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State Dept.

1936

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Answer 1-26*

DUBLIN, January 2, 1936.

My dear Mr. President:

Your Christmas and New Year message was a positive happiness to me. The members of my staff join with me in this expression of appreciation for the encouragement you have given us.

I am deeply grateful for your expression of personal endorsement of my services as one of your foreign Ministers and take pride and gather courage in the strength of your approval, for the future.

Your message to the Congress has been received here, in the Irish Free State, with highest enthusiasm and praised as a "Remarkable Declaration." It was indeed a charter agreed to and accepted as our guide. It has a powerful appeal for future confidence under your great and wise leadership. Your future broadcasts by radio will be eagerly listened for.

With warmest reciprocation of your good wishes so kindly extended, I have the honor to be,

Sincerely yours,

Alvin M. Cowsley
Alvin M. Cowsley

The Honorable
Franklin D. Roosevelt,
President of the
United States of America,
The White House,
Washington.

CA

XXXX

BUCHARIST

Dated Jan. 11, 1936.

Rec'd 4:22 pm.

Secretary of State,
Washington.

3, Jan. 11, 6 p.m.

Referring to my telegram No. 34, Dec. 28, 9 p.m.

No anti-Semitic demonstrations have followed attempt to assassinate Grand Rabbi this morning. Ministry of Interior has issued communique describing assassin as mentally unbalanced religious fanatic. While this latter appears to be true, statement by Grand Rabbi and reported testimony of eye-witnesses allege presence accomplices who escaped, thus suggesting assassin was anti-Semitic tool. Other reported evidence tends to support this view, namely, assassin's that one thousand lei and revolver had been given him. Jewish community is apprehensive lest further acts of violence be committed.

HARRISON.

SMS NPL

State Dept.
(S) Drawer 1-36

January 14, 1936.

My dear Grant:-

I am delighted to have your letter which apparently took over a month to get here.

I am glad that you like it at Tirana and that you were so graciously received by the King. I hope that the winter climate in Albania is better than it is here in Washington!

Always sincerely,

Honorable Hugh G. Grant,
American Legation,
Tirana,
Albania.

Tirana, Albania,
November 25, 1935.

Dear Mr. President:

I have requested Colonel McIntyre to express to you my very sincere appreciation of your kindness and courtesy in presenting me with a signed photograph. I am very grateful to you.

May I add just a word regarding the occasion of the presentation of my credentials as Minister to King Zog. On this occasion I delivered to His Majesty your personal message of cordial greeting and your expressed desire that the King may at a future date visit the United States. I informed the King also of your great interest in the welfare of his country, as you expressed this interest personally to me when I had the honor and privilege of paying my respects and bidding you a farewell shortly before my departure for my post of duty. The King was much pleased and expressed the hope that he may have the opportunity to

express

The Honorable
Franklin D. Roosevelt,
The White House.

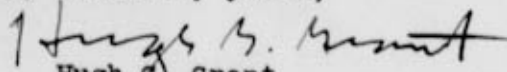
express to you in person his sincere appreciation of the friendship which you hold for his country and for himself.

You may be interested to know that the King received me in a most gracious manner and he and members of his Cabinet expressed their deep gratitude for the attitude of the Government and of the people of the United States toward Albania. They are particularly grateful to your distinguished Democratic predecessor, the late President Wilson, for his participation in the maintenance of the independence of Albania at a critical period for this little country during the Peace Conference at Paris. Now it is especially pleasing to them to learn of your great interest in their country.

Incidentally the King generously volunteered to assist me personally in the matter of obtaining the old Albanian manuscript in which you expressed interest when I called to pay my respects.

I trust, Mr. President, that you are in excellent health, and that you and members of your family may have a very joyous Christmas holiday.

Very sincerely yours,


Hugh C. Grant

State Dept 1936.
(3) (1)

January 25, 1936.

Dear Leland:-

I am glad to have your nice letter of January seventh. Even since you wrote many things have been happening and, in fact, the situation changes so fast from day to day that it is hard to do more than make wild guesses in regard to the European future. Even though we can maintain a fairly stable and permanent course the general danger of the external situation continues disturbing.

I do hope all goes well with you and the family.

My sincere regards,

Faithfully yours,

Honorable Leland Harrison,
American Legation,
Bucharest,

Club Dept

Buchanan, Pennsylvania.
January 7. 1926.

My Dear Mr. President:

Your very kind letter of November 27th
with its good wishes for Yours & the New Year,
has read by all the members of our
Contracted Offices. It came as a delightful
message for the holidays and was indeed
deeply appreciated. We all try to express
our thanks and in turn to wish for
you and all your family, many happinesses
and success in the New Year.

Since my letter of September 24th,

Titulesco has visited Bucharest. I found him very friendly & surprisingly outspoken. He is set on including a part of mutual assistance with Russia. This must however, await ratification of the Franco-Soviet pact by France. The Poles, although allies of Rumania, are opposed. They have a healthy fear of Russia & naturally dislike the prospect of a Czecho-Russian alliance which also depends on the conclusion of the Franco-Soviet pact. The Poles have, therefore, carried on an active propaganda here against the proposed Russo-Rumanian pact and Titulesco told me frankly that Germany was back of this. However, if it is in the scheme of French Collective Security, and alliance with France being the basis of Titulesco's foreign policy, it is bound to come. Furthermore, the leaders of the two great political parties, the Liberals, who are now in power, and the National Peasants, who hope to succeed them shortly, are convinced of the desirability of a close & friendly understanding with their powerful neighbor across the Danube.

93 k.
Titulescu is torn two ways by the Italo-Algerian conflict. He wishes to be friendly with Italy - there is the historical & racial connection - & he also wishes to be a good member of the League. Sanctions, particularly oil sanctions, cost money & who will compensate Roumania? He could not stomach the Home-Liberal proposals to reward an aggression with the territory of an attacked member of the League. He always has Hungary's revisionist aspirations in mind. However, in the last analysis, if he must, he will find a way to follow the French lead in this too.

As usual, Titulescu came & went. While here he helped privately to compose differences amongst the Liberal leaders. He will remain in office even if the National Assembly come in. And, as it now appears, he has arranged a private visit for the King to England at the time of his Majesty's proposed official visit to France, so it is said, Titulescu's position seems more secure than ever.

May I recall the two points on which you expressed particular interest: namely, Germany's position, whether North-East or South, and, secondly, the possibility of tariff reductions.

As to the first, I hesitate at this time as I have not yet been to Poland & Germany. However, I am

impressed with the fact that an oil supply is vital to Germany. The Polish supply is limited and Rumania has oil in abundance. One solution suggested would be that Poland could be compensated for Upper Silesia in the Ukraine and an outlet at Odessa. Germany would come this way and Constantinople would not be far off. An answer, I think, depends to a great extent upon the outcome of the Italo-Algerian dispute & the effect upon the whole theory of collective security.

As to the second point, there should be a possibility of working out something between the members of the Little Entente. So far the most hopeful sign has been Titulesco's statement to me that he was anxious to remove restrictions to trade & that, if possible, he would like to make an arrangement with Hungary for the free exchange of goods. Also, the present Minister of Commerce & Industry is courageous & is endeavoring to do away with exchange restrictions. He has a hard fight with the National Bank with the various elements in & out of the Government who wish to restrict foreign exchange. However, the situation looks brighter.

With renewed good wishes for every success & happiness in the New Year, faithfully & sincerely yours,
Wm. Harrison.

State Dept

January 27, 1936.

Dear Mr. Hornibrook:-

Many thanks for your nice note of December twenty-seventh. I am grateful to you for those very delightful old stamps, nearly all of which are wholly new to my collection. They are a real addition.

I count on seeing you when you get back here toward the end of March.

Always sincerely,

Honorable William H. Hornibrook,
American Legation,
Teheran,
Iran.

Teheran, Iran

December 27, 1935

Dear Mr. President:

I acknowledge the receipt of your kind letters under date of November 13 and 14, wherein my resignation as United States Minister to Iran and Afghanistan is accepted and wish to express my sincere thanks for the generous sentiments therein contained.

If I may be permitted to impose upon your time and good nature I should like very much indeed to have the privilege of reporting to you in person as to political conditions in the Near East. If such suggestion meets with your approval I shall request a brief interview shortly after my arrival in Washington.

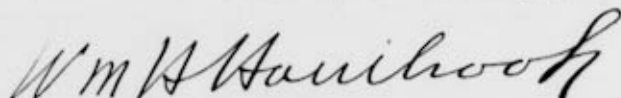
Present plans call for my departure from this post not later than the 15th of March and sooner, of course, if my successor should be able to reach here at an earlier date. I hope to make some connection with the Democratic National Committee, but in any event shall contribute to the best of my ability in swelling your vote of confidence which I feel certain will be recorded in November.

May

The President
The White House
Washington D.C.

May I again express my deep appreciation for the great privilege and honor of serving your administration in the Foreign Service and also extend the season's greetings to yourself and the members of your family.

Sincerely and Cordially yours,

A handwritten signature in cursive script, reading "Wm H Hornibrook". The signature is written in dark ink and is positioned below the typed name.

Wm. H. Hornibrook

Encs: Iranian Stamps
WHH:FVH

The President
The White House
Washington D.C.

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personal*

*File State Dept
(6) Bureau 1-36*

Latvia

Riga, January 29, 1936.

Dear Mr. President:

A telegram from the Department brought me word, a couple of days ago, that the final hurdle had been taken, and that you had definitely appointed me to the post in Turkey: and I hasten to write you my grateful appreciation. I need scarcely tell you how great a satisfaction it is to me to have reached the ambassadorial rank in the Service, which I feared I had irretrievably foregone when I resigned from the China post in 1929; or that, while I should of course have been happy to serve in any other post to which I might have been appointed, the Embassy to Turkey is the one which, if you had offered

The President,
The White House.

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me my choice, I should probably have picked. At least I hope that I may be able to carry on there well enough to justify your confidence in me.

We do, indeed, have regrets about leaving this cozy little Baltic post. We have been not only comfortable but happy here; and at any rate the Wheat Committee business has taken us out for airings often enough to keep us from bogging down into complacency -- although perhaps we have thereby been prevented from taking root here as firmly as would be desirable. I only trust we have made a reasonably good compromise of it, and can feel that the Lanes, succeeding us here, will not find it the harder, on our account, to represent the interests of the United States.

With the highest respect, and with warmest thanks and personal good wishes, I remain,

- 3 -

my dear Mr. President,

Yours, very sincerely,

Mac Murray
J. I. A. Murray

file
personal

Grace Duffett

Buchanan, Feb 15, 1926.

Dear Mr. President:

I deeply appreciated your very
kind letter of January 25th. We
certainly reappraise your good wishes.
Nancy is feeling much better & the
children are doing finely. Only a
few days ago did we get our
first storm with heavy snow &
freezing temperatures. We have had
an unusually mild winter. The
snow was welcome to the peasants.
Christmas is needed for beautiful

crops.

The London-Paris conversations were eminently successful from the Rumanian point of view. First, the King was accepted once again at the Court of St. James and, second, Rumanian prestige was enhanced. King Carol's various statements in Paris openly committed him to Tiberlescu's pro-French foreign policy and set at rest rumors of any pro-German leanings he might have entertained.

As to the Central European situation, there has been an improvement due to a kinder feeling between Austria and the Little Entente and while a Danubian pact is still difficult

of realization owing to the present
absence of Italy and Hungary's
insistence on revision, none the less
something constructive is not now
improbable along economic rather than
political lines. At least an economic
reapprochement between Vienna & Prague
may be on its way. Meanwhile, Nazi
propaganda is active and its anti-
semitic effects are feared in this
country.

Your message to the Congress
received most favorable comment here.
The other day I saw the Danish
Minister, Tautzen, and he was
most enthusiastic. Your forthright
remarks regarding sources of unrest

me, he said, just what was needed
at this time.

Nanny joins me in kindest
regards to Mrs. Everett and with
my good wish, believe me,

Faithfully & sincerely yours,

Wm. H. Allen.



LEGATION OF THE
UNITED STATES OF AMERICA

Bangkok, Siam
March 12, 1936

*file
"Personal"
State Dept
(S) Division 1-36*

My dear Mr. President:

A message from you through our mutual friend Secretary Roper has been received and I expect to be in Philadelphia June 23rd ready for campaign work. After two and a half years I find this climate rather trying and home leave I think will be beneficial.

The recent troubles in Tokyo have made an impression throughout the Far East. It is said to be the first time in the history of Japan that such an occurrence has happened. Siam being a military government is especially interested in the Japanese situation. The Constitutional Government of Siam is proceeding cautiously, maintaining law and order and endeavoring to educate the people to the benefits of their new Government.

The "Dupont-Raskob Dinner for Governor Smith" and not the Liberty League Dinner, is not likely to seriously injure the Democratic party. For the past fifty years no new political party and no member of the United States Senate has ever succeeded after leaving their regular organization, and the future will likely demonstrate what has happened in the past, namely fruitless efforts. If my memory serves me right, the Palmer-Buckner ticket threw the State of Kentucky into the Republican column but it had no appreciable effect on the results of the general election. Therefore it seems to me that the Duponts and Governor Smith would make a very good campaign slogan, properly presented, to the farmers and the laboring classes of the nation. You have advocated in your speeches a lower interest rate for the farmers and that the interest rates they have been paying have been exorbitant. I hope you will keep that idea constantly before the public mind. My congratulations to you in ignoring Governor Smith's speech.

With highest regards and best wishes for success,
believe me to be

Sincerely yours,

James M. Caffery

The President of the
United States of
America

AIR MAIL



LEGATION OF THE
UNITED STATES OF AMERICA

State Dept

*File
Personnel*

March 16, 1936

My dear Mr. President:

I have just received notice from Secretary Welles of the State Department that you have been so kind as to appoint me Minister in Guatemala.

Please accept my very sincere thanks.

With my very kindest personal regards, believe me

Yours very sincerely,

Fay Allen DuPont

The Honorable President of the United States
Franklin D. Roosevelt
White House
Washington, D. C.

PSF: State

THE WHITE HOUSE
WASHINGTON

March 18, 1936.

MESSAGE TELEPHONED TO SECRETARY PHILLIPS

This is a matter solely for the Committee. You and the Treasury should appear before the Committee in Executive session. Bear in mind the fact that the Canadian distillers owe the United States Government \$40,000,000 and as a matter of justice they should not be allowed to continue to do business in the U. S. without paying all or part of what they owe. The pressure by these distillers on the Canadian Government might become a matter of notoriety.

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SECTION THREE
WASHINGTON
PSF: State
March 1-56

THE WHITE HOUSE
WASHINGTON

March 16, 1936.

MEMORANDUM FOR THE PRESIDENT

Secretary Phillips called up and dictated the following:

In regard to legislation proposed by the Treasury covering the export of liquor from the United States, the State Department has been in very close touch with the Treasury for the last three or four days in an effort to reach a compromise agreement. So far they have been unable to arrive at any such agreement, for the reason that the Treasury is insistent on maintaining the principle that the Government cannot embargo goods coming in from abroad owned by foreigners unless they meet certain conditions set out by the Secretary of the Treasury. This we feel very strongly is a new departure in international relations. A form of compulsion against foreigners, in order to compel them to come into our courts which has never been exercised before. Acting on the President's suggestion Phillips went before Senators Harrison and King and (King) on Friday last. They were very sympathetic to the State Department's point of view and they held up action of the Finance Committee. They said that they hoped before the next meeting that the two Departments could straighten it out. The next meeting is tomorrow morning. Phillips has been asked by Harrison to appear before that Committee unless they can reach an agreement with the Treasury, which seems doubtful. In that event no legislation would be necessary. Because of the President Phillips does not like the idea of

THE WHITE HOUSE
WASHINGTON

going before the full Committee and expressing views contrary to those of the Treasury Department. The important part of this whole legislation is that this principle will be applied against Americans in compelling our exporters to come into foreign courts.

