

LEAVES FROM A LOST PORTFOLIO

(The following papers purport to be the report of an English Secret Service Agent, designated by the cipher L. P. 33, Y. to Sir Edward Grey. The document suggests an uncanny familiarity with the aims and methods of the British Intelligence Service in the United States.)

To the Right Hon. Sir Edward Grey, K.G., Bart.

Sir:—I have the honour to report that I have now brought to a conclusion the investigation which your Excellency instructed me to make. Follows a brief summary of the results obtained: the details are duly listed in the accompanying schedules. (These schedules have not reached us.—Ed.)

A. The General Sentiment of the American People.

Washington may still be classed as completely on our side. The Administration has been packed so carefully with British sympathizers that the strongest social pressure can be, and is being brought to bear upon neutrals. Members of Congress who are recalcitrant are being brought to a proper sense of their duty by feminine and social influence. This policy is full of hope, and should be crowned with complete success in a short period. These facts are, of course, already known to your Excellency, and are only inserted here to complete the document.

Boston, Providence and New England generally may be described as favorable. Here cultural and racial considerations reinforce the social. Our consul in Providence is in constant touch with Mr. John Revelstoke Rathom. It seems that the other side has investigated his past to a considerable extent. The facts unearthed by them in connection with a poison candy scandal in San Francisco have considerably impaired Mr. Rathom's usefulness in Washington.

New York is in reality anti-British in sentiment. This does not appear at the present moment, as financial reasons compel the vast majority of persons of position to profess the loudest sympathy for the cause of the Allies. They are, however, in no way to be trusted. These remarks apply with even greater force to all those manufacturing centres which depend upon New York as their financial capital. If their interests were to swing over to the other side, the old hatred of England would break out with renewed virulence. This is particularly evidenced by the remarks in Schedule A8, to which document I would call the most particular attention of your Excellency.

In this connection I cannot urge too strongly upon your Excellency to take some action that would check the injudicious partisanship for our cause shown by the *New York Tribune*. By being more British than His Majesty's Government itself the *Tribune* has practically destroyed its usefulness. I suggest a policy far more subtle in quality such as is revealed by a study of the editorial columns of the *New York Times*. While backing the interests of Great Britain in every vital matter, the *New York Times* has not hesitated at times to attack us vigorously. This establishes for that excellent paper a reputation for fearlessness and independence that is invaluable to us. On the other hand I suggest that means be found to suppress such articles as the editorial in the *Journal of Commerce* in which the statement is made that we cannot starve Germany into submission. Admissions of this nature are fatal to our credit. I also regard it as an unfortunate oversight that Mr. Gus Roeder, of the *New York World*, was permitted to convey on his person or in any matter whatsoever the articles on Germany which appeared in that newspaper. They are very damaging to our cause, and I urge that the strongest social pressure be used upon the publishers to prevent similar outbreaks. I do not understand why the censor permits dispatches as to the unpatriotic attitude of our Welsh miners to reach the United States, and in view of the strong prohibition element

the stress laid on the part which the drink question plays in England is highly injurious.

In fact, it must be conceded that our publicity work in the last few months has not been very happy. If it were not for the total lack of organization on the part of the Central Powers, we would be in a distinctly disadvantageous position. The Cavell campaign was excellently managed. The Germans attempted to counteract it by publishing a poorly gotten-up circular with a fac-simile of the death sentence imposed by a Belgian court on a woman spy. The attempt was a total failure. Not one newspaper, outside of the German language press, paid the slightest attention to the story. It is evident that their available funds are running low. It seems that with the departure of Dr. Dernburg their credits have been considerably restricted. While they have large amounts on deposit in the Chase National Bank, they seem to have no agent here who is willing to take the responsibility for any expenditure beyond a few hundred dollars upon himself. It is also evident that we have them badly frightened. I suggest that we keep up by all means the prosecutions of their consular officers wherever possible under any pretense whatsoever. The *Baralong* matter acted strongly against us, in spite of your Excellency's straightforward and convincing rejoinder. Fortunately the Germans were not in the position to push this advantage against us.

The great section of the country which is centralized in Chicago, St. Louis, St. Paul and Minneapolis, Topeka and Denver, may be called actively hostile to our propaganda. In all these cities the intelligent and prosperous classes make no secret of their sympathy with the enemy. In these districts the *Chicago Tribune* and THE FATHERLAND are potent organs of opinion. The Hearst press has also much more power than in New York.

