would sell at about 101-15/32, a handsome premium.

At the other extreme, however, the proposed issue might conceivably (though not probably) sell on a yield basis only slightly better than that of the outstanding 2 $\frac{3}{4}$'s of 1951-54 (2.47 percent). These mature only 3 months later than the proposed issue, and are not callable until 2 years and 3 months later. If the proposed issue were to sell on no better basis than the outstanding 2 $\frac{3}{4}$'s of 1951-54, it would command a price of about 100-10/32.

It is probable, however, that the proposed issue would sell much nearer the outstanding 2 $\frac{1}{2}$'s than the outstanding 2 $\frac{3}{4}$'s, being far more comparable with the former. If it sold on a basis approximately half way between these two issues — on a basis of 2.42 percent —, it would command a price of approximately 100-27/32.

In the present market, therefore, it appears that the proposed 2 $\frac{1}{2}$ percent 12-17 year bond would command an amply safe premium.

4. Consideration might be given to permitting payment for the Treasury bills to be issued near the middle of March to be made by credit on War-loan account. These additional bill offerings will be made at a time when bank reserves will be affected by both the new reserve requirements and the very large March income-tax payments. The March income-tax collections will be sufficiently heavy to permit us to refrain from making calls upon depositary institutions during the two or three weeks bridging the middle of that month. The Treasury, during the early months of 1934, permitted subscriptions for Treasury bills to be paid in this fashion.

TREASURY DEPARTMENT

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Washington

FOR RELEASE, MORNING NEWSPAPERS,
Monday, February 8, 1937.
2-6-37

Press Service
No. 9-53

Secretary of the Treasury Morgenthau announced today that the sale of United States Savings Bonds since March 1, 1935, when these bonds were made available, to February 1st of this year has reached a total of \$862,781,212, maturity value. This is a daily average of \$1,472,322, maturity value, for each of the 586 business days elapsed.

These bonds were bought by approximately 750,000 individual investors, and approximately 60,000 investors -- over 50 percent of whom are repeat purchasers -- are now buying United States Savings Bonds each month.

The sale of Savings Bonds for the year 1935 amounted to \$259,000,824, maturity value. For the year 1936 the sales were \$473,515,140 -- an increase of approximately 82.8 percent. The January sales of this year were in excess of \$130,000,000, maturity value -- more than twice the sales of the corresponding month last year.

The highest total for daily sales was reached on January 4th of this year with the receipt by the Treasurer of the United States of \$6,230,330 from post offices selling these bonds throughout the country. In addition and on the same day the Treasurer received direct-by-mail orders accompanied with cash representing \$1,319,425, maturity value-- or a total sale for this single day of January 4th of \$9,626,532, maturity value, of United States Savings Bonds.

The Secretary stated that tabulation of sales by states to the end of the year 1936 shows that the State of Illinois leads the United States with a maturity value sale of \$72,337,850. New York State is second with a maturity value sale of \$49,021,675. Ohio is third, then follows Pennsylvania, with Iowa, Missouri, and Minnesota next in order. Michigan takes the eighth place, while California, Texas, Indiana, Wisconsin, Kansas, and Nebraska follow in close succession.

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The sales of United States Savings Bonds in the 50 leading cities show Chicago well in the lead with a maturity value sale of \$35,611,666 from March 1, 1935, to January 1, 1937. New York is not a very close second with only \$36,526,226. The total sales for the 50 leading cities amounted, on January 1, 1937, to \$261,968,549, maturity value.

Tabulations of sales made during the last quarter of the year 1936 indicate that men are buying approximately 23.12 percent of the total of Savings Bonds sold; while coowners — mostly man and wife who buy these bonds jointly — account for 32.43 percent; and women, for approximately 17.14 percent. A beneficiary is named in about 8.61 percent of the bonds sold. Banks are buying about 8.75 percent, and the rest of the sales are to corporations, associations, and trust funds.

The small towns and rural America purchase in excess of 31.90 percent of the total amount of bonds sold each month; and towns from 10,000 to 25,000 population, about 9.94 percent; while cities from 25,000 to 100,000, buy approximately 13.72 percent. The metropolitan cities of 100,000 or more, account for about 44.44 percent of the total sales of Savings Bonds each month.

The most popular unit of the five denominations in which United States Savings Bonds are sold is the \$100, maturity value, bond, which accounts for approximately 32.46 percent of all the bonds sold. The \$25 unit is next in popularity with approximately 23.12 percent. Then follows the \$50 unit with 19.37 percent. The \$1,000 bond is next in order being more popular than the \$500 unit and accounting for approximately 15.73 percent of the total sales, while the \$500 unit accounts for 9.32 percent of the total sales.

Sales of United States Savings Bonds in the 50 larger cities and in the several states and possessions from March 1, 1935, to January 1, 1937, arranged in order of their total sales for this entire period were:

Statement of United States Savings Bonds Sales from March 1, 1935
through December 31, 1936.

<u>STATE</u>	<u>MATURITY VALUE OF TOTAL SALES</u>
Illinois	
New York	\$ 72,337,850
Ohio	49,021,675
Pennsylvania	42,520,050
Iowa	38,112,825
Missouri	35,635,750
Minnesota	35,466,900
Michigan	33,454,625
California	30,251,575
Texas	29,018,800
Indiana	27,855,400
Wisconsin	25,711,875
Kansas	25,605,575
Nebraska	25,573,800
Massachusetts	18,480,425
New Jersey	12,754,750
Oklahoma	12,233,050
Washington	12,100,275
Colorado	11,890,475
Kentucky	9,866,700
Oregon	9,360,375
North Carolina	9,084,850
Virginia	8,940,100
Maryland	8,340,650
West Virginia	7,676,225
Tennessee	7,664,500
Montana	7,475,900
Florida	7,389,800
Georgia	7,221,175
North Dakota	7,131,975
Louisiana	6,333,375
Arkansas	5,721,425
South Dakota	5,445,850
Mississippi	5,399,125
Alabama	5,292,025
South Carolina	4,574,125
Connecticut	3,870,275
Maine	3,513,150
Idaho	2,711,600
Utah	2,071,075
Wyoming	1,993,625
New Mexico	1,828,000
Arizona	1,694,825
New Hampshire	1,681,850
Rhode Island	1,462,150
Vermont	1,393,100
Nevada	1,328,575
Delaware	925,975
*Dist. of Columbia	557,075
	<u>34,200,775</u>
	\$720,175,900

*Includes a portion of mail orders.

Statement of United States Savings Bonds Sales at the Fifty Largest
Offices from March 1, 1935, through December 31, 1936.

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<u>OFFICE</u>	<u>MATURITY VALUE OF SALES</u>
Chicago, Illinois	\$ 35,611,666.00
New York, N.Y.	26,526,225.00
Detroit, Michigan	12,459,416.00
St. Louis, Missouri	10,834,905.00
Milwaukee, Wisconsin	10,660,274.00
Minneapolis, Minnesota	9,881,505.00
Philadelphia, Pennsylvania	9,493,195.00
Cleveland, Ohio	8,889,258.00
Kansas City, Missouri	8,514,968.00
Los Angeles, California	7,210,662.00
Boston, Massachusetts	6,616,384.00
Denver, Colorado	5,796,941.00
St. Paul, Minnesota	5,693,989.00
Pittsburgh, Pennsylvania	5,361,001.00
Portland, Oregon	5,184,000.00
Baltimore, Maryland	5,124,025.00
Omaha, Nebraska	5,043,334.00
Cincinnati, Ohio	4,923,191.00
Brooklyn, New York	4,895,459.00
Seattle, Washington	4,453,351.00
Indianapolis, Indiana	4,279,000.00
San Francisco, California	4,155,433.00
Des Moines, Iowa	3,580,967.00
Columbus, Ohio	3,017,775.00
Louisville, Kentucky	3,016,450.00
Dallas, Texas	2,813,768.00
Houston, Texas	2,581,717.00
Toledo, Ohio	2,459,441.00
Newark, New Jersey	2,387,486.00
New Orleans, Louisiana	2,376,691.00
Memphis, Tennessee	2,176,650.00
Dayton, Ohio	2,171,271.00
Buffalo, New York	1,861,725.00
Atlanta, Georgia	1,825,525.00
Richmond, Virginia	1,803,925.00
Oklahoma City, Oklahoma	1,538,102.00
Oakland, California	1,412,972.00
Ft. Worth, Texas	1,277,241.00
Akron, Ohio	1,241,760.00
Rochester, New York	1,183,157.00
Jersey City, New Jersey	980,416.00
Providence, Rhode Island	825,800.00
Harrisburg, Pennsylvania	715,108.00
Syracuse, New York	681,216.00
Nashville, Tennessee	619,225.00
Hartford, Connecticut	602,841.00
New Haven, Connecticut	581,050.00
Albany, New York	540,618.00
Springfield, Ohio	323,816.00
* Washington, D.C.	15,762,939.00
* Includes a portion of mail orders	\$261,968,549.00

LMS

A portion of this telegram must be closely paraphrased before being communicated to anyone. (A)

Paris

Dated February 8, 1937

Rec'd 3:25 p. m.

Secretary of State,

Washington.

178, February 8, 6 p. m.

(GRAY) FOR TREASURY.

Dealings on the exchange market today were fairly quiet and the tendency slightly less nervous. Nevertheless the exchange fund was called upon to intervene several times and lost a fair amount of sterling we are told by our market contact. Sterling opened at 105.10 and is now quoted at 105.13. The dollar is steady at 21.48 with other currencies firm.

The forward rate for the dollar is 25 centimes for one month and 68 centimes for three months. The rate for the pound is 1.15 francs for one month and 3.12 francs for three months. This is a slight improvement on Friday's forward rates.

On the security market rentes showed a weak tendency but apparent official intervention reduced losses to about 20 centimes. Other French securities were weak and irregular but internationals continued active and strong,

On account of the holiday here tomorrow, Shrove Tuesday, the banks will close at mid-day and there will be

no

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no official exchange dealings.

It is thought possible that a very moderate repatriation of French funds has taken place recently and thus offset to some extent the substantial purchases which have been made of pounds and dollars. The impression is given by the financial press that with the proceeds of the London credit and the three billion francs recently transferred from the Bank of France to the fund it will be possible for the Treasury to get along for a few weeks.

The results of the "national defense" loan which closed on February 1, have not yet been announced. Silence in this regard has been interpreted as an indication that results are disappointing.

CONFIDENTIAL. Reliable information has come to us that through subscription the Government received comparatively little gold. However, on the other hand it was stated that they had fairly satisfactory results from subscriptions in the form of the so-called Auriol bonds of July 9, 1938.

According to press reports Minister of State Faure in referring to the financial situation at St. Etienne yesterday stressed that the present Government had never claimed that it would apply the program

and

LMS 3-No. 178, February 8, 6 p. m., from Paris.

and the doctrine of the Socialist Party. The Government had not taken the power to this end and all were in agreement in this respect, he said. Turning to the financial situation he recognized that there existed some "black" spots but contended that this was the consequence of the billions of debts which the Popular Front Government had inherited from the so-called "National" Governments.

A debate on the financial situation before the Senate is announced for tomorrow February 9.

BULLITT

CSB

RECEIVED
FEB 9 1947
STATE DEPARTMENT
WASHINGTON, D. C.
U. S. GOVERNMENT PRINTING OFFICE

TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

DATE February 8, 1937

TO The Secretary
FROM Mr. Taylor

Saturday afternoon, about three o'clock, Kenneth Bewley called up and said that he had a message for you from the Chancellor of the Exchequer. He came out to the house and let me see the text of the message which was about as follows:

"That, as you know, the credit to the French Railways amounting to 40 thousand pounds, of which I spoke in my last message, was arranged. Ostensibly this credit was to the French Railways but of course was really for the benefit of the French Government. Such indications as I have received lead me to fear that it has not had the effect I hoped for and the French Government's difficulties seem to be increasing. The Governor of the Bank of England has gone to the meeting of the BIS at Basle and hopes to have the opportunity of speaking to the Governor of the Bank of France about the situation generally. On his return I hope to be able better to judge the position. I will communicate with Mr. Morgenthau again when there is anything more to say."

I had a brief general discussion with Bewley and he interpreted this message to indicate a desire on the part of the Chancellor to keep in very close touch with you during this period. Bewley also expressed the personal hope that, regardless of what the French did, it would not be necessary for either the British or ourselves to alter the dollar-pound relationship.

He then asked me my own opinion as to whether further French devaluation or exchange control would be preferable from our joint standpoint. I said that naturally this was a very difficult question and that all of France's difficulties seem to be caused by the fact that French capital has no confidence in the present Government, so that a new devaluation would probably not correct this situation. Also, that much as we might dislike exchange control, for our purposes it might be the lesser of two evils, but that it was impossible to give even a personal answer to this question without giving the matter a great deal more thought.

I then telephoned you, giving you the Chancellor's message, which I indicated that you would probably answer on your return on Monday.

W. J.

PARAPHRASE OF TELEGRAM RECEIVED

FROM: American Embassy, Paris, France

DATE: February 9, 1937, 2 p.m.

NO.: 180

A good authority has informed us that while the outflow of capital from France has considerably decreased it has by no means come to an end, and that the exchange fund frequently and for substantial amounts must intervene.

All banks here, we are told, have again been asked by the Governor of the Bank of France not to encourage forward currency operations; recent exchange operations have probably been influenced to some extent by this recommendation. Rueff of the Treasury, it seems was the sponsor of the decision of the Minister of Finance on December 16th to remove all restrictions on movements of capital. Rueff, it is suggested, was anxious to make an impressive gesture at the outset of his career as Director of the Movement of Funds section. The Bank of France, we are told, opposed the decision taken in this respect. The impression prevailed in the Bank of France that an abrupt return to complete freedom was unnecessary and undesirable.

Reliable information has also come to us regarding the impression given by the press that some repatriation of capital has taken place. We are told that since the

announcement

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announcement of the British credit something like 100,000,000 francs only have been repatriated and that this represents chiefly sums brought back for industrial requirements and for speculation on the Paris bourse.

END SECTION ONE.

BULLITT.

EA:LWW

RECEIVED
FEB 8 1934
TREASURY DEPARTMENT
OFFICE OF THE DIRECTOR
INTERNAL SECURITY - R

Monday
February 8, 1937
3:10 p.m.

HMJr: Hello? - hello?

Cordell

Hull: Welcome back.

HMJr: Thank you.

H: How are you feeling?

HMJr: Oh, I had a good rest.

H: Well, that's fine, have you got sunshine?

HMJr: Yes, we were very fortunate.

H: Yes, that's fine.

HMJr: It's a nice cool sunny day.

H: Yes - glad you're back.

HMJr: I'm glad. Cordell, two things I'm calling up about -

H: Yes

HMJr: I don't know whether anybody has brought to your attention this article that Henry Wallace wrote for an English newspaper.

H: No, I haven't seen it.

HMJr: Well, he wrote an article which - for some paper - he showed it to me about a month ago - we made some criticisms and then he said he wasn't going to write it.

H: Yes

HMJr: Now he's written it up for a British paper and he's given it out here and he goes ahead and scolds the English about the gold and silver and all that.

H: That was a speech wasn't it?

HMJr: No, it was an article.

H: Oh, was it? Why, they were asking me about it this morning. I just thought it was a speech. I didn't pay any attention to it.

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HMJr: No, it was an article which he wrote for some British newspaper. But he promised me - I didn't - after showing it to me that he decided, - well, I think it's a good thing - the London Daily Telegraph --

H: Yes

HMJr: But he gave it out here and there.

H: Yes

HMJr: Now, I wanted to ask your advice sort of off the record. I thought I'd call up Henry -

H: Yes

HMJr: - and say, "Henry, how come, you told me you weren't going to do it?"

H: Yes

HMJr: "We pointed out three or four mistakes when you did show it to us."

H: Yes

HMJr: "And, frankly, I'm surprised to read it in the paper after you promised me you wouldn't do it."

H: Yes - and especially when it's so easy to rock the boat in international affairs right now.

HMJr: I mean, for him to go ahead and scold the English -

H: Yes, - yes

HMJr: Don't you think if I do that very quietly it's all right?

H: Well, I don't see - tell him that you wouldn't be frank -

HMJr: Yes

H: - and you know he wants to be just as helpful as you do -

HMJr: Yes

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- H: - but on international matters here that - that are delicate as they can be -
- HMJr: Yes
- H: - And while we are gradually making progress -
- HMJr: Yes
- H: - those whose function it is to deal with them primarily, it's - You're just sorry that he feels obliged to feel constrained to make these kind of utterances.
- HMJr: If I was going to write an article for an English paper, even if it was on monetary matters, I wouldn't think of doing it before sending it over to your place.
- H: Well, of course -
- HMJr: I wouldn't think of doing it.
- H: I can't - if he sent it anywhere around here I never heard of it. They were asking me about it at at the Press Conference this morning and I told them I knew nothing about what it was all about.
- HMJr: Well, I have a Press Conference at four o'clock and I don't know what to say.
- H: Yes
- HMJr: Well, I think I'll call him up and tell him.
- H: I think just a few words along the line - -
- HMJr: As long as he showed it to me and then -
- H: Yes
- HMJr: - gave me his word he wasn't going to do it.
- H: Because it causes us - it gets up - as you know, right now, there are prospects of real progress over there -
- HMJr: Yes
- H: - with those people. And then to have a Cabinet member -

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HMJr: Yes

H: - go to biffing them on the nose, you know. - It is unfortunate, that's true.

HMJr: I'm sending you over a little later a note about - we're sending some extra people over to Europe to fight narcotics over there.

H: Yes

HMJr: And, normally it would just go through the regular channels, but I'm bringing it to your attention personally.

H: Yes, all right, I - I haven't had a chance to get into that.

HMJr: Well, I - what I'm doing, quite frankly, is I'm just disregarding (Laughs) I find there have been eight or ten letters that have gone on between our departments since September second.

H: Yes

HMJr: I'm sure you haven't got time to read them.

H: I've read them - -

HMJr: And I haven't either and - the situation over there is very serious and we want to send three men over there.

H: Yes

HMJr: And I'm writing the regular formal letter - we always notify you people -

H: Yes

HMJr: - when people are going abroad, plus a personal note.

H: Yes

HMJr: Strictly between us - I think this fellow Fuller hasn't got enough to do.

H: Yes, I see. I haven't gone into it.

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HMJr: Well, I think he - I think he's got this thing - he takes his job seriously and I think his - There's the treaty side of it and there's the police side of it and ours is the police side.

H: Yes

HMJr: And, which we're charged with and we've got to see that this stuff doesn't come to our shores.

H: Yes - Henry -

HMJr: Yes

H: You've been away how long, ten days?

HMJr: One week -

H: Well, you - I'd gotten by - I'd gotten my reply from the British, hadn't I, before you left?

HMJr: No, I -

H: It came in just the other day.

HMJr: No, I didn't know anything about it.

H: Anyhow, of course this is in great confidence -

HMJr: Surely

H: They have indicated a disposition - they have indicated for the first time -

HMJr: Yes

H: - a disposition to reduce some of their Empire preference rates.

HMJr: Well, that's very interesting.

H: Well, that's the first time - that's the first time they've showed the slightest disposition - and I'm -

HMJr: I'm keenly interested.

H: Well, that's - that's a tremendously interesting thing and if now, we do go forward -

HMJr: Yes

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H: - with our - with the trade rulings and with a fairly substantial arrangement it's going to ring out in great shape.

HMJr: Oh, well I'm simply delighted. And then there's this thing of Wallace's that's particularly unfortunate.

H: Oh, of course, of course, from what you say. I haven't really read it; I just saw the head-line.

HMJr: Well, I've read it and it's just damn stupid.

H: Yes, I see.

HMJr: I mean, after all I sit here and sweat - my job is this gold that's coming over and - and it's my responsibility and it's a terrifically serious one.

H: Well, why don't you - why don't you say to the Press that - that you knew nothing about this and are not responsible in any way. And, so far as you can say - so far as you know the State Department didn't either.

HMJr: All right.

H: What do you think about that?

HMJr: Well, what I am going to do is - I don't want to keep bothering the President with these squabbles.

H: Yes, that's - if you could get some - -

HMJr: I'm going to ask Steve Early if he saw it, see?

H: Yes

HMJr: If he didn't, then I will say that neither - so far as I know, neither the State Department nor the Treasury were consulted before this went out.

H: If you could get^{it}/in some little -

HMJr: - dig -

H: - some little mild form and just say, "I don't - we didn't know anything about this until we saw it in the papers and I haven't - - " - Well, maybe if you say that and then let me - I said that practically this morning.

-7-

HMJr: Well -

H: - that I didn't know anything about it.

HMJr: Well, may - I think I can say something that - -
Oh, - that I hadn't - I don't know - I'll
get in something a little bit surprised, because
if Mr. Wallace had anything in mind to give on
gold I should think he'd have given it to me first,
instead of letting me get it by reading the English
newspapers.

H: Yes, I - I don't - it's a question always about
whether to get the President to try to stabilize
a situation like that.

HMJr: Well, I hate to bother him.

H: Yes, I know.

HMJr: But, what I've done heretofore, and I'll most likely
end up by doing it, if some Cabinet member says
something, I usually just say, "Well, I don't know
anything about it." - and take it.

H: Yes, and say we never - you never heard of it and
had no information about it until you saw the head-
lines and that's all you've seen yet.

HMJr: I think that's safe.

H: Yes, all right, Henry.

HMJr: I'm - but I'm delighted about that English -

H: Oh, that's awfully interesting.

HMJr: And I don't know whether - the only thing I got is
that on Saturday Taylor called me up down south -

H: Yes

HMJr: - to say that he had a "secret and confidential" ^{message} via
Bewley from Neville Chamberlain.

H: Yes

HMJr: - that Neville Chamberlain was very much worried about
the French situation.

H: Well, I can understand that.

HMJr: And that he would - I would hear from him shortly again.

H: Yes

HMJr: But it would be marked "Secret and Confidential" - I don't know whether Taylor told us the price or not.

H: Yes, I don't either, but I'm not surprised at it.

HMJr: I'm not either.

H: Well, I'm so glad you're back, Henry.

HMJr: Thank you.

PARAPHRASE OF SECTION TWO OF TELEGRAM NO. 180
of February 9, 1937, from the American Embassy, Paris.

Confidential information has come to us that a BIS delegation visited the Bank of England a few days ago in order to secure the assent of the latter to sell gold to the BIS "for the account of others"; i.e., for the central banks of issue of the small Central European countries members of the BIS. The Bank of England, we are told, refused the request. It was the impression of our informant that the Bank of England was influenced in this respect by its desire to maintain its direct contact with the institutions concerned. Strictly confidentially the Bank of England informed the Bank of France of its position, and indicated to the latter that the delegation on its way back to Basel might make a similar request of the Bank of France.

The Bank of France was in fact approached by the above-mentioned delegation. While the Bank of France did not definitely say no, we are told that ^{the delegation was} ~~they were~~ told in view of the present situation the rates of the Bank of France would undoubtedly be so high that the BIS would probably not find it practicable to engage in such transactions.

There are rumors circulating that the French Treasury is negotiating for loans in the Netherlands and in Sweden. In this connection we are told that soundings have probably taken place by certain intermediaries interested in possible commissions but that such soundings have not reached the stage of

- 2 P

definite negotiations, so far as is known.

BULLITT.

EA:LWW

RB

GRAY

Paris

Dated February 9, 1937

Rec'd 3:40 p. m.

Secretary of State
Washington.

180, February 9, 2 p. m. (SECTION THREE).

With respect to the board meeting of the BIS on February 8 considerable interest has been shown in the French press with regard to the indication that Governor Norman may be the next President of the Institution and that he will probably be elected at the annual general meeting which according to the press has been fixed for May 3.

An official communique published in the press indicates that no changes are contemplated in the relations between the BIS and the Reichsbank.

Unofficial dealings in exchange this morning are fairly quiet and the rates are about on a level with those of yesterday. As indicated in our telegram of yesterday there will be no official exchange market this afternoon. (END OF MESSAGE)

BULLITT

CSB

PARAPHRASE OF TELEGRAM RECEIVED

FROM: American Embassy, London, England

DATE: February 9, 1937, 6 p.m.

NO.: 54

FROM BUTTERWORTH.

FOR TREASURY.

At a meeting of the British Treasury today they confirmed that they too had received assurances through LeNorcy that the French had no intention of changing the franc's value at the present time. It appeared from today's conversation that Waley and Phillips were if anything more pessimistic about the French position than they were when we last met - reference, telegram No. 33 of January 28, 6 p.m., from the Embassy.

The past fortnight, it was emphasized, had really been a critical one in that that was the time when a change for the better should have taken place if it were to come at all. Technically the belief had become widely held that it would be insufficient to depreciate the franc within its legal limits and remove the penal measures on gold hoarding and funds held abroad. Waley pointed out, in fact, that before September one could look forward and say that improvement would come to France when the franc was devalued, but that no one could now point to a sure remedy for the French.

ATHERTON.

EA:LWW

TREASURY DEPARTMENT

248

INTER OFFICE COMMUNICATION

DATE February 9, 1937.

MEMORANDUM OF DAY'S ACTIVITIES.

TO THE SECRETARY
FROM MR. MAGILL

1. Tax on Foreign Investments and Investors.

Mr. Haas and Mr. Zucker reported the substance of their conference on Friday with representatives of the Federal Reserve Board and the Securities and Exchange Commission. At the conference Mr. King's memorandum of objections to Mr. Bryan's tax program was read in Mr. King's absence, but no agreement was reached as to substitute proposals. I asked Mr. Zucker to study the various memoranda and to suggest any alternative taxes which seemed to him to be theoretically sound and capable of practicable administration.

2. Railroad Retirement Allowances.

Mr. Oppen brought in the draft of a proposal for the extension of the period during which the tax will be operative, the new date being June 30, 1938; together with a memorandum of the history of the legislation. Oppen had cleared the proposal with Justice. He asked me to clear it with Mr. Bell, the Railroad Retirement Board and the Department of Labor. Mr. Bell gave me a clearance over the telephone and stated that he saw no reason for consulting Labor. Mr. Latimer of the Railroad Retirement Board stated that negotiations were now in progress between the railroads and their employees for substitute legislation, but he appeared to be agreeable to the extension legislation.

3. Small Compromises.

I have asked Mr. Kent to consider and draft legislation to eliminate the necessity for your signature on compromises of income and miscellaneous tax involving small sums. We seem to get around two dozen compromises a day involving \$5.00 to \$10.00, and I have noticed that ordinarily twelve initials appear on them when they get to us. I see no reason why compromises involving less than some maximum amount - say, \$500. or \$1,000. should not be negotiated and concluded by the Collectors.

RM.

February 9, 1937.
9:17 a.m.

H.M.Jr: Hello

Hello

H.M.Jr: Landis?

Landis: Yes.

H.M.Jr: How are you?

L: Pretty good thank you.

H.M.Jr: Fine. Landis, I walked down with Eccles this morning and talked to him about this question of how we might handle the - ah - foreign foreigner who invests in our stock, see?

L: Yes.

H.M.Jr: And our boys - all of them - they're making this thing so complicated we're not going to get anywhere - at least I'm afraid not and I have a suggestion, which I gave to Eccles, and I wanted you to think about it and that is that we might do this thing in two bites; one bite immediately and that is to increase the taxes on the alien - on his stocks and his interest, you see? We've already got that principle where we tax them at the source you see?

L: Yes.

H.M.Jr: Ah - I think I I could get that bill through in a week or ten days without raising the whole question of a tax bill. At the same time - I'm just throwing this out as thoughts - listing the things that the three organizations were studying, you see?

L: Yes.

H.M.Jr: I think that that would throw a fright into the people and would check the thing for some time and that would give us additional time to iron out our differences but I don't know whether you've listened to your boys on this.

L: Yes, I have.

H.M.Jr: But it just makes you dizzy.

L: Yes.

H.M.Jr: Now Eccles said he frankly hadn't studied it - he'd work on it over the week-end and he said he'd be ready at 10 o'clock Monday. I wondered whether you would be free and.

L: That's next Monday?

H.M.Jr: Next Monday.

L: Yes.

H.M.Jr: Could you come to - would you be willing to come to my office.....

L: Sure.

H.M.Jr:at 10 o'clock.

L: Sure, I'd be glad to.

H.M.Jr: But I just wanted to tell you what was running through my mind.

L: Yes.

H.M.Jr: I mean to get something immediately.

L: Yes.

H.M.Jr: I think I could get it through in a week or ten days.

L: Yes.

H.M.Jr: Hello.

L: Yes, I think that's - I think that's possible and get - I mean you can't cover this problem absolutely. You've just got to chisel at it here and there.

H.M.Jr: That's it and then list the things we were studying - all the different devices.

L: Yes.

H.M.Jr: That would be a trial balloon and we - people could criticize it.....

L: Ah-ha.

H.M.Jr:but it would give us something to check this thing.....

L: Yes.

H.M.Jr:immediately.

L: Isn't the Presi - the President is very sympathetic to this, isn't he?

H.M.Jr: Oh yes.

L: That's what I thought.

H.M.Jr: And - but I wanted to give you what was jut running through my mind.

L: Yes - yes.

H.M.Jr: And then I thought - Eccles says he needs Saturday and Sunday to study it and then he said he'd be ready at ten Monday.

L: Yes.

H.M.Jr: How does that strike you?

L: That's all right with me.

H.M.Jr: What?

L: That's all right with me.

H.M.Jr: Fine - well then you come and bring anybody you want with you.

L: Yes, all right.

H.M.Jr: What?

L: All right, fine.

H.M.Jr: All right, and you feel pretty well?

L: I feel quite well - well not quite well - I'm very apologetic over (laughs)

H.M.Jr: Oh well forget about that.

L: Thank you very much for your courtesy and consideration.

H.M.Jr: Well I wish I could have done more.

L: Well that's awfully good of you.

H.M.Jr: Well I'll - I'll see you at ten Monday.

L: Yes indeed.

H.M.Jr: Thank you.

L: All right, thanks.

February 9, 1937.
9:50 a.m.

Operator: Chairman Miller.

H.M.Jr: Hello

Miller: Hello Mr. Secretary.

H.M.Jr: Mr. Miller.

M: Yes.

H.M.Jr: Your man, Sweke.....

M: Yes.

H.M.Jr:has been making our here miserable about this letter of Mr. Eastman's.

M: He has.

H.M.Jr: Yes, and - ah - ah - finally through Mr. McIntyre and Mr. Foster yesterday we found that the letter did go to the White House and never did come here.

M: Yes.

H.M.Jr: And it went directly from your office to the White House.

M: Well I don 't know how that could have happened.

H.M.Jr: And he's been calling up my Secretary, Mrs. Klotz, again and again and the letter never did come here.

M: Well I don't understand that. I'll take it up with Mr. Eastman but he told me that he sent it over to you by Special Messenger.

H.M.Jr: Well we have absolutely no record here and you better find - for your own satisfaction, I wish you'd send for the messenger, see?

M: Yes.

H.M.Jr: Who was supposed to carry the letter and ask him what he did with it.

- 2 -

M: I certainly will as this is an awful lot of parsnip, Mr. Morgenthau, and I don't understand it. They shouldn't have had any mixups anyhow.

H.M.Jr: Well would you mind doing it and then calling me back?

M: I certainly will. I'll do it right away.

H.M.Jr: But Mr. McIntyre and Mr. Foster say the letter is over at the White House; we have not yet gotten a copy of it - we haven't got the original.

M: Yes, well I know it was over there because

H.M.Jr: Well I'm as positive as anybody can be that it never came to the Treasury.

M: Well I certainly am sorry. I'll check it up right away.

H.M.Jr: And just send for whoever the messenger is and ask him what he did with it.

M: Yes I certainly will.

H.M.Jr: And I'd like to know to whom he gave it.

M: Yes sir, I'll find out.

H.M.Jr: All right, thank you very much.

M: Thank you for calling.

H.M.Jr: Thank you.

February 9, 1937.
10:25 a.m.

Operator: Go ahead.

H.M.Jr: Hello

Miller: Hello Mr. Morgenthau.

H.M.Jr: How good a detective are you, Mr. Miller?

M: Well I don't know. It's a peculiar thing. Our messenger, who is the personal messenger in Eastman's office, said he delivered these papers to a colored fellow in your office and, of course, we don't know what happened beyond that.

H.M.Jr: Could he come over and identify him?

M: I think so and now I went further and called up the White House; I didn't get McIntyre; he wasn't there but I talked to Miss Barrows.....

H.M.Jr: Yes.

M:and she tried to find out what she could.

H.M.Jr: Yes.

M: You see I saw the letter of Eastman's and also the proposed copy to the President in McIntyre's office the morning I went over there and she (Miss Barrow) said that she didn't know what had happened in the President's office with the letter but that McIntyre was going to talk with you to-day about it.

H.M.Jr: Yes.

M: Now I don't know if - just what he's got to say but maybe he knows something personally about it.

H.M.Jr: No he doesn't because he talked to my Secretary last night and he wanted to know what all the shooting was about.....

M: Well (laughs)

- 2 -

H.M.Jr: and she told him and then he said that he didn't know anything about it but I'll tell you what I'd like you to do because I'm really interested.

M: Yes.

H.M.Jr: What is this messenger's name?

M: Well I don't know his name but I'll find out.

H. M. Jr: Well would you send him over with a letter from you and ask him - ah to come - ah - to my office.

M: Yes.

H.M.Jr: Will you?

M: Send him over with a letter?

H.M.Jr: Well I mean just so we can identify him.

M: Oh sure, I'll get ahold of him just right away.

H.M.Jr: And have him over here, say at 12 o'clock.

M: At 12 o'clock.

H.M.Jr: To come to my room and he can ask for - ah - when he gets there just ask for Mrs. Klotz - K-l-o-t-z.

M: Ask for Mrs. Klotz.

H.M.Jr: Yes, and I want him to identify the messenger to whom he gave it to.

M: Well I certainly would like to have this straightened out. We might have to put your Secret Service on it.

H.M.Jr: Well we've done that before.

M: (Laughs)

H.M.Jr: Well...

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M: But It's awful unfortunate and I'm awful - very sorry but - and I would certainly like to find out what it is all about.

H.M.Jr: Yes, well have him over here at 12 o'clock, you see?

M: I will to see Mrs. Klotz.

H.M.Jr: K-l-o-t-z.

M: Yes, I'm very much obliged and I'm awful sorry to have to take up all your time.

H.M.Jr: No, McIntyre doesn't know anything because he called up and tried to find out last night what it was all about and he spoke to Mrs. Klotz and he didn't know anything about it.

M: Well maybe Miss Barrows is mixed up but the last thing she told me was that McIntyre was going to see you about it to-day.

H.M.Jr: Yes, that's right.

M: Yes.

H.M.Jr: Well that's right but he's trying to find out from me what I know.

M: Oh yes I see well maybe we'll have to put the Secret Service on it.

H.M.Jr: But as I understand it, Eastman's messenger said he came to the Treasury and delivered it to one of our colored messengers?

M: That's it - to a colored boy at the door. That's the way he describes it.

H.M.Jr: Well let him come over and we'll have him identify him (our man)

M: All right.

H.M.Jr: Thank you.

M: Goodbye.

Tuesday
February 9, 1937
12:45 p.m.

HMJr: Hello
Treas.
Operator: Chairman Miller - go ahead.

HMJr: Hello

Miller: Hello, Mr. Morgenthau

HMJr: Say, Mr. Miller -

Miller: Yes

HMJr: That boy has been here for about an hour -

Miller: Yes

HMJr: Did you talk to him? - Yourself?

Miller: Oh yes, I just saw him and gave him a letter -

HMJr: Well, he seems like a half wit to me.

Miller: Oh, he does?

HMJr: Well, I mean, he insists that he gave it to the
Comptroller General.

Miller: Comptroller General?

HMJr: That's what he says.

Miller: Why he told me he gave it to a colored fellow at
your - -

HMJr: No, we've had him - I've had my secretary take
him up and down - he's been to the fourth floor
and the second floor - I think what he means is
the Comptroller General down at the other end of
the hall.

Miller: Yes

HMJr: See?

Miller: Yes

HMJr: Yes, I think he must have given it to somebody, just
some messenger of the Comptroller General. But, I mean,

-2-

the Comptroller of the Currency. But he insists he gave it to the Comptroller General.

Miller: Well (Laughs)

HMJr: And most likely he gave it to somebody in the building and somehow or other it got to the White House. But he did not give it into my office.

Miller: Well -

HMJr: But he insisted that he gave it to the Comptroller General.

Miller: Well, that's peculiar, he told me he gave it to a colored fellow in your office.

HMJr: No, we've had him all over the building and he can't identify anybody.

Miller: I never saw him until today.

HMJr: Well, let's let the matter drop.

Miller: Yes - Well, it's perfectly all right with me, - it was embarrassing to you I was afraid.

HMJr: Well, no, it wasn't embarrass- - as I understand it, your people over there wondered how it got to the White House.

Miller: Yes

HMJr: I don't know how it got there, but the messenger - he keeps saying, "I gave it to the Comptroller General."

Miller: Well that's the most peculiar thing.

HMJr: Yes - well, I guess it'll have to be among the unsolved mysteries of Washington.

Miller: (Laughs) Well, it's all right with me, Mr. Morgenthau.

HMJr: Well, I'm not going to worry. It's not important enough.

Miller: No, I think it's all over with now, as far as that goes.

HMJr: But, the boy doesn't seem quite all there to me.

Miller: Well, I don't know. I only saw him for the moment. I'll find out more about him out of my own personal curiosity.

-3-

HMJr: O. K.

Miller: Well, I'm sorry it all happened and I reckon it's the best thing just to let it go.

HMJr: Thank you.

Miller: Are we going on with any more talk in regard to that - - ?

HMJr: What's that?

Miller: Are we ^{are}our experts going on with any more talk - - ?

HMJr: Well, I don't know, I haven't - it's in Magill's hands and I haven't talked to him recently.

Miller: Well, it's left so that if he wants any more he's to let us know.

HMJr: All right.

Miller: So anything he says then is all right with us.

HMJr: Thank you.

Miller: All right, thank you, Mr. Morgenthau.

February 9, 1937

Walked down with Eccles and told him that I thought we ought to get together and get through quickly a piece of legislation which would simply raise the tax on dividends and interest to aliens living abroad and also change the Second Liberty Loan Act which gives aliens living abroad the right to be exempt from paying any taxes on Governments owned by them. He seemed to think fairly well of this. I wanted to get together with him Friday, but he said he would not be ready, so we set the time for ten o'clock Monday morning.

He told me that if I agreed, he would let Leon Fraser know (who evidently has been bringing pressure to bear on Eccles) that he, Eccles, did not wish the By-laws changed in order to admit American members. Eccles said, After all, the question of international finance is the Treasury's problem and if the Treasury does not want the Federal Reserve to have representation on the B.I.S., the Federal Reserve is ready to drop the whole matter. Our thought was that the B.I.S. would simply become a listening post where various European central bankers would go once a month and exchange gossip and that the chances were, in the not too distant future, that we would take away from the B.I.S. the privilege to earmark gold to the United States.



TREASURY DEPARTMENT

WASHINGTON

February 9, 1937

PROCUREMENT DIVISION
PUBLIC BUILDINGS BRANCH

WE FIND QUOTE THE ABOVE OUR
UNQUOTE AND INFO LETTER PB- SA

MEMORANDUM

TO: Secretary of the Treasury

FROM: Director of Procurement

My dear Mr. Secretary:

In connection with the model which has recently been prepared to show the exterior design of the new Federal building to be constructed at Poughkeepsie, you will recall that three suggestions were made for changes:

- (1) Omission of the belt course at the second story line;
- (2) Substitution of granite like the wall facing, for the cut blue stone above the first floor line, the stone facing to be laid similar to the Memorial Library at Hyde Park;
- (3) Addition of a bell in the cupola.

I am sending with this memorandum a photograph of the front showing the model as revised and showing a bell in the cupola. The latter is further indicated by a close-up photograph.

In regard to the bell, an architect from the Supervising Architect's Office was sent to the Library of Congress to make a study of the records regarding details of hanging bells in the earlier precedents.

If there are no further suggestions, it is now proposed to have the model sent for exhibition in the present Post Office building at Poughkeepsie.

*OK go ahead
imm h*

[Signature]
Director of Procurement

9 February, 1937

COAST GUARD OPERATIONS IN FLOOD AREA

Coast Guard boats which had operated in the Ohio Valley are now arriving at their regular stations on the Coast.

The Commander, Coast Guard Relief Force, now at Memphis reports conditions in the Mississippi Valley much better than had been expected. He anticipates the necessity for Coast Guard units in the region between Cairo and Memphis will cease by the end of this week. Eight of the 10 planes which have been operating in the flood zone will be returned to their regular stations by Thursday of this week.

General Water Level Conditions.

Crest of flood now at Cairo 50.3'; Helena 59.9' and slowly rising all the way to New Orleans.

Hell

TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

DATE February 9, 1937

TO The Secretary

FROM Mr. Taylor

Sumner Welles called at your office this morning to tell you of the President's and his progress in connection with assisting Brazil to stabilize its currency, establish a bank of issue, incorporate gold and silver in its reserves, and establish a definite relationship with the dollar. One of the steps involved would be the earmarking of 50 million dollars of gold for Brazilian account in New York. The actual gold would not leave the country except on the basis of actual payment by Brazil on a schedule which would be worked out in advance; in other words, on an installment basis. Mr. Welles felt that it would be possible to utilize the Brazilian situation to work out a model for the rest of this hemisphere. You called his attention to the different conditions which existed in each country and said that you would immediately start studying the situation, with a view to discussions with the Brazilian authorities at a later date, if the preliminary investigations indicated that there was a basis for cooperation. You emphasized the necessity of going slowly in these matters and that it had taken you a full year to prepare for the Tripartite Agreement.

We then mentioned the question of Cuba. In the discussion it was confirmed that the Cuban Government would be encouraged to send a confidential mission to this country to discuss their monetary problems with the Treasury, in the hope that a workable system could be evolved which would be of use to both the Cubans and ourselves.

I have given instructions to Haas to start work on both Cuba and Brazil immediately and I mentioned to Haas some of the fundamentals of the Cuban situation which can be taken into consideration in any solution which we may suggest.

MEETING WITH EXECUTIVE COMMITTEE OF
FEDERAL RESERVE OPEN MARKET COMMITTEE

February 9, 1937
11:00 A.M.

- Present:
- Mr. Taylor
 - Mr. Bell
 - Mr. Haas
 - Mr. Upham
 - Mr. Eccles
 - Mr. Harrison
 - Mr. Ransom
 - Mr. Broderick
 - Mr. Piser
 - Mr. Goldenweiser

H.M.Jr: The reason I asked Chairman Eccles to have you come here was to go over our financing problems. Bell prepared a memorandum which he gave me at 9:10 and I haven't had a chance to read it, so if you will bear with me I'll read it out loud. I haven't had a chance to do it, so if you'd just as leave, I'll read it out loud and do it right now.

"February 8, 1937

"TO THE SECRETARY:

Re: Treasury Financing

"The following comments are submitted on Treasury financing for the next few months:

"February 1 to June 30, 1937: After the discussions of last week on my estimates of the cash position for this period, I believe there was a feeling that the 30 million dollars a month allowed for inactive gold was insufficient and that this estimate should be increased to 50 million dollars a month. From information now available it is believed that 30 million dollars for the month of February will be just about right. I have, however, increased the other four months by 20 million dollars each. Furthermore, there was a feeling that the Treasury should not permit its balances to run as low as indicated in my estimates.

