

January 26, 1923.

Hon. Jose Tous Soto,  
Ponce, P. R.

My dear friend:-

I suppose that you are expecting this second letter of mine with the hope that it will contain such information as will dispel the bad impression that my first letter conveyed. Let me say at the start that although I am unable at this writing to give you any definite assurance as to how things will shape out, I nevertheless am able to write in more rosy colors.

On Tuesday night I came back from Kansas City with Governor Reily, whom I met in very poor physical condition and unable to walk about easily on account of the pain which he was suffering with his broken ribs. You know the man, and are aware of how difficult it is to get from him a positive statement on serious matters, and I, therefore, had to guard my way in my first conversation with him. He wanted to know from the start what news I had to convey and as I was the one who was looking for news, the first thing I did was to ask him point blank if it was true that he had been asked to resign and whether or not he intended to go back to Porto Rico. His first answer was an evasive one, asking in turn why I asked him that question, and I then told him that it was rumored both in New York and Washington that the Secretary of War had asked him to resign and that only after he had spoken to the President was it that he had been granted authority to go back for a short while. Reily denied that he had been asked to resign and said that the President was as much his friend today as he was when he was first appointed by the President; that he was getting ready to go back to Porto Rico tomorrow if his health would permit him to travel, and that he supposed that all the rumours about his resignation and not returning to Porto Rico were part of the plot made up by his enemies.

On Monday last we took the train for St. Louis, where Reily had to attend to some business and was to be accompanied to Washington by two other friends. On the train we had better facilities for long talks and little by little

I gained the impression that there was something in the resignation story, but that he was able, in his talk with the President, to fix up matters in such a way that the President told him to go back to Porto Rico and try to do the best he could, avoiding any more troubles, both for himself and the President. As I said above, the Governor is a different man physically from the one that came up in December, and I don't know whether it is this physical change that has made me also observe a moral change in the man. For instance, he would keep repeating the statement that he was tired of the constant grind of having to fight all his moves in the Island simply to receive a small salary of \$10,000 which did not commence to pay his expenses, and that now that he was broken down physically he had been thinking seriously whether or not it would not be better for him to "throw up the sponge" and let some one else go and fight the Unionists. He added, several times, in the presence of these friends of his, and the statement was corroborated by them, that with his good connections up here he could continue his business in Kansas City and might even expect to be appointed at any time Receiver for some corporation, to be appointed by the courts. This suggestion of a Receivership came about because Reily was able lately to have a friend of his appointed by President Harding to a federal Judgeship, and it was stated that this new Judge would have to handle a few pending suits, in one of which a certain railroad would go into the hands of a Receiver, a position which it was claimed would pay from \$25,000 to \$30,000 a year. Far from my intention to insinuate that Reily was thinking to be repaid for the appointment of his friend, but I mention the conversation so as to show the trend of his thoughts while we were coming over to Washington.

Reily is still a sick man and he needs help to put his clothes on and had to give up the idea of sailing tomorrow, not only on account of his physical condition, but because I advised him that it would be to his advantage to stay another week in Washington and see his friends in Congress regarding the intended resolution of Cordova Davila against him, of which I handed him a copy.

On our arrival here we found that Senator Iglesias had made up, with the help of the American Federation of Labor, a Concurrent Resolution, which was introduced in the Senate by Senator Brookhart of Iowa and in the House by Representative Maloney of Massachusetts, a copy of which I am herewith enclosing. Iglesias got the idea of this Resolution after he had read the Cordova Davila intended resolution, and he naturally supposed that his resolution would kill, as it certainly has, the Cordova Resolution. The latter refers solely to personal matters concerning Governor Reily, whereas the Iglesias resolution covers a period of the last ten years, which includes the Reily administration, and goes to the bottom of many public questions and subjects. Of course, if Mr. Davila should still decide to introduce his resolution, he will find that the majority of the members of the House will

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laugh at it, and if the Iglesias Resolution has no chance of being adopted, the Davila one has lost all its importance, even before it has been introduced. Davila himself is ravingly mad and told Congressman Maloney that Iglesias is nothing more than a Bolshevik, was not born in Porto Rico, and that the whole thing was a political trick to discredit him and his party, and that it was at the same time an indictment of the whole American administration in the Island, particularly directed against the Yager administration, but that he was willing that the resolution be adopted with an amendment to the effect that it go back and cover from the period of the military government in Porto Rico.

I have met Congressman Maloney, for whom I had brought a letter of introduction from the new Prohibition Director. He is a charming man, a live wire, and an active member of the American Federation of Labor, and a member also of the Committee on Immigration of the House. He took us (both Iglesias and myself) and introduced us to the membership of the Committee, that was in session this morning, and we were asked many questions regarding the Island, and it was decided by the Chairman, at the request of one of the members, to hold a special meeting of the Committee Wednesday of next week to hear us on the subject of emigration of Porto Ricans to the Hawaiian Islands. Of course, Iglesias will have to do most of the talking, as I will only go over the situation in a general way. Maloney told us on leaving that Iglesias should try to bring up at that hearing all the subjects contained in the Concurrent Resolution, so as to make it spread from different sources and thereby insure that some action will be taken, either by a Committee from Congress, or by one appointed by the President.

