When I arrived in Mexico City the staff of the Embassy had already grown to a considerable size. I think there must have been between 1,000 and 500 altogether on the staff of the Embassy in Mexico City. Up until the beginning of the war our staff had always been relatively small in both the Embassy and in the Consulate General. By the time that I arrived in February 1942 they had already begun work on the procurement program of strategic materials in Mexico, which covered minerals, metals, various agricultural products, fibers of various kinds and considerable quantities of henequen from Yucatán. The various independent agencies of our government had already established offices in the city, such as the Rubber Development Corporation and the agency concerned with the procurement of metals and a number of others of these independent agencies. I found that these procurement programs, or more particularly the representation of the Rubber Development Corporation and the other independent agencies was in the hands of Mr. Floyd Ransom. Mr. Ransom was an American who had lived in Mexico for many years and had been engaged more particularly in the office equipment business. He had built up a very fine business covering the whole country and it was in a very prosperous condition. He was asked to head up these various agencies, which meant that he had to give up all his time thereto because of the scope of the programs in Mexico, and had to turn his business over to some of his departmental heads. This represented a very considerable sacrifice for him but he did not hesitate for a moment. He knew that he would lose a good deal of money by not being able to give his business personal attention of the character which it required. I found from the very beginning of my stay in the Embassy that there could have been no better choice. During his long years in Mexico he had learned to know most of the leading government officials under the various administrations and had had business dealings with them. His business was of a character which made it necessary for him to travel a great deal throughout the country and he therefore knew most of the leading businessmen in the country.
He knew the way business was done. He knew who could be trusted and who could not be trusted. He had carried on his own personal business in such a correct way over a number of years that he had, I may say, without exception the respect of the people in the government. They knew that he could do business only in a straight way. This was of inestimable benefit to us because the procurement activities of our government went into many millions of dollars and the contracts which had to be made had to be carefully studied and considered and drawn up. There were so many factors that had to be kept in mind, not least the people with whom the contracts were entered into. The important thing was for us to get the materials, to get them promptly as we needed them and to pay a reasonable but proper price. It was of primary importance that speculators from the United States and Mexico could not get into these fields of government business. This was not easy because there were pressures from home on the part of people who were selfishly interested, just as there were pressures from people in Mexico whose principal interest was what they could make out of a contract.

From the very beginning Mr. Ransom and I learned to have I believe mutual respect for each other. The scope of the work of the Embassy was so broad that it was necessary for me to work long hours. I was usually at the Embassy offices at 8 in the morning and from 8 until 9 or a little after Mr. Ransom five days a week came in to see me in order to go over the developments of the previous day with regard to procurement matters and to plan for the next days. These daily conferences, while they were time consuming, were absolutely necessary for him as well as for me. I had the overall responsibility, he had the direct responsibility. During the period that I was in Mexico from February 1942 until the spring of 1946 we made I believe something like 52 or 53 over-all contractual agreements between the United States government or various agencies thereof, and the Mexican government or agencies thereof. These were broad procurement programs covering lead, copper, zinc, manganese, mercury and other metals and minerals. They
covered all kinds of agricultural products and many fibers. The agreements with the Mexican government were in the nature of over-all contracts. After these over-all contracts had been negotiated it was necessary to negotiate individual contracts with firms in Mexico and with firms in the United States. During this work we had to deal particularly with the Ministry of Hacienda. The Minister of Hacienda was Lic. Eduardo Suarez, a distinguished Mexican who knew the economy of the country in every respect. We had to deal also with the Minister of Economy, who for the most part of the time was Mr. Xavier Garxiola, who was a distinguished lawyer. We also had to deal a great deal with the Minister of Agriculture, who was Ing. Marte Gomez. All of these men were sincerely interested in the success of the war effort and in Mexico collaborating to the fullest extent possible within her resources and capacities in this great effort. I should like to go on record here that these contracts were negotiated between the various agencies of our government through Mr. Ransom and the Embassy in Mexico City in a spirit of cooperation and understanding. I do not recall a single instance when the Mexican government endeavored to take advantage of the war situation and to enter into contracts providing for prices which were higher than those which should properly be paid. In view of the experience that we had in the war effort and in connection with strategic procurement programs in other countries of Latin America and throughout the world, this record performance in Mexico is really unique. I was very happy when at the end of the war there was general recognition in Washington in the various departments concerned that the procurement program in Mexico had been carried through as effectively as it had in any country. I wish here to pay a tribute to not only the capacity but to the patriotism and understanding and unflagging industry and interest of Mr. Ransom. When he ended his services at the end of the war to return to his private business, he received a few nice letters from some of the agencies in Washington. He received no form of thanks really from our government of the kind that he should have received.
This I am afraid was not an exceptional procedure, but in the case of Mr. Ransom it was unusually unjust and lacking in generosity and understanding because of the really outstanding service which he had performed and which was so generally recognized by all in Mexico who knew of the problem and by those who knew it in our government and in other circles concerned in the United States.

