FRANK A. VANDERLIP AND THE NATIONAL CITY BANK DURING THE FIRST WORLD WAR

Priscilla Roberts
University of Hong Kong

ABSTRACT

This essay focuses on the First World War policies of the National City Bank of New York, drawing attention to the internal disputes within the bank over war financing. Some historians have suggested that during the First World War New York banks associated with the National City Bank favored fierce competition with the Allied powers for markets and overseas investment opportunities, whereas those linked to J. P. Morgan and Company preferred cooperation with the Allied powers, concentrating upon handling the massive war financing the Allied war effort required. In reality the picture was more complex. The National City Bank participated substantially in Allied war loans and, with the First National Bank and Morgan's, was one of the "Trio" of leading New York banks that handled such financing. Simultaneously, Frank A. Vanderlip, the National City president and a long-time advocate of the expansion of American foreign trade and investment, launched a major initiative to expand the National City's overseas activities, through the establishment of foreign branches around the world and the creation of the American International Corporation, a foreign investment trust. Although Vanderlip suggested that he wished to cooperate with British financial interests in these activities, they generated conflict between the National City and the fiercely pro-Allied Morgan firm. Within the bank, they also created substantial tension between the broadly neutral Vanderlip and his staunchly pro-Allied patron, the bank's chairman, James Stillman, who died in 1918, and other strongly pro-Allied National City officers. Shortly after the war, Vanderlip proposed a massive and visionary scheme to provide American financing for European economic regeneration, causing the National City's directors, who considered it impractical and outside their bank's remit of maximizing profits, to dismiss him.

Historians of the First World War have differed as to whether Anglo-American cooperation or fierce competition, particularly in the economic sphere, predominated.1 Several, notably Burton I. Kaufman and Carl P. Parrini, have argued that, so far as international banking activities were concerned, during the war New York financiers split into two groups; those associated with the pre-eminent investment bank, J. P. Morgan & Company, whose partners favored global financial and commercial Anglo-American cooperation; and those working with the National City Bank of New York, who preferred fierce competition with the British for export and overseas opportunities.2 This essay suggests that, while pronounced differences characterized the policies of New York banks, they were probably rather less clear-cut than this simple dichotomy suggests. Morgan's
unquestionably concentrated on war financing for the Allies, while the National City attempted to expand both its network of foreign branches and its overseas investments. Both economic strategies had weaknesses. While temporarily profitable, the Morgan-backed expansion of America's war-related commerce made the American economy dangerously dependent upon inherently transient business. The National City Bank's Russian branches ended in total loss when the Bolshevik government nationalized them in December 1917, and in the early 1920s several of its other foreign ventures, including the American International Corporation, proved unprofitable, though they later enjoyed a resurgence. Both banking strategies alike, however, envisaged a substantial expansion of America's international economic role.

The serious internal arguments within the National City Bank itself over which wartime strategy the institution should adopt, debates never entirely resolved until the war ended, have attracted less attention. While the well-researched official history of the National City Bank accurately placed these splits in the context of the conflicting ambitions of senior bank personnel, it failed to note the degree to which, at least in part, such policy disputes also reflected leading bank officials' divergent sympathies on the war, a revelation of the degree to which essentially personal sympathies could affect supposedly rational institutional decisions on financial policy. The manner in which these differences were resolved also revealed the limited tolerance within one leading New York financial institution for visionary economic altruism, and its emphasis upon the maximization of short-term profits regardless of the impact of its policies upon the broader international financial system, an outlook which differentiated it from the Morgan firm.

The early twentieth-century National City Bank was one of New York's four leading financial institutions, together with another commercial bank, the First National Bank, with which it would ultimately merge, and the two leading investment banks, J. P. Morgan & Company and Kuhn, Loeb & Company. By contrast with what it implied was the slightly disreputable cosmopolitanism of its investment banking rivals, the National City characterized itself as "The American Bank," and jealously guarded its status as the largest United States financial institution against threatened incursions by banks linked to the Morgan interests. From 1891 its austere president, James W. Stillman, built it up from a "small but sound institution" into "the largest and strongest in the country," the first United States bank to amass assets surpassing one billion dollars. The National City Bank collaborated extensively with the Rockefeller Standard Oil interests. Through interlocking directorates and cross-investments the two financial enterprises were closely entwined, ties reinforced by familial bonds when two of Stillman's daughters married two sons of William Rockefeller, president of New York Standard Oil and the brother of John D. Rockefeller. Under Stillman the National City Bank developed a broad range of correspondent relationships with domestic and overseas banks, enabling it to finance foreign trade. In New York, Stillman worked particularly closely with the Jewish investment house Kuhn, Loeb & Company and the associated Northern Pacific railway interests of Edward H. Harriman. In 1909 Stillman's younger protégé, Frank A. Vanderbilt, a former financial journalist and assistant secretary of the treasury who had for eight years
FRANK A. VANDERLIP AND THE NATIONAL CITY BANK

been an innovative National City vice-president, succeeded him as president. Although living in Parisian semi-retirement when the First World War began, Stillman retained the top position of chairman and Vanderlip sent him lengthy weekly letters.7

From the early twentieth century onward Stillman and Vanderlip sought to enhance both the National City Bank’s overseas business and activities and their country’s international financial standing. As soon as he joined the National City as its youngest vice-president and Stillman’s anointed heir apparent, Vanderlip became one of the foremost advocates of the burgeoning early twentieth-century movement to expand American foreign trade and investment. Merchants and manufacturers from the East and West Coasts and the Mississippi Valley, all of which possessed natural outlets to the sea, and bankers with manufacturing and commercial connections dominated this somewhat visionary undertaking.8 Vanderlip spoke and wrote constantly on the need to expand American business abroad, in 1902 stating: “That the United States gives promises of reaching a position of industrial supremacy in the world’s trade is acknowledged to-day the world over.” He took a special personal interest in the National City’s foreign department, one of whose major functions was to provide information and assistance of every kind to American manufacturers and corporations engaged in foreign trade. Realizing that banking’s increasing complexity and complicated foreign business conditions made the employment of better educated and intelligent bankers essential, Vanderlip established a graduate training program, one of whose objectives was to ensure the National City Bank a dependable source of such personnel.9 (Ironically, in late 1916 an impressed British Foreign Office functionary even thought the National City program might furnish a model for “preparatory education for the [British] consular service.”)10

