

The Diplomacy of Walter Q. Gresham

BY JAMES R. MOCK

There have been few important men in American history whose opinions and warnings, if followed, could have been so beneficial to the nation as those of Walter Q. Gresham. Unfortunately he lived during a period that was swayed by war feelings, petty partisanship, and rapidly expanding business. His ideas were not attractive because they were not in harmony with the prevailing thought of the moulders of public opinion of that time. His entire record as Secretary of State shows a devotion to principle that was exceedingly rare for the last decade of the last century.

The works covering that period in general, and Gresham in particular, fail to set forth many incidents that help to explain why he left so little lasting imprint upon our foreign policy. Most of the writers on the period have overlooked the fact that Gresham evidently believed that events and circumstances work through the individual. Again, and more worthy of notice, he was more concerned and conversant with American economic and social problems than with those of diplomacy. In fact, he considered the greatest question of the age to be the relations between capital and labor.¹ Phases of this problem were to color nearly all of his diplomacy and have particular bearing upon the most important affair, with which he had to deal, Hawaii. It was mainly the tariff question, about whose domestic ramifications and implications Gresham had reflected long, that caused him to accept a place in the official family of President Cleveland in 1893.²

Annexation of distant territory, tariff, trusts, and relations between employers and employees were all parts of the same problem, according to Gresham.³ As a Federal Judge for many years in Indiana and Illinois, he had come in contact with the growth of corporate industry in cases ranging from patents to strikes, and was to discover its powerful influence again in foreign affairs. After his appointment to

¹ Matilda Gresham, *The Life of Walter Quintin Gresham, 1822-1895*, (Chicago 1919), II, 802. See *Indiana Magazine of History* (Dec., 1933), XXIX, 297-338, for a valuable general study, entitled "Walter Q. Gresham", by Martha Alice Tynen.

² Mrs. Gresham, *Gresham*, II, 678.

³ Walter Q. Gresham to Judge Charles E. Dyer, Washington, D.C., May 2, 1894. Gresham Papers, Library of Congress, Manuscript Division.

the bench in 1869, most of his time and attention were taken up with the legal aspect of the problems set by the growing power of corporations. Many of his opinions in the cases decided showed that he was more than cognizant of the contentions of labor and of the opponents of privilege.⁵

With a determining background of that nature, and a well defined panic pending, Gresham assumed his cabinet post still convinced that the tariff and curbing of the "interests" were all-important.⁶ To his everlasting credit be it said that, with a great domestic crisis facing the country, he never stooped to the political trick of diverting the popular mind from vital home problems by a great show or parade of foreign affairs.

His devotion to the great principle of justice for all prevented Gresham from becoming popular through the expedient of quarreling with Great Britain. On the other hand, despite his opposition to big business, he took no discoverable steps to change our Ambassador or Secretary of Legation to the Court of Saint James after J. P. Morgan wrote him the following:

I take a great personal interest in Harry White, besides taking still greater interest in the London Embassy where I have so many interests. I want to ask you personally, if it can be possibly avoided, not to make any change. I say this not only for White's sake, but still more for that of Mr. Bayard and the Government. It will in my opinion be a great mistake in every way. Excuse my mentioning this and tear this up and pay no attention to it, unless you want to.⁷

English interests were more important in Nicaragua where that country claimed a protectorate over the Mosquito Indians. The United States was involved through the Treaty of 1850 with Great Britain. Conditions on the Isthmus were unsettled, but Gresham refused to become excited. Bayard wrote that he saw that a resolution had been introduced in Congress denouncing the Clayton-Bulwer Treaty. The American ambassador declared "that treaty has proven the most effective and practical aid to the Monroe Doctrine we have ever had and if we were to release Great Britain from

⁴ Mrs. Gresham, *Gresham*, I, 366-419.

⁵ Harry Thurston Peck, *Twenty Years of the Republic, 1885-1905* (New York, 1924), 308.

⁶ Gresham to the Hon. Smith M. Weed, Washington, June 12, 1894, *Gresham Papers*.

