

*Last copy.*

March 31, 1926

In view of possible misinterpretation growing out of recently published newspaper articles, the enclosed memoranda have been prepared giving facts and the text of pertinent documents.

IVY L. LEE

111 Broadway  
New York City

lished—

1. Russia must recognize and undertake to pay her debt to the United States.
2. She must restore private property belonging to other nationals which she has seized, or make restitution therefor.
3. She must give adequate guarantees which will protect future property owned by other nationals within her boundaries, and also provide adequate security for any loans which may be made to Russia in the future.

These are very practical questions, and they cannot be solved merely by a disapproval of the professions and theories of the Russian Government. With what Russia does *inside* of Russia, the United States has little to do. What really concerns this country is what Russia does outside of Russia, or does with property which belongs to people outside of Russia, and particularly to American citizens.

It is manifestly in the interest of the whole world that the conditions outlined above should be established as promptly as possible. There is much to be said for the viewpoint presented by Senator Borah in a letter to the writer, quoted as follows:

"There are one hundred and forty million people in Russia. As a people, they are a great people. They

## SOLVING THE RUSSIAN RIDDLE

### *How Can Progress Best Be Achieved?*

March 31, 1926.

Sound international relations must be based upon confidence and good faith. That applies to Russia as well as to every other country. It is clear that before sound business and diplomatic relations between Russia and the United States can be established—

1. Russia must recognize and undertake to pay her debt to the United States.
2. She must restore private property belonging to other nationals which she has seized, or make restitution therefor.
3. She must give adequate guarantees which will protect future property owned by other nationals within her boundaries, and also provide adequate security for any loans which may be made to Russia in the future.

These are very practical questions, and they cannot be solved merely by a disapproval of the professions and theories of the Russian Government. With what Russia does *inside* of Russia, the United States has little to do. What really concerns this country is what Russia does outside of Russia, or does with property which belongs to people outside of Russia, and particularly to American citizens.

It is manifestly in the interest of the whole world that the conditions outlined above should be established as promptly as possible. There is much to be said for the viewpoint presented by Senator Borah in a letter to the writer, quoted as follows:

“There are one hundred and forty million people in Russia. As a people, they are a great people. They



occupy nearly one-sixth of the earth's surface. Their potential wealth is beyond the power of language to describe. And to have no constructive policy with reference to that kind of a situation is to confess intellectual bankruptcy. Frightened and intolerant, we simply say we will do nothing. It is a challenge to the character and the constructive capacity of those who are responsible for our policy."

Without question this situation does present a real challenge to constructive thought. No one in this country seems to know the truth about Russia, and particularly as to whether or not there are influences at work there promising the restoration of conditions which will make possible relations with the United States upon a sound basis. The development of a wise policy must be based upon knowledge; and this knowledge must be furnished from a source known to be reliable.

With this in view the writer addressed to several members of the Chamber of Commerce of New York letters explaining his position and asking for their opinions. The letters represented purely the personal interest of the writer and were in behalf of no one else.

It was not intended that these letters should be made public. In responding to an invitation to a debate on the Russian problem to be held under the auspices of a certain publication, the writer enclosed, for the personal information of the recipient, copies of this correspondence in order that this expression of interest in the discussion should not be misinterpreted as an approval of the attitude of the Soviet Government or the Bolsheviks. Without the knowledge or permission of the writer, this correspondence was given to the press, and no one was more surprised than he to find on the front page of *The New York Times* for Sunday, March 28th, the following article:

occupy nearly one-sixth of the earth's surface. Their potential wealth is beyond the power of language to describe. And to have no constructive policy with reference to that kind of a situation is to confess intellectual bankruptcy. Frightened and intolerant, we simply say we will do nothing. It is a challenge to the character and the constructive capacity of those who are responsible for our policy."

Without question this situation does present a real challenge to constructive thought. No one in this country seems to know the truth about Russia, and particularly as to whether or not there are influences at work there promising the restoration of conditions which will make possible relations with the United States upon a sound basis. The development of a wise policy must be based upon knowledge; and this knowledge must be furnished from a source known to be reliable.

With this in view the writer addressed to several members of the Chamber of Commerce of New York letters explaining his position and asking for their opinions. The letters represented purely the personal interest of the writer and were in behalf of no one else.

It was not intended that these letters should be made public. In responding to an invitation to a debate on the Russian problem to be held under the auspices of a certain publication, the writer enclosed, for the personal information of the recipient, copies of this correspondence in order that this expression of interest in the discussion should not be misinterpreted as an approval of the attitude of the Soviet Government or the Bolsheviks. Without the knowledge or permission of the writer, this correspondence was given to the press, and no one was more surprised than he to find on the front page of *The New York Times* for Sunday, March 28th, the following article:



throughout the United States among the people, who would see that our Government makes no difference between the two views of liberty and order.

"The Russian Bolsheviks hold to the communistic doctrines with a fierce religious fervor. They have a missionary spirit like the early followers of Mohammed. If the American people lose their sincere belief in their own institutions and fall into a weak milk-and-water indifference toward the principles on which our Government is based, we are going to have very serious troubles ahead of us. I am not affected so much by the

assistance which recognition would give to the direct assaults of the Russian Communists as I am by the inevitable decrease of faith in our own institutions which would be produced among our own people by seeing our Government accept the principles of the Bolsheviks as something 'equally as good.'"