In 1910, under Vanderlip’s direction, the bank established the National City Company, a subsidiary entirely owned and controlled by its parent institution, whose purpose was to circumvent the law which forbade national banks to open foreign branches. Due in part to Vanderlip’s fears these might be unprofitable, but also because serious doubts still remained as to whether such operations would be considered legal, the new company never established any overseas branches; yet its very creation demonstrated the National City’s long-term interest in such ventures.11 Despite substantial reservations as to the legislation ultimately passed, Vanderlip was also a prominent sponsor of the movement to establish a United States central banking institution that eventually resulted in the Federal Reserve Act of 1913, and in particular of a regulation included in this legislation which removed the existing prohibition forbidding American national banks, such as his own, to open branches abroad.12 The 1913 Act also permitted American banks to discount bills of acceptance, a common method of financing foreign transactions, and then to rediscount these with the Federal Reserve Banks, a provision which ended American merchants’ dependence upon the services of London discount houses, and put New York in a position eventually to rival London as an international financial center.13

The outbreak of the First World War shortly afterward presented the United States with an unprecedented chance to make New York the world’s financial and commercial
ESSAYS IN ECONOMIC AND BUSINESS HISTORY (2002)
capital, an opportunity to which, on the whole, American bankers responded. Intent on fighting each other, neither the Allied nor Central Powers could continue to export or invest abroad. Their former clients, hungry for goods and capital, had no alternative but to turn to the United States. Simultaneously, the Allies rapidly came to rely heavily upon America for war supplies, so much so that within a few months after August 1914 a net credit balance had replaced the United States’ previous debit balance on European trade. By summer 1915 paying for these supplies had virtually exhausted all the Allied dollar exchange reserves. Although the Allies could obtain some additional dollars by selling British and French-owned American and other securities in the United States, their chief potential sources of further dollar funds were loans and credits from private American financiers. Should these be withheld, the Allied war effort might well collapse, since by 1916 approximately forty percent of Allied war supplies came from the North American continent. While clearly advantageous to the United States, these changes in the international economy jeopardized Britain’s previous commercial and financial supremacy, and therefore represented a potentially rich source of Anglo-American tensions. Indeed, in late 1916 a British official entering the National City’s New York headquarters commented: “The vast gold stores in this bank, the space and dignity of its buildings, the quiet and calm which reigned in it, doubly impressive to anyone entering from Wall Street, all combined to make a vast impression of the financial strength which is now New York’s.”

While participating substantially in Allied war financing, the National City Bank also aggressively exploited the opportunities the war presented to expand its overseas business, a bifurcated course that differentiated it from J. P. Morgan & Company. Varying opinions within the National City Bank as to the most appropriate strategy were closely correlated with divergent views on the rights and wrongs of the war itself. As early as 1911 Stillman, whose daughter-in-law commented on his profound love of both the British and the French, expressed apprehension over growing German expenditures on armaments. Baring Brothers in London often collaborated closely with Stillman on Canadian and United States railroad financing and Argentine business. Although the surviving correspondence is unfortunately one-sided, wartime letters from the Baring partners to Stillman and to his close friend John W. Sterling, the bank’s lawyer, reveal both men were staunchly pro-Allied. In late September 1914 Stillman was apparently “bound for Paris and bent on fighting,” before prudence persuaded him to visit Scotland and Ireland instead. Writing from Glasgow, Stillman was “greatly impressed with the spirit and physic [sic] . . . and quiet but serious determination to fight” demonstrated by newly enlisted Scots soldiers. “For France, which for me stands for Humanity and Civilization, I will gladly run the risk of shedding my blood, if I could see any sensible way of doing it,” Stillman proclaimed in January 1915. Denied this opportunity, he contributed heavily to Allied war charities.

Vanderlip, by contrast, remained somewhat detached from the conflict. He did not share the deep concern of Stillman, Sterling, or the partners of J. P. Morgan & Co. over the war’s outcome, even though their pro-Allied outlook was generally consonant with that prevalent among the East Coast banking community and, more generally, the country’s
WASP elite.20 Before the war, Vanderlip had shown some admiration for Britain, commenting approvingly on the London Times, and also on British bankers’ civilized custom of afternoon tea, which he unavailingly tried to introduce at the National City Bank.21 While praising Germany’s efficient pre-war commercial education and banking systems and its comprehensive old-age pension scheme, like many American businessmen Vanderlip had also feared these would enhance Germany’s commercial competitiveness with the United States.22 In his autobiography and in testimony before the mid-1930s Nye Committee which investigated American financial relationships with the Allies, Vanderlip claimed he had been pro-Allied during the war; at the time the German-born Paul M. Warburg of Kuhn, Loeb & Company thought it ludicrous to suggest that Vanderlip “entertains pro-German views!”23 Yet Vanderlip, even if mildly pro-Allied, decidedly resented British demands that the National City Bank terminate relations with its German correspondent banks, telling Stillman that he “ha[d] no disposition to put on an English uniform in order to conduct the banking business” and complaining that “it is not neutrality which they want, but a very strict partisanship.” In response Stillman advised Vanderlip not to take the matter overly to heart, since after the war the British would favor those bankers who cooperated with them at this crucial juncture; shortly thereafter the National City closed the accounts.24 When James M. Beck, a prominent New York lawyer, sent him his polemical pamphlet The Evidence in the Case, which blamed the war uncompromisingly upon Germany’s disregard of Belgian neutrality, Vanderlip riposted:

I believe the roots of the whole matter are away below any of the things that have appeared in the diplomatic papers, and the impelling factors that have lead [sic] to this terrible war have more to do with greed and desire for trade expansion, a dislike of the too efficient Germans, and other motives that are none too worthy. The fact is that I do not feel like enlisting under any of the colors, and the dominant feeling in my mind is one of resentment that it has been possible to lead the world into such a catastrophe.25

In 1898 Vanderlip had eagerly demanded his country enter the earlier Spanish-American War.26 In the First World War, by contrast, he opposed American intervention, hoped a compromise peace settlement would swiftly conclude the conflict, and supported President Woodrow Wilson’s relatively conciliatory diplomacy. Only in 1916, as American relations with Germany grew increasingly strained, did he reluctantly endorse limited military preparedness.27 Vanderlip’s relative detachment from the war was atypical among his New York banking associates, and may have borne some relation to the fact that, as he himself confessed, he never felt entirely comfortable among New York’s elite financial and social circles. When he left Chicago for New York the personally shy Vanderlip was approaching forty. He subsequently recalled that, even though he became president of the Union League Club, a key institution of the New York financial world, socially he could never quite relax with most of his business associates; contrasting himself with the genial and popular “Harry” Davison, a prominent Morgan partner, Vanderlip lamented: “Almost no one calls me ‘Frank’.”28 Vanderlip’s Midwestern origins and social unease may both have made him reluctant to accept the Eastern upper class’s
Anglophile norms and therefore only lukewarm toward the Allies. Interestingly, several of his contemporaries who shared such traits, including future president Herbert Hoover, the former Morgan partner George W. Perkins, and the politician Albert J. Beveridge, responded similarly to the war.\(^2\)

