

PSF

CANADA

1933-35

CONTINUED

Ottawa, Canada

1. May 1983

My dear Mrs. Roosevelt:

My assurance
you that this is no mere
"head-butter" note but an
expression of a very real and
sincere appreciation of the
very kind hospitality extended
to me while I was your guest
in your historic official home?

I shall ever cherish most
pleasant memories of the

known received while
 in Washington and in all
 truth add that while such
 great kindness & hospitality,
 were extended to me in your
 official home, nothing was
 lacking to make me feel
 as thoroughly at home as though
 I had been a guest in your
 private residence.

With high esteem and
 great admiration for all the
 public work you are doing
 in addition to the task of

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maintaining ~~that~~ ^{the} home and
kindly spirit so absolutely
essential in our sacred
national life. Believe me,
I am Mrs. Roosevelt, I am
grateful indeed for your

R. B. Samuel

Mrs Roosevelt
New White House

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PSE Cassin

THE UNDERSECRETARY OF STATE
WASHINGTON

January 9, 1934.

Dear Mr. President:

Mr. Herridge, the Canadian Minister, is very anxious to have an opportunity to talk with you at your convenience concerning the possibility of our negotiating with Canada a provisional trade agreement. The prospects of any negotiations along these lines would seem to depend upon whether, under Section 336 of the Tariff Act of 1930, you would be willing to request the Tariff Commission to make investigations of the cost of producing certain products or especially fresh halibut, potatoes, live cattle and alsike clover seed.

Would you be so kind as to indicate
whether

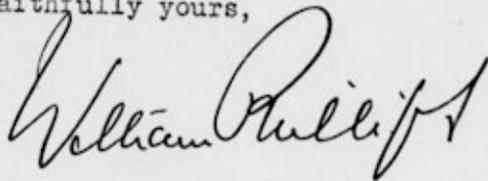
The President

The White House.

whether you would be disposed to take such
action with the Tariff Commission and also
whether you would be willing to receive
the Canadian Minister, in accordance with
his desire?

I enclose a brief memorandum in this
connection.

Faithfully yours,

A handwritten signature in cursive script, reading "William Phillips". The signature is written in dark ink and is positioned below the typed name "William Phillips".

1 enclosure:

Memorandum.

DEPARTMENT OF STATE

DIVISION OF WESTERN EUROPEAN AFFAIRS

MEMORANDUM.

January 9, 1934.

Major Herridge, the Canadian Minister, has approached the Department informally concerning the possibility of our negotiating with Canada immediately a provisional trade agreement along the following lines:

The President would, under Section 336 of the Tariff Act of 1930, request the Tariff Commission to make investigations of the cost of producing fresh halibut, potatoes, live cattle and alsike clover seed. The Canadian Minister understands that the Tariff Commission has within the comparatively recent past investigated all of these products and that it would probably require a short time for them to bring their investigations down to date. If, on the basis of the Tariff Commission's reports on these products, the President could reduce our tariff on them, an arrangement would be worked out with the Canadian Government for the latter to make substantial tariff reductions on a number of American products to be agreed upon jointly by the two Governments to compensate the United States for reducing its tariff. Under the arrangement which the Minister proposes, these tariff reductions would be simultaneous in the two countries and would be announced as a first step toward a broad and comprehensive trade agreement between Canada and the United States. Major Herridge pointed

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DIVISION OF WESTERN EUROPEAN AFFAIRS

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pointed out that he understands the political difficulty in connection with our reducing by Presidential Proclamation duties on agricultural products; he stated that his Government would be willing to match these reductions with cuts in the Canadian tariff on American agricultural products.

There are attached brief memoranda in regard to each of these products; these memoranda show over a period of years total imports into the United States and imports from Canada, together with figures for total American production, the ad valorem equivalent of the existing tariff rates and the proportion of imports to our total production. The status of each of these four products may be summarized as follows:

Halibut. This product was on the free list under the Tariff Act of 1913, but the Act of 1922 imposed a duty of two cents per pound which has continued in force since that date. The ad valorem equivalent of this duty was 23% in 1932. In 1925 the Tariff Commission submitted a report covering its formal investigation of the cost of producing halibut. The findings indicated that the relative costs of production in the United States and Canada warranted a reduction of the duty from two cents per pound to one cent per pound, and Commissioner

Costigan's

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DIVISION OF WESTERN EUROPEAN AFFAIRS

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Costigan's separate statement sent with the report definitely recommended that this be done. President Coolidge took no action on this report. Halibut imports last year amounted to around 4% of our domestic production but have in the past reached as high a proportion as 10%. There appears to be a pretty good case for a reduction in the duty on this product.

Potatoes. Potatoes were conditionally free under the 1913 Tariff Act; the Act of 1922 imposed a duty of fifty cents per 100 pounds and the Act of 1930 increased this duty to 75 cents per 100 pounds. The ad valorem equivalent of the duty was estimated to be 33% in 1929, 62% in 1931, and 95% in 1932. The ratio of imports to production is less than 1%. It is understood that the Tariff Commission investigated the cost of producing potatoes in certain Canadian Provinces in 1928 in compliance with a Senate Resolution, but no action was taken on this report. There seems to be a good case for a tariff reduction on potatoes.

Live Cattle. Live cattle were on the free list in 1913, but were made dutiable under the Tariff Act of 1922 at rates shown in the attached memorandum. The 1930 Tariff Act increased these duties substantially which now are 2 1/2 cents per pound on cattle weighing less than

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700 pounds and 3 cents on all others. The ad valorem equivalent of these duties was 52 to 62% in 1932. Until 1930 Canada was the leading source of supply for live cattle imports, but since that time Mexico has occupied this position. In 1932 Canada supplied only 12,763 cattle out of total imports of 105,612. The ratio of imports to production is about one per cent. The Tariff Commission is understood to have made a cattle investigation about 1925 which was brought down to date in 1928, but no action was taken. From the standpoint of economics, there would appear to be a fairly good case for the reduction in the duty on cattle, but there would probably be considerable political difficulties.

Alsike. Clover seed of all kinds was free under the Tariff Act of 1913. Alsike was made dutiable at the rate of 4 cents per pound in the 1922 Tariff Act and this rate was doubled in the Act of 1930. About all of the imports of alsike normally come from Canada; these imports were valued at about two million dollars in 1925 but the eight cent duty has apparently killed the trade, as there were no imports whatever last year. I do not believe the Tariff Commission has made any recent investigations of this product but a survey made some years ago has been kept up to date and could probably be completed within a reasonable time. There appears to be a good case for a reduction in this product.

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The Canadian Minister indicated that he would be in a position to compensate us very well if something could be done for lumber, but there appears to be no possibility of dealing with lumber adequately under Section 336 of the Tariff Act for the reason that the import duty is one dollar per 1000 feet while there is an excise tax of three dollars per 1000 feet, which cannot be touched by the Tariff Commission. If the President should find himself in a position to ask Congress to authorize him to terminate this excise tax by Proclamation, I believe that we could obtain in return extensive advantages for American trade in Canada. A similar memorandum on lumber is also enclosed.

Our exports of agricultural products to Canada are greater in value than Canadian exports of such products to this country and it would be very easy to match reductions in our duty on agricultural products with concessions for American agricultural products in Canada. Notable among the agricultural products for which we believe we could obtain return concessions in Canada are a large range of fresh vegetables, fresh fruits, canned and dried fruits, corn, et cetera.

Our trade with Canada has suffered badly in recent
years;

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years; our exports to the Dominion in 1932 were valued at \$241,000,000, a decrease of 67% since 1926. Moreover, our relative position in the Canadian market has steadily become worse. In 1930, for instance, we supplied 65% of Canada's imports as compared with 58.3% in 1932, and 53.8% during the first six months of 1933. It is hoped that the President will find it possible to approve this project to assist in bringing about an improvement in our trade position.


