December 12, 1935

My dear Mr. Ambassador:

How pleased I was to receive your letter of November 27th, to have you tell me that you and Mrs. Daniels remember our association in other days!

I remember so many pleasant things of that association - the time when you honored me by an invitation to a dinner you were giving to President and Mrs. Wilson - when I sat at your table with an interesting group of friends down at Raleigh - the talks that I had with you in Washington. All quite clear. I have regretted that the demands on your time and on mine, the baffling ways of life, have so long prevented me from seeing you and Mrs. Daniels. And here you are giving me a chance to write you and on a matter in which I have long been interested - the relative value of big and little businesses, the way to hold monopoly in check, to restore decent, natural competition.

There is much wisdom in Justice Brandeis' ideas. But how are we going to realize them? I am no more interested in seeing the Government heading State monopolies than I am in seeing powerful men like Carnegie, Rockefeller and their followers heading monopolies and at the moment that seems to be the way the Government is heading whether it knows it or not.

I am convinced, between you and me, that if we are going to have monopolies we will get a more efficient and progressive management under the Carnegies and Rockefellers than we will under the Government. I even question whether the Government will give a higher degree of monetary honesty or a fairer division of the profits, certainly there would be less profit or none at all.

Digital Images, 2010. The Ida M. Tarbell Collection, 1890-1944, Allegheny College Pelletier Library.

No, it is not Government-made and managed monopoly that seems to me to solve the problem. I think we must go back to the causes of monopoly in this country. I am convinced in what little I know about the growth of monopolies that we never would have had them if in each case they had not been able to obtain some kind of privilege that their competitors could not obtain. They have obtained this not only by their greater ability in organization but by their indifference to that fundamental moral law which requires the consideration of the rights of others. There never would have been an oil trust such as we have without advantage of special transportation rates which were illegal from the start. Not only that but a system of competition devised cunningly to drive out the small man.

I have always believed, and believe still, that if we could prevent these privileges, rip them out as soon as they raise their heads there could be no such thing as a monopoly in this country. There is too wide a distribution of ability and ambition.

Destroy privileges, build up the sense of fair play and the result would be just what Justice Brandeis wants - a distribution of smaller industries over the country altogether to the benefit of everybody.

Many of the big industries see now the necessity not only of fostering the small industry in connection with their great undertaking but of fostering an alliance between the land and the factory - something such as we had in the early days.

I believe that is coming. I doubt very much whether it can be done with any satisfaction until we have ripped out the privileges, the greatest

Digital Images, 2010. The Ida M. Tarbell Collection, 1890-1944, Allegheny College Pelletier Library.

of which I consider the protective tariff. I am "ag'in" the tariff, dear Mr. Ambassador, in anything but a for-revenue-only form. Our present mode of making tariff seems to me a farce so far as Congress is concerned and it decides in the long run of course. I believe the efforts at reciprocity are a first step, but my feeling is that the country has got to see the tariff as a privilege, a tax in the interest of ~~its~~ productive elements - the manufacturer, all other productive elements - agriculture - the white collar worker - you - me. The present predicament of the farmer is a logical result of protecting the manufacturers. Now we have to tax ourselves to make up to the farmer for the tax which we have so long paid industry to enable it to grow with abnormal rapidity, to gobble up everything in sight on the theory that it would make us all rich. We must make up to the farmer by an A A A, though the A A A seems to be a good deal of an absurdity, certain in the long run to defeat the very end it seeks.

But here I am getting on to ground where I am not too clear. I only know that as long as we have a prohibitive tariff and tax ourselves for the manufacturer we will have to make up to the farmer by taxing curselves in his interest. One of these days I shall come along and demand a tax for me and my kind.

Of course corrections should be made by evolution, but we are a hasty people wanting our results without following intelligently and carefully the laws which produce results. There is a possibility it will take a revolution to rip out the privileges we have entrenched. However the Revolutions which threaten are not in the interest of the country as a whole - they are in the interest of somebody's pet panacea.

Digital Images, 2010. The Ida M. Tarbell Collection, 1890-1944, Allegheny College Pelletier Library.

Please forgive me for this long letter which after all I fear does no more than to talk around the case.

Will you not give Mrs. Daniels my love and believe me

Always faithfully yours

The Honorable Josephus Daniels
Embassy of the United States of America
Mexico

Digital Images, 2010. The Ida M. Tarbell Collection, 1890-1944, Allegheny College Pelletier Library.