Costigan Act applied as to restrictions and unapplied as to compensations. Credit paralyzed. Cane dried up. Mills decapitating farmers. Ninety-eight per cent cane workers unemployed starving. Misadministration from Washington of policy intended to do opposite has accelerated tremendously process of last thirty years. Chardon plan, which has enormous popular support of economic associations except sugar mills and of socialist and liberal parties, independent press and church, being unwarrantably delayed while big mills fight underhand. I try hard to keep confidence while criticizing petty Washington officials for criminal negligence. Situation growing rapidly unmanageable. People being as good as they can about it but there is distinct sense of intolerable betrayal from Washington throughout population.

Luis Munoz Marin
Dear Ruby:

The result of the elections here is as foreseen. Huge sums of money spent by sugar, in spite of the weak Liberal candidates, plus terror among a large part of the population caused by the unjustified punitive clauses of the Tydings Independence Bill (Hold-up Bill for a better term) produced victory for the people who have so viciously attacked the New Deal, and Roosevelt, and Ickes, and all their works. The moment the Tydings Bill was introduced I knew this result and announced that I would not run for office, as you remember. I did this partly in an attempt to silence some fire from the sugar corporations, and also because I would not subject myself to the certainty of defeat by the forces released or strengthened by the presentation of the Tydings Bill as an Administration measure, capped with the announcement that it had been approved unanimously by the Cabinet. I know these things (approved by cabinet, etc.) are untrue as a matter of reality; but they remain officially true, and they are certainly true to the sugar companies and to the population at large.

I have issued a press statement, a clipping of which I enclose, stating that I knew what the results of the elections would be as soon as the Tydings Bill was introduced. Every local Liberal leader on this island knows that this is not an afterthought or an excuse, because I discussed the matter in person with every single local committee on the Island during the Retramiento campaign. The position is today that the only time in four years in which the Liberal Party did not take my advice, it failed disastrously, and in exactly the manner predicted by me.

ASI will begin campaigning very soon. Within the next few days I shall call together the Central Committee, to make plans and give a public statement of aims and methods. In spite of the big Coalition victory, which raises in Coalitionists a pork-barrel hope and appetite, I think we shall have many thousands of Socialists and Republicans in ASI. I am now trying to get a good Socialist Vice President, but
From all the foregoing you will see how absurd it would be to consider the elections just passed as a referendum on independence. I am sure that no person of sound mind will consider them so; but the reactionaries are playing heavily on that feature.

In the midst of so much confusion caused by E.G.'s irresponsible action in having the Tydings Bill presented as an Administration measure, in the midst of facing a new lease of office for the worst bunch of reactionaries ever assembled, it is like a breath of fresh air to receive the news of the tremendous victory of Roosevelt and the New Deal. A somewhat similar victory would have been achieved in Puerto Rico by the supporters of the New Deal if it had not been for the monstrous Tydings Bill. What is the Supreme Court going to do about it? Will it continue to support the legal doctrine of Mr. Dooley? I trust it will. Extend my heartiest congratulations to all our New Deal friends, from the White House down.

As ever,

Luis

---

Total vote cast in Puerto Rico

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Coalition</th>
<th>Liberals</th>
<th>Republicans</th>
<th>Socialists</th>
</tr>
</thead>
<tbody>
<tr>
<td>1936</td>
<td>291,216</td>
<td>245,942</td>
<td>149,943</td>
<td>141,373</td>
</tr>
<tr>
<td>1932</td>
<td></td>
<td>170,000 (approx)</td>
<td>110,000 &quot;</td>
<td>90,000 &quot;</td>
</tr>
<tr>
<td></td>
<td></td>
<td>200,000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
November 7, 1941.

Dear Rex:-

Yours of November third clears the air for me and I heartily agree. I will try to make the Caribbean situation clear as soon as the set-up is ready to be announced.

Pagan came in to see me the other day and protested against any Caribbean conference. I asked him whether he would oppose a Caribbean conference which helped the people of Puerto Rico economically and socially. That stumped him.