John Hickerson.

WE:JDH:VAS

AMERICAN TARIFF RATES AND CANADIAN-AMERICAN
TRADE IN POTATOES

Potatoes were conditionally free under the Tariff Act of 1913 which provided for an ad valorem duty of 10 percent on any country, dependency or other subdivision of government which imposed a duty on such articles from the United States. Under the Tariff Act of 1922 the import duty was 50 cents per 100 pounds. Under the Tariff Act of 1930 the import duty is 75 cents the 100 pounds. The ad valorem equivalent of the duty was estimated to be 33 percent in 1929, 62 percent in 1931 and 95 percent in 1932.

Imports are principally food and certified seed potatoes from Canada, but there is a small import of early potatoes from Bermuda and the British West Indies. Exports are mainly food potatoes, and there are considerable exports of early potatoes to Canada.

The largest imports were during 1920, and the smallest during the time when potatoes were on the free list were in 1916. The effects of the Tariff of 1922 were shown in the reduced importations during 1923. Importations for each year beginning with 1926 show the rather large imports during several years and the marked decrease during 1932. Figures of the importations of potatoes from Canada during each of the same years are given, also. Prior to 1918 potatoes from Canada seem

to

to have been dutiable under the proviso to the relevant paragraph of the Tariff Act of 1913.

Year	<u>Total imports</u>		<u>Imports from Canada</u>	
	Quantities in bushels	Value in dollars	Quantities in bushels	Value in dollars
1916	209,532	331,814	27,576	16,370
1920	6,061,745	12,526,620	5,052,212	10,569,523
1923	732,334	1,069,097	628,774	595,896
1926	5,727,918	8,328,329	5,327,491	7,450,865
1927	5,272,145	5,247,293	5,008,998	4,494,983
1928	3,710,186	3,141,484	3,471,198	2,498,323
1929	4,275,847	4,304,757	4,052,484	3,793,900
1930	5,059,824	5,062,800	4,669,754	4,682,714
1931	4,566,875	3,125,664	4,439,977	2,928,909
1932	726,915	392,782	657,180	277,572

The relative importance of the import trade in potatoes and of the domestic production is shown by the statistics of production for the years for which import figures are given.

Potato production in the United States

Year	Quantity in bushels	Value in dollars
1916	286,953,000	419,333,000
1920	371,356,000	418,926,000
1923	367,534,000	278,251,000
1926	323,085,000	456,601,000
1927	370,423,000	352,375,000
1928	426,776,000	224,859,000
1929	329,134,000	423,896,000
1930	333,210,000	296,505,000
1931	376,248,000	161,264,000
1932		

The ratio of imports to production is less than 1 percent.

AMERICAN TARIFF RATES AND CANADIAN-AMERICAN
TRADE IN HALIBUT

Halibut was on the free list under the Tariff of 1913 but both the Tariff of 1922 and the Tariff of 1930 imposed an import duty of 2 cents the pound. This import duty was estimated to be equivalent to an ad valorem duty of 15 per cent in 1929, of 19 per cent in 1931 and of 23 per cent in 1932.

Imports which had been larger previously fluctuated under the Act of 1922 between 3,700,000 (1925) and 5,800,000 (1929) pounds annually. Consumption of halibut has been affected in recent years by the sale of haddock fillets. Canada and the United States obtain their catches on the same banks in the North Pacific and North Atlantic. About 30 per cent of the domestic catch is landed in Canada, mainly at Prince Rupert, British Columbia, and shipped through Canada in bond. The landings of these vessels sold for consumption in Canada constitute the bulk of the exports. The bulk of domestic and Canadian production is on the Pacific coast, but consumption is principally in the central and eastern markets. The domestic and Canadian Atlantic catches are sold mainly in Boston.

The following tables show the imports for the year 1921, for the period of 1922 when halibut was on the free list and the time after it became dutiable, and the imports for each year beginning with 1926. Importations during

1921 were the largest since statistics of halibut became available. The imports from Canada for the same periods are given.

<u>Total Imports</u>		<u>Imports from Canada</u>	
<u>Quantity in pounds</u>	<u>Value in dollars</u>	<u>Quantity in pounds</u>	<u>Value in dollars</u>
1921	24,252,250	23,507,248	3,140,137
1922	19,292,595	18,768,948	2,224,357*
1922	1,412,072	1,317,023	187,616**
1926	5,719,249	5,469,552	734,197
1927	4,014,279	3,663,682	452,536
1928	4,357,977	4,292,285	483,306
1929	5,810,711	5,313,096	676,383
1930	3,620,819	3,536,648	431,189
1931	4,098,258	4,084,682	438,574
1932	1,448,981	1,339,186	108,837

The domestic production of halibut was estimated at 44,192,438 pounds in 1919, at 55,296,999 pounds valued at \$6,412,079 in 1929, at 38,822,113 pounds in 1931, and at 40,607,151 pounds in 1932. The ratio of imports to production varies from about 4 per cent to about 10 per cent.

* Free January 1 to September 21.

** Dutiable September 22 to December 31.

MISSY:

Personal file.

F.D.R.

DEPARTMENT OF THE
UNITED STATES OF AMERICA
Ottawa, Canada.
March 27, 1934.

My dear Mr. President:

I know how busy you are and have not burdened you up to now with sending copies of any of the fourteen speeches which I have made since I have been in Canada.

This last one which I made in Montreal got quite a few favorable comments here and on the front page of the New York Times and I beg you to look at it if you have time. If you do not, get dear old cynic Louis Howe to take a look at it and tell me how bad it is.

With love from us all,

Faithfully yours,

Warren

Enclosure.

The President,
The White House,
Washington, D. C.
U.S.A.

SPEECH OF THE HONORABLE WARREN DELANO ROBBINS
BEFORE THE CANADIAN CLUB AT MONTREAL
ON MONDAY, JANUARY 29th, 1934.

Mr. President - Gentlemen -

Your President, when he did me the honor of asking me to speak before the Canadian Club of Montreal, suggested that I might speak on some topic of interest to both countries. There are many topics that I might speak on, for after all there are hundreds of interests that we have in common. But I have chosen a rather broad subject for which I trust you will forgive me. I am going to try to talk to you on a "New Outlook in Government". But after all, there is, if you read your history, nothing that is ever so very new. I was reading the other day André Maurois' book on the Edwardian era and he tells in one chapter of Queen Victoria's Diamond Jubilee. He tells of the triumph of that great Queen - how the streets of London saw march past the troops of England, Canada, Scotland, Ireland, Australia and India. He tells us that the Jubilee procession was like a Roman triumph and that the Queen noted in her journal: "No one ever, I believe, has met such an ovation as given to me -"

And yet within three years of that day of Diamonds - Great Britain was, for a time, being held at bay by a couple of farming republics at the other end of the African continent.

At that time Winston Churchill, who was lunching with the great elder statesman, Sir William Harcourt, said to

him, "What will happen now?". The older man replied, somewhat cynically, I think, that in his long experience of sixty years of public affairs, "Nothing ever happens".

Now I think that the old gentleman made a direct and philosophic reply to Churchill but I think he would have expressed himself more fairly had he said, "In sixty years about everything happens".

And now,- not in sixty years but in just under twenty,- we have seen that about everything happens. In other words, no one event can be singled out as paramount and crucial. What happens (and history has shown it) is, almost without exception, that a major conflict is succeeded by a period (perhaps not immediate) of disaster - and it is this very period of depression, for which we never seem to be prepared, which calls for that greater stamina and imagination in the development of the evolution of new methods of government.

One of the most cheerful examples of the evolution of new methods of government is Italy - a country which in the days of Cavour, and that was less than a century ago, was completely disunited and consisted of many small kingdoms which in most cases were hostile to each other.

