

● PSF

Mexico: Josephus Daniels

PSF
Meyers
Daniels

Her
Personal
JFK

México, October 9, 1933

PERSONAL.

Dear Franklin:

Does gossip interest you, or do big things so engross you that you have no time for lighter things? In other days, in 1913-20, when we were in the Navy, you were not above it, and naval gossip was one of the intriguing pastimes before the stress of the World War engrossed all our time, day and night. Even then gossip was not wanting in Washington - all kinds of gossip. You will remember that we could hear the most impossible tales of what was to be done, which some officials believed, or pretended to believe, as they retailed the stories from mouth to mouth, always with the solemn injunction: "This is between us, strictly confidential". One day at a Cabinet meeting, before business was taken up, a member told of a story going the rounds affecting important personages and policies. After hearing it, President Wilson said: "Two weeks ago a gentleman took me off to one side and communicated that story to me, under the strictest injunction of secrecy, saying that it was known only to two other persons. Now I see that everybody has been told the same sacred secret. Henceforth, I will permit nobody to tell me anything in confidence. I now find that if I comply with my promises not to relate the incidents given to me so confidentially I lose my interest, and if I violate my pledge of secrecy I lose my principle."

It was about that time that President Wilson called the corridor, or "Peacock Alley", of the Hotel Willard, "Washington's Whispering Gallery". Newspaper correspondents congregated there to hear people supposed to be "in the know" impart alleged secret information of when ships would

sail

The President,
The White House.

sail with troops and like well guarded information. The informer always pretended to have inside sources which kept him advised. And sometimes a woman assumed to know what was in the minds of the officials of the War and Navy Departments. We both recall some amusing incidents of those days.

If Washington was cursed with gossip then (and by grapevine I hear it has been nearly as bad while Washington was crowded during the past summer), it is even more prevalent in this capital. Like Athens of old, there are people here who are engrossed in hearing or repeating some new thing. Gossip is an industry that flourishes here. Mexico owns more than one "Whispering Gallery". There is one in Mexican Government circles; one or more in Diplomatic circles; one in every Club, and there is a Club for the nationals of every country represented; and in the American Colony, and, of course, in the various Women's organizations. The recent change in the office of Minister of Hacienda gave full play to a perfect riot of gossip, much of which trickled into the Chancery and the Embassy.

"Why did Pani resign?", "Was the resignation voluntary or forced?", "And if either, why?". The answers to these questions upon every tongue ran every gamut of speculation or inquiry. On the Pani side, his leaving the government was said to endanger the safety of the whole financial situation, and we were told the loss of the financial Atlas would bring shocks and disaster to Mexican fiscal and monetary affairs. Some of his partisans felt that Pani was the rock on which the edifice rested. Exit Pani, exeunt stability and safety, was their feeling.

There was not wanting the suggestion that Pani felt that he was the indispensable man of the Republic and he had, therefore, violated Rule Six, which is "Do not take yourself too damned seriously". This explanation left little room for his partisans to say that Pani got out of his own accord, without admitting that he was so unpatriotic as to let the government finances go to pieces. That would not have been creditable to what some folks would call in our country "the greatest Secretary of the Treasury since Hamilton" (why do they forget Gallatin, whose services were great and more in keeping with Americanism than those of the much vaunted "little bastard" as John Adams called Hamilton?). So the gossipers had to say that Pani's resignation was caused by a request for it from the President. The concensus of opinion, therefore, veered around to the point that Pani was forced to get out. The gossip then centered on "Why?". That opened another

floodgate

floodgate which trickled, of course, to the Chancery, some of the Secretaries hearing one report and others different ones.

"Pani had to get out because his son in his cups declared in a public place that Rodríguez was only a puppet and that Calles is in reality the President", was one piece of gossip.

Another was that young Pani and a relative of Calles' had become involved in bitter controversy or even worse.

"The real reason", said another, "is that Pani and his family confine their social set to the old "científico" crowd, which claims to be the aristocracy of Mexico and has no social contact with the families of the Revolutionary group now in control of government". This theory was given currency in print in a pamphlet issued by General Francisco Aguilar, who was Military Attache in Washington. Printing the names of the honored guests at the wedding of Pani's daughter, General Aguilar pointed out that he and his family snubbed the Revolutionary leaders and their families. Soon after the publication of his pamphlet, the General was recalled from Washington, and the gossipers said: "This shows Pani controls the administration for he has been enabled to humiliate the officer because he criticized him". Later, when Pani stepped out, the gossip ran that the General was supported by the administration and that he had helped to procure Pani's walking papers.

I found that the Catholics who talked about the matter took Pani's side, and said that Calles did not like Pani because his wife was a Catholic and socially was always with the "científicos" and Catholics. The "científicos" (the old Díaz set enjoying privileges) are all Catholics. This gossip could hardly have foundation, for the wife of the President is said to be a devout Catholic. It is true in this country, even more than in the United States, that most men carry their religion in their wives' names.

When I called at the Foreign Office the day after Pani's resignation had been accepted, Dr. Puig said to me as I was leaving: "President Rodríguez wished me to say to you, if you inquired about the retirement of the Minister of Hacienda, that he wished you to know, confidentially, that it was due to their disagreement on economic questions." Of course I had made no inquiry. I think that is the true reason of President Rodríguez' request for Pani's resignation. The President and Calles and Puig had one point of view, looking to shorter hours

and

and better pay, nationalization of public resources, the large use of silver and financial policies with which it is said that Pani was not in sympathy. This seems borne out by the report, which seems well founded, that for days Rodríguez and Pani had held long conferences upon policies, and these conversations had terminated in an impasse.

The gossip was even more active as to who would succeed Pani. The papers were full of it and many names were mentioned. Rodríguez is credited with having made a master stroke when he named General Calles. If he had appointed a man of less distinction, it might have justified the wide spread talk that when Pani went out the credit of the country would be impaired and paper money become worthless. The President silenced all that talk when he named "the iron man". It commanded confidence. General Calles has been called in before to hold a Cabinet position in a time of crisis. When the crisis is over he retires to private life, or rather, to give the popular theory, to his position of "the power behind the throne".

To show to what extent gossip goes, it was currently talked that the rupture in the Cabinet came when Bassols, Minister of Education, protested that Pani, who was in charge of completing the National Theatre, had given a twenty-year lease for a restaurant and cabaret in the National Theatre (now nearing completion, which was started by Díaz) to a friend who would run it like a New York night cabaret. Undoubtedly Minister Bassols did protest on the ground that when completed that building, now called "The Palace of Fine Arts" would come under the direction of the Minister of Education, and he wanted it educational and cultural. He did not wish it as a social resort, a la New York night clubs. Most of the Cabinet and Rodríguez agreed with Bassols.

The most pernicious gossip was the whispered remarks that because General Calles is in love with Bassols' sister, he gave orders to get rid of Pani because he wished to back up the Minister of Education. Some people accepted that gossip, but when yesterday Calles requested Pani to continue the supervision and completion of the National Theatre, or Fine Arts Building, and Pani accepted, the theory seemed to fall to the ground.

Now if all this gossip has no interest to you, pass it on to Mrs. Roosevelt. It may beguile her for a few minutes. But I'll bet a peso that you grow weary of facts and N.R.A. and other capital letter problems, and that you will enjoy a respite and a dash of gossip.

My

My wife joins me in love to you and Mrs. Roosevelt.

Affectionately yours,

Joseph Daniels

PSF: Mexico - Daniels
Dec. 16. 1933. Dale
Personnel

Dear Franklin :-

During the Presidential campaign I spoke in Muncie, Indiana, and spent nearly two days there. This gave me time to learn much about George R. Dale and the charges against him. The chairman of the County Democratic Committee was a bitter political enemy of Dale. After hearing his side I spent part of a morning with Dale and he gave me his side and the story of his sensational trial. Others gave me his side. I became convinced that the charges were a disgraceful frame-up concocted by political enemies in his own and in the Republican party. If I had known the case had reached the point where you were to call grand jurors I would have written

writing a pardon. But I see in this a
in many matters our minds run
along together. Dale is our general and
cuts from the rear and in a way to
show no quarter to his critics. He hits
hard and they hit back. He is one of the most
interesting and dynamic personalities in
America, daring and courageous to the
highest degree. The conspiracy against
him was almost inevitable in a
civilized country. I can only say that you
frustrated its fulfillment.

Sincerely yours
Joseph Daniels

PSF: Mexico: Daniels

F. D. GIVES PARDON TO INDIANA EDITOR

Muncie Man Convicted for Liquor Conspiracy

(By Associated Press)

WASHINGTON, Dec. 14.—The White House today informed the office of Senator Van Nuys (Dem.), Indiana, that an unconditional presidential pardon has been granted to George R. Dale, militant mayor-editor of Muncie, Ind.

Dale was convicted of a liquor conspiracy in a Federal court in Indianapolis more than a year ago and was sentenced to serve 18 months in the Federal penitentiary at Leavenworth, Kan.

His conviction has been upheld by the circuit court of appeals in Chicago, but a petition for rehearing in that court has not been acted on.

Others convicted in the liquor conspiracy charged with Dale included Frank Massey, Muncie police chief, and other members of the police force.

PSF: Mafias:
Daniel

OFFICE OF
THE ASSISTANT SECRETARY OF THE NAVY

~~CONFIDENTIAL~~

30 January 1934

MEMORANDUM FOR THE PRESIDENT

*File
Daniel*

Dear Mr. President:

I am taking this up, and trust
there will not be a recurrence of the singing
of this song.

Sincerely yours,

H. L. R.
H. L. Roosevelt

THE WHITE HOUSE
WASHINGTON

~~CONFIDENTIAL~~
January 24, 1934.

MEMORANDUM FROM THE PRESIDENT
FOR THE ASSISTANT SECRETARY OF THE NAVY

Can you unofficially and very quietly pass the word along to the Caraboa people that, having memories of the 1914 dinner, it would be just as well not to sing the old song again. Will you let me have J. D's. letter back when you have read it?

Col. Roosevelt

México, January 16, 1934.

PERSONAL.

Dear Franklin:

I see in the Army and Navy Journal (I read it and often feel like swearing at some of its presumptuous advice to you) that the Grand Parramont Caraboa, of the Military Order of the Caraboa, has appointed a committee to arrange for the annual Caraboa dinner in Washington, on February 10th. I had supposed that this imperialistic order had dissolved itself, since in a hilarious dinner in 1914, I think it was, it had sung with gusto, heightened by intoxicating stimulants:

"Damn, damn, damn the Filipinos".

You will remember they had invited me to speak, and my speech was received with evident coldness. I had quoted Dewey, who had said that the Filipinos were better qualified to govern themselves than the Cubans. I also had expressed the hope that the day was not far distant when the Filipinos would be given their independence in accordance with our solemn pledge.

The newspaper reports of that meeting paramounted the spirit of "Damn, damn, damn the Filipinos", which dominated the banquet, and you will recall the stiff letter President Wilson wrote to the Secretary of War and the Secretary of the Navy, condemning the spirit of the gathering and the Caraboa order. He sent for me and asked me to say to Admiral Watson, head of the Military Order of the Caraboas, that he wished no Army or Navy or Marine officer or enlisted man in either

corps

The President,

The White House.

corps to again take part in any meeting. The result, as you will recall, was that the Order did not hold another public meeting during Wilson's term. I had heard nothing of it since and had supposed it had disbanded or gone into what Grover Cleveland would have called "innocuous desuetude", or as we would say in the South "gone where the woodbine twineth", or in plain Anglo-Saxon dissolved. It is to be regretted that an organization shot through with the worst spirit of militarism persists in this day when people and governments are seeing a new and better light.

I have received two personal letters this week from old friends. Thinking their expressions may interest you, I am quoting below an extract from each of them.

Stuart H. Perry, editor of the Adrian (Michigan) Telegram says:

"I am convinced that we are rounding a great turn, politically and economically, as we did in the 1820's and again in the 1850's, and with results that may be as far-reaching."

The other letter was from Richard L. Metcalfe, former editor of Bryan's Commoner and now head of the N.R.A. in Nebraska. From his letter I quote:

"When Norman Thomas, who was the Socialist candidate for President, was in Omaha a few days ago, he gave newspaper interviews in which he criticized the administration generally; but he added: 'If Roosevelt were today a candidate for president, he would be elected almost unanimously - republicans as well as socialists joining with the democrats to elect him.' That might be putting it rather strong; but I think it is safe to say that ninety per cent of the people of Nebraska are behind the President.

"Not long ago, in a radio talk I said that the old-time slogan was "The greatest good to the greatest number", but that President Roosevelt had improved upon that with the more comprehensive idea of "All the good there is to all the people there are".

"It is a great pleasure to me, and I know

"it is to you also, to be able to exchange these greetings at a time when the democratic administration is not only in power, but is secure in the affections of the people because of its splendid work for the masses. We have been together in so many defeats that it is indeed a great joy to exchange these greetings under the greatest victory in the history of our beloved party, and by 'victory' I do not mean election - I mean accomplishment, and under a man who is a democrat 'to the manor born'."

I have just read your message on gold and congratulate you upon the forward step. Our old friend, Carter Glass, seems to be the only important man who is out of line. It is fortunate that he is in the Senate and not in the Cabinet. His position at the Senate hearings, where the exposure of the methods of Morgan and others shocked the country, distressed all of Carter's old friends. Incidentally also it cost him such loss of influence that I do not think he can regain leadership. It is a tragedy that some men close their minds and think there is nothing new in philosophy or economy.

My wife joins in love to you and Mrs. Roosevelt.

Faithfully yours,

Franklin D. Roosevelt

File
927

México, March 1, 1934.

PERSONAL.

Dear Franklin:

Why will some Americans leave their manners, if they have any, at home when they go abroad? I am inclined to agree with Claude Bowers, Ambassador to Spain, who, in a private letter to me, said that the chief drawback to an Ambassador's job is having to play friend of drunken Americans who make fools of themselves and expect an Ambassador to enable them to escape the penalties of the law they have violated. Mr. Bowers was doubtless referring to the case of the four Americans who got into trouble by thinking they could treat Spanish soldiers or police contemptuously. They got what was coming to them in spite of the attempt Bowers made to secure mitigation. However, after a long stay in jail and their conviction in the courts, I believe they were released by the intercession of Bowers upon condition that they leave the country. If the press reports are correct, they liked Spain so well they protested against being compelled to return to the domain over which you preside. They must have found rest and something indefinably agreeable in a Spanish jail! And could you imagine it?

This incident recalls to my mind a happening in North Carolina some years ago. A man convicted of a crime, and sentenced to long imprisonment, contracted tuberculosis. His family and physicians asked Governor Aycock to pardon him so that he could go to the dry climate of Arizona, where the doctor said his lung trouble could be cured. The Governor issued a pardon to be good only as long as the man remained outside of the State of North Carolina. If he returned to the State where he had been convicted, he would be arrested and sent back to the State Prison. The man went to Arizona and before a great while was well. Perhaps he was not as badly off as the doctor made the Governor believe. You have found that doctors diagnose a

convict's

The President,

The White House.

convict's case much worse than it is when application for a pardon is based on the criminal's illness. President Taft learned that, after he was induced to pardon Morse because he had only a short time to live. My recollection is that Morse outlived Taft, and was very much alive and returned to his old tricks, making money as a war profiteer.

But to return to the North Carolinian. When his health was restored he had a yearning to return to North Carolina and live with his family, see his old friends, and enjoy the environment of his native State. Expatriation became unbearable and so he wrote Governor Aycock a letter something like this:

"Dear Governor:

When you pardoned me you imposed a condition that I should not return to North Carolina. Please let me come home, Governor. I would rather be in the State Prison in North Carolina than be a free man in Arizona."

I have forgotten what response the Governor made to that appeal, but I rather think the man came back to the State and was never apprehended. This belief is based upon my knowledge of the Governor's kind heart. As editor I criticized him for the too free use of the pardoning power. He made no answer, but upon retirement from office he said: "I have no regret for my exercise of clemency. I only regret I had not used the pardoning power more freely."

When there was much criticism that he pardoned too many criminals, this little skit was gotten off by an amateur company in Raleigh: A man, dressed to look like the Governor, was paying a visit to the State Prison, when a convict, passing His Excellency, stepped on his foot.

"Beg pardon, Governor", said the bungling convict.

"Certainly, here is your pardon", was the answer, the Governor reaching his hand into his pocket and handing the criminal a pardon.

Certainly the people did not hold clemency against Governor Aycock. A statue of him was erected in the

Capitol

Capitol Square in Raleigh, and last year another one was unveiled in Statuary Hall in the National Capitol.

I have had little trouble with Americans here. Nearly all are high class people who deport themselves in a way to cause respect for our countrymen. Only one drunk case has threatened to give us worry in Mexico. That was the case of the moving picture star, Lee Tracy, who came down with Wallace Beery to make a moving picture of the Villa revolution, or banditry reign, whatever name you give it.

It was alleged that in a drunken condition Tracy disported himself, so the newspapers here said, in "the habiliments of nature" (to quote Jimmy Martine) and nothing else, on the balcony of the Regis Hotel, "thumbed" the military cadets who happened to be marching by, and used insulting language to the marchers. He was arrested and put in jail. When application was made to me to "do something", I told Mr. Beery that if Tracy had become drunk and done the things charged, he was in jail where he ought to have been, and that I could not ask that he be treated differently than if he was a Mexican citizen who had violated the proprieties. I did tell Mr. Beery that, when Tracy had sobered up, I would seek to insure that the punishment would fit the crime, but nothing more. The resentment in certain quarters here against having a Villa picture made contributed to the criticism of Tracy. I think the authorities were glad, in fact they must have acquiesced, when Tracy was taken the next morning in an aeroplane to the United States.

It is bad enough when an American in his cups makes foolish statements calculated to create ill feeling. It is worse when he does the same thing through intoxication by his eloquence or verbosity. There was such a case here last month which might have created a serious situation if the press here - or most of the journals - had not ignored the incident. At a banquet given to California visitors at the Regis Hotel, attended by Mexicans and Americans, Senator Ralph H. Clock, of Los Angeles, made an address which LA PRENSA characterized as lacking "the most elementary courtesy". Senator Clock praised the valor of Americans in the Mexican War, particularly the men who stormed the heights of Chapultepec, and the marines and sailors who landed at Veracruz, concluding the tribute by saying: "We whipped them (the Mexicans) and made them like it". Evidently when he said that, Senator Clock's time-piece had gone awry. LA PRENSA says that General Juan José Mendez, Chief of Police, and other Mexicans and some Americans left the banquet room in protest at such utterances. LA PRENSA said that "the Honor-

able American Colony in this Capital proposes to send a vigorous protest to the Embassy of the United States in Mexico against the attitude assumed by the Yankee Senator".

In response to a request by John B. Elliott of Los Angeles, for information, he having sent a clipping from a Los Angeles paper containing an interview with Senator Clock, in which the Senator denied making the statements attributed to him, I thought it well to get the true story of the case. The story, suppressed by most papers here, was furnished by the United Press. I asked its representative, Mr. Jacques d'Armand, to give me the facts. He called at the Embassy, and said the account in LA PRENSA was substantially true, but that other Mexican papers had decided not to give it publicity because it might engender bad feelings, and as other tourists were not responsible and deprecated the remarks of Senator Clock, its publication might not contribute to the cordiality between Mexicans and American tourists. In this connection I may say that thousands of tourists have come to Mexico this winter, and they have returned home with a good opinion of Mexicans and charmed by the climate and beauties of Mexico. Their coming is welcomed here because they spend money and because they return home and spread the Good Neighbor policy. That was a happy phrase you put into your first Pan American utterance. It is on every tongue, even more popular in Latin America than Wilson's famous "make the world safe for democracy" classic.

Mr. d'Armand, the United Press representative, informs me that, in spite of Senator Clock's denial, the speech was reported correctly. In support of that statement he furnished me a statement made by persons who were present. George A. Proctor (one of the California tourists), an exporter of hops, who had been President of the Santa Rosa Chamber of Commerce and of the Santa Rosa Rotary Club, wrote:

"At the unanimous request of some eighty American tourists with the Don Hillman Cruise, I have been asked to convey to the citizens of Mexico City our profound regret in connection with the remarks made at the Chamber of Commerce Banquet by an individual whom we understand to be from California. I am sure that we resent his ill-spoken words far more than the Mexicans present at the banquet, and I wish to convey the most profound apologies of every member of this party for the ill-chosen words of this man."

Mr.

Mr. d'Armand also furnished me with a statement signed by H. B. Kelly, Charles M. Baughan and A. M. Stein, Americans (residents of Mexico) who were present at the meeting. He said that they, with their families, walked out on it because of the remarks. In the statement they say the Mexican speakers "spoke in faultless English" and were "eloquent in their whole hearted and sincere expressions of the friendship and good-will which exists between the United States and Mexico". They go on to say:

"There was, however, a slight distraction in the proceedings during the spell-binding and intensely gripping address rendered by the Honorable Senator Clock of California.

Shortly after his elaborate description of the great State of California, which description we none of us deny, and during his glorifying account of the gallant deeds of the valiant U.S. Marines, when they planted the stars and stripes on Chapultepec Palace during the war with Mexico, all of which facts we have all tried to forget in this era of peace and good-will between the two great nations, concluding his account of this war the Senator stated "We whipped them and made them like it."

At this moment there were a number of ladies and gentlemen who arose and left the dining room. Among them were several American families residents of Mexico who appreciate the hospitality they have enjoyed in this Republic.

Strange why they should leave at just that moment - was it not? Perhaps they preferred the atmosphere of good-will which existed elsewhere."

In the ten months I have been here these are the only untoward incidents that have occurred. While disgusted that these two public characters were guilty of overstepping the proprieties, it is a matter for rejoicing that the other many Americans who have come here have shown themselves perfect ladies and gentlemen. I regard that as a fine record, worthy of the best American traditions. I feel sure it is a record that will gratify you.

I am almost counting the days when I shall be with you at the review of the fleet.

My

My wife joins in love to Mrs. Roosevelt. Don't let her forget her promise to come here. There is a lure in this country that will charm her.

Affectionately,

J. P. S. Smith

PSF: Mexico
Daniels

Paula file

México, December 26, 1934.

PERSONAL.

Dear Franklin:

My wife joins me in thanks for the lovely fireside picture of you and "the Missus". It looks so quiet and "homey" that if we didn't know otherwise, we would always think of you two as leading a quiet life beside the fireplace. The only thing lacking to carry such an illusion is that Eleanor has no knitting and you are not smoking a pipe. I'll say that you deserved at least one such quiet evening, whether it came to you or not.

If you have not seen it, I advise you, if you ever get half an hour for reading outside official papers, to read at least two chapters in "Cannibal Cousins" a new book by John H. Craige of the Marine Corps, who was at one time Aide to General Lejeune. Inasmuch as you went to Haiti officially while we were trying to help its people in their dire distress, and incidentally keep the island from falling into possession of a European government, you will get a kick out of two chapters - one entitled "Of Concordats and Commodores", and the other "Republicans and Rebellion" - even if you lack the time to read the whole book.

These chapters have to do mainly with our old associates - George Barnett and Smedley Butler. The story in the chapter "Of Concordats and Commodores" reads like a selection from opera bouffe. I wonder if it is fiction, or whether there is a basis of truth in it. Of course we know it took diplomacy and maybe some suggestion of a Big Stick to secure ratification of the new Haitian Constitution. Didn't you have a hand in writing it? I recall that General Butler was an important factor, but the Comode incident seems to be far removed from probability. If it was told of any General but Smedley, I would

say

The President,

The White House.

say it was a manufactured sensational story. However, Smedley did stunts so outside the normal procedures, that I find myself wondering how much of truth lies in the astounding story. I never heard the version given by Mr. Craige, though I did hear stories that the adoption was obtained by some suggestion of force.

As to the Barnett incident, we both know that there is foundation for some of what is detailed. If he had been an Indian, General Barnett's name would have been The-Man-Afraid-of-his-Wife. Lellie certainly wore the breeches. When I reappointed Barnett, I told him it was only for the duration of the war, inasmuch as in peace time what Sam McGowan called the "Single Oak" policy (the single term) would prevail. I suggested that he write his resignation and leave it with me, to be accepted at the pleasure of the President. He readily acquiesced. The next day he called somewhat perturbed and said he preferred not to write his resignation and leave it with me, but he would give me his word as a gentleman that it would be forthcoming any day I wished it. He added that he would not wish to serve a minute longer than his superior wished him to be Major General Commandant of Marines. That was satisfactory to me. I knew he had talked to Lellie and she had forbidden the course he had agreed to follow. General Barnett served until after the Armistice and the coming back of most of the Marines from Europe. The naval policy then, as you will recall, was to promote the men who had won distinction on the field of battle in France. General Lejeune was clearly entitled to the highest place in the Marine Corps, both by all round ability and the honors given him in France as Commander of the Second Division.

