

Brotherly Letters: The Correspondence of Henry Cabot Lodge and J.D.H. Luce, 1898-1913

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The letter, dashed off in a flowing hand on the best white bond stationery, begins with a flourish.

Boston, July 15th

My dear Cabot,

As an imperialist, you may not be surprised that I wish to be in the front row of colonial expansion! In short, I am very anxious to go to Porto Rico.

The person addressed was Massachusetts Senator Henry Cabot Lodge. The year was 1898. It had been scarcely two weeks since Lodge's friend Theodore Roosevelt had charged up San Juan Hill, and no United States soldier had yet set foot on Puerto Rico. It would be ten days before Yankee troops would land at Guanica, on Puerto Rico's south coast.

Three of my friends,

the letter continued,

who have all had years of business experience wish to join me in forming a firm with headquarters in Porto Rico to do a general banking business. Porto Rico at this moment is absolutely undeveloped and with the exception of a solitary government bank is without any banking facilities whatever. This I know from my own experience with sugar planters in the island.

The writer was John Dandridge Henley Luce, Lodge's brother-in-law and perhaps his closest friend. Until Luce's death separated them in 1921, a constant stream of letters would go back and forth between

them, some two hundred of which may be found among the Lodge Papers at the Massachusetts Historical Society and in the Luce Collection at Syracuse University. Subtracting those exchanging thanks for Christmas presents received (invariably books) or mirroring only family intimacies, some 120 refer, at least, to Puerto Rico and to the Aguirre Sugar Company which Luce was shortly to establish here. They offer us a glimpse of almost a quarter of a century of Senator Lodge's conscientious attention to Luce's problems with "colonial expansion." The record is incomplete, usually tantalizing, with letters obviously missing, with long intervals when communications were oral, since the men were often together. Yet they reveal a milieu of high favor and place accepted as due, even when they scarcely more than hint at substance.

"We can command a capital of \$200,000," Luce's letter went on,

and what we really want is to go in a way under the aegis of the U.S. Government. That is to get if possible the Secretary of the Treasury to make us a U.S. Government depository. This would give us a prestige which would be invaluable and without which I should hesitate very long before embarking in a scheme which certainly would mean partial expatriation. Can you give me a letter to Mr. Gage

(Gage was McKinley's Secretary of the Treasury)

introducing me and Mr. Henry DeFord? I am sorry I did not see you while you were in town to talk this over with you but as a matter of fact tho' we have been talking of some such scheme for some time we have not all come together definitely until today. As I take it when we occupy Porto Rico it will be to stay—you don't anticipate any terms of peace allowing Spain to retain the island as a colony do you?¹

Again the Olympian serenity, which was justified. In six more days a naval expedition would move in for the conquest, and in twelve days Lodge's son would accept Ponce's surrender. His future partners, Luce wrote, were sure there was money to be made, "and I, of course, am very anxious to do anything to make money." He had, he went on, "talked it over with Isa" and she had no objection to leaving

¹ A similar assurance is mirrored in a letter to Lodge from George H. Lyman, McKinley's Collector of Customs for the port of Boston and a dominant figure in Massachusetts politics. Lyman wrote on June 14, 1898: "By the way, when we get the Philippines..." *Lodge Papers*, Massachusetts Historical Society, Boston, Mass. (Henceforth, MHS).

Boston. (Isa was Mrs. Luce, nee Louisa Davis, sister of Mrs. Nannie Lodge, nee Anna Cabot Davis.²)

If you will give me the letter I speak of,

he continued,

and see your way in doing anything else to further the scheme as far as Washington is concerned, I shall be greatly indebted. We enjoyed seeing Nannie the other evening... How long shall she be in Ponnock?

faithfully yours,
Henley³

Nowhere in the long correspondence that follows does the friendship that bound Luce and Lodge together, and that was so helpful to the former, shine through more triumphantly than in the flurry of letters that followed some four weeks later. Both slim, well-tailored, conventionally cultured gentlemen were in their forties, already powerful, still rising. Luce, who had served for some years in the foreign banking division of the major Boston investment banking firm of Kidder-Peabody, was about to emerge as the head of his own vast enterprise. Lodge, completing his first term as Senator, was solidly establishing himself as a leader of the dominant Republican Party. Spain's surrender of her farflung outposts was opening before them both their best opportunities, for one in sugar, for the other in politics.

Their next two letters were both written on August 12, 1898, the day on which the signing of protocols ended the hostilities of the Spanish-American War. On August 12th it was no longer premature to assume that the occupation of Puerto Rico would be "to stay." If the degree of Cuba's future freedom was vague, if the extent of American sovereignty over the Philippines was in doubt, the solemn articles witnessed that afternoon in the Cabinet Room of the White House were precise: the smallest of the Greater Antilles would be ceded to the United States. Puerto Rico's opportunities for profit, like its size, were limited but there were rich prizes in store for the favored few in "the front row."

Lodge's handwritten letter is on his official Senate stationery, "Personal" and "to the President."

² A third Davis sister, Evelyn, married Brooks Adams. The one brother, Admiral Charles H. Davis, commanded the naval flotilla that attacked Guánica on July 25, 1898. More on the Davises, and on Luce's personal background, is in the author's "Early United States Investors in Puerto Rican Sugar," Blanca G. Silvestrini, ed., *Politics, Society and Culture in the Caribbean* (San Juan, 1983).

³ *Lodge Papers*, MHS.

Some gentlemen of Boston of the highest reputation, with ample capital and strong backing,

he wrote McKinley,

are engaged in establishing a banking house in Porto Rico... They are very anxious to be made fiscal agents of the government... My interest in the matter arises from the fact that my brother-in-law, Mr. J.D.H. Luce of Kidder, Peabody & Company—and the son of Rear Admiral Luce—is one of the partners. I should feel much indebted if this agency could be conferred upon them.⁴

Luce's letter was from Boston.

My dear Cabot,

I enclose a certified check for \$686 to the order of the Treasurer of the U.S.