Then we come to the great war and the evolution which developed in 1922 when Mussolini after calling together his Fascisti made his historical march on Rome. And now we see a united and prosperous Italy. - Things happen and often for the better.

In the case of the United States we have seen victory in the world war, followed by a period of unheard

of prosperity and then depression and poverty, a temporary period of lack of confidence. We have learned that though armies may triumph, there are other kinds of wars to fight - wars which cannot be fought with arms but for which statesmanship and diplomacy must suffice - wars against famine, against disease, and last of all the war in which your country and mine are now engaged, the war against poverty.

But I believe that this very depression with all its evils has served to give a new purpose to our peoples - the purpose that dire poverty in the midst of a world stocked with material riches must be eliminated. We have seen victory - we have been near defeat, but with God's will we shall, with a new purpose, rise triumphant. In looking at the situation which now confronts us we find that the individual today turns to his government and says, "I am willing to work. You must give me my share of the nation's work and provide me with my share of its benefits. You have all the means necessary to provide for every citizen of this country. It is up to you to see that it is done."

To this I would reply that it should be the Government's pledge to work this out following the policy of the good neighbor at home, and the effort of one government to make it possible for a neighboring government to do this for its citizens is part of the policy of the good neighbor in international application.

Let us then admit that no country today can expect to achieve the abolishment of poverty and create an

advanced state of partnership and opportunity among its citizens without reference to conditions existing in other nations. If you will pick up an American newspaper of today and compare it with a similar newspaper of a generation ago you will be surprised to see how much more space is devoted to happenings in other parts of the world; how much more is said about relations, not only economic but cultural, with the rest of the world. You cannot turn on a modern radio set without hearing voices from many nations coming in to you over the air. The oceans themselves are not barriers but highways, and modern conditions require us to use them as such.

My government, headed by our President, is engaged in a courageous experiment seeking to find a better method of living. The very nearness of the other nations to us today means that that effort is carried on not only for the benefit of our citizens, but with the sincere hope that it will be helpful to the governments and citizens of other countries. Similarly, the effort which is being made in Canada to distribute the great riches of your country more broadly to your citizens will be a guide and a help to us. We can progress hand in hand in this work.

And may our policy now be to consult with each other, not only that we may not hamper each other but know that we may help and consolidate each other. And though we may admit that "something always happens", let us pray that it shall be made to happen for the best,

and that through wise leadership and planning the time will come when a traveler crossing the border can ask in the neighboring country, "What is poverty?", and find no answer.

Keule - file "ref"

THE UNDER SECRETARY OF STATE
WASHINGTON

October 31, 1934

Dear Mr. President:

I have just returned from Ottawa bringing with me Mr. Bennett's reply to your letter to him, which I enclose herewith. We spent an hour and a half discussing the Trail Smelter from all angles and in my presence he arranged for a conference this morning with certain individuals from Toronto representing the Smelter. I came away feeling that Mr. Bennett was impressed by your personal interest in the matter and would do his best to dispose of it. The reference in his letter that residents and officials in the State of Washington should bear in mind that any injury that they may have suffered is due to the operations of a corporation

The President,

The White House.

and not to the Canadian Government is, I think, only for the purposes of record and should not, therefore, be taken too seriously. He took the position that willy-nilly the Canadian Government was saddled with the problem and had definite responsibilities arising therefrom. Since my return to the Department this afternoon I have had very good telephonic news from Ottawa indicating that the Prime Minister has taken this morning a strong position in his conference with the smelter people and will soon be in a position to renew discussions of the draft convention on more favorable lines to us. Therefore, while I never like to prophesy I am inclined to think that my trip will bear good results in the near future.

I also gave Mr. Bennett your message with respect to the St. Lawrence Waterway and the reasons why you feel it necessary to ask for

some

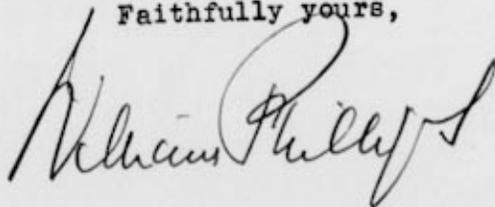
some slight modifications in the treaty. He explained at length how difficult this subject had become for him owing to the fact that he was between two provinces, both of which were officially hostile to the St. Lawrence Waterway development. While Ontario had always been in favor of the Waterway, the new Liberal Prime Minister had recently publicly announced his opposition to it and to delivering the financial contribution which under the present arrangements Ontario has to make to the National Government. However, in the end, Mr. Bennett admitted that the relations of the National and Provincial Governments was a problem for him rather than for us. He assured me that he would discuss the subject with some of his Cabinet and felt that he would be in a position in about a week's time to instruct Herridge to open discussions with me regarding modifications of the treaty.

At another conference with Dr. Skelton, Under Secretary of State for External Affairs, who has had

had a great deal to do with the St. Lawrence Waterway Treaty, I obtained the same impression, namely, that it would probably be advantageous if the Treaty was ratified by the Senate as soon as possible. Dr. Skelton's argument was that since our Senate had not a very good reputation in approving treaties and conventions signed by the Executive, it would be helpful in this case for the United States to dispose of the whole matter before the Canadian Government on its part undertook to ratify.

In the circumstances, I shall be disappointed if I do not receive a call from Herridge in about a week. I shall not fail to notify you the moment he informs us that he is ready to discuss suggested modifications.

Faithfully yours,



Enclosure.

Ottawa, October 30th, 1934

My dear Mr. President,

I was greatly pleased to receive your note through Mr. Phillips, your Under-Secretary of State, who is remembered with affection in this community as the first Minister to Canada from the United States.

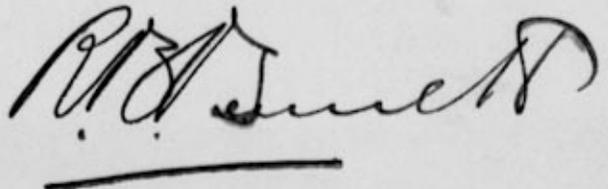
I think Mr. Phillips will tell you that I have talked to him very frankly with respect to the matters to which reference was made. From the information given to me by Mr. Phillips I think I fully appreciate your difficulties. It might be well, however, if the residents and officials of the State of Washington would bear in mind that any injury which they consider they have suffered is not due to any act of the Canadian Government, but to the operations of a corporation in the Province of British Columbia over which the Dominion as such has no jurisdiction.

I telegraphed while Mr. Phillips was here for the officials of the Company to come to Ottawa, and I am advised that Mr. W.N. Tilley, K.C., will meet me tomorrow morning. Following this discussion I shall have pleasure in communicating further with your Department of State through the usual channels.

With high esteem and regard and pleasant memories of your hospitality and courtesy when last I was in Washington, believe me, my dear Mr. President, I am

Yours sincerely,

His Excellency,
The Honourable Franklin D. Roosevelt,
President of the United States,
Washington, D.C.



R. B. Smead

757 Canada
File private

DEPARTMENT OF STATE
WASHINGTON

December 14, 1934.

*File
Canada
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My dear Mr. President:

Today you spoke to me about recent developments in connection with the St. Lawrence Waterway Treaty. You recall that in October Mr. Phillips went up to Ottawa to discuss the Trail Smelter question with Prime Minister Bennett and while there he also raised the question of the St. Lawrence Treaty in accordance with your instructions. He pointed out to Prime Minister Bennett that you are keenly desirous of resubmitting the Treaty to the Senate at the forthcoming session of Congress, but that you desired that we discuss with the Canadian authorities several proposed changes in the Treaty, and he asked that the Prime Minister authorize Mr. Herridge, the Canadian Minister here, to discuss these proposed changes with us. The Prime Minister promised to give consideration to this matter and to authorize Mr. Herridge

The President

The White House.

ridge to talk to us about these changes.