After consulting with President Wilson, who approved the designation of Lejeune, I sent for General Barnett, recalled his promise and told him the President had decided to name General Lejeune, and I would be glad if he would give me his resignation. He pointedly refused to resign. I bade him "good afternoon", declining to discuss the matter of his breaking his word, given, as he had said, "on his honor as a gentleman". I did not feel very much aggrieved because I knew his wife had put her foot down with her veto and he preferred to lose my good opinion to having trouble with her. I didn't blame him. He did not have to live with me. He did have to stick it out with Lellie. He thought, inasmuch as he had been appointed for a usual four year term, that he was safe in the job unless he resigned. He did not know that under the law the President did not need his resignation. He was, therefore, thunderstruck and so was Lellie when the President, acting

upon

upon my recommendation and under the law, dispensed with his services and named General Lejeune. He was out of office the day I left for Hawaii. But he raised a great rumpus. I think he appealed to you and I know he appealed to the President. But to no avail. He was out and I had ordered him to duty at San Francisco, as far away from Washington as possible on our continent. Of course he had to go. Mr. Craig is substantially correct as to his report, though I do not pass on the motives. Barnett's charge that "practically indiscriminate killing of the natives in Haiti had been going on for some time" created a sensation. The Republican politicians seized upon it to make headway against the Democrats. The Navy men and Marines denounced it as a false attack on the Corps. I proved that it was far from the truth. But General Barnett and Lelie believed it would insure his coming back to his old job if Harding won. Lelie went to Virginia, qualified as a Republican poll-holder, and they got ready to score a "come back" when Harding came into office.

General Barnett and Lelie, however, figured without reference to General Smedley Butler. He believed that General Barnett had prevented his going to Europe early and that he had had a hand in keeping him at Pontenazen so he could take no part in the fighting, and you know Smedley longed for nothing so much as to get into action in France. When a Quaker gives up peace, he is a scrapper from Scrappersville. Moreover, Smedley despised Barnett and he loved Lejeune. Smedley's father, who was Chairman of the Naval Affairs Committee of the House, was as eager for Lejeune to stay on as he was for Barnett to stay out. The House Naval Committee agreed with its Chairman. A few days before Harding was inaugurated, when it was known that Denby was to be Secretary of the Navy, Chairman Butler came to confer with me as to the best way to prevent the displacement of Lejeune. He said: "Every member of the Naval Affairs Committee strongly favors Lejeune". This plan of action was agreed upon: Chairman Butler was to ask the new Secretary of the Navy to receive the members of the Committee on the morning after the inauguration, and, after paying their respects, they were to tell him that the one and only request they had to prefer was that he ask the President to re-appoint Lejeune, who was holding a recess appointment. The plan was carried out and every member told the new Secretary that above all else, if he wished to succeed, he should name Lejeune. It greatly impressed Denby. That afternoon he called to see me at the Navy Department. He had served in the Marine Reserve during the World War and I had gratified his desire to go to Europe. We were on excellent terms. "I should like

to

to talk to you about a matter that may have an important bearing on my first days as Secretary of the Navy", he said. He then told me of the visit of the Naval Affairs Committee and their urgent request for the retention of Lejeune. I was interested and asked questions calculated to convey the impression that I knew nothing about the affair. He then asked:

"What would you do upon coming into office if the united membership of the Naval Affairs Committee should make a request to retain General Lejeune?"

I replied that, if I regarded General Lejeune as worthy, I would hasten to grant their request. "I have found that my strength and success was largely due to the coöperation of the Naval Affairs Committee. If they support you heartily, you can get almost anything you feel is necessary, if you can convince the Committee. If they are not in accord, you will have hard sledding".

Denby named Lejeune and that made Smedley Butler very happy, as it did his father, and I think you were as well pleased as I was. It was the hope of the Butlers that when Lejeune's term expired, Smedley would succeed him. And that was my hope, which Hoover blasted. But that is another and a long story quite familiar to you. Read the book if you can snatch the time, at least the two chapters.

My wife sends love to all your family, including your mother, who has an abiding favored nation clause place in our hearts. I am sorry we cannot accept the invitation to attend the reception at the White House on the third of January.

Affectionately yours,

Josephus Daniels

P.S.: In his book "Old Gimlet Eye", Smedley gives a characteristic account of how he pushed his foot into the crack of the door of President Dartiguenane's chamber, forcing entrance, how he rounded up the unwilling members of the Cabinet, and how he secured a decree dissolving the assembly - Dartiguenane writing under compulsion: "In order to encourage agriculture and to stabilize the currency, I do hereby dissolve the Assembly of Haiti". If you haven't read Butler's description of how he obtained the decree and how he and the Marines and gendarmes secured its execution, you'll find it as intriguing as Craige's account.

JD

P.F.

Mentis
Daniels

México, September 30, 1936.

PERSONAL.

Dear Franklin:

I was glad to note that you had decided to send a small squadron into European waters during these troubled days. To be sure it may be argued that we run some risk in so doing. I recall that in the early days before we entered the World War, when we had the TENNESSEE and NORTH CAROLINA and sent colliers into the Mediterranean we were told that we ran serious risks and that if they were torpedoed and Americans killed the situation might be serious. Even so, the duty to rescue Americans was imperative and the service we rendered in taking people to places of safety and later in feeding starving Jews is a crown of honor to us and to our country, although little was known of it.

The people of Mexico have been more keenly interested in the struggle in Spain than I would have supposed. And yet it is quite natural. Mexico was once New Spain and its people speak the same language and have the same literature. The feeling here about Spain is complex. The government and the people feel that Spain has exploited their country, kept it in ignorance and poverty, and yet so much of Spanish blood runs in their veins they are willy nilly tied to it and concerned with whatever goes on in Spain.

In the civil war in Spain they are not only interested. They are intensely partisan. The old "Cientificos" and wealthy people here have from the first been warmly in sympathy with the forces trying to drive out the government that was elected last February. It is a feeling of caste. They regard themselves as martyrs here to revolutionists who have destroyed the character of government and society old Spain had built up here. They see a

common

The President,
The White House.

common bond between themselves and their cousins in Spain who were ousted when Azana was elected President.

On the other hand the President and the National Revolutionary Party (embracing 75 per cent of the population) have been militantly for the Azana government and quite as vigorously against what they call the rebels. They have had demonstrations, raised money to send to their brothers fighting for the same things that they stand for in Mexico. I sensed this partisanship from the first, but did not quite appreciate how deep-seated it was until a few weeks ago when I had a visit from General Hay, Minister of Foreign Affairs. He was evidently deeply in earnest and I have no doubt he was speaking for President Cárdenas. He wished me to arrange so the Government could buy immediately a score of bombing airplanes in the United States. I hesitated and then he said:

"I wish to be perfectly frank with you. We feel it our duty to lend all the aid possible to the Spanish Government with which we are on the most friendly terms. If you will sell us airplanes, we will place them in the Mexican Army, and then we can send at once the airplanes now in our Army to help the Spanish government in its hard fight."

Of course I told him that our country was pursuing a policy of strict neutrality, and that to grant his request would be regarded as doing by indirection what we could not directly do. He showed disappointment, but said he appreciated our position. I heard no more of it.

Not long afterwards, as you read in the papers, Mexico sent a ship load of munitions, said to be of Mexican manufacture, from Veracruz to Spain. The news got out in Veracruz and was widely published. The War Department here at first declined to admit any knowledge of the shipment. Later the President in his opening message to Congress officially announced the sale of munitions to the Spanish Government. Most Congressmen applauded the action, though some people in the Government, apprehensive that the rebels would win, doubted the wisdom of it. They felt that no matter who won in Spain there would be repercussions here which might be troublesome.

"The situation in Spain exactly duplicates that in Mexico in the days of Madero and Huerta" said Minister Hay to me some days ago. "The only difference is that here they murdered Madero while Azana is still alive".

Hay

Hay was Madero's Chief of Staff and lost an eye in that struggle. He sees other parallels between the 1914-15 struggle here and the one going on in Spain.

"What do you regard the United States - a republic or a dumping ground?" was the question I asked Minister Hay not long afterwards when he told me "most confidentially" that if the Counselor of the Spanish Embassy gave trouble, he might feel it wise to deport him and would like to land him in the United States. I reported this to Secretary Hull in strict confidence, who replied approving my telling the Minister that the United States should not be regarded as a "dumping ground". Some days later the Minister intimated that he would not do any deporting. If he should wish to send the Counselor to the United States, Secretary Hull wrote that the Counselor himself should apply for entrance into the United States.

With my warm regards,

Faithfully yours,

Joseph Daniels

PSF: Mexico = Daniels

Franklin
Bureau

P F

México, February 16, 1937.

Dear Franklin:

I thank you for sending me the letter by Secretary Swanson replying to my suggestion that Father Duff be given the rank of Rear Admiral while at the head of the Chaplain Corps. Last June when I was in Philadelphia I attended a mass given in honor of Father Duff and also a banquet given him. In an address I made at the banquet, after your letter congratulating Father Duff had been read, I said publicly that before the next Congress met I was going to suggest to the Secretary of the Navy that Father Duff be given the rank of Rear Admiral and I addressed him as Rear Admiral. The suggestion was warmly applauded but later I saw Adolphus Andrews, who represented the Navy at the banquet, did not approve of the idea.

You will remember that when we gave the rank of Rear Admiral to Admiral Taylor, Admiral Griffith, Admiral Braisted and other heads of Bureau not in the line, our good friends Coontz and Washington thought that the world would come to an end and the Navy would lose its prestige if the same title were given to men like Taylor that was given to them. I seem to sense the fact that the Navy has not gone to the dogs, but is even better than ever. As I told Admiral Fisk once: "The Navy is a tough old bird and no Secretary could ruin it in a few years."

Of course I have no interest whatever in this matter and do not care to press it, but am writing again because of your statement that "I still think you are right". In addition to the fact that both you and I agree, I may say that it is entirely probable that our friend Swanson is permitting (as so often happens) his immediate advisers to influence him unduly. I am certain that the Catholics in America would feel it was a great distinction if the ranking Chaplain of the Navy, who belongs to that faith, should receive this honor, and because it is right and because it will be highly commended in many quarters I

venture

- 2 -

venture to hope that you will indicate to Swanson that you wish it done. Of course this is a matter of such minor importance that I even hesitate to write about it while you are under such a strain about matters of far greater importance.

Faithfully yours,

Joseph Daniels

The President,
The White House,
Washington, D. C.

PSF: Mexico - Daniels

file
personal

(1)

OFFICE OF THE
UNITED STATES OF AMERICA
Mexico, March 12, 1937.

PERSONAL.

Dear Franklin:

With the keenest interest I have been following the fight on the reform of the Supreme Court. Fortunately the radio enabled me to hear both of your speeches. Did you hear me applauding when you confounded the opposition by declaring that the "Ohio River and the dust bowl are not conversant with the habits of the inter-state commerce clause"?

If, as the debate proceeds, you find that doubtful Senators would welcome some concession in the original proposition (some Senators are that way) would not the best concession be, while insisting upon withdrawing from other Federal Judges the right to enjoin an act of Congress, to change the measure as to Supreme Court Justices to read something like this:

"From and after July 1, 1937, the Supreme Court of the United States shall consist of a Chief Justice and fourteen Associate Justices, and the President is hereby authorized to nominate an additional six Associate Justices to take office when the nominations are confirmed by the Senate."

Of course the phraseology could be left to the Department of Justice.

I have been surprised at the amount of sentiment as to unwillingness to wound the old Justices by saying that unless they retire younger men will be appointed. Some people say it is a hard thing to say to them: "Here's your hat. What's your hurry?" They would like to soften

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The President,
The White House.

the act. If six new Justices were added to the Court, without reference to the retirement of Justices over seventy, would not many people of tender sensibilities favor that method who are now troubled about what they regard as giving unnecessary pain to men over seventy? There is another consideration: It might give a plank on which some Senators might feel they could walk without inconsistency in voting for the objections in your proposal. You would reach the goal by that change as well as in the original proposal, and, perhaps, add support that you might otherwise lose.

In our conversation when I was in Washington, and in your statement to the public you pointed out that many applications for hearings by the Supreme Court had to be denied. An increase in the Court would remedy that condition. When the time arrived that there was not need for fifteen Judges, the number could be reduced. However, that could be left to the future. In our history legislation has been enacted both to reduce and increase the number of Judges, and there could be no legitimate argument against it. Such a course would silence much criticism and might secure recruits and you would secure the reformed Court.

There is more logic in your position, but it runs counter to sentiment and emotion. A simple act to increase the number of Judges might silence opposition based on the mawkish or real desire not to wound the sensibilities of a Judge who had passed three score and ten.

I do not know whether you have heard of the ruction which the speech of Tydings caused in Raleigh and what followed. The sponsors for the Victory Dinner asked Senator Bailey to secure a speaker for the occasion. He invited Tydings, who made a speech without once mentioning your name and proceeded to make a speech against your policies, a la the Liberty League. His speech abounded in warnings against "dictators", "regimentation", "subversive trends of government" and like statements reminiscent of Republican speeches last October. Jonathan the next morning wrote a bristling editorial criticizing what happened. I am enclosing you a copy. The next day he and other indignant Democrats, repudiating the fake Victory Dinner, issued a call for a Roosevelt Victory Dinner, which is to be held tonight. They expect three thousand to attend. Ickes is to speak. I wish I could be home to take part in it. The real Democrats, some Liberty League partisans dissenting, are up in arms

against

against Bailey's opposition to judicial reform. They blame him for the Tydings covert attack as much as they do the Maryland Senator.

I am not making the suggestion outlined in the first part of this letter because I advise adopting it now, but only for your consideration if it later seems wise to "cast an anchor to windward".

With my affectionate regards,

Faithfully yours,

Joseph Daniels

Enclosure.

APOLOGY FOR VICTORY

(Editorial in the News and Observer, Raleigh, N.C.,
March 4, 1937)

Leading Democrats of North Carolina gathered at a banquet in their State Capital last night at a Victory Dinner to find it turned into an occasion for apology for all that the victory meant, an occasion for covert attack on all that victory promised, and an occasion when the leader in triumph was wholly left out of what was advertised as a celebration of the victory for which he was chiefly responsible.

Save for the perfunctory mention of Roosevelt's name by the chairman in stating the purpose of the dinner and Senator Tydings' concession that the Chief Executive along with Governors, Senators and others "is a Democrat" there was no mention of the President, no expression of thanks for his leadership, and not one phrase of appreciation or honor for his part in the victory.

If other Victory Dinners in North Carolina are to be like this one, there have already been enough of them. If the Democratic leaders of this State are ashamed of the victory in which they were glad to partake at least let them not make public celebration of their apology. Six hundred and sixteen thousand North Carolinians voted for Franklin D. Roosevelt, more than ever voted for any other man. They are not ashamed of their leader but they have reason to be ashamed of such a dinner as was held in Raleigh last night. It is a new thing for Democrats to celebrate victory by apologizing for winning. It is a new thing for Democrats to rejoice in triumph by listening to sly attack upon the very victory they won.

The banquet last night was more representative of the repudiated Liberty Leaguers than of the proud and militant Democrats of the Old North State.

~~SECRET~~ TOM CORCORAN:

To read, return and file.

F.D.R.

Retel

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PSF: Mexico - Daniels
Personal

EMBASSY OF THE
UNITED STATES OF AMERICA

México, March 22, 1937.

PERSONAL.

Dear Franklin:

Most people are just beginning to learn that by packing the courts for many years the privileged classes have succeeded in bringing about a stalemate in matters where progress and change are needed. Aside from John Marshall's claim of the right of the Supreme Court to be above the other two branches of government of supposed equal powers, the worst thing that has occurred in the Court's history is the wrenching of the Fourteenth Amendment from the protection of the enfranchised slave and making it the refuge of monopolistic Big Business. That construction, made possible by Roscoe Conkling, is responsible for the decision in the New York case which in effect said that, while the Federal Government has no power over minimum wages, it is also true that no State has the right. It has introduced a No Man's Land. That decision has opened the eyes of many people to the need of judicial reform. The people might acquiesce in a ruling that denied the power to the Federal Government, but they could not tolerate the strained construction that this important power existed nowhere.

How much importance Big Business has attached to having conservative (so called) lawyers who would stand for the stare decisis was impressed upon me years ago by two striking incidents which may interest you:

1. During the second Cleveland administration Judge Bond of the Circuit Court of the district of which North Carolina formed a part, died. A recommendation was signed by influential men asking the appointment of Hon. Richard H. Battle of Raleigh, an honest and real conservative with no strings or predilections. A delegation from North Carolina was given a hearing and urged the Attorney General to appoint him. The other candidate was Judge

Simonton

The President,
The White House.

X He was a cousin of our friend
George Gordon Battle, of New York.

✓
Simonton of South Carolina, who had been a railroad attorney before going on the district bench, and who usually held with the railroads. I was interested as a friend of Mr. Battle's and asked the Chief Clerk of the Department of Justice if I might look over the papers in the case. I was then Chief Clerk of the Interior Department and because of comity he consented. I took down a list of the men who had recommended Judge Simonton. It was an impressive list and I could well understand that, nothing else appearing, he had the highest endorsements and naturally would, therefore, have the best chance of appointment. I decided to ascertain the record of the eminent lawyers outside the district who had recommended the South Carolinian. I did so, with the result that nearly every one was the attorney, often the chief counsel, of a railroad. I wondered at first why lawyers in New England and in the Pacific States should be interested in an appointment in our district. As a result of that inquiry and other investigations I was convinced there was a sort of concert between the railroads of the country whereby their chief attorneys would pile up endorsements for the candidate desired by the railroads in one section in return for like favors when vacancies occurred in that section. By this log rolling the man favored by the railroads always had such an overwhelming endorsement from the bar of the country that the appointing power felt he was the fittest man.

After this examination and investigation, I told the friends of Mr. Battle that he was not even in the running. My talk with the Attorney General, who said the endorsements for Simonton were so overwhelming that he could do nothing but recommend the South Carolinian, was held before my investigation. I, therefore, made no reference to the conspiracy of recommendations. The Southern Railway was all powerful at that time and its officials and lawyers (and it had retained every lawyer of any influence who would accept a pass on its staff) had been very busy, with the result that their favorite was most strongly endorsed. I recall that I was surprised that one of Judge Simonton's first decisions was adverse to the desire of the two big railroad companies that sought to dismember the Cape Fear and Yadkin Valley Railroad. Later, however, a way of dismemberment followed.

I do not suppose the same practice of trading endorsements was followed with reference to appointments on the Supreme Court bench. Senators from corporations saw to it that lawyers with corporation or status quo leanings were appointed. And sometimes Presidents were disappointed in the men they named. At first Theodore Roosevelt was disappointed in Holmes but lived to rejoice

in his distinguished service and militant liberalism. Wilson died regretting his choice of McReynolds. The appointment of Stone was personal to Coolidge who did not think Stone was as liberal as he proved to be. Hoover listened to Borah when he appointed Cardozo. His other appointments were more like Harding's who was careful to pack the Court with reactionaries.

2. The other instance occurred in 1908 during the presidential campaign when Taft and Bryan were the candidates. By October the leaders of the Democratic party in New York felt Bryan could win if he would assure Big Business that he would name "safe men" - meaning conservatives - on the Supreme Court bench who would do nothing to disturb the status quo. I was head of the Publicity Bureau and a member of the Bryan Campaign Committee, with headquarters in New York. One day Mr. Herman Ridder, publisher of the Staats-Zitung (an influential German daily), and a prominent Catholic, told me that he and Morgan J. O'Brien and De Lancy Nichol and other influential New Yorkers, who had not supported Bryan in former campaigns, believed that Bryan could win, and they and other very prominent men would line up supporters of the opposition if Bryan would do one thing.

"What is that?" I asked. Mr. Ridder said: "The Eastern leaders are in accord with Mr. Bryan upon most of his policies. There is only one thing that makes them hesitate. They fear he would appoint men they term radical on the Supreme Court bench. They are more interested that there shall be no change in the trend of the decisions of the Supreme Court, now favorable to vested interests and Big Business, than in anything else. If they could be assured that Bryan would name the sort of men they represent, I believe he can be elected."

"What do you suggest?" I asked.

"I think Bryan should give assurance to a group of men like Morgan J. O'Brien (and he named others who stood high whose names I do not recall) that only conservatives will be named on the Supreme Court bench."

Later Mr. Ridder told me he had invited Mr. Bryan to a dinner to meet influential leaders to discuss the campaign situation. "We have decided", he said, "that we will ask Mr. Bryan to make a statement in plain terms, which can be made public, that when he becomes President he will fill all vacancies on the Supreme Court bench with men of the convictions and record of Senator Gray of Delaware." He added that New Yorkers understood Senator Gray and knew

he

he would continue the rulings which upheld property and business rights.

Shortly before the dinner I informed Bryan of the pledge Mr. Ridder and the others would ask him to make. His jaws snapped and his eyes became hard. I understood that Ridder was on a cold trail in his sincere desire to do what he believed was necessary to get the support and the money to insure Bryan's election.

It was a feast fit for the gods, attended by about a score of party leaders from New York and the adjacent section. I was the only man from the South, and Bryan the only man from the West. The dinner ended, Mr. Ridder broached the matter of appointments on the Supreme Court bench, saying if the fear of radical appointees on the bench could be allayed, the Eastern supporters of Bryan felt sure he could win. He proposed a formula for Bryan's pledge - "the appointment only of men of the judicial qualities and conservatism of Senator Gray of Delaware". His speech was applauded, most of those invited being in sympathy with the proposition. Two or three others spoke in like vein. Then there was a pause and Bryan rose. I could see he was not happy. He began by expressing appreciation of the honor of the dinner and the pleasure of meeting leaders of the party, and his gratitude for their generous support. Ridder and the others beamed. He proceeded in courteous and friendly tones to point out that the suggestion which had been made might result in increased support in the East, but he ventured to suggest that it might have an opposite effect in other parts of the country. After elaborating on that line, he proceeded to point out the error in suggesting that if a candidate for President could not be trusted to name proper men on the Supreme Court bench, no pledge of naming a certain type of men would win votes. It might have the opposite effect. He closed by saying that if he went into the White House, he must go in free to listen to all elements of the party and not be bound by pledges to leaders from one section. Ridder and his friends were sorely disappointed. They were even more distressed when Charlie Murphy said: "You are quite right, Mr. Bryan. I agree that no pledges should be asked or made."

The diners separated. I returned to the hotel with Mr. Bryan. He talked all the way about the request for a pledge and concluded by saying: "I would not have my hands tied for the presidency. If I had agreed to make that pledge I could not even have considered naming North Carolina's great Chief Justice Walter Clark to a vacancy".

Bryan

Bryan had high opinion of Clark's ability and felt their minds ran along the same channel.

I give you these two incidents as possibly interesting because they demonstrate that Big Business wishes a Court that will not change the status quo, which came into being by packing the Court with corporation lawyers. That is what they wished in 1908 and that is what they are resolved to keep now if possible.

With my affectionate regards,

Faithfully yours,

Josephus Daniels

P. S. - I dictated the above before I saw Hughes's statement warning the country that the Court might declare your measure "unconstitutional". That letter proves that Borah and Wheeler and other Progressives were wise when they opposed the confirmation of Hughes. I have just written Homer Cummings suggesting that the best answer to the Hughes letter would be to print what Senators said of Hughes when they opposed his confirmation.

Dear Bunny -

next is: Daniels

Will you read & return favor
in the best? *Frank*

PERSONAL AND
~~CONFIDENTIAL~~

Mexico, April 16, 1937.

File
Private &
Personal

Dear Franklin:

I am enclosing a copy of an article which appeared recently in EL HOMBRE LIBRE, a small paper published here, in which reference is made to the intention of the Director General of the Petromex Company (now in liquidation) to "confer with Elliott Roosevelt, son of the President" in connection with seeking backing for the new organization. Inasmuch as Petromex is now a government organization, the National Petroleum Administration, it occurred to me that if Elliott knew the whole story he would ^{not} wish to be identified with it, and for that reason I am giving you the following history:

Petromex (actual name, Petr6leos de M6xico, S.A.) was formed on October 18, 1934, partly with private capital, to exploit petroleum reserves of the Government. In the decree certain rights were given to private capital involved, represented by the Sabalo Transportation Company. Because of the commitments made to private capital, as well as to secure closer control of the entire exploitation of Government petroleum lands, the Government decided to reorganize by liquidating Petromex and instituting a National Petroleum Administration. This was done by a decree of March 2, 1937, thus closing out the private capital.

It is interesting to note in this connection that it is reported that the Sabalo interests have since been acquired by a representative of Mr. Davis of Pittsburgh, who is interested in the oil business and who is associated with Mr. Walter H. Jones of Pittsburgh and the Executive Vice President of the First National Bank of Boston. Mr. Jones and Mr. Davis and this representative of the First National Bank of Boston were in Mexico City about January 23, 1937, presumably in connection with this matter.

While

The Honorable Franklin D. Roosevelt,
The White House, Washington, D. C.

While they were here Mr. Jones called at the Embassy and outlined a proposal he wished to make to Licenciado Suárez, Minister of Finance, involving a loan of from fifty to seventy million pesos to be made to the Mexican Government through officers of the First National Bank of Boston. The idea was that the First National Bank of Boston would purchase United States Government owned cotton to the amount of the Mexican loan, and pay cash for it. The cotton would be exported to Germany, and payment therefor would be made in types of German railroad equipment such as might be desired by the Mexican Government. The German equipment would then be exported to Mexico, and the Mexican Government would pay the financing group with oil products produced by the National Petroleum Administration. Davis & Company would then sell the oil products on the markets of the world in order to obtain repayment of the loan.

Inasmuch as the new Government oil administration will be the beneficiary by any cancellation of other oil concessions in Mexico, such as the Huasteca, the Aguila, and the Pierce Oil Company, etc., Mr. Davis' proposal is apt to be most unwelcome to them. It would tend to encourage the Government in refusing to continue concessions to foreign oil companies in order to enlarge its own reserves, since Mr. Davis proposes to find access for the Mexican Government's production in the world market through use of the barter system with countries other than the United States.