Stillman, who welcomed the eventual United States decision in April 1917 to enter the war, greatly resented President Woodrow Wilson's characterization of himself and other American pro-Allied partisans as having been “unbalanced” by the war.\(^3\) Considering Stillman too extreme in his pro-Allied leanings, Vanderlip begged him to return to the United States, somewhat tactlessly suggesting that proximity to the conflict might have affected his nerves. Using convoluted prose to describe their differing attitudes, Vanderlip told Stillman: “I believe we are both thinking along almost parallel lines. Parallel is perhaps the word, rather than identical, for of course you are nearer to the great tragedy, it is more a part of your very breath of life, than it can be of mine at this distance, and your sympathies are stronger, although I certainly to a great degree share in them, and my own sympathies, as I say, run parallel with yours.”\(^4\)

The National City was one of the “Trio” of major New York banks — the others being Morgan's and the First National Bank — which organized most of the Allied wartime financing, including the syndicates for the Anglo-French Loan of 1915 and the three subsequent similar Allied loans floated in 1916 and early 1917. In 1908 the three houses had negotiated an agreement whereby the one which originated a loan or underwrote an issue would handle 50% of the business, allotting its two fellow houses 25% apiece.\(^5\) Yet during the war years clear distinctions separated those banks associated with the Morgan firm and the National City interests. It is probably most accurate to describe these as differences over whether to cooperate with the British while enhancing the United States economic role, as Vanderlip desired, or to identify so closely with the British as to function virtually as British agents, which the Morgan partners came close to doing. While both banks participated in British war financing, Vanderlip preserved a certain detachment from Britain and France which neither the Morgan partners nor Stillman shared.

Moreover, whereas the Morgan firm and the First National concentrated primarily upon British and French financing, perhaps somewhat to the Morgan partners' chagrin the National City, with the Wilson administration's encouragement, devoted more aggressive efforts to promoting credits, loans, investments, and “direct commercial relations with Russia.” By December 1914 the National City had opened a revolving credit of $5,000,000 for Russia, and was in turn designated as a Russian purchasing agent in the United States. In June 1916 the National City negotiated a direct $50 million loan to the Russian government, and six months later issued a further $25 million of Russian government 6.75% bonds. Heavy additional purchases of Russian Treasury bills and acceptances, securities Morgan's were reluctant to take, and the bank's 1917 establishment of Petrograd and Moscow branches, likewise demonstrated the National City's commitment to Russia, which its officers perceived as a huge developing Western country offering enterprising bankers manifold opportunities. In the mid-1930s the legal
FRANK A. VANDERLIP AND THE NATIONAL CITY BANK

counsel at the Munitions Hearings even suggested the three “Trio” banks effectively divided Allied financing between them, with Russia the City Bank’s special “sphere of influence,” though in reality the Morgan firm’s retrospectively prudent disinterest in direct Russian business was probably the major reason it resigned the field to the National City.33 In spring 1916 David R. Francis, the newly appointed United States ambassador to Russia, wrote:

J. P. Morgan and Company are so thoroughly English in sentiment that they look with solicitude, and in fact with suspicion, if not fear, upon any movement to promote commercial relations, or even closer social relations, between Russia and the United States. In other words, their desire and plan is to have whatever Russian financing is done in this country [the United States] to come through the intermediary of London. They also seem to think that any direct commercial relations between this country and Russia is an approach on their preserves. I have also talked with the National City Bank people who thoroughly agree with my plan to promote direct commercial relations between Russia and the United States without the intervention of any other country or influence. Mr. Vanderlip, president of the National City Bank . . . assured me . . . that he would second any efforts I would make to establish direct commercial relations with Russia.34

Vanderlip, who ever since 1902 had argued Russia offered remarkable development opportunities for American business, repeatedly expressed his confidence in the soundness of Russian investments and his optimism as to their future, themes he continued to emphasize under the Kerensky government and even, initially, when the Bolsheviks took power.35 Stillman seemingly sounded no warning to his protégé, though in February 1917 he was apparently “particularly anxious to talk to [Lord Revelstoke of Barings] about future business and the establishment of [the National City’s] branch bank in Petrograd.”36

Other problems over war financing afflicted the Morgan-National City relationship. In the war’s first few weeks the United States government initially advised all American banking institutions to refrain from extending credits to all belligerent governments. Bearing this policy — which was soon reversed — in mind, the Morgan firm refused a request from the French government for a credit. When, in October 1914, the French then arranged a $10,000,000 credit with the National City Bank, “through some of their extraordinary sources of information” the Morgan partners “learned all about [the] negotiations and to say that they were indignant is understatement.” Since, early in August 1914, the French government had appointed the Morgan firm its American representative, the partners “felt the City Bank had usurped their position with the French Government” and “had exercised what was definitely understood . . . to be a prerogative of Morgan & Company.” Confronting such formidable wrath . . . to be a prerogative of Morgan & Company.” Confronting such formidable wrath, the National City yielded half the credit to be handled by the Morgan firm.37 Several months later, Davison and Stillman still felt it necessary to explain the matter several times to each other and to French government officials, with mutual assurances that they were now all on the best of terms.38 Perhaps in retaliation, in December 1914 Davison chose not to inform the National City when he and his young assistant Willard D. Straight departed for London.
and Paris to negotiate arrangements authorizing Morgan's to handle all British and French war purchases in the United States. Davison's omission reflected continuing hard feelings, exacerbated in late December 1914 when National City officials—though not Vanderlip, then seriously ill with paratyphoid—actually "discussed [a] tentative purchasing agreement" with the French, while hinting unsuccessfully to British officials they might undertake the task at a commission lower than Morgan's would demand. Indeed, Straight told another Morgan employee that at Christmas 1914 the French "seemed to think the National City Bank had put one over on us."39