Other replies were in similar vein. Mr. DeBost, Chairman of the Executive Committee of the Chamber of Commerce, made it plain that the resolution opposing recognition had not been adopted until after careful consideration by the committee and the members of the Chamber.

Any association of my name in the above connection with that of any of the Standard Oil Companies was wholly without authority or basis in fact.

In order to make the position perfectly clear, a statement was issued the next day which was printed in *The New York Times* for March 29th as follows:

Lest published references to my attitude toward the Soviet Government be misunderstood, the facts are as follows:

On January 7 the Chamber of Commerce of New York, of which I have the honor to be a member, passed a resolution urging that the United States should never accord recognition to Russia as long as the Communistic Party was dominant in that country. Following the passage of that resolution I addressed letters to the Executive Committee of the Chamber, urging that the Chamber of Commerce take a constructive position with reference to Russia, summing up my suggestions in the following:

"I do not assume to know the answer to the Russian riddle. Men like General Haskell and others who really do know something about it are quite doubtful as to the advisability of the present recognition of Russia. I have no decided views on the subject. The only view that I do have decidedly is that Russia is a very great country with a great people, and that we have got to deal with her as she is.

**"Of course, nothing could be more repugnant to me than to affiliate myself with any movement which would aid a Communist or Socialist idea.**

"What does seem to be desirable is for progressive agencies to inform themselves concerning the status of things in Russia with a view to seizing hold of any opportunity which may present itself to

bring Russia acceptably back into the fold of the nations of the world, and, above all things, to restore her to a friendly and cooperative basis with the United States. I do not assume to suggest what the present status would warrant—but we ought to know.

"If I could make a concrete suggestion, it would be that the Chamber of Commerce should appoint a special committee to investigate the whole problem of Russia and to make a recommendation to its members. If any body of men in this country is equipped to ascertain the facts concerning the whole problem, and to test these facts thoroughly, it is the Chamber of Commerce of New York.

"What we are all after is to get Russia to restore the property of other nationals she has seized. Next to that we want to get Russia to give such assurances and guarantees of the future as will restore the Russian people to more normal commercial relations with the rest of the world."

#### LETTER TO HON. ELIHU ROOT

Later, as a measure of seeking further advice on this subject, I had some correspondence with Senator Elihu Root, to whom, among other things, I wrote on March 3:

"I, for one, am very frank to say that I would never want this country to recognize Russia if you yourself, after examining all the facts, should deem it unwise. What I would like to see, however, is a condition brought about under which you, and men like you, would think it wise to accord such recognition. When that time comes we would be really getting somewhere, and it is to contribute toward that end that the Chamber of Commerce of New York might study this problem and be in a position to offer constructive suggestions.

"One of the members of the committee wrote me that he was sorry I was allying myself with the Bolshevik movement. My action is as far from allying myself with the Bolsheviks as anything can be. If it should prove to be the case that the immediate effect of recognition by us would be to give strength to the Communist doctrines promoted by the Russian Government, I certainly would not want to see recognition accorded.

"It would seem that the policy of drift with reference to Russia was getting us nowhere, and that the problem, after all, was a very practical one, which



had to be settled after consideration of all the practical questions involved, with a view to bringing about as permanent results the promotion of the peace, security and financial stability of the world.

"The purpose of my raising the question was not to seek to induce the Chamber of Commerce to reverse its declared position as of January 7, but to induce it to take active measures to inform itself with a view to aiding ultimately in working out a solution of the problems.

"The situation is certainly dynamic and calls for a constant examination of facts which are continually changing.

**"It certainly challenges business men to be in a position when the time comes to meet the issue in a very large way and in the light of all the facts."**

It need hardly be added to the above that my views on this subject are wholly personal and are not set forth as representing the opinions of any one else.

IVY L. LEE.

111 Broadway,  
New York City,  
March 31, 1926.





Ivy L. Lee and Associates  
111 Broadway  
New York

Memorandum

PERSONAL AND CONFIDENTIAL

January 7, 1926

Mr. William L. DeBost,  
Chairman, Executive Committee  
New York Chamber of Commerce  
65 Liberty Street, New York City

Dear Mr. DeBost:

It was very kind of you to call me up yesterday and discuss the resolutions concerning Russia. I considered very carefully the question as to whether I should say something at the meeting today, but it seemed to me that it would be simply futile and a waste of time to bring the subject up when I knew it could not be dealt with thoroughly and deliberately.

My own feeling is that the real function of the Chamber of Commerce of New York is to do something constructive on this subject. In the letter of Secretary Mellon concerning the debt settlements which have been made, and which was published in the papers of January 5th, Mr. Mellon said, among other things: "The countries of Europe must be restored to their place in civilization", and certain it is that Europe cannot again be considered peaceful until Russia is once again included in the family of nations.

There has just come to hand a new book entitled, "Industrial Leadership" by L. S. Hammersley, M. P., which volume contains an introduction dated October 26th, 1923, and signed by Stanley Baldwin, Prime Minister of England. In this book Mr. Hammersley states, "The time may come again when Russia is accepted as a responsible, administrative entity, and I think that time is fast approaching".

Many business concerns have been conducting negotiations with a view to the re-establishment of more active commercial relations in Russia. One very large American interest last summer was, as a basis for the establishment of trade relations in Russia, consulting with the foreign secretaries of England and France with a view to ascertaining the probable policy of those countries as to their continued recognition of Russia. The purposes of the Executive Committee in recommending the passage of the resolution concerning Russia are undoubtedly: (1) to protect our own institutions from the effects of injurious propaganda, and (2) to seek to induce Russia to adopt a more business-like attitude toward its world obligations.