I told Congressman Maloney that although I could not testify as to many of the things contained in the resolution, there was sufficient matter in the same which I thought serious enough to merit an investigation, and I had in mind the subject covering the activities of the Bureau of Internal Revenue, of which data I had a copy with me of the charges which were placed in the hands of Governor Reilly some time ago, referring to certain corporations as being underassessed in the payment of their taxes.

Right here I want to state that Governor Reilly is very much worked up on account of what he claims to be a "dirty trick" on the part of Hartzell. He believes that Hartzell has deceived him and has turned against him, and in this he has the help of Iglesias, who makes him believe that Hartzell is his worst enemy. Both Nixon and myself tried to convince Reilly that this was not the case because Hartzell, to our knowledge, has done nothing against him, and has said nothing to us damaging to Reilly. I did add that from my long experience with Hartzell, I knew that he always worked for Hartzell and the corporations which he represented; and,

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of course, on finding out in his talks with both the Secretary of War and Judge Towner that the Governor was to end his activities in Porto Rico, he had willingly and readily discarded him after he had found out that he could not get anything more out of him, the same as he would do with an orange after sucking the juice. Reily was so much worked up against Hartzell that he told us, confidentially, of course, and saying that we should not repeat it because he had not told it to anybody, that when the subject of the undervaluation of the property belonging to the Aguirre Sugar Company was brought to the attention of Hartzell, in which Reily claims that the company would have to pay every year over \$500,000 more they are now paying, that Hartzell told him that this company was not willing to pay that amount into the treasury, but that they were ready to negotiate with him (Reily) for \$250,000 if he would be willing to have the entire matter dropped. Reily claims that he refused point blank and that he supposes that is one of the reasons why Hartzell is mad with him. He told us also that in his next first conversation with the President, he is going to expose the whole subject and will tell the President that he is willing to make an affidavit as to the whole matter. Iglesias told me today that Reily had repeated to him the same conversation this very morning, and that he (Iglesias) saw his opportunity to insist in the matter of the affidavit, and he also told him that it was a good chance now to get rid of Wilson, who was appointed at the instance of Hartzell. Later, when I came to Reily's room, the latter told me in the presence of Iglesias that he had made up his mind to get rid of Wilson, but to my surprise he said that if the President should insist that on going back to Porto Rico he should try and pacify the Unionists, he would have to appoint in Wilson's place some Unionist of the Aboy or Saldana type.

Another effect of Iglesias' talk with Reily is the determination of Reily to discard both Bennett and Harding from their present positions.

I am writing and bringing up the subjects as they come to my memory; therefore, sometimes I will repeat different conversations with Reily and others. The Governor is trying hard today to get an interview with the President, who only came to his desk today after more than a week's illness. Reily saw Dr. Sawyer, the president's physician, last evening, and asked him to tell the President that he was here and following his intimation; the last time he saw him he wanted to see both the President and Mrs. Harding, and Dr. Sawyer stated that he would give him an answer today, but at this writing I cannot say what the result of this conversation has been and I must state, in passing, that if Reily should see the President before I write my next letter and things pan out well for him, I will send you a cablegram. Reily suggested today that he would consult the President if it would not be advisable, due to his delicate physical condition, to stay up here some while and let Huyke continue acting as Governor, and after March

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4th, when Congress adjourns, to then go back to Porto Rico. Of course, I do not agree with Reily in this matter, but as I am dealing in the dark and don't know who is lying, I told him that that was something for him and the President to decide. But I did tell him that, to my mind, and knowing how elated Barcelo and his crowd must be at this time, thinking he will not return to the Island, I did not believe that any compromise would pacify these people, much less to hope that by the appointment of one of their men to be Commissioner of Interior, they would be willing to confirm the rest of his appointments, for this is the gist of Reily's trend of mind. I believe that nothing short of Reily's resignation will please and pacify the Unionists.

Reily received this morning two cables from Huyke and Coll, asking him to state positively by cable the date on which he was sailing, as it was reported publicly that he was not to return and that General Edwards was being considered for his place. Reily said he would not answer the cables until he had had an opportunity of seeing the President.

Yesterday morning I went to see Judge Towner, and told him frankly that I had failed in my endeavors to convince Reily that he should not return to the Island. I told him that Reily denied the fact that he had been asked to resign and that he intended to return to the Island and go about his business as usual. Towner said that he supposed that after his misfortune, Reily would be able to fool the President once more and would be allowed to go back and try him out for another period. Towner then asked me if I intended to see the President. I told him that when I came up I hoped to see him with Reily and try to win him over for our intended amendment regarding the election law, but since I knew that the President had been very sick and was not seeing anybody, I did not expect to be able to carry out my program. Towner then told me that he thought that if I should ask Secretary Weeks to take me over, I could then see the President, and if that was the case, he wanted me to put in a good word in his favor and in the name of the Republican party in case the subject of a successor to Reily was discussed. Of course, I replied that if I did succeed in seeing the President and the subject was brought up I would certainly be pleased to say that we Republicans would endorse his appointment. You will readily understand that I could not say anything less, but I have made up my mind that if a better candidate should appear on the surface, for instance, General Edwards, I would prefer to have him go down as Governor, and would not hesitate to tell the President so. Notwithstanding what Towner says, I believe