We had a telegram on February 8, 1937, from the Acting Secretary of State, asking us to render such assistance as might be appropriate to Mr. Jones, who is a friend of Senator Guffey of Pennsylvania. However, in view of the above situation, the Embassy did not feel it proper to provide introductions for him to Mexican officials. Mr. Jones, when he came, spoke of his close friendship with you and said he could expect support and assistance from Mr. Jesse H. Jones, Chairman of the Reconstruction Finance Corporation.

After the departure of Messrs. Davis and Jones, it was learned that the Sabalo interests, said to have been acquired by them, had prepared a suit against the Government to protect their holdings and contracts with the Government prior to the liquidation of Petro-mex.

I knew you would not wish to aid any company that expected by its transactions to furnish German made railroad equipment to Mexico, when our Commercial Attaché has been working hard to secure such orders for American-made equipment.

Under all the circumstances, I am sure Elliott would not wish to be interested in any company dependent upon transactions with the Mexican Government. Moreover, it might prove embarrassing to you. I am, therefore, giving you this information.

With my sincere regards, I am

Affectionately yours,

Joseph Daniels

Enclosure:

Translation from EL HOMBRE
LIBRE of April 9, 1937.

TRANSLATION

Source: EL HOMER LIBRE
Mexico City
April 9, 1937

AMERICAN MONEY SOUGHT FOR ORGANIZATION OF THE NEW
"PETROMEX"

Ingeniero Manuel Santillán Has Made Two Trips to
the United States for This Purpose

Will Confer with the Son of President Roosevelt and
Kuhn Loeb & Company

When we stated in these columns that Petromex was going to be controlled by American capitalists we spoke the truth, and in order to show that we are not fabricating charges in a spirit of opposition, we quote from the following news item appearing in an American paper:

AMERICAN MONEY FOR THE OFFICIAL PETROLEUM
COMPANY

Evidence that the national petroleum company, The National Petroleum Administration, and the Federal Government which is organizing this industry, will follow a "hands-off" policy in regard to foreign petroleum and other legitimate industries and that the Government does not intend to adopt a hostile attitude toward foreign capital, is found in the presence in the United States of Engineer Manuel Santillán, Director General of "Petromex", the semi-official company which is now in liquidation. The engineer is seeking American backing for the new company.

Mr. Santillán is visiting California first. He will then go to New York. It has been said that he will confer with Elliott Roosevelt, son of the President, and with bankers of Kuhn, Loeb & Company, of New York. He will return to Mexico around April 15th. This is the second visit that Engineer Santillán has made to the United States in connection with the projects of his Government.

PSF: Mexico - Josephus Daniels
file personal (1)

Personal

Cobh, Ireland, August 20, 1937.

(This place was called Queenstown until the New Irish Free State was born.)

Dear Franklin:

Writing you from London, I told you of my conversation with Admiral Bayley and my suggestion that the Battle Monument Commission or some other body should erect a memorial on one of the high elevations that mark the entrances to the harbor here. Upon reaching Dublin, I had an hour's interview with President De Valera about the land situation and the matters that were interesting to the Irish people. He talks more like a business man or public man of poise, than the eloquent and emotional Irish orator, though I doubt not he could, when moved, speak eloquently.

Mr. De Valera drew a map of Ireland for me and said that geographically North Ireland was in sympathy with the Irish Free State, and would vote with them but for the preponderance of the vote in populous Belfast. In fact, he said he had been elected to the Irish Parliament from a district in upper Ireland, now a part of the British Empire. "I have visited there, but was twice arrested. I would go back there now, but I wouldn't wish the President of the Irish Free State arrested." I gathered that as he thinks the people outside of the Belfast area wish independence for Ireland, he hopes some day all Ireland will come into the Irish Free State. But not soon. As evidencing the deep feeling between North and South, I was told the Protestants in the North opposed disseminations of information about birth control in their part of the country, because they wished to increase their population to raise enough soldiers to repel any encroachments by the Irish Free State. The trouble when the British King and Queen visited North Ireland shows that shillalahs still can fly. Presbyterians and Catholics are still far apart.

As an aside, and telling him that I was speaking as an individual and without knowing your views or the views of any of my countrymen, I expressed my personal hope that

some

The President,
The White House.

some day there would be a memorial at Cobh (Queenstown) in honor of the men of the American Navy who made that a base in their difficult pursuits of the U-boats during the World War, working with the destroyers of the British Navy, whose destroyers were based at that port. I brought this up after answering his inquiries as to the dedication of the memorials in Europe to the Americans in the World War who lie buried near where they fell - thirty two thousand of them. He seemed interested, and when I unfolded my own dream of some memorial in Ireland, he said that there might be some things to overcome, but he thought he could do it, and would be glad to see such a memorial. I let the matter drop there. I sensed, though De Valera did not intimate what the things were that would have to be overcome, that it might be the strained relations between the Irish Free State and Britain. He might have had in mind that an American memorial would have such connections with Britain, seeing that our destroyers were commanded by Admiral Bayley of the British Navy, that a joint memorial might meet with objections. I had sowed the seed and think it is best not to say anything more about it, but to wait for it to bring forth fruit.

That day, lunching with our Minister, Mr. Gudahy, who had just arrived, I told him of my talk with De Valera and asked him to keep it in the back of his head until such day as the plans might ripen.

He has an ideal, rented Embassy with lovely grounds. It belongs to the Government, and he may have to move. There is a plan on foot to elect a President of the Irish Free State who will have about as much power as the President of France, leaving the control of the country to the Prime Minister. When that is done, the President will live in the house now occupied by the American Minister. He will not, however, give it up as long as he can keep it. He has been well received. His father was born in Ireland, and upon his arrival here as American Minister, he said that he felt as if he were coming back home. He will get on!

After kissing the Blarney Stone (don't ask me if I kissed anything or anybody better) and spending the night at an old home of O'Connell, the Liberator, now converted into a hotel on the banks of Killarney Lakes (whose beautiful surface in the moonlight can never be forgotten), I reached Cork, where I obtained a real shillalah and stood before the statue of Father Mather, the Catholic Apostle of Temperance.

I was

I was told that it furnished a larger percentage of its inhabitants to the Army in the World War than any other city in the British Empire. I did not stop to investigate. It is an up-to-date city, full of go and full of historic interest. Consul Woods and his wife escorted us to Cobh (Queenstown) and showed us (I was traveling with friends, Mr. and Mrs. O'Connor of Mexico City) the site where our destroyer personnel lived when on shore, and where the American destroyers were anchored when not on duty. Nothing remains to be seen of the heroic men who braved all dangers in those waters except the Quay, which was the lasting contribution of our Navy to the harbor. It is called only "The Quay" and few know that naval money and naval skill did the work. It ought to be called "The Daniels-Roosevelt Quay", or better still "The Poinsett Pringle Quay". Captain Pringle is remembered here. Although he died early, he can never be forgotten by those who know of his remarkable efficiency in a difficult duty.

We drove to the heights near where the British still have guns which protect the harbor, and my mind went back to the day in April when the first division of destroyers that obeyed the first American order of active participation in the World War, set sail for Queenstown. I recalled our anxiety lest they be torpedoed en route, and our happiness when news came that they had arrived safely, and the thrill when we were informed that in response to Admiral Bayley's inquiry, "When will you be ready?" our gallant Taussig replied, "We are ready now," an expression that will live with "Don't give up the ship", "We have just begun to fight", "We have met the enemy and they are ours", "Damn the torpedoes, go ahead" and "You may fire when you are ready, Gridley". It is because of my admiration of the daring of Pringle and Taussig and hundreds of other like officers and men who endured the hardships and faced the perils of those hard days, that I hope to see a fitting memorial of what they did here where they fought so well.

As I sought in vain for some permanent object associated with them, aside from the club and cafes where they relaxed, I wondered what had become of the soda fountain given by Mrs. Rea, of Pittsburg, to add to the pleasure of the men when off duty. I suppose you recall that this generous lady, anxious to do something that might give a measure of comfort to the men who go down to the sea in ships, asked my wife, who was head of the Navy Red Cross, what gift would be most acceptable to the men based in Queenstown. Several things were discussed, and finally my wife asked: "Why not ascertain

the wishes

the wishes of the sailors?" And so a cable was sent asking the officer in charge what present from a generous lady, willing to spend a large sum, would give the most satisfaction. The prompt answer was "a good soda fountain". And so a large soda fountain, the best money could buy, with enough syrup to make a million glasses of American soda water, was shipped to Queenstown and set up. It was much appreciated. I wonder what became of the soda fountain when the Armistice was signed. It ought to have a tablet telling of its service of refreshment.

I must tell you a story on my wife - (or was it on me?) that was connected with my search for her Cleary kin. An ancestor by the name of Cleary emigrated from Ireland many years ago and settled in the United States. One of them lived in Washington City to my knowledge in 1888. Why do I remember it? Because my wife and I on our wedding journey called to see "Aunt Cleary" in Washington City. The dear old lady gave us each a brand new twenty dollar Treasury note. It seemed a fortune in those lean years. My wife had admonished me that if I ever visited Ireland to look up the Clearys. I made inquiries about the family. I found that in old days an O'Clary had a castle - I mean a castle in Ireland, not a fabled one in Spain - and then I saw by advertisements in the Dublin paper that a big department store was run by Mr. Clery. It may be the same family, but I was on a hunt for the Clearys and was not to be diverted by those who did not spell their name with an "a". On the first morning of my arrival as I was driving down the street with Mrs. O'Connor, a very large building arrested my eye. In very big letters across the center front were painted the words:

Patrick Cleary and Sons,
Wines, Liquors and Whiskey.

I had stumbled - or had I - on my wife's Cleary kin, engaged in the bottling, distribution and sale of that which in my younger prohibition days I had heard my preacher call in his fervent prohibition speeches "the rectified essence of damnation".

What was I to do? To claim kin with any of those dispensing the stuff I had always fought? Or return to Raleigh and tell my wife that I could find no Cleary in Ireland? I

decided

decided to go into the Cleary whiskey establishment. "Are you Mr. Cleary?" I asked a tall young man who stood near the bar. "My father is the proprietor, and he is not in." I then informed him that I was on the search of Clearys who were relatives of my American wife, and that was why I had called. He said, "I expect all of us who spell our name Cleary are kin". Thinking maybe my wife would not believe her Irish kin were in the liquor business, unless I produced indisputable evidence, I did what in my seventy five years I had never done - I bought a small bottle of (Cleary) liquor, bearing a label "Bottled and Distributed by Patrick Cleary and Sons", to take home to my wife to prove that I had located her Irish kin and found them to be liquor dealers. When I told Finis Garrett what I had done, he threatened to notify the North Carolina authorities to search my baggage and arrest me for transporting liquor into a state still forbidding such transportation. He said that the headlines, "Josephus Daniels, Well Known Temperance Advocate, Arrested for Illegal Transportation of Liquor into North Carolina" would make interesting reading. But he did not carry out his threat.

I continued my search for Clearys, and on the next morning when I picked up the Dublin morning paper, I saw that President De Valera had appointed Timothy Cleary as Revenue Commissioner of the Free State. I was booked to leave before I saw him, but asked Mr. O'Connor to call on Mr. Cleary and inform that I had used my influence in my visit to the President to induce him to name my wife's relative as Revenue Commissioner. That sounded better than a liquor dealer. The next day I went on to Birr and called on the sister and brother of the Timothy Cleary, the new Revenue Commissioner, so that I could tell her that people of Ireland of her ancestors' name were high up in the public life of the Emerald Isle.

Ireland looks good to me. Dublin is a beautiful city with many interesting things to see, some of them more than a thousand years old. I expected to see much more poverty that is visible. The houses in the country, especially those the Government has aided in construction, look comfortable. Many Americans were in Ireland. I saw a score of priests and nuns, most of them going back to the old country to see relatives.

Of course, there is always plenty of politics whenever two or more Irishmen get together, but the Irish Free

State

State seems to be on a firm basis - you'd enjoy it a lot there. I believe I liked my brief visit to Ireland and Switzerland better than any other I took. The smaller nations of Europe set an example in diffused prosperity and stability to the larger and bigger nations. A great man in Europe, Dr. Bemis, is credited with having said that if Germany could go back to eighteen separate states such as existed before Bismark created the Empire, Germany would be free from the ills that now beset and endanger European peace. After all, isn't there much in Justice Brandeis' mature judgment that Bigness is our greatest foe and should be taxed out of existence.

My affectionate regards to you and to Mrs. Roosevelt.

Faithfully yours,

Joseph Daniels

PSF: Mexico - Daniels

Mexico, September 28, 1937.

PERSONAL.

Dear Franklin:

The reaction to the appointment of Justice Black, due to the Ku Klux Klan allegations, has troubled me greatly. When the news of his appointment reached me in Paris, I rejoiced and felt that your selection was an inspiration. I had never heard his name mentioned in connection with the Klan, though I did know that his opponents had made that charge as to Bibb Graves. The publication stunned me at first, but did not stampede me, because I recognized the sources from which it emanated. As you know, I led the fight against the Klan in North Carolina and put my liberty in jeopardy by severe criticism of a State Judge who was the Grand Kleagle of my state. More than that: As a delegate to the National Convention in 1924, though I was a supporter of McAdoo, I voted for the resolution "to name the Klan" in opposition to the pleas of Bryan and McAdoo. At the same Convention, I voted for Newton Baker's League of Nations plank.

If Black a dozen years ago joined the Klan, it was a grievous error, and grievously he has paid for that error. The vicious fight against Black recalls the malicious opposition to the confirmation of Brandeis. The same hostility to liberation, plus a Hitlerite anti-Jew complex, sought to keep Brandeis off the bench. They wished then as now that entrance to the Supreme Court bench should come from the offices of corporation attorneys. Some day I will tell you an interesting story of how Wilson overcame Senator Overman's objection to the confirmation of Brandeis and converted him into an advocate. I had a little part in it. You will enjoy the story, and it may be worth adopting in like cases.

There were about 1924 two elements contending for the mastery in Alabama - one led by Underwood that was ultra-conservative, not to say reactionary. The elder Senator

Bankhead

The President,
The White House,
Washington, D. C.

Bankhead belonged to that element. They were opposed at heart to Wilson's New Freedom. When Wilson became President he told me that he wished Martin of Virginia and Bankhead of Alabama to have no important committee assignments, because they were Reactionals. In the Alabama Convention in 1912, it was such men as Graves and Black and Frank Glass who demanded that if Underwood could not win they would have the right to vote for Wilson. They feared that Bankhead and Underwood would deliver the vote to some Conservative at Baltimore. In the fight in Alabama between Progressives and Liberals from 1912 until the elder Bankhead and Underwood passed, the militant forces of labor sided with Black and other Liberals. The advocates of Privilege opposed Black. In that conflict, the KKK members sided with the Progressives - about the only good thing they ever did.

I am glad you have raised your voice in demanding that the will of the majority shall control. From the jargon of voices insisting upon the rights of minorities, a man from Mars would think our government was organized for minority control. All this recalls the misguided arguments of some Southern leaders before 1860. In 1841 Abel P. Upshur, leader of the Anti-Jeffersonians, declared that natural rights and natural freedom never existed and that the extension of the democratic principle was a menace to free institutions. He declared that Dorr's Rebellion was a fine illustration of the "workings of the majority principle". Garnett, of Virginia, denied that a mere majority was the expression of the will of the people. Curry, of Alabama, went so far as to say that "Free Governments, so far as their protecting powers are concerned, are made for minorities". Hammond, of South Carolina, affirmed that "the Constitution of the country was made by a minority" in behalf of minorities; C. C. Clay, of Alabama, regretted to see the tendency "to democratize our Government, to submit every question to the vote of the people" and he added that such a policy was "sheer radicalism". These expressions by men who led a hopeless fight read exactly like those we hear today adulating minorities and denying the right of the majority to have their will executed. This is proof that the spokesmen of Privilege are as out of date today as those pre-war public men who feared that if the majority prevailed their peculiar institution might not survive.

As I told you at Hyde Park, I am very glad that you decided to make the Western trip. I am sure it will convince the doubting Thomases who have been in danger of thinking the Copelands and Burkes had backing at home. Your

journey

journey will convince the open-minded that the great body of the people are with you. If the Supreme Court should declare the utility, agriculture, and labor legislation unconstitutional, the people will rise up and demand that the court be reformed.

There is this strong reason for calling an extra session of Congress: The necessary legislation should be enacted before the primaries in the spring. If it could be enacted early, the court would, under the law enacted in August, pass upon them before the primaries. If Congress stays in session wrangling until the hot summer, it will hurt our chances of success. There is another reason: Congressmen will wish to get back home to keep their fences in order, and will be more likely to go along with progressive measures than if they are doomed to stay in Washington in the summer. There may be strong reasons against an extra session than I know about at this distance.

With my affectionate regards,

Faithfully yours,

Joseph Daniel

PSF: Mexico - Daniels

file
personal
Daniels - Dinner 1-37

México, October 14, 1937.

PERSONAL.

Dear Franklin:

You have never made a more convincing "Fire-side Chat" than your ^{delivered} last one, except your first after your inauguration, than last night. I never cease to feel how miraculous it is that I can sit in the Embassy here in far away Mexico and hear you as well as if I were in the same room.

Reverting to our talk at Hyde Park I was not surprised that you had decided to call a special session of Congress. In a large sense Congressmen themselves are responsible for the clamor "Congress should adjourn" or "We want no extra session". Some of them hark back to the horse and buggy days when Congress could do all the work it set for itself in a few weeks and its members could stay home the balance of the time and attend to their private affairs. Others oppose long sessions because they wish to avoid action. Still others see in short sessions ability to evade meeting their duties without inciting criticism from their constituents.

I have come to the conclusion that two branches of our Government need to be adjusted to our modern world. Congress ought to remain in session all the time except for brief vacations in summer and a week at Christmas. Its members, if they do their duty and keep up with the responsibilities of the present day, should give their whole time to their jobs and to study of the questions with which they have to deal. They cannot do this if they come to Washington only for a few brief months in the year. Too often they jog along with no definite program and then when a forward-looking President outlines a policy they become vocal in declaring they want no dictation. If the party responsible for legislation does not act, the people will find help and deliverance from those who will, as Andrew Jackson said, "accept the responsibility".

The President,
The White House,
Washington, D. C.

I was

I was particularly pleased with your strong declaration of necessity for a militant war upon monopoly. When the N.R.A. permitted concert of action and the temporary departure from the anti-trust law I was troubled lest what has happened would occur. But the exigency of bringing about recovery was so essential we all felt that other things might lie in abeyance until recovery was assured. In the meantime we have witnessed monopoly strengthening its hold, and when, as in the oil cases being tried at Madison, the Government undertakes to end monopoly, the monopolists plead falsely that they are acting under government permission or practical assent. Privilege never surrenders.

I rejoiced in Homer Cumming's arraignment of the identical biddings for government contracts. When I was last in Washington I urged Homer to new diligence in enforcing the anti-trust law. There have been so many things to demand the whole thought of the administration that everything could not be done. Unless monopoly is restrained its backers will continue to gather the lion's share of the proceeds of brain and brawn and the little man will be doomed forever to see the door of independent business closed to him. All business will be monopolized. The spectacle of defiance of the law by identical bids demands action. You and I can never forget the conspiracy between the three makers of armor plate whose bids were identical to a cent when we asked for bids on the Arizona. I had supposed, when McReynolds was made Attorney General, because of his efficient prosecution of the Tobacco Trust case, that he would be zealous for enforcement of the law. I soon saw he had no zeal for righteousness and that he was first and last a lawyer who would be zealous for his client and in that case his client was Uncle Sam. But he would initiate no consistent and persistent enforcement of the anti-trust law. In fact, he opposed the creation of the Federal Trade Board and like reforms and to get him out of the Cabinet Wilson made him Supreme Court Justice and afterwards deeply regretted his mistake. It irked me when, during the World War, quasi-permission was given to the steel and other trusts. You remember that the Californians sought to induce us to surrender the oil reserves because of the exigency of war and that Wilbur and Phelan and Lane and Houston didn't like it when we held on to the oil reserves.

I was glad you rapped the Supreme Court for interpretations that weakened the ant-trust act. You are on strong ground when you say that "interpretation by the courts and the difficulties and delays of legal procedure have now definitely limited their effectiveness". From the time the Supreme Court set aside the heavy fine on the Standard

Oil imposed by Judge Landis to the so-called "rule of reason" which weakened the law, the Supreme Court has increased the power of monopoly, though in some important cases, like the Standard Oil and the Tobacco Trust, it rang true. However, when the Department of Justice had won it accepted a consent decree that destroyed the hard-won victory.

Strength to your arm, for you will need it as you go up against the Goliaths of monopoly. Unless monopoly is dethroned many of your reforms will be terminated when you leave the White House.

With my affectionate regards,

Faithfully,

Joseph Daniels

P. S. If John Simon had not ducked action on the Nine Power Treaty when Japan invaded Manchuria, the world would not have witnessed the situation in Ethiopia, Spain and the Far East.

*file
Personal
Daniels - Drumer 1-13
PSF: Mexico - Daniels*

Mexico, October 15, 1937

My dear Mr. President:

Sometime shortly the position of Chief of the Bureau of Engineering in the Navy Department must be filled. I have written to Secretary Swanson, recommending Captain H. A. Stuart for that position. You are, of course, familiar with the long and useful service rendered by Captain Stuart in preserving and protecting the naval oil reserves in California and the Teapot Dome, both when we were at the Navy Department and afterwards when it took genuine courage to oppose the policy by which Fall turned over the naval reserves to the exploiters. I feel that men like Stuart, Shafroth and Richardson, who stood on the burning deck in those days, are entitled to recognition for courage necessary to tread the path of duty and it is for that reason, as well as for his proven fitness, that I recommended Captain Stuart to Secretary Swanson.

Faithfully yours,

(Josephus Daniels)

The President,
The White House,
Washington.

*file
personal*

*PSF Mexico:
file Daniels
(5) W. James 1-1937*

Mexico, November 2, 1937.

PERSONAL

Dear Franklin:

I wonder if you realize how much you gratify those people from whom you quote to enforce your arguments. I had a letter yesterday from former Justice John H. Clarke, who is now living at San Diego, from which I quote the following extract:

"I cannot tell you how much your note of approval of what the President quoted from my letter pleases me. Amazing as it may seem, he paused amid all his crushing duties to send me a line congratulating me upon my eightieth birthday, and it was in response to this generous remembrance that I wrote the letter from which he quoted, never dreaming that it would be published. However, as he said, it was not necessary for him to obtain my consent to publication because anyone who knows me knows that I have been talking in just that way for almost half a century. It was very pleasant, nevertheless, to have the President resurrect me in such a flattering manner."

I was gratified also that you found my story, apropos of your point in South Dakota, told by President Wilson, that a British rector thought North Dakota was one of "His Majesty's colonies."

Yesterday Doctor Frank P. Corrigan, Minister to Panamá, spent the day with us at the Embassy, en route to San José, Costa Rica, to enter upon his duties as one of the arbitrators in the postage stamp near-war between Nicaragua and Honduras. I had never had the pleasure of knowing him in

the flesh

The President,
The White House,
Washington, D. C.

the flesh before. He impressed me as being an ideal man for the undertaking. I congratulate you upon your selection.

The more I try to keep in touch with affairs in our country, the more I think you were wise to call a special session of Congress so as to insure against another hasty adjournment, leaving the agriculture and labor legislation hanging like Mahomet's coffin.

I am glad to see the Supreme Court, after kicking it backward and forward for a long time in order to escape action while the judicial reform measure was pending, has set the Duke case for hearing early in December. It seems to be a pivotal case. I have reason to know to what lengths the Duke officials will go to defeat plans to end their power monopoly. When my wife was home last year, a member of the Duke Foundation had the gall to ask my wife to go to see you and ask you to refuse to loan the money for the development of power in South Carolina. The approach to my wife was that she, as President of Rex Hospital in Raleigh, received a large sum - somewhere between \$5,000 and \$10,000 every year from the Duke Foundation and that as the hospital's income was small that contribution was most necessary. Of course she declined. After my long fight against Duke monopoly, it took nerve to ask anybody named Daniels to pull the chestnuts out of the fire for them. They evidently supposed that her interest in the Rex Hospital was deep enough to cause her to forget everything else. And they thought I would be silent because I am a trustee of the Methodist Orphanage, which receives over \$5,000 a year from the Duke Foundation. But they didn't know that, staunch Methodist that I am, I would not favor taxing all the people in excessive rates to help support orphans in a Methodist institution.

I hope and pray the Nine-Power Conference will ease world conditions. I didn't like Eden's speech in Parliament yesterday in which he told the world that Great Britain would shift the kind of action taken upon the shoulders of the United States. John Simon refused to follow the United States in discussing how to carry out the treaty in 1931

when

when Japan took China. Eden seems to give color to the title of the new book, "England Expects Every American to Do His Duty".

I know you were disappointed in the situation that caused Van Zeeland to retire as Prime Minister in Belgium, thereby delaying action. He impressed me more favorably than any public man I met when I was in Europe last summer.

Affectionately yours,

Joseph Daniels

P. S.

The weather is glorious here.

JD

PSF: Mexico - Daniels
Daniels
(1)

November 5, 1937.

Memo to Sec. of Navy
In re-Josephus Daniels letter to Swanson
about suggestion of a General Staff

SEE--Swanson-(S) Drawer 1--1937

PSF: Mexico - Daniels
All
Personal
(1)

México, November 16, 1937.

PERSONAL.