"The following table shows the estimated Treasury balances at the end of each month, including sales of U. S. Savings Bonds and adding \$80,000,000 for inactive gold on the basis of (1) no new financing;

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(2) \$300,000,000 of new funds raised in April, in addition to the refunding of \$502,000,000 maturing notes. (This can be switched to March 15th); (3) same as (2) but adding \$300,000,000 of Treasury bills to be issued between February 17th and March 24th, all to mature June 16-18 (this amount can be reduced to \$200,000,000 and stop issue on March 10th); (4) \$500,000,000 of new funds raised in April in addition to the refunding of \$502,000,000 of maturing notes (this can be switched to March 15th); (5) same as (4) but adding \$300,000,000 in Treasury bills to be issued between February 17th and March 24th, all to mature June 16-18 (this can be reduced to \$200,000,000 and stop issue on March 10th):

End of Month	Treasury balances				
	Based on new financing in the amount of				
	No new financ- ing (1)	\$300M of Treasury notes or bonds (2)	\$300M of T/N or bds. & \$300M bills (3)	\$500M of T/N or bonds (4)	\$500M of T/N or bonds and \$300M bills (5)
February	\$ 669 M	\$ 669 M	\$ 769 M	\$ 669 M	\$ 769 M
March	849	849	1,149	849	1,149
April	504	804	1,104	1,004	1,304
May	239	539	839	739	1,039
June	434	734	734	934	934

"It is obvious that our balances under (1) above would run too low for comfort, and even under (2) and (3), while I believe we can get through with them, run considerably under what you have in the past contemplated. (4) or (5) is the safest course to pursue, and one under which you would feel more comfortable. It will be noted that the low points in the balances will be reached at the end of the months of February and May, but then we are, at these points, approaching heavy income tax payments and there is therefore no harm in letting the balances run down at these periods.

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Moreover, I feel that the time is approaching when a billion dollar working balance is too high for our needs, especially in view of the large anticipated receipts under the Social Security Act.

"I would suggest, therefore, that you give consideration to (1) raising two or three hundred millions of new funds through additional issues of Treasury bills beginning February 17th and stopping either on March 10th or 24th, depending on the amount, all to mature June 16-18, for purposes of leveling off income tax payments at that time (later discussed), and (2) raising \$500,000,000 of new funds through the issuance of Treasury notes or bonds at the time and in connection with the refunding of \$502,000,000 Treasury notes maturing on April 15th. I prefer to see this major financing on April 15th rather than on March 15th for money market reasons (later discussed). While it gets away temporarily from our policy of financing on quarterly tax-payment dates, yet the new issue can be made to mature on a tax-payment date without any difficulty.

"Bonds or notes: As we approach a balanced budget, the Treasury will have to consider the problem as to whether it will want to continue to issue bonds. It was, of course, necessary to issue bonds during the time of deficit financing in order not to have too much debt maturing in the immediate future. We now have the problem of rearranging our debt program to meet the requirements of our sinking fund and investment accounts. Below is a statement showing the total debt maturing or subject to call (exclusive of regular Treasury bills) in each fiscal year 1937 - 1950 and the net total requirements of the sinking fund and Old Age Reserve account:

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(In millions of dollars)

Fiscal year	Total debt maturing or callable	Sinking Fund and Old Age Reserve requirements	Excess maturities	Shortage in maturities
1937	\$ 802	\$ 668	\$ 134	\$ -
1938	2,167	834	1,333	-
1939	2,832	1,384	1,448	-
1940	2,995	1,531	1,464	-
1941	3,287	1,432	1,855	-
1942	204	1,438	-	1,234
1943	454	1,459	-	1,005
1944	2,920	1,668	1,252	-
1945	1,037	1,646	-	609
1946	3,557	1,748	1,809	-
1947	-	1,841	-	1,841
1948	1,982	1,810	172	-
1949	-	1,889	-	1,889
1950	1,794	1,953	-	159
	\$24,031	\$21,301	\$9,467	\$6,737

NOTE: No allowance made in above figures for investments for account of Unemployment Trust Fund.

"A glance at this statement shows that in some years there is too much debt maturing, while in others there is not enough. An ideal situation from the standpoint of the Treasury would be to have about \$2,000M maturing each year, about \$500M each tax-payment date. In 1942 and 1943 there is not sufficient maturity to meet the sinking fund requirements at that time, while in 1947 and 1949 there are no maturities. We can, of course, purchase securities in the market for the sinking fund provided we do not exceed an average of par, but the operation is much less disturbing if these requirements are met through maturing issues. This will also be true of the investment operations, where we are

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authorized to issue special securities to the investment accounts. In other words, to pay off maturing obligations with revenue coming in and to issue special securities to the investment accounts would represent an ideal investment arrangement.

"There will be very little change in the amount of the sinking fund over the next few years, but the amounts available for investment under the Social Security Act will be problematical for some time to come. The Act not only has to run the gantlet of the Supreme Court, but will be subject to political attack for the next few years. An attempt is now being made in the Congress to eliminate the Old Age Reserve Fund. To offset this attempt, the Social Security Board has prepared amendments to the Act which will liberalize Old Age Assistance and thereby increase the costs to the Fund amounting in 1942 to more than \$380,000,000 without any corresponding increase in the taxes. The Treasury should now recognize that it can not build up the reserve of 40 or 50 billion dollars contemplated under the Act, but if it can hold the present arrangement until a reserve of, say, \$5,000,000,000, or better still, \$10,000,000,000 is available, then I believe it should agree to the principle of pay-as-you-go.

"Effect of Treasury financing on money market: Prior to the period of huge excess reserves, it was always necessary for the Treasury to give consideration to the effect that its financing operations, including collections of revenues on quarterly income tax payment dates, would have on the money market and what steps were necessary to correct any adverse effects. The Treasury considered that it was its duty to so arrange its financing as to cause as little disturbance as possible to the market. Now that the Federal Reserve Board has taken definite action which will reduce excess reserves to about five or six hundred million dollars, it becomes important for the Treasury to again consider the effect of its major financing operations on the money market. So that you will be able to see the picture, the following table shows the estimated net amount of funds (after deducting estimated expenditures) that the Treasury will withdraw from the market on its next four income tax dates.

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The only public debt maturities included for the purpose of this statement are the Treasury bills in the amount of \$300,000,000 maturing March 16, 17 and 18.

(In millions of dollars)

Heavy income tax payment dates	March	June	Sept.	Dec.
8-14	\$ 66	\$ 46	\$ 52	\$ 56
15-20	123	271	223	235
21-23	32	29	23	21
Total:	\$ 221	\$ 346	\$ 298	\$312

"The full effect of the Federal Reserve Board's action will not be felt until May first. During March there will still be substantial excess reserves and the withdrawal of \$221,000,000 from the market at that time should not therefore cause any disturbance. In order that the Treasury may be in a position to meet in part any disturbance that may occur, I suggest we permit our investment funds for Postal Savings and Federal Deposit Insurance Corporation to accumulate, which on March 15th should amount to between 50 and 60 million dollars and which can be increased by redeeming special 2% securities. If this does not entirely relieve the pressure I suggest we permit payment by credit in War Loan account of one or more Treasury bill issues.

"It is quite obvious that the Treasury can not expect to withdraw excess funds during the months of June, September and December in the net amounts above indicated, with only 500 or 600 million dollars in excess reserves, without disastrous effects on the money market. It seems to me, therefore, that it is important we should have Treasury bill maturities of not less than \$200,000,000 in June. It may be necessary to have maturities of bills also in September and

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December to meet a similar situation, although these can be discussed later in the year.

"Action which the Treasury can take to offset large net withdrawals of cash from money market: The Treasury can by some action of its own meet almost every tight money market situation caused by its withdrawing from the money market more funds than it is putting back into the market. This can be accomplished in one or more of the following ways:

"(1) Purchase outstanding Treasury notes or bonds for account of the sinking fund. (Authority now available to purchase up to \$500 million for this account at a price of not to exceed an average of \$101. If price is lower than or exceeds \$101, then the amount available will be correspondingly increased or reduced).

"(2) Purchase outstanding Treasury obligations for investment accounts. (About \$45 million now available in cash which can be increased by redeeming special 2% securities amounting to \$200 million).

"(3) Pay off maturing Treasury bills in cash without any issue of bills, or pay off maturing Treasury bills in cash and permit payment of issuing Treasury bills by credit in War Loan Account.

"(4) Provide beforehand for Treasury bills or other public debt obligations to mature in these heavy income tax payment periods for the specific purpose of offsetting excess receipts.

"(5) If there is a Treasury note or bond maturity during these periods of excess receipts, provide for refunding only part of it, paying balance in cash, thus offsetting effect on market of excess receipts. For example, in September there is a Treasury note maturity of \$817 million and there are estimated excess funds coming in of \$298 million. The Secretary would announce in his financing circular that the maturing notes would be accepted in exchange for any new issue offered up to only, say, seventy per cent of the amount of such maturing notes. This would leave thirty per cent, or \$245 million, to be paid off in cash. Such an operation as this would have to be

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handled with care as the maturing notes to be paid off in cash might come in faster than the excess receipts, in which case it might result in an overdraft at the Federal Reserve Banks. We could operate this in conjunction with (a) and (b) below.

- "(a) Deposit inactive gold with Federal Reserve Banks for a period of not to exceed seven days to cover overdraft, at the end of which the operations could be reversed. The amount deposited might be returned to the Treasury from day to day as the receipts come in. These temporary deposits would have no appreciable effect on the market.
- "(b) Sell through the Federal Reserve Banks as our fiscal agents, one to seven day certificates of indebtedness to large banks in money centers, redeeming the certificates as the excess receipts come in. Prior to the Banking Act of 1935, it was customary for the Treasury to run overdrafts at Federal Reserve Banks during the tax-payment periods, giving them a one-day certificate for the amount of such overdraft, the Federal Reserve Banks in turn selling to local banks participating certificates in our one-day obligation. Each day these certificates were redeemed and others issued in smaller aggregate amounts until finally wiped out by revenue receipts.

"(6) Redeposit some of the income tax receipts in War Loan accounts of special depositaries. We have authority to do this, but it is cumbersome unless confined to a relatively few banks."

Now, I got another suggestion. We haven't had a chance to get together on this thing.

Bell: There are one or two holes in that, I noticed; wasn't gone over until this morning.

H.M.Jr: Dan's got five; I've got a sixth suggestion. And that is that we do nothing from now until the 15th of March, and at that time we pick up the April note,

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raise 500 million dollars new money, and then immediately after the 15th begin to sell 50 million dollars a week to come due June 15, 16, and 17, and then let our nine months bills run off, with the idea that we might stop our nine months entirely and sell each tax date from three to four hundred million dollars worth of bills coming due on tax dates, to take care of the situation. The net result of that would be that it would reduce our outstanding bills by five or six hundred million dollars and we would take care of these heavy tax payments by just having our bills come due on tax dates.

What's our total bills outstanding now?

Haas: About two billion two or three.

Bell: Three.

H.M.Jr: What?

Bell: Two billion three. Two billion, 253.

H.M.Jr: We could - how much?

Bell: Two billion, 253.

H.M.Jr: Two billion, 253.

Bell: You will retire four hundred million in March. That brings it down to a billion nine.

H.M.Jr: I mean let our nine months stuff run off.

Eccles: In discussing that....

H.M.Jr: I mean I just want to offer that as another thing.

Eccles: That is, your idea is to gradually eliminate the nine month. This was - after you discussed the matter with me, I've been discussing it, thinking of it and discussing it.

H.M.Jr: Marriner and I - I walked down with Mr. Eccles this morning and gave him this idea so he'd have a couple hours to think about it.

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Eacles:

There is a good deal of merit to it, it seems to me, if it was done somewhat along this line. After the March financing - don't issue any bills until after the March financing. In the March financing you'd get new money to take care of the three hundred million of bills that mature in March, so that you'd reduce bills by three hundred million. You wouldn't put them out again. That would be included in your new money. If you got three hundred million, it would take care of it. If you got five, it would take care of an additional two hundred. Then issue the bills; divide them into two parts, say eight hundred million bills maturing, four hundred million in three months and four hundred million in six months. Those bills would be a constant turnover and would make possible four hundred million maturing on each tax period, and the bills would not be longer than - half of them would be three months and half six months, and it wouldn't be longer than the six months date. That would mean a total of eight hundred millions, or in a year sixteen hundred million, or four hundred million a quarter. Then, as you go on through the year, as the nine month bills fall due, you would reduce that down to eight hundred million, so that you'd have a total of sixteen hundred million bills. And it would mean not to exceed six months bills.

The other bills - you would issue them in between tax periods, so much a week, so that you'd steady out your market and those bills could also be not to exceed six months bills. Now, that would give you a shorter bill, be not to exceed six months bill in any case. You would reduce the total outstanding bills to a billion six. I'd hate to see them get less than a billion six, billion and a half. That would reduce them six hundred million. It would give you - because of the less amount of bills, you'd get a better rate and because of the shorter maturity you'd get a better rate. So that the combination of the two, it seems to me, would tend to keep the bill rate down, and we'd like to see that as well as you.

I don't know whether I make myself clear.

H.M.Jr:

Well, the only thing is I don't see how it would even out. What I was going to say is that, say we start the 15th of March and begin to sell fifty million a week. Now, if you want to hurry it up, we could sell

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a hundred million a week - it doesn't make any difference - into the 15th of June. Then, instead of doing what you suggest, we wait until the 15th of June, and then on the 15th of June we again begin to sell into September. And then that would become a regular thing. But with this thing we'd come around to the 15th of June and we couldn't then sell into September because September would already be filled.

Harrison: Mr. Secretary, I think that was...

H.M.Jr: It would already be filled.

Harrison: As I understood, what Chairman Eccles was saying is this: Supposing you begin in the middle of March, instead of right now, just to make it easier for discussion. You would issue bills in two amounts, say a hundred million a week, some of them to mature - half of them, we'll say, to mature in the following September.

H.M.Jr: Yes, that's what he said.

Harrison: And the other half mature so you will always be picking them up each week just as you're doing now; keep that up. But always have your supplemental fifty millions always maturing on a tax date. Now, that would mean that you would have four hundred millions on the two next tax dates. That would be an aggregate of eight hundred million, and you would have fifty million a week maturing in each one of the twelve weeks between tax dates.

Eccles: Turnover.

Harrison: Turnover, which would be six hundred million, so you'd have a total of fourteen hundred million.

H.M.Jr: I thought you meant they'd all mature the....

Eccles: No, no, half of them. This eight hundred million would be the supplemental.

H.M.Jr: Well, the six months would come due when? Every week? I thought you were selling everything into the tax date.

Eccles: Only half into the tax date.

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- H.M.Jr: Let's say that the six months were to come due every week.
- Eccles: That's right, for eight hundred million.
- H.M.Jr: What's the advantage?
- Eccles: You've got six months instead of a six-nine months; and you've only got eight hundred millions.
- H.M.Jr: What's the matter? The nine months is all right.
- Harrison: That would be all right, but that increases your amount, your aggregate amount, because you'd have four more weeks.
- H.M.Jr: Well, I can't see that. I thought you meant - that's what I couldn't figure out - that you'd sell the six months, have them all come due on the 15th of September.
- Eccles: Oh no. You'd have eight hundred million with four of them coming due in June and four in September. And then in June you would extend that for six months, making that four hundred running along, so much a week - making that come due in December. Then in September the four then would run coming due in March. So you'd always have eight hundred of bills, four hundred coming due on each period.
- H.M.Jr: I get that what you are proposing - now the only difference is that I was proposing that we have all of our bills come due on tax dates.
- Eccles: Well, you'd have to have some year bills or an awful lot of them coming due on tax dates.
- Bell: No, wait until June and issue nine months or wait until September and issue six months; come due in March.
- Eccles: Up to a total of how many bills?
- H.M.Jr: You'd have four hundred million in each.
- Eccles: Sell what?
- H.M.Jr: Sell four hundred million coming due on each tax date.
- Eccles: What maturity?

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H.M.Jr: They'd average about two and a half months.

Eccles: Having the whole billion six?

H.M.Jr: Only four hundred million.

Eccles: Then some of them would have to be year bills.

H.M.Jr: No, they'd average about two and a half months. Every tax date that we start selling - every tax date we pick them up and pay them all off, and then each tax date we start selling.

Eccles: Yes, but if you've got a billion six of bills finally that you've got out, you couldn't have some of - some of those bills would have to be longer than the period of three months.

H.M.Jr: I don't make myself clear. Let's say we had no bills outstanding at all on the 16th of March. The decks are clear; not a bill. Then we start selling three hundred million into June.

Eccles: And how you going to get a billion six without, - with a three months maturity or even a six months maturity - without having more than three hundred or four hundred million coming due on a quarter?

Bell: Well, you don't have to have them all coming due on a quarter. They can mature between quarters.

Eccles: Well, that's right, that's what we're talking about. You've got to.

Harrison: Then we agree.

Eccles: Our idea was half on the tax periods and half in between.

H.M.Jr: Well, I guess neither of us explained it very well.

Ransom: I can't see what the issue is between you.

H.M.Jr: There isn't any.

Harrison: I think that makes it all right, Mr. Secretary, if

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you have half your total bills, say, roughly speaking, maturing on tax date periods; one quarter, we'll say, on the next succeeding tax date and another quarter on the second succeeding tax date - that takes half of your bills - the remaining half of your bills to mature in intermedial weekly periods.

- H.M.Jr: The only difference is - to answer Ransom - they are talking about six months and I say why not keep them at nine months.
- Harrison: You could do it either way.
- H.M.Jr: That's the only difference.
- Eccles: If you are going to reduce bills from two billion two to a billion six, then a six months...
- H.M.Jr: I think you'll find, as you figure it out, that your nine months bill proportionately doesn't cost you the three months extra that it runs; I mean as against the six months, if you compare the nine with the three.
- Harrison: Oh yes, you get your last three months for almost nothing.
- H.M.Jr: Isn't that right, George?
- Harrison: That's right.
- H.M.Jr: I mean the extra three months doesn't cost you anything.
- Harrison: They cost you very little.
- H.M.Jr: And you can't disregard that. There is very little difference.
- Eccles: It would cost you more if short rate picks up a little.
- H.M.Jr: Well, the first Rubicon we've got to cross is this: Should I sit tight from now until the 15th of March and do nothing?
- Eccles: Do you think you can cross that unless you figure what you are going to do after that?
- H.M.Jr: Oh yes, because we can do so many things. We could run through until April and do nothing; we wouldn't even have to cross it in March. If we had a bad

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situation the 15th, we could run until April and still be all right.

Bell: That's right.

Harrison: I think it is important to decide the question whether you will provide us with two or three hundred millions of maturities in June, and once you decide that...

H.M.Jr: Well, I'll decide that very quickly. The answer is yes.

Harrison: Then it is easier to make plans for March if you know that, because you can put out your maturities for a period of two months at fifty million and get two hundred millions - or, you'd get four hundred millions at that rate.

H.M.Jr: Yes, the answer - I'm sold - I think everybody's sold in the Treasury on the idea that we should give you something on the 15th of June. We don't think there's any argument about that.

Harrison: I think that's fine.

Eccles: Pass up bills until after the 15th, I think, then.

H.M.Jr: What?

Eccles: I say I see no reason why you can't pass up bills, offering any bills, until after the 15th.

Bell: Now, does that mean on March 15 we begin to have a hundred million dollars a week, or merely take a nine months bill and put it into June; stop issuing nine months bills as a refunding operation and put a new issue into June?

H.M.Jr: Well, the way I feel today - I mean I - my mind's entirely open - is that we stop issuing nine months bills and for that period issue bills maturing in June.

Eccles: Commencing...

H.M.Jr: The 15th of March.

Eccles: Commence the 15th. Well, the week after. I guess you could...

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- H.M.Jr: Well, we'd announce it and a week after begin. Wouldn't have any effect on the money market.
- Harrison: I think there may be one disadvantage in putting your eight weeks' issue of bills off until March, beginning in March, and that is this: That if you do that, your eight weeks' serial issues of bills will not be up until the middle of May; that takes the two weeks after the final increase in reserve requirements. Query: whether you wouldn't, if you were going to issue fifty millions extra for eight different weeks - whether you wouldn't do better to begin them sooner and get them over by May rather than to run the risk of being held up in May.
- H.M.Jr: Another way to do it, have it a hundred million a week.
- Eccles: After March.
- H.M.Jr: And do it in four weeks.
- Bell: I don't see why you put four hundred million in June.
- H.M.Jr: We could do a hundred million a week and just get it over with. Huh?
- Harrison: I think it is important to consider getting it over before the first of May.
- Eccles: Well, the only reason I'd say - I said four hundred in June would be if you contemplate going to a six months instead of a nine months bill, you'd have four hundred million; that would be, you could go on a basis of four hundred million each quarter, with a six months bill. If you were going to stay nine months, you wouldn't need to go to four hundred.
- H.M.Jr: We were thinking of two hundred million.
- Eccles: I said four hundred million only because I understood your new plan contemplated having four hundred millions on tax date periods.
- H.M.Jr: We expected to split the difference.
- Bell: Three hundred million is ample for June.
- Eccles: Well, you could take - for instance, you could take

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nine months then and take three hundred million and make - and continue your nine month bills, and take nine hundred million of your total, making three hundred million come due each quarter, and then just keep that turning over, three hundred million at each tax period, and a total of nine hundred million. That would leave then - if you reduced the total outstanding bills to a billion six, that would leave six hundred million of bills to fill in between.

- Golden.: Mr. Secretary, when you say you are not going to do anything until March 15, do you mean that you would - what would you do with the bills that mature every week, just pay them off?
- H.M.Jr.: You mean now? Just roll them over.
- Golden.: Roll them over. You'd continue that?
- H.M.Jr.: I just continue as is. I mean I haven't settled it. Just continue as is until the 15th. I mean I'm not - I don't know.
- Piser: If you'd continue to issue the nine month bills and add the June bills to that, it wouldn't be necessary to raise any additional cash in March, would it? Or in April?
- H.M.Jr.: That's the trouble, you see. That's just the thing, that's what I'm up against. I think that it is my - if I start now - I think that is Plan Three - and take, begin to take fifty million additional now into June, and then I should, say, on top of that take a few hundred million, it runs up my balances to a larger amount than necessary. The money market is so good that it looks to me to be a very good time to sell five hundred million of your notes or bonds on the 15th of March - new money, I mean. And I always go back - there have been so many times when I couldn't that I hate to go by a period when I can; because there have been lots of times, and I'm not yet convinced that the time won't come when maybe the situation is such that I cannot, because it's happened so often in the last three years that I couldn't, you see.

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Piser: One thing in addition that I was thinking....

H.M.Jr: That's why I was leaning towards doing nothing. Let the thing run down and then build it up by doing the April five hundred million and possibly five hundred million in cash, making a billion dollar issue on the 15th of March.

Eccles: Do you, by doing nothing - you don't mean discontinue the turnover?

H.M.Jr: I mean just keep everything as it is until the 15th.

Eccles: Yes, yes.

H.M.Jr: And then have a billion dollar financing on the 15th of March. See?

Piser: One thing I was thinking was if you merely refund the April notes, it might be possible then to refund all of the September notes without raising any additional cash at all.

H.M.Jr: You mean in March?

Piser: Yes.

H.M.Jr: That's a little bit hard.

Bell: Going back six months, you mean?

Piser: No, no. In March to merely refund the maturing notes and doing the same thing in September. I think you are contemplating paying off some of the September notes. Isn't that right?

Bell: No, I spoke of one plan to pay off 70 percent, the 30 percent to be used to level off the money market. I didn't recommend that. That was just one plan we could adopt; consider it.

H.M.Jr: To give you entirely what's in my mind, here I am sitting time and again and I haven't been able to get long term money when I wanted. Now, if the thing stayed away for just another two or three weeks, I can go out and borrow other money for five years or seventeen, eighteen, nineteen years - I

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mean very reasonable terms. And I frankly hate to see that opportunity go by because, as I said before, there are so many times when I couldn't. And I'm - this depression isn't far enough behind me that I feel we could forget, just say we can do anything we want any time - I don't think that is so.

Eccles: You are thinking of new money?

H.M.Jr: To the extent of five hundred million dollars.

Eccles: Yes.

H.M.Jr: Now, I don't take so much stock in all this talk about drouth and all that.

Bell: And I haven't seen any particular indications that it will....

H.M.Jr: What?

Bell: It's been the other way.

H.M.Jr: And the 790 million dollars which the President will sign today will pretty well last them until the 15th of June, as far as we can see. Don't you think so, Dan?

Bell: I think it will.

Eccles: Even with the flood and all?

H.M.Jr: It's like the drouth last year. They crowded every dollar they could into the drouth. They spent eight or ten billion in the papers. The best they could credit to the drouth was 110 million dollars, but in the papers they spent eight or ten billions. And by the best stretch of the imagination, all they could charge to the drouth was 110 million. Is that right?

Bell: 110 or 115. Something like that.

H.M.Jr: 110 or 115. And the same thing on the flood.

Bell: Ten million dollars in the flood area will go a long way.

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- Eccles: There's going to be a point where you won't need new money, of course, unless you refund - unless you reduce the bills; as, reduce the bills by bond issues.
- Bell: That's what you would do.
- Eccles: Otherwise, if you don't reduce the bills and if you get new money with bonds, why - you get a balanced budget - you've just got more than you're going to need.
- H.M.Jr: Well, frankly, I'd like to reduce outstanding bills by around five hundred million dollars if I could. I think it is a good time to do it. From your standpoint - your people are here, and we don't want to do anything that is going to make your job unnecessarily difficult.
- Eccles: Well, we've discussed it.
- H.M.Jr: I'd like you to have in mind the Treasury's idea of reducing the outstanding bills by about five hundred million at this time.
- Eccles: That would only put you down, see, to a billion and three quarters. So long as you have a billion and a half or better, as far as the money market is concerned we'd be all right, don't you think, George?
- Harrison: Yes, I think that we won't need as many bills after this final increase in reserve requirements, because they have been particularly popular with the banks in big centers as a means of meeting this increase in reserve requirements.
- H.M.Jr: Tide themselves over.
- Harrison: Yes. So I should think, although I'd like to check up a little more with Burgess - but I should think that we could better stand a reduction in total volume of bills now than ever before.
- Eccles: Not only that, but you will get an increase in bankers' bills too with this changed condition. Now, of course, the amount of bills held by the banks is a total of about three hundred million, whereas in '29 - what was it, a billion and a half?

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- Bell: I thought they were two and a quarter, but Mr. Harrison questioned that the other day.
- Eccles: Well, if they increase, then you could reduce yours.
- Bell: We should gradually get out of the market if bankers' acceptances take that place.
- Eccles: But certainly, even at the present, for the next year, a reduction in your bills of five hundred million, with the amount you've got outstanding - I can't see that it would...
- H.M.Jr: Well, between now and the first of July.
- Eccles: But I mean a billion and three quarters of bills that would leave for the market. And personally I think that would be a good thing, to reduce them some. It would help your rate. To the extent that the total volume is reduced, it is going to give you maybe a little better rate than otherwise. And personally I'd like to see the rate on Treasury bills kept down and that's why I'd like to see - if shortening the bills, shortening the maturity and reducing the amount will tend to keep the rate down, I'd like to see it.
- Piser: There is one point in regard to that. In recent weeks New York City banks have been selling some of their holdings of Treasury bills; indicates that they are anxious to get out of them.
- Eccles: So five hundred million would of course tend to help them meet the reserve requirement position if that much was refunded.
- H.M.Jr: I was encouraged yesterday that our nine months bills sold for less than they had the week previous. I'd like to see one more week - what will happen. I don't think one week's enough.
- Harrison: No.
- H.M.Jr: What?
- Harrison: No, I think that's true.
- H.M.Jr: I'd like to see another week what would happen.

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Frankly, I think for all of us in this room it is an important decision we are going to make. I mean it is more of a departure from our regular financing, and I think our problems are new ones.

Eccles: That's right.

H.M.Jr: What I'd like to do, if it's agreeable to you - I'd like to do nothing again for another week, and like to impose on you people to come back again a week from today; because we'll know Monday what the thing is and then see. But this thing - I'm not sure enough of myself. I don't think we'll lose anything by doing nothing for another week. I've thrown out some new ideas, you people have thrown out some new ideas, and we don't want any disturbance in the money market. I haven't - usually when I go ahead, I have entire confidence in my own decision, and I haven't reached that point yet.

Harrison: Mr. Secretary, may I ask a question to help us in thinking it over in the meantime? And this relates to the maturity, whether they should be six months bills or nine months bills. There are 38 weeks approximately in nine months, and if you issue fifty millions a week to mature each week in those nine months, you would have outstanding about a billion eight.

Piser: Billion nine fifty, to be exact.

Harrison: About a billion nine fifty.

Piser: That's right.

Harrison: Now, if you want to reduce the total of bills outstanding, you've either got to reduce the maturity of those weekly bills or the amount you'd issue each week. I think it would be better to reduce the maturity than to reduce the amount, because fifty millions is a pretty good round amount. What I say is particularly true if you also contemplate having four hundred millions mature...

H.M.Jr: Three hundred millions.

Harrison: Well, three hundred millions mature on each of the

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next two tax payment dates, which is six hundred million. So you'd always have six hundred millions payable on tax days. Then you've got your weekly maturities, which you would have to reduce to a little over a billion nine if you want to reduce your aggregate of all bills.

- H.M.Jr: Let me take it as a matter of mathematics. Supposing somebody takes a pencil and paper - you, George (Haas). Nine months bills, fifty millions. How much is that?
- Piser: A billion nine fifty.
- H.M.Jr: A billion nine fifty. And then every tax date we'd have outstanding three hundred millions.
- Harrison: For two tax dates.
- H.M.Jr: No, only one.
- Bell: Well, the immediate one would be only in June.
- H.M.Jr: Well, we'd only start after the 15th of March, after we'd paid off the others; there would only be three hundred million outstanding, one issue.
- Harrison: Then they'd have to be ninety days.
- Bell: Depends on whether you'd issue ninety days.
- Eccles: You could do that.
- H.M.Jr: I said they'd only average two, two and a half months. Then there'd be three hundred million on top of a billion nine fifty.
- Haas: That's exactly where you are now. That's two billion two fifty - is where you are now.
- H.M.Jr: That doesn't do the trick.
- Bell: I don't think that's correct, is it? You're going to retire three hundred millions in March - would get you down to one billion nine fifty. Now you're going to have the maturing issues thrown into June - two, three hundred millions.
- Haas: Well, that cuts six hundred off this.

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Bell: No, you've still got three hundred million.

Eccles: But you've^{got} to have fifty millions - it takes fifty million a week to make the billion nine fifty. Then if you add three to that to get the June maturity, that puts you just exactly where you are.

H.M.Jr: Let me just get that. That would bring it to...

Haas: Two billion two fifty.

H.M.Jr: Two billion two fifty.

All right, now let's do it on a six months basis. Now, that...

Piser: That would be a billion three plus three hundred million.

Harrison: That's the reason I'm suggesting six months; that makes an orderly operation and you reduce your aggregate.

Eccles: Yes, and you reduce your bills.

H.M.Jr: I want to think that over and you people want to think it over.

Harrison: Yes, I want to think it over very much.

H.M.Jr: Won't Burgess be back by next week?

Harrison: He'll be back Monday morning.

H.M.Jr: Wayne, did you want to think this over?

Taylor: Yes, I've got.... Taking all these things, taking the approach to the balanced budget, which - we can call it an approach - I think we can establish what you can call theoretical pars. You start with your balances; you've got your leeway, above and below which you don't want to go; and you also have your theoretical par of your bills, meaning the total amount, which you will say now is two billion two. Now, to me it doesn't make so much difference when those mature. You've got a certain volume of bills in the market; you desire to have enough of those bills mature on your tax

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dates. But you are not - there is a theoretical par for your total volume of bills that is going to be outstanding, and what you might call your financial statement, if you want to call it that. And then you'd go from there to your other three elements. There are really four. One is your notes; then your Savings Bonds, your long term bonds, and your special operations. I think we've got to be thinking in terms of theoretical pars for all those things right about this time, and it is one of the first times that we have been in a position to do that, or that it may have been desirable to do it.

Bell: In other words, what we are considering now settles the problem for this calendar year.

Taylor: The pattern as far as you can see.

Bell: It doesn't settle it for next March, because your income tax payments next year - from now on - will be huge, and three hundred million, five hundred million of bills will not take up the excess.

Taylor: Well, I'm talking in terms of theoretical pars for the situation that you have at the present time. I think there is something in the amount of your balances that you want to carry plus or minus; certainly the amount of bills in your total debt structure which is both good for the Treasury and the market, which can go up or down; there is a certain amount of leeway. And then these other problems come in.

Dan's doing it from another standpoint - more or less what I was doing; I don't figure quite the same way that he does.

Eccles: Of course, you've got two factors which we haven't had before, which do, as you say - we are in a period of transition for the first time, with a prospective budget balance and looking forward to some surplus revenue in a period of a year, and with the excess reserve picture changed again to where - for a time the cushion of excess reserves was such that the tax period never had to be considered at all. So we do have, as you say, these

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two factors, and it is going to - we should give this thing a good deal of thought and study, try to anticipate every aspect of it so we won't....

- H.M.Jr: Well, as far as we're concerned, I don't see any reason why we can't let this go for another week. How do you gentlemen feel?
- Broderick: Very wise.
- Ransom: Feel the same way.
- Eccles: Joe and Ronald here didn't have an opportunity to get any part of this picture. Ronald had a meeting and I didn't get in touch with Joe until....
- H.M.Jr: But you've got it now?
- Ransom: Yes.
- H.M.Jr: And you can have at least one more meeting between now and Tuesday.
- Ransom: I think there's no possible disadvantage in letting it go for a week and discussing it again.
- H.M.Jr: I think it is a very important decision for both organizations. I really do. If we went from nine to six, then there would be a period there of three months where we just wouldn't issue any nine months at all and have to wait until....
- Piser: What you could do during that period is to issue the bill to mature around June 15.
- H.M.Jr: Well, we would, and then I think we ought to issue them in lots of a hundred million a week in order to hurry it up, you see, and get it out of the way before the first of May. I'm just throwing that out. Right after the 15th, for three weeks we could issue a hundred million a week. And the nine months - we'd let them die, so to speak, for three months, wouldn't we?
- Piser: For three weeks.
- H.M.Jr: For three months.

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Piser: I see what you mean.

H.M.Jr: Then about the 15th of June we'd pick them up and begin to issue six months and at that time, if we want to, we could begin ahead of the 15th of June to sell three hundred millions into the 15th of September. We wouldn't have to wait until the 15th of June, huh? Is that right?

Piser: Yes.

H.M.Jr: And also we won't have this date like May first facing us.

Bell: If you issue three hundred million into June, you'll get it over by the 21st - April 21.

Eccles: When? April 21?

Bell: Yes, selling three hundred million into June and fifty million a week.

Eccles: Yes, April. Before May first.

Harrison: Mr. Secretary, may I ask Mr. Bell a question? The last tenders on your bill issue of Monday totaled around 148 millions of dollars only. The lowest priced bid was 6.9 yield. Now, if you're going to have your regular issue at fifty millions a week and then try to add another hundred million a week, aren't you apt to run into a snag on your bids?

Bell: I didn't understand that was the Secretary's....

H.M.Jr: No, when we start selling these other things, we're going to cut out the nine months for three months.

Harrison: I see.

H.M.Jr: For three months we won't issue...

Eccles: That's the way you'll reduce the total bills.

H.M.Jr: For three months we won't issue any.

Harrison: I see.

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- H.M.Jr: But we will only for three weeks or six weeks be selling fifty million or a hundred million of bills into the 15th of June.
- Harrison: But I was just raising the question of whether even a hundred million a week, three hundred millions altogether, prior to May first, might not be...
- Bell: Probably raise your average rate.
- H.M.Jr: At the end there, we'd be selling two months sixty day stuff - less than that.
- Bell: Wouldn't raise the present rate, but it might raise the rate for the three months' period.
- H.M.Jr: And then we stop. We don't do it again for three months and the thing will die down again.
- Harrison: I'm just thinking that fifty millions a week is the better procedure if you've got the time to do it.
- H.M.Jr: Well, we can start about the first of March.
- Bell: Of course, it wouldn't hurt to issue these bills, roll over, allowing them to mature in June, beginning the third of March. You ride through the financing date; doesn't hurt.
- H.M.Jr: And stop the nine months at the same time.
- Harrison: I think that's better.
- Bell: That will clean you up by the 14th of April.
- Eccles: Then fifty, instead of a hundred after the 15th.
- Bell: No, fifty beginning the third.
- Eccles: Instead of a hundred after the 15th, start fifty before the 15th.
- Bell: That's right.
- Eccles: But you want - we ought to study this thing with an idea of reducing the bills from two billion two hundred fifty down to somewhere around a billion and a half to

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a billion and three quarters.

H.M.Jr: That's right.

Eccles: Then it's a question of working out...

Taylor: If that is a good thing to do. If that is a good financial structure for the Treasury to have - borrowing structure - is it also a good structure for....

H.M.Jr: What I want Haas to do - I want him to study this thing for a week with his people; he'll have a memorandum. Bell will study it, and let your people study it; and I think the Federal Reserve crowd in New York ought to study it and then come back again in another week and talk this thing over again.

Harrison: would there be any objection to having a copy of Mr. Bell's memorandum that sets forth the five possible procedures?

H.M.Jr: What do you (Bell) think?

Bell: I don't care. There's a lot of stuff in there that is strictly confidential. I don't have any objection if you don't.

Harrison: If there is any question about it, I'd rather not have it.

Bell: It ought to be dressed up a little. There are two or three holes in it.

H.M.Jr: Well, do you have any...

Bell: Only as to balances, the statements of financial requirements; they never go any farther than you.

Harrison: Just leave it this way: If you've got anything you can give us.

H.M.Jr: Let him give a statement and we'll give a copy to the boys.

Harrison: I wouldn't want to have anything highly confidential that might get out. What I would like to have is the substance of the five programs.

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H.M.Jr: Let him prepare a special statement.

Eccles: In other words, it would help us to consider the same alternatives that you are.

H.M.Jr: Bell will prepare a memorandum for the boys - for our fiscal agents. How's that?

Harrison: Fine.

Bell: You want those different methods that could be used to level off the money market in the tax payment period.

Eccles: I think that's very important.

Harrison: Our three are the only ones that are any good.

H.M.Jr: Anybody got anything else?

Eccles: I think we better get all of them.

Bell: That all depends. That Number One is pretty good if the market is below par. Sinking fund is very important.

Harrison: Yes.

H.M.Jr: Well, is one o'clock next Tuesday all right?

Eccles: It's all right with me.

H.M.Jr: All right with you men (Broderick and Ransom)?

Broderick: Yes.

Ransom: Yes.

H.M.Jr: It gives us the advantage that we get the rates of bills the day before.

Ransom: I think the most important thing is to give us a chance during that period to discuss it - that is, the Board - and whoever is here from the Board will have the Board's thought on the subject.

H.M.Jr: Would you rather have it Wednesday?

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Eccles: Well, Wednesday is a little better. Tuesday is our regular meeting day.

H.M.Jr: Well, Wednesday at eleven o'clock.

Ransom: There is a possibility that I might be out of town, but that doesn't matter because we would have discussed it thoroughly among ourselves.

H.M.Jr: Let's say that it goes on my calendar for next Wednesday at eleven. All right, gentlemen.

ESTIMATE OF CASH POSITION

February - June, 1937

(In millions of dollars)

	<u>FEBRUARY</u>	<u>MARCH</u>	<u>APRIL</u>	<u>MAY</u>	<u>JUNE</u>	<u>TOTAL</u>
Balances at beginning of periods	924	769	1,149	1,304	1,039	924
Receipts:-						
General revenue	275	1,175	290	300	900	2,940
U. S. Savings Bonds.....	50	40	40	40	40	210
Treasury Bills (extra).....	100	200	-	-	-	300
Treasury Notes.....	-	-	500	-	-	500
TOTAL.....	1,349	2,184	1,979	1,644	1,979	4,874
Expenditures:-						
General	280	290	310	320	330	1,530
Emergency.....	200	200	200	190	180	970
Interest on debt	15	155	80	10	150	410
Redemption of debt.....	40	325	20	20	320	725
Special transactions	15	15	15	15	15	75
Gold purchases	30	50	50	50	50	230
TOTAL	580	1,035	675	605	1,045	3,940
Balances at end of periods ...	769	1,149	1,304	1,039	934	934
Refunding operations:-						
Treasury Bills:-						
Regular	200	250	200	200	250	1,100
Special	-	300	-	-	300	600
Treasury Notes	-	-	502	-	-	502
TOTAL	200	550	702	200	550	2,202

February 6, 1937

Tuesday
February 9, 1937
12:33 p. m.

Representative
Jennings

Randolph: Well, I've had a little flu - it sort of slowed me down a little.

HMJr: Well, I'm sorry.

R: But I'll be all right. I trust that you are fine.

HMJr: Yes, thank you.

R: Secretary, I want you to just tell me if there is any chance of a certain gentleman that I am interested in being considered for the Register of the Treasury - is that position already in your mind filled?

HMJr: Well, it isn't in mine but it is in Mr. Farley's.
(Laughs)

R: Well, I didn't know who made it, I'm very frank to say.

HMJr: Yes, well I am being frank.

R: Yes, I want you to.

HMJr: Mr. Farley has got somebody that he's been trying to get a job for three and a half years.

R: Yes

HMJr: And he's very anxious that we take this man.

R: Oh, I see.

HMJr: As a matter of fact he talked to me when I was in Farm Credit and he's been trying ever since to get a job.

R: (Laughs) I see.

HMJr: But -

R: Well, for thirty-five years, twenty years spent in Loans and Currency -

HMJr: Yes

R: - Mr. McCaffrey

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HMJr: Yes

R: - of my State - District - And I'm really just trying to get the picture; I don't want to -

HMJr: I believe in being frank and I think it's - you people appreciate that.

R: Yes, always - well, this man does.

HMJr: And - -

R: He wouldn't want us to waste time of getting a lot of stuff in and worrying you, you see?

HMJr: Yes, I - I think that - that if we do fill it that this man that Mr. Farley has suggested - I mean, he owes him a debt from a campaign of four years ago.

R: I know.

HMJr: And has never been able to fill it.

R: Yes

HMJr: And he's been looking all around and now he says that that this vacancy - he's very anxious that we give this man this position.

R: Yes

HMJr: And I think - I mean when - I like to do what I can for the organization -

R: Always - always

HMJr: It's so rare that we can do it.

R: I know that.

HMJr: And this seems one time that we ought to cheerfully go along with Mr. Farley.

R: Well now, Secretary, I appreciate so much your just telling me that, because I don't want to worry you and I don't want to get -

HMJr: No

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- endorsements coming in. And I don't want to build up any hopes of this man and he doesn't want that.

HMJr: Well, I'm giving you the absolute low-down.

R: Well now, I certainly appreciate it too. And, now, take care of yourself. And I'll be seeing you.

HMJr: Thank you very much.

R: Goodbye.

Tuesday
February 9, 1937
12:45 p.m.

HMJr: Hello

Treas.
Operator: Chairman Miller - go ahead.

HMJr: Hello

Miller: Hello, Mr. Morgenthau

HMJr: Say, Mr. Miller -

M: Yes

HMJr: That boy has been here for about an hour -

M: Yes

HMJr: Did you talk to him? - Yourself?

M: Oh yes, I just saw him and gave him a letter -

HMJr: Well, he seems like a half wit to me.