In the extreme West sentiment is not so strong. Local problems occupy the thought of the people to the exclusion of others more important. The Northwest, Portland and even Seattle, are strongly pro-German; but San Francisco

may be considered lukewarm. During my sojourn in that city, the Exposition was the sole topic of interest. Los Angeles is in the same class. However, it is unfortunately the case that the bitterest antagonism, contempt and distrust is manifested toward Washington itself, and the East in general. There is neither unity nor comprehension. In the event of a crisis, this would undoubtedly flame out, and decide them to cast in their lot with Chicago.

The agricultural States in general are truly neutral. The only feeling is detestation of the war in general, and a determination not to be dragged into one at any cost. This disposition is to be regarded as unfriendly to your Excellency's hopes.

The South is still bitterly antagonistic to the East, or North, as they term it. They are fanatically opposed to the Morgan interests, and the effect of the blockade upon cotton, in spite of the "statistics" which we have published through Wall Street channels, has made them extremely hostile toward England.

The situation may be summed up finally by saying that with the exception of the individuals who have been, and are being, influenced by social, racial or financial considerations, the country is either against us altogether, or would become so in the event of active decision being necessary. Such feeling as is for us is mostly sentimental, and would disappear if it were a question of war. The press campaign on which so much money has been spent, must, therefore, be considered to have failed. It has not therefore been useless; on the contrary, it has been invaluable as permitting Washington to claim that public sentiment as shown by the newspapers was vehemently on our side and thus to defy the will of the people, who have by this means been made to appear inarticulate. It must not therefore be supposed that Washington itself is under any misapprehension; the party bosses are well aware of the facts of the situation, and their private reports are conclusive. (See Schedules a 23-43 inclusive.) Your Excellency has therefore every reason to fear the most complete *volte-face* on the

part of Washington. The various notes to Germany, to Austria, and to H. B. M. Government may be regarded as electioneering addresses and no more.

The publication of the von Papen correspondence was distinctly unfortunate. Even so friendly a paper as the *Springfield Republican* took us to task for our treatment of the Captain, forgetful of the fact that the Germans are not gentlemen, but pirates and deserve to be treated as such. The letter by von Skal on the Ambassador has made the position of the latter more solid with the Administration. Washington did not believe until the publications of this letter that there was a real division of opinion between the German propagandists, and that the atrocious propaganda of Dr. Dernburg was carried on in spite of the protests of the Ambassador. The entire publication strikes me as a boomerang.

Too certain of our hold on the Administration, we have been somewhat neglectful of Congress. I suggest that the mail of the Senators, especially of those who favor an embargo on arms (see Schedule XO) be carefully supervised. While the ammunition interests are strong we must not underestimate the approach of the elections. The problem of the "hyphen" also is more sinister than ever. The President, while still with us, is deeply offended because of the attacks on him in the British press. Especially the poster "are you too proud to fight" rankles deep. Even if he has not protested against the German "atrocities," he has gone as far as he could without actually participating in the war on our side. The slurs on him which are promptly republished here, must strike him as the basest ingratitude. I should not be surprised if his attitude toward us would stiffen considerably in consequence. Inasmuch as American ammunition still is absolutely essential to our success, I suggest that your Excellency permit the Administration to obtain a "diplomatic victory" of some kind over us. It is not necessary to sacrifice any essential principles, but I would urge that a slight concession now and then would be gratefully appreciated in Washington. At present it is best to humor

them. They are childish, and it is so easy to please them. The attitude of Washington for the next few months will depend entirely upon the results of the party conventions. It is extremely unfortunate that Mr. Roosevelt so misjudged public sentiment. It will, I most respectfully submit, be wiser to withdraw support from this quarter, which is in any case hopeless of success. Had it not been for Mr. Bryan's resignation, we could have been certain of Mr. Wilson's re-election, which, all things considered, would have been satisfactory. In the event of a new lease of power being granted, he would have fallen even more completely under the thumb of the Morgan interests.

I respectfully urge your Excellency to regard the political situation here as most precarious; in my humble opinion, the best and only sure method is to prepare some incident which would drag the country into war before the conventions, as if by stampede. This is, however, subject to the remarks in Section B of this report, which render it hazardous and even desperate. The alternative is to trust the money interests to elect another weak and wooden President.