Phillips and Judge Moore or Phillips or Judge Moore would like to come over this afternoon. They think it is very important.

Phillips has spoken to the Secretary of State over the telephone and the Secretary also feels very strongly that the State Department should not present a case in which they are in disagreement with the Treasury before the Committee. Also he says that the principle involved is of considerable importance and he, the Secretary, hopes the President will see them this afternoon.

THE WHITE HOUSE
WASHINGTON

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1. Mr. Phillips	1. Mr. Phillips
2. Mr. Moore	2. Mr. Moore
3. Mr. [unclear]	3. Mr. [unclear]
4. Mr. [unclear]	4. Mr. [unclear]
5. Mr. [unclear]	5. Mr. [unclear]
6. Mr. [unclear]	6. Mr. [unclear]
7. Mr. [unclear]	7. Mr. [unclear]
8. Mr. [unclear]	8. Mr. [unclear]
9. Mr. [unclear]	9. Mr. [unclear]
10. Mr. [unclear]	10. Mr. [unclear]

noted

State Dept
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August 10, 1936.

My dear Gonzales:-

Many thanks for yours of July twenty-first, which I find on my return from the cruise. I am delighted to have the maps and they will be useful in case the final presentation comes before me.

My heartiest congratulations to you and Mrs. Gonzales on your twenty-fifth anniversary. May you have many many more.

Always sincerely,

Honorable Antonio C. Gonzales,
American Legation,
Quito,
Ecuador.

Latin-American Division, State Dept., advises
that these maps have been received and that they
have been sent to Mr. Boggs, the Geographer.

THE WHITE HOUSE
WASHINGTON

Hyde Park, N. Y.,
August 5, 1936.

MEMO FOR R. F.

Have these maps been
received? Please return letter to
the President for acknowledgment.

G. G. T.



LEGATION OF THE
UNITED STATES OF AMERICA

Quito, July 21, 1936.

*Office
Have these maps
been received?*

The Honorable
Franklin D. Roosevelt,
The White House,
Washington, D. C.

My dear Mr. President:

I presume that you have been as much surprised as to the sudden conclusion reached with relation to the Ecuadorian and Peruvian boundary dispute as we have been here and I personally felt that although it was a wonderful culmination, nevertheless, coming at this time in the midst of our campaign it did not seem so pleasing for that reason. However, there will be much work to be done on the part of the Commission before your actual time in the matter arrives so that I do not believe it will encroach upon your valuable time in deference to your election matters. I read with a great deal of interest your press release which in Ecuador was received with much applause and as so many have expressed it was a manifestation of further good will and "Good-Neighbor" policy towards Latin American countries.

You may be surprised to learn that as a result of the agreement being reached between Ecuador and Peru looking towards the settlement of its long standing boundary dispute that the people of Ecuador, regardless of party, are now more united than ever before and their spirits are high in the belief that now that Ecuador has attained its long desired purpose of having the matter presented to you that no question or doubt is entertained but that some solution will be reached and further discord between the two countries will become a thing of the past. I am frank to state that in my humble opinion I believe that the agreement made between Ecuador and Peru to settle in an amicable way their boundary dispute, that that in itself will tend much to create a more friendly atmosphere at the coming Pan American Peace Conference than might have been if such an agreement had not been made at this time, since it was the firm intention of Ecuador to take advantage of the coming Peace Conference to air its troubles and difficulties with Peru much to the consternation of the Conference because I have been told time and time again by the officials now in power in Ecuador that the delegates from Ecuador to the Peace Conference would be instructed to do all in their power to

humiliate

OFFICE, JULY 27, 1950.
LEGATION OF AMERICA
THE

Mrs. Margaret
Mrs. Mary D. Hays, D. C.
Mrs. Mary D. Hays, D. C.



- 2 -

humiliate the delegates from Peru in giving a full exposition as to the dilatory methods which they claim were being pursued by the Peruvian Government in bringing to an expeditious conclusion its boundary difficulties.

The delegates who are going to Washington in representation of the Ecuadorean side of the case are Dr. Alejandro Ponce Borja, Ex-Minister of Foreign Relations under President Velasco Ibarra; Dr. José Vicente Trujillo, Ex-Candidate of the Independent party of the Liberal party for President prior to the resignation of Acting President Pons and the beginning of the present military dictatorship; and Dr. Homero Viteri Lafronte, Ecuadorean Minister to Peru and at one time Minister to Washington, all of whom are lawyers, well informed in the matter, but at the same time willing to meet their opponents with a fair and open mind and conciliatory towards a happy conclusion. I am obtaining for the use of the State Department and for you a full and complete collection of data relative to the points at issue and in which will be found the arguments advanced by Ecuador as well as those by Peru. I have very recently furnished to the State Department a collection of maps, duplicates of which do not exist and which I have had in my possession in connection with Latin American matters for some years and hope they will be of some use during the discussions.

I have taken the liberty to write in more or less detail since I feel that you would be interested in the subject matter and hope I have not taken too much of your time.

I herewith take pleasure in enclosing an invitation to you and Mrs. Roosevelt to attend our coming twenty-fifth wedding anniversary on August 22nd next, and only wish it were possible that you and Mrs. Roosevelt might be able to honor us by your presence.

With very kindest and sincere regards, and looking forward to seeing you upon my arrival in Washington on October 21st upon my annual leave, the first that I have taken since entering the Service, and with very high and personal expressions of regard and esteem to you and Mrs. Roosevelt in which Mrs. Gonzalez joins me, I am,

Sincerely yours,

Antonio C. Gonzalez,
American Minister.

1911

1936

The American Minister and Mrs. Gonzalez
request the honor of your presence
at a Solemn High Mass
on the twenty-fifth anniversary of their marriage
on Saturday the twenty-second
of August at ten o'clock
Church of La Compañia
Quito, Ecuador
and afterwards
American Legation



The Honorable
Franklin D. Roosevelt, and
Mrs. Roosevelt,
The White House,
Washington, D.C.

R

File
NFT 7/26/36

ASSISTANT SECRETARY OF STATE
WASHINGTON

August 12, 1936.

Personal

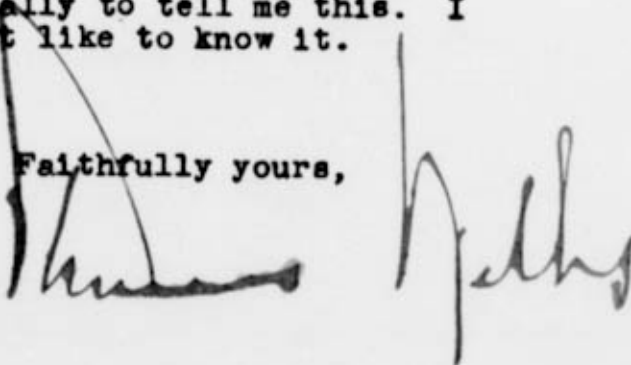
My dear Mr. President:

I have been getting reports during the day from different sources in Maryland regarding yesterday's meeting. The unanimous opinion is expressed that nothing could have been more helpful and that what you said to our friends who were present will have a particularly salutary effect.

Bob Ennis, whom you may remember as one of Bert Ritchie's closest friends, and who was prevented from being at the house yesterday, came all the way over from Baltimore personally to tell me this. I thought you might like to know it.

Believe me

Faithfully yours,



The President,
The White House.

file private

ASSISTANT SECRETARY OF STATE
WASHINGTON

PSF: still kept

August 24, 1936.

My dear Mr. President:

In reply to your memorandum of August eighteenth, it does not seem to be necessary for you to reply to the letter addressed to you by the President of Brazil under date of August sixth. President Vargas' letter was an acknowledgment of your own letter to him of July sixth last and at the present time there are no developments in the naval vessel proposal in which the Brazilian Government is interested which would warrant your addressing the President of Brazil further.

Believe me

Faithfully yours,

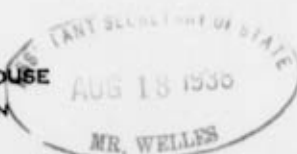
Enclosures.

The President,

The White House.

[Signature] *[Signature]*

THE WHITE HOUSE
WASHINGTON



Hyde Park, N. Y.,
August 18, 1936.

MEMORANDUM FOR

HON. SUMNER WELLES

IS IT NECESSARY TO REPLY
TO THE ENCLOSED?

F. D. R.

ASSISTANT SECRETARY OF STATE
WASHINGTON

August 12, 1936.

My dear Mr. President:

The Ambassador of Brazil handed me this evening the enclosed autograph letter from the President of Brazil written in reply to the recent letter you sent him. I attach a translation.

Believe me

Faithfully yours,

The President,
The White House.

(Translation)

PRESIDENT OF THE REPUBLIC

Rio de Janeiro, August 6, 1936.

His Excellency

President Franklin Roosevelt.

Eminent Friend:

I take particular satisfaction in acknowledging receipt of your letter of July 6 last, its expressions of esteem and cordiality were highly gratifying to me.

First of all, I wish to express my sincere thanks for the attention which you gave to the proposal of the Brazilian Government, made through Ambassador Oswaldo Aranha, for acquiring a few cruisers indispensable for the surveillance and security of our territorial waters. I believe that, favorably received as it was, and taking into consideration, as it did, the interests of both countries, this proposal would have resulted in a satisfactory solution, if the unforeseen circumstances flowing from the London Naval Conference, had not arisen, as you point out.

In view of the terms of your kind letter, in which you approach the matter clearly and directly, we must, however, await with confidence the counter-proposal to which reference is made and the terms of which provide

at

*original letter with
signature of Vargas
sent with Pres
collection 7/19/36
signature
PTL*

at the same time for the defence requirements of your country and the necessities of Brazil.

As the Brazilian Government enjoys the personal good will of the eminent Head of the American Government and the favorable disposition of its high naval advisers, a formula to reconcile all interests involved can certainly be found, so that there may be initiated, especially at this stage of inter-American rapprochement, the unification of the types of war vessels of the two countries, while the work of training the officers of the Brazilian Navy continues under the efficient technical direction of the American Naval Mission.

The welcome expressions in your letter, President Roosevelt, afford the government of my country the assurance that today, more than ever, your great republic, whose destinies you are guiding with such noble aims and such wisdom, will continue the unalterable policy of co-operation maintained with Brazil, who, on her part, will not fail to perform the duties of reciprocity corresponding to those traditional and strong sentiments, now strengthened by your personal gesture of cordial sympathy, which is of such high significance.

Permit me to present my sincere compliments and assurance of friendship to Mrs. Roosevelt, in the name of

Mrs.

-3-

Mrs. Vargas and my own, and our heartfelt thanks for the courtesies shown her on the occasion of her recent sojourn in your admirable country.

With the sincere assurance of my esteem, I repeat to you the expression of my high appreciation and consideration.

GETULIO VARGAS



Rio de Janeiro, 6 de Agosto de 1936.

Exm^o Snr. Presidente FRANKLIN ROOSEVELT.

Eminente Amigo.

Tenho particular satisfação em acusar o recebimento da sua carta de 6 de Julho ultimo, cujas expressões de estima e cordialidade muito me desvaneceram.

Quero exprimir inicialmente os meus sinceros agradecimentos pela atenção que lhe mereceu a proposta do Governo Brasileiro, feita por intermedio do Embaixador Oswaldo Aranha, para a aquisição de alguns cruzadores indispensaveis á vigilancia e segurança das nossas aguas territoriais. Acredito que, bem acolhida como foi e consultando como consultava os interesses dos dois países, essa proposta teria obtido solução satisfatoria, caso não surgissem, conforme o declara, as circunstancias imprevistas resultantes da Conferencia Naval de Londres.



Diante dos termos da sua amistosa carta, na qual encara o assunto de forma direta e clara, cabe-nos, porém, aguardar, confiantes, a contraproposta a que se refere e cujas condições não de atender simultaneamente às exigências da defesa desse país e às necessidades do Brasil.

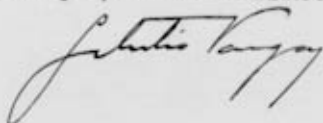
Contando o Governo Brasileiro com a boa vontade pessoal do Eximiente Chefe do Governo Americano e a disposição favorável dos seus altos conselheiros navais, certamente poderá ser encontrada a formula conciliadora de todos os interesses em jogo, permitindo iniciar-se, com mais essa etapa de aproximação interamericana, a unificação dos modelos das unidades de guerra dos dois países, quando ainda prosseguem os trabalhos de aperfeiçoamento dos oficiais da Marinha Brasileira sob a eficiente direção técnica da Missão Naval Americana.

As apreciadas expressões da sua carta, Senhor Presidente Roosevelt, dão ao Governo do meu país a certeza de que, hoje mais do que em qualquer outra época, essa grande Republica,

cujos destinos preside com tanta elevação e sabedoria, continuará cultivando a inalterável política de colaboração mantida com o Brasil, que, por sua parte, não faltará aos deveres de reciprocidade, correspondendo a esses tradicionais e fortes sentimentos, acrescidos agora pelo seu gesto pessoal de tão significativa e cordial simpatia.

Permita-me apresentar á Senhora Roosevelt, em nome da Senhora Vargas e no meu próprio, os melhores cumprimentos de amizade e os agradecimentos sinceros pelas distinções com que foi tratada, por ocasião da sua recente estadia nesse admirável país.

Com a perfeita segurança dos meus sentimentos de estima, reitero-lhe os protestos do meu grande apreço e alta consideração.



*J. State Dept
Received
August 19 '36*

Quito, Ecuador. August 19, 1936.

The Honorable
Franklin D. Roosevelt,
The White House,
Washington, D.C.

My dear Mr. President:

Your very kind letter of congratulations for our 25th wedding anniversary arrived today, and wish to thank you for your kind thought on this occasion.

We hope that your vacation cruise has been of benefit to you since you needed a rest before the coming campaign. Mrs. Gonzalez is leaving to participate therein the end of this month, and I the first week of October when my leave has been granted.

Have noted that the Pan-American Peace Conference has been set for the first week of December, and sincerely hope that you will be able to let me attend.

The Ecuadorean Boundary Delegation will leave here for Washington on the 12th next and expect to arrive in Washington on the 23d of September. Under the terms of the Castro-Ponce Oyanguren Protocol it will be a long time before the matter reaches you since under the Article 2 the Protocol therein mentioned will have to be ratified by the respective Congresses before it can be submitted to you, and no one can tell how long that will take.

I have sent you through the State Department the maps heretofore mentioned, and hope you have received them.

With very kindest regards to you and Mrs. Roosevelt in which Mrs. Gonzalez joins me, I am,

Sincerely yours,

Antonio C. Gonzalez
Antonio C. Gonzalez



Paula y

A Sua Excelencia

Senhor Franklin Roosevelt

Presidente dos Estados Unidos

WASHINGTON, D.C.

U.S.A.

00199

THE WHITE HOUSE
WASHINGTON

July 20, 1936

*P.F.
State Dept
(S) Bureau 1-36*

MEMORANDUM TO THE PRESIDENT:

Dear Mr. President:

I am sending you and asking that you carefully read the note which Mrs. Roosevelt sent me under date of July sixteenth.

I am also attaching a very important memorandum which the Secretary of State gave me today, the gist of which I have given Mrs. Roosevelt in a confidential note.


STEPHEN EARLY

Enclosures.

VAL-KILL COTTAGE
HYDE PARK, DUTCHESS COUNTY
NEW YORK
TELEPHONE: HYDE PARK 27

July 16, 1936.

Dear Steve:

I meant to tell you last night when I telephoned that Ruth Bryan Owen wants very much to stay over here through September and October, and work in the campaign. Her regular leave would require her to go back about the first of September.