Dear Franklin:

I have just read your message to Congress and am glad you placed the necessity of a strong law well enforced against monopolies. When the NRA was created and Hugh Johnson was doing a splendid job in most ways, I felt that the "fly in the ointment" was the permission to temporarily suspend anti-trust provisions. I at first distrusted Hugh and subsequent events proved that, while sincerely desirous to end the depression, he had no stomach for a fight against Privilege. After that, as Cummings pointed out, an examination of Supreme Court decisions disclosed, the Court by an absurd "rule of reason" made convictions of violating anti-trust laws very difficult.

In the meantime what have we seen? The recovery has filled the coffers of monopolistic concerns and gives them weapons to fight you at every step. Even now, with a reactionary press and a propaganda organization well greased, they are resolved at any cost to national weal, to repeal all taxes they do not like and force through a tax system with "a broader base", meaning to shift burdens of taxation to the shoulders of those least able to bear them, and secure a return of the "frenzied finance" that flourished in the Coolidge days. They are still blind, but you know Privilege never surrenders. They refuse to admit that your policies saved the nation from bankruptcy and enabled them to swim, and are resolved if possible to go back to the old days of Taft and Coolidge when the White House was the back door to Wall Street. Their propaganda has made headway. It seeks to hold a pistol at your head and say: "Relieve us of taxes and give free hand to stock

exchange

The President,
The White House,
Washington, D. C.

- 2 -

exchange gambling and put no restraints on monopoly or else - there will be no expansion of industry and a reduction of unemployment." They think it is a loaded pistol, but I still believe the rank and file of the people are with you and you will win. Strength to your arm. I sometimes wish I were on hand to take part in the fight ahead.

With my affectionate regards,

Faithfully yours,

Joseph Daniel

PSF: Mexico - Daniels

file
"personal"
(1)

México, January 5, 1938.

PERSONAL.

Dear Franklin:

It heartened me to hear (and I heard as well as if I had been in the Capitol) your message to Congress, and I sent you a telegram while I was in the spirit of your courageous and consistent recommendations to "Sail on". Some of the Congressmen, and to my regret most North Carolina members, have failed to measure up to the party pledges. They remind me of the crew of Columbus who, growing faint-hearted because the journey was so long and refreshments not plentiful, wished to turn back to Spain. Instead of trying to answer their faint-hearted complaints, old Christopher stood on the bridge (I guess he had a bridge) and gave in two words the order that gave Spain its chief glory: "Sail on". I felt I could see you, as you delivered your message, standing on the bridge of the Ship of State, giving the command to a crew who had lost the vision splendid: "Sail on." If I were a poet I'd try to make your figure standing among the weary and the timid, giving the command necessary to discover the new world of equality and progress.

You will recall that when I was in Washington in the early part of 1936 I told you that our senior Senator, if re-elected, would "fly the coop". He has never been at heart for any liberal policies. His hero was and is his father-in-law, who was the highly paid spokesman of Privilege in North Carolina. I foresaw that, after praising you to the skies to get votes, he would join the reactionaries. But our friend Doughton, who had told Bailey he would support him, lacked faith in the plan we talked about and we dropped it. Often I have regretted that I did not pursue it. We could have prevented most of the lapses of those North Carolina friends who, while standing firm on many things, fell down when pressure from cotton and tobacco manufacturers was applied.

Never

Never have I seen quite such well oiled propaganda as that which suddenly blazed forth that Prosperity depended solely upon the repeal of the taxes Big Business opposed. If you had permitted yourself to have been stamped, all the benefits of the New Deal would have been jeopardized or lost. I am looking forward to your proposals on Monopoly. Unless we destroy Monopoly we may be sure Monopoly will destroy us. The militant speeches of Ickes and Jackson (he talks like he is kin to Old Hickory) following Homer Cummings' speech cheered my heart. It sent cold chills into the spine of the Reactionary and Timid elements.

The more I think of it the more I am persuaded that all big inter-State corporations ought to be licensed by the Federal Government. At present most of them have New Jersey or Connecticut ^{or Delaware} corporation charters. Uncle Sam cannot regulate them and the states where they have their plants are afraid they will move to some other state if they are properly regulated. The biggest manufacturing concern in North Carolina threatens to move into Virginia, which has become the most reactionary of states. Carter Glass prays for "more Alexander Hamiltons" (Thomas Jefferson would turn over in his grave at that profanation almost from the shades of Monticello), for Virginia is the only state which does nothing for the indigent old folks, blind, poor and dependent children, because it has failed to pass any of the three laws necessary before it can participate in the Federal grants.

If all big inter-State corporations are required to have Federal charters, then monopolistic tendencies could be prevented. I have been disappointed in the output of the Federal Trade Commission. MacReynolds and Garrison in the Cabinet opposed its creation when Wilson proposed it. They wished the old processes of black letter law to go at their snail pace, waiting for violations before action. Wilson wished to forestall violations. At no time (though I think it is better now), has that Commission functioned with the militancy against Monopoly for which it was organized. Under Harding, Coolidge and Hoover it was packed to defeat the purpose of its creation. The World War relegated this and other peace agencies under Wilson to a secondary place. You have strengthened it but does it not need to have a fire kindled under it to let it meet the crying need of action?

My wife joins me in love to you and Mrs. Roosevelt.

Affectionately,

Joseph Daniels

The President,
The White House,
Washington, D. C.

PSF: Mexico - Daniels



*fill
"personal"*

EMBASSY OF THE
UNITED STATES OF AMERICA
Mexico, January 14, 1938

*I know somebody
would do it!*

PERSONAL

Dear Franklin:

I am too far away from the seat of Government and not sufficiently familiar with the conditions that confront you with reference to filling the vacancy on the Supreme Court bench, to make any formal recommendation. It is one of the most important appointments you have had to make, and I would not, if I could, seek to urge any particular judge or lawyer as the best fitted man for the place.

I have a telegram, received today, from Mr. Joseph C. Sharp, President of the National Lawyers Guild, San Francisco Chapter, stating that the liberals and labor leaders of the Pacific Coast are supporting Judge William Denman for promotion to the Supreme Court bench.

During the period when Judge Denman was Chairman of the United States Shipping Board and President of the Emergency Fleet Corporation, I had very close association with him and came to have a high opinion of his integrity and ability. I am not certain, but I take it that you appointed him to the Circuit Court bench and therefore are quite familiar with his record.

California, as the greatest State on the Pacific slope, has almost always - until recent years - had a member on the Supreme Court bench, and, other things being equal, California's candidate would, I know, find favor with you.

Sincerely yours,

Joseph Daniels

The Honorable
Franklin D. Roosevelt,
The White House,
Washington.

PSF: Mexico = Daniels

file
"Personal"

PERSONAL

Mexico, January 18, 1938

Dear Franklin:

I was glad to get your note some days ago and to know at first hand that you are in fine fettle.

As a constructive iconoclast, I am happy to see you breaking archaic precedents, the latest being the selection of an Irish Catholic as Ambassador to Great Britain. I never feel like applauding you so much as when you overturn an archaic or bad precedent. The older I grow the more militantly radical I become. The selection of Mr. Kennedy comes at the time when President de Valera is seeking to induce Chamberlain to recognize that all the territory of Ireland be included in the Irish Free State. Of course Mr. Kennedy will take no part in that purely domestic question, but I can well understand that like all Irishmen he would like to see Ireland free.

You will remember that during the Peace Conference a delegation of Irish Americans, headed by Governor Dunne, virtually demanded that Wilson require Lloyd George to give Ireland its independence! Because Wilson could not intrude in that dominion situation, the delegation returned to the United States to organize opposition among the Irish to Wilson's League of Nations policy. When I see you I will tell you a good story incident to this, which Al Smith told me when he was a candidate for the presidency.

I am glad you selected an able and trusted man as Ambassador to Great Britain, rather than a career man. I strongly believe that those career men who have demonstrated superior statesmanship should not be denied promotion, but as a rule I have a deep conviction that all key men in an administration should hold views in accord with the policy of the President. You and I saw how the lack of accord
in

The Honorable
Franklin D. Roosevelt,
The White House,
Washington, D.C.

in our London Embassy in Wilson's administration disturbed Wilson, and I found some like conditions in other Embassies when I was abroad. In fact, except in a few countries, some American diplomatic representatives in 1914-1917 not only were not in accord with the policy of their government, but Ambassador Sharp told me that in every possible way some of them opposed the Wilson program, undermining the American policy.

When I was in Geneva last summer I talked with Mr. Prentiss Gilbert, an able career man who had been ordered as Counselor to Germany, and I felt he was too pro-German and was satisfied he and Dodd would not get along.

I telegraphed to you how your message to Congress heartened me. I liked even better your Jackson Day address. Still more I was cheered by your later statement about the holding companies. They are the most expensive racket in America, the bulwark of monopoly, and impose higher taxes on the people than the State and Federal governments.

It makes me happy that the spectre of the veto on liberal legislation by the Supreme Court exists no longer, and that in Black and Reed the court is strengthened by men who at heart stand for the New Day. But I am still far from satisfied. Jefferson and Jackson were eternally right in denying that the Supreme Court has the power to declare any act of Congress unconstitutional unless such act directly contravenes the grant in the Constitution. By that I mean that if Congress should ever enact laws denying freedom of the press, religious freedom, or freedom of speech, the Court could declare such laws a violation of the Constitution. But for the Fourteenth Amendment, enacted for the benefit of the newly enfranchised slave, to be stretched to the protection of monopoly by the testimony of Roscoe Conkling and John A. Bingham, is to my mind an unwarranted usurpation of power by the Court. At present we are safe, provided the Court overrules the series of constructions which have converted the Supreme Court into a commission to regulate utility rates. But the future is not assured until the Supreme Court's powers are as expressly fixed as are those of the executive and legislative departments of the government.

I read last night that you are going to stress the increase of naval aircraft and cruisers, instead
of

of spending money on building dreadnaughts. When British and American dreadnaughts were locked up in Scapa Flow during the World War and Britain had to assign ninety destroyers to protect them, I began to think that a dreadnaught is more of a liability in time of war than an asset. And that belief has grown on me. Am I right? If in 1915 the General Board and the Secretary of the Navy, when recommending the three-year plan (you were in on it), had been possessed of foresight, they would have asked for ten times as many destroyers and very few, if any, dreadnaughts. Instead, they acted as if a nation possessing dreadnaughts were best prepared, and put most of the money in capital ships. When our country entered the war the dreadnaughts were more of a liability than an asset, and our cry was for destroyers and more destroyers, and fast cruisers and aeroplanes, and in these types we were deficient. Today the chief need is aircraft and mechanized munitions and fast craft. The day of the horse has passed, and yet our Army insists on the antiquated cavalry. Is the dreadnaught as antiquated as cavalry? I am inclined to think so.

My wife sends her love to Mrs. Roosevelt.

Affectionately yours,

Joseph Rudenstam

PSF: Mexico - Daniels

"file
personal"

México, February 23, 1938.

PERSONAL.

Dear Franklin:

In the last few days our hearts have been saddened by the death of our dear friend and long-time ship-mate, Cary Grayson. I sweat blood - and you did too - in the days when he was selected for promotion as Admiral. We knew he was the best qualified surgeon in the Navy, and on Merit and Service was entitled to be made Admiral. We knew how much the first Mrs. Wilson loved him and how close he was to the second Mrs. Wilson and how President Wilson leaned upon him and esteemed his fine qualities as man and physician. We also knew his selection was opposed by all the surgeons above him in rank and by the older officers of the Navy who, with few exceptions, never did believe in any policy of selection for promotion, preferring the old seniority rule. We also knew the hostility in the Senate, led by Lodge and Weeks on the Republican side, and by Hoke Smith and his colleagues on the Democratic side. I recommended his promotion but felt it my duty to acquaint Wilson with the violent storm of opposition it would create. At one time he hesitated - the conflict between his desire and his confidence in Grayson's superfitness and his fear that the controversy would be greatly embarrassing. But his heart and feeling, as I assured him that Grayson was the best qualified surgeon in the Navy, were with Grayson. The only thing against his selection was that of seniority and the possibility that the Senate might not confirm. When Grayson was nominated, you know the howl set up. I think it was Moses who said, referring to the gossip that Mrs. Wilson was really responsible for the selection, "Dewey got his four stars because of his service in the Spanish-American War, while Grayson is to get his from the boudoir (boud-war)."

It called for all the influence the administration could

exert

The President,
The White House,
Washington, D. C.

exert to secure enough votes to confirm Grayson's selection. In it all he bore himself with the innate tact and wisdom with which he was richly endowed. It is a matter of congratulation that Grayson measured up, even better than Wilson or any of us who knew him well expected, in the early and later years. His career justified his selection and those who criticized came to join in the deserved honors that came to him. I have always been glad I was privileged to have a part in making known his qualities and aiding in his advancement to the exalted stations he filled so worthily.

I recall, in reading tributes to Cary, the story of how he and T. R. rode on horseback from Washington to Warrenton, Va., and back, in the days when T. R. was requiring Army officers to keep fit by riding. That was in the days when the cavalry was essential to the Army. Now it has to be transported in mechanized trucks, which means that the cavalry is antiquated and should be abolished. But the Army holds on to it! Military men as a rule are slow to discard old agencies and weapons, as we learned in the years we were in the Navy.

In T. R.'s time compelling Army officers to keep fit by riding, suggests that you have the opportunity in this age of aviation to do even greater things for the Army and Navy. I suggest you give consideration to the following ideas, which may have some merit:

1.- Require every graduate of the Army and Navy to know how to fly. In our day flying is as essential as navigating a ship in Dewey's day. The fighting in Spain and China shows that the aeroplane has largely supplanted the fighting man on foot or horse, who is impotent unless he has mechanized weapons. Every Navy officer should be able to fly a plane, and it should be a prerequisite for graduation and promotion. There might be an exemption for the older ones, but they should fly today as T. R. required older officers to ride horseback thirty odd years ago. An officer who is not skilled in aviation would be as much a back number in any future war as a naval officer who had wished to use sailing ships in the World War.

2.- Require every young man seeking enlistment to know how to swim and know all about an automobile. I recall you gave prizes for the enlisted men for swimming when you learned that a large number of sailors could not swim. I remember my surprise when you told me that many of the Navy's enlisted personnel could not swim. I thought expert swimming was an essential qualification of a man who goes down to the sea in ships. The Navy should not teach them; they should enter as good swimmers.

As to knowing all about an automobile, such knowledge is valuable in a mechanized and electrical age. It would be the first knowledge necessary to erect, repair and operate aeroplanes.

3.- Aviation is the eyes and arms of the military power of tomorrow. If most of the money spent on dreadnaughts in construction and operation (valuable only because other nations stubbornly insist upon having them) could be expended upon aviation and electric and mechanized armament, the Army and Navy could not be defeated anywhere.

If there is any wisdom in these suggestions, I am glad; if not, I have relieved my mind and passed them on to the Commander-in-Chief who alone has the last say. Removed as I am from contact with military progress, my interest is so deep in defensive preparations that I cannot keep my mind off the subject. When I am in Washington in May I hope to discuss these and other matters with you, particularly the British policy of Now-You-See-It-And-Now-You-Don't. That great country stands in need of great statesmen as never before.

My wife joins me in love to you and Mrs. Roosevelt.

Affectionately,

Joseph Daniel

Joseph Daniel

The Honorable
Franklin D. Roosevelt,
The White House,
Washington, D.C.

file
personal
11

PSF Mefis:
Daniel

DEPARTMENT OF THE
TREASURY OF THE UNITED STATES OF AMERICA

PERSONAL

Mexico, March 22, 1938.

Dear Franklin:

As well as I can at this distance, I have been keeping up with your troubles with Morgan of Antioch. The praise of reactionary papers seems to have gone to his head.

Last year when his wife was in Mexico City my wife invited her to tea. During the afternoon I took occasion to express my deep interest in TVA and to commend your utility policy and fight against the evils of holding companies. I thought I was speaking to a New Dealer. She said she could not help thinking of the people dependent upon their utility stocks for their support and sympathizing with them, as the utility stocks were depressed by New Deal policies. It was not so much what she said as her attitude that made me wonder whether she was voicing her husband's view. I thought of writing you to warn you to see how strong Morgan was in the faith, but did not do so because there are not a few wives who are wholly out of sympathy with their husband's ideals and who talk too much. I am now sure she echoed his point of view and regret I did not write you at the time, so you might have sooner learned that Morgan probably lacked the true faith.

Affectionately,

Josephus Daniels

The Honorable
Franklin D. Roosevelt,
The White House,
Washington, D.C.

Dear Franklin :-

PSF: Mexico Daniels folder
Mexico 2 April 9. 1938.

file personal

Herewith you will find a copy of a letter I am sending to Cordell Hull. There are persistent reports here one day, emanating from officials of the American Smelting and Refining Company, that our Treasury is buying Mexican silver from them. The next day it is denied. The only industry that works over time is the Rumor Factory.

I hesitate to make any suggestion, but inasmuch as silver policy affects the Treasury department and must be a Government policy, I am sending you a copy of my letter to Hull.

Of course you know the Mexicans feel that the sudden discontinuance of buying silver was in reprisal for the expropriation of the property of the oil companies.

With my affectionate regards

Faithfully

Joseph Daniels

PSF: Mexico
Daniels folder

Mexico, April 9, 1938.

My dear Mr. Secretary:

We have been informally in communication (Mr. Boal with me) with the Minister of Finance, Licenciado Suárez, and the Undersecretary of Foreign Affairs, Licenciado Beteta, regarding compensation for agrarian dotations.

In the course of the conversations the question of Mexico's ability to make payments at the present time for lands taken was, of course, explored. It was pointed out informally to Licenciado Beteta that if Mexico were to sell its silver production to the United States as heretofore it would get a good deal more for it than if the silver were dumped on the world market, causing a drop in silver prices. Dumping on the world market might result in silver going to 30 cents or less an ounce. Selling to the United States would serve to maintain world prices so that perhaps something approximating the previous price paid by the United States Treasury of 44-3/4 cents per ounce might be obtained. Under these circumstances, if the Mexican Government were to buy the silver and resell it to the United States, it might be able to obtain a spread of something like 8 or 10 per cent between what it buys the silver for and what it sells it for, and this sizeable amount might be used for compensation purposes. The mining companies, owing to the recent drop in exchange, can at a lower price make profits approaching those made previously at 44-3/4 cents - for the next few months at least. Furthermore, the Mexican Government collects silver production taxes of 6.6% on the value of the silver. If the Mexican Government were to add the sums so collected from taxes to the percentage from the silver sales proceeds, a sizeable monthly payment on account of agrarian dotations could be made.

Licenciado Suárez indicated that something along this line could be worked out. Licenciado Beteta was less positive. He is apparently more inclined to think Mexico's ability could not exceed a \$500,000 (dollars) yearly payment, which presumably would not be paid until next January. He may be under the impression that, directly or indirectly, because of our silver policy,
we

The Honorable Cordell Hull,
Secretary of State, Washington, D.C.

we are going to buy Mexico's production anyway to prevent the amount on the world market from being increased. Such a proceeding would, of course, remove any reason of an economic character for the Mexican Government to devote any part of the proceeds of the sale of silver to agrarian compensation.

I believe that we should, at the proper time, resume silver purchases direct from Mexico, but I would like to see this done after we have reached an understanding with the Mexican Government, under which they would begin monthly compensation payments for agrarian dotations immediately, leaving the valuation of the properties, etc., which will take a long time, to be carried out later. Of course, I do not wish to offer any advice in this matter, but I feel it would be very helpful if our Government would hold decision on the silver purchase question in abeyance pending the outcome of negotiations we have in hand, or, at any rate, communicate with me before any steps are taken looking to direct resumption of silver purchases in any way, or an announcement thereof.

Mr. Brownell, head of the American Smelting and Refining Company, in New York, has advised his people here that the United States Treasury is now prepared to purchase Mexico's silver direct from the companies, and that this can be done through the Chase Bank and Harmon & Hardy. This report, of course, adversely affects the likelihood of our reaching a suitable understanding regarding monthly payments of agrarian compensation.

President Cárdenas does not want the silver question and the agrarian question in any way to be linked up, because he told Suárez and Beteta he did not feel that he should make such a request of our Government. As I see it, if we can come to a successful outcome of our conversations, the Mexican Government might state to us that if economic conditions permit it will pay "x" dollars a month into a fund for the settlement of agrarian claims, beginning payments May 1st (i.e., May 1st, if economic conditions permit). We could then respond immediately by resuming the purchase of silver, advising the Mexican Government privately that we believed that this would provide the necessary economic basis for its agrarian payments. I would say that it would be best, if things worked out this way, not to make any announcement of the resumption of the purchases of silver, but merely to go ahead and buy Mexico's April supply from the Bank of Mexico without publicity, waiting until after the Government had made its first agrarian payment before determining the policy of our government would adopt as to further purchases and the publicity to be given thereto. It would

would, of course, be necessary for us to arrange this matter on this basis with the Mexicans here, pointing out that we did not wish the utterance of any public statement of resumption of silver purchases until the matter had been studied further in May, but that we were taking this step quietly to ease the Mexican Government's situation.

Of course our Government is under no obligation to buy silver from Mexico or Canada or any other country. However, because the public announcement was made that we would buy no Mexican silver in April, at the very time, or about the time of your strong and firm letter insisting upon adequate payment of oil property and lands expropriated, the Mexicans believe it was prompted as a sort of punishment for the expropriation of the oil properties. In our own country most of the newspapers I have seen regarded it in the same light and so did the radio announcers I heard. To be sure, inasmuch as Mexico had by increasing its tariff rates and taking lands of American citizens, without compensation, failed to reciprocate our friendly act of silver purchase, we had a perfect right to withdraw our gratuity at any time we pleased, without accounting to anybody or explanation. And Mexico had no right to complain. All the same, the fact that it was done immediately after the oil properties were expropriated hurt Mexico economically and emotionally. The last is a fact that affects people here sometimes more than the first. And particularly as to our country, to which - more than its people publicly admit, - Mexico looks as an example and a friend, even when it does not follow our example.

To conclude: If in any way Mexican silver is to find a market in the United States, I recommend that the plan followed prior to last month be the one adopted for the reasons set forth above.

Sincerely yours,
JOSEPHUS DANIELS

JD:KCT

PSF; Mexico Daniels folder
THE WHITE HOUSE
WASHINGTON

~~CONFIDENTIAL~~

April 13, 1936.

MEMORANDUM FOR
THE SECRETARY OF STATE

TO READ AND RETURN

F. D. R.

Letter from Ambassador Daniels in re
Senator Chavez and the oil situation.



EMBASSY OF THE
UNITED STATES OF AMERICA

Mexico, April 4, 1938.

*file
personal*

PERSONAL

Dear Franklin:

Our friend Senator Chavez of New Mexico is here, and I thought you might like to know his reaction.

He says what some of the oil men here, who are American citizens, say in denunciation of you and Cordell Hull and me is most abusive. They think the Government was organized to send guns and ships and soldiers and Marines to guarantee their concessions in foreign countries. What they really want now is what they had under Huerta. I have talked with several and they are predicting a revolution here that will put a Conservative (meaning another Diaz or Huerta) in power. The wish is father to the thought. Chavez gave out an interview which I am enclosing.

I am also enclosing in English and Spanish an editorial from today's EL NACIONAL. It always voices Government opinion.

Affectionately,

Your Good Neighbor -

Joseph P. Anderson

Three enclosures.

The Honorable
Franklin D. Roosevelt,
The White House, Washington.

Summary (in English) of an editorial appearing in EL NACIONAL, Mexico City, of April 4, 1938.

A NEW DAWN OVER TWO DEMOCRACIES

The political theory which governs the coexistence of the American countries embraces the idea of respect for the determinations of each country within its own territory according to its own juridical norms. It is admitted, thus, that the States of America are autonomous and sovereign and that no one can lawfully intervene in the domestic affairs of another.

We learn, however, from the history of the independent period - which began early in the eighteenth century - a lesson that it teaches regarding the indifference with which the strong view that unassailable theory. The designs of predominance are conceived outside the law and then doctrines are elaborated which change with the times without losing their permanent direction, to force what otherwise would offend the sense of justice.

In this connection there are invoked, now the defense against 'extracontinental threats', now the protection of the interests of nationals on foreign soil. As a result thereof, the outlook after the first third of our century had elapsed was not hopeful for 'free and sovereign nations'.

But in recent years, a hope-inspiring revision of the values of democracy is observed in the country whose governments had based the national greatness upon the unlimited support of private interests which demanded economic colonies from which to extract wealth for its accumulation, as the patrimony of a small group in the metropolitan centers. Even the proletariat and the small bourgeoisie of the United States were oppressed.

Came Roosevelt, the most popular president that country has had since the Civil War, despite the diatribes of a venal press that thinks differently, upholding the banner of that democracy. He established new bonds between the organs of power and the governed majorities, and gave the sense to democracy that Lincoln set forth in his famous 'Gettysburg' address. He inaugurated his 'good neighbor' policy because he knows that they err who place power upon the basis of arbitrariness and despoliation. The real greatness of democratic communities is that which rests upon mutual respect and on the wholesome development of the positive forces of each.

None of the tangible proofs that have been presented in the international field of this change has been so effective as the most recent one, consisting in the express recognition of the justification with which Mexico applied its laws in the expropriation of the petroleum industry.

Our Government made use of a power that no one can question and for the exercise of which it need consult no one. Admitted or denied by outside critics, it would have exercised it and no sacrifice would have been thought too great by the people and the institutions to support its validity.