Mr. Ransom returned to his private business, which he found had naturally suffered from his long absence during the war period. I have never heard him say one word to express regret that he had given his time to our government, that he had received no recognition and that he had had all this difficulty in rebuilding his business, which would have been so prosperous at the end of the war had he remained with it during the war. Men like Mr. Jesse Jones who was then head of the Reconstruction and Finance Corporation and Dr. Bateman of the faculty of Yale University, who was then connected with our minerals program in Washington and men of their character and position were generous in their recognition of the work which Mr. Ransom had done for our government.

I have spoken of the large staff of the Embassy. Hardly a day passed when we did not get word in the Embassy that either the Department of State or one of the independent agencies of our government wished to send additional people to Mexico. I had always, at previous posts where I had served our government, given adequate attention to the administrative problems of the post. I was determined that our staff would not become too unwieldy and that it would not be loaded up with people whom someone wished to reward with a job. It was a constant struggle. The independent agencies and the Board of Economic Warfare were not the only sinners, although the Board of Economic Warfare, particularly during the time that Mr. Henry Wallace, then Vice President, was the head thereof, was the principal offender. We were constantly met by requests to receive people for assignment in Mexico City who had no real capacity for the work to be done and whose services were not needed and who were being given the posts for some reason other
than the useful they could be. The State Department was somewhat of an offender too, but in a much less measure and it was easier to handle. I think that for some time I became about as unpopular with the independent agencies of our government as any officer in the field could be. It was not only that they did not wish to be thwarted with regard to these men whom they wished to send unnecessarily to Mexico, but also because the Embassy insisted that the procurement contracts should be made with the Mexican government on an altogether sound and equitable basis.

Very early in my service with the Department of State I learned that no agreement between two countries, whatever the substance thereof might be, could have a lasting character or a good effect if it was not on an entirely equitable basis. Any agreement which carried too much advantage for one side or the other was bound either not to last or to do more harm in the end than good. I had also learned that the United States with its growing might and political and economic force could not use that force merely to impose agreements which were not equitable and which might seem to be of temporary advantage to us. It was not difficult to imbue all the officers of the Embassy who had to do with these matters during the war with this same idea. They cooperated most fully in this spirit. The Mexican authorities learned from the outset the approach which the Department of State and the Embassy had in these matters and it was I think the recognition of the fact that we were assuming an equitable position that made it possible for us to carry through these 50 or more procurement contracts with no more difficulty than is ordinarily experienced in carrying through complicated arrangements of this kind in which many interests and situations have to be considered.