Although the National City participated in successive Allied loans, Vanderlip apparently had some initial doubts as to whether "any public issue of securities of a belligerent" was desirable.40 In the war's first few months, Stillman already anticipated a lengthy war, albeit one he expected the Allies would ultimately win. Even more apprehensive than Vanderlip over the scale of Allied war financing, Stillman warned him that the National City should not become overly involved in any war-related financing.41 As the war progressed, however, Stillman's increasingly vehement sympathies for the Allies apparently overwhelmed his initial misgivings, and in February 1915 he regretted the National City's failure to win the lucrative purchasing business.42 Vanderlip, by contrast, though somewhat piqued at having to defer to Morgan's over Allied war purchases, was "very glad that we have steadfastly kept out of the business of war supplies," telling Stillman: "If I were less pessimistic about the financial outlook for all the belligerents, I would chafe much more under the situation than I do."43

Indeed, by late 1915 the extent to which American prosperity depended upon the continuation of what he termed the "ephemeral" war trade seriously alarmed Vanderlip. He feared, moreover, that the war business, though profitable, would ultimately compromise America's postwar ability to compete in world markets, since "the excessive demand for our goods without regard to price, the enormous additions to our stock of gold and the ample supply of credits, together with the short supply of labor due to the cessation of immigration, have combined to place our industries upon a very high level of costs." Eager to exploit the commercial opportunities which the European war afforded American businessmen, Vanderlip advocated a policy of diversification. He believed that, in order to avert a post-ceasefire depression in American manufacturing industries, the United States should gradually disengage itself from the temporary, though highly lucrative, Allied war trade. In its stead, Americans should seek markets and investments in neutral countries, such as Latin America and other undeveloped areas of the world. "It remains for us now," Vanderlip proclaimed in December 1915, "so to adjust ourselves that we may disassociate ourselves from dependence upon war business and prepare the way for a continuing prosperity of a more rational and normal character." Indeed, he believed that "the sooner the war is over the better it will be for America in the long view," since though the lucrative war trade would cease, more stable and predictable economic conditions would then resume.44

The enormous increase in the belligerent nations' internal and external public debts also made Vanderlip increasingly uneasy.45 As early as 1915, when the Anglo-French
FRANK A. VANDERLIP AND THE NATIONAL CITY BANK

Loan, in which the National City participated, was floated, Vanderlip feared the ultimate impact of the eventual cessation of war business. Informing Prince A. Poniatowski that United States investors suffered from "a deep-seated prejudice against the investment in any belligerent securities," he added: "It is hard to say that this conclusion is a wrong one, unless, perhaps, we look at the subject from the very widest considerations of national policy." By late 1916, according to two directors of the Federal Reserve Board, Vanderlip also deplored the degree to which American acceptances, supposedly short-term paper secured by goods related to specific commercial transactions, had through repeated renewals metamorphosed into long-term unsecured obligations of the Allied governments, undercutting the development of a genuine acceptance market. He apparently stated that "the gravest blunder that we had made (he called it 'phenomenal') was that we had permitted these 'renewal credits' to creep into the system." Nonetheless, when the new Federal Reserve Board in November 1916 issued a warning against further American investments in belligerent securities, Vanderlip publicly demurred, stating the Board had "ruled unwisely," since "such investment would tend to restrict gold importations which may lead to dangerous domestic inflation, and would provide credits which would be better than gold when eventually the exchange turns against us."48

The war itself also greatly stimulated Vanderlip’s pre-existing belief that his country was ready to assume a larger place among the world’s great economic powers.49 During the war Vanderlip launched an aggressive initiative to open foreign branches of the National City Bank. Shortly before the war began, he established the bank’s first foreign branch in Buenos Aires. By 1920 the City Bank and its associate, the International Banking Corporation, which it acquired in 1915, would have a total of 132 overseas branches, most in Latin America but some scattered throughout the Far East and Russia.50 During the war Vanderlip publicly suggested that the United States government should repeal that section of the Clayton Anti-Trust Act of 1914 which forbade the formation of corporate combinations by normally competing firms for export purposes. He also called for greater American diplomatic support for the activities of American businessmen overseas; the repeal of the recent La Follette-Furuseth bill which, by setting minimum wages for American seamen, he argued seriously impeded the development of an American merchant marine; and the creation of a nonpartisan tariff commission with authority to retaliate in kind against discriminatory measures directed at American commerce.51 Vanderlip also sought to amend the Federal Reserve Act so as to concentrate all American gold stocks within the Federal Reserve System, thereby enhancing its powers to deal with both excessive imports of gold and anticipated postwar European demands for its return.52

By 1915 Vanderlip nurtured more ambitious, even grandiose, plans. "We are really becoming," he told Stillman in December 1915, "a world bank in a very broad sense, and I am perfectly confident that the way is open to us to become the most powerful, the most serviceable, the most far-reaching world financial institution that there has ever been."53 Stillman was unenthusiastic over his president’s expansionary schemes, which he feared both the Allies and the Morgan firm, whom he regarded with almost supersti-
tious reverence, would resent. Nor did Stillman wish to jeopardize the National City’s lucrative cooperative arrangement with Morgan’s and the First National Bank. Stillman was not prepared to subordinate himself entirely to the Morgan firm; he cherished the National City’s position as largest in size and the leading American commercial bank, even as he accepted Morgan’s pre-eminence in investment banking. In December 1914 Stillman had a lengthy conversation with Davison, on which the latter reported to J. P. Morgan, Jr:

He stated that as long as he lived nothing would or could be allowed to interfere with our co-operation, and he recognised our House as the leading Banking House in America, one of which, not only he but the country at large was proud, and that it was his desire that we should continue in that position, not only desired but believed to be essential for the welfare of the country and us all, that he and the Bank would never intentionally do anything provocative to us, but on the contrary would endeavour to help us and stand at the back of us.

He said that in you he recognised your father’s son, and that he wanted you to be the leader and would always aim to that end. On the other hand he said his Bank must be the first Bank in the country, and that he expected to work corresponding to that end.54

In November 1915 Vanderlip overrode his chairman’s objections and proceeded to found the American International Corporation (AIC), a debenture trust capitalised at $50,000,000. The new organization proposed to invest in profitable overseas business and projects, and in particular to buy up foreign securities which Allied nationals had previously owned. Vanderlip’s timing was particularly propitious, since the European belligerents were no longer investing abroad and, in their efforts to finance their American war purchases, the Allied governments were taking over and selling off many of their citizens’ foreign securities. Vanderlip hoped his new corporation would establish cooperative rather than competitive relations with British businessmen; he believed that a grave scarcity of postwar investment capital would leave both British and Americans ample scope for foreign investment. Attempting to disarm not entirely unfounded British criticism that he was exploiting the Allies’ war-generated financial weakness, he also pointed out that well before August 1914 he had been planning to establish National City branches abroad.55 In 1916 AIC officials even mounted a conscious effort to emphasize their commitment to “Anglo-American cooperation — in the ‘unidentified future’ . . . [and] explain that we are not out to grab — that we want to help all we can.”56