She can not very well afford to stay two months without pay. She thought possibly Franklin could arrange with Secretary Hull for her to be given some kind of a small job as an excuse *of financial nature type* and extend her leave in the State Department. This would leave her free to cover the states which Franklin suggested she cover and which will take practically two months to cover.

It would not be as good if she started out now besides the fact that she is really tired out and will have to take six weeks rest. She has offered to take her own car and do the campaigning in that.

I know there are probably a number of difficulties about this and that is why I am suggesting that you talk to Mr. Hull to find out what can be done. We really need her as a speaker.

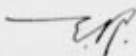
I hope you get things straightened out in

VAL-KILL COTTAGE
HYDE PARK, DUTCHESS COUNTY
NEW YORK
TELEPHONE, HYDE PARK 87

department of Justice satisfactorily.

I am enclosing to you a copy of the memo which I wrote primarily for Charlie Michelson. However, we want your reaction and answers very much!

Cordially yours,





DEPARTMENT OF STATE

OFFICE OF THE SECRETARY
WASHINGTON

July 20, 1938.

MEMORANDUM FOR

MR. STEPHEN EARLY.

Re: Mrs. Ruth Bryan Owen:

Referring to the request of Mrs. Owen for information as to whether some arrangement could be effected to enable her to spend September and October in the national campaign on a salary from some source, I may say that her entire leave will expire about September 3. It cannot lawfully be extended with salary. Probably the only way her time here could be prolonged with pay would be by ordering her to the Department for consultation in relation to the affairs of her post.

You are aware that the press is exceedingly diligent in tracing the course and the situation of each of our diplomatic representatives abroad, especially during the campaign period at home. There would be real potentialities of a press attack if, having been ordered here for consultation, as stated, Mrs. Owen should be on the stump in various parts of the country during September and October. I am thus setting forth both sides of the matter.

I feel

I feel constrained also to refer to what may prove to be an equally difficult problem which the recent marriage of Mrs. Owen presents. Under the Danish law, upon her marriage she automatically became a citizen and subject of Denmark. You are aware of the preachments and the doctrine which have been set forth in this country for the benefit of our large foreign-born population, to the effect that there can be no divided loyalty. It, of course, is not the fault of Mrs. Owen or of our Government that the Danish law, without regard to the desires of Mrs. Owen, makes her a full-fledged citizen and subject of that country, and hence obligated to be more or less loyal to it, and this presents an entirely different phase from the ordinary case of a marriage where the person is still permitted to retain citizenship solely in his or her own country, or where the choice of doing so renders this action possible.

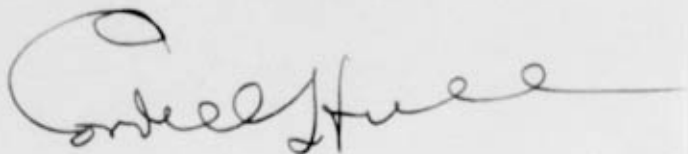
I would not be frank if I did not express the opinion that if Mrs. Owen should go on the stump the chances are three out of four that the press of the country, already overwhelmingly hostile, would launch an attack upon both Mrs. Owen and the President, charging the foregoing things and criticising the Administration upon the theory that it has repudiated the former doctrine relative to divided loyalty. This could prove more or less serious about the

middle of the campaign.

There are some alternative suggestions about the matter, such as that Mrs. Owen could be given indefinite leave of absence without pay, with the understanding that she would not speak, and permit her to have a chance quietly to ease through the campaign period without becoming a target of the opposition. Or if she would be disposed quietly to resign, another woman could be appointed at once and sent as Minister to Denmark. I do not think it would be permissible for any person to request the Government of Denmark to give her the option of retaining a single citizenship in this country and releasing her from citizenship in Denmark.

I feel that I should thus present the pros and cons of this situation, which I myself regard as offering potentialities of real trouble. I do this with much reluctance personally, because my whole desire, personally and officially, is to see this very talented woman carry out her plans, and especially to see the President have the benefit of her effective campaigning ability.

This memorandum is intended for both the President and yourself.

A handwritten signature in cursive script, reading "Cordell Hull", with a long horizontal line extending to the right.

REPORT OF THE BOARD OF DIRECTORS OF THE NATIONAL ASSOCIATION OF REAL ESTATE BROKERS, 1920-1921.

file

THE WHITE HOUSE
WASHINGTON

7/10

Sec. Hull:

"I was talking with the President about the Minister to Denmark who is going to be married I think today or tomorrow. Tell him I find that Mrs. Owen becomes a citizen of Denmark whether she wants to or not.

"Under those circumstances
the Press will print it up pretty
soon if she undertakes to hold office."

K

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

1235-B

CLASS OF SERVICE

This is a full-rate Telegram or Cablegram unless its deferred character is indicated by a suitable sign above or preceding the address.

WESTERN UNION⁽²⁸⁾

R. B. WHITE
President

NEWCOMB CARLTON
Chairman of the Board

J. C. WILLEVER
First Vice-President

SIGNS

DL = Day Letter
NM = Night Message
NL = Night Letter
LC = Deferred Cable
NLT = Cable Night Letter
Ship Radiogram

The filing time as shown in the date line on full-rate telegrams and day letters, and the time of receipt at destination as shown on all messages, is STANDARD TIME.

Received at

PAB5 170 GOVT=WHITE HOUSE WASHINGTON DC 29 208P

1936 AUG 29 PM 12 28

HON M H MCINTYRE=

SECY TO THE PRESIDENT

file PSF, State Dept

TELL BOSS TALKED TO MRS OWEN STOP SHE ACCEPTS AND WILL TODAY TELEGRAPH HIM HER RESIGNATION STOP HOPE VERY MUCH THAT PRESIDENT PERSONALLY IF POSSIBLE OR THROUGH YOU WILL ANNOUNCE MRS OWENS RESIGNATION AND SAY THAT SHE RESIGNED IN ORDER TO AVOID CRITICISM BECAUSE OF VERY EXTENSIVE PARTICIPATION BY HER IN CAMPAIGN SEMI COLON THAT SHE WILL TOUR THE COUNTRY BY AUTOMOBILE WITH HER HUSBAND CHAUFFEURING AND DELIVER A SERIES OF ABOUT ONE HUNDRED AND FIFTY SPEECHES STOP QUESTION OF DUAL CITIZENSHIP SHOULD BE AVOIDED IF POSSIBLE AS ALSO SHOULD ANY STATEMENT WHICH WOULD AROUSE WOMEN STOP HULL ANXIOUS THAT ANNOUNCEMENT BE HANDLED TO AVOID POSSIBLE FEAR BY OTHER DIPLOMATS THAT IF THEY DELIVER AN ADDRESS OR TWO DURING CAMPAIGN THEY WOULD BE EXPECTED TO RESIGN FOLLOWING MRS OWENS PRECEDENT STOP THERE IS NO COMPARISON BETWEEN MRS OWENS PARTICIPANT AND THAT OF ANY OTHER DIPLOMAT COMMA ONE BEING MOST EXTENSIVE AND THE OTHERS BEING ONLY VERY OCCASIONAL STOP SUGGEST PRESS RELEASE FROM TRAIN MONDAY AS MRS OWENS SPEAKING ENGAGEMENTS BEGIN TUESDAY=

STEPHEN EARLY.

DEPARTMENT OF STATE
TREATY DIVISION

10-5-36.

file

for White House

file

ajt

DEPARTMENT OF STATE
OFFICE OF
COORDINATION AND REVIEW

Sept 29

T D When the
Letter to Treasury
is returned from
White House, the
date you put on it
should also be
put on all carbons; &
please send a dated
Carbon back to White
House or there will be
a problem.

DEPARTMENT OF STATE
OFFICE OF
COORDINATION AND REVIEW

September 29, 1936.

The White House:

It is requested that the original and the ~~carbon of the letter to the Treasury~~ be returned to the State Department (TD) to be dated and sent on to the Treasury. A carbon copy thereof will be returned to the White House for its files.

September 29 1936

*State Dept
Hansen 1-34*

My dear Mr. President:

I enclose for your signature, if you approve, the following documents:

- (1) Proclamation of a trade agreement between the United States and Finland concluded May 18, 1936, together with warrant for affixing seal to the proclamation; and
- (2) A letter from you to the Secretary of the Treasury directing that the duties proclaimed in connection with the aforementioned trade agreement with Finland shall be applied in respect of products imported into the United States from certain countries for certain periods, which countries and periods are specified in the letter.

This trade agreement provides that it shall come into force on the thirtieth day following proclamation thereof

The President,

The White House.

-2-

thereof by the President of the United States of America and approval thereof by the President of Finland, or should the proclamation be issued and the approval be given on different days, on the thirtieth day following the date of the latter in time of such proclamation or approval. The agreement has already been approved by the President of Finland and your signature of the proclamation of the agreement, which is dated October 3, 1936, will put the agreement into force on November 2, 1936.

In order that the Treasury Department may complete preliminary arrangements in time to begin administration of the agreement on November 2, 1936, the proclamation and your letter to the Secretary of the Treasury will be dated October 3, 1936.

Faithfully yours,
Cordell Hull

Enclosures:
Proclamation;
Warrant;
Letter to the
Secretary of
the Treasury.



TD:SYS:HOK 9/28/36

October 3, 1936

My dear Mr. Secretary:

The Act to amend the Tariff Act of 1930, approved June 12, 1934, provides in part that the duties proclaimed under its authority shall be applied to articles the growth, produce, or manufacture of all foreign countries, whether imported directly or indirectly. The Act further provides that the President may suspend the application of the proclaimed duties to articles the growth, produce, or manufacture of any country because of its discriminatory treatment of American commerce or because of other acts or policies which in his opinion tend to defeat the purposes set forth in the Act. Pursuant to these provisions of the Act, I hereby direct that the duties proclaimed on this date in connection with the trade agreement signed on May 18, 1936, with Finland, and all other duties heretofore proclaimed in connection with trade agreements signed under the authority of the Act (with the exception of the duties proclaimed in connection with the trade agreement signed on August 24, 1934, with Cuba) shall

be

The Honorable

Henry Morgenthau, Jr.,

Secretary of the Treasury.

be applied from the effective date of such duties, or, as the case may be, shall continue to be applied on and from the date of this letter, only to articles the growth, produce, or manufacture of the countries hereinafter designated and to such articles, in the case of each country, respectively, for the period indicated in the numbered section below in which such country is designated.

1. In respect of the products of each country designated in this section, the proclaimed duties shall be applied from the effective date of such duties or, as the case may be, shall continue to be applied on and from the date of this letter until thirty days from the date on which you are notified by me that the United States has ceased, or on a day certain will cease, to be bound by provisions of a treaty or agreement providing for most-favored-nation treatment in respect of customs duties.

Denmark

Portugal and its
colonies and
possessions

Italy

2. In respect of the products of each country designated in this section, the proclaimed duties

shall

shall be applied so long as such duties remain in effect and this direction is not modified in respect of such country.

Afghanistan	Cuba (subject to the provisions of the trade agreement concluded with Cuba on August 24, 1934)
Albania	
Andorra	
Anglo-Egyptian Sudan	Czechoslovakia
Arabian Shajksdoms not included under any other designation in this list	Danzig, Free City of
Argentina	Dominican Republic
Australian mandated territories	Ecuador
Austria	Egypt
Belgium and its colony and mandated territories	El Salvador
Bhutan	Estonia
Bolivia	Ethiopia (Abyssinia)
Brazil	Finland
Bulgaria	France (including Algeria) and its colonies, dependencies, protectorates, and mandated territories
Canada	Great Britain and Northern Ireland, and British colonies, dependencies, protectorates, and mandated territories
Chile	Greece
China	Greenland
Colombia	Guatemala
Costa Rica	Haiti

Haiti	New Zealand and mandated territories
Honduras	Nicaragua
Hungary	Norway
Iceland	Oman (Muscat)
India	Panama
Iran (Persia)	Paraguay
Iraq	Peru
Irish Free State	Poland
Italian colonies and possessions	Rumania
Japanese Empire and mandated territories and Kwantung Leased Territory	San Marino
Latvia	Saudi Arabia
Liberia	Siam
Lithuania	Spain and its colonies and possessions
Luxemburg	Sweden
Mexico	Switzerland and Liechtenstein
Monaco	Turkey
Morocco	Union of South Africa and mandated territory
Nepal	Union of Soviet Socialist Republics
Netherlands and its colonies	Uruguay
Newfoundland	Vatican, City of the
New Hebrides	Venezuela
	Yemen
	Yugoslavia

- 5 -

Because I find as a fact that their treatment of American commerce is discriminatory, I direct that the proclaimed duties shall not be applied to products of the following countries:

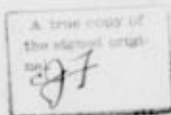
Australia, Commonwealth of
Germany

My letter addressed to you on September 1, 1936, with reference to duties proclaimed in connection with trade agreements signed under authority of the Act of June 12, 1934, is hereby superseded.

You will please cause this direction to be published in an early issue of the weekly Treasury Decisions.

Very sincerely yours,

Franklin D. Roosevelt



TA:RR:MH
9/28/36.

1

October 26, 1936.

*State Dept
Dawson 1-36*

My dear Lane:-

Many thanks for yours of October eighth. I am delighted to have your bird's-eye view.

We here are coming down the home stretch -- only another week to go.

My sincere regards,

Always sincerely,

Honorable Arthur Bliss Lane,
American Legation,
Riga,
Latvia.

Legation of the
United States of America,
Riga, October 8, 1936.

Personal and Confidential

My dear Mr. President:

When I had the privilege of seeing you on April 16 you expressed the desire that I should watch carefully the Soviet-German struggle for dominance in this region. As briefly as possible I shall endeavor to give you the result of my observations.

Lithuania: On my visit to Kaunas in June I was impressed by the great influence of the Soviet Minister, Mr. M. Karasky, not only over the rather weak petticoat government (the respective wives of President Smetona and Prime Minister Tubelis are sisters) but in labor circles as well. The abortive revolution of June 18 is laid to Soviet intrigue. Since then there has been a noticeable cooling of Soviet-Lithuanian relations, probably due to two factors, (a) fear on the part of the Lithuanian Government lest there would be a communist revolution, as evidenced by the wholesale arrest of communists on the opening of Parliament on September 1 and (b) amelioration of German-Lithuanian relations as a result of the conclusion of a trade agreement in July.

Latvia.

The President,
The White House,
Washington.

Latvia: President Ulmanis has told me personally of his hostility towards communism and of his conviction that it will make no headway here. On the other hand, the recent devaluation of the Latvian currency will not tend to better Latvian-German relations. As I see it, Germany is the nation which will be the sufferer in the general European devaluation. There is little love here for either Germany or the Soviet Union.

Estonia: While German trade is all-important to Estonia and although German culture is predominant, I doubt whether Estonia would willingly submit to political domination by Germany. The Estonian distrust of the Soviet is based on experience and is well known.

General: These countries count on the private statements which Hitler has made (repeated to me by the Wilhelmstrasse in Berlin and by the German Ministers at Riga and Tallinn) that he desires the integrity of the Baltic States as "bulwarks against bolshevism". As I have reported to the Department, there is a feeling in certain well-informed quarters that Germany intends to seek a rapprochement with the Soviet Union. Obviously, such a step would weaken the Soviet-French politico-military understanding. For that reason it does not sound illogical; for I fear that the anti-French sentiment in Germany has not abated.

Despite the ever-increasing talk of war I am inclined to think (perhaps the wish is father to the thought) that neither the Soviet Union nor Germany wants war; that each country is fearful of the other; and that neither government has been able to develop a consistent foreign policy except one of trying to make the rest of the world believe, in the case of Germany, that it could deal effectively with a Soviet invasion

- 3 -

invasion and, in the case of the Soviet Union, that a war would nowhere be fought on Soviet territory, no matter what the opposing combination might be.