With reference to the first of these purposes, I am not the least afraid of the Russian Government having agencies in this country who will circulate subversive propaganda. My own observation of the operation of propaganda has been that nothing so quickly exposes error as to bring it out into the open. If the Russian Government had diplomatic agents in this country, everything they did would be subjected to the most careful supervision and the public would be on guard against them constantly. Such agents, knowing they were under suspicion, would be extremely careful as to what they did. My own observation is that the effect of communist propaganda has been much less in



England, France and Italy since Russia was recognized and diplomatic relations re-established between those countries. In England, for instance, Russia was recognized by the labor government and yet from that moment it seems to me the influence of Russia in England began to decline. That influence had been increasing decidedly under the administration of Lloyd George and even the first administration of Stanley Baldwin. Certain it is that none of the countries which have recognized Russia have withdrawn that recognition, and I am informed quite definitely that it is not the purpose of any of the great nations of Europe to withdraw such recognition. And England is now governed by the conservative party!

And certainly Mussolini is giving no encouragement to Bolshevik doctrines in Italy. In fact throughout Europe I think everyone will agree that today the influence of communism is far less than it was four or five years ago. And so it would seem to me that the greater opportunities Russia had to circulate her so-called propaganda, the less influence the propaganda had. It is very much like dealing with gun cotton. If you pack gun cotton in a sealed caisson it would be very dangerous. But if you burn it on your doorstep it is as harmless as tissue paper.

As to whether the proposed policy is the best way to get Russia to change its methods of operation, it seems to me there is nothing in experience to justify the claim that the policy so far followed by our state departments will get us anywhere.

The Russian Government is admittedly stronger today than it has been at any time and I have heard of no serious movement to upset the present regime. The present regime, nevertheless, has become progressively more conservative. And there is a distinct element in the communist party in Russia asking for a different set of things. The real problem is whether or not the hand cannot be strengthened of those elements in Russia who want to be able to point out to their fellow citizens by concrete facts the thought that the only way Russia's real prosperity can be re-established is by recognizing her debts and giving full recognition to the rights of private property. Much is being done in this direction now and it did not seem to me that this report of the Executive Committee betokened as complete an understanding of all the factors in the case as might have been expected.

My views on this subject were formulated about five years ago when, after a trip through Europe and a discussion of the Russian problem with a number of Prime Ministers and important business men, I came to the conclusion that the recognition of Russia would be the best way to kill Bolshevism. At that time none of the important nations, outside of Germany, had recognized Russia. My thought was that as long as the nations of the world all united in refusing recognition to Russia, all the elements in Russia were forced to stand together in common protection of their country, but that if political recognition was given it would have been possible for the more conservative elements to deal with the economic facts and to point out to their fellow-countrymen that now Russia was given full political standing in the world it was up to her to do business with the world along the only lines open along which sound business could be properly conducted.



You are quite aware of the experience of England. England gave Russia recognition, but the moment following that recognition, when Russia attempted to raise a loan in England, a very different situation was presented. The only way for people to be able to borrow money is to have good credit. But having good credit is a very different thing from having merely the rights of citizenship. The rights of citizenship are accorded to any law-abiding person, but credit is only given to those who deserve it.

The action of the Chamber of Commerce has now been taken. I do not think there is much chance that Senator Borah's resolution will be passed, nor do I think that it is necessary that it should be passed just now. What does seem to be desirable is for progressive agencies to really inform themselves concerning the status of things in Russia with a view to seizing hold of any opportunity which may present itself to bring Russia acceptably back into the fold of the nations of the world, and, above all things, to restore her to a friendly and co-operative basis with the United States. I do not assume to suggest what the present status would warrant - but we ought to know.

If I could make a concrete suggestion it would be that the Chamber of Commerce should appoint a special committee to investigate the whole problem of Russia and to make a recommendation to its members. I am inclined to think that there is an opportunity for the Chamber of Commerce in this situation to perform a service of great value.

I am taking the liberty of sending a copy of this letter to the other members of the Executive Committee.

Yours very truly,

(Signed) IVY L. LEE



Ivy L. Lee and Associates  
111 Broadway  
New York

*Memorandum*

PERSONAL AND CONFIDENTIAL

February 3, 1926.

Dear Mr. DeBost:

I enclose herewith copy of a memorandum I thought of sending to you and perhaps to some others right after the meeting when the Russian question came up. I decided, however, that it would be hardly worth while to agitate the subject.

What is in my mind very strongly is this: That the Chamber of Commerce of New York ought to take a constructive position with reference to Russia. Some day Russia has got to come back into the family of nations, and we ought to try to help her get back rather than to force a great nation like Russia to come back on her knees and in sackcloth and ashes. That isn't practical. Furthermore, the United States can not indefinitely assume an attitude toward Russia different from that of all the other great nations. In addition, the trade of Russia is of great importance to this country.

All these factors make me feel that the situation ought to be followed with great care with the idea of doing something which is both consistent with the policies of the Chamber and at the same time helpful to progress.