I proceeded to tell him that I was ashamed that more had not been done in Puerto Rico by the people themselves. I pointed out that most of their food is bought on the outside with Puerto Rican dollars which proceed to leave the country. I told him that Puerto Rico ought to grow more of its own food, more food to export to neighboring islands, and that they ought to get certain things which they cannot grow themselves from nearby places instead of distant places. I asked him why the tin can houses on the slopes of the fortress were still there.

To all of these things he had no answer whatsoever, and he left me blinking his eyes and with a very definite suspicion that the President was angry and had spanked him.
You ought to put up a sign reading "The United States helps them that help themselves". That would give a new thought to the politicians in your midst. You might also tell them "Look beyond the end of your own nose".

What a job you have! You are still a young man -- you may be able to make real improvements in Puerto Rico if you stay there twenty-five years.

As ever yours,

Honorable Rexford G. Tugwell,
Governor of Puerto Rico,
La Fortaleza,
San Juan,
Puerto Rico.
The President
The White House
Washington, D. C.

My dear Mr. President:

I have been very much amused in the last few weeks at the analogy, in a small way, of course, of my treatment here and the treatment which I remember so well you were given in the early days of the New Deal.

The Coalitionists, including Balivar Pagan, Senator Iriarte, Balsiero, etc., were infuriated by your characterization of Muñoz Marin as the "Premier of Puerto Rico" and they suspect that you send me secret instructions by every mail. Consequently they have been leaving me strictly alone except to indicate that I am a child-like innocent incapable of understanding Puerto Rican politics and, therefore, an easy victim, as you were, to the wiles of Muñoz Marin.

Do you remember how you were supposed to be the victim of a hypothetical "Brain Trust" in the same way?

After carefully looking over the situation down here and sizing up its relationship to the defense effort, it seemed to me that two things were vitally necessary to the establishment of a better situation. The first of these was that the Tammany-like crooks should be driven out of political life and this involved, it seemed, taking away from them their sources of graft, very largely settled in municipal services. In order to accomplish this and to kill another bird with the same stone, I started a movement for the purification of the water supply and the establishment of a better sewerage system. The other basic thing was to make some effort to turn people from their basic homesickness for the old Spanish culture, which is so deep here, to a fundamental admiration for American achievements and a belief that the future lies in the United States.

To do this a very varied and complex program is necessary, including a better attack on the language problem, the estab-
lishment of a school of public administration at the University which looks toward opening our Civil Service to Puerto Rico, a program of economic rehabilitation which will carry on work which was well begun by PRRA but which has been starved out in the last two or three years, and the attempt to build up a better basic system of governmental services for which the first requisite was the getting of more revenues.

I have the Legislature in special session at this moment for some of these purposes and am making progress. I think the opposition is on the run and that Muñoz Marin and I between us can register some real achievements before long. My great interest in the establishment of a sound policy here in the first few months has been the reason for my reluctance to take an active part in the whole Caribbean set-up. You must understand that my reluctance does not come from any belief that a Caribbean program is not needed. On the contrary, you are aware that I have been one of those who has pushed for it for a long time. But Puerto Ricans are so terribly touchy and so convinced that they are superior, not only racially but in fundamental economic possibilities (although neither of these seems thoroughly justified), that there has been enormous backing here for a campaign against any concerted Caribbean action, even though nobody has known what the program for such action might be. All of this can, of course, be off set by a statement from you that, far from being in danger, Puerto Rican interests are likely to be enhanced by any Caribbean cooperation, and it is my hope that you will make such a statement when the Commission on the Caribbean is announced.

I have been rather embarrassingly in touch with both Harold Ickes and Charles Taussig on these matters for the last few weeks and have a feeling that you must be a little confused by now at my attitude. If it is confusing, it is because Taussig and Ickes heartily detest each other, as you probably know, and since I am responsible for reporting to Ickes the situation has often been very difficult for me. I do not need to tell you that I have only been trying to do the things which I think you would have me do if you had time to direct them in detail and that I regard myself merely as an officer in what has come to be literally a rather large army.