Secretary Hull has undoubtedly transmitted to you my negative reports regarding my investigations here and in Estonia as to possible alien activities in the forthcoming elections. I am leaving tomorrow for Kaunas and shall report from there in case further information should come to my attention.

I have thought many times of President Wilson's remark to you - which you were good enough to repeat to me - that Saint Peter would undoubtedly forbid him entry at the pearly gates because of his having resurrected three dead languages. One must live in these three countries to appreciate the aptness of your great predecessor's sally!

Believe me, with great respect and every good wish for the near and the distant future,

Very faithfully yours,

Arthur Bliss Lane

DEPARTMENT OF STATE
WASHINGTON

State Dept
P. F.

November 13, 1936.

The Acting Secretary of State encloses
for the attention of the President the attached
despatch from the Embassy at Habana, dated
November 9, 1936.



DIVISION OF
NOV 10 1936
LATIN AMERICAN AFFAIRS
DEPARTMENT OF STATE
EMBASSY OF THE
UNITED STATES OF AMERICA

Habana, November 9, 1936

No. 7607

AIR MAIL

Subject: {Messages received following the
reelection of President Roosevelt

The Honorable

The Secretary of State,

Washington, D. C.

Sir:

With reference to the Embassy's several despatches last week concerning the extremely widespread satisfaction in Cuba over the reelection of President Roosevelt, I have the honor to report that in the past six days I have received a very large number of personal calls, telephone messages, telegrams, and letters from Cuban officials, business men, et cetera, all expressing their gratification and good will over the result of our election. I have likewise received copies of several messages addressed to the President, to which acknowledgment has of course also been made.

Respectfully yours,

EOB/fm-dec
File No. 800.1

JEFFERSON CAFFERY

STANDARD FORM NO. 14-A
APPROVED BY THE PRESIDENT
MARCH 10, 1925

TELEGRAM

OFFICIAL BUSINESS—GOVERNMENT RATES

FROM

The White House
Washington

State Dept

U. S. GOVERNMENT PRINTING OFFICE 10021

COPY OF RADIO

November 17, 1936.

THE SECRETARY OF STATE

Please tell Sumner have just received his radio
and approve his continuing with you to B. A. Please
leave any suggestions for addresses at Rio or later to
be given me by Ambassador Gibson.

FRANKLIN D. ROOSEVELT

MADEIRA

THE WHITE HOUSE
WASHINGTON

THIS WAS NOT SENT

(Judge Moore)
State Department/suggests this as a repl to
Sumner Welles telegram to the President.

"Confidential from the President to Welles:
Your number nine November seventeenth After
consideration of your telegram and the
suggestions set forth therein with which
Secretary Hull concurs I agree that it
would be better for you to proceed with the
delegation to Buenos Aires and to meet me
upon my arrival at Mar del Plata."

U

GRAY

SS AMERICAN LEGION

Dated November 17, 1936

Rec'd 1:55 p.m.

Secretary of State

Washington

RUSH

9, November 17, noon.

URGENT, ~~CONFIDENTIAL~~ FOR THE PRESIDENT FROM WELLES.

I was delighted to receive word this morning that you are able to carry out your original plan to attend the Conference. When I last saw you it was tentatively agreed that I would stop off in Rio de Janeiro in order to await your arrival and then proceed with you to Buenos Aires. Certain developments which have since occurred make me feel that it might be wiser and that I might be of more service if I proceeded with the Delegation to Buenos Aires in order to be there and in touch with the other delegations during the days immediately prior to the Conference. Also, my staying over in Rio de Janeiro, even though for the announced purpose of merely awaiting your arrival, might give rise to unfounded conjecture and create the impression that we were undertaking some confidential negotiation with the Brazilian Government which would govern the aspect of our delegation at the Conference.

A

U -2- 09, Nov. 17, noon from SS AMERICAN LEGION

A message I have received from Chilean sources strengthens this impression. The Secretary shares my feelings in this regard.

I have completed some suggested draft for your views for your address before the Conference which Ambassador Gibson can hand you personally at Rio de Janeiro should you agree that it will be preferable for me not to remain over. I would, of course, meet you upon your arrival at Mar del Plata and have the opportunity of talking with you on the train before you reach Buenos Aires.

I shall be grateful if you will let me know your decision by radio.

Make immediate delivery to the President and advise time delivered to him.

HULL

New York, N.Y.
November 23, 1936.

file
Personal confidential
PSF: State Dept

President Franklin D. Roosevelt,
Washington, D.C.

Dear Mr. President:

Enclosed herewith I am transmitting to you some additional confidential reports received from the foreign agents of Mr. Davis. No doubt you have already received advices covering these matters, but nevertheless I hope some of the information will be of use to you.

In addition to these reports, we have advice of very serious disturbances in Mexico which are very apt to break out in a very alarming way at any moment. We are told that President Cardenas and his main supporter, Cedillo, who is one of the strong men of Mexico today, have parted. The reasons given are the lack of interest on the part of Cardenas in the proper protection of foreign capital now invested in Mexico; his antagonism to the church and his encouragement to the Communistic tendencies in the ranks of the peon labor. Cedillo has moved north of Mexico City and has, under his control, several thousand armed men formerly of the regular Mexican Army. He has the support of the conservative element; foreign capital and the church. Cardenas has attempted to disarm this group, but so far without any results.

Mr. Davis left on a few hours notice, Friday night last, the 20th, to return to London. He will be gone for about three weeks. He requested me to advise you of the situation in Mexico and to state that his organization has had considerable to do with the present Mexican government looking to the aid of that government in the financing of its six year plan, along the lines which he discussed briefly with you. He says he knows it to be a fact that President Cardenas has such a high regard for you that he feels he would do everything possible to meet the wish of the President of the United States, if such was expressed to him in time to avoid this uprising. In addition, he says Cedillo is of the same mind, and that a suggestion put to them by the right parties with emphasis, would probably be the means of settling the present difficulties before serious outbreaks occur. I quote the above with genuine reluctance, and hope you will not charge me with too much presumption.

I am sure you will be very happy to learn that the bitterness of the campaign as expressed by many of the business interests is very rapidly disappearing. I have found this in Pittsburg and New York, and I understand it is the case everywhere. One hears nothing but expressions of delight at your re-election and confidence in your future leadership. This from interests which were very outspoken against us prior to the campaign.

If I can be of service to you, I await your commands.

Wishing you a delightful voyage and a safe return, I am

Very respectfully yours,

Walter A. Jones
Walter A. Jones.

Confidential Bulletin.

November 5, 1936.

GERMANY

Important changes are expected in the German cabinet within the near future. Reports about deep-seated dissension between members of the German cabinet become more insistent in Berlin. It is known that Goebbels strongly dislikes Schacht and this tension now is so acute that Hitler may have to decide on a change in the composition of the cabinet. It is even believed that the Fuhrer has already arrived at a decision in this respect. Goebbels also has a pronounced dislike for Goering. The recent appointment of Goering as all-powerful economic director of the four year plan was made for definite purposes. Goering with his tremendous energy and expansive strength will have to take draconic economic measures that may arouse considerable resistance amongst the population. Goebbels and his followers do not object to Goering being the scape-goat for such steps. On the other hand Goering has been appointed for the purpose of diverting from Schacht the attacks which must result from his necessarily drastic economic measures. Goering, while acting as Schacht's protective shelter, is to a great extent only nominally the economic dictator. His multifarious other duties make it physically impossible to exercise the routine duties of his new high office. Schacht still remains the real inner leader of the financial future of the Reich and he stands or falls with his success or failure in accomplishing the miracles needed. He has even expressed fear of his life. Goebbels on the other hand, leads an extreme left movement of the Nazi party which sees the salvation of Germany in the abolition of all remains of capitalism, the small group of industrialists harvesting rich profits: the initial program of the Nazi party. The industrialists refuse to abandon their privileges and fight the Goebbels'

tendency vigorously. Goebbels, however, cannot risk an attack against Goering in spite of his dislike for him. Schacht who also dislikes Goering knows why he has been appointed to his new post and retains his own liberty of action. He needs it for his incessant task of producing francs, sterling and dollars as if by magic and for maintaining the unrelenting pace of re-armament.

Internal financial controversies are increasing but there will be no internal collapse of the regime. The administrative machinery, entirely in the hands of the government, is unimpaired and functions well. Preparations for a war, technically and internationally, will be completed in 1938 and there seems little doubt that Russia is the enemy in view. There are no aggressive plans whatsoever westward or in central Europe contrary to many rumours in the foreign press. The Rhineland occupation was largely intended to safe-guard against a rear-attack in the case of a Russian conflict by making possible the construction of a chain of fortresses to counterbalance the Maginot line. Berlin also reckons with a simultaneous attack on Russia by Japan, and with indirect British support through benevolent neutrality. In the case of a war the German strategy will above all try for a speedy annihilation of the enemy to avoid the risk of internal trouble likely to be caused by a prolonged war.

A German attack against Russia will probably aim for Ukraine because the separatist tendencies in that district, as in other parts of South Russia, such as the Crimea and Caucasus, give hope of internal Russian uprising. Such aid is necessary for a victory since a purely military victory cannot defeat Russia.

The German armament industry works intensely. As regards export, it is now used mostly for barter transactions to obtain food and raw-stuffs,

but it is hoped that it will, in the future, be an article of export (to selected customers) of such importance that it will offset a great part, if not all, the decrease of normal German exports. Such an export will also be badly needed to obtain food-stuffs, especially from central European countries, which is necessary to solve this most crucial problem of Germany.

~~Confidential~~ Bulletin.

November 5, 1936.

FRANCE

The results of the French devaluation have been, in short:

The anticipated rise in prices has on the whole, taken place only in small degree.

The hoped-for return of the emigrated capital has not taken place as has been the case in other countries where devaluation has been effected. This is the real disappointment to the government as the repatriation of capital was one of the primordial reasons for the devaluation.

The devaluation will attract an increased number of tourists, although the influx has not yet risen appreciably owing to fears of possible disturbances and to the tendency of first observing the effect of the devaluation on prices.

The Rentes have not risen as much as was expected, the rate still being about 23% below par.

An enormous quantity of French capital still remains abroad, hidden gold and currencies have not emerged and investments in French bonds, shares and securities have not corresponded to anticipations. This is due to the fact that the confidence of capitalists in the future and in the government has not been restored, and that there are fears of internal or external disturbances.

On the other hand the bourse speculation in foreign values has been most lively. It is clearly the present government which holds back the expatriated capital from France. So far, the expected boom has not come but it is generally stated, that it will depend on the future financial orientation of the cabinet if the devaluation will bring the results hoped for.

November 5, 1936.

SPAIN

Moscow's note to the non-intervention commission was only intended to cover up its support of the Spanish reds. Moscow knows that sooner or later the world would know of this activity and the note was intended to legalize it beforehand. Now, when their active Spanish intervention is known, the bolsheviks try to complicate the diplomatic situation further by moderating their aggressivity in the non-intervention committee.

Moscow now completely directs the activity of red Spain. This is cleverly done on exactly the lines once followed by General Blucher-Galin in China. The Soviet will say: "Our officers and soldiers in Spain are volunteers, we cannot prevent them from fighting for their red brethren. Moscow will, however, try to hide its Spanish participation as long as possible. A very high Soviet officer commands the Madrid forces. He is a Russian General, whose real name is "SKORLEVSKI" but known in his work in the Tcheka as "COREV". He is well known as a specialist in organizing civil war and, in 1923, organized the communist movement in Germany. The soldiers sent by Moscow are chosen G.P.U. troops, the officers belong to the Russian General Staff. The political direction is exercised by the Soviet Embassy in Madrid and by the Consul-General Antonov-Ovscienko in Barcelona. In Moscow the situation in Spain is compared to that in Russia in 1919, when white generals stood before Leningrad and approached Moscow.

The principal instructions given Russia's chief commander in Spain is to prolong the war at any cost. Moscow counts with the difficulties of a winter campaign and wishes to gain time for propaganda. Bacteriological war methods are contemplated and epidemics may suddenly break out. All efforts are concentrated on restoring the morale and confidence of the

red troops. For this at least a relative victory is needed and the Soviet general has been instructed accordingly.

The Russian attitude toward the consequences of the Spanish adventure is changing. War is now being regarded as a probability. The Soviet war industry now works feverishly day and night, especially the aeroplane and tank factories (the tractor works are also busy making tanks). Arms and ammunition are manufactured not only for Spain, but for a possible civil war in France and for the Soviet Western frontier. All fortifications along the Western frontier are put in order and strengthened in hectic haste. In Moscow the subway system is being completed by working day and night to make it into a subterranean fort. The Moscow-Volga canal, primarily a system of forts, is under intensive work. It has giant dams and pools which can be used to flood the surroundings of Moscow. Similar work goes on at Kiev, Minsk and Leningrad. The whole stretch between Leningrad and the Finnish frontier is a chain of forts as is also the White Sea Canal. Special attention is devoted to the enlarging and equipment of the aviation bases on the Moscow-Prague stretch. The two lines of aviation bases along the Western frontier (the first 100-200 kilometers, the second 300-400 kilometers from the frontier, are extended. At the latest military flying practice some types of Soviet war planes remained in the air 30-35 hours. This means the possibility of flying Russia-Spain without landing.

The Soviet army now has 4,850 first class airplanes of which 1,500 heavy bombers, 1,750 light bombers and reconnoitering machines, 1,500 fighters and 1,500 machines of the second line. French experts claim that the Soviet aviation industry is now able to produce 5,000 machines a year.

A distinct tendency in the interior Russian policy is now to exercise a reassuring and calming influence, to still the fears and anxiety aroused through Trotski proceedings and Jagoda's terrorist methods. This

in the first case, applies to higher officials and party members. Many persons arrested have been released, the police is instructed to moderate its activity. Discharged officials get new posts; the former timber industry commissary Lobov has been made commissary for alimentation, Schukov (Rykov's former deputy) has obtained another commissariate, etc.

These appeasing tendencies are manifested in other fields: To the dissatisfied peasants has been allotted 12 million hectares of former State farm land for their collective peasant estates. The Soviet originally intended the State farms to become model estates, but failed, and these are now being liquidated in favour of the peasants who always looked with distrust on the State farms. This step is taken to prevent peasant revolts likely to arise from the crop failure and the state requisitions.

Similar privileges are granted the Cossacks, whose good will the government now tries to enlist for a future war or interior disturbances. Their uniforms, arms and farming privileges are being returned to them.

For the recruiting of the communist party the rules are now much relaxed. Non-party bolsheviks and previously expelled ones are admitted in great numbers and the party will, in this way, assume a new physiognomy. In the administrative machine, persons with practical experience are now taken in in order to incorporate them in the party, which will considerably change its character; instead of ideologists, it will consist of practical men, many of whom have nothing in common with Marxism or are, in many cases, even hostile to communism. The party administration has given definite instructions for the selection: The Jewish element will, as earlier, predominate and anti-semitic tendencies will be eliminated".

Confidential Bulletin.

November 5, 1936.

RUSSIA

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Confidential Bulletin.

November 5, 1936.

SPAIN

As the situation of the reds grows desperate the antagonisms in the ranks of their leaders become more acute.

The old enmity between Largo Caballero and his Minister of Aviation and Marine Indalecio Prieto has blazed up. At the recent cabinet meeting in Madrid Pietro urged the immediate capitulation of Madrid to avoid a wholesale massacre and extremist revolt saying: "The nationals will find only a city of corpses when entering". Caballero furiously urged fight to the last man, roaring to Prieto: "You are nothing but a coward, a rotter, a traitor". Pulling a revolver from his drawer he added, "You deserve to be killed with this weapon like a dog".