On December 4 an officer of this Department called Mr. Robbins, our Minister at Ottawa, on the telephone and suggested that he speak to the Prime Minister about this matter since we have heard nothing from Mr. Herridge on the subject. Mr. Robbins went to see Prime Minister Bennett and also spoke to Mr. Herridge, who was in Ottawa, about it. Later in the day, Mr. Herridge called Mr. Hickerson of this Department on the telephone and told him that upon his return to Washington he would be glad to discuss the whole question with us. Mr. Herridge added that, in view of the political situation in Canada, he felt that it would be exceedingly difficult for the Canadian Government to agree to any changes of importance in the present Treaty, but he went on to say that he would be glad to discuss with us any proposals which you have in mind.

On Monday and Tuesday of this week Doctor O. D. Skelton, the Canadian Under Secretary of State for External Affairs was in Washington in connection with the Trail Smelter matter, and while he was here, Mr. Phillips and Mr. Hickerson discussed the St. Lawrence Treaty
with

with him. Doctor Skelton said that the announcement of Mr. Hepburn, Premier of Ontario, that he would not seek legislation to approve the power agreement between the Dominion Government and the Province of Ontario had placed Prime Minister Bennett in an exceedingly difficult position in respect to the St. Lawrence Treaty. He said that he did not believe anyone had been able to determine whether Mr. Hepburn's announcement signifies a real opposition to the project, or whether it is merely a step in building up a bargaining position for a better agreement between the Province of Ontario and the Dominion Government. At all events, he said, Prime Minister Bennett would unquestionably run a serious risk if he sought to have the Dominion Parliament approve a St. Lawrence Treaty in advance of an agreement with the Province of Ontario which is acceptable to Mr. Hepburn. He continued that to approve the Treaty and start the construction work prior to reaching such an agreement would effectively deliver the Dominion Government into the hands of the Province of Ontario, the only possible purchaser of Canada's share of the power which will be developed in the International Rapids Section of the St. Lawrence River. Doctor Skelton stated that in all the circumstances he

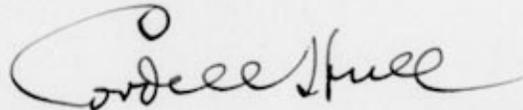
felt

felt that it would be very difficult for the Canadian Government to agree to any changes of importance in the present Treaty, adding that it was by no means certain that Canada could ratify even the present Treaty.

We understand that Mr. Herridge will return to Washington in a few days at which time we shall begin conversations with him respecting the Treaty. I believe that it would be desirable for us to have a brief conference with you in the early part of the coming week, respecting the proposals which you desire us to discuss with Mr. Herridge.

I am, my dear Mr. President,

Faithfully yours,

A handwritten signature in cursive script, reading "Cordell Hull". The signature is written in dark ink and is positioned below the typed name "Cordell Hull".

*file
Herridge*

*File Canada
(3) (2)*

THE SECRETARY OF STATE
WASHINGTON

December 31, 1934

Dear Mr. President:

Thank you for letting us see this letter from Robbins. As you know, on December 21st Mr. Phillips discussed with the Canadian Minister a number of slight changes in the St. Lawrence Treaty and handed him copies of these alterations. None of them is particularly important, but in spite of that fact Mr. Herridge did not appear optimistic that the Prime Minister would give his approval of them, nor, in fact, that he would be in a position this winter to press for the ratification of the original treaty by Parliament. Mr. Herridge added, however, that should our

The President,

The White House.

Senate approve of the treaty in its amended form, the Prime Minister might find it possible to introduce it in Parliament in its new form, explaining at the same time that the changes which have been made in the original text were wholly insignificant and did not in any way alter the fundamental principles involved.

Mr. Herridge felt that this might be an easier approach for the Prime Minister than to approve in advance of the suggested changes. We are awaiting Mr. Herridge's reply in this connection.

Mr. Frank Walsh called at the Department on Saturday and seemed entirely satisfied with the steps which the Department has already taken. Our view is that even though Mr. Bennett cannot guarantee to present the treaty to Parliament in January, it would probably be best for us to secure the Senate's approval at the earliest practical moment.

Accordingly

Accordingly, should you approve, I shall be happy to prepare a brief message for you, asking for a reconsideration of the treaty now before the Senate, and at the same time I would send to Senator Pittman the texts of the various amendments which we are discussing with the Canadian Government.

Faithfully yours,

Cordell Hull

Enclosure:
Original letter
December 18, 1934,
returned.

Ottawa, Canada.

December 18, 1934.

Personal and ~~Confidential~~.

My dear Chief:

I have been back here since last Thursday and immediately had the opportunity at the Canadian Club lunch of talking both to Bennett and Herridge, as Herridge was making what I consider a swan song speech to the Canadian Club. It was somewhat long and was not particularly enthusiastically received by the odd two hundred members attending who seemed to think that he was making an effort to show that he was not as conservative as they thought. I think, however, that it was interesting as showing that he is getting the influence of the United States and sees that too much conservatism and too much protection will not work. Excerpts of his speech I quote herewith:

"High

The President,
The White House,
Washington, D. C.
U.S.A.

"High finance cannot expect that we should subscribe unequivocally to the view that it has a monopoly of intelligence. * * *

"If increased consumption demands increased production and if increased production requires concentration of business and if concentrations of business interfere with the old competitive system and the open market place and produce disequilibrium in the operation of the system, does it follow that certain classes of the community must inevitably suffer and that other classes must as inevitably prosper, unless or until the system is changed?

"Are those who are profiting like sweepstake winners to be congratulated as the group arbitrarily chosen by Providence to be the beneficiaries of a system which just won't work in any other way? * * *

"It is not improbable that I shall be censured for such talk as this. Some of the system's myrmidons will say it is lese majeste. But there is nothing sacred about the economic system but the welfare of the people."

I found Bennett in a very depressed humor and as Mackenzie King was seated within two of him at the table of honor it did not improve the situation.

I may be a bad guesser but I think it is all over but the shouting, as far as the Conservative Party is concerned, although Bennett and Herridge have been saying right along that the general trend, if studied carefully, would be found to be going in favor of the Conservatives. It sounds like Hoover. I had a talk yesterday with MacCormac, the New York Times correspondent, who tells me that he thinks that Bennett was somewhat upset that when Bill Phillips came up here he could

could get no definite assurances from us as to bases for a trade agreement, but I am inclined to doubt that, as after all when Skelton, the Under-Secretary of State for External Affairs, and Read, the Legal Adviser, came down when I was in Washington they were unable to give us any more details as to what they wanted to get from us in a trade agreement. I think they were somewhat depressed when Herbert Feis told them that it would take from two to three months to work out an agreement and that we were probably not prepared to start immediately.

I am utterly disgusted at the lack of action that we have had lately on our three important cases, the St. Lawrence waterways, the economic agreement and the Trail Smelter case. I spoke rather definitely to Bill Herridge about the waterways project and told him that I did hope when he arrived in Washington, which he must have done some three days ago, that he would go at the details with the State Department. I laughingly pointed out to him the truism that the St. Lawrence waterways project is as much his baby as any and that he ought to push it, to which he replied that he knew that full well but that the political situation was so very complicated in Canada at the moment that he was doubtful as to what

could

could be accomplished.

Yesterday was Mackenzie King's sixtieth birthday and I wrote him by hand a polite note of congratulations. I enclose a copy of his letter, also written by hand, which I received within three hours of the time that I sent mine to him. I only send you this and make this remark because I think it shows a little bit that he is inclined far more than the other party to play the game with us. Of course, as he mentions, he has many connections in the United States and the fact that he took a post graduate course at Harvard and has kept up with many of his friends makes the situation a little different.