Sincerely,

[Signature]

R. G. Tugwell
Governor
MEMORANDUM FOR THE GOVERNOR:

Sir:

The following is a translation of an editorial printed in today's issue of "El Mundo":

"WAKE UP FARMERS"

The Federal Census Bureau has made a study of conditions in the Caribbean. That study was made for a purpose. It was not a whimsical action. It responded to the existence of a concerted plan in connection with these islands. The Federal Census Bureau is a highly responsible agency of the government of the United States. Undoubtedly it is not conducting this investigation for curiosity's sake, or because its officials love to travel. They do not make their comments with the purpose of listening to themselves. They are scientific men tied up to the discipline of government. The Federal Census Bureau officially announced that the population and health problems of the Caribbean would be solved in the near future. An assertion of that nature, so definitely and so clear, is backed, no doubt, by the effectiveness of a plan definitely agreed upon. How is that plan to function? The answer to that question was hinted in clear terms by the Bureau. It pointed out as one of the causes for economic restlessness in the Caribbean the existence of subsidies and tariffs. As a matter of fact: subsidies are at present the basis of our agriculture. As to the tariffs, Puerto Rico happens to be the first beneficiary of the Caribbean. Just
as soon as the Tariff wall is brought down, Puerto Rico will be displaced from the American market. This is a fact which shows lack of responsibility and very little concern for the fate which might befall our island.

The Dominican Republic is beginning to realize the possibilities which might arise from the suppression of tariffs in the Caribbean area. Our colleague "La Nación", one of the most important dailies in Trujillo City, and very close to the government of that Republic, printed an editorial on the 21st of October in which it is very clearly shown that they have hopes for improving their economic means at our expense. In our editorial last Saturday we reprinted the said editorial to help our people awake to the imminence of the danger with which we are threatened. "The Dominican Republic will greatly benefit through a regular interchange among the people of the Caribbean. It is in a position to supply to Puerto Rico all kinds of food products which can not be done while the present restrictions exist" states "La Nación" in its endorsement of tariff elimination.

Our colleague undoubtedly forgets that our agriculture and Dominican agriculture are identical. Our crops consist of the same products and our basis for barter would be non-existent. The fertile Dominican lands with its intensive productivity would certainly wipe off our production should the tariffs be eliminated. If the markets of Puerto Rico would be opened to the Caribbean production and specially to the production of our Dominican neighbor, Puerto Rican agriculture would dis-
appear automatically. The limitation of our territory plus the fact that our much exploited lands only produce by means of fertilizers and intense cultivation coupled with the difference in wages paid are elemental factors which can readily be seen by even the least experienced in economical subjects. The Puerto Rican farmer would be destroyed in the midst of free competition. Could Puerto Rico risk the destruction of its agriculture? What would be gained by reducing the cost of living if we could not afford even to live? What would it mean to have an abundance of food crops if we could not buy them? It would result in the misery and torture of a ruined people on the verge of desperation. We cannot risk our economy not even to the minimum not to speak of the maximum, of free competition without risking the very existence of our people. On the other side, whenever the food crops of the Caribbean flood our markets displacing our home agriculture, we should be eliminated from the continental markets by the law of reciprocity. by that same law which at present guarantees our defense and protection.

The Dominicans harbor the hope that the Caribbean plan will give access to their products into the United States market. The same is true of Haiti. The same is true of every other region of the Caribbean zone. All of them have abundance of our own products: Sugar, coffee, tobacco, fruits, vegetables, etc. We would like to know if anyone can explain how could Puerto Rico profit by this unexpected competition and we would further
like to know how could it be possible to avoid the tremendous resulting harm. "La Nación" says: "We would advocate a conference at which all the Caribbean people should be represented for the purpose of reaching an agreement tending to an equitable regulation in the system of commercial relations between the Caribbean zone and the United States. In the "equitable regulation" of those relations, how is Puerto Rico to profit? Within the fixed law of supply and demand, how could this be done without Puerto Rico sacrificing a large part of its present exports?