However, the statement made by President Cárdenas to Ambassador Daniels regarding the sentiment of our country with respect to the disturbed attitude of Washington, is an act of civility and of justice which honors both him who performs it and him toward whom it is directed. The statement of the statesman governing the most powerful country of America has in truth won for him and for his country the esteem of the Mexican people. We shall know how to respond to that noble attitude by fulfilling our obligations of today and our obligations of yesterday, and the 'new dawn' of which the President of Mexico speaks will radiate its light all over the continent and beyond, for the Rooseveltian policy of friendship and respect is winning for the United States the 'affection of many nations of the world'.

The message of President Cárdenas may properly figure among the historical documents of American democracy, because with the signature of the President it tacitly carries the signature of eighteen million Mexicans.

Summarized:
LC

Senator Dennis Chavez Hopes for Satisfactory Settlement of Oil Row

He Will See High Government Officials but "Purely on Courtesy Visits"

Senator Dennis Chavez (D. N. M.) in a statement last night, said he was "concerned about state incidents of the last few days" between Mexico and the United States over the former nation's expropriation of American oil properties here, but said he felt confident of a satisfactory settlement.

He said he expected to see Mexican government officials—Foreign Minister Hay, Secretary of Communications Mujica and others—but "purely on courtesy visits." He launched today with United States Ambassador Daniels.

A prepared statement the New Mexico Senator issued said:

"Of course I feel concerned about the state incidents of the last few days. However, when I know that the matters being considered are being taken care of by President Roosevelt, Secretary Hull and Ambassador Daniels for the United States, and by President Cardenas, Secretary General Hay and Ambassador Castillo Najera (in Washington) for the Republic of Mexico, I can not help but feel most confident of a settlement that will add to the prestige and dignity of each country.

"Those men in their personal and official capacity have the most cordial feeling for and understanding of each country's problems, and the peoples of both countries can feel confident of a most amicable outcome.

"Mexico, and for that matter Latin America, never had more sincere friends officially than Roosevelt, Hull and Daniels, and they represent the state of mind of the American people.

"My humble efforts, personal and official, will continue to be in the interest of friendship, better understanding and good will between the United States and Latin American countries."

Inaugura el Presidente Roosevelt su política "de buena vecindad" y de pacifismo, porque sabe que verran quienes hacen estribar la potencia de un país sobre fundamentos de arbitrariedad y expropiación. La grandeza, duradera y humana, de las comunidades democráticas, es la que descansa en el recíproco respeto de las naciones y en el sano desarrollo de las fuerzas positivas del interior. Confianza y bienestar son el resultado; prosperidad y paz, el premio.

* * *

VARIAS habían sido las pruebas tangibles de que el "nuevo orden" de los Estados Unidos rebasaba, en lo internacional, la intrascendencia de aquello que no pasa de lo escrito. Pero ninguna tan eficaz para nosotros como la última, que consiste en reconocer expresamente la justificación con que México aplicó sus leyes al expropiar, con debida indemnización, la industria petrolera.

Nuestro gobierno usó una facultad que le pertenece por entero y sobre cuyo ejercicio a nadie tiene que consultar más allá de sus fronteras. Admitida o rechazada por ajenos criterios, la habría ejercido, y no hay sacrificio que se hubiera antojado excesivo al pueblo y a las instituciones, para sostener la validez de lo hecho.

Es, sin embargo, un acto de civilidad y de justicia que por parejo honra a quien lo ejecuta y a quien de él es objeto, la declaración hecha por el Presidente Cárdenas al Embajador Daniels sobre el sentimiento y el juicio de nuestra patria ante la levantada actitud de Washington.

El pronunciamiento del estadista que rige al país más poderoso de América en verdad ha ganado para sí y para su pueblo la estimación del pueblo de México. Sabremos corresponder a ese rasgo ejemplar, haciendo honor a nuestros compromisos de hoy, a nuestros compromisos de ayer. Y esa "nueva aurora" de que habla el Jefe de la Nación Mexicana, irradiará sus luces desde Anáhuac al Continente y aún salvará los océanos, pues la política rooseveltiana, de amistad y respeto, está ganando para Estados Unidos "el afecto de muchos pueblos del mundo", que la plutocracia y el "big stick" le habían enajenado.

El mensaje del Presidente Cárdenas puede figurar con toda propiedad entre los documentos históricos de la democracia norteamericana, porque junto a la firma de su autor va, tácita pero indudablemente, el signo de dieciocho millones de mexicanos.

Es así como se estrechan los lazos de confraternidad y cooperación entre las naciones.

UNA NUEVA AURORA SOBRE DOS DEMOCRACIAS

LA teoría política que preside la coexistencia de los países americanos lleva implícita la idea de respeto a las determinaciones que cada país tome dentro de su ámbito territorial y conforme a sus propias normas jurídicas. Se admite, así, que los Estados de América son autónomos y soberanos, y que ninguno puede, en consecuencia, intervenir con licitud en los asuntos domésticos de otro. Su voto en las conferencias internacionales traduce, por ser paritario, el principio de igualdad que nivela ante el Derecho las diferencias de fuerza material, de amplitud geográfica, de potencia económica, que se advierten en los miembros de la comunidad de naciones del Continente.

Aprendemos, sin embargo, en la historia del período independiente —que comienza a fines de la centuria décima octava— una lección casi continua que enseña a los pueblos más débiles en cuán poco tienen los fuertes aquella al parecer impecable teoría. Los designios de predominio se conciben fuera del derecho, y después se elaboran doctrinas que cambian con los tiempos sin perder su permanente dirección, para coonestar lo que de otro modo repugnaría al sentimiento de justicia. De esa suerte van creándose esferas de influencia —pasada la época de las anexiones territoriales— y al quedar incluidos en ellas los Estados más débiles, pierden en los hechos los atributos de su calidad soberana.

Para ello se invocan, ora la defensa contra amenazas extracontinentales, ora la protección de intereses de nacionales en suelo extranjero. Toma cuerpo el imperialismo, a medida que el orden capitalista toca, con el desarrollo de la técnica de producción, los más altos niveles de su perfeccionamiento.

Como resultado de todo ello, al vencer el primer tercio de nuestro siglo, la realidad era desoladora para las naciones "libres y soberanas" que no podían imponer su derecho con los ejércitos y las escuadras.

* * *

PERO en los años más recientes, una esperanzada reviviscencia de los valores de la democracia se observa en el pueblo cuyos gobiernos habían apuntalado, históricamente, la grandeza nacional, en el ilimitado apoyo a los intereses privados que exigían colonias económicas de donde extraer riquezas para acumularlas, patrimonio de un parvo grupo, en los centros metropolitanos. También el proletariado y la pequeña burguesía de los Estados Unidos eran oprimidos: el capital de las grandes industrias, el comercio monopolista, las finanzas predatorias y omnipotentes, succionaban por igual a las capas inferiores de la sociedad doméstica y a los pueblos cercanos e indios.

Advino Roosevelt —abanderado de ese movimiento democrático—, el mandatario más popular de cuantos aquel pueblo ha tenido desde la Guerra de Secesión, pese a las distrias de una prensa venal, instrumento de intereses heridos en su ilegal hegemonía, como es la que lo censura. Estableció nuevos nexos entre los órganos del poder y las mayorías gobernadas. Dio nuevo sentido al gobierno demócrata, definido por la frase lapidaria que Lincoln engastó como una gema en su discurso de Gettisbury. Y, al plantear una política sin contradicciones, lo mismo se entregó a la tarea de reconquistar los fueros de la equidad y la justicia para los suyos, que al noble afán de reconocer —en honesta rectificación, que es una victoria moral para su patria— el inalienable derecho de todos los Estados del Continente para determinar por sí mismos sus regímenes y perseguir sus destinos.

copy - drawer

PSF: Mexico : Daniels
Mexico, D.F., Mexico,
May 2, 1938.

MEMORANDUM FOR THE EMBASSY

~~STRICTLY CONFIDENTIAL~~

Zib

I have just had a conversation with Mr. J.C.O'Connor, formerly manager of the Standard Fruit Company in Mexico and an old friend of Lic. Antonio Villalobos, Chief of the Labor Department. Mr. O'Connor played golf with Lic. Villalobos last Saturday, April 30th, and he repeated to me considerable of the conversation which took place between them.

Lic. Villalobos was very much concerned over the inability of the Government to sell petroleum. He said that the Government had had an offer from a large Japanese syndicate which was willing to make a long time contract, the terms being roughly as follows: The syndicate offers to pay ten cents a barrell less than the Carribean price for oil, because it cannot be loaded on the Pacific, and to start building a pipe line to the Pacific Coast. Beginning with the completion of the pipe line the syndicate will continue to pay ten cents a barrell less for oil until the pipe line has been paid for, when it will become the property of the Mexican government. Lic. Espinosa Mireles, Chief of the Export Division of the National Petroleum Division, has approached the President several times regarding this matter but the President absolutely refuses to consider it.

During the conversation Mr. O'Connor asked Lic. Villalobos how the Mexican Government could hope to pay for the confiscated oil properties. Mr. O'Connor said even if the price determined on was not more than \$100,000,000.00 he did not see how the Government could possibly reimburse the companies even in that amount. Villalobos said that the revolutionary Government had fulfilled whatever promises it had made, stating that payments were being made to the United States and to Great Britain. Then he turned to Mr. O'Connor and said "Would the United States Government be interested in Magdalena Bay?" Greatly surprised, Mr. O'Connor replied "Lic., you know that Mexican pride would never permit any Government to dispose of a foot of Mexican territory", whereupon Lic. Villalobos said "I was not thinking in terms of sale, but how about a long lease?" Mr. O'Connor said that Villalobos immediately changed the subject.

May 18, 1938, file
personal
11

Dear Franklin:-

I thank you for letting me see the enclosed letter from Gerard. The stories, into which the Puro was ried, are among the old families which were scandalistic.

I am gratified to think I am - a charming gentleman, but he misquotes me when he tells Gerard that I tell the Mexicans they are all right."

I am waiting for a call from the State Department and hope to see you soon -

Faithfully

James Daniels

Boon Geo

EX-100
MAY 12 1938

THE WHITE HOUSE
WASHINGTON

(17)

~~CONFIDENTIAL~~

May 12, 1938.

MEMORANDUM FOR

AMBASSADOR DANIELS

I entirely forgot to show you this yesterday. Will you let me have it back when you have read it? I am not answering Jimmy Gerard's letter at all.

F. D. R.

JAMES W. GERARD
40 WALL STREET
NEW YORK CITY
TELEPHONE WHITEHALL 4-0010

PSF
Sanilo
Mexico

May 2, 1938.

My dear Franklin:

I enjoyed my lunch with you and above all your cheerful conversation - and I hope for a renewal of that historical event.

A friend of mine, Prince Max Hohenlohe, whose wife, born Yturbe, is a Mexican heiress, is in town from Mexico and sails tonight for Europe.

On account of his wife's holdings he has been visiting that country each year for eighteen years and is well acquainted with conditions there.

He says that the country is in bad shape, - on the verge of starvation as it has been necessary to import food and there is now no money to pay for it. That the people at large are not at heart behind all the agitation and confiscation but only five hundred leaders who hope to make money out of the seizure of oil wells, etc.

That a Bolshevich leader named Toledano may seize power if Cardenas fails, but in any event under either Cardenas or Toledano the country will go Bolshevich. That Avila Camacho, the Minister of War, is as radical as Cardenas and Toledano and that a revolution may come with the entrance of Cedillo of San Luis Potosi.

In other words the country faces either a Bolshevich régime or a civil war like that in Spain.

Hohenlohe says that a good strong move by the United States now can settle things and bring about a return of the seized properties.

He says that our Ambassador is a charming gentleman, who tells the Mexicans that they are "all right", - which expression of friendliness they take as a license to steal.

Page 2

May 2, 1938.

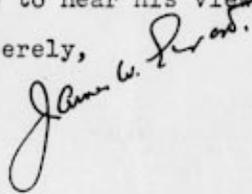
If Mexico goes completely Bolshevistic, all Central and South America may follow.

If our interests are not protected in that hemisphere how can we trade in it. And, if we cannot trade the Germans and Italians will seep in and create a great future problem.

Prince Max Hohenlohe is of the Austrian branch but his estates are now in Czecho-Slovakia.

I thought you might like to hear his views.

Yours sincerely,



The President,
White House,
Washington, D. C.

P. S. Except possibly through American oil companies, I have no material interest in Mexico.

file
personal

PSF: Mexico - Daniels
May 18, 1938

JOSEPHUS DANIELS
RALEIGH N C

Dear Franklin:-
I am choosing my birthday
to write and tell you that your dear
Sweden wedding day letter made us so happy
that we felt almost as young as we did on
the second of May 1888. We knew of your
affection, but when you wrote that you and
Eleanor loved us in the old days "when first
we were acquaint", and "we love you now - we
shall always love you" we felt rich indeed
to have garnered such cherished affections.
You know how fully your love and confidence
are reciprocated, how we have rejoiced in the
high honors that have come to you, and our pride
in the great place you have won in history. You
have put heart in government and given
faith to your countrymen who never before
realized that the President and his wife
had hearts that beat in unison for those
who suffer and think.

It is a far cry from the days in Baltimore when
I fell in love with you and the crucial days when
we, with our good wives, were enlisted in a holy
cause in our partnership in service to our country.
The passing years have strengthened and under-
guided our common devotion to our
country as well as increased our deep af-
fection. We both pray for health and guidance
and be woe-sapped you in every emergency
and duty.

My wife joins in love and pride to you
and Eleanor.

Affectionately yours

as ever,
scriptmate!

Josephine

file
personal

PSF: Mexico - Daniels
May 21, 1938. # 1
JOSEPHUS DANIELS
RALEIGH N C

Dear Franklin :-

Lindsey Warren is interested in the position of Comptroller General and would like to talk to you about it if you wish to see him. He will call at any time convenient to see you.

I will be in Washington on Wednesday ready to go back to Mexico. I feel that I ought to be there and have not gone sooner, as you know, because the State Department wished me to remain until the Mexican Ambassador returns. Mr. Hull says he will be in Washington by Wednesday. I will call to see you after talking with Hull and Weller. My wife joins in love to you and to Eleanor.

Affectionately

Josephus Daniels

JOSEPHUS DANIELS
RALEIGH N C

June 4, 1938

*PST: Mexico
Daniels folder
Give him an offer
as soon as he
comes back to
Washington*

Personal

Dear Franklin:

You have heard of Ambassadors-at-Large, Roving Ambassadors and other kinds, but I am your Commuting Ambassador going to Washington every week for conferences at the State Department and then returning here to await further conferences after the Secretary secures the desired willingness of the oil companies to aid in a solution of the oil situation in Mexico, if such cooperation is forthcoming.

On Thursday Mr. Hull told me he and Welles and Berle and Duggan had talked with officials of the oil companies and their attorneys. They seemed as obdurate as ever, but promised to discuss the situation with their associates and give the result later. Mr. Duggan's impression was that the oil companies, believing that economic conditions would be so bad in a few months that Cardenas would lose out, were deferring action because they think if Cardenas fails a successor would return the property to them. To me this looks like a vain hope. The collapse of the Cedillo attempted uprising shows that Cardenas has the support of the great majority of Mexicans. He has done so many good things that it would be disastrous if one mistake (for which the oil companies must share responsibility) should turn the clock back in Mexico.

Mr. Berle told me that he had talked with Mr. Richbourg, who had been retained as attorney of the Standard Oil Company, and that Mr. Richbourg thought the oil companies should cooperate in trying to reach a satisfactory settlement and Mr. Berle hopes they will make a suggestion toward that end shortly. He agreed with Mr. Hull and Mr. Welles that I ought to

The Honorable
Franklin D. Roosevelt
White House
Washington, D.C.

remain in

June 4, 1938

remain in this country for a conference as to what action we should take after hearing from the oil companies. Their idea was that nothing could be accomplished in Mexico by me until our Government has formulated a policy and that I should be in conference in the formulation of that policy. I am therefore "sticking around" in the Miltonian hope that "they also serve who only stand and wait", though I hate to be away from my post of duty and waiting is irksome. Mr. Hull said you also felt I ought to remain here, and, of course, I see there may be wisdom in that course.

I did not call to see you while in Washington this week because, aside from our former talk, the matter awaits hearing from the oil companies. I am here ready to return to Washington on call, and I hope it will be soon. As soon as I return to Washington and have had further talk with State Department officials I will ask an appointment to go over the whole situation with you. It is a hard nut to crack and will call for wisdom and patience. In my judgment, if we do not permit any debt collecting policy to hamper its success, your Good Neighbor policy will shine for all time among the greatest achievements of your administration, if not the most notable. If we should do aught resembling a Big Stick policy with Mexico, that great dream, which I share with you, will be imperilled. Patience and the policy of Put-Yourself-in-His-Place alone will meet the present delicate situation.

I strongly believe that our commitment at Buenos Aires not to, "directly or indirectly intervene in the affairs of another country" is our chart and compass, and that conciliatory policies are essential in the present situation. This debacle could have been averted if the oil companies had not been so adamant in their refusal to obey the decree of the Supreme Court. We need always to bear in mind that originally this is a wage dispute, not very unlike some that have caused the Girdlers and others to oppose the government's interest in proper regulation.

With my affectionate regards,

Faithfully,

Joseph Daniels



Personal

file
personal

PSF: Mexico
Daniels folder
June 20, 1938.

DEPARTMENT OF STATE
WASHINGTON

Dear Franklin :-

On the Arttundale trip you asked me if I could obtain any information about the Mayor of El Paso.

Two days ago I talked with two prominent and reliable men from El Paso at a wedding reception in Washington and what they said to me I am sure you would like to hear before acting.

I will see you Thursday, congratulating you upon your lovely new daughter - there cannot be too many Roosevelts - I send my own and my wife's affectionate regards to you and your wife and mother.

Faithfully yours

Joseph Daniels

AIR MAIL

PSF: Mexico - Daniels



EMBASSY OF THE
UNITED STATES OF AMERICA

México, July 21, 1938.

PERSONAL.

*File
Personal*

Dear Franklin:

Your tribute to Justice Cardoza voiced the sense of loss felt by every true liberal in America. I know they all look to you confidently to insure that a like great progressive will succeed him on the bench.

In my opinion - and I give it to you for what it is worth - the logical man is Senator Wagner. You know him better than I do, for the first service you rendered to save water power to the people was when you and Wagner voted alike in the New York Legislature when you were young men. You both were far ahead of the prevailing thought of the times.

In warp and woof Wagner is a liberal and a progressive one. If he is named, nobody will doubt that you may have lost a battle but all will know you have won the war. There would be no doubt about his confirmation or about his making a great judge whose spirit is far from the old archaic views of too many judges. You did a great deal when you appointed Black and stood by him, though I sensed you were as much disturbed as I was that he had made the mistake of having been associated with the K.K.K. He has the root of the matter in him as his opinions have shown, particularly his dissent holding that the Fourteenth Amendment, adopted to aid the newly enfranchised slave, had been twisted by Conkling and Bingham to become the refuge or monopoly.

Your purpose in naming Reed was to further strengthen liberalism in the Court. You know him and I hope in blood and bone he will prove as soundly progressive as Black and Wagner have shown themselves in severe tests.

We are surrounded by too many men whose liberalism is but skin-deep, "yes - but" men who will be liberal as long as it brings them place and power. Some of them will fall away in testing days.

Wilson's

The President,
The White House,
Washington, D. C.

Wilson's most serious mistake was in putting McReynolds on the Supreme Court. He appointed him first Attorney General because McReynolds had won the anti-trust suit against the tobacco trust and refused to acquiesce in Wickersham's sham settlement. I know you will never make such a mistake.

Wagner stands before the country today like Brandeis did when Wilson named him for the bench. You will remember that Lodge, Taft and Weeks fought Brandeis. I had not a little to do with aiding in securing the confirmation.

I note that geographical considerations are being urged. Ordinarily they would have weight. However there is no western man who is well enough known to the whole country to make it feel that a great liberal had been named.

You know the full situation better than I do, but I felt impelled to write my views.

Faithfully yours,

Joseph Daniels

Mexico Aug 8, 1938.

Dear Marvin :-

I will thank you get this
very confidential letter to the
President as early as you can - if
possible before he makes any
decision about Mexican notes - file

My wife joins in love to her
Mr. Dutys. I sympathize with you
in the heated season. I sleep under
a blanket every night.

Sincerely

Joseph Daniels

Merced, D.F. Aug 8, 1938.

file of
Confidential

Mexican
Daniel

Dear Franklin:-

Thinking you would like to
be acquainted with ^{my views on} Mexican matters about
which the US State Department has written notes,
I am enclosing copies of three letters I have
written to Secretary Hull.

The oil companies demand that we take the
position assumed by Great Britain and have
refused to follow the advice Mr. Pickens
told us he would give his clients.

I do not think our Government should be a
collection agency for Americans here who have
obtained concessions and made investments, a-
greeing to abide by Mexican laws and court
decisions, and refusing to obey the laws and
the decrees of the US Supreme Court they do not like.

I hope your voyage refreshed you for the trip back
ahead - My wife joins in love.

Faithfully

Franklin D. Roosevelt

Barclay's by majority vote we lobby.

Minister of Finance suggested that the two millions be placed in a bank and returned to the companies if their payments reached twenty-six, and to go to the workers if they were only twenty-four. The oil companies declined this proposition. The oil companies were adamant against yielding to other proposals in the labor contract upheld by the Supreme Court. Then came the impasse. In my judgment the workers should have accepted the proposal of the oil companies and the oil companies should have accepted the Suárez suggestion, and the Government should have effected the compromise when finally the contending parties were so near together.

The President had a right to say that the oil companies, Mexican incorporated, should obey the Supreme Court. The oil companies cannot defend refusal to obey the Supreme Court on labor matters any more than employers in the United States can refuse to obey the decree of our Supreme Court.

However, because they did refuse, President Cárdenas was not justified in resorting to expropriation without agreeing with the oil companies upon a valuation of the property and paying for it. There are ways to enforce obedience to the courts without expropriation of property. Not once but several times have I stated this view to General Hay and Mr. Beteta.

In his address at the University of Virginia, Mr. Armstrong made all his suggestions dependent upon "condition that the companies be returned to the management of their property"; and demanded an agreement that "could provide for the establishment of labor under a régime as favorable as that enjoyed by labor under contracts in force May 1927, subject to such modifications as both parties may agree upon, with provision for independent arbitration of unresolved disputes." In effect, that would take the question of labor and wages out of the purview of the Mexican Government, a surrender of national sovereignty. I cannot conceive of a government assenting to turning over to others the functions that touch labor. The Tom Girdlers would like us to do it in the United States, but it would be unthinkable. Mr. Armstrong's suggestion was equivalent to asking Mexico to turn over its sovereign powers to certain private corporations organized under Mexican laws.

If Mexican labor laws bear too heavily on Mexican corporations (home or foreign), I see no right for any other nation to intervene in what is purely a domestic concern. The increase in wage agitation is universal. No country can control the problem in a neighbor. It is difficult to direct it at home.

These

These observations are submitted because I think we should differentiate between wage matters, the only question involved up to March 18th, and the question of expropriation, which arose when the President issued his expropriation decree. I find most readers of the papers in the United States have no information that the whole trouble here arose out of a wage controversy. The Mexicans claim that the wages paid their workers in the oil fields were only one-third of what the same companies pay in the United States. If they are right, they were entitled to an increase. American readers seem to think expropriation had no relation to wages or to defiance of the decree of the Supreme Court. If the oil companies had respected the Supreme Court decree, there would have been no expropriation.

With my best regards,

Sincerely yours,

JOSEPHUS DANIELS

JD:KCT

Copy

AIR MAIL

Mexico, August 7, 1938.

PERSONAL AND CONFIDENTIAL.

Dear Cordell Hull:-

We have for so many years worked together for domestic reforms that I feel you will wish me to give you my personal views about the situation here and the policy to be pursued which appears to me to promise the best results. Therefore, in addition to the official air-mail letter I am sending to the Department, I am communicating my unofficial views as follows:

In the five years of our administration the Mexican Government has shown itself desirous of meeting American wishes in practically every way that did not call for the payment of money for expropriated properties. Five treaties, most of them upon our initiative, and some of which we had been unsuccessfully urging for years, have been ratified. Even in payment of money for Special Claims, Mexico has paid us 500,000 American dollars yearly. At Buenos Aires the Mexican delegation cooperated fully with our delegation for the sound provisions which were incorporated to strengthen the "Good Neighbor" policy. They are ready to treat with us in reference to the waters in the Colorado and the Rio Grande rivers when both can be the joint subject of negotiations. You recall the serious religious situation that troubled us a few years ago. I made a number of informal appeals to Cárdenas for open churches and an end of persecution. Today, there is no denial of the right to worship in any state but Tabasco, and priests and bishops driven out by former administrations have been permitted to return and are of-

ficiating

The Honorable
Cordell Hull,
Secretary of State,
Washington, D. C.

ficiating. This is not all we could wish, but is a long step towards the desired full religious freedom from State direction.

Cárdenas has two master passions: 1) That to every man who tills the soil should be dotated land, and he believes that it was for this division of large haciendas that the Revolution was fought; 2) That every child should have the opportunity to go to school. President Cárdenas holds that by the mandate of the Mexican Constitution, by the platform of the party upon which he went to the country, and by his pre-campaign pledges, as well as his promises since his election, he must dotate lands to all persons who cultivate the soil.

