

May 26th, 1922.

Honorable Jose Tous Soto,
Ponce, P. R.

My dear friend:-

This morning Judge Towner told me that he had seen the President yesterday and speaking of Porto Rican affairs, he found out that nothing had been done regarding Reily. I showed Towner a translation of a cablegram which I received this morning from my son, dated yesterday, as follows:

"Strictly confidential.

"Attorney General has ordered the Prosecuting Attorney to present new charges against Governor before Grand Jury June 1st for violation of Art. 87, Penal Code."

which, of course, came in cipher, and the information gave him a good deal of concern and he suggested that I should immediately see the Secretary of War. I had already tried to see Weeks, but he had not been to his office and it seems that he went straight from his house to the Cabinet meeting and when this meeting was over I saw him at his office in the War Department. I had written on the bottom of the translated cable Article 87 of the Penal Code, and Weeks made the remark that this was the most serious stage of the proceedings. He put the paper in his pocket and told me he would back right away to the White House and talk with the President about the matter. I called his attention to the fact that today was the mail day, but if anything effective should be done, it had to be done by cable, so as to stay the Attorney General's action before the Grand Jury. He agreed with me and said that he was now sure that action would be taken immediately.

As I wrote you by last week's mail, the President was looking for a good excuse for writing the Governor a letter of recall and now with this information, I believe he will have the excuse that he was looking for.. The political campaign is growing warmer every day and the attacks on the Administration are something fearful. At the present time Attorney General Daugherty is in a bad fix for his connection with the Morse case during the Taft administration and the matter is being aired in the Senate by the Democrats, and the charges are so bitter that many Republican newspapers have demanded that Daugherty resign his position. Under the circumstances

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you will easily understand that a new scandal in reference to the Governorship of Porto Rico will be very unfortunate. And a new investigation by another Grand Jury would raise such a howl here that the President would not be able to defend himself concerning the charge of shielding his friend Reily after so many storms.

Judge Towner has received letters from Porto Rico denouncing the Governor for upholding the municipal judge at Fajardo and for not following the Attorney General's advice to the effect that the Judge should be removed. I told Towner that that was one case in which I thought the Governor was right, as I did not see why an Attorney General or a Prosecuting Attorney should meddle with a Judge who was complying with his duties in an investigation and had already rendered a decision. To my mind, if the Judge had acted incorrectly, the proceeding should have been to bring the matter before a higher court of justice, so that it could be corrected or the Judge sustained in his action. Judge Towner agreed with me entirely.

Travieso has not arrived yet in Washington. He wrote Towner from New York that he was detained there because he was trying to sell the San Juan bonds but that he would be in Washington on Monday next. Towner, with whom I had talked about the bond issue before, wrote Travieso that he thought that the best procedure in the matter of selling the bonds should be by public bids, and that the San Juan bonds being exempt from Federal and Insular taxation, should bring nothing less than par if the interest was at 4-1/2% per annum, and in the case that the interest was 5%, he believed that they should bring a good premium. Towner told me that he wrote a letter on purpose so that there would be a record of his advice to Travieso before he proceeded with the sale of the bonds. I had already told Towner that my information from the Island was that Travieso did not bring up with him all the necessary papers for the sale of the bonds, because when he left the Island the papers were not ready. I am writing this because it may be worth while to remember the circumstances of this transaction in case Travieso may try to dispose of the bonds by private sale, something which I can not see how he can afford to do.

There is nothing more to write today, and believe me to remain,

Sincerely yours,