⁷ J. P. Morgan to Gresham, New York, October 28, 1898. *Gresham Papers*. Harry White was secretary of the American legation in London and Thomas F. Bayard was the American ambassador to England.

her covenants for absention from political control in Central America we would soon be confronted with a crop of troublesome questions".⁸ However, when the British took part in political affairs on the Isthmus, Gresham was prompt in charging that Great Britain was not observing the Treaty.⁹ and furthermore he noted that for "some reason the Government of Nicaragua now appears to be unfriendly to the United States, and it is believed here (not without reason) that English interests have brought about this feeling." Again the idea of fairness asserted itself and the Secretary of State placed some blame for the Isthmian situation upon our minister to Nicaragua:

Mr. Baker's appointment to Nicaragua was an unfortunate one. He is a vain, weak man, and it may become necessary to recall him. Until a few months ago he was in friendly (if not confidential) correspondence with the Canal Company, but we now learn that, early in April, he informed the Government of Nicaragua that the Canal Company was bankrupt; that the United States had no faith in its ability to proceed with the work, and would like to come to some understanding for the construction of a canal by the two governments, etc. It is significant in this connection, that a few weeks ago the St. Paul paper of which Mr. Baker is (or was) proprietor, assailed a man connected with the company.¹⁰

Gresham recognized that the citizens and governments of Nicaragua, Great Britain and the United States each had rights as well as duties in that part of the Isthmian region. While he held that European powers no longer had any pretext to interfere in the political affairs of Mosquito,¹¹ nevertheless, when British nationals were banished from there, and the mother country went so far as to land troops, our State Department saw the justice of the act. The opinion of Bayard was accepted. "There will be no advantage to Nicaragua or the United States in sending hither another envoy. Mosquito is settled and should be so treated," wrote Bayard.¹²

The above reference to Lewis Baker brings to light a minor problem, the canal question, which confronted Gresham. In his handling of the matter, the man is further revealed. Convinced that the tariff issue was all-important, he saw no

⁸ Thomas F. Bayard to Gresham, London, April 11, 1894. Gresham Papers.

⁹ Gresham to Bayard, Washington, May 2, 1894. Gresham Papers.

¹⁰ *Ibid.*

¹¹ Gresham to Bayard, Washington, December 24, 1894. Gresham Papers.

¹² Bayard to Gresham, London, April 23, 1895. Gresham Papers.

immediate need for a canal. Our ministers to Nicaragua and Columbia were instructed to keep the State Department fully informed.¹³ That Gresham was opposed to any positive action looking toward canal construction is brought out in a letter to Bayard, in which he stated: "If the Treaty is still in force, the pending Senate bill, known as the Morgan bill, which provides that the United States shall guarantee \$70,000,000 of the bonds of the Canal Company, ought not to become a law". Then taking a different approach, he wrote to Hitchcock, one of those most interested in the Nicaragua venture. "I have just received a telegram from Minister Baker saying that he can do nothing in the canal matter without the assistance of an able lawyer who understands the Spanish language and practice; that matters are in the worst possible shape; that the canal property has been virtually confiscated and the concession attacked."¹⁵ In December, 1894, he confided to Bayard his fear that a canal bill would pass through Congress at some time, although not just then.

One can hardly censure Gresham for his canal stand since it was so consistent. Panama was in the hands of the French; Nicaragua had as its champion Senator John T. Morgan of Alabama, whom the Secretary of State distrusted. That feeling was manifested in the correspondence between Washington and London. Gresham wrote:

Some two weeks ago, Senator Morgan had a long and apparently friendly conversation with the President on the subject of the canal. He went directly from the White House to a train which carried him to Montgomery, Alabama, where he delivered a carefully prepared speech, in which he said among other things, that Mr. Cleveland's last nomination was secured by the use of money.¹⁷

Bayard encouraged Gresham's distrust of Morgan by replying:

Mr. Morgan's duplicity and eccentricity as reflected in your letter are but repetitions of what I learned by prior experience. Brilliant often and remarkably inventive. His judgment is frequently unsound, and his nature utterly unreliable. I cannot recall a single important service he has rendered the country or the party—and in many cases

¹³ Gresham to Baker, Washington, May 1, 1894; *Gresham to Abbott*, Washington, May 19, 1893. Gresham Papers.

¹⁴ Gresham to Bayard, Washington, May 2, 1894. Gresham Papers.

¹⁵ Gresham to Hiram Hitchcock, Washington, May 9, 1894. Gresham Papers.

¹⁶ Gresham to Bayard, Wash., Dec. 24, 1895. Gresham Papers.