Had it not been for the stand which I had to take with regard to additional assignments to the Embassy which we found to be unnecessary, I think we would have ended up the war with three or four thousand employees in the Embassy, rather than
with the 800 which we did have. Even that number seems like a very large one, but in view of the volume of the operations which we had to carry through, the staff was not too large. I was able to carry through only because in certain cases the President in the final instance gave me his support. The Department of State was understanding of the problem and realized that too many people with our agencies was undesirable. Many of the men who were in the independent agencies and who had come in from private business were doing a very useful job at home, but some of them did not understand these problems with which we had to deal abroad, and particularly could they not understand why, when they wanted to send people they could not do so just when they wanted to send them and for the purpose they wanted to send them. They were not very willing, some of them, to listen to the advice and counsel of the Embassy in Mexico City and of the Department in Washington. The heads of the regularly established and permanent agencies of our government in Washington, such as the Secretary of Agriculture, Secretary of the Treasury, were fully understanding of these continuing problems and collaborated with us in our effort to keep a reasonable staff and to keep undesirable persons out of the country. It was natural, however, that certain persons in the United States interested in contracts purely for their own benefit and which would have resulted in no real benefit to our government, were not happy about me. They did everything they could to endeavor to get me removed as Ambassador. They felt that with somebody more pliable and more subject to influence that the path would be easier for them. President Roosevelt and Secretary Hull were most helpful. Almost every month or two we heard rumors and there were statements in the press that so and so was being considered as Ambassador to Mexico. All this did not make my task any easier, but I can say with all frankness that it did not disturb me personally. I had absolute confidence that the President and the Secretary would defend any proper position taken by the Embassy. I also felt that if certain influences should be successful in getting rid of me, that my conscience
would be clearer and I would be much happier if I were relieved from my post than to stay at it and become a subservient tool for some of these individuals. On one occasion Mr. Wallace as head of the Board of Economic Warfare became somewhat upset with me, principally as a result of things that were said to him by the people in some of the agencies connected with or under the Board of Economic Warfare, that he undertook really a definite effort to get me removed from the post in Mexico City. This he did in spite of the fact that we had known each other quite well for a long time and that we had been friends and that the relations between him and Mrs. Wallace and Mrs. Messersmith and myself had been very pleasant. There is no doubt that during the period that he was head of the Board of Economic Warfare Mr. Wallace was endeavoring to carry through certain ideologic concepts which he had in the procurement arrangements which we had with other countries. He had as the heads of some of the agencies which he supervised, individuals whom it is not necessary to mention but whose ideas were very far to the left. They were prepared to use the circumstances of the war to endeavor to carry through certain measures in what they believed to be weaker countries in order to lay the background for efforts which they were making and which they hoped would bear fruition in due course.

The real crisis came when, in connection with a certain minerals contract which we were to make with Mexico, an agency supervised by Mr. Wallace was insisting with the Embassy that there be placed in the contract certain social provisions which went far beyond anything in the Mexican law. As those familiar with Mexico know, it is the country which at that time, that is the time of the war, was the most advanced of any country of Latin America in social legislation covering housing and health and other matters. Many of these laws went so far and were so far beyond the then economic capacity of the country that the employers were not able to carry them through fully, but this was fully understood by the government and as long as the employer endeavored to carry through faithfully as far as the
In connection with one contract, I will have to look at the records to determine which one it was, it was quite obvious that Mr. Wallace himself was intervening in the matter and was insisting that housing provisions and certain health provisions be placed in the contract which went far beyond the Mexican law, and it would have been considered by the Mexican government as an intervention by us in the internal affairs of the country to insist that in connection with such a contract for a particular procurement program, those involved in the contract should have obligations which went beyond those of the Mexican law. It was not only that it involved interference in Mexican law, but it involved creating precedents in the country which would have created serious social and labor unrest in the country because all other workers would have demanded the same privileges, which as I have said, went beyond what the Mexican law provided, and what the Mexican law already provided was beyond the economic capacity of practically all employers.

In connection with this matter I had to go to Washington and I saw Mr. Hull. I told him the matter had reached a crisis and that we would destroy our whole procurement program if we interfered in the internal affairs of Mexico. He knew how zealous all of these countries to the south were in that respect, and while in some respects they might be going too far, it was altogether improper for us not to respect their laws. We insisted that American businessmen going into these countries should obey the laws of the country. I said how could our government, by contracts which it entered into, endeavor to impose social and other measures which went beyond the laws of the country or which were not in accord with the laws of the country. The Secretary was very understanding of this and said the best thing for me to do was to talk with Mr. Wallace himself. I had a long talk with Mr. Wallace at his office in the capital. In spite of the friendly
relations which had existed over many years between us, he was cold and difficult. When I pointed out to him that what was being planned could not be done and would not be done, he finally arranged for a meeting with the heads of the agencies concerned. He personally was not present at the meeting but obviously they had received instructions, because the difficulties which we had been having with regard to certain contracts were discussed and agreement was reached that the terms of the contracts must be kept in accord with the local law and must not go beyond the local law. I returned to Mexico City and found that in spite of this agreement things were not going well and that these agencies were still insisting, or at least certain individuals in these agencies in responsible positions were still insisting on these improper provisions in the contracts.