M: Oh, he does?

HMJr: Well, I mean, he insists that he gave it to the
Comptroller General.

M: Comptroller General?

HMJr: That's what he says.

M: Why he told me he gave it to a colored fellow at
your - -

HMJr: No, we've had him - I've had my secretary take
him up and down - he's been to the fourth floor
and the second floor - I think what he means is
the Comptroller General down at the other end of
the hall.

M: Yes

HMJr: See?

M: Yes

HMJr: Yes, I think he must have given it to somebody, just
some messenger of the Comptroller General. But, I mean,

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the Comptroller of the Currency. But he insists he gave it to the Comptroller General.

M: Well (laughs)

HMJr: And most likely he gave it to somebody in the building and somehow or other it got to the White House. But he did not give it into my office.

M: Well -

HMJr: But he insisted that he gave it to the Comptroller General.

M: Well, that's peculiar, he told me he gave it to a colored fellow in your office.

HMJr: No, we've had him all over the building and he can't identify anybody.

M: I never saw him until today.

HMJr: well, let's let the matter drop.

M: Yes - Well, it's perfectly all right with me, - it was embarrassing to you I was afraid.

HMJr: Well, no, it wasn't embarrass- - as I understand it, your people over there wondered how it got to the White House.

M: Yes

HMJr: I don't know how it got there, but the messenger - he keeps saying, "I gave it to the Comptroller General."

M: Well that's the most peculiar thing.

H.M.Jr: Yes - well, I guess it'll have to be among the unsolved mysteries of Washington.

M: (Laughs) Well, it's all right with me, Mr. Morgenthau.

HMJr: Well, I'm not going to worry. It's not important enough.

M: No, I think it's all over with now, as far as that goes.

HMJr: But, the boy doesn't seem quite all there to me.

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M: Well, I don't know. I only saw him for the moment. I'll find out more about him out of my own personal curiosity.

HMJr: O.K.

M: Well, I'm sorry it all happened and I reckon it's the best thing just to let it go.

HMJr: Thank you.

M: Are we going on with any more talk in regard to that - ?

HMJr: What's that?

M: Are we - are our experts going on with any more talk - ?

HMJr: Well, I don't know, I haven't - it's in Magill's hands and I haven't talked to him recently.

M: Well, it's left so that if he wants any more he's to let us know.

H.M.Jr: All right.

M: So anything he says then is all right with us.

HMJr: Thank you.

M: All right, thank you, Mr. Morgenthau.

February 9th

Lunched with the President. I showed him the attached memorandum on military expenditures. (See attachment No. 1) He was tremendously interested. He gave me the opportunity to show it to him when he said, "How is the foreign situation. How do you feel about it?" I said, "I feel extremely blue and feel that the world is just drifting rapidly towards war". I said, "We patch up the French situation every so often but with the constant increased percentage of their budget going for war purposes we really cannot help them. The European countries are gradually going bankrupt through preparing for war". I said, "You are the only person who can stop it". He said, with a smile on his face, "I feel like throwing either a cup and saucer at you or the coffee pot". I replied, "Or throw both but why?" He said, "Well I had Hull, Norman Davis for lunch and Davis said, 'The only person who can save the situation is Roosevelt' and then I said to Davis 'How?' and Davis said, 'by sending a secret envoy to Europe'. The President said, "another Colonel House".

The President said, "Hull philosophy is that through his trade treaties he would increase world trade and take up the slack of unemployment as the individual countries gradually disarm." I said, "I am not in disagreement with Hull but his policies will take five years to feel the full effect. He may only have five months before we have a world war and if we do and it lasts two or three years you can be sure we will be drawn into it".

I said, "Would you have any objection to my sending a secret confidential message by word of mouth through Bewley, who is returning to England, to Caville Chamberlain asking him if he has any suggestions to make as to how we can keep the world from going financially broke due to constant increased cost of armaments?" The President thought a moment and said, "No, that will be all right" and I said, "Are you sure" and he said, "Yes, I am sure." I said, "You know my idea is that if there are any negotiations to be conducted it is to do them here and not send anybody abroad". He said, "That is right".

Then he told me the following amazing story in utmost confidence. He said, "Sometime ago Senator Bob LaFollette asked him how he would feel if the Under-Secretary for Foreign Affairs of England, the name sounded like DeSitter, should come to America ostensibly for a vacation. The President said he would have no objection provided it was strictly unofficial. He said he knew Mrs. DeSitter; that she was an old friend and a peach

but that DeSitter was here in 1933 with MacDonal'd and he was very hard-boiled. LaFollette assured him that DeSitter was pro-United States.

This morning LaFollette called up the President and told him that DeSitter was coming. The President and I both agreed that it was amusing that DeSitter should arrange this visit through LaFollette. "either of us could understand it.

I then asked the President whether he would give me a memorandum to the War Department so that I could get some inside dope on costs or armaments. He unhesitatingly gave it to me. (See attachment No. 2). I am tremendously encouraged as I think I have made a real start.

During the beginning of the conversation I said to the President, "You know whenever you are through here I am through and wild horses could not keep me in Washington one day longer after you have gone" and he said, "Of course that is right". I wanted to plant the seed in his mind that I was his man and had no interest in who might succeed him. I expect to do this again some months from now.

I told him about the Self Help Project in Richmond and pointed out to him that through Resettlement we assisted farm families in getting a new start in life; that city families we do nothing of this kind for; that the project in Richmond has been for the past three years really putting people back on their feet on a permanent basis; that I wanted to start a project in Washington. Much to my surprise he was enthusiastic. He said that I should form a committee including someone from Hopkins' organization, Resettlement and CCC to advise the group here in Washington. I told him that I had seen his wife and hoped to have her go with me to Richmond to look over the project.

I have been trying to do this for a year and a half. I think it is tremendously important that we get away from this monthly wage we are paying the unemployed and begin to resettle the city families in permanent jobs just the way we are trying to resettle the country families, and find some way out of our present unemployment problem." Again much to my surprise he gave me permission, subject to Hopkins' O.K. to release once a month the total figures of everybody who gets a government check.

A month ago he would not let me show these figures to anybody. To-day he is willing to have them made public. I certainly had a most interesting and constructive lunch and if I can be helpful in doing something to get the world to disarm I will die happy.

TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

305

#1

DATE January 29, 1937

TO Secretary Morgenthau

FROM Mr. Haas *GA*

Subject: Percentage of military expenditures to total expenditures of leading countries.

The information on the volume of military expenditures of leading countries was taken from published reports of these countries. The published data for some countries are probably not too reliable, but it may be presumed that if the data err, the errors will be understatements. Data on military expenditures in Germany were not included in the memorandum, since published statements obviously do not reflect the actual expenditures.

The military expenditures of the 15 leading countries listed in the attached table for the fiscal year 1935-1936, or for the calendar year 1936, total to, roughly, \$5 billions, when the foreign currencies are converted into dollars at the average rate of exchange for the period covered. The totals cannot be relied upon too heavily since (a) Germany is excluded, as well as other countries, (b) military expenditures reported by some countries are understated, and (c) converting foreign currencies into dollars in a period of fluctuating exchanges and under conditions of controlled exchanges does not accurately reflect the true significance of the volume of military expenditures.

The average of the ratios of military expenditures to total expenditures, for the 15 countries, was approximately 20 percent for the calendar year 1936, or the fiscal year 1935-1936.

A search through the confidential files of the State Department might reveal evidence of larger expenditures than those indicated in the official published reports, but it is doubtful if such an investigation will produce more than rough estimates of the scale of military expenditures.

Percentage of military expenditures to total expenditures
of leading countries

As reported in the budgets and budget estimates of the respective countries.
Military expenditures do not include pensions to war veterans.

	: Total expenditures :	Military :	Percent of
	:	: expenditures :	: total expenditures
(In millions of dollars)			
United States			
1932-1933	5,143	659	13
1933-1934	7,105	540	8
1934-1935	7,376	710	10
1935-1936	8,880	912	10
1936-1937 <u>1/</u>	8,481	966	11
(In millions of pounds)			
United Kingdom			
1932-1933	859	103	12
1933-1934	778	108	14
1934-1935	797	114	14
1935-1936	842	137	16
1936-1937 <u>1/</u>	894	158	18
(In millions of francs)			
France <u>2/</u>			
1932	41,097	9,963	24
1933	50,487	11,445	23
1934	50,163	10,544	21
1935 <u>1/</u>	47,817	10,006	21
1936 <u>1/</u>	46,572	12,000	26
(In millions of yen)			
Japan			
1932-1933	1,950	686	35
1933-1934	2,255	773	34
1934-1935	2,163	942	44
1935-1936 <u>1/</u>	2,215	1,023	46
1936-1937 <u>1/</u>	2,306	1,060	46
(In millions of yuan)			
China			
1932-1933	699	321	46
1933-1934	836	373	45
1934-1935	941	388	41
1935-1936 <u>1/</u>	957	321	34
1936-1937 <u>1/</u>	991	322	32
(In millions of lire)			
Italy <u>3/</u>			
1932-1933	23,003	5,393	23
1933-1934	28,344	4,787	17
1934-1935	22,082	5,227	24
1935-1936 <u>1/</u>	21,749	5,092	23
1936-1937 <u>1/</u>	20,291	5,016	25

Percentage of military expenditures to total expenditures
of leading countries

As reported in the budgets and budget estimates of the respective countries.
Military expenditures do not include pensions to war veterans.

(continued - 2)

	: Total expenditures	: Military expenditures	: Percent of total expenditures
(In millions of rubles)			
U. S. S. R.			
1932	30,283	2,019	7
1933 <u>1/</u>	35,667	2,401	7
1934 <u>1/</u>	46,948	5,000	11
1935 <u>1/</u>	63,900	6,500	10
1936 <u>1/</u>	78,715	14,816	19
(In millions of dollars)			
Canada			
1931-1932	451	17	4
1932-1933	532	14	3
1933-1934	458	14	3
1934-1935	478	14	3
1935-1936	533	17	3
(In millions of francs)			
Belgium			
1933	11,190	1,156	10
1934	11,392	1,260	11
1935	14,024	1,140	8
1936	10,465	893	9
1937 <u>1/</u>	10,566	886	8
(In millions of guilders)			
Netherlands			
1932	1,079	93	9
1933	1,025	88	9
1934	761	88	12
1935 <u>1/</u>	767	88	11
1936 <u>1/</u>	799	85	11
(In millions of francs)			
Switzerland			
1932	444	94	21
1933	482	91	19
1934	480	91	19
1935	504	95	19
1936 <u>1/</u>	497	97	20
(In millions of zlotys)			
Poland			
1932-1933	2,245	761	34
1933-1934	2,287	762	33
1934-1935	2,209	762	34
1935-1936	2,221	762	34
1936-1937 <u>1/</u>	2,221	760	34

Percentage of military expenditures to total expenditures
of leading countries

As reported in the budgets and budget estimates of the respective countries.
Military expenditures do not include pensions to war veterans.

(continued - 3)

	: Total expenditures :	Military :	Percent of
	:	expenditures :	total expenditures
(In millions of krona)			
Czechoslovakia			
1932	10,258	1,604	16
1933	9,588	1,522	16
1934 ^{1/}	7,631	1,227	16
1935 ^{1/}	7,983	1,280	16
1936 ^{1/}	8,032	1,340	17
(In millions of schillings)			
Austria			
1932	1,920	81	4
1933	2,013	86	4
1934	2,058	105	5
1935	2,043	122	6
1936 ^{1/}	1,939	126	6
(In millions of lei)			
Rumania ^{4/}			
1932-1933	24,128	4,089	17
1933-1934	23,137	5,975	26
1934-1935	20,451	5,294	26
1935-1936 ^{1/}	20,687	4,764	23
1936-1937 ^{1/}	21,892	4,912	22

Treasury Department, Division of Research and Statistics.

January 28, 1937.

- ^{1/} Budget estimates.
- ^{2/} In October 1931 the financial year was changed to the calendar year so that the 1932 budget includes only nine months to December 31, 1932.
- ^{3/} Additional extraordinary expenditures on operations in East Africa authorized in the fiscal year ended June 30, 1936, 9,100 million lire. In June 1936 an additional 1,300 million lire was appropriated for the same purpose.
- ^{4/} On November 20, 1932, the Cabinet postponed the beginning of the next fiscal year from January 1 to April 1, 1933, and the 1932 budget was extended for the intervening three months.

Source: Consular reports and financial publications received from the respective countries.

THE WHITE HOUSE
WASHINGTON

Feb 9 1917

Confidential

Sec. War -

Dear Harry

Will you please have
Col. in War College keep Haas
or White of the Treasury to
get your figures of cost
of foreign armaments - not
details of material but the
dollars involved

FWR

TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

DATE February 10, 1937

TO Mrs. Klotz

FROM Miss Lonigan

Attached are ribbon copies of tables which the Secretary requested.

GOVERNMENT EMERGENCY PROGRAMS
EXPENDITURES FROM FEDERAL FUNDS ONLY

HEALTH AND WELFARE

	FEDA*		WPA		FEDA-WPA		Resettlement Loans and Grants		Social Security Grants**		Total Relief and Welfare	
	Number of Families	Expenditures	Number of Workers	Expenditures	Number of Families	Expenditures	Number of Families	Expenditures	Number of Families	Expenditures	Number of Families	Expenditures
1935												
July	4,389,000	\$123,604,000	70,000	\$162,000	4,459,000	\$123,766,000	1,000	\$11,000	-	-	4,461,000	\$123,779,000
August	4,242,000	111,705,000	253,000	5,813,000	4,495,000	117,518,000	51,000	1,071,000	-	-	4,545,000	118,589,000
September	3,925,000	89,228,000	456,000	16,960,000	4,381,000	106,188,000	46,000	877,000	-	-	4,427,000	107,065,000
October	3,725,000	85,284,000	777,000	35,696,000	4,502,000	120,979,000	58,000	1,509,000	-	-	4,560,000	122,488,000
November	3,474,000	63,410,000	2,484,000	61,068,000	5,958,000	124,478,000	43,000	2,065,000	-	-	6,000,000	126,543,000
December	2,609,000	30,311,000	2,740,000	136,955,000	5,349,000	167,266,000	156,000	4,914,000	-	-	5,505,000	172,180,000
1936												
January	2,210,000***	10,400,000	2,927,000	167,920,000	5,137,000	178,320,000	180,000	6,729,000	-	-	5,316,000	185,049,000
February	2,130,000	4,600,000	3,039,000	164,324,000	5,169,000	168,924,000	180,000	11,611,000	275,000	\$2,176,000	5,624,000	182,710,000
March	1,995,000	3,100,000	2,877,000	151,530,000	4,862,000	154,630,000	232,000	18,307,000	324,000	2,504,000	5,418,000	215,520,000
April	1,830,000	3,100,000	2,586,000	182,270,000	4,416,000	185,670,000	210,000	24,222,000	503,000	3,818,000	5,129,000	213,710,000
May	1,666,000	2,400,000	2,340,000	173,702,000	4,006,000	176,102,000	177,000	12,969,000	563,000	4,336,000	4,740,000	193,410,000
June	1,550,000	1,700,000	2,256,000	169,104,000	3,806,000	170,804,000	159,000	8,730,000	644,000	4,305,000	4,609,000	183,919,000
July	1,470,000	936,000	2,248,000	165,870,000	3,718,000	163,806,000	91,000	1,935,000	609,000	6,773,000	4,619,000	172,513,000
August	1,450,000	940,000	2,371,000	157,422,000	3,821,000	158,363,000	96,000	2,561,000	962,000	8,604,000	4,879,000	169,727,000
September	1,401,000	285,000	2,477,000	160,035,000	3,878,000	160,324,000	106,000	4,824,000	979,000	9,270,000	4,964,000	170,376,000
October	1,360,000	220,000	2,575,000	160,697,000	3,955,000	161,125,000	142,000	5,444,000	1,108,000	10,205,000	5,204,000	166,664,000
November	1,370,000	157,000	2,479,000	167,785,000	3,848,000	167,942,000	115,000	3,454,000	1,171,000	11,023,000	5,136,000	182,419,000
December	1,360,000	170,000	2,188,000	155,466,000	3,546,000	165,636,000	110,000	3,000,000	1,220,000	11,539,000	4,878,000	206,177,000

Sources: WPA Checks Issued - Treasury Department
Emergency Employment and Pay Rolls - U. S. Bureau of Labor Statistics
All Others - Direct from the Agency

- * The number of families reported under FEDA includes all families on relief rolls under both Federal and State funds. Funds are Federal funds only. It is not possible to separate families dependent on Federal funds only before 1936.
- ** Excluding administrative grants.
- *** Estimated for January 1, 1936, and all later months.
- e Estimated.

GOVERNMENT EMERGENCY PROGRAMS
EXPENDITURES FROM FEDERAL FUNDS ONLY

	EMERGENCY EMPLOYMENT EXCLUDING WPA														GRAND TOTALS		
	CCC		FRA 1935 Act		Works Program, Other Federal Projects		FRA 1933 Act		RFC		Regular Governmental Construction		Total Emergency Employment		Total Work and Welfare* Number of Families or Workers	Grand Total** Including Agricultural Funds	
	Number of Workers	Pay Rolls	Number of Workers	Pay Rolls	Number of Workers	Pay Rolls	Number of Workers	Pay Rolls	Number of Workers	Pay Rolls	Number of Workers	Pay Rolls	Number of Workers	Pay Rolls			
1935																	
July	481,000	\$22,071,000	-	-	5,000	\$277,000	405,000	\$24,369,000	10,000	\$1,002,000	26,000	\$1,890,000	527,000	\$50,308,000	5,387,000	\$173,987,000	\$204,865,000
August	590,000	26,236,000	-	-	33,000	1,218,000	395,000	25,253,000	9,000	1,020,000	36,000	2,695,000	1,063,000	56,460,000	5,609,000	175,048,000	221,389,000
September	534,000	24,495,000	-	-	77,000	3,755,000	348,000	22,779,000	9,000	988,000	46,000	3,200,000	1,010,000	55,069,000	5,437,000	162,135,000	225,320,000
October	551,000	24,891,000	1,000	854,000	139,000	6,243,000	307,000	21,698,000	9,000	953,000	59,000	4,139,000	1,057,000	57,912,000	5,615,000	180,460,000	246,138,000
November	544,000	23,958,000	3,000	145,000	168,000	8,392,000	268,000	13,368,000	10,000	1,001,000	54,000	4,077,000	1,057,000	56,341,000	7,057,000	183,484,000	245,924,000
December	507,000	21,568,000	7,000	332,800	217,000	10,138,000	224,000	18,628,000	8,000	869,000	57,000	3,708,000	1,020,000	53,039,000	6,525,000	225,239,000	287,754,000
1936																	
January	479,000	21,427,000	21,000	974,000	243,000	11,180,000	177,000	13,425,000	8,000	850,000	47,000	3,991,000	980,000	51,847,000	6,296,000	236,896,000	340,534,000
February	454,000	20,484,000	35,000	1,579,000	299,000	12,529,000	144,000	10,842,000	8,000	905,000	44,000	3,813,000	981,000	49,779,000	6,605,000	232,469,000	338,100,000
March	356,000	17,252,000	61,000	2,864,000	326,000	14,432,000	142,000	11,117,000	8,000	318,000	46,000	3,675,000	940,000	50,254,000	5,357,000	265,776,000	350,024,000
April	391,000	18,058,000	108,000	6,097,000	376,000	16,564,000	157,000	12,819,000	10,000	1,134,000	60,000	5,205,000	1,101,000	59,877,000	6,231,000	273,587,000	312,521,000
May	408,000	18,610,000	144,000	8,748,000	401,000	19,161,000	172,000	13,843,000	11,000	962,000	80,000	6,243,000	1,205,000	67,567,000	5,955,000	260,577,000	314,599,000
June	363,000	17,948,000	169,000	10,866,000	453,000	22,668,000	180,000	14,975,000	9,000	942,000	102,000	8,631,000	1,297,000	76,019,000	5,906,000	253,938,000	308,107,000
July	404,000	18,418,000	181,000	11,727,000	452,000	22,700,000	167,000	14,342,000	10,000	1,064,000	126,000	12,425,000	1,339,000	80,575,000	5,998,000	253,089,000	271,261,000
August	384,000	17,846,000	184,000	12,386,000	452,000	22,795,000	159,000	13,530,000	9,000	1,040,000	147,000	13,000,000	1,334,000	82,465,000	6,314,000	250,332,000	262,524,000
September	321,000	16,371,000	176,000	12,122,000	440,000	22,585,000	147,000	12,033,000	10,000	1,085,000	145,000	12,699,000	1,239,000	77,462,000	6,203,000	256,837,000	265,653,000
October	404,000	17,663,000	160,000	11,351,000	438,000	21,786,000	138,000	12,305,000	9,000	1,000,000	165,000	15,000,000	1,313,000	79,065,000	6,517,000	275,869,000	298,510,000
November	391,000	18,572,000	152,000	10,717,000	405,000	20,074,000	117,000	10,138,000	10,000	1,108,000	150,000	13,360,000	1,285,000	74,969,000	6,392,000	258,387,000	277,801,000
December	377,000	18,112,000	139,000	9,839,000	371,000	18,595,000	104,000	8,335,000	10,000	1,202,000	148,000	12,805,000	1,149,000	67,290,000	6,068,000	260,467,000	303,879,000

Source: WPA Checks Issued - Treasury Department
Emergency Employment and Pay Rolls - U. S. Bureau of Labor Statistics
All Others - Direct from the agency

*Total Work and Welfare includes FEMA-WFA, Resettlement, Social Security, Emergency Employment Programs,
and Regular Governmental Construction.

**Figures for Emergency Employment exclude overhead. Totals are, therefore, an understatement of all
Federal emergency expenditures.

February 9, 1937

EXPENDITURES FROM STATE AND LOCAL FUNDS

	State and Local Funds					Grand Total
	ERA Relief	Social Security	Total	WPA 1/	PWA 1/	
<u>1935</u>						
July	\$36,942,000	-	\$36,942,000			
August	36,092,000	-	36,092,000			
September	31,870,000	-	31,870,000			
October	35,241,000	-	35,241,000			
November	31,800,000	-	31,800,000			
December	39,641,000	-	39,641,000			
<u>1936</u>						
January	49,200,000*	-	49,200,000			
February	51,400,000	\$2,373,000	53,773,000			
March	49,800,000	2,716,000	52,516,000			
April	44,700,000	4,088,000	48,788,000			
May	39,400,000	4,631,000	44,031,000			
June	38,100,000	6,001,000	44,101,000			
July	35,800,000	7,333,000	43,133,000			
August	34,600,000	9,426,000	44,026,000			
September	34,720,000	10,064,000	44,784,000			
October	34,400,000	11,223,000	45,623,000			
November	34,100,000	12,002,000	46,102,000			
December	33,700,000	12,583,000	46,283,000			

*Estimated for January 1936, and all later months.
1/Estimates can be computed. Material now available.

UNEMPLOYMENT IN THE DISTRICT OF COLUMBIA

There are about 3,000 families in the District with employable workers who are neither on relief nor on WPA. This was Mr. Street's estimate. There are no facts.

There are about 3,000 families on direct relief, some of whom would be eligible for certain types of self-help projects.

The WPA is taking care of about 11,000 - 12,000 workers in the District. These workers would not be able to give time to a self-help cooperative, but some of them are being laid off.

Altogether there are about four thousand eligible families from whom it should be possible to get 500 working members for a self-help cooperative.

There is one extremely fortunate circumstance in the search for technical leaders for projects. The WPA in the District is at present laying off about 200 workers on its administrative staff. (This statement was given in confidence.) Most of these men are trained and competent supervisors of unskilled or semi-skilled workers. Some of them have been with District work-relief programs since 1930. They would form an excellent pool of project managers from which a self-help cooperative could draw its supervisors. Many of them might be eager to join as members. They are now totally unemployed.

* * *

The WPA has a list of 965 workers certified to WPA but not now employed on projects. The occupation and work history of each of these men and women is available at short notice.

- 2 -

Most of these workers were connected with the building trades or domestic service, but there is a scattering of other skills. There is a relative shortage of workers connected with industrial and mechanical trades.

The colored numbered 630; the white workers 335. Only eleven were classified as workers seeking first jobs.

The largest skilled group was "painters." Some of them are probably brush men. There were 33 skilled negro cement finishers and about 300 colored laborers in the building trades.

There were about 50 white bookkeepers, accountants, and clerks - men, and about 30 women. Colored office workers are hard to place, either in private industry or on WPA. There were about 80 unskilled colored women in cooking and domestic service, and 15 colored men classified as cooks.

On the records of some of these workers were notations that they had hernias, high-blood pressure, or other physical disabilities. Such men do not need a work program. They need medical attention. With the inauguration of WPA all means of aiding such workers except through work were rendered impossible.

February 13, 1937

TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

DATE February 10, 1937

MEMORANDUM OF DAY'S ACTIVITIES
FOR FEBRUARY 9.

TO THE SECRETARY

FROM MR. MAGILL

1. Carriers' Taxing Act.

I called Representative Doughton and arranged for a meeting at the Capitol today with him and a few members of his Committee regarding the proposed extension of the date of expiration of the Act.

2. Declaratory Tax Rulings.

Professor Intema discussed his plan for Declaratory Rulings in tax cases before a group of men from the General Counsel's office. The general idea is to facilitate the disposition of cases by agreeing with the taxpayer in advance upon the facts of the transaction and the applicable rule of law. The Commissioner will, of course, have the power to issue these rulings or not as he sees fit and presumably will make them mainly in cases in which a large number of taxpayers are confronted with the same question; as, for example, when securities in a bankrupt ^{company} became worthless.

3. Taxation of Non-Resident Aliens.

We conferred for an hour and a half upon the possible solutions. Most of the discussions involved a proposal by Mr. Oliphant for a form of tax on capital gains with some discretionary power in the President to put it on or take it off. Mr. Zucker will do some further work on the subject.

R.M.

Tuesday
February 9, 1937
3:25 p. m.

HMJr: Harry?

Harry
Hopkins: Yes

HMJr: How are you?

H: I'm fine, where are you?

HMJr: I'm at the Treasury.

H: Oh, I thought you were still - -

HMJr: That's where I hang out.

H: Yes (Laughs)

HMJr: Harry, I don't know whether you are familiar with these statistics that we've been getting out for the President for the last two or three months, which we picked up where Frank Walker's organization left off. They have to do with all the people at work in all the agencies, see?

H: Yes

HMJr: Have you ever seen those?

H: Well, I haven't seen yours. I know we get them out every two weeks.

HMJr: You mean you show everything?

H: Well no, we just show emergency funds.

HMJr: Well, I'd like to send you - I'd like to send Miss Lonigan over with these and I'll tell you why. I asked the President - the President, up until now, has never let me show them to anybody, even Cabinet members.

H: Well, didn't Miss Lonigan show those to me about - that's where she was building up the number of people getting work - ?

HMJr: Yes

H: - through Government benefits.

-2-

HMJr: Yes, we've run them now - this is the third month we've had them.

H: I'd like to see them very much.

HMJr: Now - well, now, here's the point. I asked him if we could make them public.

H: Yes

HMJr: He said as far as he was concerned, yes, but to discuss it with you.

H: Yes

HMJr: See?

H: Well, I'd like to take a look at it with that in mind.

HMJr: Well now, what time tomorrow - ?

H: I'll have to let you know, Henry, because I'm just snowed under with this flood stuff now and I've got to get something to the President by tomorrow noon.

HMJr: Well, can you make a note?

H: Well, I'll call Miss Lonigan up between now and tomorrow - now and tonight.

HMJr: You will?

H: Sure

HMJr: All right.

H: I'll get a time.

HMJr: And I want to tell you something else.

H: Yes

HMJr: I am writing on this Self-Help thing down in Richmond.

H: Yes

HMJr: And I am tremendously interested.

H: Yes

HMJr: And she's over there now with Jake Baker.

H: Who?

HMJr: Miss Lonigan

H: Yes

HMJr: She's riding over there now.

H: All right.

HMJr: And - I want to talk to you about it sometime -

H: - this next - ?

HMJr: Hello?

H: Yes .

HMJr: - the thing that I've got in mind, see?

H: Yes

HMJr: I - it's a long time since I've had a project, about five years.

H: Yes

HMJr: - is the possibility of doing something like that in Washington.

H: Yes

HMJr: - as a demonstration.

H: Yes - well, I'd like to talk to you about it.

HMJr: And I sent her down there to check up - I had been there a year ago.

H: Yes

HMJr: And they're really going awfully well.

H: Well, that's fine, Henry.

HMJr: And -

H: Did you stop by this time and see her?

-4-

HMJr: No, I - I have not. I sent Miss Lonigan there.

H: I know you were down there a year or so -

HMJr: But she came back with a very enthusiastic report
and -

H: Yes

HMJr: - they're continuing to really -

H: Yes

HMJr: - get people permanent jobs.

H: Yes - all right, Henry, fine.

HMJr: Thank you.

H: Goodbye.

Tuesday
February 9, 1937
3:32 p.m.

HMJr: Hello
Jake
Baker: Hello

HMJr: Jake Baker?

B: Yes

HMJr: Henry Morgenthau, Jr. -

B: Yes, sir

HMJr: You've got Miss Lonigan over there, haven't you?

B: Yes, she is.

HMJr: What?

B: Yes, she's here.

HMJr: All right. When she's - I'm through speaking to you may I speak to her a minute?

B: Oh yes

HMJr: I just want to tell you this. I had a chance to talk to both the President and Mrs. Roosevelt about this Self-Help thing in Richmond.

B: Oh yes

HMJr: And I finally have got them interested.

B: Well, I'm awfully glad to hear that.

HMJr: Now, the thing that the President - I talked to him about - and he is really quite enthusiastic about the idea of trying to establish one here in the District.

B: Oh yes

HMJr: See?

B: Yes

HMJr: And bring the people up from Richmond who know the technique and start it right here, very quietly, without any publicity, -

B: Yes

-2-

HMJr: - get it going, and then after it's going why we can take people around and show it to them.

B: Yes

HMJr: And that's what I wanted to tell you - what he had in mind. He's very enthusiastic. He said to have an informal committee, have somebody on it from your organization, I think he said C.C.C. -

B: Yes

HMJr: - somebody from Resettlement -

B: Yes

HMJr: And just watch the thing - do it very quietly -

B: Yes

HMJr: But get it started.

B: Yes

HMJr: And then after it works we can take people down and show it to them, right here, see?

B: All right, sir.

HMJr: Now, I just wanted to tell you, that, for the first time I've got both the President and Mrs. Roosevelt really interested.

B: I wonder if you'll say anything to Harry about it.

HMJr: I just called Harry up.

B: Oh, you did?

HMJr: And I told him that I was tremendously interested, that it was the first time in five years I was going to get back in social work.

B: I see.

HMJr: And I said the first time he was free I wanted to talk to him about it.

B: Well, I'll talk to him about it too, of course, and we'll get a scheme worked out to do it.

HMJr: But, I - I mean, I - just before I called you I called Harry.

-3-

B: Surely, well, I'm very glad. Thank you very much, Mr. Secretary.

HMJr: And -

B: Shall I have Miss Lonigan call you; she's in another office? I can get her, she's --

HMJr: Well, just tell her this, that - just tell her, if you don't - do you mind giving her a message?

B: I don't mind in the least.

HMJr: She has a group of unemployment figures on other - of a monthly series which she gave me this morning -

B: Yes

HMJr: And Hopkins is going to send for her tonight or tomorrow. He wants to go over them with her.

B: Oh yes

HMJr: That's all.

B: All right, I'll tell her that.

HMJr: And - but this other thing - let's see if we - you yourself are enthusiastic?

B: Oh yes, yes, no question about it. I think it's swell stuff. I want to keep pushing it.

HMJr: Well, what do you -

B: I'll get after Harry right away and we'll get some money. I think I can - -

HMJr: Will you make a tentative budget of what it would cost in Washington?

B: Oh yes, we can use the Richmond figures, you see, and scale it a little bit, and so on. You see - as a matter of fact, Mr. Secretary, we have a small beginning of a Self-Help group here among the negroes.

HMJr: I see.

B: And we've never said anything much about it/^{just}because

-4-

B: of the fact that we wanted to pretty well prove it out. It's just about ready now for us to begin to show things.

HMJr: Yes

B: There's a woman named Nannie - Mrs. Nannie Burroughs, who is devoting her whole time to it. She's a former social worker among negroes, she's a negroe -

HMJr: Yes

B: And we've got something there to begin with and if we just get a little bit more friendliness in the aid to it from our social work people, our other social work folks, you know, and from Harry, why I think we can have something within a month that'll begin to show something; that we can get a committee on and actually it'll show results. I don't mean to promote it, bally hoo it, but just simply - -

HMJr: No, no - I - if I had anything at all to do with it, I'd like to have it start with no bally hoo.

B: Yes, none at all.

HMJr: None at all.

B: None at all, that's right.

HMJr: And then after it's going there'll be plenty of time.

B: Oh yes,-yes indeed.

HMJr: But, to me, it's the most encouraging thing that I've seen in getting people permanently in place.

B: Well, I'm awfully glad you like it, Mr. Secretary.

HMJr: And golly, I've tried for one year to get the Roosevelts interested and I finally succeeded today.

B: Well, I'm delighted to hear that.

HMJr: And - Do you follow this yourself?

B: Yes, I do.

HMJr: You do?

B: I follow it very closely myself.

-5-

HMJr: What's that?

B: I follow it very closely myself.

HMJr: Fine

B: -And I'll get right after it - get right on to it
right away.

HMJr: Fine

B: All right, sir.

HMJr: Thank you.

B: Thank you, very much.

GROUP MEETING

February 10, 1937
9:30 A.M.

Present: Mrs Klotz
Mr. McReynolds
Mr. Upham
Mr. Lochhead
Miss Roche
Mr. Gaston
Mr. Gibbons
Mr. Oliphant

McReynolds: Dan had to go up to see Joe Robinson about something this morning; he didn't know what.

H.M.Jr: Well, as long as you're talking....

McReynolds: Nothing more.

Upham: Nothing, Mr. Secretary.

H.M.Jr: Tom Smith all right these days?

Upham: You've seen him since I did.

H.M.Jr: No.

Upham: In the hall.

H.M.Jr: Well, just to say hello. But you were with him all day.

Upham: No. Only at lunch.

H.M.Jr: How was he?

Upham: All right.

H.M.Jr: Any gossip.

Upham: No, I think not.

McReynolds: Tom says he's being overworked.

H.M.Jr: He don't look it.

Gibbons: He's getting too fat.

Lochhead: Nothing new. There has been a downward movement in guilders, but there's no explanation so far.

- 2 -

H.M.Jr: Have we anybody who can translate French in this place?

Lochhead: Well, on that letter, by the way, they sent over an English translation with it.

H.M.Jr: Did they?

Lochhead: Yes.

H.M.Jr: I'd like to see it afterwards.

Lochhead: All right.

Roche: I don't have anything special, sir. Had a nice meeting yesterday, except the Chairlady was very expansive and when I got through, with large gestures she said, "Miss Roche will answer any questions" to these eight hundred women. The question came up would I please comment on the President's trying to pack the Supreme Court. I didn't.

H.M.Jr: You didn't?

Roche: No, sir. I asked the Chairman to amend her suggestion; that I would give factual statements on the subject I was discussing. It was awfully funny.

H.M.Jr: Do you know Mrs. Woodward?

Roche: Yes, sir.

H.M.Jr: Who is the head of the women's thing over at Hopkins. Do you know her?

Roche: Quite well, sir, yes.

H.M.Jr: I may want to ask you something about her.

Roche: Yes.

Gaston: I suppose you noticed that Vincent Astor announced the purchase of News-Week.

H.M.Jr: No.

Gaston: They are to combine the news review of News-Week with

- 3 -

Raymond Moley's editorials and the publication will be known as News-Week, so that Today is dead and gone.

- H.M.Jr: Not losing enough for one magazine.
- Gaston: Well, I presume he expects to lose a little less.
- H.M.Jr: How much circulation, News-Week?
- Gaston: I don't know.
- H.M.Jr: But Today has been put to bed?
- Gaston: Today has been interred, yes.
- Oliphant: Moley continues as Editor?
- Gaston: Moley will be the Editor of News-Week, and it will be a combination of the present features of News-Week with Raymond Moley's editorials.
- H.M.Jr: What other good news have you got?
- Gaston: Nothing, except our Coast Guard picture showing over at Keith's - it's good and rotten.
- H.M.Jr: Good and rotten?
- Gaston: I mean it's very punk.
- Gibbons: I told Herbert I'd sell the Coast Guard's interest in it to him for a quarter.
- Gaston: I wrote a note to Gelly and told him that no more cooperation on full length pictures about the Coast Guard.
- H.M.Jr: Why, doesn't it show them up well?
- Gaston: No, I don't think so.
- Gibbons: It's cheap stuff. It shows a lot of barroom drunkards fighting and a lot of slap-stick stuff that's just terrible; worse than the last one, and I thought the last one was awful.

- 4 -

H.M.Jr: What company produced it?

Gibbons: Warner Bros.

Gaston: No, it's R.K.O., isn't it?

Gibbons: Yes, R.K.O.

H.M.Jr: Anything else?

Gaston: No, that's all.

H.M.Jr: All right, Steve?

Gibbons: Nothing in the - on the morning meeting. But I thought this would be a little comedy or interest: that Vic Donahey is about dying - the Senator - and there are two candidates already for... A National Committeeman, Sawyer, who is married into the Proctor & Gamble family, has approached a friend of mine in Ohio to manage his candidacy, and old George White is a candidate. Poor fellow's not dead yet, but they've declared themselves.

Gaston: How about Moore? Isn't he a candidate?

Gibbons: I haven't heard. Moore's away, isn't he?

H.M.Jr: What else have you got?

Gibbons: That's all. Isn't that terrible?

H.M.Jr: Herman?

Oliphant: I'd like to speak for some time this afternoon; if not this afternoon, tomorrow afternoon.

H.M.Jr: (To Mrs Klotz) For this afternoon, Mrs. Forbush's mother's funeral.

3:30 tomorrow afternoon?

Oliphant: Yes. I'd like - before you call Judge Black, I'd like to see you. You haven't called him yet?

Mrs Klotz: I haven't yet.

H.M.Jr: No.

- 5 -

Oliphant: Before you do.

H.M.Jr: Well then, you better stay behind.

Look, you wrote me that note last night that Dailey up there in New York - not Vincent - seemed surprised that this fellow kept saying that he saw me all the time. What else can the fellow say? He admits he forged the signature, and the only story that he can give is that he saw me and I told him it was all right.

Oliphant: Well, that wouldn't be a forgery if he acted - if you authorized the signing, it would not be a forgery.

H.M.Jr: But having admitted he signed the thing, what else could he do but simply insist he saw me? Huh? Could he?

Oliphant: No, I was mystified by Dailey's surprise.

Gaston: You mean that that is the obvious lie that he would tell.

H.M.Jr: What else could he do? Why should Dailey be mystified?

Oliphant: I'm not sure.

H.M.Jr: What?

Oliphant: I'm not sure.

H.M.Jr: Anybody got anything else? All right. Herman, then, if you'll stay I'll talk to you.

Wednesday
February 10, 1937
11:23 a.m.

HMJr: Hello
Treas.
Operator: Mr. Miller is out until a quarter of twelve.

(Short Pause)

T.O.:

HMJr: I'll talk to him.

T.O.: All right. Go ahead.

HMJr: Hello

Mr. Miller's
Secy.: Hello

HMJr: Mr. Morgenthau, speaking, -

S: Good morning, sir.

HMJr: Hello

S: Hello

HMJr: Would you give Mr. Miller the following message for me?

S: Be glad to, sir.

HMJr: This young man that he sent over came back to see us today, this messenger.

S: Yes

HMJr: And he's now refreshed his memory and the letter which he was supposed to have brought over to me was delivered to Mr. Bell; and it was a letter for Mr. Bell and the letter is in Mr. Bell's file. And on that day this messenger, who is Mr. Eastman's messenger, brought no other letter to the Treasury.

S: I see. In other words, it was a letter addressed to Mr. Brown?

HMJr: To Mr. Bell, Dan Bell of the Budget.

S: Oh, Mr. Bell, that's right, of the Budget.

-2-

- HMJr: - of the Budget. And the letter is there. So that -
we have - Mr. Bell has that letter in his files.
- S: I see. All right, I'll be glad to give him that message,
Secretary.
- HMJr: At least that's - we haven't checked that it's in his
files but that's what the messenger said, see?
- S: In other words, he never did bring any letter over
there, except that one to Mr. Bell?
- HMJr: That's what he said.
- S: Yes - All right, I'll bring that to the Chairman's
attention, Mr. Secretary.
- HMJr: Thank you.
- S: Thank you.

10 February, 1937
4 p. m.

COAST GUARD OPERATIONS IN FLOOD AREA

All boats in the Ohio River Valley as far south but not including Cairo are being returned to their regular stations. A force of approximately 225 boats and 22 seagoing units are distributed at strategic points along the Mississippi from Cairo southward to Louisiana.

General Water Level Conditions.

No change from yesterday except crest now at Memphis (48.6') - falling above Memphis and slowly rising all the way to New Orleans, where water is being diverted by spillway.

WPS

-COPY-

February 10, 1937.

My dear Cordell:

In response to your note of yesterday, I am glad to advise you that the officers named in the Department's letter of February 8, informing you of the transfer of three Customs agents to the investigative staff of the Supervising Treasury Attache at Paris, are to be assigned exclusively upon narcotics investigations. This is in addition to, and not in relief of, other agents now performing such duties.

Thank you very much for your cordial cooperation in this matter.

Sincerely,

(Signed) H. Morgenthau, Jr.

Hon. Cordell Hull,
The Secretary of State.

HNG/mff

DEPARTMENT OF STATE

Washington

February 9, 1937.

My dear Henry:

I have your note of February 8th in regard to your purpose to augment the investigative staff of the Supervising Treasury Atache at Paris and I find there has also been received a letter naming three agents who are to be sent.

Inasmuch as our Government's understanding with the French Government is that American Treasury Agents in France for the purpose of cooperating under the drug treaties will limit their activities exclusively to the matters to which the treaties pertain and that this is the condition on which the French Government permits such Agents to reside and function in France, I would thank you to advise me whether the three persons mentioned are to be assigned exclusively to narcotics investigation, either in relief of or in addition to other Agents.

It is, of course, my earnest desire to assist in every way possible the efforts of your Department to combat illicit traffic in narcotic drugs and, on hearing from you, I shall be glad to see that this Department's representatives abroad are given the proper instructions.

Yours very sincerely,

(Signed)

CORDELL HULL

The Honorable

Henry Morgenthau, Junior,

Secretary of the Treasury.

TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

MEMORANDUM OF DAY'S ACTIVITIES
FOR FEBRUARY 10.

DATE February 10, 1937

TO Secretary Morgenthau
FROM Mr. Magill

1. Carriers Taxing Act

Mr. Kent; Mr. Latimer and Mr. Eddy of the Railroad Retirement Board and myself, met with the Democratic members of the Ways and Means Committee to discuss the extension of the date of expiration of this tax. After an hour's discussion it was agreed that the date should be extended to the end of the fiscal year 1938; that Mr. Kent and Mr. Beaman will prepare the Bill and Mr. Doughton introduce it. The Bill was completed and will be introduced this afternoon and the Ways and Means Committee will consider it tomorrow morning, at 10:30. The Chairman has asked Mr. Kent and myself to be present.