AIC stockholders included several leading American banks and manufacturers, notably Kuhn, Loeb & Company, the Guaranty Trust Company, the Chase National Bank, Armour & Company, General Electric, Anaconda Copper, William Grace & Company, the Great Northern Railroad, and the Union Pacific Railroad. By the end of 1918 the AIC, in Vanderlip’s opinion “the most important business thing that I have ever done,” was carrying on operations in seventeen countries in Central and South America, the Far
East, and Europe, and had called up eighty per cent of its capital. Cooperating closely with the National City's far-flung new network of foreign branches, it initially considered an extremely wide range of potential investments, including South American, Chinese, and Russian projects and French and Belgian postwar reconstruction. Indeed, the volume of business offered to it was so great that the corporation adopted stringent investment policies, only financing projects of $500,000 or more, not taking securities unless they were readily marketable, and refusing to make loans which brought no construction or other collateral benefit. Its operations were eventually concentrated in industrial construction, construction machinery, public utilities, shipping, and shipbuilding, but also included forging shells and importing tea. 57

Whatever Vanderlip's hopes, establishing the AIC generated some tension between the National City and Morgan's. One irritant was Vanderlip's slightly provocative decision to appoint as an AIC vice-president the rather discontented former Morgan employee Willard D. Straight, a defection the Morgan partners unavailingly attempted to discourage. 58 After some hesitation, the Morgan firm refused to support the AIC by putting a partner on its board of directors, and was the only prominent New York bank to decline the option of purchasing a substantial quantity of its stock. According to Vanderlip, while Davison was away on vacation his fellow partners agreed to accept a seat on the board. 59 On his return, however, Davison fulsomely praised the AIC, its objectives, and the manner in which Vanderlip had organized it, but vetoed this decision. Davison contended the National City had organized the AIC "so thoroughly well that they did not seem to need the help of the Morgan house, and he thought it better that there should be some big thing done without the Morgans on the board." 60 Davison's real reservation was probably fear of a conflict of interests. Especially among the British, the belief was rife that Vanderlip had established the AIC to exploit the Allies' pressing need for dollar exchange to finance their war effort by acquiring their foreign investments at a discount. 61 Since Morgan's would appear to be paying bargain prices for securities which the Allies were compelled to sell — often through their agency — to finance the war purchases which the firm also handled, the Morgan partners might well have found association with the new corporation a serious embarrassment when dealing with the Allies. Secondly, despite the Morgan firm's sedulous efforts to present the loans the Allies increasingly required to finance their American war purchases as essential to maintain America's enormous new export trade, United States investors remained distinctly wary of them. At this time the Morgan partners were trying to redistribute the bonds of the Anglo-French Loan, which only large subscriptions from firms heavily dependent upon Allied purchases had rescued from near-disaster that autumn; they also anticipated floating more such loans in the near future. 62 The AIC's demands would further deplete the already meager pool of capital available for Allied financing.

Despite his voluntary non-participation, possibly Davison also regarded an independent corporation backed by the mighty National City group as a potential threat to Morgan pre-eminence in foreign, especially Allied, financing. "Straight, admittedly no unbiased observer, believed the root of Morgan's opposition to be "Davison[']s jealousy." 63
In December 1915, for instance, J. P. Morgan, Jr. told Vanderlip “that he did not see why [the AIC] needed to be quite so large.”64 Stillman, showing his habitual awed respect for the firm, frequently begged Vanderlip to ensure that the National City and all its affiliates cooperate harmoniously with Morgan’s.65 When Straight and Thomas Nelson Perkins, another AIC officer, visited Stillman in France in spring 1916, the chairman took great pains to impress upon them what close and friendly relations Morgan’s and the National City had always enjoyed.66 These pious hopes were not entirely disinterested. Fearing that friction with the New York Morgan house might well preclude the AIC receiving valuable business from Morgan, Grenfell, its London affiliate, Perkins asked Charles A. Stone, the corporation’s president, to try to heal the breach.67

Shortly afterwards, however, Straight’s own actions made it wider, when Morgan’s organized the American Foreign Securities Corporation, which in July 1916 issued $100 million of debentures against French-owned securities, the proceeds to go to the French government. The Morgan partners intended to establish an independent corporation to float these debentures, but unbeknown to them Straight suggested to Octave Homberg, the French government’s financial representative, that the AIC should issue the securities and the Morgan firm distribute them. According to Robert Winsor of the Boston financial house Kidder Peabody, which had taken a small AIC stake, “quite a little tempest” swiftly ensued. Straight claimed that he and other AIC officials intended, in making this proposition, “to afford a means of bringing the [American International] Corporation and J. P. M.[organ] & Co. together.” If so, they sadly miscalculated, for the infuriated Davison “took the attitude that [they] had tried to compete with J. P. M. & Co.” Vanderlip used the episode to exert renewed, though unsuccessful, pressure upon Morgan’s to take a seat on the AIC’s board; he also asserted the National City Bank’s right, as a member of the “Trio,” to receive a commission upon any French government financing — including the business under dispute — handled by the Morgan firm. Davison, for his part, attempted to exclude the AIC from banking business and restrict it to “construction work” and the “purchase of securities,” and Winsor ultimately reported “that it is now understood that the American International will confine itself to Industrial business, and not undertake to do a Financial business.” The American Foreign Securities Corporation was eventually organized as a separate, Morgan-dominated holding trust, unconnected with the AIC.68 Predictably, though, the Morgan-AIC relationship soured dramatically.

Tensions likewise arose between Vanderlip and Stillman, who remained consistently apprehensive that Vanderlip’s new undertakings, including acceptance transactions, foreign branches, and the AIC, might ultimately prove unprofitable. Although he requested Vanderlip to reserve him plenty of AIC stock, simultaneously Stillman repeatedly urged him to proceed cautiously and not overextend the National City’s resources. Stillman continued skeptical as to the long-term prospects for foreign expansion once the war ended and British and German banks posed renewed competition.69 Vanderlip, by contrast, increasingly bored by routine banking, suffering from undiagnosed diabetes, and always characterized by a certain visionary streak, enthused over the prospects for foreign expansion. He anticipated the National City Bank and its three internationally-ori-
entailed affiliates, the National City Company, the International Banking Corporation, and the AIC, would become “the greatest all-world bank that has ever been seen.” By January 1916 Vanderlip sought shortly to retire as president of the National City Bank, entrusting its routine administration to another officer, to become chairman of the three affiliates and vice-chairman of the Bank itself. He hoped that all four would cooperate in developing foreign business, providing facilities for each other and possibly even sharing a common building in London, and he wished to “devote himself to coordinating the efforts of the several organizations.” (In practice, it proved impossible to find a successor who would be prepared to allow Vanderlip to retain ultimate authority, so instead he and Stillman established a committee of executive managers, over whom Vanderlip, distracted by his overseas schemes, probably exercised inadequate supervision.)