Both these objectives naturally meet with our hearty approval. We insist only that if American legally held property is taken for such dotation the owners shall be paid. If all cannot be paid at once, I personally think we should accept payment now for such small properties as in the Yaqui Valley and other small properties where the titles of Americans are clear, and press for other payments from time to time, without accepting discrimination as a policy or principle. In pursuance of instructions by the Department, the Embassy has urged specific payments for specific pieces of property, as in the Yaqui Valley, and others in like situation. As to the larger properties (one claim in the \$10,000,000 list is for over \$900,000) their legality should be inquired into before insisting upon payment of the full amounts claimed.

If we name a representative and Mexico names a representative to appraise claims, under the promises for prompt action, we open the door to the objective stated in your note of July 21st. If we decline this approach, I fear a serious impasse.

In my official letter I referred to my faith in the Good Neighbor doctrine. It seems to me to rest upon reciprocal acts and upon the pledge against any "direct or indirect intervention".

Always with my high regard,

Faithfully yours,

JOSEPHUS DANIELS.

AIR MAIL

copy
Mexico, August 7, 1938.

PERSONAL AND CONFIDENTIAL

Dear Mr. Secretary:

I wish to present for your consideration a suggestion as to the answer to the Mexican note of August 3rd.

Without waiving any position taken in our note of July 21st, would it not be well to say that our Government accepts, as the preliminary step looking to payment for the expropriation of the lands of American citizens, the proposal to fully exhaust all diplomatic efforts looking to agreement before resorting to arbitration under the Arbitration Treaty signed in Washington January 5, 1929, and this acceptance is made in view of Mexico's offer that each Government name a representative who will fix, within a short period, the value of the properties affected and the manner of paying for them? We might add that we are the more ready to take this course since the Ministry for Foreign Affairs gives the assurance that "The Government of Mexico is ready to begin at once the discussion of this arrangement." Possibly acceptance might be conditioned upon the naming of a third party to promptly settle any differences between the representatives of the two Governments.

It is only recently that Mexico offered to make any payments for the lands expropriated and its proposal then

was

The Honorable
Cordell Hull,
Secretary of State,
Washington, D. C.

was limited to 120,000 pesos monthly in payment to American owners of Yaqui Valley lands, and made the suggestion of payment for small properties. That proposition was rejected in the note of Undersecretary Welles of June 28th for the reason, as Mr. Welles stated: "My Government cannot admit of the application of any discriminatory principle in the matter", and he added: "Compensation on the basis of fair equality is required for all expropriated American property". In the same letter Mr. Welles proposed that each country name a commissioner, with the provision that if they did not agree, the question be decided by a sole arbitrator, selected under the so-called Gondra Treaty of May 3, 1923.

Our hope would be, if this course is adopted, that the two representatives would reach an agreement. Our fear is that it would be long-drawn-out, and payment long deferred. Even so, in what better position would we be to reject the proposal to begin at once? The chances are that Mexico would agree to larger payments now than at any other time, in order to settle the disturbing matter. At least, we would then be in a stronger position than if we reject the offer of examining the claims and the recent promises.

Mr. Quintanilla, Counselor of the Mexican Embassy at Washington, who is in Mexico City, in a personal conversation with Mr. Bursley, said the Mexican Ambassador was proposing to the Department that Mexico pay the United States on agrarian claims a certain monthly sum (Mr. Quintanilla did not know the amount) greater than the amount offered on Yaqui Valley claims.

The Mexican Congress has approved the note of the Mexican Government. So has the Mexican press. The same is true of the great body of the Mexican people. The predictions of overturning Cárdenas by revolution (it can be done in no other way) lack foundation. Even if overthrown and a Rightist soldier were put in his place, the latter could not retain office six months unless he had the backing of the American Government. Even then, there would probably be bloodshed and maybe another Spain. The probabilities are that the successor of Cárdenas, after the Rightist was put out, would be a radical Leftist who would go further to the left than Cárdenas.

We may refuse this offer, but what then? As impasse

will

will follow with strained relations that will imperil Good Neighborliness. Or we may accept it and follow up with insistence upon prompt compliance and promise of payment. Realizing the difficulties and hurdles, is it not better to make this trial rather than to face an almost certain impasse? I believe our Good Neighbor policy will be furthered by conceding more to a poor neighbor than we would think of conceding to a great country. I profoundly believe the Good Neighbor Policy is so lofty and such a necessary practical ideal that we ought to make many sacrifices to strengthen it and undergird it. Next to the Monroe Doctrine, it is the hope of Pan American solidarity and amity.

Respectfully submitted,

With my cordial regards,

JOSEPHUS DANIELS.

PSF: Mexico-Daniels



file

EMBASSY OF THE
UNITED STATES OF AMERICA

Mexico, August 12, 1938.

PERSONAL

Dear Franklin:

If your ear was turned towards Mexico yesterday while you were bravely declaring that Democratic Senators ought to carry out Democratic pledges, you heard a loud 'Bravo' from the Embassy. Ever since I travelled with Senator George to the Houston Convention and heard him speak at Duke years ago I have felt that he had no heart for any cause that would improve the condition of the underprivileged. I was confirmed in that opinion by his record on utility legislation and votes on other progressive measures.

I was in Washington in 1893-94 when Gorman, Bryce, Jim Smith, Senator Murphy of New York and other Democratic Senators joined with the Republicans to make the Wilson-Gorman Tariff Act so bad that Cleveland refused to sign it because, as he said, it represented "party perfidy and party dishonor."

I was in Washington again, and so were you, when we saw Jim Reed, Shields of Tennessee, Varde-man and other Senators, elected as Democrats, ham-string Wilson's policies.

In both cases, largely due to such Senators who "stole the livery of heaven in which to serve the devil", the Democratic Party was sent into the wilderness for another decade. There have always been some Southern Democratic Senators who were willing to sacrifice national victory to keep in office when they could say: "You see, as the Republicans are in power, I can do nothing."

We will not deserve to stay in power unless we carry out the sacred pledges we made in the campaign, and if we are silent when Senators elected as
Democrats

The Honorable
Franklin D. Roosevelt,
The White House, Washington.

Democrats vote more often with reactionary Republicans than with progressives of their own party. The Tydings, Smiths, Georges, Byrds hurt our cause more than the Fishes and Wadsworths and Vandenberg.

I know you will stand by your guns and I say "more power to you". Victory will come in two-thirds of the contests and in the other the reactionaries will realize that they cannot "get away" with their vote against party pledges.

Affectionately,

Joseph Daniels

THE WHITE HOUSE
WASHINGTON

Wesley
8-2-

PERSONAL AND CONFIDENTIAL

Hyde Park, N. Y.,
August 20, 1938.

MEMORANDUM FOR
THE SECRETARY OF STATE

Will you read and return?
This for your eyes only.

F. D. R.

5
Letter from Ambassador Daniels dated
August 12, 1938, in re American-
owned lands in Mexico.



THE SECRETARY OF STATE

WASHINGTON

August 26, 1938.

MEMORANDUM FOR THE PRESIDENT

I herewith return letter of Ambassador Daniels of August 12, addressed to you. I have been careful not to show this letter to any person.

In a recent conversation with the Mexican Ambassador, when I handed him our note on Monday last, I spoke to him as follows:

"I then said to him that Ambassador Daniels seemed to have the impression that Mr. Sumner Welles had rejected an offer of the Mexican Government to expropriate the Yaqui Valley lands with payment of 120 thousand pesos per month in compensation. I said that that was not my understanding of the true nature of what had happened, which was that this Government, in recent months and years, having presented claims for compensation for Americans whose lands had been expropriated since 1927, now sought an adequate payment in escrow to meet the terms and amount of payment required. This Government, therefore, only was seeking to make clear its position

The President,

The White House.

R.F. Mexico
Daniels

dollars

position that - while not challenging the right of the Government of Mexico to expropriate the Yaqui Valley lands and not commenting definitely at this time on the amounts and plans as to payment for these lands, did insist that Mexico must at the same time make similar arrangements about payment for lands of Americans seized since 1927; in other words, that this Government could not, in effect, abandon the claims and especially payment of them accruing since 1927, and agree and become a party to the Mexican Government's making compensation solely on the Yaqui Valley lands. I said that the Mexican Government, of course, could make any arrangements with the Yaqui Valley landowners themselves that they could agree upon. I said that I thought Mr. Welles had been misunderstood by Ambassador Daniels. The Ambassador said he agreed; that there were suggestions to the effect that his Government might proceed with the Yaqui Valley program and deposit 120 thousand pesos per month in satisfactory payment and that his Government would make provisions about payment for other lands seized since 1927 as their valuation was ascertained. To this I replied that the question of making payment had been up between our two Governments for so many years with no results, we felt obliged to request the Mexican Government to proceed at once with the deposit in escrow of 337,426

three
dollars

EMBASSY OF THE
UNITED STATES OF AMERICA

dollars per month to be applied in payment for lands seized since 1927; that Mr. Welles and this Government were viewing the entire land seizure situation as especially comprising lands taken over since 1927 and extending on to the taking over in the early future of the Yaqui Valley lands, if the Mexican Government should insist upon the latter, and hence the insistence that arrangements for adequate and certain payment for all of these lands be made by the Mexican Government; that one reason for this was the failure of the Mexican Government during the past ten years to make any sort of payment or to do more than talk about making payment; that at any rate this Government felt it only fair and reasonable to treat the entire land expropriation since 1927 to and including the taking of the Yaqui Valley lands as one joint proceeding and as a unit; that this Government objected to Yaqui Valley land seizures unless there was compliance with the full demands of this Government for payment as stated, namely, prompt, effective, and assured compensation. The Ambassador did not take issue on this phase, except to say that Mexico could not thus pay.

The informal exchange of letters between Under Secretary Welles and the Mexican Ambassador, I think, confirms the foregoing."

True



EMBASSY OF THE
UNITED STATES OF AMERICA

Mexico, August 12, 1938

PERSONAL

Dear Franklin:

Shortly after the expropriation of the oil property, the Associated Press of April 1st, under a Warm Springs date-line, had this:

Sources close to President Roosevelt re-defined American policy with respect to land and other property seizures by Mexico over a period of years.

These authorities sharply differentiated between acquiring title to thousands of acres, and those Americans who had invested meagre savings in small ranches and farms below the Southern border and, like the wealthier classes, lost their properties under the Mexican land distribution system.

(?) While no sympathy should be shown the rich individuals who obtained and would continue to insist on full and fair indemnification of the small ranch owners.

Mexico, it was added, had assured this country the latter group would be taken care of.

The Mexican authorities believed the above represented your views, though I never referred to it in my conversations with any of them and never undertook to convey your attitude.

Later the Mexican Government - and, I think, influenced by what they supposed were your views, offered to take the first step toward providing for compensation for the American-owned lands in the Yaqui Valley by laying aside every month, beginning with the month of June, the sum of 120,000 pesos. In a note to the Mexican Ambassador of June 29th, Undersecretary Welles said our Government could not accept "the differentiation suggested" and Mr. Welles added: "Compensation on a basis of fair equality is required for all expropriated

The Honorable
Franklin D. Roosevelt,
The White House, Washington.

Dear Mr. Daniels:

URGENT



ted property." He therefore insisted that the Mexican Government set aside "for the next thirty months (the Cárdenas term) the sum of \$337,746.27, to be deposited in escrow in some agreed upon depository, for the exclusive purpose of making compensation for expropriated property as and when definite determination of value has been arrived at in each case."

My personal opinion is that, without waiving the position taken, we should have accepted the payment tendered for the Yaqui Valley property because we had been stressing such action, and continued to press for other payments, stressing payment first for the small properties. The majority of the claims, making up the \$10,000,000 claims, are not for small properties but for large properties, one exceeding \$900,000.-

The State Department announced the policy that money must be set aside for payment "for all expropriated property" by the Mexican Government without "differentiation".

I am sure you will wish to be made acquainted with my views before you act.

Faithfully yours,

Joseph Daniels

*Dear Franklin! - I thought you might like to read this copy of a letter
I am sending to Secretary Hull*

Mexico, August 22, 1938

PERSONAL AND
CONFIDENTIAL

*P.F.
refers
Daniels*

Dear Mr. Hull:

Two editorials appeared in American papers on the same day last week (August 16th), one in the conservative New York Times, and the other in the liberal Philadelphia Record on the Mexican situation, which you have doubtless seen.

Both papers expressed belief that there was danger of Germany and Japan obtaining undue influence in Mexico. The only possibility of such influence rests upon Mexico's selling oil to these countries, having failed to secure any negotiations with British and American oil companies. Mexico first offered to deal exclusively with "democratic countries". The United States has more oil than it needs and we can afford no market except for road building, and the Standard Oil Company can supply that demand from its fields in Venezuela. Great Britain stands firm in its position that the oil fields must be restored and the American oil companies join in saying they will not tolerate Mexico's sale of their "stolen oil". So far that impasse seems to be as unmovable, (or more so), as when I was in Washington in June.

In view of this situation, (acting upon incorrect statements by its Mexican correspondent), the Times advises that we publicly spank Mexico, jeopardizing the "Good Neighbor" policy, and virtually threatening withdrawal of American capital from Mexico. It avpids

suggesting

The Honorable

Cordell Hull,

Secretary of State,

Washington.

suggesting the next course if Mexico does not accept our representations. A paper, having no responsibility, can take such course, but a Government must ask itself: "What next"? Inasmuch as nobody suggests the use of force, the Times presents Mexico as "near an economic collapse" and apparently would not be averse to our hastening such a collapse. It does not appreciate the repetition of the blood and tragedy which we saw during the Huerta-Carranza-Villa-Zapata days. We cannot look upon such a return with anything except horror and will, of course, do nothing to bring its return.

The Record, seeing the situation in the light of the loss of trade with Germany and Italy, urges a different course, in an editorial headed "A Major Test of Diplomacy". It says "We can get mad as hell - we can retaliate - we can drop the Good Neighbor policy - But these reactions, while they might sooth our feelings, won't help American business in Mexico". It thinks that Mexico's action was "unjustified and regrettable", but declares: "We still think we ought to be big enough to make an effort to preserve the Mexican-American trade and to prevent the growth of Fascist influence. We think there is still time for a Mexican-American conference to arrange payment for the oil lands in oil, if no other way can be found. We think there is still time to reverse a dangerous swing."

I do not share the apprehensions of the serious danger of Fascist influences here, but no man is wise enough to predict what might follow if Mexico should make a contract to sell the oil to Germany and take payment in German-made goods. We know that in the World War Carranza was regarded as pro-German, and we feared a situation might arise in this country that would make it uncomfortable for us. Cárdenas is strongly anti-Fascist, anti-Nazi, anti-Stalin, but if he is up against selling oil to the undemocratic countries and taking pay in goods, influences from those countries might find logment here if the people believed that the United States was not friendly.

One thing is assured: If, as is almost certain, Mexico must barter oil for German, Japanese and Italian goods or be drowned in oil, the United States business houses and manufacturers will lose the big market it has enjoyed in Mexico, and we know from experiences in

some

some South American countries, that trade influences other associations. The loss of this market does not seem to concern the Standard Oil and other American oil companies. Just as long as they make money for themselves they seem indifferent as to what happens either to other business concerns or to the Good Neighbor policy upon which we properly set such store. During the long drawnout negotiations over the labor contract between the oil companies and the labor organizations and the Government, representatives of the oil companies called at the Embassy "to give information". They never asked assistance, presumably because as Mexican companies they could not ask aid of their Government without violating their contract and relations with Mexico. In one of these visits I urged them to make every reasonable concession to prevent the threatened break, and ventured to say: "You owe something to your Government". The suggestion that they owed something to the American Government other than that it should use the Big Stick to make them rich, evidently had not entered their minds. They were as resolved to carry their point as was the labor syndicates and they both preferred advancing their own interests to all other considerations. And now five months after expropriation they demand "the return of the properties" as a condition precedent to any future agreements. The property will not be returned by the Mexican Government, certainly not upon the demand of the oil companies. Their demand is, therefore, to act under the British representation and to repudiate the American note insisting that adequate and prompt payment be made. As I see it, the American companies have repudiated the position taken by you and have gotten on the British position.

I am writing you what is in my mind in this difficult situation for such consideration as you may think it merits.

With my sincere regards, I am

Faithfully yours
J. D. [Signature]
J.D.

JD/kk

Dear Franklin! You may wish to read the letter which I have sent to Corbell Hull. It affords a side-light on notes of American ministers. Sincerely yours,

PSF
Darius
Meyer

File
Personal

México, August 30, 1938.

PERSONAL.

Dear Mr. Secretary:

I had a call yesterday afternoon from Mr. Elmer Jones, of the Wells Fargo Express, who has been doing business in Mexico nearly forty years. He says he has known - some very well - every President from Díaz to Cárdenas. Of them all, according to his estimate, none of them good, but he liked Obregón because, as he said, "he was the least bad of them".

Discussing the note of Secretary Hull, he endorsed its strong expressions, but said "they should be followed, if not complied with, by a withdrawal of recognition of Mexico and permission for any parties to bring arms from the United States. If these two notifications that the United States will not submit to what Mexico is doing and will do to American interests, there must come the next step and the one I have long felt was inevitable - the conquest of Mexico and its annexation to the United States."

When I said: "God forbid. We have enough troubles north of the border", Mr. Jones said "Nothing else will insure protection of American investments and in the long run will be the best thing for the Mexicans."

He is confident that Cárdenas will stand firm and that nothing short of force will move him from the position he took in the last note and his reiterated assertion that the oil will never be restored. "You know", he said, "Cárdenas is an Indian, a fanatical Indian, and hates white people and is resolved to give property of foreigners to the Indian no matter what happens."

In

In the course of his talk Mr. Jones said he had just returned from New York where he had talked with Mr. Walter Douglas, who had recently had an interview with Secretary Hull. I asked him what Mr. Douglas thought of the situation here and he said: "Mr. Douglas thinks just as I do."

During the conversation Mr. Jones said that unless the American Government was ready to use force to compel acquiescence to American views, our country should say nothing, but leave American investors here alone and they might take care of themselves and their property by cajolery or bribery or whatever else was necessary. Concluding he said that after studying conditions on the ground more he would call to see me again before returning to New York, and I invited him to do so.

I am persuaded that in these frank statements Mr. Jones is voicing the real opinion of most Americans here who have large interests in Mexico. Nothing short of the use of force is what they wish and they would invite it even if it made Mexico another Spain. Indeed, the suggestion of letting arms cross the border to any who wished them is an invitation to a bloody revolution such as we had in 1913-17. I remember in the Huerta days the oil men, led by Fall and Doheny of our country, in conjunction with other foreign investors, sought to compel the United States to war on Mexico with the hope of compelling annexation. Nothing but the inflexible determination of Woodrow Wilson prevented the success of the Doheny-Fall-Cowdray campaign for conquest, for those conspirators were relying upon Henry Watterson's "Annexation of every country from the Rio Grande to the Panama Canal" and the like policy of the Chicago Tribune Henry Cabot Lodge and others in our country and imperialists in Great Britain. In these days, and particularly while talking with Elmer Jones, the words of Woodrow Wilson in those hectic days were recalled. He said:

"There is one thing I have got a great enthusiasm about, I might say a reckless enthusiasm, and that is human liberty. I want to say a word about our attitude toward Mexico. I hold it as a fundamental principle that every people has the right to determine its own form of government; and until this recent revolution in Mexico, until the end of the Diaz reign, eighty per cent of the people of Mexico never had a 'look in' in determining who should be their governors or what their government should be. Now, I am for the eighty per cent. It is none of my business, and it is none of your

business

business, how they go about their business. The country is theirs. The liberty, if they can get it, and God speed them in getting it, is theirs. And so far as my influence goes while I am President nobody shall interfere with them."

"I am proud to belong to a strong nation that says: 'This country which we could crush shall have just as much freedom in her own affairs as we have.' If I am strong, I am ashamed to bully the weak. In proportion to my strength is my pride in withholding that strength from the oppression of another people..... When some great dailies thunder at watchful, waiting, my confidence is not shaken for a moment. I know the temper and principles of the American people."

It was said afterwards that Wilson changed that course. Not so. It was Lansing, whose admitted devious ways in his imperialistic aims, who wished to provoke trouble by his impotent ultimatums. I never think of Lansing and his two-faced diplomacy but I recall William E. Gladstone's remark: "There is no animal so ferocious as a mad sheep."

Most of the men here who wish us to coerce Mexico are as "ferocious as mad sheep". Few of them would risk their necks or their possessions, while they clamor for us to send Marines or soldiers or sailors to insure them pecuniary advantage. I learned that in the Huerta days and it has been more and more impressed on me in recent days.

Faithfully yours,

JOSEPHUS DANIELS

The Honorable

Cordell Hull,

Secretary of State,

Washington, D. C.

Dear Franklin: This is a copy of a letter I am sending to
Cordell Hull today, thinking you would like to have a copy.

Mexico, September 2, 1938

PERSONAL AND
CONFIDENTIAL

Josephine
PSF Mexico: Daniels
File
Personal

Dear Mr. Secretary:

At the Foreign Office last night, after the Minister had given me the answer to our note of August 22nd, Undersecretary Beteta discussed with me "wholly unofficially", as he put it, the situation raised by our notes insisting upon payment for expropriation of lands, and the desire of the Mexican Government to meet the wishes of our Government with relation thereto.

The substance of his long presentation of the Mexican position was that his Government was glad to accept our proposal to leave the settlement to two Commissioners, one to be named by each country, with an arbiter to be named under the Gandra Treaty, to determine what Mexico should pay for the lands of Americans heretofore appropriated.

As to lands of Americans that might be expropriated in the future, if there are any further expropriations, he declared that while on the face of the Mexican note it looked like his country had declined our proposal, as a matter of fact, in the practical working out, the answer had really been "yes" instead of "no". He thinks very little American land will be appropriated in the future and that any land so taken the Commission will at once explore the value and assess the amount to be paid, and Mexico will expedite reaching decisions that will fix its obligations, and will pay what is assessed.

As to depositing a sum of money in a bank to guarantee payment, Mr. Beteta expressed the view that this ought not to be insisted upon, and gave his position at some length. He said that Mexico had not failed in such cases heretofore to meet every

The Honorable Cordell Hull,
Secretary of State,
Washington, D. C.

every payment such bodies had "condemned it to pay". He instanced an award in 1864 and the payment of \$500,000 a year to the United States to settle the Special Claims, and the return of an island off the coast of Mexico which the arbiter decided belonged to France. As to that award, he said there were good reasons why Mexico should retain that island, but it felt it to be its duty to abide by the award and had accepted it.

These instances, he argued, showed that when commissioners or arbiters decided Mexico must pay - he used the words "condemned to pay" - it had met the obligation, and those instances ought to convince our country that Mexico would not fail to carry out the awards given by the Commissioners and the arbitrator, named by agreement with other countries. Anticipating probably that I might bring up the question of the General Claims, he said that as to those the Commissioners had not reached an agreement and Mexico had not been "condemned" to pay a fixed amount.

The only experience in this administration as to Mexican specific promises and performance to pay amounts they were - to use Mr. Beteta's expression - "condemned" to pay, is the matter of the Special Claims. You will recall that there was scepticism in the Department about their meeting this obligation. When the arrangement was made I told Dr. Puig, then Foreign Minister, that we were going far to meet Mexico's views, but that I wished to be able to assure the Department that payment in real dollars would be made annually. He gave the promise and it was backed by the President. As you know, they have promptly paid the \$500,000 every January as per agreement. That instance encourages my belief that they will ^{do} whatever they are "condemned" to pay if we accept the Commission without insisting upon deposit at this time - an agreement which they say political conditions will not permit them to make as to future expropriations.

Mr. Beteta insisted that the agrarian reforms in Mexico, by reason of the Constitution and laws and pledges, should go forward and, now that his country had in specific terms accepted our second alternative, and in practical operation met our views, and had pledged itself to pay the amounts assessed ("condemned"), his Government hoped that in a spirit of friendly co-operation the suggestion in the note of September 1st would be accepted by our Government.

Mr. Beteta elaborated each point, particularly emphasizing that, though his country could not agree, in view of constitutional and legal and political commitments, to say in its note that it would take

no other American lands, there need be no apprehension of much trouble on that score. I gathered that he thought the agreement to refer the amount of payment for any future expropriations for immediate payment to the Commissioners, and necessity to pay, would be a deterrent to such course, though he did not say that in so many words. I feel quite sure that he believes this will be the result if we can come to an agreement.

As to payments of amounts that Mexico may be condemned to pay, he was strong in his declaration that such obligations would be met. I think he spoke both frankly and sincerely. He is very close to President Cárdenas and their minds run along together usually. He probably was voicing the view of President Cárdenas, though he did not mention his name.

I am sure you will wish to have this side-light information, which was given wholly unofficially.

Tomorrow I will write giving my views and recommendations, with reasons, for what course I think our Government should pursue.

With my high regards, believe me

Faithfully yours,

Josephus Daniels
JOSEPHUS DANIELS

JD:KCT

*file
private*

*Dear Franklin :- Thinking you may wish my views as
given to the Sec Department I am sending you this
confidential letter I am mailing today to Secretary Hull
Jesse B. Davidson*

México, D. F., September 3, 1938.

AIR MAIL

d-1

*PSF
Mexico
David*

Personal and
Confidential

My dear Mr. Secretary:

I have been giving much thought and talking with some of the staff about the situation here since the address of President Cárdenas, and the reply to your Note which was telegraphed to the Department in the Spanish text.