I went to Washington and I had a talk with the Secretary, and after seeing the Secretary had a conversation with the President. The President was fully understanding of the problem which I had to present to him and expressed his thanks for my having brought it to his attention and asked that I give him a memorandum on the subject. I prepared such a memorandum and delivered it to the President. As the memorandum was intended for the President it was a very frank and of course a confidential one. I did not hesitate to be specific, both as to the facts and as to individuals, and it was unfortunately not flattering to some important persons. Very shortly after this memorandum reached the President we had no further difficulties with these agencies. It was quite obvious that the President had taken very definite steps, not only so far as Mr. Wallace was concerned but so far as others in the agency were concerned who were making the trouble to see that these interventions in the internal affairs of other countries ceased. I was very happy naturally because it enabled us to keep our relations with Mexico on a firm and sound basis and to keep these contracts alive which were so important to us, as well as to Mexico. I was the more happy because I knew that what had happened in connection with these contracts in Mexico would also affect the
contracts in other countries of Latin America where some of these people had been having their way and were laying the basis for long range difficulties between the United States and these countries after the war.

It is interesting to note that it was not long after this memorandum was presented that Mr. Wallace was relieved of all his duties in connection with the Board of Economic Warfare.

It is of interest in this connection to note that the stand which the Embassy in Mexico City took to try and keep things on a straight and correct line for the near and the long range really created many difficult situations for me from day to day personally. I remember one day being informed by the Department that the Board of Economic Warfare wished to send a certain lawyer (Phillip Kazan) from Laredo, Texas to Mexico City to head up all of the economic work in the Embassy. He was to be a representative of the Board of Economic Warfare and was really to be my number 2 man in the Embassy. The specifications for the position he was to occupy were such that he would have been much more important in the Embassy staff than the Counselor of the Embassy. I knew very little of Mr. Kazan except that he was a lawyer in Laredo, Texas who had had very little experience outside of that small city. I also knew that he had been in touch with various people in Mexico from time to time, including Mexican politicians of not too savory a reputation but of certain influence. I knew that he had been in touch with and pressing certain contracts which we in Mexico City were definitely opposing as undesirable from the point of view of the Mexican government and through our government. I realized that some certain friends Mr. Kazan must have been able to get his name proposed for this job and to get this important measure put through. I endeavored to handle the matter in the usual way by informing the Department that it was impossible for us to receive Mr. Kazan in any capacity. I said in the first place no one was needed for such a position, and in the second place so far as the procurement program was concerned that we had Mr. Ransom, who
was in charge thereof and who had proved his capacity in handling these matters. In reply to this telegram I had a call from the Department of State to the effect that the influences behind Mr. Kazan were so strong that I had better let him come. I made it clear that as it would disrupt all of our relationships with Mexico to have a man of that kind in our staff and in so important a capacity, that it was just something that couldn't happen and I could not permit it to happen. By that time Mr. Acheson was Acting Secretary of State. I was surprised one morning to get a telephone call from Mr. Acheson during the course of which he stated that he understood that I was making these very serious objections to Mr. Kazan coming to Mexico and in fact preventing his coming. He wanted me to know that the President wished him to come to Mexico and that I was to remove my objections. I asked Mr. Acheson whether he were familiar with my telegrams on the subject. He said that he was and that he wanted me to remove my objections. I said that I could not believe that the President, if he knew the substance of my telegrams and the position which I had taken, would want Mr. Kazan or anyone in such capacity to come to Mexico. The President had too great regard for our relationships with Mexico. I asked specifically whether the President had been informed of my objections. As I could not get specific answers from Mr. Acheson on these points I finally said, "Dean, this man is not coming to Mexico. If he comes to Mexico it will be after I have talked with the President, and if the President wants him to come to Mexico I will not be able to stay here but will have to offer my resignation." I said, "If there is any further insistence on Kazan coming to Mexico to the Embassy in any capacity, I shall have to make a trip to Washington to talk to the President about it."