B. The Attitude of the German-Born American

Even in the case of those Germans who left Germany on account of their political beliefs or their economic disabilities, the feeling is strong for the Fatherland. The war is responsible for this. It has been useless for our press to seek to throw the blame of it on Germany; they think they know the psychology of their own people, and that they could never undertake a war of aggression. They are all convinced that Germany has been forced into war, and are for her as they would be for any other pacific nation similarly attacked, with this addition, that the Germans, in spite of any disagreement in the past, are after all their own kin.

The German in America is as silent and well-organized in a sense as he has been proved in his own country. Your Excellency must not be misled by the fact that hitherto he has

not loudly protested against the influence which we exert upon Washington. The German is above all a slave to the idea of law and order, and he will not make any active move until and unless the Government takes some clearly unconstitutional step. War with Germany on any such hollow pretext as the *Lusitania* incident, he would regard in this light. In such a case, there would, as I believe, be no civil war or even rioting, unless an attempt were first made against him; but the business of the country would be most effectively tied up in a perfectly legal and orderly manner. I regret to have to inform your Excellency that while our sympathizers confine their activities to speech, the German element is quietly preparing against any possible trouble. Every city, town, and even village of any size posses a German club, and every such club is a nucleus of mischief. If these tinders were in any way blown into flame, the state of the country would be in a sense worse than if civil war actually broke out. Wall Street, always the most excitable of markets, would suffer so severely that the nation would find it impossible to continue in the course which had precipitated the conflagration.

This is, I respectfully submit, the only valid reason for holding our hands, and forcing the United States into the war on our side by some such method as that of torpedoing an American ship manned by sailors and passengers in our pay, or any of those outlined in Schedules B14sq, although I am of late considerably distressed by the restlessness among the Irish. The publication *Ireland*, started by us to counteract the seditious influence of the *Gaelic-American* and the *Irish World*, was discredited almost at its inception as a Government organ. I shall watch the situation closely and I shall not fail to have at least one or two secret agents at the Irish meeting, scheduled for March 4th, at the Hotel Astor.

The present policy of endeavoring to keep all trouble to a minimum is sound; but in the case of the *volte-face* of Washington which is above indicated as a possibility, it would, I repeat, doubtless become desirable to throw the

sword into the scale, and to trust to reap our advantage later. This must in any event be arranged for as soon as possible after the war; for otherwise the balance of wealth must become intolerable. Since repudiation must come, it had better come all round; we can then reconstruct civilization on a fair basis. Unless America is completely disintegrated, Europe must lie at her mercy for centuries to come. It is evident that we may rely upon the co-operation of Japan in this task. The German-born American is the one obstacle to be feared; but by adroitly fomenting the elements of race hatred in America, the continent may yet be reduced to chaos without our risking a military expedition other than one of occupation and administration. President Wilson's great speech in Congress, even more than all the efforts of our press has sown the dragon's teeth, in my humble opinion, beyond the power of any man to pluck up, and we have merely to await the due season for the crop of armed men to rise up and slay each other.

C. The Removal of Prof. Hugo Muensterberg

I deeply regret to have to report to your Excellency that all effort in this direction has hitherto proved abortive. Attempts to embroil him with the authorities have been unsuccessful. As your Excellency is already well aware, he has been inaccessible to the persuasions of our agents from the beginning. I submit to your Excellency that it is useless to proceed on the present lines. Would your Excellency wish us to abandon the task, and to hope for the interposition of Divine Providence? General Delarey was hindered at the last moment from joining the rebels in the Transvaal at the beginning of the War.

D. The Diplomatic Situation

Feeling in this country is very strongly sympathetic with France; to abandon her would unite American sentiment against England as nothing else could do. On the other

hand, there is practically no pro-Russian feeling; an understanding between France, Germany and ourselves as against Russia would be popular, as tending to relieve the tension, and do away with the deadlock. This would be signally the case if it were concerted that after the fall of Russia, the next task were to be the humiliation of Japan. Such an arrangement need not, and should not, prove incompatible with the design upon America itself indicated above. Germany may be offered South America as compensation for acceding in full to such desires as France might express in reference to the terms of peace.

I hope your Excellency may be pleased with the main results of this investigation, and pardon the frankness which I have deemed it necessary to use in making this communication.

I have the honour to remain,

Your Excellency's obedient servant.

L. P. 33. Y.