In the news bureau there appeared an item stating that the North A. Trust Co. of N.J. has been appointed Fiscal Agents of the U.S. in Santiago (Cuba) and as you know I telegraphed this to you thinking you might use it in your letter to Mr. Gage as an argument against delay in making the appointment in Ponce and Porto Rico... If this is true about Santiago I must do some hustling.⁵

A day later, after thanking Lodge "for sending me the telegrams and for the one you sent to the Sec'y and the letters you wrote," Luce reported that ex-Governor Long of Massachusetts, now McKinley's Secretary of the Navy, had advised him "to go to Washington and sit there until I received the appointment" and had given him "a very strong letter" to Gage.⁶ Lyman Gage was considered key because of his position, his close relations with the President and his prestige in financial circles. He was an imposing elderly gentleman with a white beard and a habit of reading Mister Dooley aloud in Cabinet meetings. He had been president of the First National Bank of Chicago and of the American Bankers' Association.⁷

"We are sweltering here and very cross," Luce wrote the following Wednesday, August 17, from the Metropolitan Club in Washington.

At first, everything had gone triumphantly. He and DeFord had arrived in the capital the day before, and delivered to Secretary of the

⁴ *Ibid.*

⁵ *Ibid.*

⁶ *Ibid.*

⁷ Margaret Leech, *In the Days of McKinley* (New York, 1959), pp. 104, 384. *Dictionary of American Biography*.

Interior Bliss, a textile magnate and treasurer of the Republican National Committee, a letter from Henry Lee Higginson of the Boston investment banking firm of Lee, Higginson & Company. Bliss, who was on his way to a cabinet meeting, promised to speak to Gage there. Luce and DeFord then met Lodge's private secretary who introduced them to Mr. Allen, the Assistant Secretary of the Navy⁸, who promised to present them to McKinley "if necessary." Finally, there was Gage himself.

We met him—he said that... the President said there was no reason why we should not have the place... He... was exceedingly pleasant and we went away much encouraged.

But, overnight, Luce continued, there was an abrupt change in him. On Wednesday, Luce found Gage "insulting in his manner" and evasive, reporting McKinley "did not care to make the appointment now, did not know if he ever would, if he did it might be in thirty days, it might be never." He then turned coldly away and went on with his desk work.

Why he behaved thus is still unexplained. Luce, of course, was not the only banker to have political connections when it came to picking the plums. But it was apparently without McKinley's knowledge, for when Luce immediately appealed to Allen, Allen reported back that the president had already "told Gage we could have the place."

"You see it comes down to a case of veracity," Luce concluded. "Our plan now is to... try to find out where the hitch is, and if we can't, to go to the President at 11... If you think of anything which it would be wise for me to do please telegram me... Allen & Coolidge both said that few people come to Washington so buttressed as we. I am following your advice, and have thrown modesty to the winds." Then he added, below, "90 in the shade and damp."⁹

Two days later, on Friday, August 19, from his cooler home on patrician Clarendon Street in Boston, Luce reported to Lodge that all had ended properly.

...early yesterday I appeared in Mr. Gage's office and said that I feared he was labouring under a mistake as the President sent me

⁸ Charles Allen, a Massachusetts businessman, was later to serve as first civil governor of Puerto Rico from 1900 to 1901, in which capacity he would push the electric button which started the machinery in the first Aguirre central. He served as president of the American Sugar Refining Company from 1912 to 1915. *The National Cyclopaedia of American Biography*, XXV, 424. *San Juan News*, Dec. 18, 1900.

⁹ *Lodge Papers*, MHS.

word that he had told him I might have the appointment. He was evidently surprised that I had been able to communicate so quickly with the President and said that he would bring it up again today at the Cabinet meeting. Having your advice in mind I replied that while I did not wish to be in any way regardless of his former courtesies, perhaps it would be as well for me to see Mr. McKinley myself that day as I felt we were wasting time. He said very well, if I thought I could secure an interview, and when I returned in less than an hour having seen the President and bringing with me a message to the effect that if the Treasury Dept would fill out the appointment the President would sign it, you should have seen his face... we were back and forth for three hours but I carried by point, got the appointment made out and took it to the White House myself... finally, having made Gage's life miserable from ten to three we took the 4 p.m. train to New York which (*sic*) a certified copy of the appointment in our pocket. I had a very satisfactory interview with the President who astonished us by knowing all the details of our business. He was more than courteous and left us all with the impression he took an interest in the success of our venture... We long to vote for him again.

Luce had also, he wrote, had a long talk with the Assistant Secretary of War who promised to send them to the conquered island on the first transport, with the government's first deposit, and to transport them, their safe and their freight free of charge. "I thank you again and again," Luce concluded, "for all the trouble you have taken. Love to Anne."¹⁰

Less than a month later, on September 12, he was writing on DeFord and Company's printed letterhead from Ponce and going at once to a key financial matter for everyone in Puerto Rico and some outside it. "My dear Cabot," he began. "Of course we have been in the island too short a time to form an adequate opinion as to many things, but of one thing we are quite sure..." No time should be lost in naming a commission to investigate the matter of the conversion of the local currency. The fairest rate, he had already concluded would be two silver Puerto Rican pesos for the American dollar, as already fixed by the military authorities, although the intrinsic value of the peso (based on its bullion content) was only about 38 cents. DeFord and Company had bought "quite an amount" yesterday "for convenience" for 56 cents and were selling it today for 57 cents. Uncertainty about what would be done was making business difficult. "Owing to the large amount involved in outstanding contracts," he went on, "the merchants are timid as to new engagements." Their "idea of the proper rate for conversion is ridiculous," he wrote, being from 63 to 67 cents.