¹⁷ *Ibid.*, May 2, 1894.

he has proposed action that would have been disastrous to both if he had succeeded.¹⁸

The controversies relating to Bering Sea, Brazil, and Cuba have been fully treated in other works. However, in connection with Hawaii the part Admiral Walker played has received scant notice. Among the earliest references to the officer's presence in Honolulu, was a communication of Gresham to Albert S. Willis, our minister there, in which the Secretary wrote: "Admiral Walker's letter to the Secretary of the Navy deals mainly with the political situation in the Islands. He does not seem to realize that you represent the Government in such matters. The Admiral evidently sympathizes strongly with the Provisional Government and favors annexation."¹⁹

The addition of the Hawaiian Islands was desired by a vociferous group in the United States. The following statements from the correspondence between Willis and Gresham undoubtedly exerted upon the latter an influence which made for opposition to annexation. Admiral Walker asked for, and obtained, permission to land troops for exercise. "He did not correct the impression he [Walker] was here to spy on the British Minister. He told the British Captain he [Walker] could take care of all interests here and that his assistance was unnecessary." Walker gave a dinner to Mr. Dole, head of the Provisional Government, and Mrs. Dole on board his ship, but Willis and his wife were not invited probably because the Admiral had asked if they would come if invited and had been told no. Willis made the following statement relative to Walker:

I received your last private letter in which you refer to the political character of letters received at the Navy Department from Admiral Walker and suggest that I should, if I so desired, make known to him the fact that I was informed as to such correspondence and to say to him that the State Department looked to me for information as to political conditions here. The Admiral, while maintaining profound reticence as to his 'mission', has several times referred to 'conversations' with the President which he had before leaving, without indicating their nature.²⁰

Willis continued to be puzzled about the naval officer, for he wrote a short time later: "I have had no intimation

¹⁸ Bayard to Gresham, London, May 29, 1894. Gresham Papers.

¹⁹ Gresham to Willis, Washington, May 12, 1894. Gresham Papers. Admiral John G. Walker was in command of the Pacific squadron.

²⁰ Willis to Gresham, Honolulu, June 23, 1894. Gresham Papers.

from Admiral Walker as to his diplomatic functions here, upon which the press is still commenting."²¹ To that communication, he received a reassuring message that

the President agrees with me that your bearing toward Admiral Walker has been characterized by great forbearance and prudence. It is remarkable that the Admiral gave the dinner and entertained the President [Dole] and his cabinet. . . . Admiral Walker had no written or verbal instructions to act in any diplomatic capacity at Honolulu. The President does not think it necessary that he should remain longer in the islands."²²

Later, Gresham declared: "I was opposed to Admiral Walker going to Honolulu and it is plain now that it was a mistake to send him."²³ That officer left Hawaii shortly afterward, but his correspondence continued. Concerning it, Willis wrote: "Admiral Walker has exaggerated many trivial things. I did not detain him two days. There is nothing especially threatening now nor when Walker was here".²⁴

Possessing this information from Willis, Gresham pondered over the reasons for all the furor about Hawaiian affairs. His thoughts are revealed in a letter to Senator Roger Q Mills: "The entire population of the Islands, including natives and foreigners, is less than 100,000. It is safe to say that the revenues collected do not defray the expenses of the present Government. How is it being supported? Where did the funds come from? Certain Republican Senators are very intimate with Thurston, the Hawaiian Minister. Would it not be well to ask them for information on this point?"²⁵

The Democratic leader who received this letter read an article which Lodge and Frye said charged them with buying Hawaiian bonds at twenty-five cents and wanting annexation to sell them at par.²⁶ To the Secretary of State, the affair was closely identified with tariff maneuvering. The delay in enacting a low tariff had been caused by a number of so-called Democratic Senators, who were in fact strong protectionists. Gresham asserted: Some of them have been speculating in sugar stock, and discounting what we hear,

²¹ *Ibid.*, July 9, 1894.

²² Gresham to Willis, Washington, July 22, 1894. Gresham Papers, S. B. Dole was chosen President of Hawaii by the Revolutionary party.

²³ *Ibid.*, July 27, 1894

²⁴ Willis to Gresham, Honolulu, Sept. 29, 1894. Gresham Papers.

²⁵ Gresham to Mills, Washington, January 23, 1895. Gresham Papers.

²⁶ Memorandum of Gresham. Gresham Papers. Henry Cabot Lodge was Senator from Mass. and William P. Frye was Senator from Maine.

have no doubt made fortunes. During the last six months the Senate has suffered greatly in the estimate of the people".²⁷

Another explanation for Gresham's action concerning Hawaii is penciled at the end of a communication, purportedly to Senator Mills. It reads:

The Queen did confide in him [Stevens], and he as the Ambassador and representative of the United States used the armed power of this country to destroy an innocent and helpless people in order that New England corporations (forty of them) might get possession of their property, own their sugar plantations, and wring out of the pockets of the American people a bounty—a bounty which the sugar corporations have received to the amount of more than \$51,000,000 since the treaty was made.²⁸