It was a joy that visit I had at the White House, but on looking back on it I feel as if I had talked you out of house and home. We are leaving the day before Christmas to be with the children in New York, but I rather doubt whether we will be able to get to Washington as I must be back here for the official receptions on January 1st and the dinner at Government House on the second. This has unfortunately changed my plans.

I am having a visit from the French Minister and Tokugawa, the Jap who is leaving Ottawa, in a few minutes
to

to talk over various plans for the immense Diplomatic Corps here consisting of four. Incidentally, your humble servant will be Dean within the next week or so, which in the official season means a certain amount of extra work and interest.

Irene joins me in love to you and yours. I am writing by this mail to Eleanor.

Affectionately yours,

Waverly D. Robbins

P.S. Mackenzie King is a prolific letter writer and I think inclined to indulge in poetic license.

Enclosure.

THE WHITE HOUSE
WASHINGTON

December 28, 1934.

MEMORANDUM FOR *Secretary of State*
← THE UNDER SECRETARY OF STATE

This is an interesting private note from Warren. Please read and return. I ought to make a fairly definite decision about the St. Lawrence Treaty by January fifth. Can I do it?

F. D. R.



(Copy)

[Dec. 17]

Laurier House,
Ottawa.

My dear Minister:

I appreciate more than I can say your kindness in sending me the charming letter which I have just received from you. The congratulations and good wishes from Mrs. Robbins and yourself which it conveys will ever be among the most cherished of the many happy memories of my sixtieth birthday anniversary which this day has provided me with for the years to come.

Sixty years seems a long road to look back upon, but nothing like as long as it seemed looked at from the other direction. What remains of the days to come will, I suppose, be faster than all in the matter of time, and must necessarily be short in distance. I am glad to think that not a little of this journey has been made wiser and happier by the years spent in the United States, and the many friendships formed while at Harvard, and while engaged on other pursuits which have added to my knowledge of and interest in your country and all that pertains to its welfare.

To me it has been a great pleasure that the friendships thus formed have been added to and enriched by the presence

presence in Ottawa of Mrs. Robbins and yourself, and that of others who have been of the American Legation. I wish more of such friendships could be formed between the peoples of our respective countries. I become increasingly convinced that along that path more than any other lies not only the hope of progress but, in our day, the hope of the world. It is a great joy to feel that even in so remote a way it is my privilege to be sharing with you and Mrs. Robbins, at this time, what after all lies nearer my heart than all else, - namely the forming of those simple and kindly relationships between men and nations which lie at the hearts of the world's peace and the happiness of mankind.

I like to feel that your letter is an expression of this closer friendship between our respective countries, as it is, I know, the expression of your own personal friendship and that of Mrs. Robbins - a gift which, on this birthday anniversary, and at all times I would have you feel is more than deeply valued.

With kindest regards to Mrs. Robbins and yourself,

Believe me, dear Mr. Robbins,

Yours very sincerely,

W.L. Mackenzie King.

"file
personal"

Canada
(S) (2)

AMERICAN LEGATION,
OTTAWA.

Jan. 4 / 35.

Dear Franklin:

This is a belated
letter to thank you for
your interesting photograph
of the house at Macao.

We are naturally most
happy to have it.

On my return I
found your letter with
the enclosed letter of

Thanks to Mr. Cahen who
with Dr Doughty was
responsible for getting
the Delano & Roosevelt
papers. I immediately
sent by hand your letter
to Cahen - Doughty now
tells me that he may
have more papers so
if there are I shall
certainly send them
to you -

We did miss not being
at Washington with you
for the New Year festivities
but I had to be here
for our reception at the
Legation & then for the
levee, both these parties
requiring my presence.

I have been writing
you a lot of late
but I may comment

that there is one advantage to my
letters & that is that they do not
require an answer.

Love to you all,

Warren D. Robbins

THE UNDER SECRETARY OF STATE
WASHINGTON

Canada
935

November 7, 1935

Dear Mr. President:

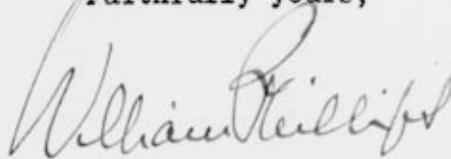
I venture to send you a personal and confidential letter which I have recently received from Norman Armour, which I believe you will wish to glance over before receiving Prime Minister Mackenzie King. Accompanying the letter is a report of a conversation between Mr. Mackenzie King and Mr. Armour on October 25th, which also may be of interest to you as showing Mr. King's pet idea that Canada can play a useful role as an intermediary between the United States and Great Britain. You will note that Mr. King has mentioned particularly the Italo-Ethiopian situation and that if the United States and Canada could present to the world a united front it

The President,
The White House.

would have an enormous effect for good.

As soon as Mr. Mackenzie King assumed office he sent to Washington his two experts who had been previously working on the earlier draft of the trade agreement. During the last few days our experts have been working almost night and day with the Canadians and have arrived at a new set-up which in our opinion is vastly more favorable to the United States than the one which was being considered with Mr. Bennett. I feel fairly certain that you will be pleased with our success and we all hope very much that you can find sufficient time on Friday to go into the new schedules somewhat fully, so that you will have it in mind when you receive Mr. King.

Faithfully yours,

A handwritten signature in cursive script, appearing to read "William Phillips". The signature is written in dark ink and is positioned below the typed name "William Phillips".

THE UNDER SECRETARY
OCT 29 1935
DEPARTMENT OF STATE

Ottawa, Canada.

October 23, 1935.

Personal and Confidential

Dear Bill:

A few days after the elections I had a talk with Dr. Skelton. A memorandum of this talk was sent on to the Department under cover of my despatch No. 149 of October 17, but it may well be that, busy as you are, you will not have seen it.

In this talk Dr. Skelton expressed some optimism as to the possibility of securing a trade agreement in the near future along the lines of the present negotiations. At the same time, however, he made the apparently considered statement that he felt that we had come to a very important crossroads in our relations. If we are able to conclude a trade agreement sufficiently comprehensive in its nature really to give the relief desired, certainly in Canada and he thought also in the United States, then all would be well. But if we did

not

Honorable William Phillips,
Under-Secretary of State,
Department of State,
Washington, D. C.

U.S.A.

not reach an agreement then it would probably mean that Canada would of necessity be forced back within the Empire; into the arms of the British who were ready with their offers - but of course at a price. And the price would be the sacrifice of certain secondary industries here in Canada (presumably woolen industries, etc.).

Thus Canada would be forced to fall into line with Neville Chamberlain's plan (the first step of which was realized at the Imperial Economic Conference of 1932) to form a preserve for British exports and a part of a world-wide British economic Empire on this continent whose interests, as progressively developed from London, might soon diverge seriously from ours.

The second of these two possibilities, Dr. Skelton hoped, would not occur, not only because he felt it would be a mistake for Canada to put all her eggs in one basket but also because he thought it important that there should be developed what he termed "a North American mind", and that this would be difficult if the doors of the United States were closed and Canada was told, to all intents and purposes, that we were not interested

interested or at any rate not able to meet them half way and that they had better throw in their lot with the British.

I am sure that there is no need for me to expatiate to you, of all people, on the unfortunate effect of such a second course, not only on our relations with Canada but upon the whole economic structure of our country. On the other hand, I realize what a very difficult position the President and the Department are in. I am wondering, however, now that the President is back after a good rest and now that the Canadian elections are out of the way and we know exactly with whom we are dealing, whether it would not be possible to have the whole question re-presented to him, this time not so much from an economic standpoint as from, well let us say, a political or international viewpoint if you will.