¹⁰ *Ibid.*

He must have known—it was his business to know and he was very adept at business—that at least 45 million pesos were outstanding in debts on mortgages and in commercial business, and one would expect some of that might well have been owed to Kidder, Peabody, his previous employer. If the United States should decree that pesos be exchanged at 50 cents rather than the 57 cents his firm was currently charging, the lenders would receive \$3,150,000 less and the borrowers get off correspondingly easier. Were 67 rather than 57 cents officially set, the creditors would lose \$4,500,000 more. Luce would have known, too, that the average value of the Puerto Rican peso had been around 75 cents for the last few years on the international money market.¹¹ One wonders why here he seems to be on the debtors side. A desire to have people get on with their affairs, without uncertainty? The only other possible explanation might be that, if he and his associates were thinking of buying up estates, the weaker the local merchant class, the less competition they would face.¹²

"I cannot tell you how interesting we find the work," he went on without paragraphing,

and how promising it is. We are all feeling like fighting cocks though of course one misses the little comforts. Even if the rate finally settled upon is 2 for 1, I think the sooner they know it the better it would be, for the coffee and sugar seasons are coming along and transactions will be much restricted. If the occasion arises, do urge on the proper authorities the necessity for action.

A general report followed. Ponce, for the past two days "had been full of the wildest rumors. We had it that hostilities had broken out, that there was to be a Native insurrection, that Ponce was in quarantine, that yellow fever was spreading, and heaven knows what." But he had called on General Henry who had reassured him "and everything vanished in the air." There had been only one yellow fever death, three suspect cases, "and if any alarm is felt at home it is absolutely unnecessary. My love to Anne."¹³

"You are quite all right," Lodge agreed, replying promptly from his summer home at seaside Nahant, Massachusetts, "if the only difficulties are those which grow out of the necessarily unsettled conditions of the island."

¹¹ Viago Di Venuti, *Money and Banking in Puerto Rico* (Río Piedras, P.R., 1959), pp. 17-18.

¹² Alternately (or perhaps in addition) the planters would be in healthier condition financially.

¹³ *Lodge Papers*, MHS.

"I will write to the President," he stated, "in regard to the matter of exchange and call his special and personal attention to it. I do not imagine that my words would have any great weight with the Secretary of the Treasury."¹⁴

And there were limits even to the persuasions of the junior Senator from Massachusetts, the countervailing weight of alternate interests. It was four months before the first official step in currency exchange took place when McKinley's Executive Order set the value of the silver peso at 60 cents for customs house and tax purposes. Puerto Rican coins in circulation were not, however, withdrawn until 1900 with the passage of the First Organic Act.¹⁵

No letters, unfortunately, reflect the decisive events of the next period. Lodge was re-elected to the Senate in January, 1899,¹⁶ and took the lead in guiding the Treaty of Paris that settled the Spanish-American War through the Senate. It passed by only one vote, on February 6, 1899. Lodge, taking full credit, wrote Roosevelt that it had been "the closest, hardest fight I have ever known."¹⁷ As soon as the Treaty passed, Luce and his associates purchased the Aguirre Estates on the southern coast and thus entered into the production of sugar.¹⁸ By April, the Lodges had gone abroad where they passed the months until fall, savoring cathedral architecture like proper Bostonian Protestants. Luce wrote them there, reporting on Cabot's mother's health. "I have been to Washington," he observed, "and have had several very satisfactory talks with the Treasury and War Department people."¹⁹ Lodge replied cheerfully from Rome. "Very glad to hear that matters looks so well to you in Washington... We had a most interesting and delightful week in Sicily..."²⁰

The next four letters I have found date from November, 1899, and two of these are from Louisa Luce, her sprightly style making one regret the more that other letters from the two Davis sisters have not yet come to light.²¹ She had come down by then with their young son to

¹⁴ *Ibid.*, Sept. 24, 1898.

¹⁵ Di Venuti, *op. cit.*, pp. 19-20.

¹⁶ Senators were then elected by their state legislatures, not in the November popular elections.

¹⁷ H.C. Lodge, ed., *Selections from the Correspondence of Theodore Roosevelt and Henry Cabot Lodge, 1884-1918* (New York, 1925), I, 391.

¹⁸ Central Aguirre Sugar Company, *Fiftieth Anniversary Report* (Boston, 1949).

¹⁹ *Lodge Papers*, MHS, April 11, 1899.

²⁰ *Luce Collection*, University of Syracuse Library, Syracuse, N.Y., May 3, 1899.

²¹ Lodge wrote her: "You are very good to find a moment among your many correspondents to write to me." *Luce Collection*, Syracuse University, Nov. 11, 1899. After Nannie Lodge's death, he also mentions wondering what to do with the "masses of letters" among her things. *Ibid.*, Nov. 30, 1915.

Join Henley, now in San Juan, and wrote from 9 Calle Tetuan, thanking "Dearest Cabot" for a copy of his *The War With Spain*, just published. "You waste sympathy on poor old Spain," she confessed, "when you see her former possessions here, the beautiful beaches, Morro Castle and San Cristobal, which is the most picturesque fortress... The Calle de la Cruz, of which there is a picture in your book, is the next one to us on the left and our apartment has a balcony just like the ones in that view on which I spend much of my time for the street sights and sounds are very amusing." They had just endured a visit from a Congressman whose "lady wife" had gone to all the "*funciones*, receptions and barrack dances at the palace etc. clad in the same uncompromising brown straw walking hat." Their own "first elaborate function" was to take place the next week with a dinner for twelve honoring the Governor General.²²

A key letter from Henley himself, probably several, must be missing for on November 11, 1899, Lodge was penning another of his "Personal. To the President" epistles. "I enclose a copy," he informed McKinley, "of a letter which I have just received from my brother-in-law who is a partner in DeFord & Company. I have received many communications in regard to the island but this seems to me to be the view of intelligent Americans who have interests there, and I would be very glad if you would read it."