Financial among other considerations impelled Vanderlip, born a poor man without independent wealth, to seek to strike out for himself and amass a fortune. Stillman, his patron, was in poor and constantly declining health, and Vanderlip’s relations with William Rockefeller, the second most influential figure within the bank, had never been cordial. In late 1915 Vanderlip therefore requested Stillman to aid him financially by giving him an option on a large portion of the National City Bank stock Stillman owned personally, and also by lending him several million dollars to purchase immediately 7,500 shares of National City Bank stock J. P. Morgan, Jr. had offered Vanderlip. If successful, Vanderlip would have become the bank’s largest stockholder, his position within it impregnable, but to his chagrin his patron refused.

Relations between the two men deteriorated further in November 1917, when the Bolshevik seizure of power brought the immediate resignation of Samuel McRoberts, the vice-president who, with Vanderlip’s enthusiastic support, had negotiated the National City’s Russian branches, loans, and investments. In September 1917 Vanderlip took leave of absence from the bank to assist the official United States war effort by chairing the War Savings Committee. (Interestingly, Gaspard Farrer of Barings thought Vanderlip would make an “invaluable” contribution in this position, which “will suit him to a T, indeed far better than the Presidency of the Bank.”) In April 1918 in Washington Vanderlip, still optimistic on Russia, attended a conference organized by two leading businessmen with Russian connections, Thomas W. Lamont of the Morgan firm and William Boyce Thompson, a copper magnate, with the objective of establishing a “League to Aid and Cooperate with Russia.” Meanwhile Stillman, back in the United States since late 1916, resumed personal control of his bank to handle the Russian crisis. In February 1918 Stillman summoned Vanderlip to New York, where the two men apparently had a major confrontation, probably over the question of who was ultimately to blame for the National City’s still undetermined Russian losses, which ultimately totalled slightly under $10 million, but which it was then feared might reach $33 million, over 40% of the bank’s capital. Whether Stillman would have demanded Vanderlip’s resignation is unclear; one month later he died. The National City directors promptly appointed as chairman his son, James A. Stillman, who disliked Vanderlip, as did Rockefeller, who had already criticized Vanderlip’s lengthy absence and his preoccupation with public affairs.
Despite his precarious standing, in February 1919, shortly after the war ended, Vanderlip embarked on a three-month, seven-country tour of Europe, his first visit to the continent since the war began. Impressed by his country's position as not just the world's greatest creditor nation, but also the possessor of its largest supplies of food, raw materials, and minerals, he came to believe that soon American investors would inevitably begin to purchase foreign securities and engage in international trade. "These considerations," he stated, "lead me for the first time to reach the conclusion that the answer to the often put question of whether or not New York is to become the financial center of the world is 'Yes.'"  

Vanderlip had previously concentrated upon expanding National City and AIC operations in underdeveloped areas of the world, and displayed little interest in Europe as a potential investment field. In January 1919 he announced that the United States possessed "a vast domestic Market.... If there were a Chinese wall about the United States, there could still be prosperity within it." His European trip served as an epiphany, leading him to assert in near-apocalyptic terms that the United States could no longer remain aloof from and oblivious to European affairs. Whereas Vanderlip had previously recommended that American businessmen should focus their investments upon Latin American projects, he now explicitly stated that European enterprises should take priority over these, and that American capital should employ itself primarily in extending credits and making longer-term investments for Europe's relief and reconstruction. Vanderlip may have reflected the gloomy views of his new friend Herbert Hoover, then Director General of the American Relief Administration in Europe, for whom he "developed a sort of hero-worship," supporting Hoover's abortive 1920 bid for the Republican presidential nomination.  

Convinced that Europe, in desperate straits, urgently needed a massive infusion of American capital, Vanderlip returned to the United States and rushed into print a hastily-written book, What Happened to Europe, suggesting that the continent was close to social, political, and economic collapse, and demanding the immediate organization of a huge international consortium of governments and bankers to coordinate and finance all European relief and reconstruction projects. Both the United States government and private banks would be expected to contribute to this consortium, the government to provide funds for those enterprises and countries which initially appeared too risky to attract private capital. The consortium's bonds would be expected to enjoy priority of repayment over all other obligations, including intergovernmental debts and indemnities, and their repayment would be guaranteed not simply by individual borrowers, but by European businesses and governments. If such measures were not taken, Vanderlip argued, Germany in particular and Europe generally might emulate the new Bolshevik Russian regime and embrace communism. Vanderlip also urged American recognition of the anti-Bolshevik Russian forces of General Alexander Kolchak, the leader of the continuing White counter-revolutionary military effort, as the legitimate government of Russia. Once again, Vanderlip found himself at odds with the Morgan partners, who felt that he exaggerated both the urgency and desperation of the situation and the scope
FRANK A. VANDERLIP AND THE NATIONAL CITY BANK

of the measures necessary to deal with it. Montagu Norman, governor of the Bank of England, likewise thought Vanderlip somewhat impractical. Benjamin Strong, governor of the New York Federal Reserve Bank and a close Morgan associate, later commented sardonically: "Vanderlip gets very much excited with his experiences, always, and loses his perspective." Fearing his book would undercut a similar, less ambitious proposal Davison had advanced, the Morgan partners unavailingly attempted to persuade Vanderlip to drop its publication.85

More seriously from Vanderlip's viewpoint, his passionate espousal of this scheme was apparently the culminating item in the account which, within a few weeks, persuaded the National City Bank directors to make the younger Stillman president in his place. If contemporary Wall Street gossip was correct, the directors took the view that the Bank's raison d'être was to make money, not to finance altruistic but unprofitable ventures or promote high-flown schemes for international recovery.86 In public then and later Vanderlip tactfully denied that his resignation bore any relation to either policy or personal disagreements between himself and the younger Stillman, claiming that he needed a rest and, moreover, wished to devote himself full time to schemes for European reconstruction and international finance.87 Two years later, however, he told Charles E. Mitchell, the newly-appointed National City president: "In my mind the Bank long ago became something more than a privately owned financial institution. It was, perhaps, on that point that there was the most fundamental difference between my views of the situation and the views of some others two years ago."88 Vanderlip took no other position and, although he still wrote and spoke profusely, gradually slipped into relative obscurity. In the early 1920s his persistence in advancing what his peers habitually perceived as overly ambitious schemes for coordinated European recovery was matched only by the indifference of their reception. Prominent British and American bankers, such as Strong and the Morgan partners, who backed more modest, gradual, piecemeal and financial operations to implement Europe's economic rehabilitation, repeatedly criticized Vanderlip's obsessiveness, grandiosity, and messianic streak.89 In 1935 Vanderlip published his memoirs, dying two years later aged seventy-three.

