

Aug. 12, 1938.

C. B. Russell, Treasurer  
Lawrence Rotary Club  
Lawrence, Kansas

My dear Mr. Russell:

Referring to our conversation relative to Chile Bonds at the luncheon today noon, I am re-hashing some information and sending a copy of this letter to Mr. Karl Klooz that he may bring the matter before the Rotary Club Directors, as perhaps no one who was a Director in 1930, is a Director at this time. The facts are as follows: -- As Treasurer of the Rotary Student Loan Fund, I found that it was taking too much of my time and personally felt that I would like to continue it as a distinctive Rotary Fund by ceasing to make any more collections or making any more loans. About July 7, 1933, I made up a complete statement of this fund and a supplemental statement on Sept. 15, 1936, which shows that I have on hand as Treasurer, the sum of \$198.98 and the old Rotary Notes as per list. I was authorized by Resolution of the Club to turn over to Paul A. Dinsmoor and Walter G. Thiele, the sum of \$981.48 and they were instructed to invest it in bonds and pay the interest annually to some form of student activity. I gave them my check on the Rotary Fund for the amount, \$981.48. While they were in the Bank, they went over to Mr. F. W. Hosford and purchased from him a Chile Bond, \$1000.00 Par, on May 6, 1930, for \$921.25. This was the actual bona fide market for Chile Bonds at that time. After the sale was made, they came back to my desk and I expressed a regret that they did not buy an Argentine Government Bond drawing the same rate of interest. Now it so happened that my guess as that time would have been good.

I think also, Mr. Russell that if you will check your records, this bond could have been sold for this price or very near this price for several months after this purchase, and as I understand, it was turned over to you and that one of the coupons which could have been cashed when it was due, was permitted to be carried and was not presented until some time afterward when all Chile Bonds went into default. The amount of money I paid them was \$981.48, and after purchasing the Chile Bond, they had sufficient funds to purchase a U. S. Government \$50.00 bond, and I am assuming that the Rotary Club still has this bond. Now I am not writing this letter to criticize anyone or clear anyone's skirts in the transaction. However, I know that I worked faithfully to collect in this fund and used ordinary diligence in loaning it out, but in every case I secured a recommendation from someone on the Hill before making the loan. Now the condition of this fund at this time is that I have in my account as Treasurer, \$198.98 and the \$378.00 worth of notes. The Rotary Club should have the \$50.00 bond, and the Chile Bond which is worth about \$195.00 at this time. Mr. Dinsmoor and Mr. Thiele of course acted in good faith, and Mr. Hosford acted in good faith in selling the bond and he sold them the kind of bond that they desired to purchase and at the then market. I am giving this information that the matter might be brought before the Directors with any action that they may wish to take in the matter, and I am enclosing herewith the statement in detail and the supplemental statement and am asking that you present these to the Directors as I do not have an extra copy, - only for my files.

Very truly yours

I. J. Meade

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