These two men are dramatic contrasts. Prieto a former news-vender in Bilbao, then a stenographer, brilliant orator, is a typical political climber. He has amassed by various means a considerable fortune, which he strives to preserve at any cost and hopes to be able to keep by coming to terms with Franco.

Largo Caballero, natural son of a Spanish Grandee and a maid-servant, is the typical fanatic, but intrinsically honest and with hardly a cent to his name. His hard life has embittered him. He was appointed State Coun-
cillor by Primo de Rivera whom he loyally supported and his bitterness of mind was then softened, but later political happenings and disappointments brought back his proletarian tendencies. He now profoundly hates capitalist and bourgeois society. He considers that he has nothing to lose and wants fight to the bitter end. His son is a prisoner of the Nationalist forces.

PSF:STATE

ENGLAND

FRANCE

October 2, 1936

FRANCE

Gringoire is a weekly paper, having the largest circulation in France with over 500,000. It is owned by H. de Carbuccia, son-in-law of Chiappe. Ever since the beginning of the new Government, it has never ceased expressing itself with the greatest freedom and is a unique case. On October 2 Gringoire published an article by Tardieu called "The Story of the Five Lies".

The 5 lies cover the space of time extending between the 1st of June and the 26th of September. Let us see what the reasons have been for the lies and the consequences:

The "crisis", as seen from behind the scenes, has really lasted between Friday the 18th and Saturday the 26th.

On Friday the 18th, when the weekly Banque de France Balance Sheet was known, together with the ear-marking of gold for the following week, it was found that, after the 25th, the stock of gold would amount to 50 milliards. It being estimated by the National Defence Committee that the necessary reserve of gold, in case of war, must not be under 50 milliards, strong representations were made to Blum by the Committee and the Chief of Staff threatened to resign. A stampede followed and on the Monday a first meeting took place at the Ministry of Finance, where measures were examined.

A point being: gold is flowing out; the question was: how to stop it? The position was looked into feverishly and a first contact was taken with U.S.A. and Great Britain: What can we do and what will be your attitude?

The answer both sides was: Do what you please and you are very welcome. But anything you do, don't put an embargo on currency, as this would be detrimental to us.

On the Tuesday morning, the decision was taken that an embargo would be declared on gold, but not on currency and at 11.30 a.m. the various Chief Officials of the Ministry of Finance were requested to give their views and prepare for action. It can consequently be said accurately that no negotiations were carried with England and the U.S.A. since the first of June and that no agreement has been passed with these two countries, except for a declaration of complete good will and a gentleman's agreement to use the Exchange Fund to the best of France's wishes to keep sterling and Dollar within the new prescribed limits.

Blum and Auriol found themselves in such a tight corner, that they tried to find a way for presenting "the operation in the eyes of the country" and they struck this very happy idea of transforming an internal catastrophe into a big international event, that is: the promoting of a Money Peace, pending the time when General Peace could be arranged.

The consequences were entirely against these gentlemen's expectations and for the following reasons:

The Government of "Front Populaire" had come into office on the platform of "no devaluation" and such had been the attitude taken during the electioneering campaign.

The Loan had been launched with a formal and repeated promise by Blum and Auriol that no devaluation would ever be contemplated.

The French public in all classes of society, did not prove to be as stupid as expected and the very members of the "Front Populaire" got angry for having been cheated and deceived.

The Labour, because they immediately saw that the increases of wages would immediately become drowned in the rise of the life commodities and also because they all are affiliated to the "Assurances Sociales" and they pay to the Fund and have done so for years. In consequence their pension would finally be cut by the rate of devaluation;

The Middle Classes having subscribed to the Loan find that they had been robbed and deceived;

The Middle Trade, the shop keepers find that their profit margin will have to be cut, as the Government announce their decision not to allow any increases in profits as there will not be any increase in prices;

The Radicals find that they have been led into a trap;

The Socialists are angry because their party has lost caste in the eyes of their own supporters;

The Communists are more angry than anybody, because they had to vote perforce the devaluation measure which was one of their main slogans.

In fact, the Government found themselves, just an hour after they had taken the devaluation decision, confronted by a terrific piece of machinery which they could not control and which was rushing blindly ahead, without their being even able to understand the working of it.

From the Tuesday, at 11.30 a.m., Auriol and his own group were helpless. They had to stand by and look, leaving all the strings in the hands of experienced Officials, without being even able to follow the developments. They found their depth again on the next Sunday, when they had to prepare for Parliament, because that was their job and we know how they tackled it.

Blum made a huge mistake; he did not appreciate the psychology of the Senate and he was trampled down to death. The elderly gentlemen in the Senate do not want to be hurried, nor bullied. They take themselves for the highest authority in the Country and they had been promised in July that no more staying-in strikes would take place. They were deceived.

Moreover, an unexpected consequence took place which staggered even Blum himself: that was the reaction of the peasants which grew to an extraordinary pitch between the Saturday and the Monday:

The peasants think that they have been swindled worse than anybody.

In July, the Government passed a bill on the Wheat Office, taxing wheat at Fr: 140,-- and making the price compulsory through a national organism in charge of all buying and selling. Already at that time, the peasants were rather restless and the Senate, which is composed mostly of representatives of the country side, had kicked very hard, but had been forced to follow the move of the Chamber.

The peasants thought that the taxation at 140 francs did not leave them a chance of making more money if the market went up;

still they took it with resignation. But when they found later, on the 26th of September, that Fr. 140 meant: 140 - 33%, they got wild and the Senate was inundated with protests and offers of support from the whole of the country side.

The Senate finding themselves so well supported by what is after all the real majority of the country, thought they could indulge into a little scoring of their own and they treated the Government just like dirt. The declarations of Abel Gardey, Rapporteur General of the Finance Committee, the declaration of Cail- laux and a few speeches made in the Senate, have probably been stronger than anything that was ever said in this quiet gentlemanly old club.

If it had not been for the fact that the fall of the Government yesterday would have meant an immediate revolution in France, the Senate would have kicked out the Blum Government. So they suffered themselves to be persuaded into waiting a little longer, until things have been a little bit sifted but they inflicted on him the greatest humiliation by refusing to him the full authority that he wanted over measures to be taken against the rise of prices and referred all matters to the Economic Committee and to the Conseil d'Etat.

Blum had to accept and I suppose he would have accepted anything to avoid falling; but he immediately looked upon himself as allowed to show his rancour, and his last speech in the Senate represented a two hours' insult to the upper House.

This can only have one end and that is the Government's fall within the next five or six weeks.

Chauteemps is already posing himself as next Premier and has played the leading part in negotiations which prevented the fall of the Cabinet (of which he is a Member as State Minister).

Briefly, France's devaluation experience since the war may be summarized as follows:

In the Poincare experience, the main point had been that Poincare stepped in after devaluation had been at its worse and his efforts tended to restoring the franc to a certain gold parity. At the time there was a gold embargo and an embargo on currency.

The Exchange Equalization Fund was used inside the country and behind a closed border. The secret of Poincare's success was that the credit balance of the Exchange Fund was used day by day in buying Sterling.

The Sterling Bank notes were converted into gold and the deficiencies of the Exchange Fund were filled up by printing French Banknotes.

In normal times, the new printed banknotes ought to have been included in the Banque de France Balance Sheet and the resulting inflation would have worked against the rate of exchange.

But Poincare worked it otherwise: the printed banknotes were taken out of circulation and put aside in the same proportion as

amount of gold bought and the Banque de France Balance Sheet did not show anything except an increase of gold, so that nobody was the wiser and the amount of gold was growing, whilst banknotes were not increased.

Few people knew that, and the few who knew it, have had the wisdom not to include it in their speeches during the last few days.

But the present experience is very different:

There is a gold embargo, but no embargo on currency.

The products of Exchange Fund operations will have to go out of the country day after day and there will not be any possibility of using the Poincare system. (We have seen why it has not been possible to take a currency embargo this time).

The British have seen their chance of coming to the desired result by letting France devalue. They have taken no commitments and they have only promised that they would not help in drowning France.

One point in particular is to be noticed: Sterling and Dollar can be devalued tomorrow and the Franc will have to follow. But in the meantime, England and U.S.A. are making the most of the operation by normal speculation on the open market.

Let us now look at the future:

There is no stability in Commerce and industry, no possibility of calculating cost price, no reduction in Labour output;

money is going out of the country freely without any check; there is no confidence and no possibility of bringing gold back to France. Therefore, the operation is a failure and is destined to be a fiasco.

The profit which the Treasury might have made by revaluation of the stock of gold, that is about sixteen milliards, is already and immediately absorbed by the Exchange Fund (ten milliards), the advances of Banque de France to Treasury (over four milliards) and by the refunding of the three milliards due to the Bank of England.

We can consequently say today that the Country has lost 33% of everybody's money, but the Treasury is just as empty.

The outlook is no better:

Strikes, Labour Unions' demands, Labour unrest, general lack of confidence, etc., make it impossible for trade and business to be restored.

The atmosphere of unrest is brought to the highest pitch by the open exposure of deliberate lying on the part of the Government. Nobody, even amongst the warmest supporters of the "Front Populaire" will trust the Government any more and will restrict their support to purely political matters.

In short, the Country is less united than ever and the Government is nothing more today than the Leaders of the political party, temporarily in charge of ruling the whole country.

Now, how all this is going to finish:

Theoretically, the Parliamentary solution, in the Republican way, would be this:

The Radical to form a new National Union Cabinet; remodel the constitution; adopt the new system of voting (representation proportionnelle); decide the dissolution and make new elections.

The result would be:

75% loss for the Communists,
50% loss for the Socialists,

and the Centre Parties to benefit by these differences.

But it can hardly be expected that any Government will be suffered to live long enough to achieve these results.

The other solution is revolution. That is a very heroic and costly remedy.

In the meantime, Paris is always on the verge of riots and as an example, during the night between Wednesday and Thursday last, cavalry and machine-gun sections have passed through the streets during the whole night, from the West suburbs to the left bank of the river, where all the spare troops can be stationed. However, nothing happened and it has been possible to tide over.

One point is certain: the Country is waking up.

The people are beginning to suffer in their pocket-book and this is the only thing they never forgive.

Also, the French character does not mind having his leg pulled to a certain extent, but he cannot stand being taken for an

absolute fool, particularly when the gambling is on his own purse.

It appears certain another devaluation down to 50% at least will take place between December and the beginning of February, according to the amount of cleverness which is shown by the next Government, whichever it may be.

October 29, 1936.

FRANCE

The position in France at the end of October, 1936, is the result of causes which have extended over the last fifty years, with a decided turn for the worse after the war.

French Constitution

The most remarkable points about the French constitution are that everything is based on the voting system and that the non-responsibility of the Cabinet is complete together with the fact that the overturning of the Cabinet does not imply, as in England, the necessity of general elections.

The voting system is not based on a proportionate representation of the various communities divided in the country by way of department. One department might have 100,000 voters and return 8 M.Ps; the next department might have 500,000 voters and return only 9 M.Ps. Hence a lack of proportion between the various classes represented in the population and representation in the House.

A cabinet can only expect to stand if it is supported by a majority in the House. In consequence a cabinet might come into office with the best intentions as to improvements and modifications, particularly in the financial policy, and be unable to carry it through on account of opposition and the necessity for a majority.

Finally, the House can overturn a cabinet without any sanction whatever and it has very often been the case that changes of

cabinet were favoured and even pre-arranged by the leading Members of the House in order to provide Ministers seats for some of the leading Members who had not previously had a chance of entering a cabinet. This last advantage is very much appreciated as former Ministers enjoy a special pension. The position would be entirely different if the overturning of a cabinet meant immediately new elections with the necessity of each member having to provide for his new campaign and for the cost of elections.

Up to 1920, the House had generally been formed in four parties:

- 1st - the Right and Centre Right,
- 2nd - the Radicals, representing the Centre-Left and Middle Left,
- 3rd - the Socialists,
- 4th - the Communists, which up to the elections of May, 1936 were represented by 4 to 11 Members.

The elections of 1936 were prepared as the outcome of special circumstances. For many years the country had been tired of seeing that no reform took place of the former evil ways and nothing was ever achieved. The Radicals represented at that time the leading party in the country and in the House and could only move with the support of either the Centre Right or the Socialists. The Communists did not count in those days and were neither mentioned nor courted.

As the country was so eager for reforms, a new slogan was

invented by the Socialists and Communists - it was "It must change", although nobody appeared to know in what direction things had to change.

The Communists were in possession of an unlimited amount of money from Russia. They also had a strong body of young men who had nothing to lose and everything to gain, and who were directed from Moscow by printed directions issued weekly and giving them a complete line of policy to be followed down to the minutest detail.

The Socialists had refrained for a long time from accepting a participation in the Government and were anxious to have their chance at last and to apply the Marxist principles.

The Communists never had any chance at all, and thought that the time had come for them to make a hit.

The May 1936 elections proved to be a far greater success for the extreme Left than had ever been expected.

The Communists got 72 seats; the Socialists gained 20 seats; the Radicals lost 50 seats; and the Centre and the Right remained practically unchanged.

The elections had been carried under the heading of "Popular Front", this being an alliance of Communists, Socialists and Radicals, although the policies and feelings of the three parties were totally different and could not agree in the long run.

Leon Blum was selected at once as the Premier of the new Cabinet. He is a peculiar type of man and has to be well understood if the events which happened during the last four months are to be intelligible. Blum is a highly educated man, who has been a Member

of the Conseil d'Etat, the highest jurisdiction in France which has to know all conflicts between the State and private interests. At the same time Blum is a Jew, and has spent 25 years of political life in waiting for the day when he could be in power and rule over the people who more or less despised him, opposed him or have enjoyed better means than he had.

When the cabinet was formed Blum found at once that his difficulties were beginning. He had to take with him people who had been his faithful supporters for many years, but they were not necessarily warranted to have the necessary ability. He also had to take a few Members of the Cabinet amongst the leading personalities of the Radical party and that stopped him at once from being able to apply the Marxist principles in their complete integrity.

The three main Ministers were necessarily War Office, Foreign Office, and Finance.

The War Minister Daladier is a Radical with a good deal of energy but little intelligence, and only eager to wipe out the impression of the February 6th riots.

Delbos, Minister of Foreign Affairs, is also a Radical, and had absolutely no knowledge of anything outside his own country.

Auriol, Minister of Finance, is a pure Socialist and one of Blum's main supporters. He has been the Chairman of the Finance Committee in the House for a good many years but his experience in financial affairs is restricted to that special view of budgets and figures.

When the Cabinet came into office Blum was already greatly handicapped by the manoeuvrings of the Communists who succeeded

in starting the famous "staying in" strikes more than three weeks before the new cabinet was in power. France was disorganized and the first impression created was of the worst.

Then the financial problems came foremost and the Finance Minister thought that he could copy, to a certain extent, the Roosevelt experience, having forgotten, or perhaps never known, that economic and geographical conditions in the States are totally different from France and that the proportions are also not to be compared. The immediate result was that under the influence of the so-called "Social laws" which had to be voted at once to satisfy the labour unions, commerce and industry were disorganized and cost prices began to go up.

Confidence became destroyed in the country to such an extent that money flew away and gold was exported in such quantities that the only remedy that could be thought of was an embargo on gold, with the natural consequence that devaluation could not be avoided.

Details about the devaluation period will be found in a separate memorandum.

At the end of October 1936 the position is very peculiar, in that the Blum Cabinet has succeeded in betraying and deceiving everybody in the country, including even the labour masses which were supposed to be protected before anybody else.

The cost of life commodities, both on account of social laws and devaluation, will soon exceed the amount of increase of wages which was obtained by the labour.

The devaluation was accomplished in spite of all promises not to do it.

The Communists find that the Blum Government has been much too weak.