Under Mitchell, the National City Bank pursued a policy of maximizing short-term profits and standing aside from the financial diplomacy whereby during the 1920s the Morgan firm and the New York Federal Reserve Bank attempted to facilitate European currency stabilization and economic recovery. The sharp 1921 recession caused the AIC's restriction to investment in high-quality domestic portfolios, although the bank maintained and consolidated its network of overseas branches, which remained far more extensive than that of any other American financial institution.90 In 1925 Mitchell and other National City officials queried the New York Federal Reserve Bank policies of extending substantial credit facilities to the Bank of England and maintaining low discount rates, measures Strong, its governor, adopted primarily to facilitate Great Britain's return to the gold standard.91 While Mitchell initially also held aloof from investment in European securities, considering them too risky, the success of the 1923 League of Nations-backed Austrian government loan, which he had declined to handle, led him to
reconsider.\textsuperscript{92} Beginning with the 1924 Dawes Loan to the German government, the National City Company underwrote $326,000,000 of often poorly secured German bonds and issued almost $500,000,000 of such securities, one-third of the bank’s foreign business between 1925 and 1929. These somewhat ill-considered investments, together with shaky Latin American bonds, not only caused heavy National City losses during the Great Depression, but by competing for scarce foreign exchange undercut Germany’s continued ability to pay reparations under the Dawes Plan, a development which by 1926 alarmed its architects in the Morgan firm and the New York Federal Reserve Bank.\textsuperscript{93}

The internal debates National City Bank officials conducted over wartime policies suggest, not only that the making of institutional policy was often more complicated than one might suppose, but also that divergent sympathies toward the war could themselves affect the policy options particular individuals advocated. Despite the Russian fiasco and the subsequent restriction of the AIC to domestic business, Vanderlip’s policies laid the foundations of the National City’s uniquely strong international position in interwar American banking. His subsequent anticlimactic career, however, suggested that, while unquestionably able, dedicated, and energetic, as a banker he only functioned effectively within an institutional framework and with the ballast and guidance of a sympathetic older patron, a role that Lyman J. Gage, the Chicago businessman under whom he served as Assistant Secretary of the Treasury, and Stillman successively filled. The termination of Vanderlip’s banking career was also striking evidence that, whatever its rhetorical commitment to public service and similar progressive principles, during and after the First World War the National City Bank perceived the maximization of short-term profits, not long-term international economic development or revitalization \textit{per se}, as its primary goal. While some American bankers viewed themselves as international financial statesmen, others equally influential still preferred to confine themselves to the more traditional and limited functions of effective businessmen.

Notes

FRANK A. VANDERLIP AND THE NATIONAL CITY BANK


5. See the account given in Cleveland and Huertas, Citibank, chs. 5-6.


7. On the respective contributions of Stillman and Vanderlip, see Cleveland and Huertas, Citibank, 32-104, first quotation in this paragraph from 32; also Anna Robeson Burr, The Portrait of a Banker: James Stillman 1850-1918 (New York: Duffield & Co., 1927); John K. Winkler, The First Billion: The Stillmans and the National City Bank (New York: Vanguard Press, 1944), 68-260; Vanderlip, From Farm Boy to Financier.


9. Vanderlip, Business and Education (New York: Duffield & Co., 1909), 56-81, 205-23, 253-67, 277-478, quotation from 115; Vanderlip, diary of trip to Italy, Austria, Russia and Germany, 1901, Box 4, Series D, Frank A. Vanderlip Papers, Columbia University Library, New York, NY; “Memorandum” and “Rough notes” on foreign expansion on the National City Bank, File National City Bank-Miscellaneous Documents, Box 9, Series E, Vanderlip Papers; “Suggestions as to Organization & Scope of Foreign Service,” “Memorandum” with pencil note at top, “Directors file,” all in File National City Bank-Foreign Trade Department, Vanderlip Papers; Vanderlip, From Farm Boy to Financier, 124, 156-60; Mayer, “The Influence of Frank A. Vanderlip,” chs. 4-5.


ESSAYS IN ECONOMIC AND BUSINESS HISTORY (2002)


17. See Farrer's numerous letters to both Stillman and Sterling in the 1914-18 period, Dep.33/16-19, Gaspard W. Farrer Letterbooks, ING Baring Archive, London, United Kingdom.


21. Vanderlip, From Farm Boy to Financier, 185-88.


24. Vanderlip to Stillman, December 30, 1914, Box 6, Series B-1, Vanderlip Papers; Stillman to Vanderlip, February 3, 1915, Box 98, Series A, Vanderlip Papers; Munitions Hearings, 25:7554; Vanderlip, From Farm Boy to Financier, 245.

25. Vanderlip to James M. Beck, December 30, 1914, Box 7, James M. Beck Papers, Mudd Manuscripts Library, Princeton University, Princeton, NJ.


28. Vanderlip, From Farm Boy to Financier, 131.

31. Vanderlip to Stillman, March 5, 1916, Box 6, Series B-1, Vanderlip Papers; see also Vanderlip to Stillman, February 12, June 4, 1915, Box 6, Series B-1, Vanderlip Papers.
32. Cleveland and Huertas, *Citibank*, 56.
35. Vanderlip, *Business and Education*, 196-98, 328-29, 459-62; "Short memorandum concerning the exploitation of private Railways in Russia," 1910 [2], File Russia, Series F, Vanderlip Papers; Vanderlip, address delivered at the Hotel Biltmore to the Representatives of the Underwriters of the Imperial Russian Government External Loan, November 16, 1916, Box 16, Series D, Vanderlip Papers; Vanderlip to Pontiatowsky, May 17, 1917, to Strong, October 8, 1917, Box 7, Series B-1, Vanderlip Papers; see also the encouraging reports Vanderlip received from H. Fessenden Meserve, the National City representative in Russia, as cited in note 33.
40. Vanderlip to Stillman, September 26, 1914, Box 6, Series B-1, Vanderlip Papers.
41. Stillman to Vanderlip, October 2, 16, 23, November 26, 1914, all in Box 98, Series A, Vanderlip Papers.
42. Stillman to Vanderlip, February 4, 1915, Box 98, Series A, Vanderlip Papers.
43. Vanderlip to Stillman, August 13, 1915, Box 7, Series B-1, Vanderlip Papers.
45. Vanderlip to Stillman, November 20, 1914, March 5, 1915, Vanderlip to H. G. Selfridge, April 6, 1915, Box 6, Series B-1, Vanderlip Papers; Vanderlip to Pontiatowsky, August 27, 1915, to Stillman, August 27, 1915, to Gage, August 31, 1915, Box 7, Series B-1, Vanderlip Papers.
ESSAYS IN ECONOMIC AND BUSINESS HISTORY (2002)

