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México, D. F., México
February 26, 1944

Dear Larry:

I have your letter of February 19 stating that Mr. Stettinius asked you to pass on to me the substance of a telephone conversation which he had with Mr. Leo Crowley. I note that Mr. Crowley referred to his conversation with me with regard to the enforcement of the labor and sanitary clauses of the procurement contracts, and said that he had discussed this matter with Mr. Rockefeller and that it was his conclusion that I was right and for this reason the "labor and sanitary clauses would not be enforced". Percy Douglas, who has just come down here, was good enough to give me this message and in this respect to state that you were confirming it to me in writing. I am very happy indeed to have this word from Mr. Crowley in regard to this matter and I felt that, so far as he is concerned, there would be absolutely no doubt with regard to his attitude. It is characteristic of Mr. Crowley and of his understanding that he should take this attitude. I am very happy indeed that it is settled.

I think there is some slight misunderstanding for I have never taken the attitude that the labor clause which we do have in procurement contracts and which I finally secured, should not be enforced. It was to the original labor clause, proposed by the old OEW and and BEW to which I took exception because it went beyond Mexican law and constitution and was not in accord with Mexican law and constitution. I therefore insisted and finally secured, after almost a year's struggle, a labor clause in the procurement contracts which states in effect that the buyer and seller will agree to abide by all pertinent provisions of the Mexican labor and social laws. This is, of course, as much as we could do and ~~as~~ Mexican laws go beyond our own, it is certainly as much as we could ask. It was not, however, what some of our friends

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in the old ONW and BWB wished for, for they wished to use these clauses in order to bring about social changes and revolution in other American countries.

negotiated
I have also not taken the attitude that the labor and sanitary clauses should not be enforced as they do appear in these contracts, but that this enforcement was a matter for the Mexican authorities and not for us, as any other procedure would involve invasion of Mexican sovereignty through our exercising police measures in another country. It was when Mr. Sidney Scheuer of the FEA sometime ago wrote a letter to Mr. Ransom, the head of our Procurement and Development Office in Mexico, proposing that members of the Coordinator's ~~Committee~~ in Mexico direct the policing of the labor clauses, that I again objected on the ground that (1) it was not necessary as we had no knowledge of any violations of the clauses; (2) that, even if there were violations, no officials of our Government could carry through such a police function in another country; and (3) that the exercise of such a function by the Coordinator's group, as contemplated, would destroy the work which we were doing and which was really useful.

I only mention the foregoing for purpose of clarification of the information in the Department and it is not necessary to send any word or a copy of this letter to Mr. Crowley. The matter is closed so far as he is concerned and so far as these attempts on the part of the FEA are concerned, and that is the important thing.

You will have a more complete idea of this whole matter from my letter to you of February 23, with which I sent you copies of several articles which had appeared in the press at home criticizing me, and the information for which articles came unquestionably out of the FEA and from the same people who have been pressing for this altogether improper action with respect to labor clauses.

I appreciate very much indeed your writing me and the action which Mr. Crowley has taken which, as I have said before, is characteristic of the man and of his capacities and his understanding.

Believe me, with all good wishes,

Cordially and sincerely yours,

GSM:ap

In duplicate.

George S. Messersmith