I would be very glad, indeed, to discuss this subject with you, but if we did discuss it my main suggestion would be that the Chamber appoint a committee to make a special study of the Russian Situation - possibly sending one or two men to Russia to examine the situation on the ground - and that the Chamber should take such other measures as will enable it to be in the foreground in promoting that which ought to be brought about at the earliest possible moment; namely, admission of Russia once more to the family of nations.

My interest in this is solely personal and because I believe the subject is one of importance to this country.

Sincerely yours,

(Signed) IVY L. LEE

Mr. William L. DeBost,  
Chairman, Executive Committee,  
New York Chamber of Commerce  
65 Liberty Street, New York City



Ivy L. Lee and Associates  
111 Broadway  
New York

2

Memorandum

PERSONAL AND CONFIDENTIAL

February 15, 1926

Dear Mr. Kingsley:

I appreciate very much your writing me so fully regarding my memorandum on Russia and also for your kindness in sending me the data concerning the life insurance relationship with Russia. It is evident that you have a real grievance and I do not wonder at your indignation over the manner in which your people have been treated. Nor do I have the slightest sympathy with the way the Russian Government has acted regarding many other of its obligations.

And of course no one has less sympathy than I have with any government or organization which advocates Communism or seeks to stimulate a world revolution.

The difficulty with the situation, however, is that we are not dealing with individuals in this matter, but with the people as a whole. You are familiar with Edmund Burke's statement about the impossibility of indicting a people.

The real problem, as I see it, is not whether the present party in control of the Russian Government represents views which we can endorse, or whether indeed the Russian Government ought not to be severely condemned. Theoretically and logically, we ought to do everything possible to keep the Russian Government "thumbs down". But it is not a theory which confronts us; it is a very real fact. From our point of view, we want to trade with Russia. We not only want to trade ourselves, but we want other nations to trade with them and thus promote world prosperity. We have got to recognize that so far as Russia is concerned, it represents an enormous population whose restoration to an orderly society is of supreme importance to the progress of civilization.

As I view it, therefore, the real question is this: How can Russia be once more restored to the family of nations, so that her full contribution may be made to the welfare of the world?

It seems to me that when a nation has been recognized by Governments like England and France, it is rather difficult for the United States to maintain that the moral principles which surround us are different from those which govern the governments of England and France, and that we have a right to take a more elevated position in the matter than those other nations. To be sure, Russia was recognized by England while under the control of a Labor Government, but it is equally certain that the Tory Government has resisted all efforts to withdraw the recognition of Russia which had been given by the Labor Government. My personal opinion is that there is not the slightest prospect of the recognition of Russia being withdrawn by either England, France or Italy.



Those who are familiar with the situation know that there are constructive forces at work in Russia. What we want to do is to strengthen those forces. It seems to me that institutions like the Chamber of Commerce of New York should be on the qui vive for opportunities to work in that direction. What may best constitute such strengthening, I do not presume to know. But it does seem to me a mere negative policy gets nowhere. Nor does it seem to me that the position of the Chamber of Commerce is tenable merely upon the theory that it is supporting the action of the United States State Department. The State Department may be wrong! But right or wrong, I do not believe that the policy of the State Department should be endorsed merely because it is the policy of the State Department. Nor do I think that we should assume that the State Department has inside information which justifies its policy. It may or may not have. My point is that the Chamber of Commerce of New York should inform itself and take action on the basis of facts it has ascertained on its own account, and that the Chamber of Commerce should declare its purpose not merely to condemn Bolshevism, but to cooperate with those elements in and out of Russia which are seeking to bring about a gradual change in Russia in the right direction.

It seems to me that the passage of the resolution of the Chamber of Commerce on January 7 leaves the situation and leaves the Chamber of Commerce in a purely negative position, and does nothing whatever to either promote or to plan for any progressive or constructive action. As I interpret the purpose of the Chamber of Commerce of New York, it does not seem to me that that is a strong or helpful position.

Sincerely yours,

(Signed) IVY L. LEE

Darwin P. Kingsley, Esq.  
President, New York Life Ins. Co.  
346 Broadway  
New York City



Ivy L. Lee and Associates  
111 Broadway  
New York

*Memorandum*

PERSONAL AND CONFIDENTIAL

February 16, 1926

Dear Mr. DeBost:

Thank you very much for your kind letter of February 11. I should like very much to discuss the Russian situation with you. As I have tried to make it clear, I have no definite views as to exactly what should be done in the situation and the sole purpose of my agitation is to get the Chamber of Commerce to inform itself on its own account, and not take the second-hand views of the State Department or anybody else. I do not presume to have the information in my possession which would justify any specific recommendation, but my information from people returning from Russia is that forces are at work there which did not seem to me to be envisaged by the Chamber's resolution of January 7.

The two big problems now awaiting solution in Europe, it seems to me, are first, the stabilization of French finance, and secondly, the re-establishment of Russia in a position of sound relations with the other great nations.

Both of these problems are of great importance to the United States and my sole purpose in this discussion is to seek to stimulate the Chamber of Commerce of New York in the direction of taking a constructive attitude, rather than one of pure negation.

Very truly yours,

(Signed) IVY L. LEE

William L. DeBost, Esq.,  
Chairman, Executive Committee,  
Chamber of Commerce  
65 Liberty Street  
New York City



Ivy L. Lee and Associates  
111 Broadway  
New York

*Memorandum*

PERSONAL AND CONFIDENTIAL

February 26, 1926.