Lodge was in the full flush of his glory then, real if not nominal leader of the Senate Foreign Relations Committee, about to become chairman of the new Phillippine Committee. He was, therefore, despite his gracefully deferential introductory phrase, taking no "liberty" in making suggestions. "It seems to me," he advised,

that we should not make the island a territory at present, perhaps not for some time, but we ought, with the least possible delay, to incorporate the Island within our tariff and at the same time abolish their currency and substitute our own. From these two measures I believe we should insure a very quick and marked growth of prosperity which will demonstrate to ourselves and to the world more than anything else our capacity for managing our new possessions. It seems to me also that we ought to establish a system of courts, and perhaps begin the organization of municipal and perhaps provincial governments under suitable restrictions where the people may learn the art of governing themselves.²³

²² *Lodge Papers*, MHS, Nov. 4, 1899. The year does not appear on the letter, but the visit of Congressman Weeks places it.

²³ *Ibid.*, Nov. 11, 1899.

A letter a week later from Luce thanks Lodge for his of the third (which has not been found) and expresses concern. All the local papers, he wrote, had received cables informing them that McKinley had appointed a Civil Governor of the island and "that the troops were to be withdrawn."

Monday morning the office was crowded with businessmen and merchants to know if the news was confirmed and it was really causing consternation. One very prominent man from Ponce... said if we would start a protest against the change, he thought he could get the signature of every respectable firm on the South side of the Island. Here it is practically the same. The men who have anything to lose are a unit against a civil government.

Luce had promptly waited upon the military government, who had received a cable from the Secretary of War that the report was incorrect. "Of course Gen'l Davis does not say so but in the staff there is a feeling that the report may have been put out as a feeler. If so, the way it was received here was not encouraging" but "confirmation of what I wrote you in a former letter."²⁴

The final November letter is from Lodge to Louisa. He hoped she was finding San Juan "a desirable change from Boston where it gets a little grey and monotonous at times." "Tell Henley," he wrote, "that I have had a long talk with the President and that I think his recommendations are going to be just what we want."²⁵

In March of 1900, when the Foraker Act was under consideration, Lodge wrote Louisa to say he was glad she had enjoyed the lognons which he had sent her.

We are having a monkey & parrot time here over Puerto Rico,

he went on.

The Senate caucus finally agreed to pass the appropriation and civil govt bills this afternoon & we have appointed a committee to try & reconcile the hopeless differences which appear to exist on the tariff. The tariff is in grave peril. I hope we shall pull thru something to settle the revenue but it is very near failing. All owing to the free trade agitation & consequent hysteria in the newspapers.²⁶

²⁴ *Ibid.* The letter is dated only "San Juan 15". 1898 was added in pencil by another hand. However, since General Davis served as Governor from May 1899 to May 1900, 1899 is correct and the month is established by a reference it includes to Congressman Weeks' visit which took place in October, 1899.

²⁵ *Luce Collection*, Syracuse University, Nov. 19, 1899.

²⁶ *Ibid.*, March 14, 1900.

On a December 30 in this period, Henley reported “_____”²⁷ & Webster & Saltonstall have an idea it might be a good thing for me to see Senator Foraker... but I can't say anything which he has not heard before & I suppose he will try to get his Porto Rican bill thro this year. Do you suppose there would be any use trying to induce him either to repeal or modify the Joint Resolution limiting the ownership of land by corporations?”²⁸

An indication of the kind of attention commanded by Aguirre in those founding days appears in a letter which the important Boston banker Henry Lee Higginson wrote Lodge on February 28, 1903. “My partner, Mr Storrow, and Mr Donald,” he wrote,

are going to Washington tonight about the Ponce Wharf.

We recognize the wisdom of your telegram saying that neither counsel nor one of us is needed to help the matter through, as it will go the ordinary way, if it will go at all.

The truth is, nobody of Messrs. DeFord & Co is here, and we wish to convince them that we have left no stone unturned...

If Mr Storrow or Mr Donald can help you in any way to get this wharf, they will be there to do it. You must be too busy to attend to such matters yourself and probably Senator Foraker is the same.”²⁹

A four year gap in the correspondence follows. In those years Aguirre, capitalized since 1903 at two million dollars and since 1905 a Massachusetts trust with Luce as president, had greatly extended its landholdings and capacities. Its production had soared to over 28 thousand tons of sugar and its net income reached over half a million dollars in 1905. But giant as it was in the island, with its power over the economy shared only with the South Porto Rico Sugar Company, it was in 1907 in some trouble. A serious drought had clamped it, production had fallen to scarcely more than 16 thousand tons and would drop to only 11 thousand in the 1907-08 harvest. Neither in 1907 nor in 1908 could the company pay dividends.³⁰

For Luce there was a far darker tragedy, with Louisa's death in April, 1907.³¹ Only on October 18, 1907, is there a surviving letter

²⁷ Although he gave the name, I find it completely illegible.

²⁸ *Lodge Papers*, MHS. This letter bears no year, and it is confusing to date it. The Foraker Act, including a cause prohibiting corporations from purchasing more than 500 acres of land, of course passed Congress and became law in April, 1900. However, Luce's letter includes a reference to “Governor Hunt.” Hunt was governor from September 1901 to July 1904.

²⁹ *Ibid.*

³⁰ Aguirre, *Fiftieth Annual Report*.

³¹ *Boston Evening Transcript*, April 18, 1907, Obituary Notices.



Central Aguirre. (Archivo del Laboratorio Fotográfico).

from him to Lodge, and it is in support of the embattled Regis Henry Post, whose Senate confirmation as governor of Puerto Rico was in question. Post, an energetic New Yorker, rather dashing and darkly handsome, had been nominated by President Theodore Roosevelt and was already in charge.

"Undoubtedly," Luce wrote, "he has a vehement way of speaking modelled somewhat perhaps on that of the President" but Luce "cannot for one moment believe" that he had made "a violent address to school teachers and missionaries" while drunk. "It would be a very unfortunate thing," he continued,

should enough opposition to his confirmation develop in the Senate as to make the President ask for his resignation. He has started a very great work, that of establishing a system of irrigation for the south side of the island, and as far as I could find out... he was the only member of the Government who took the slightest interest in the work, and it will require all his personal push and energy to carry the matter through.³²

Cabot replied on October 19 that he would do all he could and Post was subsequently confirmed.³³ Serving in the face of unprecedented island opposition, he resigned a year later. Aguirre's 1910 Annual Report stated that both Governor Post and the U.S. Commissioner of the Interior were pushing the irrigation project forward. It was successfully finished in time for the 1914 spring planting. That there is no other reference in the letters to the irrigation system is typical of their haunting, tantalizing incompleteness.