We also discussed the proposed legislation with Senator Harrison. He suggested that we obtain the agreement of the railroads (through Mr. Pelley). Since Mr. Latimer is now in touch with the railroads and the brotherhoods, I asked him to speak to Mr. Pelley. Mr. Latimer told me over the telephone that the brotherhoods and the railroad executives would not oppose the extension.

2. Non-resident aliens

Mr. Zucker discussed with me proposals for increasing the withholding rate on dividend income to correspond with the average effective rate now applicable to dividends received by individuals. This figure will be about twenty percent. We agreed that the present exemption of interest on non-resident alien bank balances (Sec. 119 (a) (1) (A)) should be eliminated.

Mr. Zucker is also working on a plan for the taxation of capital gains by directing the broker who sells for a non-resident alien in this country to withhold a percentage of the proceeds until the alien files a tax return showing his actual profit. Mr. Zucker will prepare short memoranda supporting these proposals and will have them available for us tomorrow noon.

3. Contributions for flood relief

I sent to the President the draft of a letter expressing opposition to a Bill by Representative Ludlow to eliminate the fifteen percent restriction on deductions for charitable contributions in so far as it applies to organizations engaged in flood relief.

RM



DEPARTMENT OF STATE
WASHINGTON

In reply refer to
FE 894.00/695

February 10, 1937

CONFIDENTIAL

The Secretary of State presents his compliments to the Honorable the Secretary of the Treasury and, with reference to this Department's letter of February 10 to which was attached a memorandum in regard to the formation of a new Cabinet in Japan, encloses, for the confidential information of the Secretary of the Treasury, a further memorandum on the subject under reference which is based on information transmitted to the Department by the American Ambassador at Tokyo on February 10.

Enclosure:
Memorandum under
date February 10,
1937.

Stat

CONFIDENTIAL

FE

338

Enclosure.

To: Treasury.

February 10, 1937.

MEMORANDUM

(Based on information received from the
American Embassy at Tokyo on February 10, 1937.)

On February 9 there were made two appointments of significance.

Because of illness, which apparently is genuine, the Minister of War (General Nakamura) resigned, and last night (February 9) there was appointed as his successor General Hajime Sugiyama, Inspector-General of Military Training. The probability is that the Cabinet's financial difficulties will not be lessened by this appointment, as it seems likely that Sugiyama will insist on the approval of the proposed military budget.

The Governor of the Bank of Japan (Fukai) resigned on February 8 and Seihi Ikeda has been appointed to succeed him. Ikeda formerly was Managing Director of the Mitsui organization. Juichi Tsushima, former Vice Minister of Finance and Financial Commissioner at London and New York was appointed Vice Governor of the Bank of Japan. Ikeda and Tsushima are well known to financial circles in America. Fukai was considered by financiers in Tokyo as not so much a practical banker as a theorist and scholar and it is said that Ikeda will pursue a more positive policy of

cooperation

- 2 -

CONFIDENTIAL

cooperation with industrial and financial circles than did his predecessor. Financial circles in Japan welcome Ikeda's and Tsushima's appointments and feel that they with Yuki (Minister of Finance) form a strong triumvirate which will be able to steady Japan's disturbed financial situation while giving to industry all possible assistance.

RECEIVED

JAN 11 1954

THE PRESIDENT'S OFFICE
WASHINGTON, D. C. 20503



DEPARTMENT OF STATE
WASHINGTON

In reply refer to
FE 894.00/690

February 10, 1937

CONFIDENTIAL

The Secretary of State presents his compliments to the Honorable the Secretary of the Treasury and, with reference to this Department's letter of February 3 in regard to the formation of a new Cabinet in Japan, encloses, for the confidential information of the Secretary of the Treasury, a memorandum in which is set forth certain additional information received from the American Ambassador at Tokyo on the subject under discussion.

Enclosure:
Memorandum under
date February 9,
1937.

FE

Enclosure

Treasury

CONFIDENTIAL

February 9, 1937.

MEMORANDUM

(Based on information received from the American Embassy at Tokyo.)

CONFIDENTIAL

The cabinet of Hayashi is not supported by the political parties, has no decided complexion, and has no marked theories or convictions. However, more mature public opinion inclines toward the belief that the new Cabinet is less colorless than was at first thought. Although this Cabinet is under military influence to a somewhat greater extent than the Hirota Cabinet was, it is likely that on account of the attitude of the military leaders this influence will be exerted with restraint. There are indications that the Army leaders will await the development of the new reactionary political party, which will support and be supported by the Army, before asserting further their power.

Hayashi, who has had little experience in government and politics, is exclusively a soldier and is influential in Army circles. He is honest, straightforward, and rational but not a forceful character. The Minister of War (Nakamura) and the Minister of the Navy (Yonai) are good service men but little known outside the Army and Navy. It is the general belief that the strong figure in the Cabinet is Yuki (Minister of Finance) who is a

follower

- 2 -

follower and protege of Takahashi (formerly Minister of Finance) whose cautious financial policies he (Yuki) can be expected to follow with tenacity. It is generally believed that Yuki will try as far as the military will allow to reduce the financial burden on the Japanese people and will not endanger the financial structure of the country by sudden or drastic moves. Few of the other Cabinet members are well known to the public and none are outstanding in reputation.

The vagueness of the Cabinet's supposed policies, as published in the press, illustrates the indeterminate character of that body. These policies are

- (a) Righteous administration under the Imperial Constitution;
- (b) Complete clarification of the national polity;
- (c) Development of national industry and repletion of national defense;
- (d) Establishment of a definite diplomatic policy.

Undoubtedly the Hayashi Cabinet will meet opposition in the Diet but it is not believed that the politicians will go to extremes in their criticism as too strong opposition would result in the dissolution of the Diet. It is the general opinion that the new Cabinet perhaps constitutes a short step on the way to some kind of Japanese Fascism and that it is a temporary and transitional government intended

CONFIDENTIAL

- 3 -

ment intended to tide over a political crisis. The general weakness of the Cabinet and the absence of support from the political parties (none of the Cabinet being members of political parties) would seem to portend a short life. However, in Japan, Cabinets of this kind often live longer than expected and some observers think that unless this Cabinet is overthrown by some unforeseen cause it will survive for about one year.

ams

GRAY

Paris

Dated February 10, 1937

Rec'd 4:15 p.m.

Secretary of State

Washington.

183, February 10, 5 p.m. SECTION ONE
FOR TREASURY

The exchange market has been extremely quiet today and we are told by our market contact that the exchange fund intervened rarely. Sterling is now quoted at 105.10 after 105.12. The dollar is lower at 21.46 5/8. With regard to the other currencies the florin showed some weakness due to persistent rumors that the city of Paris is about to conclude a loan of two hundred million florins in Amsterdam. The forward rates moved slightly in favor of the franc, the dollar being quoted at 21½ centimes for one month and 65 centimes for three months. The one month rate for sterling is one franc and three francs for three months.

The security market was generally irregular. Rentes showed strength closing from 1.10 francs to 1.80 francs up. END SECTION ONE

CSB

BULLITT

RB

GRAY

Paris

Dated February 10, 1937

Rec'd 5:13 p. m.

Secretary of State

Washington.

183, February 10, 5 p. m. (SECTION TWO).

Scheduled debate in the Senate on the financial situation took place last evening on the occasion of the discussion of the December supplementary credits bill for 1936. The essential features of the discussion relate to the warning of M. Gardey, reporter of the Senate Finance Committee, to halt expenditures, and the notice served on the Government by Caillaux, President of the Senate Finance Committee, that that body would henceforth reject any requests for expenditure without corresponding revenue.

Gardey, in an objective analysis of the situation, said that the Government's calculation that thirty-six billions over and above budgetary revenue would be required during 1937 was open to question and that, based on figures furnished ^{by} the Minister of Finance, himself, requirements totaled between thirty-eight and thirty-nine billions including loans for the railways.

This was

RB

-2-#183, February 10, 5 p. m. from
Paris (SECTION TWO)

This was not contested by Auriol. Assuming that at February 1 the Treasury had at its disposal ordinary Treasury bonds of eight and a half billion francs and one billion francs still available at the Bank of France, Gardey explored ways and means of procuring the additional thirty billions. He recalled that Auriol had concluded before the Chamber that loan issues must provide necessary funds. Listing the various ways and means resorted to to cover last year's expenditures, mostly expedients, he expressed doubt that similar procedure would succeed as concerned the year 1937. He was far from convinced that Auriol's hopes for obtaining funds would be realized (in this respect particular reference was made to the Government's announced intention of calling upon the departments and communes.

END OF TWO.

BULLITT

SMS

NPL

ams

GRAY

Paris

Dated February 10, 1937

Rec'd 3:43 p.m.

Secretary of State,
Washington.

183, February 10, 5 p.m. SECTION THREE

to repay advances) and he could not believe that the Government envisaged borrowing through a third party.

Gardey called upon the Government to halt rising prices, to curb expenditures and to state clearly and definitively its intentions "so as to dissipate the anxiety of a large part of the populace and the illusions of others".

Finally he insisted that the country must be accorded a breathing spell to rebuild its reserves and to enable it to respond to the calls of the Treasury for credit. The currency, national defense, and liberty were at stake, he solemnly warned.

Auriol expressed regret that on account of calls upon his time and attention he must make an improvised reply. Briefly he recalled previous budgetary deficits and the unfortunate development of French finances under previous governments. He did not contest

Gardey's

ams 2 - No. 183, February 10 from Paris. Section 3
Gardey's estimate of requirements for 1937 but hope-
fully pointed to increased revenue receipts of
282,000,000 francs for December and 253,000,000 for
January from indirect taxes alone. Thus he was
justified in believing that budgetary estimate of
revenue for 1937 would be amply justified and especially
in view of the probable stimulation of the Exposition.
He complained that he was criticized but that no one
brought any solutions. He could not raise taxes nor
would he have recourse

END SECTION THREE

BULLITT

CSB

sms

GRAY

Paris

Dated February 10, 1937

Rec'd 4:10 p.m.

Secretary of State,
Washington.

183, February 10, 5 p.m. (SECTION FOUR)
to a new devaluation. He would not bring another
monetary law before Parliament. Therefore borrowing
was the only solution. But in connection with the
necessity to borrow and the credit of the state
Auriol begged "certain newspapers and certain
people" to cease alarming the public and called on
the whole country "to group itself around the
Government in order to ward off threatening dangers".

The Minister was then lead to repeat that he
would not devalue further, he would not resurrect
exchange control nor would he resort to monetary
manipulation. France had signed a tripartite agree-
ment with two great democracies. "France would not
practice a policy of monetary isolation, it would
not shut itself out from the world at a moment when
it was necessary for French financial and economic
interests

sms 2 - No. 183, February 10 from Paris. Section 4 interests to draw closer to the great democracies and to consolidate existing arrangements and not to break them." Exchange control he went on would mean the breaking up of the monetary arrangement.

Auriol pointed out that while he had promised freedom of monetary exchanges he had also insisted that there should be no fraud and there existed no contradiction in this respect as had been claimed. He insisted that exchange transactions must be "normal".

Auriol expressed his inability to understand why
END OF FOUR

BULLITT

CSB

JS

Cray

PARIS

Dated February 10, 1937

Rec'd 9:55 p.m.

Secretary of State,
Washington, D.C.

185, February 10, 5 p.m. SECTION FIVE

the "climate" for loan issues was unfavorable. The Government, he said, had only the public welfare in view and that this had been recognized by all. However, he complained false rumors circulated about further devaluation, empty treasury, etc., could not possibly create a favorable climate. In conclusion, he refused to believe that such a campaign had political ends but he regretted to note that an important Right organ had yesterday predicted that in three weeks anarchy and revolt would be rampant in Paris and this at a moment when foreigners were preparing to come to France.

Caillaux, referring to the economic situation, insisted that unless the price problem received an early solution, the situation would become "extremely perilous." Turning to the financial situation, he claimed that while the present administration could not be held entirely responsible for the present embarrassment, the principal cause was the program of the Popular Front. In a word, a part of the deficit arose from the policy of reflation based on the theory of purchasing power which Caillaux characterized

-2-

From Paris #183 SECTION FIVE

characterized as "absurd". He observed that the Government could only find relief abroad because the French public had withdrawn its confidence in the Government. The reason was because the public was alarmed at ever increasing expenditures, and he predicted that soon even foreign sources of revenue would dry up.

A country whose public debt had increased by 100,000,000,000 francs in seven years could not possibly survive, Caillaux continued, and concluded that authorizations for expenditures not covered by revenue would henceforth be refused by his committee. Spinazzi, Minister of National Economy, closed the debate by explaining his views of the price problem and expressed the hope that by the organization of labor it would be possible to increase production and thus bring about a reduction of prices and the cost of living and revive commercial exchanges.

END SECTION FIVE

BULLITT

SMS EMB

CA

Gray

PARIS

Dated Feb. 10, 1937.

Recd 6:48 p.m.

Secretary of State,
Washington.

183, February 10, 5 p.m. SECTION SIX

Yesterday the Chamber by a large majority decided to abrogate Article Six of the monetary law of October 1, last, which provided in effect that the present definition of the franc is not applicable to international payments expressed in francs prior to the promulgation of that law and that such payments should be defined in accordance with the monetary law in force in France at the time when the obligation giving rise to the payment was contracted.

The Chamber decided, according to press accounts, to substitute a new article stipulating in effect that the gold clause in international loans must be recognized so that when payments had been stipulated in French gold francs at a specified weight in gold then they must be upheld. In all other cases the term "franc" should be understood as being the current legal franc at the date of payment. The Minister of Finance pointed out that if the provisions of Article Six of the monetary law were maintained, more loss than profit would be caused to French interests and that the charge on the Treasury alone would be not less than
six hundred

CA --2--183 Paris Feb 10....

six hundred million francs. The question will now be confirmed by the upper house. The proposed modification was the subject of the Embassy's despatch No. 234 of January 5.

Some comment has appeared in the financial press with respect to telegraphed accounts of an article by Secretary Wallace to the effect that the United States was not ready to renew its loaning policies "until the question of defaults is settled." JOURNEE INDUSTRIELLE suggests that the opinion of Mr. Wallace is probably not shared by the great majority of New York bankers and goes on to recall that in spite of the suspension of credit operations, London has already granted credit to countries "in default" and in this respect mentioned the credit to Russia of ten million pounds. The paper concludes that exigencies exist in internal finance "which do not go hand in hand with a rigid puritanism."

END OF MESSAGE.

BULLITT

SMS TMB

RECEIVED
FEB 10 1934
U.S. DEPARTMENT OF STATE
WASHINGTON, D. C.

OFFICE CORRESPONDENCE

DATE February 11, 1937.

CONFIDENTIAL FILES

SUBJECT TELEPHONE CONVERSATION WITH

L. W. Knobe

BANK OF FRANCE.

I called Mr. Cariguel at 11:10 a. m. I referred to the tripartite agreement of last September and mentioned that the Swiss National Bank on December 7 of last year inquired of us with regard to the revocation or modification of the agreement. I added that these inquiries had prompted us to look into the matter further and we had suggested to the Swiss, and they had since agreed to, certain modification. I told Cariguel that I was sending him a cable tonight quoting two paragraphs dealing with the revocation or modification of the agreement and suggested that he read them and talk to me afterwards or else cable me. I emphasized that I was sure he would find that modification suggested was essentially the basis on which we had been and were now operating with him. I also explained that after receiving the Swiss National Bank's confirmation we had written letters to Belgium and to Holland, telling them what we had done, and suggested that if they agreed, they confirm to us or else give us their reactions. The purpose of our cabling him and also the Bank of England today was to assure uniformity for all members of the agreement.

I then inquired about market conditions in Paris. Cariguel replied that things were very much better yesterday but today, not so good any more. Foreign stock markets were attracting French funds and the reported settlement of the General Motors strike, he thought, would again take French capital into our securities. I replied that, according to the figures reported to us, buying of our securities for French account had recently been insignificant.

Speaking of the Dutch guilder, Cariguel said that he had heard

FEDERAL RESERVE BANK
OF NEW YORK

OFFICE CORRESPONDENCE

DATE February 11, 1937.

CONFIDENTIAL FILES

SUBJECT: TELEPHONE CONVERSATION WITH

FROM L. W. Knobe

BANK OF FRANCE.

- 2 -

of rumors of a Dutch loan to the French but that he knew absolutely nothing about it.

LWK:KMC

FEDERAL RESERVE BANK
OF NEW YORK

IN RE: CORRESPONDENCE

DATE: February 11, 1937.

CONFIDENTIAL FILES

SUBJECT: TELEPHONE CONVERSATION WITH
BANK OF ENGLAND.

L. W. Knoke

BANK OF ENGLAND.

I called Mr. Bolton at 10:55 a. m. I referred to the tripartite agreement of last September and mentioned that the Swiss National Bank on December 7 of last year inquired of us with regard to the revocation or modification of the agreement. I added that these inquiries had prompted us to look into the matter further and we had suggested to the Swiss, and they had since agreed to, certain modification. I told Bolton that I was sending him a cable tonight quoting two paragraphs dealing with the revocation or modification of the agreement and suggested that he read them and talk to me afterwards or else cable me. I emphasized that I was sure he would find that modification suggested was essentially the basis on which we had been and were now operating with him. I also explained that after receiving the Swiss National Bank's confirmation we had written letters to Belgium and to Holland, telling them what we had done, and suggested that if they agreed, they confirm to us or else give us their reactions. The purpose of our cabling him and also the Bank of France today was to assure uniformity for all members of the agreement.

I then asked what he could tell me about the guilder rate. Bolton thought its weakness was due to three reasons:

- (1) Repatriation of capital had either died down or was completely over
- (2) There were rumors that Paris sought a credit in Amsterdam
- (3) It was believed that under the recent German exchange law a certain amount of Dutch securities had been turned in to the German authorities and had now been sold by the latter.

OFFICE CORRESPONDENCE

DATE: February 11, 1937.

CONFIDENTIAL FILES

SUBJECT: TELEPHONE CONVERSATION WITH

L. W. Knobe

BANK OF ENGLAND.

- 2 -

I asked Bolton whether he had heard about the rumor that Cariguel was leaving the Bank of France. He said he had and could tell me what had happened. Paris newspapers, led by the Agence Economique, had started an attack upon the French exchange policy, aiming at Labeyrie and Aurial. The market, however, misinterpreted the attack and thought it was directed at the man who was handling the technical details of the program, that is Cariguel, with the result that Cariguel was expected to quit. When the newspapers realized the misinterpretation on the part of the market, the Agence Economique published a notice correcting that impression. With that, Bolton thought, the matter had been closed. The firming up of the franc rate, to which he had referred in his cable to us of this morning, Bolton said, was due to rumors of a change in the governorship of the bank. These rumors, he thought, might not be without foundation. As to who might succeed Labeyrie, he knew no more than had been reported by the news service in London as well as here, namely Baudoin of the Banque de L'Indo Chine, and Monick.

Bolton then referred to the increased turnover in their account with us, which, he said, was entirely due to the necessity of swapping clearing house funds for Federal funds and also to a desire not to force more gold upon us. I replied that as far as the extra trouble was concerned, he need not worry and that any steps which resulted in our acquiring less gold in London, I thought, would be welcome here. He inquired whether there was not a chance of doing away with this

OFFICE CORRESPONDENCE

DATE **February 11, 1937.**

CONFIDENTIAL FILES

SUBJECT: **TELEPHONE CONVERSATION WITH**

L. W. Knoke

BANK OF ENGLAND.

- 3 -

distinction between clearing house and Federal funds. I replied that this matter had been discussed frequently in the past but that because of the practices and customs of the New York Clearing House Association, most of the items payable in New York City were not finally collected until the day following their receipt by us.

With reference to the situation in France, Bolton thought that the speculation against the franc might temporarily die down a little but that the movement of capital out of France seemed inevitable at the moment at least. The problem, he thought, were the acts of the government at present in power in France.

LWK:KNC

February 11th

H.M.Jr. sent for Bewley.

Bewley: I have a message for you from the Chancellor of the Exchequer:

"Please convey to Secretary Morgenthau the following personal and strictly confidential message from Chancellor of the Exchequer:

Further to my message of February 6th Governor of the Bank of England has returned from Basel where he had conversations with Governor of the Bank of France. He reports that financial situation in France has in no way been improved by recent credit afforded French Railways in London. In my opinion the outlook is increasingly serious and unless French government can speedily take most vigorous action to restore confidence I fear that we may see a flight from the franc, strict exchange control and other features only too familiar in similar circumstances. This would of course mean break-up of tripartite agreement. We are urging the French government to make every effort to avoid such an outcome which we should regard as serious disaster."

H.M.Jr: I want to ask you a question. Can I give you a verbal message for Mr. Chamberlain and can you give me your word of honor that you do not have to give it to anybody but to Mr. Chamberlain?

Bewley: Well, no - - -

H.M.Jr: I want to send him a message as one Finance Minister to another via you and not have it go through the Foreign Office.

Bewley: Oh you mean verbally, after I get back to Europe? Oh yes, of course.

H.M.Jr: The only person who knows he is getting this is the President. I do not send messages of this kind unless it is with the approval of the President. What I would like you to say to Mr. Chamberlain is this:

"That looking at this whole world situation the thing that is breaking down the credit of the big countries of the world is armaments. That affects your Treasury and it does not happen to, at the moment, affect ours but it is the basis of the

"French troubles, the Japanese troubles and looking at it as a financial matter and not as a diplomatic has he any suggestions to make to me whereby he and I might make some start to stop the arming that is going on all over the world".

Bewley: I would be delighted to pass this on.

H.M.Jr: I am telling you that I could not and would not make a suggestion like this if it was not with the approval of the President. Nobody knows about this except the President.

H.M.Jr: As to the answer - there are two ways you can get it to me: Either you come back yourself or send for Cochran and give it to him by word of mouth and let him come back - but nobody else. I do not want to trust any cables.

Bewley: You simply want to know whether he has any suggestions?

H.M.Jr: Nobody in the Treasury knows about this except you, the President, Mrs. Klotz and I. I want an answer by word of mouth. I will get word to Cochran that if you should ask him to come to London that he should go but ask no questions. Cochran is so situated that he does not have to report to anybody but to me.

Bewley: I will not be in London until the 15th of March. I will land at Plymouth. It is not absolutely certain but we are planning to make a trip to California first.

H.M.Jr: I lay great stress on this. I wonder if it would not be possible - I wonder whether you could not go over, stay there three or four days and then come back and get your two weeks vacation here.

BEWLEY HESITATED FOR SOME TIME

H.M.Jr: Is there any way of my getting word to Chamberlain? I feel terribly pessimistic about this situation and what you say about the French. These countries are just heading for financial bankruptcy and what is bankruptcy - that is this race for armaments.

Bewley: The Chancellor will not be able to give you any suggestions without discussing it with somebody.

H.M.Jr: I do not want this message to go through your Embassy nor through the State Department but what the Chancellor does after he gets the message and with whom he wants to discuss it that is up to him.

Bewley: If I ask for special permission there will be a lot of buzzing about it. Will that be helpful?

H.M.Jr: The buzzing would be in your service.

Bewley: I would have to get the approval of our Ambassador.

H.M.Jr: Could you say to Sir Ronald that I have asked you to give a message to nobody except the Chancellor of the Exchequer and suggested that you sail on the first boat out and then come back? You could be back here in two and a half weeks.

Bewley: My main feeling is that when it gets to London he will not regard it purely as a financial matter and will want to discuss it with his colleagues.

H.M.Jr: What he does with it after he gets it I am perfectly willing to leave to him. That is his look-out. I am asking him a question. I have made a study of these figures and what these various countries are spending is just unbelievable.

Bewley: We are doing our best to moderate the other countries and when we could not we just decided that we had to build too. The prime mover is Germany.

H.M.Jr: Supposing you talk it over with Sir Ronald since there is no sailing for a week and tell him just what I would like you to do.

Bewley: I do not see that there will be any difficulties. I think it can be worked out.

H.M.Jr: I would rather have you come back with the answer. I only suggested Cochran in case you could not.

February 11th

Ambassador Bingham was in to see H.M.Jr. to-day. He said that in his opinion the monetary agreement absolutely saved Europe from going to war. H.M.Jr. should be given entire credit for that.

LMS

GRAY

London

Dated February 11, 1937

Rec'd 3:40 p. m.

Secretary of State,
Washington.

58, February 11, 6 p. m.

FOR TREASURY.

The Chancellor of the Exchequer announced in the House of Commons this afternoon that the Government would immediately seek powers to authorize it "to raise capital or to use surpluses for its defense expenditure up to a sum not exceeding 400,000,000 pounds over a period not exceeding five years". Chamberlain particularly emphasized (one) that this in no way constituted an authorization to the fighting service to undertake any additional expenditure; (two) that "flexibility and adaptation must be a necessary part of our program".

British Government securities which, as mentioned in my 38, January 29, 7 p. m., have been weak remained comparatively unaffected by this announcement due to the fact that jobbers widened decidedly the spread between their buying and selling prices.

The

LMS 2-No. 58, February 11, 6 p. m., from London.

The initial reaction of the city to this announcement was not unfavorable and it was assumed that the reason Chamberlain chose this time to make it rather than during his budget speech was in order that he might undertake some borrowing during the present fiscal year through the issue of Treasury bills thus avoiding having to take this same action after an unbalanced budget had resulted. It has also been noted that the powers he will obtain would cover the acquisition of the profit on the gold held in the Bank of England, the market value of which is approximately 180,000,000 pounds over its book value, if this should be realized during this five-year period.

It is interesting that this announcement was made just an hour before Ambassador Ribbentrop's much heralded visit to the Acting Foreign Secretary.

The franc strengthened somewhat today in terms of sterling; in fact the Bank of France bought some pounds sterling due to (one) Chamberlain's loan announcement; (two) bear covering in Paris. The recent French revenue returns have made a favorable impression here and it is also thought here (one) that the new French financial legislation is intended in due course to make a free gold market in Paris; (two) that an announcement will be made in the near future of the appointment of a "cooperating second"

LMS 3-No. 58, February 11, 6 p. m., from London.

second" to Auriol, who will be acceptable to the Rue de Rivoli, (three) at the same time the franc will be held in Paris and London fairly rigidly.

ATHERTON

CSB

RECEIVED

SECTION DE DOCUMENTS
LE 12 FÉVRIER 1946
BUREAU DE LA TRÉSORERIE GÉNÉRALE

LMS

GRAY

Paris

Dated February 11, 1937

Rec'd 4 p. m.

Secretary of State,
Washington.

191, February 11, 6 p. m. (SECTION ONE)
FOR TREASURY.

While the exchange market has been fairly quiet today, sterling has fluctuated somewhat and reacted to 104.99 at which point the exchange fund made slight purchases but it quickly reacted to 105.03 and 105.04 when the fund turned round and sold. The rate is now 105.03. The dollar has remained fairly steady and is now quoted at 21.43 $\frac{1}{2}$. The florin receded slightly apparently influenced by persistent rumors that the city of Paris has been successful in the negotiation of a substantial loan at Amsterdam but it has not been possible to confirm this. The Swiss franc also receded apparently due to sales of German holdings following liquidation of securities prompted by the tightening up of regulations by the Reich.

Forward rates again moved in favor of the franc, the dollar being quoted at 16 centimes for one month and
52 centimes

LMS 2-No. 191, February 11, 6 p. m., Sec. 1, from Paris.

52 centimes for three months. The pound is quoted at 75 centimes for one month and 1.45 francs for three months.

Rumors somewhat vague are being circulated on the Bourse that the Government envisages making certain changes in its financial policy notably as concerns the budget. These rumors coupled with the realization of installments of the British credit may account in a certain measure for the easing of pressure against the franc.

The Bank of France statement dated February 4 reveals no changes of importance. The gold reserves are unchanged. Commercial discounts are down 582,000,000 francs. Advances to the Treasury under the ten billion franc authorization remain unchanged at 7,500,000,000. The note circulation is down about 800,000,000. Deposits up 132,000,000. The ratio of gold cover is 55.01 compared with 54.67.

The security market was generally lower and rentes failed to maintain their upward trend; on the contrary losses from 10 to 40 centimes were recorded. Internationals improved slightly (END FIRST SECTION)

BULLITT

CSB

PARTIAL PARAPHRASE OF TELEGRAM RECEIVED

FROM: American Embassy, Paris, France

DATE: February 11, 1937, 8 p.m.

NO.: 191

AGENCE ECONOMIQUE has lately shown considerable preoccupation about the competency of the high officials responsible for the financial policy of the Administration and has stressed the view that if the tripartite monetary agreement could lead the French authorities to adopt methods which have been employed with success in London and in Washington the country could envisage with much less anxiety the numerous pressing financial problems which now face the Government.

The following is strictly confidential:

AGENCE ECONOMIQUE in its February 9 issue was at pains to make it clear that its criticism was directed at the higher officials who are responsible for administration of the exchange fund and not the official actually manipulating the fund. We are very reliably and confidentially informed that AGENCE ECONOMIQUE had in mind the Bank of France's Governor, and the Treasury's Director of the Movement of Funds section.

In

LMS 2-Po. 191, February 11, 6 p. m., Sec. 2, from Paris.

(GRAY) In the FIGARO of today notice is given to a rumor that Auriol might resign but adds that there does not appear to be any real grounds for this rumor. However, it suggests that the story explains the strength of rentes yesterday. On the other hand this paper pointedly stresses that the possible resignation of Labeyrie "merits consideration" and that his departure would "bring to an end the regrettable discordances between the action of the Treasury and that of the Bank" and that his resignation would imply a change in the credit policy. This paper goes so far as to suggest that M. Baudouin, Director of the Banque de l'Indo-Chine is to replace Labeyrie but that Baudouin is not disposed to accept and that Monick would be the next choice. No serious attention is given in financial circles here to the suggestion that Monick might be under consideration.

The debate which took place in the Senate on February 9 summarized in my telegram of yesterday has been given considerable notice in the press. Particular agreement is noted with the contention made by Caillaux that if the Government is encountering difficulties in raising necessary funds it is not due to the opposition
of

LMS 5-No. 191, February 11, 6 p. m., Sec. 2, from Paris.

of any particular money block or to campaigns or maneuvers against the Government and that the money block if one exists is composed of the millions of Frenchmen who have savings and who are unwilling to subscribe to Government loans because they consider that the state expends too much and that the administration of public finances is exactly the opposite of what it should be to gain public confidence. (WID GRAY)

BULLITT

CSB

LMS

GRAY

Paris

Dated February 11, 1937

Rec'd 4:50 p. m.

Secretary of State,
Washington.

191, February 11, 6 p. m. (SECTION THREE)
(introduced?)

The Government has instructed a measure before Parliament which provides for a modification of Article Eight of the Monetary Law of October 1 last relating to the negotiation and importation and exportation of gold. The Senate has held up the proposal for further examination and it appears that the legal and financial committees will make a study of the project and expect to make their report on Tuesday, February 16. An opportunity has not yet been had to study the proposed modifications but according to the Journal Officiel it relates to penalties applicable to infractions of Articles 628, 629 and 631 of the customs code which govern exports of gold.

The Senate Finance Committee yesterday deleted from the 1936 Supplementary Credits Bill in which it had been embodied the clause approved by the Chamber modifying Article 6 of the Monetary Law of October 1 last referred to in my telegram of yesterday. The proposed
modification

LMS 2-No. 191, February 11, 6 p. m., Sec. 3, from Paris.

modification, however, with amendments proposed by the chairman of the Gold Loans Committee will be considered by the Senate early next week according to present plans.

The Parliament yesterday authorized the guarantee of the state to the loan issue of 600 million francs by Czechoslovakia referred to in my telegram 173 of February 6. The issue is intended to reimburse the Czechoslovak loan maturing on April 1 next and is to run for ten years.

(END OF MESSAGE)

BULLITT

CSB

February 11, 1937

Miss Tully called the Secretary and told him she had a private matter to take up with him and asked permission to come right over. The Secretary, of course, told her to come at once.

She was received by Mrs. Klotz in her office and said, quite emphatically, that the President wanted her to see HM, Jr. alone and that no one else was to be in the room. The Secretary had some people in his room and he sent them all out and asked Miss Tully to come in. She then handed him the attached note from the President with its attachments.

Up to this point, HM, Jr. had taken Miss Tully's request for an interview with all seriousness and had no idea the President was playing a joke on him. Upon reading the President's message he shrieked with laughter because the President still continues to kid him about Mrs. Rainey.

THE WHITE HOUSE
WASHINGTON

February 11, 1937.

Dear Henry:-

This seems to be a matter so personal to you that I know you will want to help your old friend Mrs. Rainey. Considering the long separation, I am sure your Elinor would not mind.

F. D. R.

Deary -

CHICAGO BOOK AND ART AUCTIONS, INC.
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WARASH
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February
Sixth
1937



Hon. Franklin D. Roosevelt,
Washington, D. C.

My dear Mr. President:-

At the request of Mrs. Henry T. Rainey, I am sending herewith, a copy, of our auction catalogue, containing a selection from the late Speaker's library.

Both the late Speaker and Mrs. Rainey, were quite active in Boy Scout and Girl Scout work, in Carrollton and vicinity. Mrs. Rainey intends to use the proceeds from this sale to further her work among the boys and girls, for which she deserves a vote of thanks from all Americans.

I would consider it a personal honor, to execute any bids that you may desire to submit.

Respectfully yours,

George W. Schoenbeck
Secretary and Treas.
Chicago Book and Art Auctions.

GWS/MB
Encl.

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of the Late

Hon. Henry T. Rainey

Speaker, House of Representatives

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February 18th and 19th
8:00 P. M.

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8. A 3% sales tax will be added to the purchase price on all sales, where legally applicable, to buyers in Illinois.
9. All bids, or offers, oral or written, are made subject to the above Conditions of Sale.

FIRST SESSION
THURSDAY, FEBRUARY 18
Promptly at 8 P. M.

- 1 ADDISON, JOSEPH. *The Free-Holder*. Or, Political Essays. London, MDCCLI. 12mo, contemporary calf. First Edition. Fine copy. Rare.
- 2 ADDISON, JOSEPH. *The Life of Addison by Lucy Aiken*. Extra-illustrated with 12 fine steel and copper engravings (portraits of Steele, Pope, Swift and others of the period, etc.) 2 vols. post 8vo, $\frac{3}{4}$ crushed morocco. Gilt lettering and decoration on the backbone, t.e.g. London, 1843.
First Edition. Fine copy with a presentation inscription from the author on the title-page of Vol. 1.
- 3 ADE, GEORGE. *Ade's Fables*. New York, 1914. 12mo, original cloth. First Edition. Fine copy. With author's signed inscription on end-paper:

"THE STORY OF A BAD BOY"

- 4 ALDRICH, T. B. A. L. S., 3 pp. 12mo. Boston, Feb. 21, 1893. To Mr. Chambers. Reads in part: "I think that I lost thousands of readers by calling my little autobiography 'The Story of a Bad Boy.' I know that it has been excluded from several Sunday School libraries simply on account of the title. To be sure it has *attracted* a great many persons; but I might have had both classes of readers. If I had the book to name over again, I should call it something else—'The Story of a Real Boy,' for example. The thing sells right along all the same."
- 5 ALDRICH, THOMAS B. *Autograph Manuscript Poem*, "A Ballad of Nantucket." 9 verses of 4 lines each, signed, "T. B. Aldrich," and dated March 30, 1857. On two leaves, 4to and 8vo, attractively framed with a special portrait of Aldrich, a woodcut on Japan paper, frame measuring 16 $\frac{1}{2}$ x20. A choice early piece.

THE RARE FIRST EDITION

- 6 ALDRICH, THOMAS BAILEY. *The Story of a Bad Boy*. With Illustrations. Boston, 1870. 12mo, original red cloth (cover soiled and worn; backstrip torn about 1 inch at bottom of outer hinge).
First Edition of one of the rarest of American "High Spots." The extremely rare first issue, with "scattered" for "scatters" on page 14, line 20, and with "abroad" for "aboard" on page 197, line 10. Save for a few slight time stains and the defects noted above, this is almost a good copy of this important rarity.
- 7 ALDRICH, T. B. *The Story of a Bad Boy*. In "Our Young Folks," an Illustrated Magazine for Boys and Girls, Boston, 1869. Vol. V. 8vo, calf and boards (rubbed). 1 signature loose. The first printing of this famous classic.

- 8 ALMANAC, AMERICAN. *The American Almanac and Repository of Useful Knowledge* for the Years 1830-42, incl. 12 volumes. 12mo, calf and boards (3 or 4 backstrips scuffed at tops). — Also for 1854 and 1856, 2 volumes. Original wrappers (backstrips scuffed). Together 14 volumes. Contents fine.
- 9 AMERICA. *A General View of the World, etc.* Illustrated by upwards of 900 engravings. By S. Augustus Mitchell. No place, 1842. Thick 8vo, original marble calf, tooled back. With large colored molding map of the flags of the world.
- First Edition. The first 250 pages are devoted to North and South America. One signature sprung. Fine copy.
- 10 AMERICANA. *American Historical and Literary Curiosities*; consisting of Facsimiles of Original Documents relating to the Events of the Revolution, etc. With a variety of Reliques, Antiquities, and Modern Autographs. Collected and edited by J. Jay Smith and John F. Watson, assisted by an Association of American Antiquarians. Philadelphia, 1847. 2 volumes. Square folio, decorative cloth. Fine set.
- 11 AMERICAN AUTHORS. A collection of 3 A. L. S., one of Edwin Booth '87, declining an invitation to appear in Washington; and 2 of Laurence Barrett, Shakespearian actor of the Eighties, both dated 1889. Three fine autograph letters.
- 12 AMERICAN HISTORIANS. A collection of 5 A. L. S., mostly 1890-1895. John Fiske (2, one typed), George Bancroft (at 88) and Alexander Brown. Several of these refer to Com. Col. Charles Ellet, famed for his Mississippi River battles, particularly Memphis.
- 13 AMERICAN MAGAZINE, EARLY. *The American Museum, or Universal Magazine*. Philadelphia, 1789-92. 8vo, old boards, 2 paper labels. 1 volume rebounded, 1 binding broken, untrimmed. Vols. 1, 4 and 6 of this early American magazine. With the scarce list of subscribers in Volume 1. Contents very good.
- 14 AMERICAN NATURE WRITERS. *The Rocky Mountain Wanderland*. By Enos A. Mills. Illustrated. Boston, (1915). Small 8vo, cloth. Signed by the author. — *Wild Animal Homesteads*. By Mills. Illustrated by Will James. New York, 1923. Small 8vo, cloth. — *Over Against the Peak*. By Zephine Humphrey. Inscribed the author. New York, (1908). 12mo, cloth. Together 3 fine volumes.
- 15 AMERICAN REVOLUTION. *The Naval Monument*, containing Official and Other Accounts of All the Battles Between the Navies of the United States and Great Britain. With 25 engravings, etc. 8vo, calf. First Edition. Soiled and worn; a few pages torn at corner margins, damaging the text to a slight extent. Lacks end-papers. This is, however, a tight copy.
- 16 AMERICAN REVOLUTION. *The Women of the*. By Elizabeth F. Ellis. In 3 volumes. New York, 1852-3. 12mo, original cloth; backstrip chipped at top and bottom; some foxing; 1 signature loose; contents otherwise very good. Vol. 3 is one from a different set.

- 17 AMERICAN SPORTS. *Sporting Scenes and Sundry Sketches...* of J. Cypress (Wm. P. Hawes). Edited by Frank Forrester (H. W. Herbert). New York, 1842. 2 vols. 12mo, original cloth. Binding slightly soiled, contents fine. First Edition.

15th CENTURY MUSICAL MANUSCRIPT ON VELLUM

- 18 ANTIPHONER ON VELLUM. Fine Musical Manuscript of the Middle 15th Century. 124 leaves, large folio, 23x16 inches, in an unusual contemporary stamped leather over oak boards binding, slightly repaired with most of the original brass bosses and all of the brass corner pieces intact. First page within decorative border, large rubricated letters. Italian, circa 1450.
- 19 ARCHITECTURE, AMERICAN. *Historic Houses of South Carolina*. By Harriette Kershaw Leiding. With 100 illustrations from Drawings by Alfred Hutton, Photographs and Prints. Philadelphia, 1921. Thick royal 8vo, original cloth. First Edition. Front end-paper stained, otherwise a fine copy.
- 20 ARCHITECTURE. *Discourses on*. By Eugene Emmanuel Viollet-le-Duc. Translated, with an Introductory Essay, by Henry Van Brunt. Illustrated with plates and woodcuts. Boston, 1875. Small imperial 8vo, cloth. First Edition. Binding broken. Contents fine.
- 21 ART. *Gripping Gibbons and the Wood-Work of His Age*. (1648-1720). By H. Avray Tipping. London, 1914. Folio, half boards, (corners scuffed), white cloth back with gilt lettering, paper label on cover.
- Fine copy, with d. w. Contains 233 illustrations throughout the text, including many full-page plates representative of the work of the most important artists in the Decorative Arts in England.

SMITH'S CATALOGUE RAISONNE

- 22 ART. *A Catalogue Raisonne of the Most Eminent Dutch, Flemish and French Painters with Biographical Notices of the Artists*. By John Smith. London, 1829. Nine volumes, including the Supplement. Royal 8vo, attractively bound in half red morocco, g.e.
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- 23 ATHERTON, GERTRUDE. *The Conqueror*. A Dramatized Biography of Alexander Hamilton. New York, (1916). Large 12mo, cloth. Revised edition, from new plates. Very fine copy.
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- 25 BANCROFT, HARLOW P. A. L. S., 2 pages, 12mo, New York, Oct. 16, 1882, to Wendell Phillips, regarding a book he is sending. About 50 words.
- 26 BANCROFT, HUBERT HOWE. *The Book of the Fair*. An Historical and Descriptive Presentation of the World's Science, Art, and Industry, as Viewed through the Columbian Exposition in 1893. Chicago and San Francisco, 1893. Wide elephant folio, $\frac{3}{4}$ original pigskin and boards, gilt tops. 11 volumes, including a set of extra plates in portfolio.
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- 27 BANDAR LOG PRESS. *Paker Rubaigat*. By Kirke La Shelle. Phoenix, Arizona, 1902. — *Where is Ray Brown?* By Kirke La Shelle. Asheville, N. C., 1902. — *Her Navajo Lover*. By W. H. Robinson. Phoenix, Arizona, 1903. Together 3 volumes, original illustrated paper covers.
- 28 BARRIE, J. M. *Courage*. London, (1922). 8vo, original white cloth (slightly soiled) with gilt lettering.
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- 34 BENNETT, ARNOLD. *The Old Wives' Tale*. New York, no date. 1st ed. 8vo, original cloth. Fine copy.
Author's signed Presentation Copy, Xmas, 1912.