Dear Mr. Kingsley:

I really appreciate very much your note of the 25th. I am sure there is no difference of opinion between us as to the moral aspects of this whole matter, but I am afraid if it is to be dealt with purely on a plane of higher morality, we are not going to get very far. A Russian is going to remain a Russian and I do not believe we are going to change very much any of the professions of the Russian Government.

What we are all after is to get Russia to restore the property she owes to other nationals, or to make restitution for property she has seized. Next to that we want to get Russia to give such assurances and guarantees of the future as will restore the Russian people to more normal commercial relations with the rest of the world.

That is a very practical question and cannot be solved merely by our disapproving of the professions and theories of the Russian Government. With what Russia does inside of Russia, we have little to do. What really concerns us is what Russia does outside of Russia, or does with property which belongs to people outside of Russia.

Just so long as Russia continues in her present anomalous relationship with so many of the nations, the commerce of the world is disjointed, and the ship of Trade is listing.

I hope sometime you and I can get together personally and talk this over because I am sure we are not far apart at all in our purposes. The real reason I have started this thing is because I believe there is a chance for the Chamber of Commerce to do a great constructive piece of work in connection with this matter, a piece of work which I do not see in process of being done by any other agency which starts from the same point of view.

With kind personal regards, I am

Sincerely yours,

(Signed) IVY L. LEE

Darwin P. Kingsley, Esq.,  
346 Broadway,  
New York City.

P. S. I have had a letter from Mr. John B. Trevor protesting against my views and I am venturing to enclose a copy of a letter I am writing him. I.L.L.



Ivy L. Lee and Associates  
111 Broadway  
New York

Memorandum

PERSONAL AND CONFIDENTIAL

February 26, 1926.

Dear Mr. Trevor:

I appreciate very much your kindness in writing me as you have done February 25. I wish that we could get together and talk this matter over because I do not believe we are as far apart as you apparently think we are. As I have said in all my communications, I do not assume to know the answer to the Russian riddle. Men like General Haskell and others who really do know something about it are quite doubtful as to the advisability of the present recognition of Russia. I have no decided views on the subject. The only view that I do have decidedly is that Russia is a very great country with a great people and that we have got to deal with her as she is.

Of course nothing could be more repugnant to me than to affiliate myself with any movement which would afford a Communist or Socialist idea to any degree. I assume it is hardly necessary for me to say that. Indeed, I am not affiliating myself with a movement. If I had wanted to do that I would have gone to some of the more aggressive people on this subject and tried to work with them. Instead of that I am taking this thing up on the inside, and not publicly, with what I feel is the most conservative and influential body of sound business men in the United States. I would not have the Chamber of Commerce do anything whatsoever that is not in accord with the soundest principles of business. If I wanted the matter dealt with in some other way, I certainly would not go to the Chamber of Commerce with it.

I realize that anything that might seem like friendliness to the Soviet Government represents a very unpopular view with a body of men like the members of the Chamber of Commerce.

I have heard a good many views expressed on this subject and many of them differ. What I would like to feel is that through the Chamber of Commerce the business men of America might learn what the facts are and thus proceed constructively. For example, I have heard many statements that the French and English Governments regretted the action they had taken regarding the Soviet Government. I am trying to find the real facts on that subject. I confess I do not know, but if any body of men in this country is equipped to ascertain the facts concerning the whole problem, and to test those facts thoroughly, I think it is the Chamber of Commerce of New York.

I am venturing to send you a copy of a letter I am writing to Mr. Darwin P. Kingsley. It would give me great pleasure to discuss this subject with you personally. It is a subject about which I hesitate to dogmatize in any way. It is too big for anyone really to take in. But as I wrote you the other day, it certainly presents a challenge to thought and it seems to me that challenge ought to be accepted by the Chamber of Commerce of New York.

Very sincerely yours,

(Signed) IVY L. LEE.

John B. Trevor, Esq.,  
11 East Ninety-first Street,  
New York City.



ROOT, CLARK, HOWLAND & BALLANTINE  
31 Nassau Street,  
New York.

PERSONAL AND CONFIDENTIAL

March 2, 1926.

My dear Mr. Lee:

I have given attentive consideration to the matter which you sent me relative to the recognition of Russia and still I am compelled to say that I cannot agree with your conclusions. I think the action of the Chamber of Commerce was right.

The recognition of one government by another is not a mere courtesy. It is an act having a definite and specific meaning and it involves an acceptance by the recognizing government of the principles, purposes and avowed intentions of the recognized government as being in conformity with the rules which govern the conduct of civilized nations towards each other. For the United States to recognize Russia would be to publicly acknowledge that the avowed purpose of the present Russian government, to overthrow by force our system of government, is consistent with international friendship. Of course that would be a lie and it is always unwise for a nation to govern its action by anything but the truth, as it understands the truth.

The immediate effect of such a course would be to give great encouragement and strength to the communist doctrines professed by the Russian government and to make it seem to all the world that the government of the United States regards as negligible the differences between the principles underlying American institutions and the theories which support the dictatorship of the proletariat. Such a course by the government of the United States would not only give respectability and credit to those who are carrying on the communistic propaganda in the United States but it would tend to the demoralization of public opinion throughout the United States among the people, who would see that our own government makes no difference between the two views of liberty and order. Don't forget, my dear Mr. Lee, that popular government is still on trial. Not only is it publicly denounced by the Russian Bolsheviks but it has received severe blows from the dictatorship in Italy and Spain and disparagement from the weakness of parliamentary government in France. New and serious weaknesses are making their appearance in our own practice of popular government and no one can be certain about the future course of development.