A similarly incomplete, and pregnant, picture emerges from a flurry of letters and telegrams in April and May, 1911, when the Aguirre Company was threatened with back taxes of over \$35,000. By then it was prospering again, production was back up, and dividends had been resumed, as its books showed a net surplus of a million dollars.

The roots of the problem went back to the conditions under which Aguirre, some ten years before, had acquired a franchise to construct a railroad from Ponce to Guayama. Since the franchise was by arrangement with a French railroad company holding a prior right, carrying freedom from royalties and taxes for twenty five years, Aguirre had agreed to pay the French company \$3,500 a year for the duration of the exemption. Now a zealous island Attorney General, Foster V.

³² *Lodge Papers*, MHS.

³³ *Ibid.*

Brown, was attacking the legality of the original exemption and demanding restitution.

By April 18, date of the first letter, Luce had obviously already been with Lodge in Washington and President Taft had been approached. "I hate to put you to any further trouble," Luce began, back in Boston at Aguirre's State Street headquarters, but he wanted to inform Lodge of a letter he had received that morning from his company's attorney in San Juan. On April 10, the attorney had discussed the matter with Brown "who had told him that in so far as the Attorney General in Washington had not agreed with him, he did not feel himself in the slightest bound by such opinion and that he intended to proceed with the litigation in accordance with his own ideas."

"This letter," Luce went on, "was written on the day we were in Washington, so that it doesn't look as if the President's instructions had been transmitted very rapidly." He added that the French Railroad Company's attorney had been to see Mr. Wickersham, Taft's Attorney General, "and we hear, moreover, that in Paris they are taking the matter up through the Embassy."³⁴

Lodge's reply is written two days later, April 20. He was "of course only too glad to do anything I can. I will try to see Mr. Wickersham tomorrow... I got an admirable letter from Harlan which I have filed with the Secretary of War."

James S. Harlan was then an Interstate Commerce Commissioner. He had been Attorney General of Puerto Rico ten years before and thus had been in charge when the franchise had been purchased. The Secretary of War, the cabinet officer still in charge of the island, was Jacob M. Dickinson, Esq. From Nashville, Tennessee, a Confederate veteran and thus of course a born Democrat, he had become general counsel of the Illinois Central Railroad and had broken with the Democrats over support for William Jennings Bryan, which had eventually carried him into Taft's cabinet.³⁵ Harlan's letter, written April 14 and beginning "I have your personal note of yesterday" reviewed six pages of detailed recollections confirming Aguirre's defense.³⁶

"The difficulty in getting anything done is, as I told you," Lodge went on, "the desire of one Tennessean to stand by another."³⁷ For the

³⁴ *Ibid.*

³⁵ *National Cyclopaedia of American Biography*, XIV, 410. *New York Times*, Dec. 14, 1928.

³⁶ *Lodge Papers*, MHS. It was filed, when I consulted it, under "L".

³⁷ *Luce Collection*, Syracuse.

obdurate Mr. Brown was an attorney from eastern Tennessee.³⁸ On the sunnier side, Dickinson was currently in the process of resigning his office and would shortly be replaced by another corporate attorney, Henry B. Stimson, who was far closer to the Eastern Republican establishment. The timing of the change in command figures in the ten letters and three telegrams that follow in the files concerning Aguirre's problem. "The new Secretary of War was spoken to by one or two common friends on Monday," Luce reported on May 16, adding that Charles Crehore, Aguirre's Secretary-Treasurer, had "got at Mr. Stimson through Mr. Bragden, the Treasurer of the Republican Club or Committee."³⁹

Brown held firm. On May 17th, a cable from San Juan reported him threatening to "collect all back railroad taxes, covering a period of eight years" and demanding the company sign a stipulation that "eliminates all questions of equity... If we do not sign the stipulation, which we are advised not to do, the Attorney General can put an embargo on the Road, preventing its operation and thus cause very serious loss, as the cane crop is not yet harvested. That there is any need for such drastic action," Luce wrote, "is absurd."⁴⁰

"Thank you very much," he wrote on the following day, "for your telegrams and for the trouble you are taking in bringing the matter before the President. As the case could not be tried at best until the autumn, Mr. Brown's haste seems somewhat like an attempt to persecute."⁴¹ The telegrams are presumably the undated ones from Lodge next to the letter in the files. The first reads "Impossible to see President this morning but saw Attorney General who thinks there ought to be suspension of proceedings." The second: "Have just had long talk with president. Showed him your letter. He understands the case thoroughly and in my presence dictated a letter to the Secretary of War... That he thought it would be well if Brown were instructed not to proceed with his present drastic methods... He said this would hold the matter up and I think it will. Will see Stimson as soon as he gets here."

"Your telegram," Luce reported on May 19th, "giving an account of your talk with the President has given us great relief and we feel so confident of the justice of our cause that we are quite ready to leave it to any unprejudiced person. Meanwhile our attorney is polishing his

³⁸ *New York Times*, March 27, 1937.

³⁹ *Lodge Papers*, MHS.

⁴⁰ *Ibid.*, May 17, 1911.