Although dislike of Harrison may have had something to do with Gresham's opposition to the annexation of Hawaii—the treaty for that purpose having held over from the administration of Mr. Cleveland's predecessor—this mere clash of personalities is no sufficient explanation. In 1875 Gresham had criticized Harrison for the lengths to which the latter would go in order to win a verdict.²⁹ In 1888, that animosity had a chance to increase, for Foster asserted in a letter to Gresham: "I find that the Indiana syndicate has been very active in interviewing and writing to prominent men here and elsewhere. I hear of them everywhere. Dudley, however, told Lynch positively that the delegation would go for you if there was no chance for Harrison."³⁰ It was not the nomination of Benjamin Harrison for president that aroused Gresham and made him waver in his party allegiance, but the fact that the Republican leaders wrote a protective tariff plank into their platform in 1888.³¹

To Gresham right principles and uniform justice amounted to more than personal feelings. The correspondence with Willis gave the Secretary of State an idea of conditions in Hawaii as well as an understanding of the activities of Admiral Walker and others. Congressional delay in regard to the tariff, together with open charges of speculation and corruption in connection with corporation activity, all these

²⁷ Gresham to Wayne MacVeagh, Washington, May 7, 1894. Gresham Papers.

²⁸ Gresham to Mills, Washington, January 23, 1895. Gresham Papers.

²⁹ Mrs. Gresham, *Gresham*, II, 450. John L. Stevens was the predecessor of A. S. Willis as minister to Hawaii from the United States.

³⁰ John W. Foster to Gresham, New York, April 28, 1888. Gresham Papers.

³¹ Mrs. Gresham, *Gresham*, II, 586-587.

played their part in causing the Hawaiian Islands, so far as Gresham was concerned, to remain independent of the United States until he was dead and McKinley was President.

Any attempted estimate of Gresham as Secretary of State must take into account, and give the main place to, his attitude toward affairs within the nation. While this country was in the midst of the panic, this former Federal Judge analyzed the origins of the situation, saw whither the United States was going, and tendered a possible solution, all of which sounds astonishingly up to date. He wrote: "We have gone too far in protecting special interests. If men can be protected by tariff against foreign competition and by trusts against home competition, they can do about as they please." Anticipating technocracy, the late Senator Long, Father Coughlin, Stuart Chase and others, Gresham reflected on the necessity of modifying the economic system:

Our mills and factories can supply the home demand by running six or seven months in the year . . . some change must be made or a catastrophe will be encountered. You ask what that change should be. I do not know. It may be necessary to have a more equitable division of the joint product of labor and capital. . . . You must not infer that I am a socialist,—much less an anarchist.³²

In 1892 he had written:

The labor question has come to stay; it cannot be ignored. We are living under new conditions, conditions utterly unlike anything in the past. Labor-saving machinery has given capital an advantage that it never possessed before. What is an equitable division of the joint product of capital and labor, and who is to decide the question? I fear that the settlement of the controversy will be attended with serious consequences. The laboring men of this country have intelligence and courage, and they firmly believe that they are oppressed. They are growing stronger daily, and unless capital yields, we will have collisions more serious than the one which occurred at Homestead. The right to acquire and hold property must be recognized. No civilization of the past has amounted to anything that did not recognize that right. But those who employ labor seem to think that only property rights need protection, and that laborers are entitled to no more sympathy and consideration than the machinery which they attend. Employers go through their forms of worship in a perfunctory way, not heeding the injunction that we should love our neighbors as ourselves. It seems to me that labor will triumph in the near future, but will it use its power wisely?³³

³² Gresham to Judge Charles E. Dyer, Washington, May 2, 1894. Gresham Papers.

³³ Mrs. Gresham, *Gresham*, II, 803.

Why did those words go unheeded? First, they had practically no circulation. Although Gresham was widely known, his opinions were revealed to a relatively small number of friends. Second, he was an ex-Republican or an independent Republican serving in a Democratic Cabinet in a time when principles were often regarded as of less importance than party. Hence he was viewed with suspicion by the stalwarts of both parties, and therefore by the general fry. Third, as Secretary of State he had little to do directly with domestic problems. To have given him more influence in home affairs, the post of Attorney General would have been more suitable, but it would have separated him from the tariff controversy. Fourth, he was antagonistic to, and opposed by the very power which was soon to have much greater influence in the nation—the money power. Fifth and last, his premature death in 1895, at the age of sixty-three, removed a man who could have rendered valuable assistance to the reform movement of the first decade of the present century.