It seems so clear to me that an agreement reached at this time, with all the advantages that it would offer to the American exporter, plus the very real effect for good that it would have in both countries as evidence of our ability to come to an understanding and the long-range effect in bringing Canada not only within our
economic

economic but our political orbit, would more than offset such opposition as might develop in Maine or the west as a result of minor concessions made on seed potatoes and cattle. Canada is after all, and has been for years, our second best, often our best customer. But far more than that, is it not vitally important for our political future that we have next to us a Canada interested in developing her trade with the United States, interested in supporting our policies in regard to Latin America, possibly as a member of Pan American Union, the Far East and elsewhere, and feeling that in a thousand and one ways they are bound to us in practical things even though sentimentally and politically they are part of the British Empire.

It is very evident, for instance, that present economic difficulties of adjustment between the United States and Canada arise largely out of the parallel nature of our agricultural and industrial developments. In recent years of high protection on both sides great impetus has been given to developing in Canada the production of products and the creation of industries which are destined to compete sharply with our exports on the markets of the world. It does not seem to me inevitable that

that this development should continue to such an extent that Canada, equipped with low-priced French-Canadian and other labor, may become before long our most intensive competitor abroad in many spheres of agriculture and industry.

There is still time, while Canadian economy is in a formative stage, to shift the impetus away from highly competitive production to complementary production. Studies forwarded to the Department on the subject clearly reveal the possibility of developing some Canadian industries that do not seriously compete with our domestic production if we cooperate in affording suitable markets for them in the United States and the possibility of opening the Canadian market again to various fruits and other products now diverted to the West Indies and other Empire competitors. The study and progressive development of such an economic policy would result in a closer political relation for the future and a larger and more stable market for American exports. Furthermore, the immensity of our national investment in Canada, estimated at \$4,000,000,000, greater no doubt than our national investment in a number of our States put together, should argue the wisdom

wisdom of the development of an increasingly close economic and political relationship with Canada which will protect it from the vicissitudes which might flow from the adventure of all British economic imperialism.

That is what, as I see it, is involved in the present decision. The British have undoubtedly learned the lesson, or are learning it, from the experience they are at present going through in Europe that they must take steps to bind the individual members of the Empire closer to them. Statements recently made by Hoare and others show this. Canada in particular, partly perhaps because she has less interest in the Italo-Ethiopian question than the other Dominions, has hesitated more in supporting the British Government's position in this crisis than the people in London would wish. If, however, the economic and financial bond between Canada and the British Isles is to be strengthened, at our expense, as it might be by our refusal to meet Canada and by forcing her completely into the British orbit, then I see a vista opening before us of great difficulties, not only of an economic but also of a political nature.

On the other hand, it would appear that we are on the verge of a crisis and the real emergency that would be the

the verge of success if we are willing to make the one or two sacrifices demanded by the Canadians. Wilgress, one of the Canadian experts, told me the other day that he had explained at the Department that if we were willing to give them three out of the five principal points they demanded (lumber, cattle, cream, cod or potatoes) they would be able to give us virtually everything we asked.

Of course, we have not yet had an opportunity to ascertain how the new Government is going to proceed, but there is every indication, as Skelton told me, that Mackenzie King will be willing certainly to go as far as Bennett has gone.

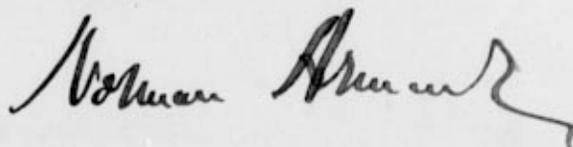
Forgive me for putting this matter up to you in such a personal way, but I feel that it is a question of such vital importance that I should do so even at the risk of giving you the impression that I do not appreciate the difficulties you are all up against. I do, very much so, but on the other hand I feel that I should be failing in my duty and in the purpose for which I think I was sent here if I were not to stress once more what I consider to be the very critical point we have reached and the real tragedy that would result

if

if we were not to grasp the opportunity that is now offered and that may not be offered again.

For if we fail to reach an agreement now, that is before January 1st, I am sure you will agree that it will probably be impossible to do anything after Congress reconvenes. That brings us to the elections in 1936 and would probably mean a delay at least until the spring of 1937. By that time Canada will have had to take part in another Imperial Economic Conference and may very probably be forced into a position where she will have had to give her answer to the British. This answer might have to be, as Skelton says, acceptance in view of collapse of efforts to reach a basis for economic agreement between the United States and Canada.

Sincerely yours,



Enclosures:
2 Memoranda,
Oct. 24 & 25, 1935.

Aug 7, 1961

Memorandum of conversation between Norman Armour, American Minister to Canada, and Prime Minister Mackenzie King, Oct. 25, 1935. (Mentioned in William Phillips to Pres. Roosevelt, Nov. 7, 1935, PSF, Canada)

10-25-35

MEMORANDUM.

October 25, 1935.

I called this evening on Mr. Mackenzie King to return his visit of yesterday.

After discussing matters of general interest, Mr. King again raised the question of the trade agreement negotiations and said that after thinking the matter over further, he felt that a very useful purpose might be accomplished by his going down to Washington and seeing the President. He felt that he could do this without creating undue comment by announcing that he must take a rest following the strenuous campaign, and that he was going to Atlantic City for this purpose, but would proceed first to Washington to spend a day or two at the Canadian Legation, and of course would naturally, under these circumstances, go to the White House to pay his respects to the President. Incidentally, he would profit by the occasion to visit his doctor in Baltimore. It would, however, he thought, be inadvisable to visit Washington unless or until he was assured that a trade agreement was in sight; in other words, that the present negotiations would result in an agreement. He had not as yet had an opportunity to study the question, but in general he wanted the studies that had been made thus far continued.

Mr. King said that of course before taking any definite steps to put this plan into execution, he

would

would wish to know whether this would meet with the President's approval and what Mr. Roosevelt's plans might be, but if agreeable to him he thought that he could manage to be in Washington at any time between November 6th and November 10th. This would enable him to meet Lord Tweedsmuir, escort him to Ottawa, and have two days with him, and then have his ten days or two weeks' rest, visiting Washington and Atlantic City and returning here in time for his conference of Provincial Prime Ministers late in November.

As to what he would discuss with the President, there were, he felt, several subjects. First of all, of course, there was the trade agreement, and the general effect it would have on our political and economic relations. He reiterated all that he had said the previous day (see memorandum of conversation) regarding the necessity of closer cooperation between the two countries. If it were not for the coming British elections he would have suggested to Neville Chamberlin that they proceed immediately to the revision of the Ottawa Agreements, but this would be out of the question now until after November 21st. On the other hand, he felt that if we could conclude a trade agreement before he took up his negotiations with the British, this would be advantageous from the point of view of both countries.

Mr. King personally felt that the important thing was to have trade movement; that he had consistently maintained that imports were almost as

important

important as exports. The great thing was to have the people see plenty of movement - that cars coming in usually meant cars going out, and that he felt that no one could really estimate the enormous value from the point of view of morale of both countries that would accrue from the agreement at this time. And it would, he felt, lead to so many other things. He had particularly in mind the effect on the British of seeing Canada and the United States proclaim a trade agreement within the next two or three weeks. (The prospect of this seemed to give him almost malicious pleasure.) Then, too, he felt that the effect on other countries in Europe might be very important, particularly if they saw two countries as powerful as Canada and the United States ironing out their trade difficulties and ready to face the world situation together, for that, he felt, was what it would mean; and then he proceeded to develop his idea.

He explained how he felt Canada could be of great use as a link between Great Britain and the United States. This was a role which he had always insisted Canada should play more actively even than it had done in the past. He, himself, had on two occasions acted as intermediary between the American and British governments. The first occasion was during the regime of President Theodore Roosevelt. As Deputy Minister of Labor he had made quite a study of the Japanese situation and was in Washington at the time that Roosevelt had sent the fleet around the world,

world, and was worried with regard to our relations with Japan. Roosevelt had asked King whether he could not explain the situation to Lord Grey, who was then Governor General, and see whether the British government understood what lay behind Roosevelt's actions; that he was not trying to force the United States into a war with Japan, but that he felt certain things had to be made plain to the Japanese, and he did not wish the British, because of their alliance with Japan, to receive a wrong impression. After consulting Sir Wilfrid Laurier, King returned to Roosevelt with the offer to be of any assistance possible, and it was as a result of Roosevelt's accepting this offer that he, King, had later visited England, ostensibly to discuss Indian emigration to Canada, but in reality to explain to the British government - Lord Morley - President Roosevelt's position.