⁴¹ *Ibid.*

brief... I can only reiterate our very grateful thanks for all your time, interest and trouble..."⁴²

But meanwhile Aguirre's San Juan attorney was locked in "a stormy interview" with Brown, and Luce reported on May 24 "that Brown resented very much our attempting to go over his head" since he had been assured that "the Washington authorities had not the slightest intention of interfering with him in his intention to have this question decided by the Courts..." Had the President's recommendations, Luce asked anxiously, been sent by steamer or by cable?⁴³

It was promptly discovered that the outgoing Dickinson "had not found it worthwhile to cable" and the matter was quickly corrected. Lodge had been told, he reported, that "the whole trouble came from the fact that the Attorney General at Porto Rico was an inhabitant of Tennessee which, as I told you, was the one difficulty in the beginning. However Stimson may decide the case he will not be influenced by the fact that Brown comes from Tennessee." Lodge's reassuring "As soon as Mr. Stimson comes in I think we can do something about it" rounds off the matter.⁴⁴ "We feel now, at any rate," Luce replied on June 31 (*sic*), "that our case will have a fair hearing."⁴⁵

There are no further references to the matter. How long the lawyers polished their briefs and what the eventual outcome was does not appear either in subsequent Annual Reports from Aguirre nor in the reports of the Governor of Puerto Rico.

As for every other sugar company in the world, nothing was of greater significance for the fortunes of Aguirre than the tariff battles intermittently mounted in the Congress. It seems at first glance, therefore, remarkable that nothing of any significance about the tariff appears in the Lodge-Luce correspondence until the April of 1912. Yet the reasons are obvious. In April, 1900, when Luce himself came to Washington to testify, it had been decided that Puerto Rican sugar would enter the United States duty free. Thus within the favored circle of North American tariff walls, Aguirre, adequately capitalized, thoroughly modern, well managed, with fine land, irrigation and cheap labor, need not be concerned so long as any tariff at all existed on foreign imports. The Dingley Tariff, remaining in force from 1897 to 1900, was more than satisfactory, and at least its sugar schedules were well defended when Taft, in 1909, moved in to the White House as standard bearer of a party platform pledging tariff reform.

⁴² *Ibid.*

⁴³ *Ibid.*

⁴⁴ *Ibid.*

⁴⁵ *Ibid.*

Lodge was, of course, deeply involved in the subsequent struggle. As Senator from a manufacturing state, he could logically be expected to speak for his factory owning constituents in supporting high tariffs except on raw materials. The Congressional Record shows that he spoke twice, for example, on cotton goods, and that he introduced twenty four amendments, including ones on fish, pearls, reeds, rosaries, clock dials and matches. He did not, however, speak on sugar except in support of the successful move to admit 300,000 tons of Philippine sugar duty free. Here his position as Chairman of the Committee on the Philippines and his loyalty to Taft, who favored this generosity to the planters he had entertained in the Manila governor's mansion, were the important factors. The new Payne-Aldrich tariff, signed into law after five months struggle and 847 Senate amendments, left the duties on sugar almost untouched. No letters, apparently, had passed between the brothers-in-law on the matter.

It was, however, obvious that the battle for tariff reform would soon be joined again. A bill to admit *all* sugar duty free was introduced in Congress in April, 1911, and while nothing came of it then, in the March of 1912, a presidential election year, the Republicans splitting between Taft and Roosevelt, the Underwood Free Sugar Bill easily passed the Democratically controlled House of Representatives and was referred to the Senate. There the Republicans held a small majority and were split between the old guard and the Progressives.

"I was very much obliged to you," Luce wrote Lodge on April 23, "for the positive way in which you expressed your determination to concede nothing more than the Dutch standard and I can assure you that the Louisiana delegation were very grateful too. They all spoke of it. Oxnard, with whom I lunched..."

Henry T. Oxnard was president of the American Beet Sugar Company and, in the words of the *New York Times* "regarded as the head and front of the beet sugar interests."⁴⁶ In 1900 the beet sugar people had lobbied hard to keep Puerto Rican and Hawaiian growers outside, while Louisiana planters attacked them all. But all had prospered together within the favored circle, and now they were making common cause, seeing doom written large before each of them.

...Oxnard, with whom I lunched, felt sure that if you and Senator Penrose could control the republican side of the finance committee and would bring in a substitute for the House bill, giving up the

⁴⁶ *New York Times*, June 17, 1913.

Dutch standard and differential, it could be passed. He was very confident that he could obtain the votes of one or more insurgents than those mentioned at the meeting. In fact, as I understood him, the names he gave were those of the only persons with whom he had talked and he told me that he would begin at once yesterday afternoon seeing others. Senator Foster, too,

(Foster, while a Democrat, represented Louisiana, a cane state.)

while he did not care to state what democratic votes he could get, felt pretty confident, I understand, of the Senators from Texas where there are sugar interests, and I imagine at least one of the senators from Alabama where the manufacturers are largely dependent on the sugar trade.

Undoubtedly Oxnard has seen you again but he asked me to urge you to consider seriously bringing in such a bill as I mentioned. I hope you will see your way clear to do so. Only a man as busy as you are has time to take on more work. Thank you for all you have done.⁴⁷

Lodge's reply, two days later, was concise.

Thank you for yours of the 23d. I am going to make the best fight I can for the Louisiana people. I think that we see our way to getting the votes and I am going to devote myself now to getting the Republicans on the committee all right. The thing to do is for the committee to bring in that bill and not have Smoot offer his for the reduction of the schedule. I have the matter very much in mind, of course, but I think considerable time will pass before we get action.⁴⁸

"Dear Cabot," Luce answered. "Thank you very much for your letter of April 25th and under your able management I have no doubt that the Louisiana interests and incidentally, perhaps, those of other cane growing countries will come out on top."⁴⁹

It was May 17 before "The Lodge Substitute Sugar Tariff Bill" which left the amount of protection unchanged, passed the Senate Finance Committee by a strict party vote and July 27 when it came to the floor.

Lodge opened debate with a high oratorical effort which fills almost nine pages of the *Congressional Record*, eloquent, erudite, sharpened at intervals with Lodge sarcasm. Beginning with praise for the sugar beet and for its fairy godfather, Napoleon I ("His intelligence was perhaps as high as the average intelligence of the framers

⁴⁷ *Lodge Papers*. MHS.