The Russian Bolsheviks hold to the communistic doctrines with a fierce religious fervor. They have a missionary spirit like the early followers of Mohammed. If the American people lose their sincere belief in their own institutions and fall into a weak milk and water attitude of indifference towards the principles upon which our government is based, we are going to have very serious troubles ahead of us. I am not affected so much by the assistance which recognition would give to the direct assaults of the Russian communists as I am by the inevitable decrease of faith in our own institutions which would be produced among our own people by seeing our government accept the principles of the Bolsheviks as something "equally as good".

Very sincerely yours,

(Signed) Elihu Root

Mr. Ivy L. Lee,  
111 Broadway,  
New York City.



Ivy L. Lee and Associates  
111 Broadway  
New York

Memorandum

PERSONAL AND CONFIDENTIAL

March 3, 1926.

My dear Senator:

I cannot tell you how much I appreciate the trouble you have taken to write me so fully as you have done under date of March 2. When men like you and Judge Hughes have such decided views on this subject, I must confess that it tends to influence my own conclusions very distinctly. I had a meeting yesterday with some of the members of the Chamber of Commerce Executive Committee and they feel very strongly that they are right and that the Chamber ought to follow the leadership of the Government in this situation.

One of the members of the Committee wrote me a letter to the effect that he was sorry I was allying myself with the Bolshevik movement. I enclose my reply to Mr. Trevor on that subject because my action is as far from allying myself with the Bolsheviks as anything can be. What I am doing is seeking light, in the hope that the American people may obtain all the light there is in dealing with this difficult subject. I had a letter from Senator Borah the other day in which he made use of the following language:

"I have no quarrel with the Chamber of Commerce of New York City or with the United States Chamber of Commerce. But the failure of these great organizations to work out a constructive position is a matter which you hear commented upon with reference to a number of subjects.

"There are one hundred forty million people in Russia. As a people, they are a great people. They occupy nearly one-sixth of the earth's surface. Their potential wealth is beyond the power of language to describe. And to have no constructive policy with reference to that kind of a situation is to confess intellectual bankruptcy. Frightened and intolerant we simply say we will do nothing. It is a challenge to the character and the constructive capacity of those who are responsible for our policy".

My feeling is that this situation does present a real challenge to constructive thought. I do not think we can deal with Russia on the moral grounds we would apply to individuals. A Russian is a Russian and will continue to be a Russian. It does not seem to me that we have much to say as to what Russia does inside of Russia, but that we do have a great deal to do with what Russia does outside of Russia. If it is possible to develop some kind of modus vivendi whereby we could get Russia, in her international relations, to give such guaranties and assurances that would make free commercial intercourse with her possible, it seems to me that great progress would be made.



I confess I am very much impressed by your statement that the recognition of one Government by another "involves an acceptance by the recognizing Government of the principles, purposes and avowed intentions of the recognized Government as being in conformity with the rules which govern the conduct of civilized nations toward each other". Assuming the correctness of your interpretation of the meaning of recognition, I find it extremely difficult to understand the action of England, France and Italy in according recognition to Russia. Of course the recognition by England was accorded under a Labor Government, but that was not true of either France or Italy. I am frank to say that as you put the matter, there is no possible alternative for our Government, except to refuse recognition.

Likewise, if it should prove to be the case that the immediate effect of recognition by us would be to give strength to the Communist doctrines promoted with Russian Government, I certainly would not want to see recognition accorded. Somehow I had felt that since recognition by England, France and Italy, the strength of Communism in Russia itself had tended to decline and that there was a steady growth of Capitalistic principles, although within the pale of Communism.

I quite recognize that popular government is still on trial and that it has received severe blows from what has happened in Italy, Spain and elsewhere. None of us, of course, would want to do anything in this country that would weaken the strength of popular government anywhere. Surely nothing should be done that would cause the American people to lose faith in the principles upon which our Government is based. If our recognition of the Russian Government were to be regarded by our own people as accepting the doctrines of the Bolsheviks, then I would be one of the first to oppose recognition in any form.

The whole problem, therefore, is one of the premises upon which we act. Assuming your premises to be accurate, there is no possible alternative to your conclusions. The question that I have raised is as to the premises upon which we should base our conclusions. I have felt that the Russian situation presented a problem of unique quality. It had seemed to me that the recognition of Mexico involved recognition of a country the principles of whose Government many of us could not endorse. Likewise, it would seem that the policy of drift with reference to Russia was getting us nowhere, and that the problem after all was a very practical one which had to be settled after consideration of all the practical questions involved, with a view to bringing about as permanent results the promotion of the peace, security and financial stability of the world. I had felt that the Chamber of Commerce was not fully posted concerning all of the factors in the matter. I certainly do not pretend to be fully posted. But in the Chamber of Commerce, American business has a reservoir of the most competent, conservative and intelligent business opinion that there is in this country, and that in so gigantic a situation as is presented by the Russian problem, the Chamber of Commerce should secure at first-hand the most authoritative information obtainable, and, on the basis of that information, be in a position to guide the thought of American business men, and possibly assist the American Government in moving toward a constructive solution of this most baffling situation.