46. Vanderlip to Poniatowski, August 20, 1915, Box 7, Series B-1, Vanderlip Papers.


49. Vanderlip to Stillman, September 25, October 8, November 13, 1915, Box 7, Series B-1, Vanderlip Papers; Vanderlip to Jacob H. Schiff, October 23, 1916, Box 4, Series B-2, Vanderlip Papers; Vanderlip, A COUNTRY WITH AN OPPORTUNITY, 18-19.

50. "Report on Foreign Trade Activities of Foreign Trade Department, National City Bank, for first six months 1915," "Memorandum for Mr. Vanderlip," April 13, 1916, Statement of Loans and Deposits of National City Bank foreign branches, 16 January 1917, all in File National City Bank-Foreign Trade Department, Box 39, Series E, Vanderlip Papers; materials in File International Banking Corporation, Series E, Vanderlip Papers; Cleveland and Huertas, Citibank, 76-84; Kaufman, EFFICIENCY AND EXPANSION, 117-21; Parrini, HEIR TO EMPIRE, 64, 109, 113-16; Phelps, FOREIGN EXPANSION OF AMERICAN BANKS, 142-49; Abrahams, "Foreign Expansion of American Finance," 31-40; Mayer, "Influence of Frank A. Vanderlip," ch. 5; Mayer, "Origins of the American Banking Empire," 60-76.


53. Vanderlip to Stillman, December 31, 1915, Box 6, Series B-1, Vanderlip Papers.


55. Vanderlip to Stillman, May 14, 1916, Box 7, Series B-1, Vanderlip Papers; Vanderlip, statement, September 1916, Box 18, Series D, Vanderlip Papers.


58. Straight, 1916 diary, pp. 4-5, Reel 12, Straight Papers; Straight to Davison, November 1, 1915, Reel 5, Straight Papers.

59. Vanderlip to Stillman, November 19, 1915, Box 7, Series B-1, Vanderlip Papers.

60. Vanderlip to Stillman, December 17, 1915, Box 7, Series B-1, Vanderlip Papers.

FRANK A. VANDERLIP AND THE NATIONAL CITY BANK


64. Vanderlip to Stillman, December 17, 1915, Box 7, Series B-1, Vanderlip Papers.


66. Straight to Dorothy Straight, April 8, 1916, Reel 2, Elmhirst Papers; cf. Straight, diary, April 19, 1916, Reel 12, Straight Papers.


70. Vanderlip to Stillman, April 14, 1916, Box 7, Series B-1, Vanderlip Papers; cf. Vanderlip to Stillman, February 12, May 13, June 4, 25, 1915, all in Box 6, Series B-1, Vanderlip Papers; Vanderlip to Stillman, September 25, October 8, 29, November 13 (not sent), 27, December 17, 1915, January 7, April 14, 1916, Box 7, Series B-1, Vanderlip Papers. On the National City Company's establishment and operations, see also File National City Company, Series E, Vanderlip Papers.

71. Vanderlip to Stillman, January 7, 1916, Box 7, Series B-1, Vanderlip Papers; Cleveland and Huertas, Citibank, 94-96.

72. Vanderlip to Stillman, July 7, 1915, Box 6, Series B-1, Vanderlip Papers; Vanderlip to Stillman, November 13, 1915 (not sent), Box 7, Series B-1, Vanderlip Papers; Stillman to Vanderlip, July 31, 1915, Box 98, Series A, Vanderlip Papers; Vanderlip, From Farm Boy to Financier, 262-65; Cleveland and Huertas, Citibank, 262, 279-80.

73. Farrer to Sterling, November 16, 1917, Dep. 33/18/111-13, Farrer Letterbooks.


76. Ibid., 102-03; Vanderlip, From Farm Boy to Financier, 272.


80. Vanderlip, article for La Nacion, undated but almost certainly 1920, Box 14, Series D, Vanderlip Papers.

ESSAYS IN ECONOMIC AND BUSINESS HISTORY (2002)

82. Vanderlip, What Happened to Europe, esp. chs. 9, 10, 16; also Vanderlip to Lamont, April 21, 1919, File 170-4, Lamont Papers; Vanderlip to Lamont, April 29, 1919, enclosing Vanderlip to Colonel Edward M. House, April 29, 1919, Vanderlip to Lamont; May 1, 1919, enclosing Vanderlip, "Memorandum in Regard to an International Loan," May 1, 1919, and Vanderlip to House, May 1, 1919, File 165-11, Lamont Papers; Vanderlip, memorandum written in Amsterdam, April 29, 1919, Box 14, Series D, Vanderlip Papers; Vanderlip, report on European conditions, probably written in 1919, Vanderlip, address to Economic Club of New York, May 1919, Box 18, Series D, Vanderlip Papers; New York Times, May 27, 1919; Hogan, Informal Entente, 29-32.

83. Vanderlip, What Happened to Europe, 1-10, 144-52, 172-73.
84. Vanderlip, draft article, "The situation in Russia," for publication in the Saturday Evening Post, June 1919, File Russia, Series F, Vanderlip Papers.
86. Strong, diary, August 6, 1919, File 1000.3, Strong Papers; Winkler, The First Billion, 256-61; Cleveland and Huertas, Citibank, 102-03.
87. New York Times, June 4, 21, 1919; Vanderlip, From Farm Boy to Financier, 299-300, 302-03.
88. Vanderlip to Mitchell, April 1921, Box 5, Series B-2, Vanderlip Papers.
90. Cleveland and Huertas, Citibank, 121-27, 368 note 25.
92. Otto H. Kahn to Mortimer L. Schiff, May 1, 1923, Box 211, Kahn Papers.