I heard no more about the matter. I am confident that President Roosevelt had never been told anything about the matter and that it was a group of persons in the United States interested in certain contracts which had been able to present
the matter in such a way that a man like Kazan was needed in Mexico City. I am sure that Mr. Acheson acted in good faith in this matter. I am sorry to say, however, that the temper of the conversation and the tenor of the conversation between Mr. Acheson and myself on the telephone led to a cooling off of the friendly relations which had existed between us over a number of years. I do not think he ever forgot some of the things which I said over the telephone during that conversation and which it was necessary for me to say in view of the peremptory character of the instructions which he was endeavoring to give me. At one point he said, "George, do you know whom you are talking with?" and I said, "Yes, I am talking with Dean Acheson who is the Acting Secretary of State, but I have my responsibilities as Ambassador to Mexico City just as the Acting Secretary of State has his responsibilities, and one of them is to keep him from making a mistake."

When I look back on these days and the activities of some of the independent agencies of the government in the procurement field, I wonder how it was that we really got through as well as we did. While I could keep people from coming on permanent assignment from these agencies to the Embassy, and while I could keep certain special missions from coming to Mexico when there was no real purpose to be served by their coming, in fact when their coming would have been detrimental, it was not always possible for me to keep special missions from coming. These special missions were the bane of the life of our people in the Embassy and of the responsible people in the offices of the procurement agencies in Mexico City, and of course of Mr. Ransom. Mexico City was a very pleasant capital in those days, life was not nearly as austere as it was in Washington, it was very natural that people should wish this escape and I am the last person to be a spoil sport. On the other hand, we had to do everything we could to keep these missions from coming when we knew they would interfere with negotiations which were progressing satisfactorily and when they would complicate to the
degree of danger the negotiations which we were carrying on.

On the other hand, my period of service during the war in the Embassy in Mexico City gave me the opportunity of knowing some of the outstanding businessmen associated with these agencies in Washington whom I had not had the opportunity of knowing before. We had some of the best men in many businesses in the United States serving in these agencies in Washington. They were for the most part so-called dollar-a-year men. They had left their business during the period of the war to serve in Washington and they did more than a yeoman's service. It was these men who contributed to making the programs for procurement a success, and these procurement programs played a very important part in the war effort. It was certain persons with ideologic concepts opposed to those which generally prevail in the overwhelming majority of the people in our country and who held responsible positions with some of these agencies who created the trouble. They made life difficult not only for the people in our missions abroad, but they made life difficult for these responsible men who were giving their services to our government during the war. I am glad to say that most of these men have passed into oblivion. Their period of service in these agencies usually lasted only a short time. They worked themselves into trouble by endeavoring to put into effect social ideas and political concepts which were directly opposed to our system and were endeavoring to use the period of the war and certain confusion which necessarily prevailed in order to get certain things done which would lay the groundwork for their future influence in the United States. I prefer not to mention the names of these individuals because they are living obscurely now and are exercising no influence in our country. I recall one day reading in a Washington newspaper in Mexico City that one of these men who had caused us so much trouble in one of the agencies had had agents of one of the investigating agencies of our government, I believe it was the F.B.I., raid his house in one of the suburbs of the city and all sorts of subversive documents were found. I
say subversive documents in the sense that they were correspondence and other documents which showed that he was in touch with people in various parts of the country who were endeavoring to lay the groundwork for changes in our social and political system.

I must repeat that while there were these men who were trying to carry ideologic concepts through their work during the war, the overwhelming number of businessmen who served in Washington were not only outstanding in the positions which they had held in business, but outstanding in their performance in the interest of our country.