⁴⁸ *Luce Collection*. Syracuse.

⁴⁹ *Lodge Papers*. MHS.

of this House bill, who appear to have overlooked the importance of industrial independence...") he stressed the dire effects of free sugar.

...the Louisiana cane and the American beet sugar would go out of existence, and the supply of tropical cane from Porto Rico, the Philippines and Hawaii, while it might in part maintain a precarious existence, would be so trifling... that we should be left dependent upon foreign nations for this great necessity of life.

Already government subsidized European competition had ruined the British West Indies.

This (England's) free-traders ministers bore with philosophy, pointing out that if those islands could not raise sugar in competition with the bounty-fed beet, it was their duty on the principles of free trade to turn their attention to other crops... They overlooked the fact that there was no other crop in those Islands to which the sugar planters could turn with hope of profit—a fact more impressive, no doubt, to the inhabitants of the Islands than to the free traders in London.

An attack on the refiners followed. They alone were lobbying for free sugar. Tracing the history of the Sugar Trust, he pointed out that the American Sugar Refining Co., according to its own published statement, was making a profit of 45.7 cents per hundred pounds of sugar refined, and estimated the many millions more it would earn in profits from free sugar and the resulting removal of beet sugar competition. Only in passing did he mention Puerto Rico, and then while pointing out the value of insular trade for American exporters.

The removal of the sugar duties would also destroy to a large extent our trade with the Philippines, Porto Rico and Hawaii, which now has reached the enormous amount of \$182,000,000 a year... In the face of such facts... it is difficult to characterize the folly of such legislation...

Finally, there was a high flourish. "I am against," he said, "any reduction which will seriously endanger that Louisiana industry. The State of Louisiana has never given any support to the party to which I belong but... the people of Louisiana are my fellow citizens. They are Americans..."

The boll weevil, he continued, had proved almost fatal to Louisiana cotton. Many "undismayed by their misfortune" had turned to planting cane. "While they were thus engaged, the present House of Representatives passed the bill placing sugar upon the free list... While they were staggering beneath this blow, the terrible flood from

the rising Mississippi came upon them." To remove protection now would be "nothing short of cruel."

My plea may not be in accordance with the doctrines of that free-trade political economy which Carlyle called the "dismal science" but it is in harmony with that human sympathy without which this world of men would indeed be dark and grim to all who dwell within its confines.⁵⁰

It was after many hours of subsequent debate and roll call votes that the Lodge Bill became the Lodge-Bristow Bill and cleared the Senate 52 to 3.

Senator Bristow was an odd ally for the sleek, witty Lodge. Shabby, ungainly, an Insurgent from Kansas serving his first and only term, he was possibly the only politician to fully understand the Dutch standard and the differential, which were used to tax edible grades of brown sugar out of the American market, thus checking adoption of improved refining techniques in the tropics and serving the refiners well. For four years Bristow had fought them, and in deference Lodge, the practiced political strategist, had from the beginning agreed to "concede" them. Now he finally further accepted Bristow's amendment reducing the tariff from \$1.95 to \$1.65 per hundred pounds and, in the words of the *New York Times*, "party harmony was from that moment assured" and "the traditional ability of the Republicans to get together in the hour of adversity saved them again..."⁵¹

The next letter appearing in the files—and the last one for 1912—is from Lodge, still held in Washington on August 1, to Luce.

Thank you for your kind note, which came this morning. I am very glad that I have been able to do what I have done for the sugar industry, but how much of a result we shall get I do not know. I have a hope, but only a hope, that the House will accept our bill. It must be our bill or nothing. If the House does accept our bill, I do not believe the Democrats will touch the sugar schedule next year, but if they do not accept our bill, and there is no legislation at this time, then they will take it up when they get control of all branches and the result will be a bill like that of John Sharpe Williams of the Senate, which reduces the duties one-third. It would kill beet sugar and Louisiana; but Porto Rico and Hawaii could live under it because it would give them a distinct advance over the Cuban sugar.

⁵⁰ *Congressional Record*, July 27, 1912, pp. 9735-9744.

⁵¹ *New York Times*, July 28, 1912.

The weather here has been cool and pleasant enough of late but it is tiresome to a degree that is hardly to be believed, and I am anxious to get away, more anxious than I have ever been.⁵²

He was sixty two years old now, there had been almost twenty years in the Senate, with six years before that in the House of Representatives, twenty six years altogether of late night caucuses, roll calls, floor debates, steering sessions, votes that were too close. He sniffed defeat in the wind. The Democratic House refused, of course, to accept the Lodge-Bristow Bill. No action at all was taken. His efforts had been a holding action. In November Woodrow Wilson was elected President, with Democratic majorities in both houses of Congress. "When they get control of all branches..." Lodge had written, not "if".

"You will find Mrs Lodge very frail," Henry Adams wrote a mutual friend that year. "Cabot—very *sec* and out of power."⁵³

A special session of the new 63d Congress was called for April 7, 1913, to enact Wilson's tariff reforms. Free sugar, of course, was only one—if, with wool, one of the two most controversial. All schedules—on cottons, paper, chemicals, meats, metals and more—were to be revised. And there was a presidential request for an income tax, now the amendment authorizing it had been finally ratified.

On April 3, as the caucuses were beginning, Luce wrote requesting an appointment to the Annapolis Naval Academy for his "rather distant cousin... a grandson of the late Admiral Kane." "It is rather difficult," he added in a short final paragraph, "to understand from the papers just what the Democrats propose to do about the sugar tariff, but I suppose it is as well to be prepared for the worst!"⁵⁴

Over the passage of the Underwood-Simmons Tariff of 1913 there hangs thus, both in the correspondence and Lodge's strategy, this air of weary inevitability.

The worst would be free sugar, pure and simple and at once. However the slimness of Wilson's majority in the Senate, as the *New York Times* reported on April 4, suggested the desirability of an initial concession, a phased reduction of sugar tariffs over a three year period, postponing the day of judgment until May 1, 1916.