The policy of the Chamber of Commerce as taken is, as I view it, simply negative. Some of its members have some information, but my belief is that the action of the Chamber has been taken on the basis of certain general impressions rather than after a critical examination of all the facts and factors which must be faced very frankly before the problem can be solved. The purpose of my raising the question was not to seek to induce the Chamber of Commerce to reverse its declared position as of January 7, but to induce it to take active measures to inform itself with a view to aiding ultimately in working out a solution of the problems. The situation is certainly dynamic and calls for a constant examination of facts which are continually changing. It certainly challenges business men to be in a position when the time comes to meet the issue in a very large way and in the light of all the facts.

I hope, my dear Senator, that I have not trespassed too much upon your time in imposing upon you this second communication. I have felt very much complimented at your taking the trouble to write me as you did. I, for one, am very frank to say that I would never want this country to recognize Russia if you yourself--after examining all the facts--should deem it unwise. What I would like to see, however, is a condition brought about under which you--and men like you--would think it wise to accord such recognition. When that time comes, we would be really getting somewhere, and it is to contribute toward that end that I would like to see the Chamber of Commerce of New York study this problem and be in a position to offer constructive suggestions.

With high regard and all good wishes for your continued health and strength, I am,

Very sincerely yours,

(Signed) Ivy L. Lee

Hon. Elihu Root,  
31 Nassau Street,  
New York City.



Ivy L. Lee and Associates  
111 Broadway  
New York

Memorandum

PERSONAL AND CONFIDENTIAL

April 3, 1926.

Dear Mr. Easley:

I note with a great deal of interest your long letter to me. Let me assure you, my dear Mr. Easley, that you are entirely wrong when you assume that "I have taken on the job of putting over the Bolshevist demand for recognition by our Government". All I have done is to suggest that the Chamber of Commerce, the most conservative business organization in the United States, appoint a committee of its own members to investigate the situation and make a recommendation.

You quote in your letter the very excellent passage from the last message of President Coolidge in which he said:

"Whenever there appears any disposition to compensate our citizens who were despoiled, and to recognize that debt contracted with our Government, not by the Czar, but by the newly formed Republic of Russia; whenever the active spirit of enmity to our institutions is abated; whenever there appear works meet for repentance, our country ought to be the first to go to the economic and moral rescue of Russia".

I am glad to say that I agree with President Coolidge one hundred per cent. The sole question is whether the conditions precedent to our "economic and moral rescue of Russia" are near at hand. If not, how can we bring them about? It is solely to bring those conditions about that I am interested in the subject.

Do not get worried about me, my dear brother Easley. I am neither a Red nor a Pink. I believe, however, in getting full information, not discussing things on the basis of prejudices or suppositions. I never dreamed of stirring up so much publicity on this subject for I wanted to do what I did in the matter inside the Chamber of Commerce, feeling that if the Chamber of Commerce spoke the wise word on the subject, it would be followed.

Sincerely yours,

(Signed) IVY L. LEE

Mr. Ralph M. Easley,  
1 Madison Avenue,  
New York City.



Ivy L. Lee and Associates  
111 Broadway  
New York

*Memorandum*

PERSONAL AND CONFIDENTIAL

April 7, 1926.

My dear Mr. Chairman:

Thank you for your friendly letter of April 5. I am sorry you do not agree with me in this Russian matter. I hope you really understand just what I am seeking, that is, a calm and considerate investigation of the facts and factors in this Russian situation. I am enclosing a copy of a letter I have written to my friend, Ralph Easley, who was himself a little bit anxious about my position. May I also quote to you from another letter I have written to Paxton Hibben who wrote to me on this subject.

"Of course, as my letters will indicate, I am not in sympathy with the Communistic ideas of the Russian Government. In fact, the policy I want to pursue with Russia is a policy which will, I believe, show the fallacy of Communism rather than encourage it. But be that as it may, I regard the question as a thoroughly practical one. I am never afraid of any propaganda from any source. Facts are facts and nothing destroys error as quickly as exposing it to the light. My own belief is that if active relations are restored between United States and Russia, the circulation of American business men among the Russians will do the Russian theories more damage than will the free circulation of Russian propagandists among us. But there again is theory. What I want the Chamber of Commerce to do is to get at the facts so that America's policy in this matter will be enlightened, not merely based upon political prejudices."

It would seem that if I was trying to promote definitely and immediately the recognition of Soviet Russia, I would not seek to do it through the Chamber of Commerce of New York. The only reason I have taken this up with the Chamber is because of my belief in the fact that the views of the Chamber in this subject would be accepted by the entire business community as absolutely compelling.

With kindest regards, I am,

Always sincerely,

(Signed) IVY L. LEE

Mr. Lewis E. Pierson,  
Chairman of the Board,  
Irving Bank-Columbia Trust Co.,  
60 Broadway,  
New York City.



INTERNATIONAL CHAMBER OF COMMERCE  
AMERICAN SECTION  
WASHINGTON, D. C.

April 16, 1926.

Mr. Ivy L. Lee  
111 Broadway  
New York, N. Y.

My dear Mr. Lee:

The International Chamber of Commerce is undertaking an international survey of the barriers to a fuller development of international trade. In this work it will examine, from a practical point of view, the obstacles preventing, hindering and retarding the extension of commerce between the nations of the world.

Attention will be directed to such matters as unreasonable customs regulations, arbitrary import and export prohibitions, unreasonable consular fees and procedure, discrimination through customs classifications and analysis, tax discriminations, legal barriers affecting rights of foreigners, restrictions on transportation and shipping, and governmental and private monopolies of materials and trade.