MANUSCRIPT EDITION

- 35 BEVERIDGE, ALBERT J. *Abraham Lincoln*. Boston and New York, 1928. Large 8vo, original boards, cloth backs, paper labels, deckle edges. Four volumes.
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- 36 BIBLIOPHILE LIBRARY, THE. *The Bibliophile Library of Literature, Art and Rare Manuscripts*. Introductions by Andrew Lang and Donald G. Mitchell. Compiled and arranged by Nathan Haskell Dole, Forrest Morgan, and Caroline Tieknor. 30 volumes. International Bibliophile Society, (1904). Large 8vo, original green buckram, paper labels, g. l. Member's Edition de Luxe, limited to 1,000 numbered sets. Very fine set.
- 37 BIBLIOGRAPHY. *A Bibliography of The King's Book or Eikon Basilike*. By Edward Almuck. London, 1896. Large 4to, original black cloth (corners worn).
Large Paper Edition limited to 150 numbered copies. Signed by the publishers.
- 38 BIBLIOGRAPHY. *The Librarian*. By James Savage. London, 1808. Thick 8vo, old tooled calf (front cover loose), contents fine. Two vols. in one. Contains important bibliographical information including an "Analysis of Books."
- 39 BIBLIOGRAPHY. *A Bibliography of Oliver Wendell Holmes*. Compiled by George B. Ives. Boston and New York, 1907. Portrait. 8vo, orig. cloth. Limited to 530 numbered copies. Fine copy. Designed by Bruce Rogers.
- 40 BINDING, FINE. *Modern Scientific Whist*. By C. D. P. Hamilton. New York, 1899. Some writing in text. Square post 8vo, beautifully bound in full brown crushed levant, raised bands, gilt borders and edges, with appropriate playing card symbols as corner decorations on covers. Very fine copy, boxed.
- 41 BLACKMORE, R. D. A. L. S., 4 pages, large 32mo, Teddington, August 7th, 1887, to a dear friend. A splendid letter, by the author of "Lorna Doone," mentioning the sudden loss of his left hand as a motive power. In part: "I thank your son for his soft and touching lines about the dear friend you have lost, whom many in this country mourned for. I was reading some of your husband's poems once again, and the beauty of the thought made me wonder whether his son can write in like strain. We are suffering from the worst and largest drought that I can remember," etc. About 240 words.
- 42 BLACKWOOD, ROBERT. A. L. S., 2 pages, post 4to, Edinburgh, May 12th, 1837, regarding the contemplated publication of a new edition of Mrs. Hemans' works. About 200 words.

- 43 BLAINE, MAHLON. Black and white, wash drawing, 13x18. *Abalem Cemetery, Istantoul*. Initials, M. B.
- 44 BLAINE, MAHLON. 4 caricature sketches, crayon, ink and pencil of John D. Rockefeller, Bernard Shaw, Cecil De Mille, and self-portrait. About 8x10.
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- 50 BLUNDEN, EDMUND. *Masks of Time*. A New Collection of Poems. Principally Meditative. (The Beaumont Press, Westminster, 1925.) 8vo, decorative boards and buckram, deckle edges. First Edition limited to 310 numbered copies on handmade paper. Very fine copy.
- 51 BONNER, W. H. *The Case of Summerfield*. Introduction by Geraldine Bonner. Frontispiece. San Francisco, (1907). Wide 16mo, boards and vellum. First Edition, printed by John Henry Nash and limited to 1,000 copies on handmade paper. Mint copy in original decorative box.
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- 55 BROWN, WILLIAM H. *Portrait Gallery of Distinguished American Men of 2000*, with Biographical Sketches, and Facsimiles of Original Letters. New York, 1845. Large atlas folio, original buckram. (New York, 1931.)
As new. The G. A. Baker & Co. re-issue, limited to 800 numbered copies.
- 56 BROWNE, J. ROSS. *Adventures in the Apache Country; a Tour through Arizona and Sonora, with Notes on the Silver Regions of Nevada*. Illustrated by the Author. New York, 1869. 12mo, original cloth. First Edition. Name in ink at top of title-page, otherwise a very fine copy of a very scarce book.
- 57 BROWNING, ELIZABETH BARRETT. A. L. S., 12mo, intimate personal note of appreciation and invitation to Sunday Tea. No place, no date, probably in Italy. Also A. L. S. from Theodore Tilton referring to Mrs. Browning's contributions and correspondence to the "Independent."
- 58 BROWNING, ROBERT. *Aristophanes' Apology*. London, 1875. 16mo, cloth. First Edition. Fine copy.
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- 64 BURNETT, FRANCES HODSON. *Little Lord Fauntleroy*. New York, 1886. Square 8vo, original cloth. First Edition of this famous child classic. With the DeVine colophon at end of text. Fair copy, repaired at hinges, library rubber stamps on inside of covers, etc.
- 65 BURNS, ROBERT. *The Works of*. With an account of his Life, and a Criticism on his Writings, and some observations on the character and condition of the Scottish peasantry. London, 1801. Four volumes. 8vo, tooled brown calf. Frontispiece portrait, vignettes on titles, and many fine engravings by Stothard. A fine set, in an attractive binding, of the second complete London edition.
- 66 BURROUGHS, JOHN. *Ways of Nature*. Boston, 1905. 12mo, original cloth. First Edition (part of the Riverside edition limited to 1,000 sets). Fine copy, signed by the author on title-page.

67 BURTON, JOHN HILL. *The Book-Hunter, etc.* With a Memoir of the Author. Edinburgh, 1882. Large square 8vo, buckram, uncut.

The Second Edition, large paper, limited to 1,000 numbered copies. Nice copy, partly unopened.

68 BUTLER, ELLIS PARKER. *Pigs is Pigs.* Chicago, 1905. Compliments of Railway Appliances Company. Square 12mo, original illustrated paper covers. Printed for private distribution in December, 1905. First published edition appeared in 1906.

ORIGINAL BOOK MANUSCRIPT

69 BYRNE, DONN. *Crusade.* The original Autograph Manuscript, signed 3 times, 230 pages entirely in Byrne's own hand, fine manuscript beautifully written of one of his best books. Autograph manuscripts by Byrne are excessively rare.

VERY FINE COPY

70 BYRNE, DONN. *Stories Without Women.* (And a Few With Women.) Illustrated. New York, 1915. Large 12mo, original cloth.

The extremely rare First Edition of the author's first book. Save for a tiny tear (about 1-16 inch) at top of backstrip, this is an exceptionally fine copy, with the white lettering on covers and spine perfectly bright and intact.

BYRON ON MORALITY

71 BYRON, LORD. A. L. S. 5-May, 1821, 2pp, 8vo in Byron's characteristic large hand. The letter reads in full, "My dear Sir, I open the packet sealed a quarter to 4 P. M. in order to add a few lines. I have not begun with the Quarters—but let them look to it. As for Milman (you well know that I have not been unfair to his poetry even)—but I have lately had some information of his critical proceedings which may bring that on him he will be sorry for. I happen to know that of him which would annihilate him—when he pretends to teach morality—as in the old Despot's sentimental twaddle—let the carrion crow crash—I won't say anything for fear of being indelicate—Yours ever, Byron."

72 (BYRON, LORD.) *Don Juan.* London, 1819, 4to, old calf (rebacked), tooled borders, (rubbed). Cantos I and II only. First Edition.

73 CABLE, GEORGE W. *Gilson's Band.* A Tale of the Mississippi. Illustrated by F. C. Yohn. New York, 1914. Large 12mo, original cloth. First Edition. Very fine copy.

With signed inscription by the author on end-paper. With A. L. S., 1 page, 8vo, presenting a copy of "The Cavalier."

74 CABELL, JAMES BRANCH. *Corals of Vanity.* N. Y., 1909. 12mo, original red cloth.

First Edition, first issue, with "Corals of Vanity" on spine. The white lettering on the spine has been partly worn off, as usual, and there is a slight water stain on the front cover, otherwise a very good copy.

75 CABLE, GEORGE W. *Old Creole Days.* New York, 1879. 12mo, original cloth. First Edition of the author's first book. Binding somewhat warped; rear cover somewhat crinkled; otherwise a fine clean sound copy of this scarce "High Spot."

76 CALIFORNIA. *The Annals of San Francisco.* By Frank Soule, John H. Gilton, M. D., and James Nisbet. Illustrated with 150 fine engravings. New York, 1855, 8vo, leather and mottled boards. Very good copy, with the scarce large folded map, usually lacking, in front of text.

77 CALIFORNIA. *The Mammoth Tree Grove, Calaveras County.* Drawn and published by Edward Vischer. San Francisco, Cal., 1862. Pictorial cover and plates 2, 6, 7, 11, and 12. Fine condition.

MR. AND MRS. BROWNING'S COPY OF CALLIMACHUS

78 CALLIMACHUS. *Hymns and Epigrams.* Glasgow, 1755. Greek text, with title in Greek and Latin. Square 8vo, old calf and marble boards. In full green grained calf slipcase, inner cloth wrappers. Fine copy.

An extraordinary Association Copy, with Elizabeth Barrett's name and a note, both in her handwriting, at top of title, and the word "Browning" written underneath by Robert Browning, thus linking intimately a husband and wife whose joint literary and romantic history is perhaps the most fascinating episode in the entire annals of English literature. It is to be presumed that this copy originally belonged to Robert, who gave it to Elizabeth. It contains, moreover, 6 critical notes in Mrs. Browning's beautiful hand, in Greek and English, totalling about 70 words, written in the margins. A more desirable Association Copy can hardly be imagined.

79 CARLETON, WILL. Autograph MS., 5 pages, post 8vo. "The Ballad of Solomon." A fine long ballad by the famous author of "Farm Ballads." Together with 4 A. L. S., various dates and sizes. In half red crushed levant morocco slipcase.

80 CARLYLE, THOMAS. Chelsea, 25 Jan., 1848, 3 pp., 12mo, referring to Kingsley's Book France's Magazine and his friend Emerson. Reads in part, ". . . I think it would be handsome and proper to send Emerson, The American, an edition or Publisher's copy: . . . he was a valued friend and correspondent of the deceased."

81 CARRINGTON IMPRINT. *The Chastisement of Mankour.* By Hector France. Translated by Alfred Allinson. Paris, Charles Carrington, 1898. 8vo, original light cloth (cover somewhat soiled).

First Edition, in English, of this beautifully written exotic work. With nice illustrations and frontispiece in color. Very good copy.

- 82 CAXTON CLUB. William Caxton. By E. Gordon Duff. Chicago, The Caxton Club, 1905. 4to, original boards and linen, paper label, deckle edges. With 25 full-page plates. Limited to 252 copies on hand-made paper. Fine copy of this rare and important work on the achievements of one of the greatest printers.
- 83 CARTOONS, CHICAGO. *Current Cartoons*, being a Collection of Flashes by the Live-Wire Cartoonists of Chicago, wherein they make Light of Electricity. A Series which illuminated the Chicago Newspapers during the Electrical Show, Coliseum, Jan. 16-30, 1909. Compiled by William D. MeJunkin. (Chi., 1909.) Small folio, original made. With A. L. S. of John T. McCutcheon mounted on front end-paper. Fine copy.
- 84 CARTOONS. *Oh Skin-nay! The Days of Real Sport*. By Briggs. Verses by Wilbur D. Nesbit. Chi., (1913). Large oblong 4to, original illustrated boards and linen. First Edition. Presentation copy, with an original cartoon by Briggs on fly-leaf, and signed by Briggs and Wilbur D. Nesbit. Very fine copy.
- 85 CARTOONS, OLD AMERICAN. *Caricatures Twenty Years Ago. A Glimpse Backward*. By Thomas Nast, 1893. — *Let Them All Be Crunched*. Laurel Wreaths for the men who made the Columbian exposition. By Art Young, (1893). Together 2 cartoons, folio, on cardboard.
- 86 CARTOON. Original pen-and-ink cartoon of Theodore Roosevelt, by Bradley, depicting Mahomet, seated a distance from a mountain labeled "O O P." The cartoon, entitled "Will the Mountain Come to Mahomet?" carries the following presentation inscription in ink: "To Florence, with the compliments of the cartoonist—Luther. (Bradley)." E
- 87 CASANOVA, JACQUES. *The Memoirs of*. Complete in 12 volumes as translated by Arthur Machen with an introduction by Arthur Symonds and a new preface by the translator and 12 drawings by Rockwell Kent. Privately printed for subscribers only. Aventuros, 1925. Royal 8vo, cloth, gilt decorated backstrips. Very good set of this excellent edition.
- 88 CAXTON CLUB. *The Caxton Club Scrap-Book*. Early English Verses, 1250-1650. Chosen and collated by John Vanoe Cheney. Chicago, The Caxton Club, 1904. Wide 8vo, original boards and cloth, paper label. Limited to 250 copies on hand-made paper. Fine copy.
- 89 CAXTON CLUB. *An Attic Philosopher in Paris; or, A Peep at the World from a Garret, Being the Journal of a Happy Man*. From the French of Emile Souvestre. Chicago, The Caxton Club, 12mo, original cloth. Limited to 200 copies. Very fine copy, boxed.
- 90 CHAMBERS, ROBERT W. *Carligan*. Illustrated. New York, no date. 12mo; cloth. Very fine copy, inscribed and dated by the author.
- 91 CHARLES I. *An Exact and Most Impartial Account of the Indictment, Arraignment, Trial and Judgment (according to Law) of Twenty Nine Regicides, the Murderers of his Late Sacred Majesty, of most Glorious Memory: Begun at Hicks-Hall on Tuesday, October 9, 1660. Together with a Summary of the Dark and Horrid Deceits of those Caballists, Preparatory to that Hellish fact*. Small 8vo, choice old full panelled calf, (rubbed), red edges. London, 1679. With book-plate of John Carill Worsey, and his signature on fly-leaf.
- First Edition. Scarce. Contents fine. An extraordinary book—its history is little known.
- 92 CHATEAUBRIAND, VISCOUNT DE. *Sketches of English Literature*. London, 1836. Two volumes, 8vo, half calf (rubbed). First English edition.
- 93 CHESTERFIELD, LORD. A. L. S., London, 3 Sept. 1789, 2pp. sq. 8vo, regarding England's land and sea forces, and the impending Spanish conflict.
- "It is declared that we are to have forty thousand land forces to secure us against dangers. . . France will not concern itself in our quarrel with Spain. . . Parliament meets in November, money being wanted."
- 94 CHICAGO IMPRINT, ANTE-FIRE. *Pen Pictures; or, Sketches from Domestic Life*. By Mrs. M. A. Livermore. Chicago, S. C. Griggs & Co., 1862. 18mo, original cloth. First Edition. Lacks front end-paper. Fine copy.
- 95 CHICAGO. *History of the Board of Trade of the City of Chicago*, in 3 Volumes. Illustrated. Chicago, 1917. Royal 8vo, 3/4 brown morocco, gilt lettered backs, gilt tops. Very fine set.
- 96 CHITTEMEN, HIRAM MARTIN. *The American Fur Trade in the Far West*. Map and Illustrations. 3 volumes. New York, 1902. Royal 8vo, original cloth.
- The most authoritative and comprehensive history of the early American fur trade. One fly-leaf lacking, and name in ink on another, otherwise a very good set of this important work.
- 97 CHURCH OF ENGLAND. *Episcopacie by Divine Right*. Asserted by Jos. Hall. London, 1640. Wide 8vo, old calf (badly worn.)
- Margins of last 50 pages worn. Re-binding copy. Rare.
- 98 CIVIL WAR. *McKean Papers Relating to the Battle of Corinth*. Original papers and documents of Brig. Gen. Thomas J. J. McKean relating to the Battle of Corinth. 90 pieces. 12mo, to folio. Corinth, Sept. 16, 1862, to Oct. 30, 1862. In half blue morocco slipcase, folio.
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99 CLASSICS FACETIUS. *The Amours of the Chevalier de Foubais*. By John Baptiste Louvet de Couvray. A Literal Unexpurgated Translation from the Paris Edition of 1821. With Numerous Beautiful Engravings etched by Louis Monzies from Drawings by Paul Avril. Edition strictly limited to 100 copies. London, privately printed for the Société des Bibliophiles, 1898. Small 8vo, cloth and boards, gilt tops, other edges untrimmed. 4 volumes. Bindings somewhat soiled, otherwise a fine set.

100 CLAY, REV. J. C. *Annals of the Swedes on the Delaware, from their first settlement in 1836 to the present time*. 2nd ed., corrected and enlarged. Philadelphia, 1858. 12mo, original cloth. Author's presentation copy, with signed inscription on title-page, and autograph signature on end-paper. Nice copy.

THE GILT-EDGED FIRST ISSUE OF "TOM SAWYER"

101 (CLEMENS, SAMUEL L.) *The Adventures of Tom Sawyer*. By Mark Twain. Hartford, 1876. Square 8vo, original blue cloth.

The excessively rare First Edition, first issue, with gilt edges and measuring 1" across top of covers, and with half title and preface verso blank. Binding somewhat rubbed in a few places, as usual, and some small stains on back cover; this is otherwise a very good, sound, clean copy of one of the rarest and most important of American first editions. This copy is especially noteworthy, as it contains the correct three blank fly-leaves at front and back.

102 (CLEMENS, SAMUEL L.) *Adventures of Huckleberry Finn*. By Mark Twain. With 174 Illustrations. New York, 1885. Square 8vo, original green cloth.

The rare First Edition of this famous book, with the points: page 283 on a stub; the second 5, page 155 extends slightly below the first 5. Insignificant stain at bottom of front cover; light pencil inscription on front end-paper, and one edge of circular pasted on inside of back cover. Save for these insignificant defects, this is a clean, bright, sound copy.

103 (CLEMENS, SAMUEL L.) *A Connecticut Yankee in King Arthur's Court*. By Mark Twain. New York, 1889. Square 8vo, original cloth. First Edition. Binding broken at front inner hinge, and covers somewhat spotted. Contents very good and clean.

104 (CLEMENS, SAMUEL L.) *The Tragedy of Pudd'nhead Wilson, and the Comedy, These Extraordinary Twins*. By Mark Twain. With Marginal Illustrations. Hartford, 1894. 8vo, original cloth.

First Edition. Inscription on recto of frontispiece, and front cover slightly spotted, otherwise a very good clean sound copy of this scarce book.

FIRST COPY OFFERED FOR SALE

105 (CLEMENS, SAMUEL L.) *Revised Remarks on Mark Twain*. By George Ade. Also the address of John T. McCutcheon, commemorating the Centenary of Mark Twain's Birth. Compiled by George Hiram Brownell. Chicago, 1936. Limited to 500 numbered copies, signed by George Ade. No. 184. 12mo, 36 pp., printed pictorial wrappers.

Pamphlet contains 3 articles by George Ade on Mark Twain; several rare early caricatures of Mark Twain; an original cartoon of Ade prepared by McCutcheon for this publication and autographed by him; a frontispiece portrait of Ade, autographed; and the pamphlet is also signed by the compiler, George H. Brownell. A choice collector's item for all Mark Twain fans.

MENTIONING JOAN OF ARC AND DREYFUS

106 CLEMENS, SAMUEL L. Autograph Letter Signed. Two pp, 8vo. September 15, 1899.

An extraordinarily fine letter of over 300 words, written to his English publisher, Murray, while he was working on his biography of Joan of Arc. He is extremely anti-French, his letter reading in part:

"There is something very French about the cheeky interest (and complacent) which that excrement of the human race take in Joan of Arc. In a bookshop window in Rouen I saw a bibliography of their contributions to her literature containing 3,000 titles, 99 hundredths of that must have been written since 1848; five centuries hence they will find something to be vain about in their treatment of Dreyfus."

"How lucky that they condemned him again. If I hadn't been supported and encouraged by my deep trust in their innate and hereditary rottenness, I should have been afraid, at times, that they would strike a lucid interval and save their country that final smirch."

107 CLEMENS, SAMUEL L. Autograph Letter Signed. Four pp, 8vo. September 3, 1899.

Also written to Murray on the same subject as the preceding, over 400 words. "Yes, it (the Dreyfus trial) does remind me of the Rennes trial. I had a paragraph in my Introduction, particularising the twin-resemblances, and suggesting that French character has not improved in five centuries, but Mrs. Clemens knocked it out." "I was never likely to profane Joan's lips with words which she had not uttered or attribute to her an important act which was not drawn from history."

108 CLEMENS, SAMUEL L. Autograph Letter Signed. Two pp, 8vo. August 25, 1899.

Again addressed to his publisher on the subject of his biography of Joan of Arc. Clemens indulges in a number of witticisms and a long description of the beauties of Sweden. About 300 words.

- 109 CLEMENS, SAMUEL L. Autograph Letter, 1 p., 8vo. Sweden, August 29, 1899.

To his publisher referring to Joan of Arc, reading in part: "I have finished the introduction, & have discarded a third of it, & have in various ways reduced it & compacted it & got it to suit Mrs. Clemens & myself . . ." About 150 words, incomplete, not signed.

- 110 CLEVELAND, GROVER. 2 Autograph Letters signed, 1890 and 1897. One letter 2 pp., 12mo, with envelope, regretting inability to give a lecture, and one short autograph note signed in full.
- 111 CLOCKS. Old Clocks and Watches and Their Makers. With 400 illustrations, many from photographs. London, 1899. 8vo, original cloth. Fine copy. Scarce.
- 112 COBI, IRVIN S. "Speaking of Operations." Illustrated by Tony Sarg. New York, (1915). 12mo, boards. First Edition. Very fine copy. With 4 A. I. S. and 1 T. L. S., with addressed envelopes, laid in.
- 113 COINS, GOLD AND SILVER. *Neueste Illustrirte Münz-, Maass- und Gewichtskunde und kurze Handelsgeographie aller Länder mit Abbildung und Beschreibung der jetzt kursirenden Gold- und Silber-Münzen, etc.* Herausgegeben von Dr. Alexander Lachmann. Leipzig, 1860. Thick 8vo, morocco and boards (scaffold). Numerous full-page plates with gold and silver colored engravings. 1 volume only. Some pages foxed. Good copy.
- 114 COLERIDGE, SAMUEL TAYLOR. *The Rime of the Ancient Mariner*. With ten engravings on copper by David Jones. Bristol, 1929. 4to, floss cloth, gilt top, other edges untrimmed.
- Printed by Douglas Cleverdon at the Faufare Press, and limited to 60 numbered copies signed by the artist and containing a set of engravings in final state. Fine copy.
- 115 COLLINS, DALE. *Six Tracks of the Spreckels Around the World*. With an Introduction by Jeanne Boucher Gowen. Many illustrations from photographs. New York, 1923. Tall 8vo, original cloth. Very fine copy.
- 116 COLLINS, WILKIE. A. L. S., 2 pages, 18mo, Ramsgate, 2nd August, 1886, to Frederick E. Kitton. A fine letter mentioning Charles Dickens. In part: "I abstain from adopting your suggestions, out of consideration for the wishes of Dickens himself. He more than once expressed to me his dislike of being presented to public curiosity by means of 'pen-portraits,' and his desire to be only known to the great world of readers after his death by his books."
- 117 COLONIAL AMERICAN. *Providence in Colonial Times*. By Gertrude Selwyn Khabab. Illustrated. Boston, 1912. Royal 8vo, boards, paper laid. First Edition. Limited to 550 numbered copies. Fine, unopened copy.

- 118 COLORADO. *Rambles in the Rocky Mountains: With a Visit to the Gold Fields of Colorado*. By Maurice O'Connor Morris. London, 1864. Name on fly-leaf; otherwise an exceptionally fine copy, as new.

- 119 COLORED ILLUSTRATION, EARLY. Facsimiles of Illuminated MS., Unpublished Drawings and Illustrated Books of Early Date. Bernard Quaritch. London, 1890. Royal 8vo, paper cover (lacks rear wrapper). Together with some 25 facsimile pages of early illuminated books, MS., etc., various sizes, in folder.
- 120 TOMLIN, WILLIAM A. *The Ships that Sailed to Mars. A Fantasy*. Illustrated with full page color plates in a Rackham-Perrish manner. London, n.d. 4to, original boards and vellum. Mint copy, with d.w. First Edition.
- 121 COLORED LITHOGRAPH. Henry Clay of Kentucky. No date (contemporary). Folio size, inclosed in glass, in dark heavy wood frame.
- 122 COLORED LITHOGRAPH. Washington, (George). Folio. Ca. 1820. Enclosed in glass, in heavy light brown wood frame.
- 123 COLOURED SPORTING PLATES. *The Chase, the Turf, and the Field*. By Nimrod. New edition. With portrait of author and illustrations. London, 1870. 12mo, original illustrated cloth. Cracked at hinges. Contents very good.
- 124 COLORED SPORTING PLATE, FRAMED. *Fore's Sporting Scraps— "Hunting,"* from original paintings by F. Cecil Boulton. London, 1887. Four scenes on one sheet 20x25".
- 125 COLORED SPORTING PLATES, FRAMED. Four scenes, "Fox Hunting," "Going Out, Going Into Cover, The Check, The Death," all painted by G. Morland and engraved by E. Bell. London, 1800-1. Four reproductions framed.
- 126 COMMERCIAL PRICE LISTS. Old. Collection of 5 sheets, 8vo and post 4to, mounted on card boards, listing prices of commodities and dated. London, 1756; Baltimore, 1803; Bordeaux, 1816; Mobile, 1837; another list, Mobile, same year; New Orleans, 1840. Together 6 pieces, in fine condition.
- 127 CONRAD, JOSEPH. *A Bibliography of the Writings of (1895-1920.)* By Thomas J. Wise. London, Printed for Private Circulation Only, 1920. Square 8vo, original printed boards. One of only 150 copies printed. Very fine copy. Scarce.
- 128 CONFEDERATE IMPRINTS. Three printed leaflets, 12mo, Army Orders, 1864, Richmond. Regulations as to use of Certificate of Indebtedness, Bureau of Conscription covering grain control, and Quartermaster's.
- 129 CONFEDERATE NEWSPAPERS. Daily Dispatch. Richmond, Va., 1861. Eight numbers as follows: Jan. 12, 16; Feb. 19; Mar. 8, 9, 12, 15 and 18. Current accounts of the National Crisis, Virginia State Convention, Tour of Mr. Lincoln, Lincoln's Inauguration, and Lincoln in Washington.

110 CONNECTICUT. *The History of Woodstock*. By Clarence Woodruff Bowen. The Plimpton Press, Norwood, Mass., 1926. Large 8vo. original green cloth, g.f.

Privately printed, and limited to 450 numbered copies, signed by the author. Fine copy.

131 CONNOR, RALPH. *Gleanings School Days*. Chicago, (1902). Large 12mo, original boards. First Edition. — *The Sky Pilot*, Chicago, 1901. 12mo, original cloth. Together 2 fine volumes, each with autograph inscription, signed and dated, by the author, on front end-paper.

A FINE LETTER REFERING TO THREE BOOKS

132 COOPER, J. FENIMORE. A. L. S., 1 full page 4to, Phila. 17, July, 1838, to Mr. Bentley, his English publisher, referring to three of his books, "Sketches of Switzerland," "Gleanings in Europe," and "History of the Navy."

"I shall select scenes, adventures, interviews, etc., from what I have seen all over Europe; put them in the order of time, etc. This will be a condensation of travels, rejecting the parts that are not distinctive, and yet not throwing away the notes I have had so much pains in writing."

"I shall publish most probably in the Spring Naval Annals of the United States, a work on which I have been employed for many years. I should like this book to be printed in England, for I hope it will correct many errors on both sides of the Atlantic."

133 (COOPER, JAMES FENIMORE.) *The Spy Unmasked; or, Memoirs of Enoch Crosby, alias Harvey Burch, the Hero of Mr. Cooper's Tale of the Neutral Ground: Being an Authentic Account of the Secret Services which He Rendered His Country During the Revolutionary War.* (Taken from his own lips, in shorthand.) By H. L. Barnum. Embellished with engravings. New York, 1828. Tall 8vo, original boards and cloth, paper label (backstrip ruled).

First Edition of this rare account of Cooper's celebrated character in the flesh. Save for some very slight foxing this is a fine copy internally.

134 CORVO, F. BARON. *Chronicles of the House of Borgia*. New York, 1901. Royal 8vo, cloth. Illustrated. First American Edition. Inscription on front end-paper. Fine copy.

135 COWLEY, ABRAHAM. *The Mistress, with Other Select Poems, 1618-1667*. Edited by John Sparrow. London, The Nonesuch Press, 1926. Large oval 8vo, polished buckram, deckle edges. Limited to 1,050 numbered copies on Dutch handmade paper. Very fine copy.

136 CRANE, STEPHEN. *The Monster, and Other Stories*. New York, 1-39, 12mo, cloth. First Edition. Upper part of binding damp stained; otherwise sound and clean.

THE RED BADGE OF COURAGE

137 CRANE, STEPHEN. *The Red Badge of Courage*. An Episode of the American Civil War. New York, 1895. 12mo, original buckram, yellow top. First Edition, the very rare first issue, with perfect type at page 225, last line. Cover somewhat spotted; inscription on front fly-leaf; otherwise a nice, clean, sound copy of this rarity.

138 CRANE, STEPHEN. *The Red Badge of Courage*. N. Y., 1896. Second edition of this "High Spot." Choice copy.

139 CREASY, E. S. (A. L. S.) Eminent English Author, "Fifteen Decisive Battles," etc., Kandy, Ceylon, 14 Feb., 1863. 12 full pages, 4to to "Dear Lusk" detailing his life in Ceylon.

140 CRUIKSHANK, GEORGE. A. L. S., London, Feb. 7, 1874. Four full pp. 8vo, to John B. Gough, the famous American temperance lecturer. A very friendly letter discussing Cruikshank's work, the temperance cause, and his hard luck. Reads in part:

"I am republishing some of my early works, the first one being 'Chronological Illustrations,' done nearly 50 years back. — with respect to disappointments it really seems to be my fate to meet with them constantly for four years I have been preparing some works to be published in photography, but after many attempts the party failed altogether in the process, so there is all my time and money gone." etc.

141 CRUIKSHANK, GEORGE. *More Mornings at Bow Street: A New Collection of Humorous and Entertaining Reports*. By John Wright. With 25 Illustrations by Cruikshank. London, 1827. Post 8vo, original boards, paper label. First Edition. Very fine copy, unopened and uncut. Very scarce.

142 CRUIKSHANK, GEORGE. *Tough Yarak: a Series of Naval Tales and Sketches to Please All Hands*. By the Old Sailor. Illustrated by Cruikshank. London, 1835. 16mo, full brown toolled calf, gilt edges. First Edition. Fine copy. Rare.

143 CURIOUS. *Emblems of Parties; or, Choyce Observations, etc.* Collected by D. Lupton. London, 1636. 16mo, old leather. Backstrip torn, contents fine. Rare.

A little encyclopedia of curious and interesting information: Gutenberg and printing; the invention of guns, etc.

144 CURIOUS. *Gynococrony; with an Essay on Fornication, Adultery, and Incest*. By the author of "Rumours of Treason." A Work suppressed in 1810. London, 1821. Thick 8vo, original boards rebounded, contents excellent.

145 CURIOUS. *Jacob's Rod: A translation from the French of a rare and curious work, A. D. 1693, on the art of finding springs, mines and minerals by means of the hazel rod*. Published by the translator, Thomas Welton, London, n.d. (early 19th century). 12mo, half leather, frontispiece, creases on title page. Nice copy.

- 146 DE AMICIS, EDMONDO. *Holland*. Translated from the Italian by Helen Zimmern. Illustrated. Two volumes. Philadelphia, (1894). Post 8vo, $\frac{3}{4}$ maroon calf, marble boards, tooled backs, gilt tops. Nice set.
- 147 DEARBORN, HENRY. ("Father Dearborn"—Chicago.) Document signed. Boston, August 22, 1809. 2 pp., 8vo. Manifest signed as Collector of the Port of Boston.
- 148 DECORATIVE MAP, OLD. *Asia Recens Summa Cura Delineta*. Auct. Henr. Hondio, 1631. Splendid colored map, enclosed in glass, large atlas folio size.
- 149 DECORATIVE MAPS, OLD. Cardiganshire, Montgomery, Breknocks. Together 3 fine decorative maps of parts of England; enclosed in glass (1 piece broken), large atlas folio size, ca. 1700 or earlier.
- 150 DECORATIVE MAP, OLD. *Le Perou et le cours de la Riviere Amazons*. Par N. Sanson d'Abeville. Paris, 1656. Superb colored map, enclosed in glass, large atlas folio size.
- 151 DECORATIVE MAP, OLD. *Persia sive Sophorum Regnum*. William Blaeu, Amsterdam, 1634. Splendid colored map, enclosed in glass, large atlas folio size.
- 152 DECORATIVE MAP, OLD. Superb colored map of America, large atlas folio size, enclosed in glass: *Totius Americae Septentrionalis et Meridionalis Novissima Representatio*, Johannes Baptistä Homann, Nuremberg, (ca. 1680).
- 153 DECORATIVE MAP, OLD. *Wallia Principatus Fulgo Wales*. John Blaeu, (ca. 1680). Splendid colored map, enclosed in glass, large atlas folio size.
- 154 DEFOE, DANIEL. *The Consolidator or Memoirs of Sundry Transactions, From the World and the Moon*. Translated from the Lunar Language. 8vo, contemporary panelled calf. London, 1705.
First Edition, with half title-page. Fine copy of this book. This prose satire contains the first hints of many of the ideas of Swift afterwards embodied in Gulliver, and also many of the sly hits at all authors of the time, from Dryden to Tom D'Urfey.
- 155 DEFOE, DANIEL. *A New Voyage Round the World, by a Course never sailed before*. In two parts, included in one volume, 8vo. Frontispiece and several copper-plate engravings. Contemporary panelled calf, with several neat repairs. London, 1725. First Edition.
- 156 DE LA MARE, WALTER. *Crossings*. A Fairy Play. With Music by C. Armstrong Gibbs. (Beaumont Press, Westminster, 1921.) 8vo, decorative cloth and buckram, deckle edges. Limited to 264 numbered copies. Fine copy, with 1 page MS. of James Stephens, about 150 words, enclosed in half green morocco slipcase, inner cloth wrappers.

- 157 DICKENS, CHARLES. *The Posthumous Papers of the Pickwick Club*. With 43 illustrations by R. Seymour and Phiz. 8vo, cloth. London, 1837.
First edition in one volume, bound in cloth. Tipped in on the inside of the cover is a salutation, signed by Dickens — "Dear Sir — Faithfully yours — Charles Dickens. The Rev. A. H. Banford." Good copy, loose in binding.
- 158 DICKENS, CHARLES. *The Posthumous Papers of the Pickwick Club*. With 43 Illustrations, by R. Seymour and Phiz. London, 1837. 8vo, original cloth.
The First Edition in cloth. Front cover very slightly rubbed, otherwise a fine copy.

MASTER HUMPHREY'S CLOCK

- 159 DICKENS, CHARLES. *Master Humphrey's Clock*, by "Boz." With illustrations by G. Cattermole and H. K. Browne. 20 monthly parts, cr. 4to, green wrappers. In a buckram folding case. London, 1840-1.
First Edition. Some backstrips repaired, and the back wrapper of Part 12 has been used for Part F, and the wrapper for Part 20 is Part 2 changed to 20.

DOMBEY AND SON

- 160 DICKENS, CHARLES. *Dealings with the Firm of Dumbley and Son*. By Charles Dickens. With illustrations by H. K. Browne. London, 1846-8. 20 parts in 19. Original wrappers, folding cloth protection box.
The rare First Edition in parts. Part V has the 12-line errata slip. A good sound set, with some backstrips repaired and some covers soiled. Most of the covers are in fine clean condition.
- 161 DICKENS, CHARLES. *Memoirs of Joseph Grimaldi*. Edited by "Boz." With illustrations by George Cruikshank. In 2 volumes. London, 1838. Post 8vo, half brown calf, mottled boards, gilt tops. First Edition. Nice set, with the original cloth covers bound in. Rare.
- 162 DICKENS, CHARLES. *Memoirs of Joseph Grimaldi*. Edited by "Boz." Embellished with a portrait (Currier lithograph). New York, 1848. 12mo, original boards and cloth (paper label missing, name in ink at top of front cover.) The First American Edition. Very good copy. Very scarce.

LITTLE DORRIT

- 163 DICKENS, CHARLES. *Little Dorrit*. With illustrations by H. K. Browne. 20 parts in 19, 8vo, blue wrappers. Enclosed in a morocco backed box. London, 1855-1857.
First edition in parts, lacking the half-title. First issue, with the white slip on which the author corrected the errors in the preceding chapter, in Part XVI. The back wrappers of Part I, II, V, XIX and XX have been supplied from other parts. Backstrips of some wrappers repaired.

EDWIN DROOD

- 164 DICKENS, CHARLES. *The Mystery of Edwin Drood*. With 12 illustrations by S. L. Piles, and a portrait. 6 parts, 8vo, green wrappers. In a green half-morocco slip-case. London, 1870.
First Edition. The back wrappers of Parts II and VI have been supplied from Parts I and V, and backstrips of some wrappers have been repaired.
- 165 DICKENS, CHARLES. A. L. S., "Office of All the Year Round." London, 24 July, 1888, 1p. 12mo, to Mr. Kilton. Reads in part, "When I went to America the Pickwick spoons were packed up with other articles and stored away," etc.

WITH ORIGINAL WATER COLOR DRAWING

- 166 DICKENS, CHARLES. *The First Editions of the Writings of Charles Dickens and Their Values*. A Bibliography by John C. Eckel. With a Portrait of Charles Dickens and 36 Illustrations and Facsimiles. London, 1913. 4to, 3/4 white vellum, cloth sides, gilt top, other edges untrimmed.
Large-paper Copy with original water color drawing my "Kyd." Limited to only 250 copies signed by the author and publishers. Very fine copy.
- 167 DICKENS, CHARLES. *Letters of*. Edited by His Sister-in-Law and His Eldest Daughter. In Three Volumes. First Edition. 8vo, full polished calf, full gilt backs and gilt sides, g.e., by Tout. London, 1850-2. Very fine set.
- 168 DICKENS, CHARLES. *The Unpublished Letters of Charles Dickens to Mark Lemon*. Edited by Walter Dexter. London, 1927. Post 4to, original 3/4 vellum, purple cloth sides, gilt top, other edges untrimmed.
First Edition, limited to 525 numbered copies. Very fine copy.
- 169 (DODGSON, C. L.) *The Life and Letters of Lewis Carroll*. By Stuart Dodgson Collingwood. Illustrated. London, 1898. Post 8vo, polished buckram. First Edition. Very fine copy.
- 170 (DODGSON, C. L.) *Sylvie and Bruno*. By Lewis Carroll. With 46 illustrations by Harry Furniss. London, 1889. Name in pencil at top of 1000-page — *Sylvie and Bruno Concluded*. With 46 illustrations by Harry Furniss. London, 1893. Together 2 volumes, 12mo, original cloth.
First Editions. Very good and fine copies, respectively. The second volume contains the very scarce loose leaf of advertisement, written by Lewis Carroll, usually missing.

ONLY FIVE COPIES

- 171 DRAKE, JOSEPH RODMAN. *The Culprit Fay and Other Poems*. With a Title Page and Vignettes by Edmund Garrett. Printed by the Rowland Club, Cleveland, 1893. Large 8vo, original white cloth (very slightly spotted), leather label.
Limited to only 5 copies on Japan vellum. With 2 A. L. S. by the author, regarding the book, laid in. Fine copy, in half green morocco slipcase. Of the greatest rarity.

- 172 DREISER, THEODORE. *A Hoosier Holiday*. With Illustrations by Franklin Booth. New York, 1916. Royal 8vo, original boards and buckram.
The scarce First Edition, first issue, with the paragraph reading: "The war! The war!" on page 173. Fine copy in the original dust jacket.
- 173 DRINKWATER, JOHN. *Abraham Lincoln*. A Play. Boston, no date. 12mo, boards and cloth. Inscribed copy. With A. L. S. laid in. — *Lincoln, the World Emancipator*. Boston, (1920). 12mo, boards and cloth. Author's autograph presentation copy, signed and dated on front end-paper. Together 2 fine association items.
- 174 DRYDEN, JOHN. *All for Love; or, the World Well Lost: A Tragedy*. San Francisco; Printed for William Andrews Clark Jr., by John Henry Nash, 1929. Folio, original boards and vellum, gilt top, other edges untrimmed. Limited to 250 numbered copies for private distribution. With 13 colored plates and other decorations. Together with a facsimile, also one of 250 numbered copies of the very rare First Edition, small 4to, boards and vellum. Two very fine volumes in board slipcase, as issued.
- 175 DRYDEN, JOHN. *The Works of Virgil*. Translated into English Verse. A New Edition; with Remarks on the "Corrections" of Dr. Carey. London, 1806. Wide 24mo, contemporary mottled brown calf. Four volumes. Covers of Vol. 1 loose. Good set.
- 176 (DUCHESS OF KINGSTON.) *An Authentic Detail of Particulars Relative to the Late Duchess of Kingston*. London, 1788. Small 8vo, boards and calf. Frontispiece portrait of the duchess in interesting pose. First Edition. Very good copy. Scarce.
In 1769, while her husband was still alive, the lady married the Duke of Kingston, while her husband, the Earl of Bristol, was still alive. Tried for bigamy, she was found guilty, but, pleading her "privilege as a Peer's wife," she was discharged without any punishment. She died in 1788 after an interesting interlude in Italy and Russia.
- 177 DU MAURIER, GEORGE. A. L. S., 1 page, 24mo, Hampstead Heath, Jan. 9, (1877), to my "Dear (Chalmoudely) Pennell." An intimate letter to a friend. With original addressed envelope.
- 178 EDISON, THOS. A. Attractive Photograph of an Oil Painting Portrait. 6" x 8". Signed by Thos. A. Edison to W. F. Bauer. Well framed.
- 179 EDWARDS, JONATHAN. *The Great Christian Doctrine of Original Sin Defended; Evidences of Its Truth Produced, etc.* Boston, New England, 1758. Post 8vo, contemporary panelled calf (worn; backstrip chipped).
First Edition of this early American religious work by one of the famous New England ministers and college presidents. Lacks front end-paper; contents otherwise sound and fine. With the list of subscribers at the end. Very rare.

180 EGGLESTON, EDWARD. A collection of 4 A. L. S., about 10 Dec. to Mrs. Cabell, 1890-1892. One letter discusses various phases of American history—Civil and Political, Cultural, Institutional and Literary—and cites the most important names of American historical writers in each field. Bancroft, Parkman, etc.

SIR HENRY IRVING'S SET OF A GEORGE ELIOT RARITY

181 ELIOT, GEORGE. *Daniel Deronda*. Edinburgh and London, 1876. 12mo, ¾ contemporary brown morocco, marbled board sides and edges. 4 volumes. Nice set.

The rare First Edition of George Eliot's masterpiece. From the library of Sir Henry Irving, the celebrated actor, with his bookplate in each volume.

182 ELIOT, GEORGE. *The Mill on the Floss*. In Three Volumes. Edinburgh and London, 1860. 12mo, original cinnamon-colored cloth, uncut.

First Edition. Tops of backstrips slightly chipped, corners worn, and rear hinge of Volume III broken. With 16 pp. of ads. at end of Volume III.

183 ELIOT, GEORGE. *The Spanish Gypsy*. Edinburgh and London, 1868. 8vo, original cloth. First edition. Very good copy. One signature loose.

184 ELLIS, HAVELOCK. *Christopher Marlowe*. Edited by. With a General Introduction on the English Drama During the Reigns of Elizabeth and James I. Unexpurgated Edition. London, 1887. 12mo, original cloth.

First Edition. Nice copy One of the scarcest titles in the "Mermaid Series."

185 EMERSON, R. W. A. L. S., 2 pp. 8vo, Boston, 20 Dec., 1876, to H. G. Otis Blake. Reads in part:

"I have today sent by Adams Express the two trunks containing Henry D. Thoreau's manuscript to your address in Worcester." etc.

186 EMERSON, R. W. A. L. S., 2 pages, 32 mo, Concord, March 14, no date, to W. D. Howells, rejecting a proposal to write a paper. In part: "... My habit of writing is so irregular in these days & I have so much incomplete work that I must not make new promises." About 55 words.