Again, prior to the Empire Conference in 1923, Mr. Hughes had told him that he was most anxious to get the British to cooperate with us in enforcing our prohibition laws and consenting to permit us to exercise jurisdiction over smugglers beyond the three-mile limit. The British were reluctant to do this on account of their historic policy of freedom from search at sea. Lord Curzon, at the same time, was most anxious to secure American participation in a conference regarding reparations. King finally, through talks with Lord Salisbury and Mr. Baldwin,

and

later with Lord Curzon, was able to bring the British government around to the American point of view on rum running, and incidentally the British were satisfied on the reparations angle.

Mr. King said that he merely cited these instances to show that he was not only a believer in Canada's role as a possible intermediary between the United States and Great Britain, but that he had actually put it into practice and was prepared to do so again. He had in mind the coming naval conference to be held in London; also the Italo-Ethiopian situation. Laughingly he opened the portfolio on his desk and drew forth three dossiers. "These are the matters", he said, "we have been discussing at the Council meeting from which I have just come.

1. The Italo-Ethiopian situation.
2. The coming naval conference.
3. The trade agreement with the United States."

In mentioning the naval conference almost immediately following his reference to his mission to England on behalf of President Roosevelt in connection with the Japanese situation, the trend of Mr. King's thought seemed to me to be fairly apparent. As to the Italo-Ethiopian situation, he said in so many words that he felt that if the United States and Canada could present to the world a united front it should have an enormous effect for good.

One other thing, Mr. King said, occurred to him: In 1928 he had signed the Briand-Kellogg pact on behalf of Canada. In going over to France for this purpose he had deliberately arranged to travel on the same steamer as Mr. Kellogg, although suggestions had come from certain quarters that perhaps his travelling to France with the American Secretary of State might be misinterpreted. His reason, he said, in doing this was in line with his general policy to seize every occasion possible to show Canada's solidarity with the United States on matters affecting their mutual interest and well-being. That had always been his policy and would continue to be.

These, Mr. King said, were the questions which he thought could be profitably discussed with the President. Of course it would be well understood that neither side would be bound in any way. It would be merely a frank exchange of ideas that would, he felt, so far as Canada was concerned, prove extremely useful in framing its future policies. "For we must stand together on all these questions", he reiterated. "I am not in favor of annexation. I don't think that would be good for either country. Certainly you have enough troubles of your own without wanting to add us to them." However, short of this, he did feel that there must be close economic and political cooperation, and it was with this in view that he ventured to suggest that a visit to the

President

President would be very helpful.

I told him that I would be glad to get in touch with Washington, either with Mr. Hull or Mr. Phillips, and try to have some word for him as soon as possible. I thought the President had only just arrived back from his cruise, and it might be a day or two before it would be possible to ascertain what his plans might be around the time Mr. King indicated he would like to be in Washington.

As I was leaving, Mr. King told me that he had as yet made no decision on the appointment of a Minister to Washington. He had one or two people in mind but he wished to think it over very carefully before reaching a decision as he felt the decision to be a very important one. "You may think it a somewhat extraordinary suggestion to make", he said, "but if any of your people have anyone in mind that they think would 'fill the bill' particularly well, I would be glad to have suggestions". I laughingly passed this off by merely remarking that I felt sure we were perfectly safe in leaving that decision to him.

PSF: Canada

HEADQUARTERS FOURTH CORPS AREA
OFFICE OF THE CORPS AREA COMMANDER
FORT MCPHERSON, ATLANTA, GEORGIA

February 26, 1934.

Mr. Marvin H. McIntyre,
Secretary to the President,
The White House,
Washington, D. C.

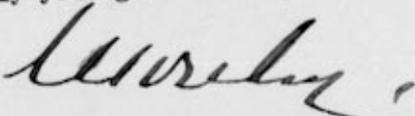
My dear McIntyre:

My mail brings me a letter from a very fine business man of Ohio who is also a good Reserve officer. I thought you might be interested in the following quotation from his letter:

"I have just returned from a weeks trip through the eastern part of Canada and I must say that Mr. Roosevelt is about as popular up there as he is in the states. Several Canadians advised me that he could be elected Premier of Canada if he would run."

My best wishes go out to you for every success.

Faithfully your good friend,


GEO. VAN HORN MOSELEY
Major General, Commanding.

PSF:Canada

March 3, 1934.

My dear General:

Thanks for your note of
February 26th.

"We" found it interest-
ing.

Sincerely yours,

M. H. McIntyre,
Assistant Secretary
to the President.

Major General George Van Horn Moseley,
Headquarters Fourth Corps Area,
Fort McPherson,
Atlanta, Ga.



CABLE ADDRESS - "WALDORF, NEW YORK"
TELEPHONE - ELDORADO 5-3000



PARK AND LEXINGTON AVENUES
FORTY-NINTH AND FIFTIETH STREETS

P. J.
The Waldorf-Astoria

New York

March 4th / 34.

Dear Franklin:

I cannot let the fourth of March pass without sending you from Irene & myself a word of love & congratulation.

On this particular day people seem to be realizing a little bit more than usual what has been accomplished in a year by the President of the United States - more power to him.

I was in Washington for a

few hours on Friday, trying
to straighten out (and with some
moderate success) my finances.
so I did not bother you with
a call though I always love
to see you. I had to return here
on the four o'clock.

We had a nice tea with
Aunt Sallie who I am happy
to say flourished after the
visit to Canada.

We have, I think, arrived at
a good settlement of the "Trail
Smelter" case & now await your
powers on the "Water Ways" -
Love from us both,
Warren W. (Robbins)

Canada



THE CLOISTER
SEA ISLAND, GEORGIA

Nov. 25, 1935.

Dear Mr. President:

Many days have elapsed since I had the honour of being the guest of Mrs. Roosevelt and yourself at the White House, but so vivid are the impressions the visit has left that it seems as if they were of yesterday. I have wanted to send a word of thanks until I knew you were under way with your "holiday" at Warm Springs, and until I might be able to tell you that the stay here had brought with it all that was to be desired in the way of rest and recreation. I was very tired when in Washington, as you must have observed, and for that I failed to begin to express to Mrs. Roosevelt and yourself the profound appreciation I felt of the privileges and pleasures which the visit afforded.

Henry from that no mind anything, at any time,
had left memories there were no longer cherished.

I hope that you and Mrs. Woodwell - will feel
that I am always 'Protégé'; and that I shall be
back always with 'Thankfulness', or with a 'grate',
as the saying is some together.

Henry I also have delighted I was to receive
^{such personally} an acknowledgment having so much more an appreci-
-ation with Howard's memory; and I have in
Hans will what I hope you will permit me
to believe is a very real friendship. It was
a joy to me, and equally an inspiration, to
see you in the midst of your great work. I
am able now to believe you from day to
day as you discuss the duties and respon-
-sibilities of the office of President. May you
continue to be in union the strength and wisdom
needed for this performance, and the joy that
so wisely requires your thought and all
that would enrich your power.

I am glad that the agreement here has
So sympathetically received in both the United
States and Canada, and the Government's support
only, but by many was the objection.



THE CLOISTER
SEA ISLAND, GEORGIA

What pleases me very much is the reception it has apparently had in Great Britain and on the Continent. Its significance as the herald of a better day, and a better way, is, I believe, generally recognized.