In an important particular, the answer meets the course we have insisted upon, to-wit: that the settlement be reached by the application of the Gandra treaty. That was the first and most important point of your note, unless the Mexican Government would shift its position and accept the proposed arbitration under the original proposal. Having declined to take that course, and argued that it was inapplicable, it was not expected here that the Mexican Government would revise its position, wise as that course would have been toward an early solution. It accepted in full your alternative proposition, but

did

The Honorable
Cordell Hull,
Secretary of State,
Washington, D. C.

AIR MAIL

-2-

did not in terms accept the conditions that no more American land would be expropriated without immediate payment. However, it agreed to refer the matter of the amount to be paid to the Commissioners and the Umpire without delay, and to pay for such property the sum found to be the value of the property. The reason advanced for not acceding to the suggestion is that the Mexican Government could not afford, without breaking its promises, to take a course that was in contravention of its Constitution, the laws, the pledge in the six-year program, which is here like a party platform to which the President of the country is committed. The fact that award for any additional lands taken will be expedited by the Commissioners and payment for the same is promised, will mitigate against large expropriations in the future. In the opinion of Mr. Beteta little additional land would be taken from American owners. If this materialized, we would have in practice almost what we have been contending for.

Our insistence upon money being deposited and held in escrow is not met. The reasons given for that declaration, I set forth in my letter of September 2, giving the substance of my confidential talk with Mr. Beteta. He differentiates between debts to which the country has not been "condemned" to pay and older obligations. He insists obligations "condemned" by commissions in which Mexico was represented constitute a superior compulsion on Mexico to debts incurred in former years. Mexico, in its

financial

AIR MAIL

-3-

financial strain, cannot soon pay all its obligations. It will strain it to pay the amount that will be assigned for payment to us by the Commission, but it is within its means by retrenching some of its expenditures. Will it meet the obligation as it promises? I think so if given reasonable time.

I believe it wisest to accede to the alternative you proposed, even though Mexico did not meet the other conditions set forth in the note of August 3d. We will probably, by such course, obtain payment for the property already expropriated, and for any that may hereafter be taken, though I do not believe much more American land will be taken in view of the agreement to assess its value without delay.

Suppose we do not accept, what then? There is an impasse. Mexico feels it has gone very far toward meeting our wishes which it was anxious to do within its means. It will hardly go further. To be sure, we could bring pressure to bear by refusal to buy silver, but that would hurt the American owners of the silver mines, thus reducing employment here with consequent suffering to the worker, and be deeply resented as a Big Stick measure. We could encourage revolution by permitting the importation of arms by those who would wish to try to oust Cárdenas by force, with the consequent responsibility for the blood that would be shed: We could refuse to buy anything from Mexico, boycott its exports, and thereby reduce the necessities

of

of life to the masses; we could denounce the country as dishonest and do much to strangle her; we could conquer it and put in a man as President who would be beholden to us; we could, after we had conquered it, make it a province or annex it and admit Mexican States to the Union. We could do any or all of these things, but what would be the result? The Good Neighbor policy, the brightest hope of the Roosevelt Administration, would receive a body blow, and the people who are on our nearest southern boundaries would regard us as imperialists and oppressors, and many Americans would be grieved that we had returned to what they would characterize the Big Stick and Dollar Diplomacy, which were execrated when practised by former administrations.

What then should be do? Accept the partial accord to our note, act promptly to secure the appraisalment of the American properties expropriated, and press actively and persistently for the payment of the amounts ascertained to be due. In all our dealings with Mexico we cannot lose sight of the fact that it has been the victim of exploitation by its own recreant officials and foreigners; that up to the day Diaz was sent out over 85% of the people were illiterate; that much of its natural resources - the patrimony of its people - found their way into the hands of foreigners, some by honest methods and some in ways that could not stand the light, and that until recent years its workers in city and country have been paid starvation wages and have been forced to subsist upon inadequate food,

and

and most of them are still desperately poor. These conditions call on our part for Patience, and more Patience, and Persistence and more Persistence, toward just agreements, even though such a course results in severe criticism from those who want the application of force. Does this sound like Wilson's much derided "Watchful Waiting"? Even so, time proved Wilson's wisdom. His forbearance, when oil producers and other investors sought to thwart his noble aims, resulted in peace and advancement in Mexico from ^{about 1919} 1930 to 1938, with some uprisings which were of short duration, and in general accord with the people of the United States.

I observe that most of those at home who counsel the use of the Big Stick, which leads to landing troops, are generally those who hated Wilson's New Freedom, and Roosevelt's New Deal, and have had scarcely concealed contempt for the Good Neighbor Policy. If the Good Neighbor policy succeeds, this continent will set a standard to which all the drifting nations may resort. If it fails, God help this hemisphere and mankind. - This being its severest test now!

Sincerely yours,

Joseph Daniels

JD/jwh

1938

PSF: Mexico - Daniels
Mexico, D.F., Sep. 18, 1938
file personal

Dear Marvin :-

Please do me the kindness to
place this confidential letter in the hands of the
President himself at the earliest practicable
moment.

My wife joins in love to Mrs. McIntyre.

Faithfully yours,

Joseph Daniels



EMBASSY OF THE
UNITED STATES OF AMERICA
Mexico, September 15, 1938

Feb personal

*Chen
10/26/57
JRL*

PERSONAL

Dear Franklin:

I am happy that James' condition is satisfactory and you are back in Washington. I feel better when you are on the job. I wish to give you my earnest conviction as the course to be pursued here.

1. I pray that you will not permit a break in the relations between Mexico and our country over the land expropriation claims. We should accept the Mexican proposal for each country to name a commissioner to examine all claims, with an umpire appointed under the Gondra Treaty. This could be done without further exchange of notes for the public, which get us nowhere.
2. We should have accepted the Mexican proposal made in June to set aside, beginning with June 1938, the sum of 120,000 pesos a month during the two and half years of the Cárdenas administration for payment of American Yaqui Valley owners - which we had been urging and about which I talked with you on my previous trip to Washington. Instead of accepting it as a beginning for settlement of "small properties", in his note of June 29, 1938 Mr. Welles demanded that Mexico put in escrow \$337,746.27 monthly for the next thirty months (the Cárdenas term) to make compensation for all properties expropriated since 1927 -- in other words, require Cárdenas to pay in 30 months for all land expropriated in his term and the six years prior to his election. Mr. Welles said we could not permit any "differentiation" between American claimants. This was not in accordance with your Warm Springs statement that "small properties" should have first consideration. It was utterly impossible for Mexico to set aside that much ~~money~~ in so short a period. Besides, the \$10,000,000 included nearly a million dollars for payment for a British company's claim in which some Americans had stock,

The Honorable
Franklin D. Roosevelt,
The White House, Washington.

stock; and a majority of the claims were for large properties.

3. As to the oil question: if the oil companies, organized as Mexican companies and subject to Mexican laws, had obeyed the finding of the Supreme Court and paid the wages assessed, there would have been no expropriation. Even after that, if they had accepted the proposals which you laid down to their attorney, Mr. Richbourg, when I called with him to see you in June, the present impasse might have been averted. Instead, the American oil companies elected to make common cause with the British companies, refused even to discuss the matter with the Mexican officials, and demanded that the only solution was the return of their properties. The American companies elected to put themselves under the British policy and have urged that our Government should adopt the British plan. You pointed out the only way to agreement - difficult in any solution - to Mr. Richbourg. It was turned down by the oil companies.

There is no way out consistent with our Good Neighbor policy. The immediate course is acceptance of the Mexican offer of two commissioners and an umpire. If, after agreeing to this, Mexico does not pay within a reasonable time, we will be in a far better position than to turn down the only course open that does not call for economic pressure (and suffering for Mexico's poor people) or force. I have made Mr. Hull acquainted with my views and I hope they have had some weight with him. However, I fear the State Department lawyers see nothing except from the standpoint of creditor-and-debtor, and would like to see the Big Stick used to force payment. They see none of the social implications growing out of the Revolution and the absolute necessity for educating the people and breaking up the big haciendas if Mexico is to be freed from feudalism. And besides, to demand the whole amount in the thirty months of Cárdenas' term is to try to extract blood from a turnip.

The Mexicans were wrong in expropriating without arranging payment, and we should do everything we can short of Dollar Diplomacy and the use of the Big Stick to secure payment for our nationals. The Good Neighbor policy forbids our going further. Moreover, to go to further lengths gets no payment unless we are ready to use force. And that would be a blunder equal to a crime and I know you would never consider such an Old Deal policy.

I feel so deeply about this that I must write,
regretting

regretting the inability to have an old-time heart to heart talk with you.

With my affectionate regards, believe me

Faithfully yours,

Joseph Daniels

P/s: Some Americans here and at home (particularly correspondents and editors) resemble what Newton Baker said the last time I dined with him in Cleveland. His frank-spoken wife had utterly condemned a public man we were talking about, saying he was wholly bad, when Newton, with a twinkle in his eyes, said: "Of course, Joe, you know that Bess does not know there are more than two colors - everything is either black or white - while you and I know there are many colors in between." Nobody can know Mexico or write about it without Newton's philosophy. It is neither all black nor all white, and we cannot wisely deal with it on any such basis.

Propose

DRAFT

9/16/38

RST Daniels
File
Personal + A
Confidential

Excellency:

I have the honor to acknowledge the receipt of the note addressed by your Government on September 1st to Ambassador Daniels.

In essence, that note continues to maintain the right of confiscation, that is, to seize without payment American owned property in Mexico. This question of the right to just compensation as opposed to confiscation is the only issue involved. Upon that question, after a careful examination of the citations contained in your Government's note in support of the theory of confiscation, no grounds are perceived for modifying the views contained in my notes to you dated July 21st and August 22nd. Indeed the theory supported in your Government's communication carried into practical application must seriously impair the social, trade, and friendly relations between the two countries.

No nation is required to permit citizens of other countries to acquire property within its jurisdiction; but having done so, it cannot, in justice and equity, undertake by force to seize the results without compensation.

Mexico,

Mexico, like every sovereign state, has at her entire command all the orderly and fair methods of pursuing a program of social reform, and of correcting social abuses without confiscation or denial of justice, and in full conformity with the rules of international law which rest on justice and fairness as opposed to force.

In view of the persistence with which your Government sets forth its position, I again invite attention to the proposal, which my Government now renews, for international arbitration set forth in my note of August 22, 1938, a procedure to which our two Governments are committed by the General Treaty of Arbitration of 1929.

My Government observes that the Government of Mexico accepts only in part the suggestion made in my note of August 22, 1938, regarding the method for valuation of and payment for the American owned agrarian properties which have been seized. This suggestion provided that the value of properties taken be determined by commissioners appointed by the two countries, and in case of disagreement

disagreement between them, by a third commissioner; that a fund be established by monthly deposits out of which compensation would be made as values were determined; and that no further property be taken unless accompanied by provision for prompt, adequate and effective payment. Arrangements of this nature are considered by this Government essential and it should not be impossible for our two Governments to agree upon them.



*file
Personal*

*PSF Mexico -
Darrido*

EMBASSY OF THE
UNITED STATES OF AMERICA

Mexico, October 29, 1938

Personal

Dear Franklin:

I am enclosing for your information a copy of a message I sent Cordell Hull on the 26th of October.

On Monday night the Minister of Foreign Affairs told me that President Cárdenas wished to see me. At his invitation I called at the Palace Tuesday morning. He expressed his earnest desire for a just settlement of the negotiations going on as to expropriation of American lands urged by our Government and an arrangement for payment of any future lands that might be expropriated. He was greatly troubled because the State Department was insisting that all the amount found due by the Commission should be paid within the brief period of about three years. He detailed to me the economic conditions of his country and said he was scraping the bottom in his offer to pay a million dollars a year, and that beyond such payment (in addition to the \$500,000 a year Mexico is paying us on Special Claims under the 1934 agreement) the economic conditions did not make possible larger payments. He also told me he had given instructions that no American lands should be expropriated during the negotiations.

I have caused a study to be made of the revenues, present and prospective, of the Mexican Government and of the economic condition of the country. A million dollars for Mexico equals hundreds of millions for the United States. The bulk of the people are desperately poor, and you know what dire poverty means in revenues for public works as well as in undernourishment for the people. If Mexico should undertake to pay us more than a million dollars a year, it would require forced unemployment with the consequent suffering,

The Honorable Franklin D. Roosevelt,
The White House, Washington, D. C.

suffering, cessation of the irrigation works necessary for the needed crop production, the slowing up of the construction and carrying on of public schools and necessary public works and the much too small public health prevention work.

It was because of the above that I sent the enclosed telegram to Cordell. Of course I wrote him fully. I take it he has shown you my correspondence and recommendations.

I wish it were possible to convey to you the admiration President Cárdenas has for you and the progressive measures of your administration. With the difference in the progress, standards of living, and wealth of the two countries, Cárdenas has the same goal that you have set before yourself in the United States since you assumed the presidency. He has carried on better than I supposed possible in the face of poverty and obstacles and serious blunders as to some policies. But he is honest and has one passion: to open new doors to the 15,000,000 Indians in Mexico who have never had a look-in. It is for these reasons that I sincerely hope, now that the principle Cordell enunciated with such vigor has been agreed to, that we will meet President Cárdenas more than half way.

I said "Bravo" when I heard your speech over the radio a few nights ago.

My wife joins in love to you and Eleanor.

Affectionately,

Joseph Daniels

Enclosure:

Copy of Embassy's telegram to
the Department of State, October 26, 1938.

~~Confidential~~

October 26, 6 p.m., 1938.

Department of State
Washington, D. C.

Personal for the Secretary of State:

After a talk with the President today and finding his earnest desire to meet the representations you have made I feel strongly that we have won on the principle you have stressed. In the fundamental issue Mexico has accepted our contention. Cardenas pledges to pay as much yearly as the economic conditions of the country will enable him to pay. Having informed myself with the economic situation of Mexico (refer my despatch No. 7545) I feel that even to meet the payments which Cardenas promises will be a strain on the resources of the Treasury. The question of the amount paid annually is secondary to the greater one that payment is to be made for past expropriations and agreement made to pay for all lands dotated in the future. For many other reasons an agreement is important as strengthening our policy of the Good Neighbor.

DANIELS.

PSF: Mexico: Daniels



EMBASSY OF THE
UNITED STATES OF AMERICA

Mexico, November 9, 1938

PERSONAL

Dear Franklin:

You and I have not always been able to take satisfaction in election returns - in fact, in most elections we have seen our candidates defeated. All the same, the returns on Tuesday night were unexpected and depressing. The particular bright spot was New York, where we won because of your great argument and because our candidate ran on the New Deal accomplishments. Nothing delighted me more than your high praise of Wagner, and commendation of Mead. Their election gives assurance that the Empire State will ring true in the Senate, where we most need men of courage with the forward look. I was almost as glad at the defeat of O'Connor, and very happy at Lehman's election. The defeat that distressed me most was Frank Murphy in Michigan.

Among the strong influences which contributed to Republican gains, we must reckon the attitude of reactionary Democratic Senators during the last two sessions of Congress. They sowed the seed for the harvests which the Republicans reaped, some of them going down themselves because their votes and speeches gave aid and comfort to the Republican Party. Those Senators not only hurt the party, but they themselves committed suicide.

In every reverse the Democrats have sustained in the years we have kept track of politics, the cause can largely be traced to Senators elected as Democrats who "out-Republicanized" the Republicans in their reactionary and anti-administration attitude. History repeats itself. I was in Washington in the second term of Cleveland, when Gorman, Jim Smith, Cal Brice, Murphy and other Senators elected as Democrats destroyed the fine tariff bill passed by the House, caused the people to turn the Democrats

The Honorable
Franklin D. Roosevelt,
The White House,
Washington, D. C.



-2-

Democrats out of power and kept the party in the wilderness until 1912. We were both in Washington when, under the leadership of Jim Reed, Vardeman, Shields, and others, the Wilson program of peace was hurled on the rocks and the Democratic Party was kept out of power until 1932. Again it was like Democrats in the Senate whose opposition to progressive policies and whose reactionary speeches sent hope and cheer to the despairing Republicans and started the movement that caused several States to elect Republicans last Tuesday.

I am inclined to agree with George Norris that there ought to be but one legislative chamber.

Following Tuesday's election, we may expect the reactionary Senators to start a movement "Back to Conservatism" with another John Davis as the 1940 nominee. Our only right to live as a party and to ask for suffrage is with a Liberal platform and a continuation of humane policies. If we about-face because of a few reverses, we are headed for another stay in the wilderness.

With my affectionate regards, believe me

Faithfully yours,

Joseph P. Daniels

P/s:

I know you were gratified to be able to say in your address: "During my four years as Governor and during my nearly six years as President, I am proud of the fact that I have never called out the armed forces of the State or nation except on errands of mercy." I saw Federal troops called out in 1920 in West Virginia to overawe the miners, and in my State I have seen them called out against men and women whose only crime was an effort to secure a living wage in textile plants.

PSF: Mexico: Daniels

November 14, 1938.

Dear Chief:-

Many thanks for your notes. I am not only wholly reconciled to last Tuesday's results, but I believe that they are on the whole helpful. We have eliminated certain individuals and certain intro-party fights which were doing positive harm.

Curley in Massachusetts is, I hope, finally out of the picture. Quinn and O'Hara in Rhode Island tried to murder each other and both are dead! Cross was too old a story in Connecticut and Lonergan was a reactionary. Hague was slapped down in New Jersey and the Pennsylvania row brought inevitable defeat. In Ohio, Davey, the worst of our Governors, wrecked the whole ticket.

Beside cleaning out some bad local situations, we have on the positive side eliminated Phil LaFollette and the Farmer-Labor people in the Northwest as a standing Third Party threat. They must and will come to us if we remain definitely the liberal party.

Frankly, I think we will have less trouble with the next Congress than with the last. I think the idea is slowly getting through the heads of people like Tydings and George and Bennett Clark that even if they control the 1940 Convention they cannot elect their ticket without the support of this

Administration — and I am sufficiently honest to decline to support any conservative Democrat.

I am working at the present time on two very important things — first, national defense, especially mass production of planes; and, second, the establishment of a better system of constant publicity with the idea not only of making clear our objectives and methods, but also nailing the deliberate misstatements of fact as fast as they are made.

Affectionately,

Honorable Josephus Daniels,
American Embassy,
Mexico, D. F.

PSF:Mexico: Daniels

November 19, 1938.

Dear Chief:-

That postcard and the old revenue stamp are intensely interesting. I had never heard before either that we had collected Mexican revenues or that we had set up a Post Office for Mexican destination mail.

Verily, the United States Navy can and does do everything -- ubiquitous and omniscient! I am delighted to have both of them.

My love to you both.

As ever yours,

Honorable Josephus Daniels,
American Embassy,
Mexico, D. F.

*file
personal*

PSF-Mexico: Daniels

Personal

Mexico, November 22, 1938

Dear Franklin:

I was very glad to receive your letter giving me your inside confidential views about the recent election. Of course the election gave great encouragement to the Republicans, and I see in the papers that there is a strong effort to induce enough conservative Democrats to vote with them in Congress to emasculate some of the important New Deal measures. I was very glad to learn of your confidence and your determination to carry on. The command of our party now ought to be the one given to Moses: "Speak unto my people that they go forward."

A few days after the election I wrote a confidential letter to Jim Farley. He writes me today thanking me for it and suggests that I write you the views I expressed to him in my letter of November 10th. Instead of repeating these, I am enclosing a copy of the letter I sent to Farley.

My wife joins me in love to you and Eleanor.

Faithfully yours,

Joseph P. Daniels

Enclosure:

Copy of Mr. Daniels' letter
to Mr. Farley, November 10, 1938.

The Honorable Franklin D. Roosevelt,
Warm Springs, Georgia.

PSF: Mexico: Daniels

Mexico, November 10, 1938.

PERSONAL

Dear Jim:

As you may suppose, though far away I was deeply interested in the campaign and somewhat troubled about the result in a number of states. The result proved the wisdom of your action in the New York Democratic State Convention, for the success of the ticket which you nominated in New York affords a particularly bright spot in Tuesday's elections. I congratulate you that the pivotal state - yours and Franklin's - met the attack and repulsed it. I think you won because our candidates never lowered the flag and the campaign was waged upon the achievement of the administration for the last six years. The same thing happened in California. If everywhere the candidates had stood as four-squared as Lehman and Wagner and Mead, we would have had more victories.

After my felicitations, I wish to make this suggestion, which I hardly think necessary, because your experience and knowledge in national politics are so much greater than mine. The first thing a commander does after the battle is to ascertain where his lines were the weakest and why. Without any information, but as a hunch, I think when you make a survey, which I have no doubt you will be doing, you will find that the chief unexpected vote that went against us was the

German

The Honorable
James A. Farley,
Postmaster General of the United States,
Washington, D. C.

German vote. It looks to me like another 1920 in that respect. In 1920, although the Germans in Ohio, Republicans and Democrats, had voted for Cox for Governor because he was against prohibition, most of them "ganged up" against him when he was the candidate for President, the reason being that he was standing up for Wilson and the League of Nations. Many of the Germans had it in for Wilson because he had carried the United States into war against the Kaiser. In that campaign I went into counties in Ohio and Nebraska, particularly where the German population had been democratic for half a century, and I found that they were nearly all lined up against Cox. Roosevelt's speech in Chicago for democracy and the suggestion of a policy to ward off imperialism, and Cordell Hull's characterizations of the dangers of totalitarian systems greatly offended Berlin and the Nazis in the United States. Unless I am greatly mistaken, in a quiet way and whenever it could be done without notoriety, the German vote was cast in large blocks against us. I think you will find this particularly so in Ohio and other states where it could be done without being observed. I may be wholly wrong on this, but I am suggesting it to you in a quiet way in order to prepare against a repetition of it in the future. Of course, you and I know there are many patriotic and liberal Germans in our country who could not be controlled from Berlin, but I fear many of them were responsible for our defeat in a number of states and districts, because many are as ready to respond now to Hitler as they were to the Kaiser in 1920.

Of course, I am writing this purely as confidential to you and no one else because it is a matter about which there should be no public discussion.

I am hoping to be in Washington about the end of the year and will look forward to seeing you and discussing the outlook for the future.

With high regard, I am,

Faithfully yours,

JOSEPHUS DANIELS.

JD:b

This is Henry's story
may interest you.
Thank you for
your & Eleanor's Affection
preparation Daniels

file

PSF-Mexico: Daniels

THANKSGIVING DAY ADDRESS

Delivered by Ambassador Josephus Daniels at the
Union Evangelical Church, Mexico City, November
24th., 1938.

In the early eighties the distinguished Georgia editor and orator, Henry W. Grady, who "died loving the nation into peace", accepted an offer on the staff of a metropolitan paper and went to make that big city his home. Not long after his arrival, having found quarters in a self-centered section of the city, as Mr. Grady and his wife were leaving their boarding-house one morning, they heard from the steps of the adjoining house the heart-breaking sobs of a young mother following the coffin containing the body of her first-born.

"Who is dead?", the warm-hearted Southerner asked his landlady, who had accompanied the Gradys to the door. "Are you going to the funeral?"

As if the grief which the young mother could not control had not touched her, the cold reply was: "Sure I don't know. It's no funeral of mine."

The Gradys, with sympathetic impulse, though they were not acquainted, went up the steps where the swaying young mother needed support and sympathy; they upheld her and accompanied the little group to the place of burial - thus making it, out of sincerest sympathy, a funeral of theirs.

That night Grady, who came from a section where sorrow converted the whole community into kinship, said to his wife: "Let us go back home. It will sear our souls to spend our lives where, when the heart of your nearest neighbor is breaking, you feel no concern and say: 'It is no funeral of mine.'"

If the Gradys felt the compulsion of responding to the inner call of sorrow with a chance neighbor in a strange city, is there not a challenge to us all to send out our sympathies to fellow-mortals of every clan and race and clime who are the victims of war or hatred or prejudice in this dark hour? A powerful labor organization in other years had as its shibboleth: "The injury of one is the concern of all." It should be revived and universally adopted and practiced. Though he had never before seen the man who was beaten and left to die, the Good Samaritan lives as the eternal example of the good neighbor while those who "passed by on the other side" are execrated in every generation.

Never in the history of the world since the days of Herod has there been witnessed such a slaughter of the innocents as is being enacted at this very time. Even in what we call barbaric days when so-called uncivilized men were engaged in savage warfare, babes in their cradles, children

children in schools and orphanages, women in their homes, servants of God in holy places, were immune. It remained for our day to see death-bombs rained from the sky upon non-combatants and the utilization of agencies of destruction wiping out whole towns; and for persecution and intolerance to cause mankind to blush with shame and sicken with horror at the employment of scientific barbarism in every hemisphere except our own.

Living almost under the very shadow of bursting bombs and inhuman wrongs to peoples who have done nothing to deserve the utmost refinements of cruelty, how can we, on this quiet day in a city free from war or the rumors of war best celebrate our historic Thanksgiving festival? Certainly it would proclaim our utter selfishness and indifference to suffering men and women and children, merely to follow the customary habit of giving thanks for abundant harvests and the possession of creature comforts. It would indict our humanity to content ourselves by bringing into our churches ripe sheaves and rejoicing with the unwise man by saying: "Soul, thou hast much goods laid up for many years; take thine ease, eat, drink, and be merry." To follow so selfish a course would be to invite the historic condemnation: "Thou fool," and receive the sentence of soul extermination. We would write ourselves down as men and women without hearts if we could live in smug satisfaction for food and raiment and freedom from oppression, while thousands as deserving suffer from hunger and the dread of tortures worse than death.