EMERSON GENEALOGY

187 EMERSON, R. W. A. L. S., 2 pp. 4to, Divinity Hall, Cambridge, 29, Oct., 1828, to John Farmer, Concord, N. H. Long letter regarding Emerson genealogy. Reads in part:

"I have received yesterday a letter from Mr. Samuel Emerson of Newburyport (who by the way is son of Bulkeley who was son of Joseph E. of Malden) in answer to my request for information about Rev. Joseph E.'s parentage:

He sends me this minute, 'Joseph Emerson, the son of Lt. John Emerson & Judith his wife, born 2d March 1696' . . . Now you say in your letter that Rev. J. E. should be born in 1699. This difference is not very considerable, & must not deprive my ancestor of the lieutenant or a father, unless we can find him a better . . . So pray, my dear sir, do not let a few refractory impossibilities, if any such should appear, lose me the lieutenant. It sets all my pedigrees adrift." etc. Another page deals with his brother and Emerson's intention to renew his acquaintances in Concord. "In some of the revolutions of our ecclesiastical system." etc.

188 EMERSON, RALPH WALDO. *Essays*. Boston, 1841. 12mo, original cloth. First Edition, first state, without "First Series" on spine. Name in ink at top of title, front end-paper extracted, and binding somewhat soiled and worn. A fine clean copy internally. Scarce.

189 EMERSON, RALPH WALDO. *A Memoir of*. By James Elliot Cabot. In 2 volumes. Cambridge, printed at the Riverside Press, 1887. Tall 8vo, original cream-colored boards, paper labels, deckle edges. Large-Paper First Edition, limited to 500 numbered copies. Very fine set, unopened.

190 EMERSON, R. W. *Emerson's Works*. Boston and New York. The Riverside Press, 1921. Small 8vo, ¾ tooled red morocco, raised bands, gilt tops, other edges untrimmed. Set, six volumes.

A fine set; beautifully bound.

191 ENGRAVING, EARLY AMERICAN. *American Engravers and Their Works*. By W. S. Baker. Philadelphia, 1875. 12mo, cloth. First Edition: — *Early American Engraving Upon Copper*. The Grolier Club, 1908. 16mo, wrappers. Together 2 volumes.

192 EMERSON, R. W. A. L. S., 3 pp. 4to, Concord, 5 Aug. 1850, to Horace Greeley regarding the publication of a memoir of Margaret (Fuller). Letter reads in part: "your arrangement of her books is judicious certainly; let the notices of Longfellow and of Lowell be omitted. These two critiques of two writers of such respectable ability were exceptional in their severity from Margaret's pen, and there is no need to repeat the wounds . . . 'Eckermann,' too, is her best book in some senses, & 'Gunderode' is good."

193 EVERETT, EDWARD. A. L. S., 2 pp. 4to, Boston, May, 1839, to Robert Southey. Charming letter of introduction for Mr. & Mrs. Daniel Webster, also on the appreciation of Southey's poetry in America. Reading in part:

"Mr. W. must be known to you by reputation as one who has no superior among the statesmen of America now living. His friends have long claimed for him the reputation of standing in the highest place in the Senate of the United States & among the constitutional lawyers of this country." etc.

194 EVERETT, EDWARD. A. L. S., 2 pages, 4to, Feb. 17, 1825, to an associate of the United States Literary Gazette relative to the writer's offer of assistance and contributions to the publication. A fine letter, over 300 words.

195 FIELD, EUGENE. A. L. S., 1 page, 12mo, Chicago, May 22, 1895, ordering a copy of "With Trumpet and Drum" and of "Love Songs of Childhood" to be shipped to a friend in London.

196 FIELD, EUGENE. A. L. S., 1 page, 4to, Chicago, Nov., 26th, 1888. A fine courteous letter, to a Miss Jansen, soliciting on behalf of the Chicago Daily News, for publication an article on a forthcoming theatrical performance. About 115 words.

- 197 FORD, GOV. THOMAS. *A History of Illinois, from its Commencement as a State in 1818 to 1847*. Chicago, 1854.

First Edition of this scarce Illinois history. Worn copy, some staining.

THREE FINE FORE-EDGE PAINTINGS

- 198 FORE-EDGE PAINTINGS. *Fisher's Views. Syria, The Holy Land, Asia Minor, etc.* Illustrated. In a Series of Views Drawn from Nature by W. H. Bartlett, William Purser, etc. With Descriptions of the Plates by John Carus, Esq. London, (ca. 1837). 4to, contemporary green grained calf, gilt back, richly tooled gilt borders, g.e. 3 volumes. With numerous fine full-page engravings.

A splendid set, each volume with a beautiful fore-edge painting, an oriental scene.

- 199 FORE-EDGE PAINTING. *Italy. A Poem*. By Samuel Rogers. London, 1838. 4to, full dark green grained morocco, gilt decorations on sides, raised bands, gilt edges. With splendid engravings by Turner, Prout, and others.

With a beautiful fore-edge painting of Lake Garda; a gorgeous scene of the river bank, with Italian peasant women in colorful attire idling nearby. Superb copy.

- 200 FORE-EDGE PAINTING. *Poems*. By Samuel Rogers. London, 1838. 4to, full dark green grained morocco, gilt decorations on sides, gilt edges, raised bands. With superb engravings by Turner, Stothard, and others.

With a beautiful fore-edge painting of a landscape and river, with trees, countrymen, etc., in the background. Superb copy.

- 201 FOSTER, WILLIAM. Noted English Artist. An original Pen and Ink Sketch of himself as he appeared on his deathbed (1812). He drew it for Dr. Knight, his physician, and is attested to by Dr. Knight's son.

- 202 FORTUNE PRESS. *Dr. Sade. Being a Series of Wounds, Inflicted with Brush and Pen, Upon Sadistic Walves Garbed in Masochists' Wool*. By Beresford Egan and Brian de Shane. Published for the first time. London, n.d. 4to, buckram. Very fine copy, with d.w.

Limited to 1800 copies. A curious item, with weird illustrations.

- 203 FOSTER, STEPHEN. Collection of 22 pieces of sheet music, mostly early editions, extracted from bound volumes. Good copies.

- 204 FOULIS PRESS. *Paradise Lost*. By John Milton. Glasgow, 1770. Vignette on title, folio, tooled old calf. Fine copy in an attractive old binding.

- 205 FREEDOM OF THE PRESS. *A Treatise Concerning Political Enquiry, and the Liberty of the Press*. By Tunis Wortman, Counsellor at Law. New York, 1800. 8vo, unbound. 296 pages. Title page and table of contents partially water stained.

First Edition. A very rare early American treatise, with a chapter on "The same subjects considered with relation to the Constitution of the United States."

- 206 FRÉMONT, BREVET CAPTAIN J. C. *Report of the Exploring Expedition to the Rocky Mountains in the Year 1842, and to Oregon and North California in the Years 1843-4*. Washington, 1845. 8vo, original cloth. Very good copy, with the scarer folding map in folder inside back cover.

ABOUT THE HERO OF "THE CLIFF DWELLERS"

- 207 FULLER, HENRY B. A. L. S. 5 closely written pages, 4to, Chicago, Oct. 16, 1893, to Mr. Erastus Brainerd, Seattle, Wash. A long letter of the utmost importance and human interest, in which Fuller explains the circumstances under which he gave the name, "Erastus M. Brainerd," to the hero of his novel, "The Cliff Dwellers." One of the most important Fuller letters every to appear at public sale, every line of it being significant and of extraordinary association interest. About 850 to 900 words.

- 208 FULLER, HENRY B. *The Chateaux of La Trinité*. N. Y., 1892. Binding slightly soiled; otherwise fine. First Edition.

- 209 GALE, ZONA. *Yellow Gentians and Blue*. New York, 1927. Tall 12mo, boards and cloth. First Edition. Author's signed Presentation Copy. — *Friendship Village*. New York, no date. 12 mo. cloth. With signed autograph inscription. Together 2 volumes. Very fine copies.

- 210 GALSWORTHY, JOHN. *Moods, Songs and Daggereis*. London, 1912. 8vo, original bluish-green cloth, paper label.

First Edition, fine copy, limited to 750 copies.

- 211 GARLAND, HAMLIN. *The Book of the American Indian*. Pictured by Frederick Remington. New York, n.d. Tall 4to, original boards and cloth. Mint copy, with d.w., bound. With Remington's autograph signature on card laid in.

- 212 GARLAND, HAMLIN. *Main-Travelled Roads*. New York, no date. 12mo, original cloth. Fine copy.

Author's signed Presentation Copy. With A. L. S., 1 page, small 8vo, April 30, '02, to Franklin McVeagh, former U. S. Secretary of the Treasury, laid in.

- 213 GENEALOGY. *Descendants of George Abbott, of Rowley, Mass., etc. By Maj. Lemuel Abijah Abbott*. Volume I. (Boston.) 1906. Royal 8vo, cloth. Excellent copy.

- 214 GENEALOGY. *The Gentry Family in America, 1676 to 1909*. By Richard Gentry. New York, 1909. Large, thick 8vo, cloth. Good copy (ex-library).
- 215 GEORGE, HENRY. *Social Problems*. Chicago, 1883. 12mo, original cloth. First Edition. Fine copy.

WITH 12 FORE-EDGE PAINTINGS

- 216 GIBBON, EDWARD. *The History of the Decline and Fall of the Roman Empire*. In 12 volumes. A new edition. London, 1807. 18mo, contemporary full mottled calf.
- A fine old set, each volume with an interesting fore-edge painting depicting a rustic scene.
- 217 GLASGOW, ELLEN. *Virginia*. New York, 1913. 12mo, original cloth. First Edition. Fine copy. Autographed by the author. Inscription (not author's) on half-title.
- 218 GRAVES, ROBERT. *Ten Poems More*. Hours Press, Paris, 1936. Large imperial 8vo, calf and illustrated boards. First Edition. Limited to only 200 copies, privately printed, numbered, and signed by the author. Fine copy. Very scarce.
- 219 GREELY, HORACE. A. L. S., 1 p. 4to, New York, 22 Nov. 1842, to "Mrs. Mary Cheney, Dear Mother." A detailed personal letter about friends. "I hope soon to be able to have a home fit to invite you to, and that you will come and visit me." (Letter is somewhat stained and worn in folds).

WITH AUTOGRAPH LETTER OF QUEEN VICTORIA

- 220 GREENAWAY, KATE. *Little Ann, and Other Poems*. By Jane and Ann Taylor. Illustrated by Kate Greenaway. Printed in Colours by Edmund Evans. London, n.d. 8vo, original illustrated boards, and linen. First Edition. Name in ink on end-paper. Fine copy. With A. L., third person of Queen Victoria, Windsor Castle, Aug. 30, 1841, 2 pages, 12mo, written in the third person.
- 221 GREENAWAY, KATE. *A Day in a Child's Life*. Illustrated by Kate Greenaway. Music by Myles B. Foster. Engraved and printed by Edmund Evans. London, n.d. Square original decorated boards (corners rubbed). First Edition.
- 222 GREENAWAY, KATE. *Language of Flowers*. Illustrated by Kate Greenaway. Printed in Colours by Edmund Evans. London, n.d. Square 16mo, original illustrated boards. First Edition. Nice copy.
- 223 GREENAWAY, KATE. *Marigold Garden*. Pictures and Rhymes by Kate Greenaway. Printed in Colours by Edmund Evans. London, n.d. Square royal 8vo, original illustrated boards (corners scuffed). First Edition.

- 224 GREENAWAY, KATE. *Kate Greenaway's Book of Games*. With 24 Full-page Plates. Engraved and printed in colours by Edmund Evans. London, n.d. Square 8vo, illustrated boards. First Edition. Fine copy.
- 225 GREENAWAY, KATE. *Mother Goose; or, the Old Nursery Rhymes*. Illustrated by Kate Greenaway. Engraved and printed by Edmund Evans. London, n.d. 16mo, illustrated cloth boards. First Edition. Fine copy.
- 226 GREENAWAY, KATE. *The Royal Progress of King Pepito*. By Beatrice F. Crosswell. Illustrated by Kate Greenaway. Engraved and printed by Edmund Evans. London, no date. Large post 8vo, original illustrated boards (backstrip and edges rubbed). First Edition.
- 227 GREENAWAY, KATE. *The Pied Piper of Hamelin*. By Robert Browning. With 35 Illustrations by Kate Greenaway. Engraved and printed in colours by Edmund Evans. London, n.d. Square royal 8vo, original illustrated boards (edges rubbed). First Edition.
- 228 GREENAWAY, KATE. *The Queen of the Pirate Isle*. By Bret Harte. Illustrated by Kate Greenaway. Engraved and printed by Edmund Evans. London, n.d. Square small 8vo, original illustrated cloth. First Edition. Fine copy.
- 229 GREENAWAY, KATE. *Under the Window*. Pictures and Rhymes for Children. Engraved and Printed by Edmund Evans. London, n.d. Large square 8vo, original illustrated boards. First Edition. Fine copy.
- 230 GROLIER CLUB. *Catalogue of Books from the Libraries or Collections of Celebrated Bibliophiles and Illustrative Persons of the Past with Arms or Devices on the Bindings*. Exhibited at the Grolier Club, 1895. 8vo, original green cloth. With many full-page plates.
- Edition limited to only 350 copies on Holland paper. Book-plate. Fine copy.
- 231 GROLIER CLUB. *Transactions*. From its Foundation, 1884, to 1919. Parts I-IV. N. Y., 1885, 1921. Post 4to, original boards. Together four volumes. Good to mint copies.
- 232 (HABBERTON, JOHN.) *Helen's Babies*. By their latest Victim. Boston, (1876). Small square 12mo, original cloth.
- First Edition, second issue. Fair copy. Mounted on the fly-leaf is a long, important and interesting A. L. S. by the author regarding the points of the first issue, as well as other editions of this popular "High Spot."
- 233 HAMILTON, ALEXANDER. *The Works of*. Comprising His Correspondence, and His Political and Official Writings. Exclusive of the Federalist, Civil and Military. Edited by John C. Hamilton. New York, 1850. 8vo, cloth. 7 volumes. One backstrip torn at upper front hinge.

- 234 HART, ADOLPHUS M. *History of the Valley of the Mississippi*. Cincinnati, 1853. 12mo, original cloth. First Edition; some foxing; bookplate; backstrip slightly scuffed; a tight sound copy otherwise.
- 235 HARTE, BRET. A. L. S., 16mo, 1 page. June 28, 1887, mentioning John Hay. About 60 words.
- 236 HARTE, BRET. *The Luck of Roaring Camp, and Other Sketches*. Boston, 1870. 12mo, original cloth.
The extremely rare first edition, first issue, without "Brown of Calaveras." A poor copy of an important book, though the text is complete and fairly clean.
- 237 HAWTHORNE, NATHANIEL. *The Blithedale Romance*. Boston, 1852. 12mo, original cloth. First Edition, with 4 pages of ads. Binding worn at top and bottom of spine, corners rubbed, and a few pages stained somewhat at bottom margins. Contents good. Scarce.
- 238 HAWTHORNE, NATHANIEL. *The Marble Faun; or, The Romance of Monte Beni*. In 2 volumes. Boston, 1860. 12mo, original cloth.
First Edition, first issue, volume 2 ending at page 284. With 16 pages of ads, dated March, 1860. Binding slightly soiled, and worn at top and bottom of spines, otherwise a good clean set.
- 239 HAWTHORNE, NATHANIEL. *Our Old Home*. A Series of English Sketches. Boston, 1863. 12mo, original cloth. First Edition, with 1 page of ads. Nice, clean tight copy.
- 240 HAY, JOHN. A. L. S., 2 pp., 12mo, Washington, Dec. 4, 1888. "Mr. Nicolay and I are much gratified by your letter of the 2nd. We are pleased to know that the brief and inadequate notice of your father's heroic service has given you pleasure." Refers to Commander Chas. F. Elliot, of Mississippi River fame.
- 241 HAY, JOHN. *Pike County Ballads, and Other Pieces*. Boston, 1871. Small 12mo, original cloth. First Edition. Shaken. Good copy.
- 242 HAZLITT, W. C. A. L. S., London, 2 Feb. 1869, 3 pp. 12mo. to J. W. Cook, giving an outline of his proposed new book on the Drama. Reads in part: "I desire to collect together in a convenient form and one point of view all that has been done, & my volume will embrace a large number of documents & tracts, etc., etc."

"KARMA" — "THE AUTHOR'S TOUCH"

- 243 HEARN, LAFCADIO. A. L. S., 3 pp. 8vo. New York City, 149 W. 10th St., Dec. 26, 1889, to J. M. Stoddart, editor. A lengthy letter submitting "Karma" for publication. Reads in part: "Karma" in its present shape represents, I think, the utmost possible degree of condensation to which a story can be brought. Names, places, all descriptive matter not relating to emotional action, have been eliminated. Accordingly I see no possibility of further condensing the narrative, without weakening it." "Will you kindly agree to have copy strictly followed, and, if possible, to send me corrected proofs as soon as the text is set up: for no work can obtain its best expression except by author's own finishing touches," etc.
- 244 HEARN, LAFCADIO. *Glimpses of Unfamiliar Japan*. In two volumes. Boston and New York, 1894. Small 8vo, original green cloth, gilt tops.
First Edition, first binding. An exceptionally fine set.
- 245 HEARN, LAFCADIO. *Kokoro*. Hints and Echoes of Japanese Inner Life. Boston, 1896. 12mo, original cloth. First Edition. Nice copy.
- 246 HEARN, LAFCADIO. *Some Chinese Ghosts*. Boston, 1887. 12mo, original cloth.
The rare First Edition of the author's second book, and an important "High Spot." Binding broken about 1 inch on spine at outer hinge, front end-paper extracted, and ink drawing of Japanese man on front fly-leaf. Otherwise a good copy.
- 247 HEINE, HEINRICH. *Werke*. Hamburg, 1876. Small 12mo, 3/4 tooled brown morocco, gilt tops, other edges untrimmed. 21 vols. Attractive modern binding. Fine set (incomplete).
- 248 HELVETIUS, CLAUDE-ADRIEN. *Oeuvres Complètes D'Helvétius*. Corrigées et augmentées sur les Manuscrits de l'Auteur, avec son Vie et son Portrait. 8vo, 4 vols. full polished green calf, gilt decorations and lettering, gilt edges. Paris, 1795.
Very good edition. Except for some scuffing of binding, excellent copies.
- 249 HISTORY OF AMERICA. Narrative and Critical. Edited by Justin Winsor. Boston, (1889). Wide imperial 8vo, 3/4 brown morocco, marble boards, gilt tops. 10 volumes. Profusely illustrated with portraits, maps, etc. Fine set, attractively bound, of this important and authoritative historical work.
- 250 HITTELL, JOHN S. *A History of the City of San Francisco, and Incidentally of the State of California*. San Francisco, 1878. 8vo, original cloth. Insignificant tear at upper hinge on backstrip, otherwise a very fine copy.

- 251 HOBBS, CAPTAIN JAMES. *Wild Life in the Far West: Personal Adventures of a Border Mountain Man.* Illustrated with numerous engravings. Hartford, 1873. 8vo, original cloth. Colored frontispiece. First Edition of this important western item. Lacks front end-paper. Very good copy. Scarce.
- 252 HOLMES, O. W. 2 A. L. S. Boston, Jan. 7, 1860, and Beverly Farms, Mass., Aug. 22, 1865, to the editor of Harper's Weekly and to another periodical regarding literary matters. About 250 words.
- 253 HOLMES, OLIVER WENDELL. *The Professor at the Breakfast-Table; with the Story of Iris.* Boston, 1860. Large 12mo, original cloth. First Edition. Two signatures loose, otherwise a fine copy.
- 254 HOOD, THOMAS. A. L. S., Adelpbi, 23 April 1828. 1 p. 4to, to James Montgomery, requesting a contribution to his next Annual, mentioning Sir Walter Scott.

AN IMPORTANT RUN

- 255 HORSES. A consecutive run of *The Clydesdale Stud-Book*, containing pedigrees of mares and stallions foaled, etc. Vols. 1-32 inc. London, 1878-1910. 8vo, original brown cloth. Together 32 volumes.
- A fine and important consecutive run of this famous stud-book, which records the pedigrees of the Clydesdale breed of horses foaled from 1869 to 1910.
- 256 HOUGH, EMERSON. *The Covered Wagon.* New York, 1922. 12mo, original cloth. The scarce First Edition. A good copy of this famous "High Spot."
- 257 HOWELLS, W. D. Collection of 4 A. L. S., 1 page each, no place, 1892-1909, 2 of them addressed to Mrs. (Julia Ward?) Howe, regarding literary matters. A fine lot totalling about 220 words.
- 258 HOWELL, JAMES. *The Familiar Letters of.* With an Introduction by Agnes Repplier. Boston and New York, 1907. 8vo, original boards and cloth, paper labels, uncut and unopened. 4 volumes. Printed at the Riverside Press and limited to 220 numbered sets. Bookplate in each volume. Fine set.
- 259 HUNT, LEIGH. *Stories from the Italian Poets; With Lives of the Writers.* London, 1846. Post 8vo, original cloth. 2 volumes. First Edition. Fine set, enclosed in half dark blue morocco slipcase, inner cloth wrapped. Scarce.
- 260 HUNT, LEIGH. *The Story of Rimini.* A Poem. Boston and Phila., 1810. 16mo, original boards, paper label (somewhat rubbed).

SECOND SESSION FRIDAY, FEBRUARY 19

Promptly at 8 P. M.

- 261 HUNT, LEIGH. *The Town; Its Memorable Characters and Events.* With Forty-Five Illustrations. London, 1848. 8vo, original orange cloth, two volumes.
- First Edition. Front fly-leaves lacking, otherwise a fine bright set.
- 262 HUXLEY, ALDOUS. *Brief Candles.* New York, The Fountain Press, 1930. 8vo, cloth. First Edition, limited to 842 numbered copies signed by the author. Very fine copy.
- 263 ILLINOIS. *Illinois, the Heart of the Nation.* By Hon. Edward F. Dunne. 5 volumes. Illustrated. Chicago, 1933. Royal 8vo, original decorated keratol. Mint set.
- 264 ILLINOIS. *History of Whiteside County.* Edited by Charles Bent. Morrison, Ill., 1877. 8vo, original cloth. Very fine copy. Scarce in such fine condition.
- 265 ILLUSTRATION, ENGLISH. *English Illustration. 'The Sixties': 1855-70.* By Gleason White. With Numerous Illustrations by Ford Madox Brown, A. Boyd Houghton, Arthur Hughes, Rossetti, Whistler, and a number of others. Westminster, 1897. 4to, original gilt decorative white polished buckram, gilt top, other edges untrimmed. First Edition. Fine copy.
- 266 INDIANA. *A History of.* From 1816 to 1856. By John B. Dillon. Indianapolis, 1859. 8vo, original sheep (backstrip cracked at top and bottom of outer hinge). Folded map, illustrations. First Edition. Scarce.
- 267 INDIANA, NORTHEAST. *History of.* Lagrange, Steuben, Noble and DeKalb Counties. Under editorial supervision of Ford, Stevens, McEwen & McIntosh. Illustrated. Chicago, 1920. Tall post 4to, leather and boards (small grouse in one backstrip). 2 volumes. Good set.
- 268 INMAN, HENRY. A. L. S., 3 pp. 4to, New York, 15 Nov. 1838, with caricature sketch of himself, to James McMurtrie, Esq., Phila. Regarding the sale of the Puff Collection at auction. "Do you think old Puff will lie quiet in his coffin, when the auctioneer knocks down the Bonanotti? I think he'll kick. I saw a Van Alst Fruit piece. I never saw anything to recommend it in the same way with truth, taste and dexterity."
- 269 IOWA. *Album of Davenport and Vicinity.* Davenport, Iowa, 1887. Oblong post 4to, original leather and buckram.
- 270 IRELAND. *Stories of Calumniators: Interspersed with Remarks on the Disadvantages, Misfortunes, and Habits of the Irish.* In two volumes. By J. R. Trotter, Esq. Dublin, 1809. Small 12mo, half calf. First Edition. Nice set.

- 271 IRVING, WASHINGTON, A. L. S., 3 full pp. 4to, Sunnyside, 10 Feb. 1847, to Moses Grinnel, asking Mr. Grinnel to find a place in the merchant marine for Irving's youthful protegee, Newman. Irving goes into lengthy detail about the boy's father who had been a friend of his and an officer in the U. S. Navy. A fine letter revealing Irving's character.
- 272 IRVING, WASHINGTON, A. L. S., 2 pp. 4to, Tarrytown, 2 Dec. 1840, to Wm. S. Stone, American writer. Reads in part, "... he is mistaken in the idea that I have any work in hand connected with the landing of Columbus. The report that got into the papers, must have originated in the circumstances of Mr. Cooper's being occupied in a novel founded on that subject, and in my name being substituted for his."
- 273 IRVING, WASHINGTON, *Salmagundi; or, the Whim-Whams and Opinions of Lancelot Langstaff, esq., and others.* Reprinted from the American edition, with an introductory essay, and explanatory notes, by John Lambert. London, 1811. 16mo, contemporary $\frac{3}{4}$ calf (rubbed, on^g backstrip stained.)
First English Edition. Contents fine.
- 274 JAMES, HENRY, JR. A. L. S., 8 pages, small 8vo, London, July 7th, (1879), to Richard Watson Gilder, regarding two short stories he had sent him for publication, and requesting, as "a favor," a cheque for \$300. A fine long letter, about 400 words.
- 275 JAMESON, MRS. *Characteristics of Women.* Moral, Poetical, and Historical. In Two Volumes. London, 1833. 8vo, original cloth, back lettered in gilt.
With Fifty Vignette Etchings. The Second Edition, corrected and enlarged. Fine set.

JEFFERSON'S THEORY OF LITERATURE.

- 276 JEFFERSON, THOMAS, A. L. S., 2 full pages, 8vo, Monticello, Aug. 3, 1771, to Robert Skipwith, brother-in-law of Mrs. Jefferson. The letter is folded, worn in folds and torn in the half fold across the center. A choice letter as to content; concerning the choice of books for a private library and expressing therein his theory of literature. Mounted in a double-glass frame.
The letter reads in part, "I sat down with a design of executing your request to form a catalogue of books amounting to about 30 £ sterling, but could by no means satisfy myself with any partial choice I could make."
"A little attention to the human mind evinces that the entertainments of fiction are useful as well as pleasant... everything is useful which contributes to fix in us in the principles and practice of virtue..."
"... Thus a lively and lasting sense of filial duty is more effectively impressed on the mind of a son or daughter by reading King Lear, than by all the dry volumes of ethics and divinity that ever were written. This is my idea of well-written Romance, of Tragedy, Comedy, and Lyric poetry."
"Come and bring our dear Tibby with you; the first in your affection, and second in mine... in every scheme of happiness she is placed in the foreground of the picture, as the principal figure. Take that away, and it is no picture for me."

- 277 JOHNSTON, JOSEPH E. Confederate General, A. L. S. 2 full pp., 8vo, New York, May 15, 1868. To W. D. Cabell. A fine letter revealing Johnston's character. "I am without capital—and have never attempted to teach boys... at my time of life one's not thought capable of making himself fit for a new calling," etc. A splendid letter.
- 278 (JOHNSON, SAMUEL). *Footsteps of Dr. Johnson (Scotland)*. By George Birbeck Hill, D. C. L. With Illustrations by Lancelot Speed. London, 1890. Thick quarto, original half leather, gilt top.
First Edition. Copiously illustrated with many fine full-page and text illustrations of Scottish scenes. Binding slightly rubbed, otherwise a fine, sound copy.
- 279 (JOHNSON, SAMUEL). *The Rambler*. In Three Volumes. London, 1794. 8vo, contemporary tooled marble calf.
The thirteenth edition. A fine old set with splendid engravings.
- 280 JOYCE, COLONEL JOHN A. *Edgar Allen Poe*. N. Y., (1901). 12mo, buckram. First Edition. Author's signed and dated presentation copy. Fine.
- 281 JUNIUS. *The Letters of Junius*. With Notes, biographical and explanatory; Also a Prefatory Enquiry respecting the real author. By John Almon. In Two Volumes. (London), 1806. 12mo, old calf, front cover of one volume somewhat loose.
The first issue of this edition. The editor, John Almon, is best known as the editor of "The Remembrancer," that "great magazine of information" on the American Revolution.
- 282 JUSSERAND, J. J. *With Americans of Past and Present Days*. New York, 1916. Small 8vo, original cloth. Very fine copy.
With a long signed autograph inscription of an excerpt from the book describing the nomination of Abraham Lincoln. Together with A. L. S. in pencil, 2 pages, 8vo, from Franklin McVeagh to Ambassador Jusserand, and other material of association interest.
- 283 JUSSERAND, J. J. *English Wayfaring Life in the Middle Ages*. Translated by Lucy Toulmin Smith. Illustrated. London, 1891. 8vo, full gilt vellum, gilt top, other edges untrimmed. Large paper, first edition, limited to only 65 numbered copies on Japanese Paper, signed by the publishers. Fine copy.
- 284 KELLER, HELEN. *The Story of My Life*. With Her Letters (1887-1901), and a Supplementary Account of Her Education, etc. By John Albert Macy. Illustrated. New York, 1915. Post 8vo, original cloth. Fine copy.
With author's autograph poem, written in indelible pencil, signed and dated Sept. 9, 1916. About 45 words, ending "Yet do I live—these things denied, and find Life sweet, and God so near that I can almost touch His hand."

- 285 KENDALL, GEO. WILKINS. *Narrative of the Texas Santa Fe Expedi-
tion*. With Illustrations and a Map. In 2 volumes. New York, 1844. Post
8vo, original cloth.

A good set of the rare First Edition of this important narrative. A few
pages are slightly foxed, one front end-paper is pasted onto the cover,
and a name in ink on one front end-paper, but both volumes are quite
sound and clean.

- 286 KING, GENERAL CHARLES. *The True Ulysses S. Grant*. With 28
Illustrations, Philadelphia, 1914. Post 8vo, original buckram. Fine copy.
Extremely fine copy.

With author's presentation inscription, signed and dated, "by her father's
old friend and 'boy soldier' comrade."

- 287 KINGSLEY, CHARLES. *Lectures Delivered in America in 1874*. London,
1875. 12mo, original cloth. Cover slightly soiled, otherwise a fine copy.
First Edition.

- 288 KIPLING, RUDYARD. *The Betrothed*. With Drawings by Blanche Mc-
Manua. New York, Mansfield & Wessels, (1899). Wide 16mo, cloth. The
First Separate Edition, limited to 500 copies on Strathmore-deckle edge
paper. Nice copy. Scarce.

- 289 KIPLING, RUDYARD. Portrait by Philip Burne-Jones, 1899. Photo-
graveure reproduction in sepia of this famous painting showing Kipling at
his desk, writing, in his library. Print itself measures 14x16 inches framed,
published London, 1900, by J. P. Mendoza. Signed in pencil by Philip
Burne-Jones and Rudyard Kipling. With an etched Remarque head of
Kipling in Indian helmet on the bottom margin.

- 290 KIPLING, RUDYARD. *The Seven Seas*. London, 1896. Tall 12mo, buck-
ram (backstrip faded). First English Edition. Sound clean copy.

- 291 KIPLING, RUDYARD. "They." With Illustrations by F. H. Townsend.
London, 1905. Small 8vo, original white gilt decorated cloth (slightly
soiled).

The First Edition, first issue, with the imprint, "Benrose Dalziel" on
page 80. Nice copy.

- 292 LANGIANI, RODOLFO. *Pagan and Christian Rome*. Boston, 1893. —
Ancient Rome in the Light of Recent Excavations. Boston, 1892. Together,
2 volumes, large square 8vo, red and white cloth. Profusely illustrated.
Names on front end-papers. Fine copies.

- 293 LANG, ANDREW. *Essays in Little*. London, 1891. Post 4to, original
white polished buckram, deckle edges. Large Paper First Edition, limited
to 150 numbered copies. Backstrip somewhat faded, otherwise a fine, un-
opened copy. Bookplate. Scarce.

- 294 OHIO IMPRINT. *The Farmer's Assistant; or, Every Man his own Lawyer*.
By John M'Dougal. The second edition, revised and corrected, with con-
siderable additions. Chillicothe: 1813. Small 8vo, old sheep. Scarce.

- 295 LEE, ROBERT E. Photograph signed, "R. E. Lee." Carte de-Visite
size, bust, showing the General's stars on his coat.

FINE ELIZABETHAN MANUSCRIPT

- 296 LEGAL, TOWNSHEND (HAYWARD). *Debates in the House of Com-
mons, 1601*. Original Manuscript, known as the *Townshend Debates* (im-
perfectly published in 1680). Folio, 329 pages, original limp vellum, with
index, 26 pages in a later hand. (London, 1601-1602.)

A manuscript of singular importance, being the original source for matters
of historical, legal and trade interest. The reports include numerous ones
of speeches of Sir Walter Raleigh, of Francis Bacon and of the most emi-
nent statesmen of the year 1601. There are reports of the enactment of laws
governing trade of all sorts, on the importation of spices, of wines, playing
cards, of the printing of songs, of the granting of a monopoly to Thomas
Wright and Bonham Norton to print law books, etc., etc.—the proceedings
of Parliament in the year 1601, in the 44th of the reign of Queen Elizabeth.
From the famous manuscript collection of Sir Thomas Phillipps. Phillipps
MS. No. 13513.

ORIGINAL MANUSCRIPT

- 297 LEGAL, PLOWDEN (EDMUND). Original Manuscript of "Plowden's
Queres." 4to, contemporary limp vellum. About 190 pages, entirely in
Plowden's hand. Circa 1570.

Thomas Plowden (1518-1585), a leading English jurist, after leaving Cam-
bridge, entered the Middle Temple and was called to the Bar, becoming
Member of Parliament in 1553, which office he held for many years. One of
the foremost lawyers of his day, he was offered by Queen Elizabeth the office
of Lord Chancellor on condition of his renouncing the Catholic faith. Of his
legal writings, Anthony Wood says that they "are esteemed exquisite and
elaborate commentaries and are of high account with all professors of the
law." Lowndes adds that "They are still considered valuable to the student
of law."

This manuscript may be considered one of the most important original
documents in the history of English law, both on account of its early date
coupled with the high reputation of its author. The manuscript was form-
erly the property of Charles Fairfax, barrister and antiquary, 1597-1673,
and has his autograph on the fly-leaf. It was later in the possession of Sir
Thomas Phillipps, Bart., and is Phillipps MS. 11114.

- 298 LE GALLIENNE, RICHARD. *Old Love Stories Retold*. Panel designs
by George W. Hood. New York, (1904). Small 8vo, original cloth and gilt
calf. First Edition. Fine copy. With an autograph poem, 4 lines, signed
by the author on the front end-paper.

- 299 LE GALLJENNE, RICHLARD. *Butyard Kipling. A Criticism. With a Bibliography by John Lane.* London, 1900. Portrait. 12mo, cloth (back strip faded). First Edition. Nice copy.
- 300 LELAND, CHARLES GODFREY. A. L. S., 3 pages, 16mo, Weybridge Surrey, Feb. 5th, 1874, to an English publisher regarding a contemplated English edition of his book, "Sunshine in Thought." A long, interesting letter referring also to his other books. In part: "I have always regarded 'Sunshine in Thought' as by far my best work. . . it would be a real pleasure for me to see my favorite dressed up decently for once, and looking as well as your issue of The Egyptian Sketch Book. . ." etc. About 300 words.

WITH THE ORIGINAL WRAPPERS BOUND IN

- 301 LEVER, CHARLES. *Tom Burke of "Ours."* With numerous illustrations on steel by H. K. Browne. In 2 volumes. Dublin, 1844. 8vo, bound from the original parts with all the original printed pink front and back wrappers bound in. Handsomely bound in best style half crushed levant morocco, full gilt backs, t. e. g., uncut.
- The rare First Edition. One of the works on Mr. Newton's List of The Hundred Great Novels. A very fine copy.
- 302 LIFE INSURANCE. EIGHTEENTH CENTURY. *Annuities on Lives.* Second edition. Plainer, Fuller, and more Correct than the former. With Several tables, exhibiting at one View, the Values of Lives, for several Rates of Interest. By A. De Moivre. London, 1743. Foolscap 8vo, contemporary calf, tooled back, gilt borders, stained edges. Fine copy.

WITH FOUR AUTOGRAPHS

- 303 LINCOLN, ABRAHAM. Autograph Legal Document signed four times. Declaration of Plaintiff, and true copy of the affidavit, Sangamon C. C., Dec. 1, 1858, in re Edwards vs. Miller, Replevin, damages, etc.
- The documents are written on both sides of one sheet legal size paper, the ink is somewhat faded from water-soaking, and the paper is broken in the center fold.
- Entirely in Lincoln's hand. The plea is signed, "Lincoln and Herndon," signed "Abraham Lincoln" as witness, signed "A. Lincoln" as counsel making the true copy, and again "Lincoln and Herndon" for Plaintiff.
- 304 (LINCOLN, ABRAHAM.) *Lincoln, Master of Men.* A Study in Character. Cambridge, 1912. Special Edition, limited to 800 numbered copies, published for the Lincoln Centennial Association. Post 8vo, red leather and boards, gilt edges. Very good copy.
- 305 (LINCOLN, ABRAHAM.) *A Reporter's Lincoln.* By Walter B. Stevens. Saint Louis, 1916. 8vo, boards and buckram, paper label. First Edition, limited to 600 numbered copies.

- 306 LINCOLN, ABRAHAM. Plaster bust of Abraham Lincoln, about 8 inches high and 5 inches wide, by Gutzon Borglum. Presented by him to Henry T. Rainey with inscription by Borglum scratched in base. A very attractive piece by one of America's foremost sculptors.

- 307 LINCOLN, JOSEPH C. *Cape Cod Ballads.* By Joe Lincoln. With Drawings by E. W. Kemble. Trenton, New Jersey, 1902. Tall 12mo, original cloth.

First Edition of the author's first book. Covers soiled, a few margins partly water stained, one page slightly torn at upper margin, and name written in ink on inside of front cover. Despite these defects this is a fairly clean and sound copy internally. One of Merle Johnson's "High Spots."

- 308 LINDBERGH, CHARLES A. Two bronze medals depicting Charles A. Lindbergh, each 2 3/4 inches in diameter, 1927. Fine pair. Rare.

- 309 LINDSAY, VACHEL. *General William Booth Enters into Heaven, and Other Poems.* New York, 1915. Post 8vo, original cloth. Fine copy.

Author's signed Presentation Copy. With autograph poem, four stanzas, 16 lines, "She Knew the Rain and the Moonlight," on front end-paper.

- 310 LINDSAY, VACHEL. *The Congo.* Illustrated by Alexander King. Linweave Limited Editions, 1931. 4to, original wrappers.

Designed by W. A. Dwiggin, and printed by William Edwin Rudge, on Linweave Text, Sun Tan, Antique Finish. Fine copy, unopened. Scarce.

- 311 LITTLEJOHN, F. J. *Legends of Michigan and the Old North West.* Allegan, Mich., 1875. 8vo, original buckram. Portrait. Very good sound copy. Rare.

- 312 LEE PRIORY PRESS. *Letters from the Continent.* By Sir Egerton Bridges. Kent: Printed at the private press of Lee Priory; by John Warwick, 1821. 8vo, boards and tooled end (rubbed). First Edition. Contents fine.

- 313 LOWELL, A. LAWRENCE. *The Government of England.* New York, 1912. 8vo, cloth, 2 volumes. Fine set. Presentation copy, with a signed inscription by the author on front end-paper.

- 314 LONDON, JACK. *The Gail of His Fathers & Other Stories.* New York, 1901. 12mo, original cloth. First Edition of the author's second book. Backstrip slightly rubbed; shaken. With the Tabard Inn bookplate and label. A clean copy.

- 315 LONDON. *Metropolitan Improvements; or London in the Nineteenth Century; Displayed by a Series of Engravings of New Buildings, Improvements, etc., by the Most Eminent Artists; etc.* By Mr. Thos. H. Shepherd. With Historical, Topographical, and Critical Illustrations, by James Eines. London, 1822. 4to, old tooled calf (rubbed). 1 signature loose; more or less foxed.

316 LONGFELLOW, H. W. A. L. S., 3 pages 4to, Cambridge, April 5, 1842, to Sam. Ward, New York. Long personal letter asking Sam to make arrangements for his sailing to France, with Richard S. Willis, brother of Nat. P., conversations with Ticknor (publisher) and Prescott regarding Cogswell are reported.

"Willis is going to pass through four years in Germany to study music. . . he has composed several pieces full of feeling and fancy. . . His music is like his brother's poetry. . . For my own part, I begin to tug and pull, like a vessel whose sails are spread, but whose anchor is not yet up," etc.

317 LONGFELLOW, HENRY WADSWORTH. *The Courtship of Miles Standish*, and Other Poems. Boston, 1858. 12mo, original cloth. First Edition. Inscription at top of title page; edges stained. A good copy.

318 LONGFELLOW, HENRY WADSWORTH. *The Courtship of Miles Standish*, and Other Poems. Boston, 1859. 12mo, original cloth. First Edition. Binding scuffed at top and bottom of spine and rubbed at corners, some writing on front fly-leaf, otherwise a good clean copy of this scarce "High Spot."

319 LONGFELLOW, HENRY WADSWORTH. *Tales of a Wayside Inn*. Boston, 1863. 12mo, original cloth. First Edition, first state, with "Nearly ready" on page 11 of the ads. Cover slightly spotted, otherwise a fine copy. Scarce.

320 LONGFELLOW, H. W. *Tales of a Wayside Inn*. Boston, 1863. 12mo, original cloth. First Edition, first issue, with "Nearly ready" on page 11 of the advertisements. Backstrip chipped at top and bottom, and a crease on one page, otherwise a nice, sound copy.

321 LOWELL, AMY. *Sword Blades and Poppy Seed*. New York, 1914. Tall 16mo, original boards and cloth, paper labels. First Edition. Very fine copy. With signed and dated inscription by the author on front end-paper.

322 McCUTCHEON, JOHN T. *Cartoons*. A Selection of 100 Drawings. Chicago, 1903. 4to, original illustrated boards (backstrip torn). First Edition. Author's Presentation copy, inscribed "To Finley P. Dunne—with best wishes, John T. McCutcheon, April 29, 1903," being a famous American cartoonist to an equally eminent American humorist.

323 McCUTCHEON, JOHN T. *In Africa*. Hunting Adventures in the Big Game Country. Illust. with photographs and cartoons by the author. Indianapolis (1910). Large 8vo, half cloth.

First Edition. Limited to 250 numbered and signed, large paper copies. Fine copy in dust wrapper.

324 MACHEN, ARTHUR. *The Fortunate Lovers*. Translated by Arthur Machen. Edited, and Selected from the *Heptameron*, with notes, etc., by Mary P. Robinson. London, 1887. 8vo, original cloth.

First Edition of Arthur Machen's distinguished translation. Fine copy. Very scarce.

325 MACAULEY, T. B. A. L. S., 1 page, 12mo, London, Feb. 5, 1845, to "My dear Coleridge." "Your pamphlet is very interesting. I do not agree with all your views." etc. About 40 words.

326 MARKHAM, EDWIN. *The Shoes of Happiness*, and Other Poems. New York, 1916. Large 12mo, original cloth. Very fine copy. Inscribed and dated by the author on front end-paper.

327 (M'AFEE, ROBERT R.) *History of the Late War in the Western Country*. Comprising a Full Account of All the Transactions in that Quarter, from the Commencement of Hostilities at Tippecanoe, to the Termination of the Contest at New Orleans on the Return of Peace. Lexington, Ky., 1816. 8vo, original sheep (somewhat rubbed).