The Socialists think that the failure of the experiment is due to the fact that capitalism has been spared.

The Radicals think that all excesses, riotings, strikes, illegal actions, etc. cannot be longer tolerated.

The Middle classes find that they have been practically ruined.

The parties composing the Right of the House find that the country is doomed to ruin if the experience is to be carried on and the peasants, who represent 8/10ths of the population of France, find that they are more threatened and more oppressed by the Blum regime than they had ever been. One instance will show the feelings of the peasants. One of the first laws voted on the suggestion of the Government has been the creation of a Wheat Office, which can alone buy and sell wheat for the whole country, the price being taxed at 140 francs. It so happened that the crop was a poor one and the price went up throughout the world. The peasants thought they had been done.

Next came devaluation and the peasants found that they had been done by 30% more.

The next project being a special taxation on all landed property throughout the country, with a mortgage to be applied to every owner up to the limit of his taxation, the peasants resent it as an insult to their privileges as landowners.

Now it must be remembered that both Communists and Socialists have nothing in view except a revolution of their own, whether under the form of Bolshevism or under the form of Maxsism, and Blum has never disguised the fact that he is still the head of the Socialist party, in spite of the fact that he is first Minister, and whatever may be the actions of this Government it will necessarily tend towards a revolution and class war, in spite of all assurances to the contrary; but it must be remembered that the Communist party in France is not very important by itself.

The party list includes only 387,000 members and whilst the Communists obtained $1\frac{1}{2}$ million votes at the last elections, it is only due to the fact that a great many people wanted a change and thought that the Communists would be able to bring about a better state of affairs.

The Radicals are sick of what has happened. They are personally threatened and their followers are calling a halt. The last Radical Congress at Biarritz showed that the Radical party had now decided to make a fight about it and the only reason why the Radical Ministers were not requested to leave the Government was that it was looked upon as more safe to let the Blum experience carry on for a while and give a better showing to the people of what it would finally lead to.

The Senate is composed of a much quieter class of people than the House.

The election system for the Senate is different.

Senators are elected for 7 years and by a restricted body of electors. (Mayors of towns, Municipal Councillors, etc.) When devaluation took place and the Senate had to approve of it, it was clear that the life of the Cabinet would be very short, indeed, and it is also clear that the Senate will not admit that the French budget be not balanced nor that the French currency shall run new risks.

It can consequently be safely predicted that the Blum Government will be overturned within the next few weeks, and probably in the first days of December, when the 1937 budget is brought out.

But then, and only then, real difficulties will begin. There are two solutions.

One is according to parliamentary rule and that is, dissolution of the House, new elections, and the constitution of a National Union movement.

The other solution is very much darker, and will imply a strong movement by the National leagues, which at the moment include nearly 2,000,000 men very well drilled and disciplined. In that case one has to fear a real revolution, with a short civil war.

True to say, civil war would already have been an accomplished fact if the Spanish events had been suffered to take place as the Blum Government wanted them to be handled. It is no secret for anybody that arms and munitions was being handed over the French border at Irun until the National forces stopped it.

Now the same traffic exists over the border into Catalonia, through Port Bou. It is also no secret that the intervention from Hitler under the form of a real ultimatum forced France into adopting the attitude of non-intervention when the famous Committee was formed.

The Franco-Russian Pact lies at the bottom of all this, and the situation can be summed up as follows:

The Communists, acting on Moscow's policy, are determined that France will relieve, as much as possible, the pressure of Germany against Russia. The unhealthy agreement of the "Popular Front" makes it necessary for the Blum Government to conciliate the good will of the Communists under pain of being overturned. The present majority cannot exist if the 72 votes of the Communists are cancelled.

There is no reason why this state of affairs would not carry on even after the fall of the Blum Cabinet and the next cabinet would be faced with the same difficulty, i.e. form a majority and keep it.

If a foreign Government wants to help France get out of the present difficulties, and of course without any direct intervention, the only remedy remains in publicly advocating an anti-bolshevist crusade; 95% of the French population will rally to such a campaign and outside pressure will automatically deprive the Socialist Government of the support of their Communist allies. Immediately French public opinion will be relieved and will be able to bring enough pressure to bear for the present ridiculous position to be altered and new elections to take place, which will this time bring out a better representation of the country into Parliament.

As regards the monetary position, nothing can be done in the present condition of things. The franc will have to drop in two successive stages. First the franc will drop to 115 to the pound, which

represents the maximum limit of the present devaluation law. Then a second devaluation will have to take place, bringing the total devaluation down to 50% of the franc value on September 1, 1936, and if this new devaluation is carried out properly and by the proper people, the country might reap the benefit which has been entirely lost in the first stage of devaluation.

There remains to be seen whether England and the United States will not find it necessary to bring down their own currency in the meantime, so as to lessen the difference between sterling, dollar and franc, but this, of course, cannot be predicted now.

It seems quite indispensable to emphasize the fact that the present position in France, which to all appearances represents a final turn for the worse and to bolshevism, is only a gigantic lie. The country is perfectly healthy and would be fairly prosperous within a very short time. The activities of the Communists and Bolsheviks are only very striking because they are allowed to be so. There is no real poverty, no real desire for revolutions or rioting. If 2,000 people were sent away or disposed of, and if a strong and respectable Government came into authority, the whole country would settle down in a short time. There are enormous amounts of money hoarded or sent out of the country, which would immediately come back again and be invested in business.

Even the labour masses are now getting sober enough, and it is not to be supposed that there remains more than 30% of the labour unions members who would feel disposed to remain extremists.

Furthermore, if one thinks of the possibility of a war, it is unquestionable that there would not be in France 1% of the pop-

ulation who would be in favour of accepting mobilization to defend Russian interests; but it is also necessary to say that public feeling in France is still dead against an alliance with Germany.

The word "Fascism" has been used freely as describing a menace against the liberty of the people. One must realize that nobody understands very well the meaning of the word "Fascism" and in most peoples' minds it is equivalent to the word "slavery". It is consequently not necessary to attach too much importance to what is thought of Fascism in France.

~~Confidential~~ Bulletin.

FRANCE

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King Carol has had every reason to dislike Titulescu, but it is primarily Titulescu's intense pro-Russian policy during three years against the will of his King, and of the majority of the Roumanian people, that has caused his fall.

It was Titulescu who inspired and pushed the Franco-Russian and the Russo-Czechoslovakian alliances through. He was the prime mover of Russia's entry in the League of Nations. It is known that Russia made these services well worth his while. As the eminently intelligent man he is, he must have known that his influence was harmful to European peace, to the prestige of the League of Nations, to Roumania and to France. He, however, believes that he will re-establish his position in Roumania with the support of Russia. His influence in France has been very great. Briand, Herriot, Barthou and Laval have listened to him attentively. His fall has placed the French government in an embarrassing position. Roumania, thanks to Titulescu, was a safe ally to count upon, the only dependable one left to France. This position will now change considerably; the Russo-Roumanian treaty will lose its value and Roumania will no more turn against Germany. And the Franco-Russian alliance? Titulescu was not only its instigator but had a constant fight to keep France to

it. This pact, already unpopular in France, is now in grave danger. Titulescu has also failed in his anti-Italian policy. He was the master mind of the sanctions policy and repeatedly declared the sanctions to be the best means of restraining and intimidating Germany, which proved eminently false.

Titulescu's fall may also gravely influence the little entente of which Titulescu was grand master. Roumania will abandon its pro-Russian policy, Yugoslavia was previously dead against such a policy. Only Checkoslovakia and Benes remain faithful to it, but, if persisting, risk the retirement of Roumania and Yugoslavia from the little entente in favor of the Balkan entente.

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Leading French politicians had their eyes opened to the effects of Titulescu's nefarious activity. He will never regain his ancient prestige in France and Roumania. The fall of Russia's European master spokesman has much weakened her power in European politics and Russia will soon notice this.

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FRANCE.

The facts of Dr. Schacht's negotiations in Paris are as follows:

Dr. Schacht outlined a programme for the economic reconstruction of Europe through international, financial and industrial cooperation leading to definite peace.

He said: "The European problem is primarily economic and psychological. It is time to transfer the peace problem from the political into the economic domain". He handed M. Labeyrie, Governor of the Bank of France, a memorandum containing his plan for big works to be carried through in the various countries and to be financed by international capital through the central intermediary of the Bank of International Settlements in Basle, originally proposed by Schacht but hitherto not enabled to entirely fulfill its international mission.

Dr. Schacht proceeded to explain Germany's situation and the real cause for its armaments and military expansion: Germany must keep its industry going and its workmen employed, but Germany has not sufficient markets for its products, the export field being practically closed. The State is the only big customer and it has to buy mostly war material. The moment will come when the Reich can no longer continue in this way. Germany would consent to limit its armaments if it could obtain as compensation. remunerative

orders and markets - if not, it will continue arming. Dr. Schacht also used the striking argument that the keep of one soldier costs hardly one half of that of one unemployed.

He stressed the psychological factor; the lack of confidence of the investors owing to the uncertain future. If a common field of enterprise is established the capitalists can be assured that their funds are safe. Their joint international investments in big international enterprises would make them work against a war. Dr. Schacht specially emphasized the capitalist versus the communist system; the latter must give way to the first in civilized countries. Russia shows through the increasing poverty of her people and her inability to obtain credits that in her own interest, she must follow the economic rules of other countries. Dr. Schacht undoubtedly meant to make the Blum cabinet take up negotiations to this effect to obtain the cooperation of Russia in the economic reconstruction of Europe.

Dr. Schacht's ideas have evoked the greatest interest and they will be submitted to the Russian government. Dr. Schacht stated, after the conferences, that he had the feeling of being well understood. His negotiations in Paris may open a new era in Franco-German relations for the good of European peace.

In Soviet circles this rapprochement, like all signs of France-German approach, aroused considerable anxiety resulting in an insolent letter to Mr. Blum from Thorez, the Communist

leader, trying to prevent Blum speaking with Schacht, but Blum
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GERMAN

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POLAND

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POLAND

The following are the facts behind the royal reception of the Polish General Rydz-Smigly in Paris and the jubilant official acclamations:

The positive results may be summarized as a breaking of the ice created by the Polish-Russian pact, the resuming of direct co-operation, a confirmation of the Franco-Polish pact of 1923 of non-aggression and mutual aid in the case of attack and the granting of a French credit for Polish armaments. But the negotiations were mostly only of a preliminary character and in the case of several important questions led to no definite result as regards a definite change in either Polish or French foreign policy. The future result will depend entirely on France's future policy.

Questions not solved were: What will France do if Russia attacks Poland? What position will France and Poland take if Germany is attacked by Russia? A final settlement of the Franco-Polish problem has by no means been reached. A French attempt to obtain an approach between Checkoslovakia and Poland failed.

Rydz-Smigly was the bearer of a message from the German Government. He assured the French representatives of Hitler's peaceful intentions towards France and emphasized the dangers of the increasing Berlin-Moscow tension. Rydz-Smigly urged France to intervene in Moscow for Russo-German reconciliation and that the force of the Franco-Polish alliance would largely depend on the result of such a step. This France knows to be a difficult task but she so highly values good relations with Poland that she will probably undertake it,

and a change of French ambassador at Moscow may take place.

As regards the economic result of the Paris negotiations, France will - on conditions to be fixed with the Polish State Bank - grant Poland a credit of two billion francs to be used exclusively for purchases of arms. France will deliver to Poland tanks, cannons and aeroplanes for 400 million francs during five years.

Another result will be the settlement of the dispute concerning the electric manufacturing plant taken over by the city of Warsaw, whereby French shareholders lost their property. A new trade agreement may follow the recent visit in Warsaw of the French Minister of Commerce. Rydz-Smigly himself has warned against the exaggeration of the results obtained in Paris. Before going back to Warsaw he unexpectedly went to Venice, which caused considerable consternation in Paris.

Officially, France proclaims great satisfaction with the results, the source of which in reality is that the negotiations took place and that France thus was able to show Germany that it cannot wholly depend on Poland, the latter country having retained its liberty to form an alliance with France. The fact is that the Paris negotiations to a great extent were of a purely preparatory character.

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October 8th, 1936.

RUSSIA

Short biographies of Bolschevik leaders.

Stalin - Djugaschwilli, Joseph.

Official dictator of Soviet Russia, called by adherents: "The ingenious disciple and follower of Marx and Lenin", "The Father of the peoples of the earth", "The leader of the World Proletariat" etc. Official status: Secretary-General of the Communist party of the Soviet Union, also member of the presidium of the III Internationale. Georgian by birth (some say a son of baptized Caucasian Jews), born in 1879. His father was a shoemaker, Stalin first studied in priest seminary. Took part in revolutionary movement since 1897, always faithful adherent of Lenin. A man of practical facts and action, but acknowledges value of ideas in moving the masses. Before the revolution, organized propaganda, party cells, armed groups, smuggled illegal literature and arms, performed two bank robberies with aid of comrades to obtain money for his party. Repeatedly arrested, sentenced to Siberia. Was not abroad as emigrant, only for short visits to consult Lenin and to attend congresses. During revolution handled mostly practical questions, was active on fighting fronts in civil war, organized military groups which formed the pith of red army, built up State machine and obtained dominating influence on it. After Lenin's death vanquished and annihilated all competitors for power. Understands to utilize ideas of other, also of enemies. His strength is his cynical sense of political realities; facts always before

abstract ideas. Understands to use men with their needs and weaknesses. Stalin at present suffers from serious illness, has to visit regularly the Sotshy-Mazesta Radium springs and has lost his former vitality. He is today more a symbol and a cover for his adherents, who rule in his name which still carries an enormous weight in Russia. Of the leaders of the October revolution 1917 only Stalin and Bubnov remain in Russia, Trotsky being in exile. Bubnov alone is now Commissary of Public Information, is of no importance. Stalin alone is looked upon as the incarnation of the October revolution.

Ordjonikidse, Grigorij (Serge),

A Georgian, born 1886, old friend and follower of Stalin, has the closest contact with the Russian dictator of all Soviet officials, always appears beside Stalin at official functions. Organized Stalin's personal life guard, consisting of Caucasians, mostly Georgians. Ordjonikidse is Commissary of heavy industry. Active in revolutionary ranks since 1903, also in Persian revolution, one of red army leaders during revolutionary war, won Georgia back to Soviet Russia by force of arms. Although not an independent political figure enjoys high repute in party ranks as political supporter and as ruthless man of action.

Kaganovitsch, Lazar.

A Jew, born 1893, Commissary of Transport (railways, shipping, civil aviation, motor traffic), at present Stalin's deputy

and representative in party administration, herald of dictator's political wishes to state and party machines. Party member over 25 years, one of organizers of red army, in 1924 introduced in Party Central Committee, gradually became one of Stalin's main supporters, 1925-28 secretary of Ukrainian communist party, since 1928 Secretary of Central Committee of Soviet Union Party, since 1930 Stalin's representative in Party. A practical man of action of great political intuition, prominent organizer, master of political intrigue, managed to get numerous relatives appointed to political posts, one brother being Deputy Commissary of Heavy Industry, another governor of the Central Wolga district. Kaganovitsch's sister is Stalin's present wife and entrusted with supervision of Stalin by her brother. Kaganovitsch is at present a political figure to be reckoned with more than most others. (see addition at bottom of page 5).

Molotov, Skriabin, W.

Russian, 44 years old, President of Council of Folk Commissaries, head of official Soviet Government. Since youth in revolution movement, played important part already in March revolution, was Stalin's chief supporter in his fight for power, Stalin's representative in Party machine up to 1930 and former president of the third Internationale. Was then made by Stalin head of Soviet Government and Stalin's personal representative in state apparatus, until lately played same or greater part as now Kaganovitsch in Stalin's personal entourage. Is reported to have fallen from grace owing to his protests against recent

execution of Trotsky followers, was even reported arrested, at any rate had to take a vacation but returned to his post August 31st. Must now be considered as opposition figure. May be sent abroad as ambassador. Is to be seriously reckoned with as politically the most important of the men around Stalin, has a good name in Russia, also in army. He was the prime motor of the recent "liberal" reforms. Is a hindrance to Jagoda and Kaganovitsch.