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that he is too friendly with Cordova Davila to suit our convenience, added to the fact that he has told me several times, and he has repeated it to Iglesias, that a good Governor should try to steer his way clear with entanglements with local politics. At the same time, Cordova Davila told Poventud yesterday that Towner would succeed Reily and that that was the best appointment that could be made under the circumstances. Poventud told me that from his talk with Cordova Davila he gathered the impression that the appointment of Towner would be more pleasing to the Unionists than it would be to the Republicans.

Now, why should Towner ask me to recommend him for Governor when he told me last week that the President had offered him the place? I cannot see what influence my recommendation could carry, if the President had made up his mind two weeks ago to offer Towner the appointment. I verily believe that there has been no such offer, but that Towner is simply a candidate for the position, and has been hoping to get the appointment, but when he has read in the papers that General Edwards was being considered by Secretary Weeks, and knowing the high regard that both the President and Weeks have for Edwards, both for his war record and his experience when he was Chief of the Bureau of Insular affairs, he saw that his candidacy was imperiled and hoped that I would help him to gain a good standing with the President. In talking this matter over with Governor Reily, he said that he was not going to be forced out of the Island either by the Unionists, Towner, Weeks, or Campbell; that if he retired at all, it would be at the asking of the President, who two days ago told Senator Watson of Indiana, an intimate friend of Reily's, that he was standing back of Reily 100 per cent and that the people of Porto Rico should raise a monument to Reily for the good work he had done. But that in any event, if he should decide at any time to leave the Governorship, he would still hold some influence with the President, and would see to it that the man who should succeed him, would be one to carry out his policies and who would not bend to the will of the Unionists, and that particularly he would ask the President as a favor not to appoint either Towner or Campbell.

I want to state once more that I have been deeply impressed with the deciding influence that Reily has with very many prominent people, both here and in his own state. I have seen many prominent men come to consult with him about matters of politics and appointments and they all agree that he is a deciding influence with the President for the getting of patronage for the State of Missouri.

Se me olvidaba decirle de la parte más importante de mi conversación con el Juez Towner ayer mañana. Fué cuando me pidió que yo hablase al Presidente en su favor. Le dije entonces cuál era el objeto de mi viaje con Iglesias y le expliqué todo el asunto y le informé lo bién impresionado que había quedado el Sec. de la Guerra con mi conversación y cómo habíamos quedado en volver a vernos y hablar sobre el asunto con su promesa de llevar ~~el asunto~~ a conocimiento del Presidente. Towner me dijo que aunque nunca había aprobado nuestra combinación con el Partido Socialista que creía que sería muy interesante el tener una enmienda como ésta intercalada en nuestra Ley Orgánica para usarla como una amenaza sobre la cabeza del Partido unionista. Dijo que no podíamos esperar que el Congreso se ocupase de este asunto en esta sesión a menos que otras enmiendas más importantes se hiciesen necesarias, pero que si el Presidente tuviese que recomendar la adopción de otras enmiendas, esa sería incluida con las otras y forzada como medida de partido, ya que los demócratas seguramente estarían en contra. Yo creo que podemos contar con Towner para que nos ayude en este asunto.

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I was forgetting to state a very important part of my conversation with Judge Towner yesterday morning. It was when he asked me to see the President in his favor. I then told him what the object of Iglesias and my trip was and explained the whole subject and told him how well impressed the Secretary of War had been with my conversation and how I was to see him again on the subject with his promise to take it up with the President. Towner told me that although he had never approved of our combination with the Socialist party, that he believed that it would be very interesting to have such an amendment introduced in the organic Act so as to use it as a weapon on the heads of the Unionist party. He said that we could not expect that Congress would take that up at this session, unless other amendments more important should be made manifest, but that if the President should have to recommend any other amendments it could be included with the others and pressed as a party measure, as the Democrats would surely be against it. I believe that we can count on Towner for the helping in this matter.

I went to see Senator Brookhart today with Iglesias, but the Senator was in New York, and we only were able to talk with his secretary, who made an appointment for us to see the Senator tomorrow morning at ten, when Reilly will go with us. Reilly knows Brookhart, and has known him ever since they worked together in 1912 in favor of Roosevelt.

This morning I had a talk with General McIntyre in Towner's office, and I must say that I found him the same friend as ever, although Iglesias claims that in his talk with the General he got the impression that he is working hand in hand with the Unionists. I promised McIntyre to see him in his office next week.

I expect to go to New York next week to look up the matter of a handwriting expert, to be used by us in case we should get a new trial of the election-case on appeal.

There is nothing more that I can write about today, as I believe I have covered all the subjects to date.

Believe me to remain, as ever,

Sincerely,