Farmers of Puerto Rico, it is well that you begin to understand what is meant by economic cooperation in the Caribbean. The Senate of Puerto Rico, by a majority vote, has just expressed itself in favor of the creation of means so that Puerto Rico will have access to the cheaper markets of the Caribbean. This can only be materialized through the elimination of the tariff. By this time this expression from the Senate of Puerto Rico is known to official Washington. Are the genuine interests of Puerto Rico being defended? The Farmers of Puerto Rico will have the last word.
THE WHITE HOUSE
WASHINGTON

March 14, 1944.

MEMORANDUM FOR
ADMIRAL LEAHY:

FOR PREPARATION OF REPLY AND
THE NECESSARY ACTION.

F.D.R.

Cable from Tugwell, Governor of Puerto Rico, undated, to the President, protesting plans to cut importation of Puerto Rican rum. This action is inspired by pending FFA agreement for purchase of Cuban molasses and restriction on importation of Cuban alcoholic beverages.
THE WHITE HOUSE
WASHINGTON

April 7, 1944

Air Mail

My dear Governor Tugwell:

The restriction of the production of rum in Puerto Rico against which you protest is a measure necessary to the conduct of the war. The extent of the restriction and the manner of its application have been thoroughly reviewed by Justice Byrnes, and you may be sure that his decision was based on a fair appraisal of all the circumstances in the case.

Sincerely yours,

FRANKLIN D. ROOSEVELT

FRANKLIN D. ROOSEVELT.

Hon. Rexford G. Tugwell,
Governor of Puerto Rico,
San Juan, Puerto Rico.

Copy of this reply sent to Interior.

DECLASSIFIED
By Deputy Archivist of the U.S.
By W. J. Stewart Date 1972
FROM:  GOVERNOR TUGWELL
TO:  THE PRESIDENT
NO:  ANTD 7717, 16 March 1944.

No objection will be made by the people of Puerto Rico to anything clearly necessary to war. However, the copies sent to Byrnes and me of the correspondence between Ickes and FEA clearly shows that proposed action is inspired by Cuban agreement whereby, as part of a deal for obtaining the Cuban sugar and molasses crop, FEA agrees to try to curtail importation of alcoholic beverages from other areas including Puerto Rico and the Virgin Islands. Puerto Rico was treated by FEA without examining the tragic effects on Puerto Rico as if it were a foreign country and not part of the United States. The first real rehabilitation program in the history of the island will be destroyed by the proposed action, and the present unemployment relief program will be made impossible. Seriousness of unemployment has increased tremendously since the withdrawal of WPA and the end of military construction. The whole relief program is financed from rum revenue. Puerto Rico is pictured as a pawn in all newspaper stories and as being sacrificed in a Cuban deal. I cannot deny this or assure Puerto Ricans their sacrifices are vitally necessary to the war on the facts available to me.
April 3, 1944.

MEMORANDUM FOR

HON. HAROLD L. ICKES:

FOR PREPARATION OF REPLY.

F.D.R.

DECLASSIFIED
By Deputy Archivist of the U.S.
By W. J. Stewart Date FEB 16 1972
April 8, 1944

Dear Harold:

I note from your letter of March 29 that you have communicated with Justice Byrnes with reference to the recent limitation imposed upon the production of Puerto Rican rum during 1943. I know that you will hear from him shortly and that he will be as liberal with Puerto Rico as the urgencies of our war production will reasonably admit.

Sincerely yours,

FRANKLIN D. ROOSEVELT

Honorable Harold L. Ickes
Secretary of the Interior,
Washington, D. C.

(Copy of this letter is filed – Ickes Folder, dr. 2-44.)
THE WHITE HOUSE
WASHINGTON

April 1, 1944.