Voroschilov, Klim,

Russian, born 1881, a former workman, now Marshall and Commander-in-Chief of red army since 1925, active in revolutionary movement since 1899, chiefly distinguished himself as organizer of bolshevik military groups and was one of red army organizers. In 1918 head of 5th Soviet army, mainly composed of workmen, led troops under Stalin at defence of Zaritzyn, was organizer and chief of famous cavalry army. Belongs to highest party leaders, always Stalin's most faithful adherent. Is not independent political figure, being too hot-tempered, often uncontrolled, but beloved in army and whole country with political name ranking second only to Stalin's. Honest, not ambitious, no climber, can be used as symbol. Lately in conflict with Jagoda-Kaganovitsch group, which however seems to be settled. War being considered as inevitable within Soviet Union, Voroschilov now concentrates on preparation for war. He may become Stalin's successor as dictator of Russia.

Tuchatschevskij, Michail,

Born 1893 of lower Polish nobility, was in world war as young officer of guard, taken prisoner by Germans, succeeded in escaping after several unsuccessful attempts, came to Russia already after October revolution, offered his services to Soviet government, soon attracted official attention. Led 5th Army when it beat Koltshak, also army which defeated Denikin. Was Chief commander in Polish war and was then pronounced to be most talented of Soviet army leaders. Suppressed Kronstadt revolt and thus gained complete confidence of Soviet authorities, joined communist party. Although owing most of his career to Trotsky knew how to obtain Stalin's favour. Now a marshall and Voroschilov's second-in-command. Very ambitious climber.

Jagoda, Heinrich.

Polish Jew, has for sometime possessed practically dictatorial power in Russia, but his influence has suddenly been to a great extent eliminated by his degradation from the post of Minister of the Interior to Commissary for Post and Telegraph Department. He created a name for himself already during Russian revolution. An extraordinarily gifted and ambitious climber. Begun his career by marrying the niece of Sverdlov, the influential president of the Soviet Central Executive Committee. First became party journalist, then joined Tcheka and is virtual organizer of present political police machine. Since 1934 until recently as Minister of Interior and Commissary General of Public Safety, held all threads of inner and external Soviet

politics through his spy organization and knows everything about everybody of any importance. As head of Police and Commander of inner political army he wielded the principal instruments of power in Soviet Union, but has not a politically authoritative name. Must therefore support himself on Stalin's political authority. Had the practical support of Kaganovitsch and Ordjonikidse with whom he was allied. Jagoda is one of the Russian figures mostly to be reckoned with today but is also one of those mostly attacked and these attacks now led to his degradation due to his own terrorist methods. He may, however, stage a comeback.

Blücher, Wasilij, Marshall.

A Jew, Chief commander of Soviet Far Eastern Army, born in 1889. Distinguished himself as leader of Soviet Army in Oranienburg district and as division General at the conquest of Krim, in 1921 annihilated remains of white army in Mongolia and Far East. In 1924-27 organizer of Chinese revolutionary army under name of "General Ga-lin". A man of great ambition, iron will, very clever, politically well educated, ruthless. At present allied with Jagoda-Kaganovitsch group. An extraordinary organizer and administrator, is perhaps stronger than the temperamental and often careless Tuchatschevskij.

Jegorov, Marshall,

Over 50 years old, head of Red Army General Staff, former officer in Czarist Army, since beginning of October revolution on Soviet side, organizer of first Soviet army in South, adviser

and intimate collaborator of Stalin. Organized Denikin's defeat, Chief-Commander in fight against Wrangel army. Decidedly a man to reckon with, although he never shows his personal intentions.

Budennyi, Marshall.

Over 50 years old, non-commissioned officer in Czarist army, not a political figure but very popular in army. Can be used by others, but is sly and understands to adapt himself.

Litvinov, Wallach.

A Jew, Soviet Minister for Foreign Affairs, 60 years old. His biography well known. Until lately indispensable to Soviet but as the government takes the course of war and world revolution the Litvinov politics hitherto carried on will be to great extent annihilated. He will, however, try to adapt himself and also in case of war, his subtle and inventive mind and his valuable foreign connections, will be of greatest importance to Soviet rulers.

It is therefore too soon to speak of his impending downfall. In spite of his age, he may become an important factor also in interior Soviet politics. If his head is at stake, he can display a devilish inventiveness. Not a man bound and burdened by ideas but a ruthless and practical revolutionary.

Additional.

Since receiving the Kaganovitsch biography an express

message from Russia informs us that Jagoda's fall threatens his position also as shown by recent officially authorized attacks on him in "Pravda". He has evidently fallen from grace, while Stalin's illness grows worse and the power of the military group, with which Molotov and Andreev have allied themselves, increases.

Confidential Bulletin

RUSSIA

To understand the present events and trends and the future development in Soviet Russia, it is necessary to know what has happened behind the Potemkin stage settings and the psychological and political background.

Russia expects an unavoidable war. Her two principal enemies are Germany and Japan. Both have much to gain from a victory. In addition, there is the great conflict between the world ideas: Communism versus nationalist fascism.

Further, there is the racial question: Russia is looked upon as the world support of Judaism and Jewish influence is dominating in Russia of today.

The Russian Army

Russia needs a dependable army for the next war. The army is now composed of two parts:

The political police force, commonly known as the GPU, numbering about 300,000 carefully selected men. It is fully armed up to the latest technical standard. Its task is to be the inner guard to protect government headquarters, railways, and frontiers. In peacetime it dominates the country completely. This explains the power of Jagoda, State Commissary for Public Safety and Minister of the Interior.

The second part of the Russian army is the big national army. It is not so well armed as the GPU, except in the case of manoeuvres and active service.

Radical change of Government Policy

It must always be remembered that the Russian army represents all strata of the Russian people, including the dissatisfied part of it. The Soviet Government is absolutely dependent on it. Therefore, since over one year the Government has effected a radical change of policy with a view to satisfy as widely as possible the dissatisfied groups of the people. This has been attempted in the following ways:

Abatement of the terrorist methods especially against the peasantry and the Bourgeois elements.

More freedom of trade and a relaxation of the collective system.

Raised salaries to state officials and the introduction of premiums to industrial labour.

The introduction of gradations, titles, and decorations.

The appeal to Russian patriotic feelings.

Privileges to non-party people, often greater than those accorded faithful partisans.

Negative effects of new policy

The new policy failed to satisfy everybody. It deprived the zealous communists of their accustomed privileged position. Premiums and higher wages to favoured workers left the non-privileged ones dissatisfied and grumbling. Another source of dissatisfaction was the constantly growing demands for increased production. Further, the workman lost his food ration privileges. The workman felt that he lost his position as the ruling element of Russia.

Another dissatisfied group is the academic youth. They find the present government policy opportunistic and without guiding principles. All these elements formed a fruitful soil for the left communist Trotsky propaganda, and secret Trotsky groups therefore arose all over Russia.

The foreign policy breeds dissatisfaction

In the foreign policy of the present Government, up to this moment represented by Litvinov, the dominating element is the interest of the Soviet State, not the communist ideas. Therefore the Foreign Office of Russia has got the better of The Komintern. The Russian State now needs as allies not so much the revolutionary masses in the world as the states. A bourgeois France with orientation to the left is far more valuable to Soviet Russia than a revolutionary France. The same is the case with Spain. This foreign policy has deeply displeased the Komintern. The left elements of the Komintern, former collaborators of Trotsky, have again got into contact with him. These elements also caused the radicalization of the Spanish revolution and the strengthening of the most radical elements in France. They caused the present unrest in Spain. But the Soviet State interests suffer from this action. Politically, Spain is lost to them with a nationalist victory, economically, the Soviet lost its de facto oil monopoly, its timber market and other important commercial privileges. Further, the Spanish adventure is likely to spoil the carefully built up Soviet plans and influence in South America to which great hopes had been attached. Therefore, today only one thing is left: to support the reds in Spain. The activity of the Trotsky groups in Russia, France, and Spain has

caused the Soviet leaders to aim a decisive blow against Trotsky and his followers. In this way the Trotsky proceedings in Russia arose. This also afforded an opportunity to brand all dissatisfied elements as traitors.

The real rulers of Russia

Stalin is said to be the dictator of Russia. Everything is done in his name. The real truth is that since 1932 Stalin does not exist as an active statesman. He then had a stroke with subsequent complications and still is more or less of an invalid. Stalin's illness has been kept a close state secret. His wife Allulueva died suddenly. Her death was explained in different ways. Stalin got married to the sister of Kaganovitch and since then has been under the constant supervision of his brother-in-law.

The real rulers have been: Ordjonikidse, Commissary for the heavy industry; Kaganovitch, Commissary for Transport, Molotov, formerly official head of the Government; and Voroshilov, Chief of the red army. Voroshilov did not wish to but was persuaded to form part of the ruling group. Litvinov is the head of the foreign policy; Jagoda directs the inner politics; and Dimitroff, an international, ruthless adventurer, leads the Komintern affairs. Jagoda in 1934 became the head of the political police and Commissary of the Interior. Ever since, his influence has increased and he is now the de facto dictator of Russia. The governors of Leningrad were first Kirov and after his disappearance or murder, Ydanov. The Ukraina governors are Postyshev and Kossinor. All these men have ruled in Stalin's name.

The alleged Trotsky terrorists

There may have been terrorists amongst the Trotsky groups and they partly joined hands with other dissatisfied elements. But in the terrorist groups there certainly were Jagoda agents. It is reported that a great number of the accused terrorists in the Russian law case were GPU agents and that they were not executed, whereas the sentenced bolshevik leaders were executed. It is doubtful whether Korow was murdered by Trotsky agents. Rumours say that he was murdered by GPU agents owing to the fact that he was too strongwilled and became too independent of the ruling group.

In February this year an act of terror was committed: the powerful Jagoda was seriously wounded in the head. This at first caused considerable confusion in Moscow, but it was finally announced that an accident had happened to Akulov, the secretary of the Central Executive Committee. It should be noted that Akulov strikingly resembles Jagoda. Jagoda, however, was the Swedish Professor Olivecronas' mystic patient. It is not yet known who made the attempt on Jagoda's life. As soon as he got well he began his big cleaning-up action. This action has hit all Trotsky elements all over the Soviet Union. Thousands have been arrested and executed. The sudden death of S. Kamenev, the former commander of the Russian army during the revolutionary war, must be attributed to this action in spite of Kamenev's funeral with military honours. There have also been arrests in the army and party ranks. Jagoda wanted to annihilate also all opposition leaders and all those he thought harmful to himself. Molotov and Voroshilov however strongly opposed. Molotov said: this will mean the annihilation of the party and will lead to a military dictatorship. Jagoda per-

sisted and got the support of Ordjonikidse and Kaganovitch. Molotov then asked and got permission to retire and to put the Ukrainian Tshubarj in his place. Jagoda was vested with extraordinary powers.

Voroschilov, however, was infuriated by the arrest of Schaposchnikov, former Czarist officer, the real organizer of the revolutionary forces, later chief of the General Staff and Commander of the Moscow military district. Voroschilov was supported by three other army marshalls and Schaposchnikov was set free. Future arrests in the army can be made only with the consent of Voroschilov. The arrest of the London Military attache General Putna has shown that there was a considerable orientation towards Germany in Russian Military circles.

What will happen in the near future? The news from Russia will become less frequent and everything will be done to hide the true facts. Jagoda will rule for some time but will be opposed by members of the army command and some of the Central Executive Committee with Molotov at the head of the opposing group. The principal weapon to be used by Jagoda's opponents will be the disclosure of Stalin's illness which will discredit the leader and deprive Jagoda of Stalin's authority.

Manuilski, former Secretary-General of The Komintern and representing the left communist element, has now been arrested. It is likely that Dimitroff in his foreign activity will adopt an adventurous and revolutionary line of action. Jagoda, after having crushed the Trotski phalanx, may adopt Trotski's own revolutionary policy abroad. Hence the rumours about Litvinov's possible resignation.

As regards Stalin, Jagoda needs him as a symbol of power and

a name. Stalin's reported departure from Moscow may be caused by the fact that Jagoda thinks it safer to keep him away from the centre and surrounded by his own agents. The report that Stalin went to Georgia to subdue unrest is, of course, nonsense.

October 7. 1936.

RUSSIA

Preparations for military supremacy in Russian politics are carefully but continuously carried on by Voroschilov and his followers. The aim is to eliminate revolutionary ideologists from top positions to prepare a military dictatorship. Jagoda's dethronement was an important step, followed by the Radek-Rajevsky arrests, whereby Litvinov's influence is weakened. The military group distrusts Litvinov and objects his too strong position in Russian and foreign politics. They wish to place one of their own instruments on his post. Krestinsky, one of Litvinov's former collaborators and former Berlin ambassador, hopes to get his job, but serious objections are raised against him: he is considered as a medium-sized diplomat and belongs to the former revolutionary ideologists. He is the only man still alive of those who took a part in the execution of the Czar family, which is held against him by many. Another more likely candidate is Potemkin, the present Soviet ambassador in Paris, being more intelligent and a former military collaborator of Stalin and Voroschilov. The candidate of the Central Executive Committee is Mikolaus, (an Armenian, commissary for alimentation).

It is, however, certain that the steps against Litvinov will be quite cautious. He may be dangerous and his knowledge of world politics is still valuable. His state of health is, however growing worse: he suffers from a serious liver complaint.

The Commissary for the wood industry, Simon Lobow, has been removed from his post, owing to the discovery that Trotskyists used his department for communication with other countries. His successor is Ivanov, a Russian with a real Russian name, in accordance with the growing tendency to select real Russians for leading posts, to please the people.

September 30.1936.

RUSSIA

The position of the Tcheka-chief and Minister of the Interior, Jagoda, has now begun to totter. The reason is his terrorist tactics which have aroused animosity against him, both in military and party circles. Not long ago, he arrested the Chief Commander of the Leningrad military district Schaposchnikov, the head of the Baltic fleet, Haller and the brother of Marshall Tuchatschevskij, also of high military rank. Under military pressure, Jagoda was forced to release them, but the anger aroused by his act remained. On the other hand, party circles were shocked by his arresting Radek and Rajevisky (Chief Editor of the Moscow Journal and advisor on foreign politics) whereby Jagoda menaced Litvinov. Voroschilov was therefore influenced to put an end to Jagoda's power. For this purpose he used the military manoeuvres around Moscow during which the Russian troops were supplied with arms, so that it was hopeless for Jagoda to make a revolt. He had to give way, was deprived of his post as Minister of the Interior, and appointed head of the Post and Telegraph Department, which post has been repeatedly used for those fallen from grace, (Smirnow, now executed, held the same post). Rykov was simply removed from that post. Jagoda's successor is Jejev, third secretary of the Party Central Committee, which means that the party machine now leads the Ministry of the Interior.

It is, however, too early to say that Jagoda's political role is finished. In the Tcheka the leading men have been appointed by him. He will continue to fight - behind the stage. He has begun to gather his adherents around him. He has brought with him to his new post as deputy-commissary, Prokofiev, his nearest man in G.P.U. The new deputy Minister of Interior Berman, also belongs to Jagoda's circle.