In this night of blackness, let our prayer be the last words of Goethe: "Light and more light". If the Light is in danger of spluttering and extinction, there is one thing high above all else for which to be grateful on this Thanksgiving Day, and that is the world-wide prevalence of the spirit of righteous indignation and Christian condemnation towards the deeds of violence and intolerance which shame our civilization. This is no hour to condone injustice or apologize for persecution. Rather the imperative demand is, as Charles Kingsley phrases it, "To be discontented with divine discontent" and rejoice in the possession of "divine dissatisfaction", to which Emerson exhorted men as stimulation to a noble courage to fight and win against every injustice and injury to the bodies and spirits of mankind. In this conflict there is no place for those who have no stomach for the fight. The admonition to one and all is - to adopt the creed of Lincoln: "Let us have faith that the right makes might; and in that faith let us to the end dare to do our duty as we understand it."

The lion in the path of our thinking and of our resolution is to exaggerate the strength of the powers of darkness and to underestimate the forces of righteousness. As a matter of fact, we are prone, taking counsel of our fears, to endow animals masquerading as lions with qualities greater than those possessed by the real king of beasts. The roar we hear has no terror for those who believe

believe in the indestructibility of Right and Justice. What the near-jittery world needs today is invincible faith that the force of an ideal is greater than the ideal of force.

There was a time when the many, doomed to the serfdom of Feudalism, submitted helplessly and hopelessly to the overlords. Within our generation slavery has had its defendants, who even quoted scripture in defence of holding human beings in bondage. It required ridicule and legislation to outlaw the pseudo-chivalry called duelling, which numbered distinguished statesmen among its patrons. It has called for long conflict and many defeats to relieve women and children from back-breaking labor in sweat-shops and factories, and the victory is not yet fully won. The world is still battling against monopoly, imperialism, semi-feudalism, and the modern isms which would destroy democracy, and in some parts of the world there is still suppression of freedom of speech, press and religion. Entrenched and inherited injustice by dooming the many to drudge for the enrichment of others still awaits the victory for economic democracy. However, on this Thanksgiving Day let us thank God and take courage that we can report progress and look forward through the dawn of the coming day when all these hindrances to the abundant life will be but depressing memories.

We should take heart, in warring against Intolerance and Persecution and Naked Savagery in War, that Feudalism, Slavery, Duelling, to mention only three of the evils that have been a scourge to humanity, were overthrown by the overwhelming condemnation of an aroused Public Opinion, ~~the~~ ^{the} ~~that~~ one and final authority. We should be thankful that while there are still lions in the path, our chief cause for thanksgiving is the spread and driving force of that divine dissatisfaction which is spurring men and women to mobilize against all enemies of the inherent rights of life, liberty, and the pursuit of happiness - without let or hindrance or compulsion.

History proves that there is no man-made god or devil who can withstand the might of men and women who have "their quarrel just" against the injustices under which minorities and the helpless suffer. Right is not "forever on the scaffold" and Wrong is not "forever on the throne." But today, as rarely in human experience, comes the command to every man and nation to decide "for the good or evil side." In the challenge there does not exist any No-Man's Land nor half-way house.

With what weapons and in what spirit are men to enlist to uphold the cause of those denied their heritage? Fortunately, there is a chart and compass provided by which the harbor of relief and deliverance may be reached. It is found in the Book of Books, and is as fitting in this hour as if written for our day. Paul, the inspired, whose counsel is suited to people of every generation and to every human need when men cry out for light and leading, has written in the Epistle to the Ephesians these immortal words for our guidance:

Put on the whole armor of God, that ye may be able to stand against the wiles of the devil.

For we wrestle not against flesh and blood, but against principalities, against powers, against the rulers of the darkness of this world, against spiritual wickedness in high places.

Wherefore take unto you the whole armour of God, that ye may be able to withstand in the evil day, and having done all, to stand.

Stand therefore, having your loins girt about with truth, and having on the breastplate of righteousness;

And your feet shod with the preparation of the gospel of peace;

Above all, taking the shield of faith, wherewith ye shall be able to quench all the fiery darts of the wicked.

And take the helmet of salvation, and the sword of the Spirit, which is the word of God:

Praying always with all prayer and supplication in the Spirit, and watching thereunto with all perseverance and supplication for all saints;

And for me, that utterance may be given unto me, that I may open my mouth boldly, to make known the mystery of the gospel,

For which I am an ambassador in bonds: that therein I may speak boldly, as I ought to speak.

PSF-Mexico: Daniels



file

EMBASSY OF THE
UNITED STATES OF AMERICA

Mexico, December 10, 1938.

Dear Franklin - my esteemed Fellow Alumnus:-

The enthusiastic ovation given you at Chapel Hill warmed my heart. I am glad you appreciate the degree of that liberal institution, but do not let it turn your head. For once you are not first. Your wife received the same degree two years ago and it was conferred on your old colleague twenty years ago.

Every time I come home, prior to leaving Mexico City, I call on President Cárdenas to obtain his views on problems in which both countries are interested. I am enclosing a copy of the condensed conversation which I am sending to the State Department today.

I hope to see you around Christmas. My wife joins in love to you and Eleanor.

Affectionately,

Joseph Daniels

The Honorable
Franklin D. Roosevelt,
The White House,
Washington.

PSF-Mexico: Daniels

Original despatch has been
forwarded by air mail.

Mexico, December 10, 1938

7789

No.

SUBJECT: Interview with President Cárdenas

The Honorable
The Secretary of State,
Washington, D. C.

Sir:

I have the honor to transmit herewith a memorandum of my conversation with President Cárdenas yesterday at the National Palace, where we discussed various phases of the problems confronting our two countries.

A copy of this memorandum has been transmitted by air mail to the Secretary at Lima, Peru.

Respectfully yours,

Josephus Daniels.

Enclosure
as described above.

Embassy file 710
SEA:KCT
In triplicate to the Department of State

A true copy of
the signed original.
J. D. C.

Enclosure to despatch of December 10, 1938,
from the American Embassy, Mexico City.

MEMORANDUM OF CONVERSATION WITH PRESIDENT CÁRDENAS

December 9, 1938

Accompanied by Secretary Aguirre I called upon President Cárdenas, by appointment, at 12 noon today. After exchanging friendly greetings and saying that I expected soon to leave for the United States to spend the Christmas holidays and that while there I would see President Roosevelt and Secretary Hull, who undoubtedly would ask me questions with reference to these matters in which both countries are concerned, I wished to request the views of the President of Mexico.

The President replied that he and Señora Cárdenas hoped that Mrs. Daniels and I would spend a joyous Christmas; that he especially desired that I convey his warm regards and esteem to President Roosevelt.

I alluded to my conversations with General Hay about finding homes for Jews and others driven out from European countries, ^{wherein} he had assured me of Mexico's readiness to cooperate. President Cárdenas said he felt deep sympathy for those capable and industrious people - that he had directed that Mexico be represented at the conference to be held in London the middle of this month by the Mexican Consul General in that city, and that when the quota was fixed by the Commission Mexico would do exactly what President Roosevelt does, taking its share of these refugees. He referred to the recent statements of Minister García Tellez on immigration (see Embassy's despatch 7729 of November 28, 1938).

Jews.

I asked him if there had been any recent developments in the oil situation. He replied that he had been informed by Mr. Suárez, Minister of Hacienda, that a commission of two oil men would come to Mexico shortly; that they would already be here except that pressing engagements of one of the gentlemen had delayed their coming. He said that he would be willing that the properties be worked by the companies for exporting oil to any country where they wished to sell it and to exploit the Mexican oil wells, but that the properties will remain under Mexican domain. He said his country intended to pay a reasonable and just sum for the properties and he would be glad to confer with the representatives of the companies who are expected here shortly.

Oil.

I asked about the reported contracts with W.R. Davis & Company under which Mexican oil would be sent to Germany. He said these contracts were temporary; that he had instructed the Minister of Finance to make no long-term contracts. He said he greatly preferred to deal with the United States, but that there were difficulties in the way at this time. He added that Mexicans on the border had been instructed to point out to American business men the sincere desire of his government to trade with the United States. He spoke at some length about the fact that both republics were democratic and he wished the closest relations

Davis.

tions to exist between them and he was ready to do all in his power to strengthen the good relations.

Los Mochis

I called his attention to the publication in the morning papers that the Minister of Agriculture and the Chief of the Agrarian Department had gone to Sinaloa to divide up the Los Mochis property. He quickly went into a statement about that action, saying that the carrying out of the dotation of Los Mochis was understood by Castillo Nájera and Mr. Welles in their conversations in Washington. He said that the claims for the properties could be included in the Agrarian Commission now working on claims. It was his understanding, he said, that there was or would be a similar arrangement in regard to Los Mochis as was worked out with Mr. Jenkins in the State of Puebla. He said the ejidal banks and the United Sugar Company would advance funds to work the sugar lands.

Mines

I told the President that the fear had been expressed that the Mexican Government had in mind the expropriation of silver mines belonging to Americans. He replied that expropriation of those properties was not in his thought nor that of his government, and they had no reason to entertain such fears. He added that he had kept in close touch with the negotiations between the executives and the workers at Real del Monte and was glad that they were getting together, his understanding being that there was just a little matter of two or three hundred thousand pesos difference in the total annual wage. He expected to see the Chief of the Labor Department and said that the information he had received caused him to believe an agreement would be reached shortly. As I left, the Chief of the Labor Department, Licenciado Villalobos, entered the President's office.

Lima Conf.

The next subject discussed was about the Pan American Conference in session at Lima. The President said that he had instructed Castillo Nájera, head of the delegation, to cooperate with the American delegation to the end that the common objectives of both countries could be carried out, and that he had great hopes of the successful outcome of the Conference and believed it would insure peace and solidarity between the republics of this hemisphere.

Schools

I asked him about the school situation in Mexico, particularly in the rural districts. He said his administration was carrying out the program of former administrations and as laid down in the Six Year Program, in building more schools in Mexico; that the rural school teachers in a good many parts of Mexico had recommended that the schools be equipped to handle students up to the fourth and fifth school grades; that in the past these schools had only handled students from the kindergarten to the third grade, but that they were now being equipped to teach up to the fifth grade. Great progress had been made, particularly in the States where large Indian populations resided. He spoke in very complimentary terms of the fine work of Dr. Townsend (see despatch 7559 of October 21, 1938) and his assistants in Mexico, lauded their work and expressed the hope that I would visit some of the villages in which they are working.

On his own motion, President Cárdenas said that there was

Reli- was no persecution or proscription in Mexico - that
gion. the people had the right of worship as they saw fit.

Cedillo

He also volunteered the statement that General Cedillo's sister, through the Minister of Gobernación, had applied to his government for safe-conduct from Mexico so the General could go to the United States for medical treatment. He said that permission was given and he had instructed the War Department to give General Cedillo safe-conduct.

Politi-
cal
Situs-
tion.

The President brought up himself the political situation in Mexico. He declared that there would be no disturbances during the next presidential succession. He mentioned that there had been quite a lot of political agitation and attacks against his government, but said that it would reach no serious proportions.

Finance

The President appeared satisfied with the fiscal situation of his Government in spite of the fact that it had been undergoing an economic crisis. He said that Mexico's budget was practically the same this year as the budget of 1937, indicating that the situation was as favorable as could be expected; that the Mexican people were giving his policies support and it was their confidence and his deep interest in improving the condition of his people, who had long suffered, that gave him strength for the tasks laid upon him.

Repeating his friendship for the United States, he again asked me to convey his sincere personal regards and the appreciation by his countrymen for the policies he was carrying out for his people, to President Roosevelt.

The interview lasted fifty minutes, and I have condensed the conversation into the above.

JOSEPHUS DANIELS.

PSF Mexico:
Daniels



THE FOREIGN SERVICE
OF THE
UNITED STATES OF AMERICA

file

AMERICAN EMBASSY

Mexico, July 18, 1939

PERSONAL AND
~~CONFIDENTIAL~~

Dear Franklin:

I suppose you lack the time or inclination to read Raymond Moley's articles in THE SATURDAY EVENING POST. In the last installment Moley has the following, in which he brings me into his story :

"I wanted advice as to what to do and how to do it. I found dear old Josephus Daniels with Louie and I put the problem to them both. I received, I am sorry to say, the worst political advice I ever got. They both told me to ignore the stories, that publication of the statement FDR had dictated would create more confusion than there already was. Anyhow, it would be entirely out of order for me to hand it out in FDR's absence . I must do nothing until he returned."

Unfortunately for the truth of history - if his recitals could be history, even second cousin once removed - Mr. Moley does not tell wherein Louie Howe and Josephus Daniels gave him "the worst political advice." As he has tried to ruin my reputation as a giver of sound advice, you may like to know to what he refers. As you know, I am no disciple of Josh Billings, who said: "If a man asks your advice, find out what kind of advice he wants and give it to him, and he then thinks you are the smartest man in the world except himself." I have a little conscience left and when asked for advice I try to give the sort that seems best.

You will recall that I was in New York the first three days in March 1933, and went to Washington on the same train that carried you to the inauguration. On March 2nd (it may have been the 3rd), while I was in
Howe's

The Honorable
Franklin D. Roosevelt,
The White House, Washington.

Howe's office talking to him, Moley came in. I had never seen him except on the train when you went to Raleigh during the campaign and then had only a brief chat with him. When he came in Moley, after speaking to me, addressed his remarks directly to Howe, but of course I heard what he said. He had a paper in his hands on which he had done some writing. He prefaced the reading by saying, as nearly as I can recall: "I have written this statement which I wish Mr. Roosevelt to make today so it will go in the papers tomorrow, and unless it is made so that my position is clear, I cannot (or will not) take the position he wishes me to accept."

Moley's written statement was to the effect that he was to have direction of all matters connected with debts due the United States and some other specific duties, named in detail, in the State Department, and such other duties as the President should prescribe. He followed the reading by saying that he didn't intend to go to Washington without knowing what duties were assigned to him. He did not seem happy, but in a mood to get what he wanted and have you make a public statement as the price of his acceptance. When he had finished reading what he had written and making his statement, he asked Howe what he thought about it. I saw that Howe was somewhat embarrassed and did not wish to get mixed up with what didn't look like a good situation. Instead of answering the question, Howe replied: "Ask Daniels. He has had long experience in Washington in the Cleveland and Wilson administrations and knows Washington."

I had said nothing and did not enter into the matter until Moley turned to me and asked my advice. I did not know the relations existing between you and Moley, but believed they were close and friendly. I sought a way to prevent friction, and so I said to him, in substance:

I think I know Washington, and if I were you, and the President were willing to make such a statement, I would earnestly request him not to do it, for it would queer you and block your usefulness in Washington at the beginning. As you have stated that the President wishes you to study the agricultural and economic problems and advise with him about them, as well as perform the duties of Assistant Secretary of State, it is much better to go there and be ready to do anything desired, than to have your duties and responsibilities laid down specifically. If they

they are enumerated, it will be supposed that you will be confined to what is stated, whereas, as I understand it, you wish to be ready to serve the administration anywhere that you can aid the President. If the President made such a public statement - and I do not think he should or would - and if Hull, who is to be Secretary, should acquiesce in it - and I do not imagine he would - it would be the worst possible thing that could happen to you and would from the first embarrass you and retard your success in the lines in which you can help most in the big and difficult things to be done. I am not sufficiently informed about the proposed debt negotiations to say what should be done, except that we should insist on prompt and regular payment of the interest at low rates. It will require all the wisdom that can be invited to cure this running sore, and in any negotiations with the debtor nations they will have to be conducted by the Secretary of State and the heads of the Foreign Offices of the debtor nations. The President and Mr. Hull will wish your advice and counsel, but could not turn it over to be conducted exclusively by any other official, and you should neither expect it nor wish it.

At first Moley didn't seem to agree, but I enlarged upon what I have condensed here. Moley, after some discussion, turned to Howe and asked: "What do you think of it?" I thought Howe looked relieved and he said he thought I had given good advice.

I knew your way of acting well enough to know that you could not publicly inform the world that you and your Secretary of State would abdicate in a matter of such delicacy and importance which had to do with foreign governments. And I was sure if Cordell knew what Moley wanted he would go up in the air and use some Tennessee expressions. We both know that - to use a gross exaggeration as was said of another - Cordell is "the mildest-mannered man who ever cut a throat or scuttled a ship."

I was drawn into the matter wholly by the accident of being in Howe's office when Moley called,
and

and had no interest except to try for the good of our administration to compose a situation that promised nothing good. It may have been the "worst advice", but I think now, as I thought that March day, it was good advice.

My chief desire, then as now, looked to the success of your administration. I always feel like saying "our" - for, as you know, I looked to your inauguration as the realization of plans and policies we had long entertained in common.

With my affectionate regards, believe me

Faithfully yours,

Joseph Daniels

PSF-Mexico; Daniels

File
personal
confidential
3

PERSONAL

Mexico, October 23, 1940

Dear Franklin:

I don't know whether I have ever read anything by one of the columnists (some of them make me tired) more outrageous than David Lawrence's assault on your administration because the Navy's armor plate supply fails to meet the demand. This article appeared in the SAN ANTONIO EXPRESS of October 22. If I had been home it would have given me the greatest pleasure to expose the great injustice of his unfounded attack.

Twelve years ago I was in Charleston, West Virginia, and was taken out to the armor plate plant which we were building there when the Wilson administration went out of office. I spoke on the steps of one of the buildings. The people of that community and State had a sense of outrage that after spending so much money on the armor plate plant it should have been abandoned, or virtually so, when Wilson went out of office. I devoted part of my speech on that occasion to the history of the building of that plant, which had been prompted by a desire to rescue the Navy from the extortions of the three private companies which manufactured armor plate. I explained to the people of Charleston that there were only three reasons why the armor plate plant was abandoned. They were: first, the Bethlehem Steel Corporation; second, the Carnegie Steel Company; third, the Midvale Steel Company. Hardly had Harding been inducted into office when orders were given not to complete the plant, the purpose being to give all the contracts to these three private companies which, as you remember, had made identical bids for armor plate for dreadnaughts and had sworn that they had not consulted each other or made any collusive bidding.

When I sent for the representatives of these
three

The Honorable
Franklin D. Roosevelt,
The White House, Washington.

three companies I asked them, each in the presence of the other, if they had ever had any conversations or consultation looking to the agreement upon an identical price. They all solemnly said they had not. I thereupon told them I was very much interested in their answer, because it seemed to establish a theory that had been advanced by a young artist in Raleigh years ago. The wife of this young artist, who was almost starving, was taking lessons in art in Paris, her uncle having furnished the money. I passed by his studio every day, and I always asked him how his wife was. He invariably answered, "Very well. I have just heard from her." After receiving this reply day after day, I said, "Randal, every time I come by you tell me you have just heard from your wife. Does she write every day, or telephone, or telegraph?" "Oh no," he said, "you know we are too poor for that. And she doesn't write every day." "How then, "I asked, " is it you always say, 'I have just heard from her'?" He answered, "Don't you understand mental telepathy? I can sit in my studio in Raleigh with my window open toward France and my wife can sit down in Paris with her window open toward the United States, and we can communicate as perfectly as if we were in the same room."

After relating this incident to the three manufacturers, I said, "I always thought this young man was crazy. You have established that he was a wise man and that mental telepathy is real."

With my affectionate regards always, believe me

Faithfully yours,

Josiah Daniels



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personal*

THE FOREIGN SERVICE
OF THE
UNITED STATES OF AMERICA

PSF: Mexico Folder
Daniels
Mexico D 7 Sep. 15. 1941.

AMERICAN EMBASSY

Dear Franklin :-

I carry on occasional
interchange of letters with our friend,
John H. Clarke, former Justice of the
Supreme Court. I have marked two
paragraphs which may interest
you.

Affectionately,
Joseph Daniels

I know you were pleased with the
action of the Region. I enjoyed my
two days there very much. D

COPY

~~Confidential~~

John H. Clarke
El Cortez Hotel
San Diego, California

September 5th
1941

Honorable Josephus Daniels
United States Ambassador
Mexico City

My dear Mr. Ambassador:

It is good to hear directly from you although I am hearing very frequently of you from various sources and always, I am happy to say, very favorably. That you are making a great success of your official opportunities is the unanimous opinion of the rather considerable number of important people whom I chance to meet and with whom I correspond. Plainly you have seconded with a success born of conviction the Good Neighbor Policy of our President, which is now proving so valuable to our country in Mexico and elsewhere.

I am reading the volumes of "Tar Heel Editor" with a great deal of interest, although some trouble with my eye lids - fortunately not with the eye balls - restricts my reading so that I am obliged to make it selective by use of the table of contents and index. It is an interesting and often an heroic life that you are recalling, and I am happy to say that in most of the important policies which you have advocated our point of view has been distinctly the same.

Your criticism of Justice McReynolds is acute, penetrating and sound. Unfortunately the last chapter of his service on the Court made him an all but ridiculous and absurd figure by his constant dissent from and denunciation of everything in the way of decision which looked toward adapting our government to the new conditions which were, and still are, so obvious to a man of anything like independent thought. McReynolds, as you say, was a black letter lawyer and in addition to that was a lazy man and not only did not keep up with the changing times, and what should have been changing laws, but continued to the end living by the legal standards of his law school days.

This line of thinking suggests the question whether you have read Attorney General Jackson's book, "A Struggle for Judicial Supremacy". It seems to me the most searching and competent discussion of what are the legislative powers of the Court under the Constitution and its fitness for discharging them that I have seen. If you have not seen a copy, I should estimate it a great pleasure if you will permit me to send you one.

You ask for my point of view on the general international outlook. The whole situation changes so rapidly that I have no convictions as to what the future is likely to be, and in response to like inquiries my answer has been that I really feel the future is too uncertain to give us data sufficient to form anything like a comprehensive notion of what is to be or shall be possible. However, of this I am sure, that if the world is to escape chaos it must be through some sort of an international league of peace not greatly different from the one to which you and I gave the devotion of the best that was in us and I still feel, as I may have written you, that the most difficult indictment for the Republican Party to meet at the bar of history will be the course of hostility which it pursued in the great civilizing opportunity which adherence to the League would have given us.

It has rather interested and in a measure amused me to note the extent to which I have been resurrected from a forgotten past since the war situation has become acute. Upon invitation I have already joined a half dozen of the organizations favorable to our doing everything in our power to aid Great Britain and to defeat Hitler. I have uniformly, however, declined to join the movement urging immediate war saying that I have perfect confidence in the President of the United States, his intelligence and his patriotism, and that knowing that he has vastly better opportunities for information than I have, I decline to go beyond saying that I favor going into the war whenever the President thinks it wise that we should do so.

President Roosevelt continues to grow upon me as an able man and statesman, since I am convinced that no other President in our time would have had the foresight to secure from Great Britain the airports and forts in the Islands and in South America, which push our defense shores five hundred miles and more to the east of what they ever were before. If worst comes to worst, they quite certainly would prove the best defense of Boston, New York, Philadelphia and Washington against the enemy. Add to this the Good

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Neighbor Policy in which you have been playing such an important part and we have an exhibition of statesmanship such as we have not seen, certainly not in my long life.

I am happy to say that I keep surprisingly well for a man of my great age and that I am still quite able to look after my somewhat extensive affairs and to take my usual half hour vigorous walk before breakfast every day in the year - in this favored land where winter never comes.

Hoping that you will remember me cordially to Mrs. Daniels and that all may continue to go well with you and yours, I am

Yours sincerely,
(Signed) John H. Clarke

JHC:JG

P. S. I enjoy your son's page in the "Nation". He has a message and he knows how to write.

JHC

Photograph
Mei Exp.

PSF: Mexico Daniels
Folder

St. Louis, Mo. Jan 22, 1941,



EMBASSY OF THE
UNITED STATES OF AMERICA

7 P Confidential

Dear Franklin:-

I have known Judge John J. Parker, of North Carolina, many years. He is a gentleman of high character and a lawyer of learning and honesty. For years we have remained together on the Executive Committee of the University of North Carolina and together we have seen earnest supporters of the administration of President Frank Graham. He has the respect of the members of the bar and the people of North Carolina of all political parties. If a Republican is to be named he is in every way suitable and I would be glad to see North Carolina honored in our highest court upon which the State has not had a member in almost a century.

However, I feel it was my duty to you Walter yesterday, when you spoke to me about this that arose when, after ^{Parker's} nomination by President Hoover, and he was defeated for confirmation. The labor organization strongly opposed confirmation because of a decision he had made in a West Virginia case, which they called a "yellow dog" decision. The Association of Negroes were likewise against his confirmation alleging that when a candidate for Governor on the Republican ticket he had opposed measures passed by Democrats that discriminated against negro voters. I would suggest you have the papers of that period examined so you can judge of their validity and whether or not they might bear truth to this end.

Affectionately
Joseph Daniels

If I were President I would appoint a Democrat. My choice would be Robert Wagner or Robert Jackson, militant Progressives

29th Jan 1941



St. Louis, Mo Jan. 22. 1941

EMBASSY OF THE
UNITED STATES OF AMERICA

Dear Friend :- I am enclosing an important letter touching upon a matter President Roosevelt discussed with me yesterday. It is necessary for him to have it at once because it concerns a matter he has now under consideration -

I will be under obligations if you will do me the great kindness to put it in the President's hands at once.

My wife sends her love - you know you always have mine.

Faithfully

Joseph P. Kamp

Mrs. L. H. H. H.,
The White House