MEMORANDUM FOR

HON. JAMES F. BYRNES:

FOR PREPARATION OF REPLY
FOR MY SIGNATURE.

F.D.R.

Letter from the Acting Secretary of the Interior, 3/20/44, to the President, a copy of which has been retained for our files, in re restriction of production of Puerto Rican rum during 1944.
My dear Mr. President:

Justice Byrnes' memorandum of March 15 was followed by his decision restricting Puerto Rico to the production of 7,300,000 proof gallons of rum during 1944 as against the production of 9,100,000 proof gallons in 1943. Cuba is allowed to export to the United States 14,300,000 gallons although she shipped only 185,000 gallons here in 1942 and never was a serious competitor of Puerto Rico.

This is a hard blow to the Island. It limits work and it deprives the Insular Treasury of the rum revenues which are a major part of the Government's budget with which they take care of their unemployed.

We have asked Justice Byrnes to consider revising his decision, to allow Puerto Rico to produce 9,100,000 gallons (the same as it did in 1943) and to remove the retroactive feature of the limitation order.

Sincerely yours,

(SGD.) ABE FORTAS
Acting Secretary of the Interior.

The President,

The White House.
THE WHITE HOUSE
WASHINGTON

March 20, 1944.

MEMORANDUM FOR
HON. JAMES F. BYRNES

I do not know enough about this subject to give my approval or disapproval. I will do whatever you and Harold work out.

F. D. R.

Returning memorandum which the President received from Hon. James F. Byrnes, 7/17/44, in re molasses from the Caribbean area for use in the manufacture of synthetic rubber, a copy of which has been retained for our files.
March 17, 1944

MEMORANDUM FOR THE PRESIDENT

FROM: JAMES F. BYRNE

It is imperative that we secure all possible molasses from the Caribbean area for use in the manufacture of synthetic rubber and to reduce the industrial requirements of wheat.

In securing molasses from Cuba, FEA and State agreed that the United States delegation would "recommend to the appropriate United States Government authorities the establishment of import controlled measures for beverage alcohol from other countries or from the insular territories of the United States on bases similar to those provided for in the case of Cuba.

Puerto Rico exported to the United States 5,700,000 gallons of beverage alcohol last year. This represents the largest exportations in Puerto Rican history. The production of beverage alcohol was, however, 9,100,000 gallons. Imports from Puerto Rico cannot be controlled, production can be. Accordingly, in my opinion production controls must be set for Puerto Rico that will accord with the Cuban agreement and will assure us the largest possible amount of Puerto Rican molasses, without unnecessary disturbance of its domestic economy.

In my judgment, the Puerto Rican production, all things considered, should be limited to 7,300,000 gallons. Since Puerto Rico has 7,500,000 gallons in storage, this production limitation will probably mean that actual imports of Puerto Rican rum will exceed last year's record amount.

Interior objects to any limitation of production below 9,100,000 gallons. A substantial part of the revenue of the insular government is derived from the tax on exports of rum. It asserts that the internal stability of Puerto Rico depends upon its ability to have the internal revenue derived therefrom for its Treasury and that a curtailment on production may make impossible the construction of schools, hospitals, and health facilities, and may restrict the amount of food now made available to the people by the Puerto Rican Government by the rum taxes.

State and FEA both assert that the Cuban agreement will fail if a greater production than 7,300,000 gallons of Puerto Rican rum is permitted. The loss of the Cuban agreement would seriously threaten our rubber program.

As already stated, it is my thought that Puerto Rican rum production should be limited for the year 1944 to 7,300,000 gallons. I understand, however, that the Puerto Rican Government has comunicated
direct with you on this matter.

Under these circumstances, I would like to know if the proposed decision meets with your approval.

J.P.E.
March 16, 1944.

MEMORANDUM FOR
HON. HAROLD L. ICKES:

PERSONAL AND CONFIDENTIAL

What do you think of this?

F.D.R.