First Edition of this very rare Western narrative. Lacks end-papers; backstrip chipped at top. Very good sound copy otherwise.

328 MARTINEAU, HARRIET. A. L. S., 2 pages, post 4to, Hingham, (Mass.), Dec. 20, 1835, to the Rev. Samuel J. May, Anti Slavery Office, Boston, addressed, and with the postal rubber stamp on verso of page 3, which is blank. A cordial invitation to visit her and friends at the Brooks' residence. In part: ". . . I want to know more of you,—friend as you are of some dear friends of mine, & I also want to be put in possession of the entire history of your A. S. Society. . . I know by sympathy that it must be a great pleasure to be domesticated among those who agree with you in all the essential parts of your greatest object. . ." etc.

329 MASEFIELD, JOHN. *Ballads and Poems*. London, 1910. Square 16mo, cloth. First Edition. Fine copy.

330 MASONRY, EARLY AMERICAN. *A System of Speculative Masonry*. By Salem Town. Salem, N. Y., 1813. 16mo, old sheep. Lacks front end-paper, and more or less foxed, otherwise a good, sound copy. Scarce.

A MAGNIFICENT, INSCRIBED "SPOON RIVER"

331 MASTERS, EDGAR LEE. *Spoon River Anthology*. New York, 1915. 12mo, original cloth.

A superb copy of the very rare First Edition, first issue, measuring $7\frac{1}{2}$ -inch across top of covers, of this famous "High Spot," generally accepted as the most typically American book of poems of the century. With the following autograph inscription on the front end-paper: "For Mrs. Harriet G. Pinner, Edgar Lee Masters. Where are mine laughing comrades? How many are with me; how many, in the old orchard along the way to Siever's, And in the woods that overlook, The quiet waters? May 18, '15." Some newspaper excerpts are clipped to the final page of advertising and some newspaper excerpts are clipped to the final page of advertising and the rear end-paper. This is, however, in other respects, an immaculate copy, and in such condition exceedingly rare. The splendid inscription, written less than a month after the publication of the first issue, has, moreover, created an item of extraordinary association value.

- 332 MEDALS, BRONZE. Collections of bronze medals, 2 3/4 inches in diameter, mounted within small 8vo, cloth, volumes issued by the Circle of Friends of the Medallion in Manhattan, 1910-15. Together 9 volumes in perfect condition.
- 333 MELVILLE, HERMAN. *Moby-Dick; or, The Whale*. New York, 1851. 12mo, original cloth (corners rubbed).
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- 334 MENCKEN, H. L. *The American Language. A Preliminary Inquiry into the Development of English in the United States*. N. Y., 1919. 8vo, original cloth.
First Edition limited to 1500 numbered copies. As new, with d. w. Very scarce in this condition.
- 335 (MENCKEN, H. L.) *Fanfare*, by Burton Rascoe. *The American Critic*, By Vincent O'Sullivan. Bibliography. By F. C. Henderson. New York, 1920. 12mo, original paper covers. First Edition of this scarce Mencken item. Fine copy.
- 336 (MENCKEN, H. L.) *What You Ought To Know About Your Bole*. By Leonard Keene Hirschberg. B. A., M. D. N. Y. 1910. Large 12mo, original green cloth.
First Edition. Mencken wrote this book himself, as is generally known, at the request of Theodore Dreiser. Fine copy.
- 337 MEREDITH, GEORGE. *Poems and Lyrics of the Joy of the Earth*. London, 1883. 12mo, original cloth, uncut. In a half blue morocco slipcase.
First Edition. Presentation copy from the author, with the following autograph inscription on the title-page: "G. W. Foote, Esq., with the author's compliments. G. M."
- 338 MICHIGAN. *Atlas of Oakland County*. By F. W. Beers. New York, 1872. Square folio, original cloth and calf (backstrip scuffed). Binding worn. Contents good.
- 339 MILL, JOHN STUART. A. L. S., 4 pages, Avignon, Nov. 28, 1868. 18mo, to G. W. Smalley, an American friend. About 220 words. A superb letter, by the famous economist, reading in part: ". . . You have gone through a harder fight than we are likely to have here, and the heroism with which it was fought by the noble minded men of America through all the long years of danger and difficulty, and finally through the sharp crisis of the war, makes the liberals of all other nations look up to the advanced U. S. Y. in America with respectful admiration. . ."
- 340 MILL, JOHN STUART. *Inaugural Address*. Delivered to the University of St. Andrews, Feb. 1st, 1867. Medium 8vo, 3/4 red morocco. London, 1867. First Edition. Fine copy.

- 341 MILNE, A. A. *Toad of Toad Hill*. A Play from Kenneth Grahame's "The Wind in the Willows." London, (1929). Square 8vo, original cream-coloured boards and buckram, deckle edges. Large-Paper First Edition, limited to 200 numbered copies on handmade paper, signed by Kenneth Grahame and A. A. Milne. Very fine, unopened copy, with d.w.

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- 342 MILTON, JOHN. *Paradise Lost*. London, 1795. Fine vignette on title and superb frontispiece engraving. Small 8vo, contemporary red grained calf (somewhat rubbed and outer hinges of binding partly cracked). Contents fine.
With a fine fore-edge painting depicting an English hunting scene.
- 343 MILTON, JOHN. *Poetical Works*. With a Life of the Author by William Hayley. London, 1794. Three volumes. Small folio, half leather. A fine set distinguished for its typography.
- 344 MINIATURE BOOK. *The New Testament of Our Lord and Saviour Jesus Christ*. Glasgow, David Bryce & Son, 1895. 3/4 x 7/8 inches. Black imitation leather binding, stained edges. In silver plated case with magnifying glass inserted in center. A fine copy of one of the smallest printed books in the world.
- 345 M'LEOD, JOHN. *Narrative of a Voyage, in His Majesty's Late Ship Alceste, to the Yellow Sea, Etc., Etc.* With an account of Her Shipwreck in the Straits of Gaspar. London, 1817. 8vo, 3/4 calf, marble boards.
First Edition. Rare narrative, with portrait and four beautiful colored engravings. Fine copy.
- 346 MONETTE, JOHN W. *History of the Discovery and Settlement of the Valley of the Mississippi*. In 2 volumes. New York, 1848. Colored maps and plates. 8vo, contemporary sheep (slightly rubbed), otherwise a fine, clean sound set.
- 347 MONROE, HARRIET. *The Dance of the Seasons*. Designs by Will H. Bradley. Chicago, 1911. 12mo, original decorative wrappers. First Edition, with author's signature inscribed on fly-leaf. Fine copy. Scarce.
- 348 MONROE, HARRIET. *You and I*. New York, 1914. Post 8vo, original cloth. First Edition. Very fine copy.
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- 349 MOORE, GEORGE. *Impressions and Opinions*. London, 1801. 12mo, original cloth. First edition, first issue, with 12 pp. of adv. at the end. Binding slightly soiled, otherwise fine.
- 350 MOORE, GEORGE. *Modern Painting*. London, 1893. 12mo, original cloth. First Edition. With 24 pp. of adv. at the end. Nice copy.

- 351 MOORE, GEORGE. *Sister Teresa*. London, 1901. 12mo, original cloth. First Edition. Fine copy.
- 352 MOORE, GEORGE. *The Unlucky Nihil*. London, 1903. 12mo, original cloth. First Edition. Fine copy.
- 353 MOORE, THOMAS. Famous Author. A. L. S., Nov. 1, 1813, Mayfield Cottage, Ashbourne, Derbyshire. 5 full pages 4to, referring to "A crisis of my life." Reading in part, "I intended to have made a point of your paying a visit to this cottage, and seeing me in the character of Husband and Father; and vagabond as I have been."
- A long letter follows relating to his hoped-for appointment to go to India with Lord Morris. However the appointment failed and he refers to it as "a crisis of my life." Failing of political appointment he relates his hardships, "and must employ myself henceforward more substantially.— I am about a work, etc." Apparently Moore had been heavily in debt and had suffered many trials.
- 354 MORMONS. *Utah and the Mormons*. By Benjamin G. Ferris. New York, 1854. 12mo, original cloth. First Edition. Fine copy.
- 355 MORMONS. *Mormon Wives; a Narrative of Facts Stranger than Fiction*. By Metta Victoria Fuller. New York, 1856. 12mo, original cloth. First Edition. Sound clean copy. Bookplate.
- 356 MORRIS, ROBERT. Signer of the Declaration of Independence. Superintendent of the finances of the U. S. during the Revolutionary War. D. S. 4 pp., folio, Philadelphia, October 9, 1794.
- Share certificate for \$500 in the Asylum Company, signed by Robert Morris, president, and James Dumont, secretary. An interesting relic of the unfortunate land speculations in which the venerable financier lost the whole of his large fortune, and caused him finally to end his days in a debtor's prison. Autograph.
- 357 MORRIS, WILLIAM. *The Art of the People*. Chicago, 1902. Royal 8vo, original boards and calf. Limited to 215 copies. — *Sir Galahad*. A Christmas Mystery. The Blue Skye Press, Chicago, 1904. Small 8vo, original boards. Limited to 500 copies. Together 2 fine volumes.
- 358 MOTLEY, J. LOTHROP. A. L. S., 2 pages, 16 mo. London, Jan. 6, 1876, to "My dear Bowdoin," introducing the Hon. R. Leslie Melville, son of the Earl of Lever. About 120 words.
- 359 MOTTRAM, R. H. *Castle Island*. London, 1931. Demy 8vo, original boards, blue buckram back.
- First Edition, on large paper, limited to only 150 numbered copies sold by the author. Very fine copy.

- 360 MUTR, JOHN. *The Mountains of California*. New York, 1901. Large 12mo, cloth. Original portrait of author mounted on the inside of front cover, and signed by the author on front end-paper. Very fine copy.
- 361 MURRAY, JOHN MIDDLETON. An extremely fine collection of 30 A. L. S. and cards from the editor of the "Adelphi Magazine," all addressed to Arnold Bennett, and of very great literary interest, discussing the progress of the magazine and mentioning many of the writers who are working for it, 1920-9. Middleton is the distinguished husband of Katherine Mansfield. Several of the letters are initialed and dated by Bennett.

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- 362 NASH, PAUL. 12 Autograph Letters signed, and 2 Autograph Cards, to Arnold Bennett, about 24 pages. An interesting series on literary and artistic subjects, 1919-24.
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- 363 NATURAL HISTORY. *The Standard Library of Natural History*. Embracing Living Animals of the World and Living Races of Mankind. N. Y., 1907. Small 4to, 3/4 red leather (slightly rubbed). Five volumes.
- Contains nearly 2,000 illustrations, including many full-page plates in color.
- 364 NEWTON, A. EDWARD. *This Book-Collecting Game*. With Illustrations. Boston, 1928. Large 8vo, decorative boards and buckram. Large-Paper First Edition, limited to 990 numbered copies, signed by the author. Very fine copy, boxed.

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- 365 NICHOLSON, MEREDITH. *A Hoosier Chronicle*. With Illustrations by E. C. Yohn. Boston, 1912. Large 12mo, original cloth. First Edition. Immaculate copy, in the original dust jacket, of a "High Spot."
- With long full-page inscription by the author, about 130 words, signed, regarding the book, "a story of mine own people," identifying the characters and some of the incidents described in the book with persons he had known and events that had taken place. With additional inscription on half-title, signed. A superb and unique association item in the finest condition.
- 366 NONESUCH PRESS. *The Seasons*. By James Thomson. With Pictures by Jacques-Louis David, and an Introduction by John Bressford. London, 1927. Wide imperial 8vo, decorative boards, deckle edges. Limited to 1500 numbered copies. Very fine copy.

367 NONESUCH PRESS. *The Seasons*. By James Thomson. With 5 pictures (in color) by Jaquier, and an introduction by John Beresford. London, 1927. 4to, decorated cloth. Very fine copy.

Limited to 1500 numbered copies.

368 NONESUCH PRESS. *The Songs of the Seasons*. Edited by Peter Warlock. The Nonesuch Press, 1925. Post 4to, vellum boards. With wood engravings by W. M. R. Quick. Limited to 875 numbered copies. Very fine copy, with d.w.

369 NOYES, ALFRED. *The Lord of Misrule*, and Other Poems. With frontispiece in colour by Spencer Baird Nichols. New York, (1915). Large post 8vo, original illustrated cloth. First American Edition. Fine copy.

With author's signed and dated inscription on front end-paper.

370 OHIO. *History of Wayne County, Ohio, from the days of the Pioneers in the present time*. By Ben Douglas. Portraits. Indianapolis, 1878. 4to, calf. Very good copy.

371 (OLDMIXON, JOHN): *Cleveland and Whillock Compar'd*. With a Comparison between the History of the Rebellion and other Histories of the Civil War. London, 1727. Small 8vo, orig. calf (covers loose). Contents fine.

372 ORCUTT, WILLIAM DANA. *The Spell*. Illustrated. New York, 1900. 12mo, cloth. First Edition. Very fine copy. Author's presentation copy, with signed and dated autograph inscription on front end-paper.

373 OREGON. *Ten Years in Oregon*. Travels and Adventures of Doctor E. White and Lady West of the Rocky Mountains, etc. Compiled by Miss A. J. Allen. Ithaca, N. Y., 1848. 12mo, original cloth (backstrip scuffed and worn). First Edition. Contents very good. Very rare.

374 PAGE, THOMAS NELSON. *Marse Chan*, a Tale of Old Virginia. Illustrated by W. T. Smedley. New York, 1915. Square post 8vo, original cloth. Presentation copy, with author's signed autograph inscription, dated July 28, 1916, on half-title. Very fine copy.

375 PAINE, THOMAS. *Common Sense*: Addressed to the Inhabitants of America. London, 1792. 12mo, old boards, calf back (rubbed), contents fine. Frontispiece portrait. With autograph of "Rob't Pitt" and bookplate of George Pitt.

376 PAINE, THOMAS. *The Life and Works of*. Life of Paine, by William M. Van der Weyde. With an introduction by Thomas A. Edison. New Rochelle, New York (1925). Small 8vo, original cloth, paper labels. Ten volumes.

A fine, well illustrated set published by the Thomas Paine National Historical Association. As new, in the original dust jackets.

377 PARKMAN, FRANCIS. 2 A. L. S., each 4 pages, 12mo, Boston, July 2, and July 8, 1856, to (H. K. Morris), regarding an exchange of colonial documents and manuscripts, in which the famous historian discusses "The Conspiracy of Pontiac." Two fine long letters, totalling about 500 words.

378 PAYNE, JOHN. English Poet, two A. L. S. 1882. London, altogether 5 pp.; 12 mo. Granting permission to select from his poetry for an anthology, and stating requirements.

379 PECK, GEORGE W. *Peck's Bad Boy and His Pa*. With illustrations by Gean Smith. Chicago, 1883. 12mo, original cloth.

First Edition. Backstrip faded and ink spot on rear cover, otherwise a very good, sound copy. Scarce.

380 PENNELL, ELIZABETH ROBINS. *Nights*. Rome, Venice, London and Paris. With 16 illustrations. Philadelphia, 1916. Small 8vo, original cloth. First Edition. Fine copy.

With author's signed and dated inscription on half-title. The frontispiece portrait of Joseph Pennell is signed by himself. An interesting association item.

381 PERIODICAL, OLD OHIO AGRICULTURAL. *The Cocoonatus*. Volume I, 1856. Published at Farmers' College, College Hill, Ohio; Cincinnati, 1856. 8vo, original cloth.

382 PHILADELPHIA. Plan of the City and Environs, 1811. 20x18 inches. Drawn under the direction of J. A. Paxton, by Wm. Stickland. Somewhat broken at folds and time-stained.

383 PHILLIPS, DAVID GRAHAM. *Susan Lenox, Her Fall and Rise*. With a Portrait of the Author. New York, 1917. Large 12mo, cloth. 2 volumes. First Edition. One of Merle Johnson's "High Spots." Fine set. Scarce.

PINERO MANUSCRIPT

384 PINERO, SIR ARTHUR W. Original autograph manuscript, "Dr. Harmer's Holidays," 4to, 89 closely written pages in ink, (London, 1924). In cloth slipcase. A fine manuscript by this famous English playwright.

385 PLAYS, OLD AMERICAN. Collection of volumes, various sizes, uniformly bound in contemporary marbled boards, calf backs. Boston, New York, and Baltimore, 1810-50. Together 16 volumes. Good in fine copies.

386 (POE, EDGAR ALLEN.) *To Him "Whose Heart-Strings Were a Lute"*. By Sarah Helen Whitman. In *The Memorial: Written by Friends of the Late Mrs. Osgood*. Edited by Mary E. Hewitt. New York, 1851. 8vo, original cloth.

Portrait frontispiece. Fine copy. A long poem, 13 stanzas, written as a memorial to Poe by his fiancée.

- 405 RILEY, J. W. A. L. S., 3 pp. 8vo., Buffalo, Oct. 22, 1888, to H. E. Johnson (Century). A beautifully sincere letter, reading in part, "It is the praise, though, that I don't seem at all worthy of that worries me—scams me, in fact, since I've nothing now ahead of me but to *cava à—*'cause much as I drub myself for not deserving it, I can't let loose of it now it's bestowed,—so, as I say, in justice I must make it rightfully mine by future effort, and God knows how all your friends have heartened me in that resolve."
- 406 RILEY, J. W. Two A. L. S., Ind., Apr. 26, 1890, to Mr. Johnson (Century), 1 full page 12mo. about literary matters generally; and another to Carey (Century) about the publication of his books. The latter letter has a corner torn out; the first listed is perfect.
- 407 RILEY, J. W. A. L. S., 1p. 12mo. Ind., Sep. 11, 1890, to Mr. Johnson (Century).
"Simply, always count me in for anything you Century Friends want me to do; you have done more for me and my work than ever I dared hope for; and you must know that my appreciation of that vast kindness is most enduringly and feelingly treasured."
- 408 RILEY, J. W. A. L. S., 1 p. 12mo. Toronto, March 16, 1893, to Johnson (Century).
"The only critic yet to recognize that I am first a serious, honest-to-God singer—what I've always, all so lonesomely, felt myself to be, though not a scholarly one, of course. Therefore, God bless M. W. Hazeltine!"
- 409 RILEY, J. W. A. L. S. ("Jansie") 1 p. 12mo. Ind., Apr. 26, 1897.
" . . . I can go on saying good things of you and your art till death do us part. As ever your affectionate Jansie."
- 410 RILEY, J. W. A. L. S., 1 p. 12mo. Ind., July 1, 1901, to Mr. Johnson (Century). Signed in full James Whitecomb Riley. "As to the 'humorous' contribution you ask from me—If the Century can use another group of Hoosier Child rhymes, I can supply same certainly." etc.
- 411 RILEY, J. W. A. L. S., 1 p. 12mo. Ind., June 7, 1905, to Mr. Johnson (Century).
"Cheer and Godspeed over the fine prospect of the Keats memorial interests . . . herewith find check for 100 dollars the very most willmost contribution ever let loose of by the horny hand of . . . J. W. Riley."
- 412 ROBERTSON, WILLIAM. *The History of the Reign of the Emperor Charles V.* In 3 volumes. London, 1769. 4to, contemporary calf. First Edition. Very good set.
- 413 ROCHETERIE, MAXIME DE LA. *The Life of Marie Antoinette.* Translated from the French by Cora Hamilton Bell. New York, 1893. Tall 8vo. original white cloth, 2 volumes. First Edition in English of this important work, crowned by the Académie Française. Large-paper Edition, limited to 160 numbered sets. Very fine set, with d.w.
- 414 ROGERS, BRUCE. *The Banquet of Plato.* Translated by Percy B. Shelley. Chicago, Way & Williams, 1895. Small 12mo. buckram. Name on fly-leaf. Bookplate: A sence Bruce Rogers incunabulum.
- 415 ROGERS, BRUCE. *Hydriothaphia.* Urne-Buriall; or, A Discourse of the Sepulchral Urnes lately found in Norfolk. By Sir Thomas Browne, D. of Physick. The Riverside Press, 1907. Post 4to, elaborately tooled morocco, as issued, (rubbed). Limited to 385 numbered copies printed by Bruce Rogers. Contents fine.
- 416 ROOSEVELT, THEODORE. Photograph of President Roosevelt on the lawn of Vice-Pres. Fairbank's home in Indianapolis, 1907. In the group are many famous persons: Senator Beveridge, James Whitecomb Riley, and other famous Indiana Statesmen and writers. Photo. measures 10 x 26, framed.
- 417 ROOSEVELT, THEODORE. *The Strenuous Life.* New York, 1911. 12mo. original cloth. Very fine copy. With inscription, signed and dated by the author, on front end-paper.
- 418 ROSTAND, EDMOND. *Cyrano de Bergerac.* Comédie Héroïque en Cinq Actes, en Vers. Paris, 1915. Post 8vo. original paper covers. Fine copy, signed by the author.
- 419 ROWLANDSON, THOMAS. *The Military Adventures of Johnny Newcome,* with an account of his Campaign on the Peninsula and in Pall Mall; with Sketches, by Rowlandson and Niles. With 14 colored plates designed and etched by Rowlandson. Original boards, back-strip renewed, unopened. 8vo. London, 1816.
Second edition. Very good copy.
- 420 RUSKIN, J. A group of 4 A. L. S., 3 of them to Mrs. Scott and Miss Scott, together 9 full pages 12mo. Cheshire, no dates, relating to Miss Scott's painting, Mr. Scott's work and personal matters. The Scotts here referred to lived in Manchester.
- 421 SANDBURG, CARL. *Smoke and Steel.* New York, 1920. 12mo. cloth. Very fine copy, with d.w. — *Slabs of the Sunburnt West.* New York, (1922). 12mo. cloth. Nice copy. Together 2 First Editions.
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- 423 SANBURG, CARL. *American Poetry.* A Miscellany. New York, (1927). Large 12mo. cloth. Contains first appearances of several poems by Sandburg. — *Good Morning, America.* New York, (1928). Post 8vo. cloth. First trade edition. Together 2 volumes. Mint copies, with d.w.
- 424 SAINT-PIERRE, BERNARDIN DE. *Paul & Virginia.* With a Memoir. Illustrated by Lalouze. Edinburgh, 1881. 12mo. full calf. g.t. Limited to 433 numbered copies.

THE NUREMBERG CHRONICLE

- 425 SCHEDEL, HARTMANN. *Das Buch der Chroniken und Geschichten*. Translated from Latin into German by George Alt. 297 leaves (not counting the blanks), Gothic type, double columns, 59 lines and head lines. Profusely illustrated throughout with fine woodcuts, some full page and a double-page woodcut map of the world; the first capital letter of the Index is illuminated in red and blue, other capitals of the Index rubricated in red. The first capital letter of the text on folio 1 illuminated in red and blue. A few of the woodcuts coloured by a contemporary hand. The rare map at the end is present but a corner of the last page supplied in clever pen and ink facsimile. The woodcut of Pope Joan is uncut. Folio, old half calf. Nuremberg: Anton Koberger, 1493.

First Edition of the Nuremberg Chronicle in German, much rarer than the Latin edition printed by Koberger in the same year. The Nuremberg Chronicle is possibly the most beautiful book ever printed. Its woodcuts contain views of all the cities of the known world, illustrations of Biblical history and of natural history, portraits of well known people, a fine half page surgical illustration, the Dance of Death, the Last Judgment, etc.

- 426 SCIENTIFIC AMERICAN. Vols. 1 and 2. Nov., 1885-Dec. 1886. Complete in 1 volume. Atlas folio, $\frac{3}{4}$ morocco and marble boards. With all the colored supplements for architecture. Very rare. Fine copy.

WITH FINE PLATES

- 427 SCROPE, WILLIAM. *The Art of Deer-Stalking*; with some account of the Nature and Habits of Red Deer, and a short description of the Scotch forests, legends, etc. By William Scrope, Esq., F. L. S. Illustrated by Engravings and Lithographs, after paintings by Edwin and Charles Landseer, Esqrs., and by the Author. London, 1838. Royal 8vo, original cloth.

The rare First Edition of this important sporting book. Front inner hinge very slightly cracked, otherwise a fine clean sound copy.

THE RARE FOURTH FOLIO

- 428 SHAKESPEARE, WILLIAM. *Mr. William Shakespeare's Comedies, Histories, and Tragedies*. Published according to the true Originall Copies. Unto which is added, Seven Plays Never Before Printed in Folio. Folio, contemporary calf, neatly rebacked. London: Herringham, etc., 1685. In half calf slip-case.

The rare *Fourth Folio* of Shakespeare. The first two leaves, two leaves of the text and a part of the last leaf in excellent facsimile. Otherwise a fine copy, measuring 13 $\frac{3}{4}$ x 8 $\frac{1}{2}$ inches.

- 429 SHAKESPEARE (PLAYERS'). *Love's Labours Lost*. Newly Printed from the Folio of 1623. London, 1924. Large 4to, original boards, cloth back, paper label. As new with d.w.

Beautifully illustrated in color by Norman Wilkinson, with line block by Messrs. Emery Walker. The fine Shakespeare Head Press Edition limited to 450 numbered copies.

- 430 SHAKESPEARE (PLAYERS'). The Tragedie of Cymbeline. Printed from the Folio of 1623. London, 1923. Large 4to, original boards, cloth back, paper label. As new, with d.w.

Beautiful edition printed on pure rag paper at the Shakespeare Head Press. Limited to 450 numbered copies. With line blocks by Messrs. Emery Walker, and illustrations in color by Albert Rotherston.

- 431 SHARP, WILLIAM. A. L. S., 4 pages, 16mo, Heidelberg (Germany), n.d., to "My dear Langbride." A superb, long intimate letter to a friend, expressing sympathy for his "heavy pecuniary loss." In part: "Meanwhile I can give a small gift . . . by begging you to reserve five copies of your book . . . they must be sent to quarters where special attention will be paid to them . . ." etc. Altogether over 400 words.

"SENTIMENTAL IDIOTS OF AMERICA"

- 442 SHAW, GEORGE BERNARD. A. L. S., Braemar, 20 July, 1924, 2 full pp. 12mo. A superb letter on the subject of his lecturing in America. Reads in part: "It is very kind of you to come 3000 miles to see me, and very unkind of me to go 500 miles to avoid you; but after 25 years of the most pressing invitations to lecture in America I am tired of the subject . . . I am aware that America exists . . . a large number of the sentimental idiots of America have also exhausted all the unworthy reasons why I should lighten the darkness of that benighted land . . . An interview with me for publication would cost your editor about \$1250; and he would probably prefer to have my views at first hand at that price. You forget that I am a professional journalist, and do not need any intermediary when I have views for publication."

"SLAP IN THE FACE"

- 433 SHAW, G. BERNARD. A. L. S., 1 Aug. 1924, Strathpeffer to Symon Gould, Jr., London. A magnificent Shaw letter reading as follows: "Your budget of invitations, which I return herewith, is the most frightful failure on record. You have not got the President, nor any member of the cabinet, nor M. Le Fallette, nor a single magnate of the New York daily press. But for Mr. Debs and Princeton University I should regard this as the most startling slap in the face I have ever received. Evidently my credit in the United States has waned very considerably."

- 434 SHAW, GEORGE BERNARD. *The Author's Apology from Mrs. Warren's Profession*. N. Y., 1905. Foolscap 8vo, original paper covers. First Edition. Very fine copy.

- 435 SHAW, GEORGE BERNARD. *Plays: Pleasant and Unpleasant*. London, 1898. Small 12mo, original cloth, 2 vols. — *Peace Conference Diary*: 12mo, original wrappers. Together three volumes.

First Editions. Backstrips faded. Good copies.

- 436 SHAW, GEORGE BERNARD. *The Sanity of Art: An Exposure of the Current Nonsense about Artists being Degenerate*. London, 1908. 16mo, original wrappers.
First Edition, first issue. Inscription on half title. Fine copy.
- 437 SHAW, GEORGE BERNARD. *Shaw on Shakespeare*. In "Tolstoy on Shakespeare." London, n.d. Small 12mo, original wrappers. — *Press Cuttings*. London, 1909. Small 12mo, original wrappers. — *Edna; The Girl of the Street*. By Alfred Kreyenborg. N. Y., 1919. Original wrappers. Together three volumes.
First Editions. Press Cuttings is of the 2nd issue. The last named contains an unpublished Shaw letter. Mint copies.
- 438 SHELLEY, MARY WOLLSTONECRAFT. *The Life and Letters of Mary Shelly*, by Mrs. Julian Marshall. With portraits and facsimile. 8vo, 2 vols. 3/4 brown crushed morocco, t.e.g. London, 1889.
First Edition, with bookplate.
- 439 (SHELLEY, PERCY BYSSHE.) *Shelley's Last Letters to Harriet*. Edited with an Introduction by Leslie Hotson. London, 1930. Large royal 8vo, cloth. Limited to 250 numbered copies, signed by the editor. Mint copy, boxed.
- 440 SIMMS, JEPHTHA R. *The Frontiersmen of New York*, Showing the Customs of the Indians, Vicissitudes of the Pioneer White Settlers and Border Strife in Two Wars. In 2 volumes, illustrated. Albany, N. Y., 1882-3. 8vo, original cloth and sheep, respectively. Volume 1 is the First Edition. Fine set.
- 441 SMITH, F. HOPKINSON. *Colonel Carter of Cartersville*. With Illustrations by E. W. Kenable and the Author. Boston, 1891. 12mo, original cloth.
First Edition, first issue, of an important "High Spot," with the illustration on Page 1. Front end-paper badly gouged, fly-leaf extracted, name in ink on recto of advertising page, and small tear at hinge on spine. Contents otherwise fine and sound. Rare.
- 442 SOUTHEY, ROBERT. English Poet, A. L. S. Keswick, 19 Feb., 1829. 1 full page 8vo to a friend, in London, asking him to take care of a shipment of books from Holland, until he can get them.
- 443 SPALDING, ALBERT G. *Baseball*. Historic Facts Concerning the Beginning, Evolution, Development and Popularity of Baseball. With Personal Reminiscences, etc. Cartoons by Homer C. Davenport. New York, 1911. Thick post 8vo, original cloth. Also numerous photographs of celebrities. First Edition of this—the "fan's bible." Very fine copy. Author's presentation copy, with signed and dated inscription on front end-paper.
- 444 "SPANISH BOCCACCIO," THE. *The Tales of Count Lucanor; or, The Fifty Pleasant Stories of Patronio*. Written by the Prince Don Juan Manuel. And first done into English by James York, M. D., 1868. Illustrated by S. L. Wood. New York and London, 1889. Large square 8vo, original boards and cloth, paper label. Limited to only 50 numbered copies. Fine copy.
- 445 SPENSER, EDMUND. *The Works of*. Edited by J. Payne Collier, F. S. A. London, 1862. 5 volumes. 8vo, brown grained calf, tooled backs, gilt designs on sides, gilt edges, marbled end-papers. Bookplates. A fine set of this splendid edition.
- 446 STANTON, EDWIN N. A. L. S., War Dept., June 9, 1862, "Mrs. Colonel Ellet and her daughter have permission to pass within the lines of the U. S. Forces to Cairo on the Mississippi, and wherever else Colonel Ellet may be. All officers and persons in the Service of the United States will afford them courtesy, assistance and protection." etc. Signed in full, "Edwin M. Stanton, Secretary of War."
- 447 STEPHENS, JAMES. *The Crook of Gold*. Drawings by Wilfred Jones. London, 1922. Small 8vo, boards and cloth. First Illustrated Edition.
Very fine copy, with d.w. With the John C. Eckel bookplate, and bookplate of W. Van R. Whitall, an intimate friend of James Stephens. Laid in is an A. L. S., post 8vo, 2 pages, with addressed envelope, S. S. Majestic, June 17th, 1925, to "My dear Van," in which he speaks of Hervey Allen . . . "Hope to make port tomorrow, and see again lands that America tends to make one forget . . . A good part of our best memory of America is our memory of you, etc." Together with an envelope laid in, containing some rose petals, with the note, "A red rose given to me by Mrs. James Stephens," and an A. L. S., written by some friend regarding a reading by Stephens in the New York Public Library. A remarkable collection of Stephensoniana.
- 448 STEVENSON, R. L. *Memories and Portraits*. London, 1887. 8vo, original buckram. In half morocco solander case.
Presentation copy inscribed, in the recipient's hand, "I. A. Taylor, a gift from R. L. S. 19 Wetherly Gardens, 1888." The autograph is that of Lady Taylor to whom "Merry Men" was dedicated.
- 449 STEVENSON, R. L. *The Wrecker*. Illustrated by W. Hole and W. L. Metcalf. London, 1892. 8vo, original cloth, preserved in half morocco slipcase.
First Edition. Presentation copy, inscribed on the title: "I. A. Taylor from R. L. Stevenson," in the hand of the recipient.
- 450 STEVENSON, R. L. *Strange Case of Dr. Jekyll and Mr. Hyde*. London, 1886. Small 12mo, original fawn-colored paper wrappers.
The excessively rare First Edition in wrappers. Lacks backstrip and rear wrapper; binding broken in center; text perfect and clean.

451 STEVENSON, ROBERT LOUIS. *In the South Seas*. London, 1900. Large 12mo, original buckram.

First English Edition. Fine copy.

452 STEVENSON, R. L. & OSBOURNE, LLOYD. *The Wrecker*. Illustrated by William Hole and W. L. Metcalf. London, 1892. Tall 12mo, original cloth. First Edition. Fine copy. Scarce.

453 STOCKTON, FRANK R. *Rudder Grange*. New York, 1879. 12mo, original cloth (backstrip faded and very slightly scuffed at top and bottom).

The scarce First Edition of the author's most sought after book, and one of Merle Johnson's best known "High Spots." The first issue, without reviews or ads. of this title. A fine clean copy internally.

454 STOKER, BRAM. *Personal Reminiscences of Henry Irving*. New York, 1906. Thick 8vo, cloth, 2 volumes. Illustrated. First American Edition. Nice set.

455 STRAWBERRY HILL. *A Parallel; In the Manner of Plutarch; Between a most celebrated Man of Florence; And One, scarce ever heard of, in England*. By the Reverend Mr. Spence. Strawberry-Hill, 1758. 12mo, newly bound in brown antique calf, raised bands. A fine copy.

The seventh book of the Strawberry Hill Press, in a charming binding.

456 Suetonius. *Lives of the Twelve Caesars*. Complete translation by H. M. Bird. Illustrated by Frank C. Pope. 8vo, original cloth, bevelled edges. Chicago, 1930. Edition de grande luxe, limited to 300 copies autographed by illustrator and translator. Mint copy, boxed.

457 SWINBURNE, A. C. A. L. S., with envelope, 1 p. 12mo, to Langbridge, Jan. 11, '81, referring to his book in which appear his Christmas Antiphones, requesting that they not be used separately in an anthology proposed by Langbridge.

SYMONS ON HENLEY AND KIPLING

458 SYMONS, ARTHUR. Auto. Manuscript signed, "The Revival of Henley", 12 full pages quarto, with one page of corrected printed copy comparing Henley and Kipling. Also 10 page typescript with corrections and signed again by Symons.

459 SYMONS, ARTHUR. *William Blake*. New York, 1907. 8vo, original cloth. The First Edition sheets with an American imprint. Very fine copy.

460 TAGORE, RABINDRANATH. *Fruit-Gathering*. New York, 1916. Signed by the author. — *The Hungry Stones, and Other Stories*. New York, 1916. Apparently signed by the author in the Hindoo language. Together 2 fine volumes, post 8vo, original decorative cloth.

461 TARKINGTON, BOOTH. *The Gentleman from Indiana*. New York, 1899. Post 8vo, original cloth.

The scarce First Edition, first issue, with all of the points mentioned by Merle Johnson, the ear of corn on spine upside down. The author's first book, and an important "High Spot." Fair copy.

462 TARKINGTON, BOOTH. *Monsieur Beaucaire*. Illustrated by C. D. Williams. New York, 1900. Large 12mo, original cloth.

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464 TARKINGTON, BOOTH. *Seventeen*. Illustrated. New York, (1916.) 12mo, original cloth. First Edition, with "B-Q" on copyright page. Name in ink on end-paper. Good copy.

465 TASSO, TORQUATO. *Jerusalem Delivered*. An Heroic Poem. With Notes and Occasional Illustrations. Translated by the Reverend J. H. Hunt. In Two Volumes. London, 1818. 8vo, old red calf, gilt borders. (rubbed), one label missing on backstrip. Some writing on titles. The first edition of this translation.

466 TENNYSON, LORD ALFRED. A. L. S. Cheltenham, Oct. 2, (1847), 3 full pages, to Coventry Patmore. Fine friendly and humorous letter, promising Coventry aid in getting a position at the Museum, "everyday intending to write you, but my purpose always nipt in the bud by the fat finger of sloth, or washed out by the sight of great locks," etc.

"THE LIGHT BRIGADE"

467 TENNYSON, ALFRED. A. L. (3rd person). Isle of Wight. 1 p. 12mo, April 10, '76. "Mr. Alfred Tennyson presents his compliments to Mr. Hecht & has pleasure in accepting the dedication of his composition for chorus and orchestra: 'The Light Brigade'." Single leaf, creased from fold.

468 TEXAS. *Biographical Souvenir of*. Containing Biographical Sketches of the Representative Public, and Many Early Settled Families. Illustrated. Chicago, 1889. Thick 4to, publishers' gilt brown morocco, gilt edges. Fine copy.

469 THACKERAY, WILLIAM MAKEPEACE. *The Virginians*. With illustrations on steel and wood by the author. 2 vols., 8vo, 3/4 calf. Marbled paper sides. London, 1858.

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470 THEATRE, WESTERN. *Dramatic Life as I Found It: A Record of Personal Experience; with an Account of the Rise and Progress of the Drama in the West and South, with Anecdotes and Biographical Sketches of the Principal Actors and Actresses Who Have at Times Appeared upon the Stage in the Mississippi Valley*. By N. M. Ludlow. St. Louis, 1860. 8vo, cloth.

471 THOMAS, W. W. U. S. Minister to Sweden under Arthur, Harrison and McKinley. Photograph signed and framed 15 x 18.

472 TROLLOPE, ANTHONY. *He Knew He Was Right*. With 64 illustrations by Marcus Stone. London, 1869. Two volumes, 8vo, 3/4 morocco. First edition. Fine set.

473 TROLLOPE, ANTHONY. *Ralph the Heir*. With Illustrations by F. A. Fraser. London, 1871. 8vo, 3/4 morocco. First edition. Fine copy.

474 TROLLOPE, ANTHONY. *The Way We Live Now*. With 40 illustrations. London, 1875. Two volumes, 8vo, 3/4 morocco. A fine set of the first edition.

475 TRUMBULL, HENRY. *History of the Discovery of America, of the Landing of our Forefathers at Plymouth, and of their most remarkable Engagements with the Indians. With the Defeat of Generals Braddock, Harmer, and St. Clair, by the Indians at the Westward, etc.* Norwich, (Conn.), 1812. 12mo, original sheep. Colored engravings. First Edition. Good copy. Scarce.

476 UPDIKE, DANIEL BERKELEY. *Printing Types. Their History, Form, and Use. A Study in Survivals*. With Illustrations. Royal 8vo, cloth. 2 volumes. Fine set, boxed.

477 UZANNE, OCTAVE. *The Book-Hunter in Paris. Studies among the Book-stalls and the Quays. With a preface by Augustine Birrell*. London, 1893. Large 8vo, illustrated buckram. First Edition. Fine copy. Bookplate and neat name in ink on end-paper. With author's A. L. S., 16mo. Paris, Jan. 23, 1894. 1 page mounted on fly-leaf.

478 VIRGINIA COMPANY, LONDON. *The Records of the Virginia Company of London. The Court Book, from the Manuscript in the Library of Congress*. Edited, with an introduction and bibliography, by Susan Myers Kingsbury. Preface by Herbert Levi Osgood. Washington, D. C., 1906. 2 volumes. Thick 4to, cloth. Fine set.

479 VIRGINIA GENEALOGIES. *A Genealogy of the Glassell Family of Scotland and Virginia; also of the Families of Ball, Brown, Bryan, Conway, Daniel, Ewell, Holladay, Lewis, Lithpage, Moncure, Peyton, Robinson, Scott, Taylor, Wallace, and others of Virginia and Maryland*. By Rev. Horace Edwin Hayden. Wilkesbarre, Penn., 1891. Imperial 8vo, buckram. Good clean copy.

480 VIRGINIA HISTORICAL COLLECTIONS. *Abstract of the Proceedings of the Virginia Company of London, 1619-24*. By Conway Robinson. Edited with introduction and notes by R. A. Brock. Richmond, Va., 1888. Royal 8vo, cloth, paper labels. 2 volumes. Fine set.

481 VIRGINIA HISTORICAL COLLECTIONS. *The Official Records of Robert Dinwiddie, Lieutenant-Governor of the Colony of Virginia, 1751-8*. Now First Printed, etc. With an introduction and notes by R. A. Brock. Richmond, Va., 1883. Royal 8vo, cloth, paper labels. 2 volumes. Good set.

482 VIRGINIA HISTORICAL COLLECTIONS. *Proceedings of the Virginia Historical Society at the Annual Meeting, Dec. 21-2, 1891, with Historical Papers Read on the Occasion, and Others*, edited by R. A. Brock. Richmond, Va., 1892. Royal 8vo, cloth, paper labels. Fine copy.

483 VIRGINIA. *Sketches and Recollections of Lynchburg*. By the Oldest Inhabitant. Richmond, 1858. 12mo, original cloth. Margins of a few pages somewhat stained; otherwise a fine copy of this rare book. Contemporary inscription in ink: "William D. Elliot, from his friend, Margaret C. Cabell."

484 VOYAGES. *Sailors' Narratives along the New England Coast, 1524-1624*. With Notes by John Carter Winship. Boston, 1905. Royal 8vo, cloth, paper label. Boston, 1905. Illustrated. Designed by Bruce Rogers, and limited to 440 numbered copies. Fine copy.

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485 WALLACE, LEW. *Ben-Hur. A Tale of the Christ*. New York, 1880. 12mo, original light blue pictorial cloth (slightly soiled and spine somewhat faded).

The rare First Edition of this important "High Spot." Lightly written inscription in ink on front end-paper. Text fine and unspotted, and on the whole a far better than average copy of a book that rarely appears in good condition.

486 WASHINGTON, GEORGE. *Journal of My Journey Over the Mountains, in the Northern Neck of Virginia, in 1747-8*. Edited with notes by J. M. Toner, M. D. Albany, 1892. Square 8vo, paper boards, as issued. 3 volumes. 1 backstrip damaged. Contents fine.

The First Complete Edition, being the earliest literary effort of "The Father of His Country."

487 WATSON, MATTEW. *A New and Complete Explanation of the Common Prayer Book*. . . Embellished and Ornamented with a Set of numerous and elegant Copper-Plate engravings. London (1795). Small folio, contemporary calf.

First Edition, containing many splendid full-page copper-plate engravings. Contents fine.

488 WEBSTER, DANIEL. A. L. S., 2 pp. 4to, Boston, April 20, 1822, to James Sheafe, Esq. Reads in part: "The question arising in the case of the *Augustus* was one of the most interesting and difficult questions growing out of the Treaty. It affected sundry cases. Mr. Pinckney and myself presented arguments on this question, which cost us both some time and pains. The latter part of January, as I remember, the Commissioners decided this question favorably and other cases embraced by it. The general question being thus decided, the memorial in the case of the *Augustus* was rec'd."