"You have seen Mr. Wilson's bill as to sugar," Lodge wrote in the last paragraph of an April 7 reply, after disposing favorably of the

⁵² Luce Collection, Syracuse.

⁵³ Henry Adams to Cecil Spring-Rice, quoted in Stephen Gwynn, ed., *The Letters and Friendships of Sir Cecil Spring-Rice* (New York, 1929), II, p. 184. Adams presumably used the French word *sec*, "dry", in the sense of a withered leaf.

⁵⁴ Lodge Papers, MHS.

Annapolis matter. "For the beet sugar men and Louisiana to have free sugar in three years is about as bad as to have it now. For Porto Rico and Hawaii it will be three years' gain. We may be able to get rid of free sugar at the end of three years hence—that is, we may have votes in the Senate to do it—but I do not feel very hopeful."⁵⁵

A day later, asking Lodge to put Crehore, Aguirre's secretary-treasurer up at the Metropolitan Club—he was coming to Washington "on business"—Luce mentioned that he had received a letter from Oxnard "which is not without hope, but he does not speak of the President with much admiration and respect."⁵⁶

Lodge arranged housing at the Club. He thought, he wrote, that "under the whip & spur of the President... the tariff bill will pass just about as it is." There was much feeling, he reported resignedly, among some Republicans that they didn't see why they should help save the industry of Louisiana and Colorado "most of whose representatives will vote to destroy every Northern and especially every New England industry." This, he decided, made free sugar impossible to stop "for the margin is very narrow." Nannie, he concluded sadly, had caught cold in New York.⁵⁷

House debate would be held but the judgment is predetermined, concluded the *Times* on April 22. Only in the Senate, where margins were tighter, would it be worthwhile to argue. At least one letter from Luce is missing here, for on April 24 Lodge wrote: "All you say about the sugar tariff is perfectly true. I am glad to have those particular facts you give me and shall use them; but I think the chances of modifying the bill are small. My impression is that Mr. Wilson will drive it through just as it is."⁵⁸

The tariff bill passed the House comfortably on May 18 and went up to the Senate where the interplay of regional interests were able to hold it up for four months. "Wool senators," equally threatened, made coalitions with Louisiana Democrats, and for a while there was a hope that "citrus senators" might join. Luce wrote on May 29 that Aguirre would finish the crop the next week. Conditions were bad in Puerto Rico, he reported, with low sugar prices and a lack of confidence in the future. The banks were refusing credit, and several plantations had already gone into the receivers' hands.⁵⁹

⁵⁵ *Luce Collection*, Syracuse.

⁵⁶ *Lodge Papers*, MHS.

⁵⁷ *Ibid.*, April 9, 1913.

⁵⁸ *Luce Collection*, Syracuse.

⁵⁹ *Lodge Papers*, MHS.

"There will be no charge in duties within thirty days," Lodge thought, "although I wish I thought there would be, for I should like to get the thing over... I shall be surprised if the tariff bill gets through within sixty days. The situation in Porto Rico, which you describe, does not surprise me and is very grievous. The same sort of thing is going on more or less in all industries." In this minor key the 1913 correspondence ends.⁶⁰

It was August 18 when the full Senate debated the sugar schedule. Lodge fought hard once more, again blaming the sugar refiners and again deploring the loss of revenue, at least sixty million dollars a year, that would result from free sugar. Very possibly he used the facts which Luce had sent him in April for, while he made more of the possible abrogation of the treaty with Cuba,⁶¹ he also echoed an analysis of the loss in trade and commerce that Puerto Rican businessmen had circulated.⁶²

With Puerto Rico,

he argued,

that small island of our own, our imports were \$42,000,000 in 1912, our exports \$37,000,000, making a total of \$80,000,000... the trade of the little island of Porto Rico alone with this country is \$20,000,000 more than the trade with Austria-Hungary; it is \$20,000,000 more than our trade with Spain; it is \$23,000,000 more than our trade with Russia...

You have cut down already the trade with Porto Rico. The sugar crop there is going to be reduced. It is falling off this year, owing to the fact that the small planters and growers with the prospect before them of this bill and free sugar, cannot borrow the necessary money from the banks to carry on the business. If you will look over the court records in Porto Rico you will find that a great many small sugar producers have already gone into the hands of receivers. That means, of course, a reduction in their ability to buy from us. Their trade will be reduced. The same thing is true of Hawaii, and the same thing will be true of the Philippines.

Mr. President, to put sugar on the free list you give up for nothing all that revenue about the imposition of which no one complains, and in a few years destroy a great beet-sugar industry in this country...

⁶⁰ Luce Collection, Syracuse, May 31, 1913.

⁶¹ Under the Cuban Reciprocity Treaty of 1904, Cuba admitted U.S. products under a preferential ranging from 25 to 60 per cent in return for a 20 percent advantage for Cuban sugar. Once Cuba's advantage in sugar was gone, she would presumably cancel the treaty. U.S. exports to Cuba in the preceeding year had topped \$60,000,000.

⁶² *New York Times*, May 22, 1913.

You benefit only three great refineries and damage a great and growing trade with these islands which want to trade only with us and must trade only with us.

It was, he said, "cruel."⁶³ But he accomplished nothing, although Bristow, out of the need for a shade more compromise, would finally gain an immediate end to the Dutch standard and the preferential.

The Underwood-Simmons Tariff passed the Senate 44 to 37 on September 9, 1913, and promptly became law.

Meanwhile, in the sugar beet fields of the European empires, they were bringing the harvest in. These sturdy vegetables would suffice for Europe's needs in 1913, but then the re-arrangements of war would begin. Among the re-arrangements would be the repeal of free sugar in 1916; out of the foreseen need for revenue. Sugar profits would soar; Lodge would win his greatest fame. For seven more years, as the brotherly correspondence continued, he would be useful to Aguirre.

⁶³ *Congressional Record*, August 18, 1913, pp. 3484-3487.