DECLASSIFIED
By Deputy Archivist of the U.S.
By W. J. Stewart Date________
MEMORANDUM FOR THE PRESIDENT

SUBJECT: Puerto Rican Alcohol

Admiral Leahy showed me Rex Tugwell’s telegram about Puerto Rican alcohol. Here are the facts:

Bradley Dewey some weeks ago served notice on WPB that if the rubber program was to succeed he must have an increased supply of alcohol. Marvin Jones advised me he could divert a small amount of sugar but could not make available any more grain. He was seeking to buy grain from Canada. Because of the shortage of railroad cars we could not increase the supply of Canadian grain. There was a shortage of grain for feed purposes. The dairy situation was still bad, particularly in the New England states.

The only source from which we could get an additional supply of alcohol was molasses. The condition of the rubber program was so serious that all of the agencies present agreed every effort should be made to get molasses from any source. A delegation was sent to Cuba by FSA. I joined Stettinius in urging the Cuban Ambassador to assist us. The President of Cuba cooperated and all parties agree that the Cuban contract is a good one. Under it Cuba is allowed to ship rum to this country in an amount equal to what it shipped us in 1943. It was provided, however, that Puerto Rico would have to be accorded similar treatment.

The State Department declares it is essential for us to live up to the agreement FSA made with Cuba. FSA says they made it only after they had advised Interior Department what they were going to do. All the agencies with the exception of Interior agreed that “similar treatment” would require limiting Puerto Rico to 1943 shipments. Tugwell says this is unfair. There can be no other base period. Puerto Rico shipped us in 1943 almost three times as much as in 1942 but wishes to increase its shipments this year.

When we do not let our own people make whiskey and we limit Cuba, it does not seem unfair to apply to Puerto Rico the same limitation applied to Cuba. If necessary it would be better to appropriate money for relief purposes because we have money but we do not have molasses and molasses is necessary for the rubber program. Of course the liquor business has greatly increased the revenues of Puerto Rico. The whiskey interests in this country have a financial interest in some of the Puerto Rican rum production. Tugwell says that if we do not permit them to make more money this year out of the whiskey business, it will affect the local election. If we don’t get more molasses and the rubber program is hurt, it will affect the war and will also affect our elections.

J.F.E.
THE WHITE HOUSE
WASHINGTON
August 4, 1944.

For file. First page missing when handed to me by the President today.

Rigdon.
At this holiday time I am not sure but that Puerto Rico is the most fortunate spot under the flag. Most of our tension disappeared when by using bulk-buying and a little judicious subsidy, we stabilized the cost of living in all important items. I do hope you win your subsidy fight there. It really works.

Sincerely yours,

R. G. Tugwell
Governor

The Honorable Franklin D. Roosevelt
President of the United States
White House
Washington, D. C.
THE WHITE HOUSE
WASHINGTON

September 8, 1944.

MEMORANDUM FOR
GENERAL MARSHALL:

TO DO THE NECESSARY.

F.D.R.
Mr. President

This inadvertently got into the files. What to do about it?

S.
I suggest that the Commanding General in Puerto Rico be instructed to assist the Governor in insuring orderly conduct of the election there this year. I am informed that the election will be warmly contested and that the insular police force has been depleted by army drafts.
I suggest that the Commanding General in Puerto Rico be instructed to assist the Governor in insuring orderly conduct of the election there this year. I am informed that the election will be warmly contested and that the insular police force has been depleted by army drafts.
MEMORANDUM FOR THE PRESIDENT:

In compliance with your instructions "to do the necessary," I have dispatched a message to the Commanding General, Caribbean Defense Command, and the Commanding General, Antilles Department, apprising them of the reported possibility of disorder in Puerto Rico during election this year. Instructions have been issued to the Commanding General, Antilles Department, that in case of lawless violence he will be prepared to take action upon request of the Governor of Puerto Rico under the provisions of Section 12, Act of March 2, 1917 (39 Statute 955).