489 WEST, BENJAMIN. A. L. S., 1 page, post 4to, London, July 29, 1817, to an English Peer, introducing Charles Forbes, M. P. A fine letter by this eminent American painter, who, having attracted the patronage of George III, succeeded Sir Joshua Reynolds as president of the Royal Academy in 1792. With engraved portrait of the writer. About 165 words.

490 WESTCOTT, EDWARD NOYES. *David Harum. A Story of American Life*. New York, 1898. Large 12mo, original cloth. First Edition of this scarce "High Spot." Inscription on front end-paper, otherwise a nice, clean copy.

491 WEST, EARLY. *Statistics of the West, at the Close of the Year 1836*. By James Hall. Cincinnati, 1836. 12mo, original cloth (slightly worn). First Edition. Some facing, and writing on end-papers. A sound copy. Rare.

492 WEST, FAR. *The Awakening of the Desert*. By Julius C. Birge. With illustrations. Boston, (1912). Large 12mo, buckram. Remarkably fine reminiscences of an old pioneer.

493 WEST, JAMES. (PRESIDENT OF THE ROYAL SOCIETY.) A. L. S., 1 page, post 4to, Covent Garden, Jan. 18, 1764, requesting someone "look into the will" and to ascertain "by what act or in what office was made the resignation of John Bell, Bishop of Worcester, who is the only bishop I can find who has resigned since the Reformation." About 125 words, mounted on a sheet.

494 WHITE, RICHARD GRANT. American Satirical Writer. Two A. L. S., Nov. 15, 1862, to his publishers about his edition of the "Book Hum. . .", the other A. L. S., 4 pp., May 15, 1856, regarding his contribution to Putnam's Magazine.

495 WHITE, STEWART EDWARD. *The Silent Places*. New York, no date. 12mo, original cloth. Very fine copy. Autograph Presentation Copy.

496 WHITEHEAD, CHARLES E. *The Camp-Fires of the Everglades, or, Wild Sports in the South*. Edinburgh, 1891. Royal 8vo, cloth, gilt top, other edges untrimmed. Nice copy of this interesting work, with fine full-page illustrations.

The Florida Pocahontas, Turkey-hunting, Turtle-spearing, Tarpon-fishing, etc., in the Old South.

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497 WHITTIER, JOHN G. A. L. S., 4 pages, 12mo, Amesbury, (Mass.), Nov. 15, 1864. A superb, affectionate letter to Mrs. Child, an old friend, thanking her for the gift of a book. In part: "I am thinking how much my sister would have liked thy book. How strange and terrible are these separations—this utter silence—this dumb agony of mystery!—this reaching out for the love, which we feel *must* be ever-living, but which gives us no sign! . . . Let theology & hate & bigotry talk as they will. I for one will hold fast to this. God is good—He is our Father! . . ." etc. Over 300 words. A magnificent letter by one of America's most beloved poets.

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498 (WHITTIER, J. G.) A most remarkable letter from John Bright, English Statesman and Champion of Freedom, to Whittier, American poet. 7 pp., 12mo, London, 3/18/85, regarding the British government's "slaughter" in Egypt under Gordon.

"The employment of Gordon by our gov't was a grievous blunder. Is it possible that our most famous Poet whose writings are a constant defence of justice and mercy, can lend his pen to glorify a man whose reputation is founded solely on his passionate engagement in war in distant countries . . . Forgive me for writing this letter . . . No man outside his own family has a greater interest in the reputation of our New England Poet than I have. No one will more regret if he should attempt to show that Christianity & multitudinous slaughter performed and practised make the sort of hero which our children are to admire and imitate . . . It has cost me something to write this letter—it will not I think be misunderstood.

499 WHITTIER, JOHN G. *Poems*. Philadelphia, 1838. Small 12mo, original cloth (backstrip worn).

The rare First Edition. Text more or less faded, as usual. Contents good.

500 WIGGIN, KATE DOUGLAS. *A Child's Journey with Dickens*. Boston, (1912). 12mo, original boards and cloth. First Edition. Very fine copy, with superb autograph inscription. "Which of my books do you like best?" asked Dickens, & I said, "Oh! I like 'David Copperfield' much the best!" Kate Douglas Wiggin."

- 501 WIGGIN, KATE DOUGLAS. *Penelope's Experiences*. Boston, 1901. 16mo, original cloth. Nice copy. — *The Diary of a Goose Girl*. Illustrated. Boston, 1902. 12mo, decorative cloth. Immaculate copy, with d.w. (pince torn away). Together 2 First Editions.
- 502 WIGGIN, KATE DOUGLAS. *Rebecca of Sunnybrook Farm*. Boston, 1903. 12mo, original cloth. First Edition. An immaculate copy in the original dust jacket (partly torn). Scarce in such fine condition.
- 503 WILCOX, ELLA WHEELER. *Poems of Power*. Chicago, no date. Large 12mo, cloth. With autograph poem, 4 lines signed by the author on front end-paper. — *Custer, and Other Poems*. Chicago, no date. Together 2 fine volumes.
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- 505 WILSON, WOODROW. *Division and Reunion, 1829-1889*. With 5 maps. New York, 1893. 16mo, original cloth. First Edition. Fine copy.
- 506 WILSON, WOODROW. *The Road Away from Revolution*. Wide 24mo, original boards, paper label. — *The New Freedom*. New York, 1913. 12mo, original cloth. Together 2 very fine First Editions.
- 507 WILSON WOODROW. *When a Man Comes to Himself*. New York, 1915. 16mo, original cloth. Fine copy. With the author's autograph signature inscribed on the half-title. Books inscribed by Woodrow Wilson are very scarce.
- 508 WITHERS, ALEXANDER S. *Chronicles of Border Warfare; or, A History of the Settlement by the Whites, of Northwestern Virginia; and of the Indian Wars and Massacres, etc.* Clarksburg, Va., 1831. Small 12mo, old calf (worn). Somewhat foxed. Good copy.
First Edition. A rare narrative of the early settlement of Virginia, with vivid pictures of struggles with the savages.
- 509 WOLFE, HUMBERT. *This Blind Race*. London, 1928. Post 8vo, original cloth, paper label.
First Edition, printed on hand-made paper and limited to 410 copies signed by the author. Immaculate copy, with d.w.
- 510 WORLD WAR. *Les Villes Martyres*. 12 Estampes d'Art. Les Impressions Artistiques de Georges Bertrand. Paris, n.d. Folio, 12 colored plates mounted, with descriptive text in French, in folder, as issued. Very fine set.
- 511 YEATS, W. B. T. L. S. Abbey Theatre, Dublin. March 16, 1910, to Canon Langbridge, 1 p. 4to, with two lines in Yeats' autograph at end. Fine letter relating to a play of Langbridge's which Yeats and Lady Gregory are criticizing. Yeats writes in detail how he would revise it.
- 512 YEATS, W. B. Autograph poem, 2 pages, large 12mo, no place, no date: "To a friend who promises a bigger subscription than his first to the Dublin Municipal Gallery and the amount collected proves that there is a considerable 'popular demand' for the pictures." A probably unpublished poem, 36 lines, about 250 words.
- 513 YUCATAN, JOHN L. *Incidents of Travel in Yucatan*. Illustrated by 120 engravings. In 2 volumes. New York, 1843. 8vo, original cloth. Folded frontispieces. First Edition. Nice clean set. Scarce.
- 514 WORLD WAR POSTERS, FRENCH. Collection of 4 original colored posters, extra-large atlas folio folded, in fine condition.

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February 11, 1937

HM, Jr. telephoned the President this morning and said to him, "Due to the settlement of the General Motors strike, they have had a terrific rise in stocks in London. General Motors is up \$4.00; U.S. Steel went up to 110, up 4 points. I have arranged for a meeting at my office Monday with Eccles and Landis to discuss this question of inflow of foreign capital. I have a press conference at 10:30 this morning and I would like to tell the boys that the three of us are going to meet, carrying out your suggestion, to discuss the inflow of foreign capital and that will kind of act as a deterrent. If you are free tomorrow morning at this time, I would like to come over and tell you what we have prepared for this meeting."

MEETING ON RESTRICTION OF FOREIGN
CAPITAL INFLOWFebruary 11, 1937
9:45 A.M.

Present: Mr. Kent
Mr. Zucker
Mr. Upham
Mr. White
Mr. Seltzer
Mr. Opper
Mr. Oliphant
Mr. Lochhead
Mr. Gaston
Mr. Magill

H.M.Jr: "Non-resident aliens engaged in business or having an office here." "Here" meaning United States.

Magill: United States.

H.M.Jr: "Same rate as citizens and residents."
"Residents of Canada, if treaty ratified: Five percent."
On what?

Magill: All income from United States sources.

H.M.Jr: This is all right for this purpose, but - I don't know who did it; if I could have it done a little differently.

Magill: Just say how.

H.M.Jr: I either want it - the particular kind of tax and the rate, and then let's say, let's put "Non-resident aliens" and then have underneath that "Living in United States" and "Living Abroad." And then the rate of the tax, say, up here, see? If it's a ten percent tax - I mean in no place is there mentioned the amount of tax.

Magill: Yes, that's what you've got. She should have made these in figures instead of the way she did. You see, here's your category of persons and your figures.

H.M.Jr: I see. "Non-resident aliens...."

Magill: Here.

H.M.Jr: "Same rate as citizens and residents."

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- Magill: That's right.
- H.M.Jr: "Residents of Canada, if treaty ratified." That's still living here?
- Magill: These residents of Canada taxable on their...
- H.M.Jr: But that would be living in the United States?
- Magill: No, living in Canada.
- H.M.Jr: Well, it wouldn't be that category.
- Magill: He's a non-resident alien too, you see.
- H.M.Jr: Well, I still...
- Kent: Mr. Secretary, if aliens are living in the United States, they are residents and are taxed exactly the same as citizens of the United States.
- H.M.Jr: "Non-resident aliens engaged in business or having an office in the United States." They are the same as citizens?
- Magill: That's right.
- H.M.Jr: Residents of Canada, five percent on what?
- Magill: On American income.
- H.M.Jr: On income derived from the United States.
- Magill: Yes.
- H.M.Jr: "Non-resident aliens other than above."
- Oliphant: All other non-resident aliens, if not engaged in business, not having an office; not a Canadian; in other words, a Britisher living in London.
- H.M.Jr: "Ten percent on dividends, interest, rents, royalties, wages and compensation, etc., from sources within the United States."
- See, it's so clear in your mind and I've never seen it written down.
- Magill: Well, it's a complicated thing; about eight different rates there.

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H.M.Jr: "No tax on capital gains."
"Foreign corporations. Resident foreign corporations."

Magill: That's a British company doing business in the United States, having offices here.

H.M.Jr: "Twenty-two percent on income from United States sources." That would be the same as that, wouldn't it...

Magill: Yes

H.M.Jr: ...except that it is incorporated, doing business here. A flat 22 percent?

Magill: Right.

H.M.Jr: Is that something special?

Magill: Yes.

H.M.Jr: A flat 22 percent.

Magill: That's right.

H.M.Jr: "Canadian corporations: Five percent." That's located here?

Magill: No, if he'd be located here he'd be in this category. Canadian corporation that has dividend income from the United States Steel Company.

H.M.Jr: I see. Five percent, and no tax on capital gains.
"Other foreign corporations: Fifteen percent on interest, rents, and royalties and ten percent on dividends from United States sources. No tax on capital gains."
Well now, let me just see. Non-resident alien engaged in business, same. If this non-resident is not incorporated and does business here, he's an individual and he pays ten percent; if he is a corporation, he pays fifteen.

Magill: That's right.

H.M.Jr: I got it.

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Now, what I want to know from this group is - I mean before we have any more meetings - that idea which I threw out the other day, in preparation of meeting with Mr. Landis and Mr. Eccles on Monday. Is this group in accord; do I understand it - I mean that I can say to these people at ten o'clock on Monday that we propose for non-resident aliens...

Magill: Our proposal really affects this third category. See? These fellows are already treated like Americans. These are covered by the treaty. Now, as to these fellows, the proposal is to raise it from ten to twenty; that's what that amounts to.

H.M.Jr: From ten to twenty.

Magill: Then here's the other one down here, these corporations - to raise those two rates. This rate, fifteen percent.

H.M.Jr: What?

Magill: Raise them both.

H.M.Jr: What do you mean both?

Magill: Interest, rent, royalties - perhaps make that twenty; and dividends - make that fifteen, if you want.

H.M.Jr: But raise - the raising would take place here. What?

Magill: The raising would take place here and here (Nos. I-3 and II-3 on attached sheet).

H.M.Jr: And not on the first bunch touch capital gains.

Magill: There are - if you want me to interject at this point, there are three proposals really that are before us.

H.M.Jr: Just one minute. - - Go ahead.

Magill: There are three. I think this one hasn't been mentioned, but since it seems to me the most obvious of

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the lot - perhaps you won't agree with me - I'll mention it first. The law has contained for many years in Section 119 a provision that non-resident aliens shall not be taxable at all on their income from interest on bank balances in the United States. Now, there is no reason in the theory that I know of why that should be true. It is simply a concession put in there for the purpose of enabling American banks to obtain non-resident alien deposits, and Mr. Zucker tells me that he thinks there is possibly or probably two hundred million dollars of such money in the United States. Now, it seemed to me rather clearly that that exemption ought to be eliminated right off the bat in connection with a proposal of this kind.

H.M.Jr: "hat's the other one?

Magill: Now secondly - the second proposal for this purpose is your proposal that the withholding rate should be raised.

H.M.Jr: Yes.

Magill: Zucker has gone into that and finds that, with various qualifications that I won't mention now, the average rate on dividends - the average effective rate as applied to dividends received by citizens and residents will run somewhere around 20 to 25 percent. We haven't figured it out.

H.M.Jr: The alien residents?

Magill: No, on Americans; the average American. Now, that is with some qualifications, the chief of which is that he is excluding the very small dividend recipient, but taking what you might say is the bulk of the dividend income. What he's actually taken are persons who have ten thousand dollars or more income, and the average rate runs - which was unexpected to me - somewhere around 25 percent. So that you could justify an increase of this withholding rate, an increase from 10 percent to 20 percent - without very great difficulty on the theory that you are not doing really any more to the non-resident on the average than what you are doing to the American on the average. And then I am inclined to think from

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what he says, as aside from this particular necessity, that the withholding rate ought to be increased in the light of the figures which he has.

Well then, the third proposal is the tax - to try to collect some tax on capital gains. Now, that is a much more difficult and much more complicated affair. In order to do it at all, I would suppose that you'd have to do it in some such fashion as Zucker has worked out; that is, that whenever there is a sale through an American broker on stock by a non-resident alien, that there shall be withheld a certain proportion of the proceeds, but that the non-resident alien may file a return and show that his profit is less than the amount of the proceeds which we have withheld.

Oliphant: Well, I think it is fair to say, Ros, that at our last meeting there was general agreement - there was universal agreement that your proposal was O.K. as the first step.

Magill: Yes, I think so.

Oliphant: And then that we could later develop - go right to work on this capital gains tax, and conceivably you might want to go down and see the Congressmen while your bill was pending. But your suggestion was O.K.'d as the first step. Is that right? Did we all agree on this? That's what I wanted to find out. Upham, you weren't there at that last meeting.

Upham: No, but I agree with that completely. I would have some reservations on that other matter of removing the exemption from tax on bank balances; that is, interest from bank balances.

Magill: It seems to me clearly the most practicable and on the evidence we have now the most easily supported.

H.M.Jr: You left out one thing that I wanted as a tax point, and that is to tax aliens on income derived from United States Governments.

Oliphant: Hereafter issued.

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- H.M.Jr: Yes, hereafter issued. I mean I want that as a talking point.
- Oliphant: No dissent on that. No dissent on that.
- H.M.Jr: As I understand, it is tax free now.
- Oliphant: Those under the Second Liberty Loan Act.
- Opper: Bonds, notes, and certificates.
- H.M.Jr: No tax on United States Government obligations.
- Opper: I think just leaving out bills.
- H.M.Jr: Obligations, except bills. What?
- Opper: Except bills.
- H.M.Jr: No tax on United States Government obligations held by aliens.
- Magill: Non-resident aliens.
- H.M.Jr: Right. Non-resident aliens. Then that would go in. Then this other question of a tax on bank balances.
- White: I'm afraid that figure came from me and I gave it as a maximum outside figure. It might be very much less than that. We might have to investigate and find out.
- H.M.Jr: Well, I personally wouldn't want to move too quickly on that, because that brings up the question of drawing funds here. I just - I mean....
- Lochhead: At the present time I think that most of those big balances in New York are on spot deposits and not time deposits, and they don't draw interest.
- H.M.Jr: Oh.
- Kent: It was formerly more important, Mr. Secretary, because formerly banks were allowed to pay interest on demand deposits and now only time deposits from abroad would be affected by this.

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- White: On the other hand, I think it is probably - really, as Mr. Magill says, this is a thing that could be easily achieved, and there is no rhyme or rhythm to it as it stands.
- Magill: No rhyme or rhythm, and I would think psychologically the repeal of that exemption would be beneficial.
- H.M.Jr: You say there's no rhyme or reason.
- Oliphant: There is a disagreement.
- H.M.Jr: What's your (Upham) rhyme or reason?
- Upham: Two or three points. If you permit the banks to have those balances you get more earnings and more money out of your banks; undoubtedly that money coming here makes for a bigger money center in New York and makes for bigger bank business of our own. That is, I would advance that.
- Magill: Well, it's American source income, though. I mean....
- Zucker: The original purpose...
- Magill:any interest on those balances.
- Zucker: The original purpose when it was first enacted in 1921, as presented to the Senate, was stated by Dr. Adams to be - he says: "There have been requests from many sources and there has been recommended several times.... And the purpose of it is to encourage deposits in American banks by non-resident aliens, since these deposits are usually made as part of some business transaction." If today we are attempting to reverse the policy, then this particular advantage which was conceded to foreigners - it might be conceivable that it would be the right thing to do to eliminate this non-taxable item which is applicable only to non-resident aliens and not to Americans.
- Kent: Mr. Zucker, may I ask a question? In your judgment, wouldn't the deposits which are made in New York in connection with commercial transactions in a narrower sense in all likelihood be demand deposits?
- White: Most of them are.

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- Zucker: I first made an inquiry as to that and a figure was - an approximation given me was anywhere from 150 to 200 million dollars.
- Oliphant: Of demand deposits.
- White: Of the total billion and a half, 200 millions.
- Oliphant: That's demand non-interest bearing deposits.
- Magill: Well, isn't that the answer to Upham's point: that the money which is earning money and working in American business is not your time deposits as a rule; the great bulk of it is deposits in connection with business, which are not earning money.
- Oliphant: Suppose we took the Secretary's suggestion as the first step and then went ahead and studied the deposits thing and capital gains for two or three days, then go down and see Doughton and tell him about it.
- H.M.Jr: The thing I would like to do, as far as the whole shop is concerned - the only proposals I want to make are those we are all in complete accord on. Now, we are all in complete accord on raising this withholding tax for non-resident aliens. We are all in complete accord that a non-resident alien holding a United States Government obligation should pay taxes on the income of that.
- Magill: Right.
- H.M.Jr: So there's no argument about that. All right, I want this thing - I mean so I can say - I want two things. I want to be able to say Monday that the Treasury has a united front on these two suggestions for a quick piece of legislation. Then we have an agenda of things we'd like to offer for study, things that we'd like to explore further.
- Oliphant: Further study.
- H.M.Jr: What?
- Oliphant: Further study. Right?

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H.M.Jr: Now, is anybody....

Magill: All right.

Oliphant: As I pointed out, it would take at least three weeks for any legislation proposed to get through. If within those three weeks you had another bright idea we could go down there again.

H.M.Jr: That's all right. Now, you see, the reason I'm rushing this thing is this: U. S. Steel and General Motors up four points in London before our market opened.

Oliphant: And Chrysler.

H.M.Jr: Well, they didn't happen to quote Chrysler. And what I am going to do at 10:30, with the knowledge and the approval of the President, is to announce that this meeting is going to take place on Monday between Eccles and Landis and myself, that we are now ready to call a meeting to study the inflow of foreign capital.

Oliphant: To study the inflow or the taxation of it.

H.M.Jr: I wasn't going to - I was going to simply say we were - the President asked us to study the inflow of foreign capital and that we had now progressed far enough that we were ready to meet with these people, and that's all. I don't want to use - I hadn't thought of using the word "taxation." Simply that the President asked these three agencies to study the inflow of foreign capital, that the Treasury had progressed far enough in its study that I had invited Mr. Landis and Mr. Eccles to meet with me at ten o'clock Monday.

Don't anybody run out quickly and sell General Motors.

White: Would that statement imply that the other agencies haven't been studying it?

H.M.Jr: No, no. No, between now and 10:30 I'm going to call Landis and Eccles and tell them what I'm going to do. I'm going to call the two of them on

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the phone. I get your point. I can say that we have - that the group has progressed far enough that the principles are ready to be decided.

Oliphant: That's it.

H.M.Jr: That the committee has progressed far enough that I feel that I can call a meeting.

And am I worried about the inflow of foreign capital? Yes. All right?

White: All right as far as I'm concerned.

H.M.Jr: What? Am I worried about it? Yes.

Gaston: Why?

(Hearty laughter)

H.M.Jr: Herbert, because.

Kent: I am because I am.

H.M.Jr: For many reasons.

Oliphant: Well, has the Treasury some proposals it is going to offer at this meeting?

H.M.Jr: Yes. At this time I can't disclose them.

Oliphant: Do they relate to taxation?

H.M.Jr: You gentlemen will have to wait. We have just - I don't think I'd answer that, Herbert, do you?

Gaston: No. The point is that each one separately has been studying the thing and now you are going to hold a meeting, and obviously it would not be fair or ethical for you to disclose your proposals until you had disclosed them to the others in the group.

Oliphant: You don't want to imply you haven't disclosed them to the others, do you?

White: Are you concerned about the capital that is already

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here, about the capital that is coming in, or both?

H.M.Jr: Both.

White: That's a little dangerous.

Lochhead: Well, he's shown he is concerned because he is sterilizing gold.

White: No, but the implication there is that you intend doing something which may drive it out.

H.M.Jr: Well then, the answer is that we are just worried about the additional.

White: The incoming - the further inflow.

H.M.Jr: What?

White: Further inflow.

Lochhead: You made a study and you figure the amount of gold you have now is just right.

H.M.Jr: And I can't see but what this flow is going to continue for an indefinite period; very pessimistic about the European situation.

White: They might quote you on that.

H.M.Jr: No?

White: No.

H.M.Jr: All right.

Olipphant: Because the next question is - the next question then would be: "So you anticipate war, and what is the bearing of all this on your neutrality policy and the cash-and-carry thing?"

H.M.Jr: I think I'm all right on the thing. But I think it is very important that this thing - that we cap this thing off at this time. You (Lochhead) still got time to call your broker.

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Oliphant: When are you meeting with Landis and Eccles?

H.M.Jr: Ten o'clock Monday. Needless to say, what's here is ultra-confidential for everybody. Well, it's almost 15 after now; got three minutes to go. I wonder if I should have something in which I show these people when they come in at ten o'clock - I mean a piece of paper; like to show them. Now, is... what time do you (Magill) leave?

Magill: Six o'clock.

Oliphant: May I ask a question? I want to mention one matter to be eliminated if you are not interested in it. This withholding tax which is to be raised could be made flexible in the hands of the President if he wanted it; if not, just merely raise the rate. Now, if you wanted to make it flexible, there's a little more work we ought to do.

H.M.Jr: Well, are you sure of your law on that?

Oliphant: Yes.

H.M.Jr: Well, I tell you the reason I want... I'm seeing the President on this at - tomorrow morning at 9:15. Now, I want something. That's why I want to meet again. Before I meet with these people Monday I want to show this to him and have him say, "This is fine," or it isn't. So will you people have alternative pieces of paper, one definitely raising it to twenty and the other leaving it flexible, so I could have two pieces of paper and could say, "Mr. President, here's one plan raising it to twenty, and the other is an alternative leaving it flexible in your hands. The arguments for it....." I'm going over tomorrow morning and I want to be able to give him the alternative plans and the arguments.

Magill: Why don't you suggest when you want to meet again?

H.M.Jr: We've got the big staff at eleven, which runs over to twelve. I won't be so good. I've got an appointment at three with Bell. 3:30, Cochran. I've got appointments at 3:50 and 4. If you people would be ready at 2:30 I could be ready at 2:30. What? Is that crowding you too much?

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Magill: I won't be able to do much on it personally because I've got to go up on the Hill.

H.M.Jr: All right, I can change my four o'clock appointment and have him come in at 2:30, and see you fellows at - this four o'clock appointment won't run more than fifteen minutes, so why don't I say 4:15?

Magill: Fine.

H.M.Jr: When we could run from 4:15 to five. Would that be....

Magill: O.K.

White: Would you want an agenda also drawn up as to what you propose to study after this, for that meeting?

H.M.Jr: I do.

Oliphant: You want three sheets of paper.

H.M.Jr: Yes. (To Mrs Klotz) 4:15, group on taxes.

Mrs Klotz: All right.

H.M.Jr: You (Oliphant) raising your hand to talk?

Oliphant: You want three sheets of paper, and he (Magill) has the ball.

H.M.Jr: Yes. Let me just think.

Gaston: weren't you going to change your four o'clock appointment to 2:30?

H.M.Jr: No. That one at four o'clock will not run very long and I'd just as leave have a little time to provide for something unforeseen, which happens every day.

Oliphant: You can make it 3:30 if you want to.

H.M.Jr: I'd a little rather make it - will you be in on that?

Oliphant: I can be there.

H.M.Jr: Well, you see - no, I'd rather - I'd rather give you as much time as possible. Everybody happy in here? I don't expect that I want to say it, but I think that this is an indication; all I want to do is just to throw out a very definite hint.

TREASURY DEPARTMENT

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INTER OFFICE COMMUNICATION

DATE February 11, 1937

TO Mr. Magill Subject: Supporting memorandum
for Proposal No. 1.

FROM Mr. Zucker

Of the several approaches through tax proposals, the one pertaining to increasing the withholding rates is most feasible, involving little, if any, change of tax administration in the existing mechanism for withholding. The increased tax on fixed items of income, i.e., dividends, interest, rentals, etc., will tend to become a discouraging factor to the foreign investor. The application of this approach to controlling the inflow and outflow of foreign capital avoids the necessity for filing returns by nonresident aliens and foreign corporations not having a place of business in the United States, and thus is not a cause for increasing the inequalities produced as a result of tax avoidances of some aliens and diligence of others in reporting their profits from sales.

The present rate of withholding in Great Britain is 23 $\frac{3}{4}$ percent; in France the rates of withholding are 12, 18 and 24 percent, dependent upon the types of securities. Thus, increasing the rate to approximately 20 to 25 percent does not give rise to discrimination against the Nationals of foreign countries from the standpoint of tax load. Furthermore, it has been roughly ascertained (subject to check) that the average rate at which American Nationals are subject to tax on dividends in the United States, counting those in the net income classes of \$10,000 and over, will be, under the 1936 Act, about 20 percent. Increasing the withholding rate against foreigners, therefore, to a figure of 20 or 25 percent merely places the foreigner to the same accountability as the American earning his income in our shores.

The chief objection to the utilization of an increased withholding rate at this time is that it strikes indiscriminately against all foreign investors and not specifically against in-and-out traders in our security markets. These traders are more interested in the making of profits accruing from the rise in daily stock prices than they are in the retention of securities for purposes of yields therefrom. The efficacy of the increased withholding tax to act as a deterrent in a general way to foreign investors, however, is sufficiently potent to be considered a valuable approach to the problem of effecting a reduction in foreign investments in the United States.

It is estimated the yield under the 1936 Revenue Act, applicable to nonresident aliens and foreign corporations, will be approximately \$15,000,000 for 1936. The contemplated increased withholding rates will tend to double the yield. This may be accomplished without added burdens on withholding agents other than more rigid regulatory provisions as to ascertainment of true foreign owners in cases where the record owners are Americans.

PROPOSED FIRST STEP IN THE CONTROL OF THE
INFLOW AND OUTFLOW OF FOREIGN CAPITAL

Proposal No. 1

1. Increase the withholding rate applicable against non-resident aliens with no place of business in the United States as well as those engaged in business or having an office here from 10 percent to 20 percent, to be withheld on all items of fixed or determinable income covered under Section 211, Revenue Act of 1936.

2. Increase the withholding rate applicable against non-resident foreign corporations from 15 percent to 25 percent on all items of fixed or determinable income other than dividends, and increase the withholding rate on dividends from 10 percent to 20 percent (Section 231 (a), Revenue Act of 1936).

Note: Under the provisions of Sections 211 and 231 (a), cited above, the withholding rate applicable against residents of the contiguous countries, Canada and Mexico, may be reduced by treaty with such countries to a rate not less than 5 percent. Similarly, the withholding rate against dividends received by corporations organized under the laws of Canada and Mexico may be reduced by treaty with such countries from 10 percent to a rate not less than 5 percent. The proposed Canadian treaty now pending, if ratified in its present form reducing the withholding rate to 5 percent, constitutes a serious potential loophole. This fact suggests the desirability of reconvening the Canadian situation with the State Department.

3. Subject alien individuals and corporations not residing or doing business in the United States to Federal taxes on Government obligations hereafter issued to the same extent as such aliens are now or will hereafter be taxed on other obligations in the United States.

PROPOSED ALTERNATIVE FIRST STEP IN THE CONTROL OF
THE INFLOW AND OUTFLOW OF FOREIGN CAPITAL

Proposal No. 2

1. Enact the increased withholding rates as in Proposal No. 1.
2. The increased withholding rates to take effect within 30 days from the date of their enactment unless the President sooner finds and proclaims that a part or all of such taxes would be detrimental to the public interest in relation to international transactions and relations, in which event vest power in him so to make a part or all rates effective, lowering and raising the effective portion from time to time as circumstances so found and proclaimed may require.
3. Subject alien individuals and corporations not residing or doing business in the United States to Federal taxes on Government obligations hereafter issued to the same extent as such aliens are now or will hereafter be taxed on other obligations in the United States.

PROPOSED SUPPLEMENTAL STEPS IN THE CONTROL OF THE
INFLOW AND OUTFLOW OF FOREIGN CAPITAL

Proposal No. 3

In the event that other and more drastic approaches are found desirable to effect control of the inflow and outflow of foreign capital, additional tax measures can be proposed. Further studies are being made on contemplated proposals. In general, the proposals now under consideration are:

1. (a) To levy a tax of ___ percent on all capital gains realized by nonresident aliens and nonresident foreign corporations.

1. (b) The amount of this tax shall be collected by withholding 3 percent to 5 percent (as may be determined) of the total proceeds of sale, subject to final tax readjustment upon the filing of returns by the foreign seller, showing actual profits from the transactions.

1. (c) The above tax to take effect within 30 days from the date of its enactment unless the President sooner finds and proclaims that a part or all of such tax would be detrimental to the public interest in relation to international transactions and relations, in which event vest power in him so to make a part or all of the tax effective, lowering or raising the tax from time to time as circumstances so found and proclaimed may require.

2. Restore as a taxable item, interest on all deposits with persons carrying on the banking business paid to persons not engaged in business within the United States and not having an office or place of business therein.

This contemplates the elimination of Section 119 (a) (1) (A), Revenue Act of 1936, thus subjecting nonresident aliens and nonresident foreign corporations to the regular tax now or hereafter enacted on interest received on bank deposits.

3. It may be advisable, for the purpose of curbing any sudden or excessive outflow of foreign capital, to enact a special transfer tax, on a graduated basis, on proceeds from sales made by nonresident alien individuals and foreign corporations, the tax being lessened in accordance with the length of time the securities were owned prior to sale. For example, a tax of 1 percent if the property sold has been owned a year or more, 2 percent if owned 11 months, 3 percent if owned 10 months, etc.

TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

DATE February 11, 1937

TO Secretary Morgenthau

FROM Herman Oliphant

The following are the outstanding arguments in favor of some degree of flexibility as to the rate of tax on foreigners:

1. It is designed to have some effect on international capital movements. International conditions not in any way connected with the tax may disappear and, in fact, such other considerations may make the existence of the increased tax definitely a detriment.
2. The tax itself, and particularly the rate, are experimental, and designed to produce an effect not connected with the raising of revenue. No one can now estimate with any accuracy the extent to which a given rate of tax may undershoot or overshoot that mark.
3. One of the purposes of the proposal is psychological, that is, the very statement that it is under consideration may have some part or all of the desired effect. Since we are dealing with the composite frame of mind of thousands of foreign investors, no one can accurately forecast this element. A statute ~~granting~~ giving the power to raise rates, coupled with the knowledge that it will be exercised if needed, may be sufficient to discourage dangerous increases of foreign investment. If this is so, it would be advantageous to ^{be able to} refrain from exercising the power, and thus avoid ill feeling or even reprisal abroad.
4. The interest of the Treasury in the whole problem is not the mere revenue aspect. Its interest is the foreign exchange and gold angle. A rigid provision will deprive the Treasury of any control over the situation and leave whatever flexibility there may be in the hands of SEC and the Federal Reserve Board — organizations whose primary concern should be the domestic situation.
5. Flexibility in connection with the treatment of matters involving foreign governments and foreign private interests are, by tradition and logic, peculiarly susceptible to flexibility in the hands of the executive. Questions in which foreign governments are concerned are by their nature delicate, subject to frequent change, and based upon facts particularly at the disposal of the President. The most familiar examples of flexible provisions relate almost without exception to international relations, such as

Exports for war purposes (neutrality legislation).
 Increase of tariffs for discrimination abroad.
 Increase of taxes on foreigners for discrimination abroad.
 Fixing the content of the dollar.

By Offer

Herman Oliphant

Handwritten initials

I. Non-resident alien individuals

- 1. Non-resident aliens engaged in business or having an office here: *U.S.*

Same rates as citizens and residents

- 2. Residents of Canada, if treaty ratified:

Five percent *on the income derived from U.S.*

No tax on capital gains.

- 3. Non-resident aliens other than above:

Ten percent on dividends, interest, rents, royalties, wages and compensation, etcetera, from sources within the United States.

Proposed increase here

No tax on capital gains.

II. Foreign corporations

- 1. Resident foreign corporations:

Twenty-two percent on income from U.S. sources.

- 2. Canadian corporations:

Five percent on dividends.

No tax on capital gains

- 3. Other foreign corporations:

Fifteen percent on interest, rents, and royalties and ten percent on dividends from U.S. sources.

Proposed increase here

No tax on capital gains

no tax on IR balances ?
no tax on U.S. gov. obligations (except bills) held by non-resident aliens

I. Non-resident alien individuals

1. **Non-resident aliens engaged in business or having an office here:**

Same rates as citizens and residents

2. **Residents of Canada, if treaty ratified;**

Five percent.

No tax on capital gains.

3. **Non-resident aliens other than above:**

Ten percent on dividends, interest, rents, royalties, wages and compensation, esters, from sources within the United States.

No tax on capital gains.

II. Foreign corporations

1. **Resident foreign corporations:**

Twenty-two percent on income from U.S. sources.

2. **Canadian corporations:**

Five percent on dividends.

No tax on capital gains

3. **Other foreign corporations:**

Fifteen percent on interest, rents, and royalties and ten percent on dividends from U.S. sources.

No tax on capital gains

February 11, 1937.

Excerpt from Mr. Magill's "Memorandum of the Day's Activities for February 11th," to the Secretary.

2. Non-resident aliens

Mr. Zucker and I spent several hours going over the various plans for taxing the income of non-resident aliens from American sources and he is preparing supporting memoranda.

TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

DATE Feb. 11, 1937.

TO SECRETARY MORGENTHAU
FROM MR. MAGILL

RE: INTERSTATE COMMERCE COMMISSION'S REPORT -
UNDISTRIBUTED PROFITS TAX.

I have just read Mr. Eastman's letter to you dated January 26th, enclosing a draft of a letter addressed to the President to be signed by the Chairman of the Commission. I have referred the draft to Mr. Kent since I understand he drafted the Treasury's original letter to the President on this subject.

So far as I can find out, neither one of these letters were in our possession at the time Mr. Sweet conferred with me. Consequently, it was impossible for me to discuss with Mr. Sweet the merits of the various questions considered in the draft letter. I do not know whether the Commission's draft letter has now gone forward to the President but if it has, it would seem that we should have some opportunity of expressing our views further.

Feb. 11, 1937.

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From MR. MAGILL

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Copied: gbc 2-15-37

11 February, 1937

COAST GUARD OPERATIONS IN FLOOD AREA

With the exception of a few boats, which are being retained at Paducah and several other cities upon the request of the local municipal and Red Cross officials, all Coast Guard boats are being withdrawn northward from Memphis. All motor lifeboats, which were operating in the Memphis region, together with all Navy boats, are being returned to their stations.

Eighteen Coast Guard boats are being retained at Memphis which, together with the small boats operating in conjunction with seagoing units below Memphis, are considered sufficient to take care of needs in the Mississippi Valley.

General Water Level Conditions.

River receding at Memphis and crest is now approaching Helena, reading 60.2'.

wjs

Thursday
February 11, 1937
10:22 a.m.

Treas.

Operator: Yes, sir

HMJr: Tell Landis' secretary that I am going to call him in about two minutes, to have him ready.

T.O.: All right.

HMJr: Hello

T.O.: Chairman Eccles -

Marriner

Eccles: Hello

HMJr: Hello, Marriner?

E: Yes

HMJr: I want to tell you what I am thinking of doing in about four minutes. I have a press conference at ten thirty, and I've talked to the President. And on account of this stock market jumping up in London on an average of four points, I asked him what he thought if I'd announce that this his committee, consisting of yourself, Landis and myself, were going to meet on Monday. That we'd progressed far enough on our studies that we could meet, you see?

E: Yes

HMJr: That's all.

E: Yes

HMJr: Just say that, you see?

E: Yes, I think it's all right.

HMJr: Let them know it's coming.

E: I think it's all right. It wouldn't hurt the market at all.

HMJr: Well, it might keep it from going complete - -

E: Well, that's what I mean.

HMJr: Yes, but I wanted to let you know that I was going to do it and see if you had any objections.

-2-

E: I haven't any objection at all. I think it would be a good thing to do.

HMJr: Thank you very much.

E: All right.

HMJr: Goodbye.

Thursday
February 11, 1937
10:24 a.m.

HMJr: Hello

Treas.

Operator: Chairman Landis - Go ahead.

HMJr: Hello

Landis: Hello

HMJr: Landis -

L: Yes

HMJr: Good morning

L: Good morning, how are you?

HMJr: I'm fine. Landis, I called up the President this morning to tell him that the London stock market opened up four points in some cases above New York. Hello?

L: Yes

HMJr: And asked him if it would be all right that I would announce in my ten thirty press conference that you and Eccles and I were going to meet Monday to discuss this inflow of foreign capital.

L: Yes

HMJr: And he said, "Fine." And, - I'd simply say that we'd progressed far enough that we could meet, you see?

L: Yes

HMJr: And he said it was all right. And I - but I didn't want to do it without first talking to you.

L: Well, I think it's a good idea.

HMJr: I called up Marriner and Marriner said, "Swell."

L: Yes

HMJr: Is it all right with you?

L: Oh yes, indeed.

-2-

HMJr: I mean, I'm just going to say that we've progressed far enough on our studies to have our first meeting.

L: Yes - yes, I think that's good.

HMJr: You think that's good?

L: Yes

HMJr: Well, how are you feeling?

L: Oh, very well, thanks.

HMJr: Really?

L: Yes - I'm back in good form again, I think.

HMJr: (Laughs) Fine -

L: The President gave ^{me} some more work, you know.

HMJr: More work?

L: Yes

HMJr: I see.

L: (Laughs) So he -

HMJr: As a tonic he gave you some more work?

L: Yes, he says that's the best cure.

HMJr: Fine

L: (Laughs)

HMJr: Well, I don't know.

L: (Laughs)

HMJr: And I'll see you at ten Monday.

L: All right, fine.

HMJr: Thank you.

L: Fine, thank you.

Thursday
February 11, 1937
12:18 p.m.

Sen. Pat
Harrison: Henry -

HMJr: Good morning

H: How are you?

HMJr: Oh, I'm fine.

H: Henry, are you tied up this afternoon?

HMJr: Unfortunately I've got three appointments.

H: Well, how long will you - will you be - when will you be free?

HMJr: Well, to you -

H: I've been having these hearings on this trade agreement -

HMJr: Yes

H: But this afternoon I haven't got a hearing and they've got us pretty busy up here and I thought if you were free we'd come there any time this afternoon. I just talked to Bob, he's free this afternoon, too.

HMJr: Well, if you're free, I'll be free at four o'clock.

H: At what time?

HMJr: Four o'clock

H: Four?

HMJr: Is that a good time?

H: Well, I think that's all right.

HMJr: All right.

H: Well, suppose - where do you want us to come?

HMJr: Any place you say.

H: Well, I just don't want any publicity attached to our meeting.

HMJr: Well, I tell you, if you come to my private entrance -

H: Yes

HMJr: You know where that is?

H: Yes

HMJr: And come right in - don't go into Kieley's room, but come directly into my room; nobody will see you.

H: We'll be there at four o'clock. And you'll have the other fellows there?

HMJr: I'll have the other fellows there.

H: All right.

HMJr: And you - you'll talk to Bob?

H: Yes

HMJr: All right.

H: I've talked to him already, and I'm to let him know.

HMJr: O. K.

H: All right.

HMJr: Thank you.

Thursday
February 11, 1937
2:50 p.m.

HMJr: Hello

Treas.

Operator: Senator Moore - Go ahead.

HMJr: Hello

Sen. A. Harry

Moore: Hello

HMJr: Morgenthau talking -

Moore: Yes, sir, this is Moore, of the great State of New Jersey.

HMJr: I know, I suppose you're calling up about our friend up there.

Moore: Yes

HMJr: Well, I just haven't been able yet to see my way clear. I've discussed it with Guy Helvering.

Moore: Yes

HMJr: And he tells me that you've had it up with him a number of times during the past year. And, I - frankly, I just haven't got any answer for you yet. And -

Moore: You know, of course, we don't care who it is.

HMJr: I know, I appreciate that. And the investigation I asked to have made of that man has not yet come through.

Moore: Oh well, we don't care about him. We only mentioned him because Helvering - -

HMJr: Yes

Moore:

HMJr: And, what I'd like to do is, as soon as I get it, if you would stop by here some morning, I'll have Helvering over here and we can talk it over.

Moore: Well, I'll do that.

HMJr: But -

Moore: I could be there Monday.

-2-

HMJr: But Helvering said that - I understand he has had it up with you a number of times.

Moore: No, he didn't - he's just talking.

HMJr: What?

Moore: He's just talking.

HMJr: Well, He's a good politician.

Moore: Yes, he has a good deal^{to}/say.

HMJr: I'm just - -

Moore: - tell us to go to hell or else tell us to put a Democrat in. What's the use of running all over the lot.

HMJr: Yes - Well, now, will you be here Tuesday?

Moore: Yes, sir

HMJr: I'll try to get a report - and - is ten o'clock a good time for you?

Moore: Yes, sir, I'll come over there at ten.

HMJr: Tuesday morning?

Moore: Yes

HMJr: Thank you very much.

Moore: You can have Helvering there and we can fight it out.

HMJr: I'll have Helvering there and we'll -

Moore: Ten o'clock Tuesday morning.

HMJr: Thank you, Senator.

Moore: Thank you.