

knows what is going to come out of Russia and nobody knows what is going to come out of China, but the fact is that Russia and Asia make up one thousand million of the world's inhabitants of people who are in the throes of revolution now, who are working out a new political status and who may gain a greatly increased world prestige and power. Supposing they unite, what a menace they might easily become to the rest of the world, and it is the fear of what they might do that will be the most potent factor in keeping the British Empire and the United States together. Cecil Rhodes believed that Germany would join in with that combination. Perhaps, and let us hope, he was right.

Europe as a dominating world factor, is a thing of the past. In future there will be two dominating influences; the Anglo-Saxon race and Asia. It is because I believe we are passing through one of the momentous periods in the history of the world with great political developments in the air, that I think I shall take advantage of your suggestion and remain a couple of weeks longer in China. As I said, I shall arrive there on March 9th and if I remain for the "Empress of Japan" on April 4th or 5th, I shall have about four weeks in China; three or four days would do me in Hong Kong, give me a week in Shanghai and Nankin and ten days for Peking and Manchuria and a few days in Tokio which ought to give me a reasonable familiarity with what is going on.

By the way, you will remember Sir Frederick Whyte, who headed the British Delegation to Honolulu in 1927 and who for the last couple of years has been unofficial advisor to the Chinese Government; I am sorry to say he has utterly ruined his own career, has disgraced us in the Far East, and made a perfect ass of himself by deserting his wife and eloping with a Belgian Countess, who some say is a Communistic spy who has laid her trap for Whyte and got him in her toils. I believe he is now in America.

I have seen a great many of my old friends here. I have played golf with Taylor a couple of times and find him quite energetic and looking well, and of course, impressing upon me the importance his presence in London is to the Bank's interest. There is no doubt though, that he is quite a lonely man. He told me last night that the Balfour Guthrie matter had never been satisfactorily settled or as satisfactorily