The work will be carried forward by a Central International Committee of which Mr. Clementel, former French Minister of Finance, will be Chairman, with an American and a German Vice Chairman. Mr. Roland Boyden, former American observer on the Reparations Commission, has accepted appointment as the American Vice Chairman of the Committee. He will be assisted by an American Sub-Committee of five men thoroughly familiar with American export trade and the international trade situation.

In preparing the American case we are eager to avail ourselves of the knowledge and experience of all commercial and trade organizations and of individual firms and corporations engaged in international commerce. We are anxious to obtain full and complete data of difficulties encountered and obstacles met with in the development of the international trade of the United States.

I am, therefore, writing you to request your assistance in this important work. The International Chamber, as a commercial organization representing the business men of all countries, is in a unique position to carry forward this important task of bringing to light the mass of artificial and unreasonable restrictions hampering the development of world commerce, in which the United States has so important an interest.

May I ask that replies, which it is requested be specific and categorical as to the actual difficulties you encounter, be sent in before May 7th, or as soon thereafter as possible, in order that preparation may be made for effective American participation in the first meeting of the Central International Committee in Paris in early June. Replies should be addressed to Mr. C. J. C. Quinn, Manager, American Section, International Chamber of Commerce, 1615 H Street, N. W., Washington, D. C.

The American Committee will greatly appreciate your assistance in this matter.

Yours very truly,

(Signed) JULIUS H. BARNES

Vice President for the United States.



Ivy L. Lee and Associates  
111 Broadway  
New York

*Memorandum*

April 17, 1926.

Dear Mr. DeBost:

In reference to my suggestion that the Chamber of Commerce appoint a committee to make a special investigation of the relationship between this country and Russia, I beg to call attention to a letter I have received from Mr. Julius H. Barnes, Vice President for the United States of the International Chamber of Commerce.

You will note that the International Chamber of Commerce is to conduct an international survey of the barriers to a fuller development of international trade. This will inevitably apply to such problems as the barriers to a fuller trade between the United States and Russia. No more competent person than Mr. Royland Boyden could have been appointed to represent America on this Committee.

Of course I am aware that the New York Chamber of Commerce is not a member of the United States Chamber of Commerce or the International Chamber of Commerce, but it would be extremely helpful if the New York Chamber could in some way lend the weight of its experience and influence toward a conduct of this inquiry from such a basis as will promote every constructive interest.

I beg to enclose for your information a copy of letter I am writing to Mr. Barnes in acknowledgment of his letter to me as a member of the American Committee of the International Chamber of Commerce.

Sincerely yours,

IVY L. LEE

P. S. I am also enclosing for your information a copy of an extract from the April Journal of the International Chamber of Commerce, published in Paris, containing a extract from an address by Mr. van der Houven van Oordt.  
I.L.L.

Enclosure

Mr. Wm. L. DeBost,  
Chairman Executive Committee,  
New York Chamber of Commerce,  
65 Liberty Street,  
New York City.

c c Members Executive Committee.



Ivy L. Lee and Associates  
111 Broadway  
New York

*Memorandum*

April 17, 1926.

My dear Mr. Barnes:

I am perfectly delighted at your letter of April 16, stating that the International Chamber of Commerce is undertaking an International survey of the barriers to a fuller development of international trade.

This is particularly gratifying to me inasmuch as I tried to get the New York State Chamber of Commerce to undertake a survey of the state of affairs between this country and Russia. It is quite obvious that your inquiry will go into that subject and will be far better than would have been an investigation of the Russian problem alone.

I should like very much to talk with some members of your Committee when it is formed, with a view to giving them such data as I have concerning Russia and suggesting lines of inquiry which they might profitably direct.

Sincerely yours,

(Signed) IVY L. LEE

Mr. Julius H. Barnes,  
Vice President for the United States,  
International Chamber of Commerce,  
Washington, D. C.



(Extracts from April Journal of International Chamber of Commerce)

MR. VAN DER HOUVEN VAN OORDT ON TRADE BARRIERS.

We quote the following from the important address delivered on March 17th by Mr. J. B. van der Houven van Oordt, member of the Council of the International Chamber of Commerce, to the annual general meeting of the Dutch Shipowners' Association of which he is President:

"Whence can come the improvement we all desire? In my opinion nothing short of economic restoration, re-establishing normal and healthy commercial relations, will free us from the existing chaos. Of course there are other social and fiscal factors, but it is essential first of all to rid ourselves of the political and economic barriers which hamper general prosperity.

"We ought not to wait for the governments to act in this matter. Business men must bring pressure to bear upon governments and oblige them, whether they be willing or not, to bring all their energies to bear for the enforcement of a constructive policy designed to make all nations prosperous and to destroy all existing trade barriers.

"The International Chamber of Commerce points the way to be followed: it believes that--as the authorized representative of every branch of industry, business and transportation in nearly every country of the world--it is its duty to make a vigorous effort to bring about economic restoration.

"In order to achieve this the International Chamber of Commerce has appointed a Committee which will devote all its energies to discovering what barriers hamper the free flow of trade and business--the so-called "trade barriers"--and how best they can be suppressed by means of an international understanding. In every country the cooperation of those best qualified to help has been sought, and real results may be expected from its efforts if it has the support of industry itself, which has most at stake."