I hope you are managing to have something of a rest, as well as change, and that you will return to the Capitol much refreshed in mind and spirit.

With the renewed expression of my warmest thanks, and with kindest remembrances to Mrs. Roosevelt and yourself,

Believe me, dear Mr. President,

Yours very sincerely,

W. Woodring King.

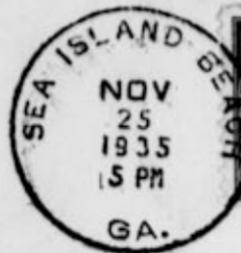
The Honorable

Franklin D. Roosevelt

President of the United States

Personal.

file
personal



The Honorable.

Franklin D. Roosevelt,

President of the United States

Warm Springs

Georgia.

PSF Canada



SEA ISLAND
GEORGIA



Leave the President: I think you will agree that
this is - (one of the best!)
A. H. Hays.

ATURDAY, NOVEMBER 23, 1935

The Good Neighbor Policy

By Thomas



STRICTLY ~~CONFIDENTIAL~~

"file Personal"

*File
Canada
(S) (1) 1935*

DEPARTMENT OF STATE
WASHINGTON

December 14, 1935

My dear Mr. President:

Representatives of the shingle interests in Congress may urge you to exercise the authority they believe you have under the Trade Agreements Act and the trade agreement with Canada to impose a quota on shingles. For your information I enclose a memorandum setting forth certain considerations in regard to this matter.

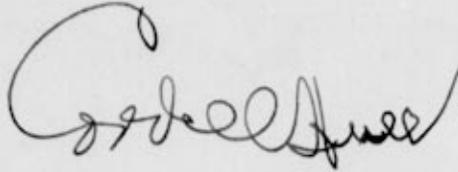
Quite apart from the question of the advisability of imposing a quota on shingles, is the question of the authority under which such a quota would be established. For the reasons given in the enclosed memorandum, it would be particularly dangerous to impose a restrictive quota under the authority of the Trade Agreements Act, even if such authority were clearly provided for in that Act. Other avenues are open to the shingle producers which would not expose the Trade Agreements Act to a test of constitutionality in the courts. The reservation of the right of the United States to impose a quota on shingles was inserted in the Canadian agreement in
order

The President,

The White House.

order to leave these other avenues open; it was not intended that a quota would be imposed under the authority of the Trade Agreements Act.

Faithfully yours,

A handwritten signature in cursive script, appearing to read "C. G. Bell". The signature is written in dark ink and is positioned to the right of the typed closing.

Enclosure:
Memorandum.

Department of State

DIVISION (TA)
BUREAU ()

ENCLOSURE

TO

LETTER DRAFTED

ADDRESSED TO

The President,

The White House.

~~STRICTLY CONFIDENTIAL~~

MEMORANDUM

The Trade Agreement with Canada contains the following provision:

"Shingles of wood Free

Provided, That the United States reserves the right to limit the total quantity of red cedar shingles which may be entered, or withdrawn from warehouse, for consumption during any given half of any calendar year to a quantity not exceeding 25 per centum of the combined total of the shipments of red cedar shingles by producers in the United States and the imports of such shingles during the preceding half year."

The purpose of this reservation was to leave the way open for the shingle industries of the United States and Canada to reach a mutually satisfactory marketing agreement similar to the voluntary agreement in force under the NIRA. Failing such an informal agreement, the way is left open to the domestic shingle producers to organize themselves under a voluntary code of fair competition with a view to possible action by the President under Section 3(e) of the National Industrial Recovery Act, in the event of the continuation in effect of that provision of law or the enactment of similar provisions. The way was also left open for legislative action by the Congress should a limitation on importations to the amount specified be deemed desirable.

Senator Steiwer stated in a letter dated December 4, that the efforts of the domestic shingle association to negotiate

negotiate an agreement with British Columbia manufacturers with regard to an import quota had met with delays; and that if it was the view of the State Department that imports could not be limited under the reservation without the enactment of legislation, he desired detailed information concerning the basis of such a conclusion. In reply he was informed that the proviso was inserted for the reasons set forth above. He subsequently insisted by telephone on an answer to the question: "Has the President authority under the Trade Agreements Act to impose a quota, and is it the intention that such a quota will be imposed?" He was advised by telephone that it was believed the President has authority under the Trade Agreements Act to impose a quota, provided that the right is specifically reserved in the trade agreement itself and that the imposition of such a quota would be requisite or appropriate to carry out the agreement. He was further advised, however, that in view of the purposes of the Act and of the broader aspects of the question it was not the intention of the Administration to impose a quota on shingles under the authority of the Act.

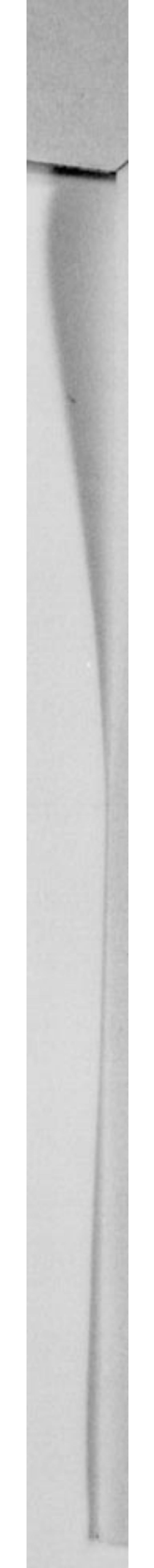
Aside from the basic question whether it is desirable to limit the importation of shingles, there are two substantial reasons for not imposing a quota in the present case under the authority of the Trade Agreements Act and

and of the Canadian Agreement. First, it is open to some question whether there is an adequate provision in the Canadian Agreement to sustain the imposition of a quota as a part of and under the authority of that Agreement. The Trade Agreements Act authorizes the President to impose under its authority only such import restrictions "as are required or appropriate to carry out" provisions in foreign trade agreements entered into under the Act. In the case of the Canadian Agreement there is merely a reservation of the right to impose a quota.

The second is an important reason from the viewpoint of general policy. If such a quota could be and were established under the authority of the Canadian Agreement it might open the way for an early test in the courts of the constitutionality of the Trade Agreements Act. Prior to the passage of the Trade Agreements Act of June 12, 1934, domestic producers were given a right under Section 516(b) of the Tariff Act of 1930 to protest and contest in the courts a ruling of the Collector of Customs on the grounds that the ruling established an illegally low rate of duty. The Trade Agreements Act repealed Section 516(b) with respect to matters relating to agreements concluded under that Act and accordingly today only importers can protest and contest rulings of the Collector of Customs as to such matters. Importers are given this
right

right under Section 514 of the Tariff Act, but it is questionable whether the courts would entertain a protest by an importer against the reduction of a duty. However, should a quota be imposed, importers would have grounds for protest under Section 514 against a decision of the Collector excluding merchandise from entry. It is to be feared that persons desiring to attack the constitutionality of the Trade Agreements Act would assert a right to import shingles after the quota had been filled, on the ground that the quota was based on the authority of an allegedly unconstitutional act, i.e., the Trade Agreements Act. In this way the question of the constitutionality of the Trade Agreements Act might be very shortly raised in the courts. The non-imposition of such a quota would apparently render it much more difficult to bring before the courts for decision the question of the constitutionality of the Trade Agreements Act; moreover, in the matter of a restrictive quota, such as the one under consideration, the contestant would presumably be in better case than if he based his contest on some other ground such as a reduction of duty.

Of course these considerations do not apply with respect to any quota which might be established under other authority than that of the Trade Agreements Act, should



12-14-35

~~STRICTLY CONFIDENTIAL~~

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The President,
The White House.

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Of course these considerations do not apply with respect to any quota which might be established under other authority than that of the Trade Agreements Act, should

should this be found advisable for the protection of the domestic shingle industry.