RUSSIA

Stalin's illness is now very serious and one reckons with the possibility of his death within the next two or three months. He does not suffer from Angina Pectoris, as has been reported, but from the same illness that caused Lenin's death, possibly an insufficiently cured syphilis. He now also suffers from a restriction of the heart artery. Everything is done to hide his serious state. People are even arrested for merely speaking of it. Stalin is at present under treatment at the Sotschy-Mazesta health resort on the Black Sea, famous for its strong radium springs and its health giving air. The entire surrounding district is closed and isolated. The Sotschy Management announced that no patients will be admitted up to December 1st or possibly later, no travellers are admitted and the movements of the local population are under strict control. Police troops are everywhere, armored trains patrol the railway line, and the Sanatorium is guarded by Stalin's life guard. Rumours of his illness circulate all over Russia, especially in Moscow. When he dies the Soviet government may keep his death secret for some months, but cannot do so for very long.

Stalin's wife, Rosa Kaganovitsch, who acts as observer and supervisor for her brother and the ruling group, is at present at her husband's bedside.

The question is now: who will be Stalin's successor?

The country needs a man with the sympathies of the masses, a symbol for the Soviet regime. The man elected by the ruling group is Voroschilov, the commander-in-chief of the army. No one enjoys his popularity amongst the masses and he is very close to Stalin. On the other hand, he is not a sufficiently independent political figure, therefore the ruling group plans to use him as their instrument. His little personal weaknesses will also be used. While he is a very honest and fearless man and modest in his personal habits, he is very fond of the gay company of boon companions, of a good bottle of wine and of beautiful women. All this offers the possibility of indirect influence and of keeping him under supervision.

The official propaganda machine has been set in motion to increase Voroschilov's popularity. His trip to the manoeuvres in White Russia has been made into a tour of triumph. In Kiev, Ukraina's capital, innumerable masses greeted him boisterously, his motor car was showered with flowers, he stood up in it saluting the crowds with hands stretched out. At the evening performance in the theatre he was greeted by ovations; a patriotic play was purposely given; the artists brought him flowers; he was acclaimed as "the beloved Folk Commissary" and "Stalin's second-in-command" when a huge flower wreath was presented to him. The same spectacle was repeated in the other towns he visited. Thus he is prepared for the role of "Führer", while his second-in-command, Tuchatschevskij, was purposely left in the shadow. Tuchatschevskij arrived late to the manoeuvres,

having first been sent to the recruiting camp in Luga. Two other Marshalls, Egorov and Budennyj, were used as decorations in Voroschilov's suite and Blücher was in the Far East.

The reigning Soviet group has now definitely constituted itself: Molotov, Kaganovitsch, Jagoda, Voroschilov and Ordjonikidse, the first three now being the most important. Molotov and Kaganovitsch are in better conflict. Jagoda "waits and sees". This split in the ruling group may be fatal to them. Voroschilov after having obtained Stalin's post may use the conflict between his colleagues, each of which wishes to be the virtual ruler, to make himself independent and more powerful and to pave the way for the influence of his military supporters. If this happens great changes may come in Soviet Russia. A purely military dictatorship may come, but a certain time will be needed for this development. It can only be hastened by a war. Stalin is not yet dead, and as long as he lives no such decisive change will take place.

The preparations for war are in full swing.

Confidential Bulletin.

RUSSIA

The downfall of Nicolas Titulescu is not only a Roumanian affair, it will influence widely European politics as a whole.

King Carol has had every reason to dislike Titulescu, but it is primarily Titulescu's intense pro-Russian policy during three years against the will of his King, and of the majority of the Roumanian people, that has caused his fall.

It was Titulescu who inspired and pushed the Franco-Russian and the Russo-Checkoslovakian alliances through. He was the prime mover of Russia's entry in the League of Nations. It is known that Russia made these services well worth his while. As the eminently intelligent man he is, he must have known that his influence was harmful to European peace, to the prestige of the League of Nations, to Roumania and to France. He, however, believes that he will re-establish his position in Roumania with the support of Russia. His influence in France has been very great: Briand, Herriot, Barthou and Laval have listened to him attentively. His fall has placed the French government in an embarrassing position. Roumania, thanks to Titulescu, was a safe ally to count upon, the only dependable one left to France. This position will now change considerably: the Russo-Roumanian treaty will lose its value and Roumania will no more turn against Germany. And the Franco-Russian alliance? Titulescu was not only its instigator but had a constant fight to keep France to it.

This pact, already unpopular in France, is now in grave danger. Titulescu has also failed in his anti-Italian policy. He was the master mind of the sanctions policy and repeatedly declared the sanctions to be the best means of restraining and intimidating Germany, which proved eminently false.

Titulescu's fall may also gravely influence the little entente of which Titulescu was grand master. Roumania will abandon its pro-Russian policy, Yugoslavia was previously dead against such a polity. Only Czechoslovakia and Benes remain faithful to it, but, if persisting, risk the retirement of Roumania and Yugoslavia from the little entente in favor of the Balkan entente.

Russia will now have far less influence on the foreign policy of France, especially in the case of the fall of Blums cabinet and the advent of a government which does not take orders from the communists.

Leading French politicians had their eyes opened to the effects of Titulescu's nefarious activity. He will never regain his ancient prestige in France and Roumania. The fall of Russia's European master spokesman has much weakened her power in European politics and Russia will soon notice this.

14 DECEMBER 1936
7 PM

~~CONFIDENTIAL~~

DIGEST OF IMPORTANT DEVELOPMENTS IN FOREIGN AFFAIRS AS OF DECEMBER FOURTEEN.

SPAIN---THE OFFICIAL ITALIAN REPLY TO FRANCO BRITISH DEMARCHE STATES THAT ITALY IS DISPOSED TO EXAMINE IN THE LONDON NON-INTERVENTION COMMITTEE MEASURES FOR REENFORCEMENT OF THE EXISTING NON-INTERVENTION AGREEMENT PROVIDED ALL OTHER INTERESTED STATES AGREE AND THAT ALL MEASURES ARE UNIVERSALLY APPLIED. IT DOES NOT REJECT THE IDEA OF MEDIATORY ACTION BUT QUESTIONS THE PRACTICALITY OF CARRYING OUT A PLOT IN SPAIN DECLARING THAT THE WILL OF THE SPANISH PEOPLE HAS ALREADY BEEN SUFFICIENTLY EXPRESSED IN FAVOR OF THE BARFELDOS GOVERNMENT.

ACCORDING TO PRESS REPORTS THE GERMAN REPLY IS MUCH THE SAME IN SUBSTANCE .

THE BARFELDOS GOVERNMENT HAS ISSUED A WARNING THAT SHIPS OPERATING WITHOUT LIGHTS AT NIGHT WITHIN THREE MILE LIMIT RUN RISK OF BEING FIRED UPON THAT THE PORTS OF VALENCIA BARCELONA CARTEGENA ALMERIA AND BARRE WILL BE MINED AND THE PORTS OF TARRAGONA GIESSON SANTANDER AND BILBAO COMPLETELY CLOSED. SHIPS ARE WARNED TO LEAVE ALL THESE PORTS BEFORE MIDNIGHT DECEMBER TWENTY.

IRELAND---ON SATURDAY THE DAIL AMENDED THE IRISH CONSTITUTION REMAINING IN THE COMMONWEALTH AND RETAINING THE CROWN AS SYMBOL IN SUCCESSION BUT ABOLISHING THE OFFICE OF GOVERNOR GENERAL. LEGISLATION WAS PASSED RESTRICTING THE FUTURE DAY OF THE CROWN TO EXTERNAL AFFAIRS EXCLUSIVELY.

PANAMA---NATIONAL ASSEMBLY YESTERDAY OVERWHELMINGLY APPROVED JOINT RESOLUTION AGREEABLE COMMITTEES STUDYING THE GENERAL TREATY AND SUPPLEMENTARY CONVENTIONS RECOMMENDING CONSIDERATION OF AGREEMENTS IN FIRST READING. THE SECRETARY OF FOREIGN RELATIONS IS OPTIMISTIC THAT RATIFICATION IS NOW ASSURED BY TWENTY FIVE OF THE ASSEMBLY'S THIRTY TWO VERY FAVORABLY DISPOSED.

(PAGE 1 - SHEET 2 FOLLOWS)

CONFIDENTIAL

CHINA - NEWS REPORTS FROM CHINA ARE TO THE EFFECT: ONE, THAT ON DECEMBER TWELVE TROOPS OF CHANG HAI EH LIANG COMMANDER IN CHIEF OF BANDIT SUPPRESSION IN THE NORTHWEST (FORMER MANCHURIA WAR LORD) MUTINIED; TWO, THAT CHANG HAI EH LIANG PLACED CHIANG TAI SHEK AND SEVERAL OTHER HIGH OFFICIALS OF THE NANKING GOVERNMENT UNDER DETENTION AT SIAN; AND THREE, THE MUTINOUS TROOPS ISSUED A CIRCULAR TELEGRAM DEMANDING THAT NANKING DECLARE WAR AGAINST JAPAN, ENTER INTO AN ALLIANCE WITH SOVIET RUSSIA, ADMIT COMMUNISTS INTO THE NATIONALIST PARTY, AND MAKE CHANGES IN THE MINISTRY. A PRESS REPORT STATES THAT CHANG HAI EH LIANG HAS SENT A PERSONAL MESSAGE TO MADAME CHIANG TAI SHEK GUARANTEEING HER HUSBAND'S SAFETY.

REPORTS STATE THAT THE NANKING GOVERNMENT HAS TAKEN NECESSARY EMERGENCY STEPS INCLUDING THE SENDING OF MINISTER OF WAR TO THE DISAFFECTED AREA TO TAKE CHARGE OF THE CENTRAL GOVERNMENT'S TROOPS. THERE. NANKING REPORTS THAT IT THINKS THAT IT CAN CONTROL THE SITUATION.

ALTHOUGH IT IS NOT POSSIBLE AT THIS TIME DEFINITELY TO GIVE THE CAUSES OF THIS MUTINY REPORTS FROM CHINA MENTION THAT: ONE, THERE HAS BEEN DISSENTION BETWEEN CHIANG AND CHANG OVER LATTER'S FAILURE TO DEAL EFFECTIVELY WITH THE COMMUNISTS IN THE NORTHWEST SEMICIRCLE; TWO, THAT CHANG HAS BEEN FROM TIME TO TIME CHARGED WITH SYMPATHY TOWARD THE COMMUNIST FORCES ; THREE, THAT HE HAD BEEN RELIEVED AS COMMANDER IN CHIEF OF BANDIT SUPPRESSION IN THE NORTHWEST; AND FOUR, THAT PART OF HIS TROOPS HAD BEEN ORDERED TO FUKIEN PROVINCE. THE FOREGOING CIRCUMSTANCES RATHER THAN EXTERNAL INFLUENCES WOULD APPEAR LARGELY TO BE RESPONSIBLE FOR THIS MUTINY. THE MOST SERIOUS ASPECT OF THIS SITUATION IS OF COURSE THE DETENTION AND SAFETY OF CHIANG TAI SHEK.

IT SEEMS PROBABLE THAT A DETERMINED EFFORT WILL BE MADE BY THE CHINESE LEADERS TO SETTLE THIS MATTER BY NEGOTIATION.

DEPARTMENT OF STATE
WASHINGTON

*file
Pres mail
State Dept*

December 22, 1936.

The Acting Secretary of State
encloses for the attention of the
President the attached despatch from
the United States Legation at Port-
au-Prince, dated November 7, 1936.



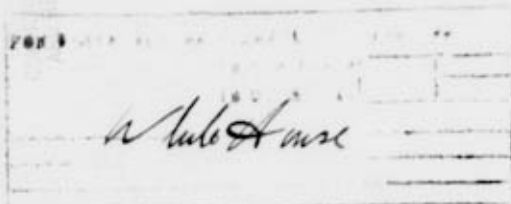
**LEGATION OF THE
UNITED STATES OF AMERICA**



Port-au-Prince, Haiti, November 7, 1936.

No. 340

Subject: Press Comment



811.00/5225

DEPT OF STATE
A-2/C
NOV 12 1936
ASSISTANT SECRETARY
OF STATE

The Honorable
The Secretary of State,
Washington, D. C.

Sir:

I have the honor to inform the Department that President Roosevelt's reelection has elicited very favorable comment in the Haitian press. I am enclosing for the Department's convenience several articles on this subject taken from the newspapers of Port-au-Prince.

1/

The article from the NOUVELLISTE of November 6 is extremely complimentary to President Roosevelt. This article begins by remarking upon the enthusiasm with which the news of his reelection has been received throughout the world and goes on in glowing terms to recite the important part President Roosevelt has taken in world affairs, stressing the work

H/DP

811.00

note

811.001 Roosevelt, F.D.

work he has done for international peace. American-Haitian relations during President Roosevelt's incumbency are emphasized as follows:

"Haitians, more particularly, rejoice over this reelection for the primary reason that the military emancipation of their country, brought about by the efforts and patriotism of Mr. Vincent, is due also to the goodwill and spirit of justice of Mr. Roosevelt".

The article also speaks of the Pan-American Peace Conference at Buenos Aires as follows:

"The Inter-American Conference for Peace which will be held at Buenos Aires on December 1 is one of his (President Roosevelt's) finest and highest initiatives".

The article ends by saying that,

"Haitians, standing as a single man, salute the reelection of the great Franklin Roosevelt".

- 2/ The article from the ACTION NATIONALE is in great part merely a press release announcing President Roosevelt's reelection. It is, however, preceded by the following note:

"The entire Haitian nation must rejoice over the great success of President Roosevelt whose sympathy for our country and our race calls forth profound recognition from us. We present our warmest compliments to the great Statesman of the Continent".

- 3/ The HAITI-JOURNAL of November 6 also contains a highly complimentary article concerning President Roosevelt's reelection, similar in tone and content to that of the NOUVELLISTE mentioned above. After eulogizing the President in glowing terms and remarking with what joy the entire world has received the news of his reelection, the article goes on as in the NOUVELLISTE to point out the important part that President Roosevelt has played in international relations, especially with regard to world peace, and ends with the following

following note of confidence in the President and his re-election:

"The American people, in reelecting President Roosevelt, have reaffirmed the confidence of the other American nations in the great Republic of the North. For Roosevelt is a guarantee for the future of peace and mutual respect among the twenty-one American nations which must advance toward prosperity always united and understanding each other better every day".

4/5/ The two articles from the MATIN and L'ELAN are very similar in tenor to those cited above, and it is not believed necessary to comment upon them at length. It is perhaps sufficient to say that the President is a universally popular figure in Haiti and that the local press, since the termination of the American Occupation in 1934 at least, has never once written of President Roosevelt in a disparaging manner.

Respectfully yours,

For the Minister

C. Burke Elbrick
C. BURKE ELBRICK

Third Secretary of Legation

Note
8/11/01 Roosevelt, J.D.
CBE:TH

Enclosure:

- 1/ LE NOUVELLISTE of November 6, 1936.
- 2/ ACTION NATIONALE of November 6, 1936.
- 3/ HAITI-JOURNAL of November 6, 1936.
- 4/ LE MATIN of November 7, 1936.
- 5/ L'ELAN of November 5, 1936.

La Réélection du Pdt. Roosevelt

HOMMAGE DU PEUPLE HAITIEN

«J'accorderai toujours aux valeurs morales la primauté sur les valeurs matérielles.»

F. D. ROOSEVELT.

Jamais, dans les annales des peuples, réélection d'un Chef d'Etat ne fut plus unanimement bien accueillie par le monde entier que celle du Président des Etats-Unis, M. Franklin Delano Roosevelt. — Tous les peuples, tous les Etats, à quelque race qu'ils appartiennent, font cortège pour applaudir au beau succès de l'homme d'Etat américain. M. Roosevelt, par ses qualités personnelles qui le rendent si sympathique, par ses réalisations prodigieuses, et enfin par cette auréole romantique qui l'entoure, en plein XXe. siècle, est devenu la *Grande Vedette Internationale*. Hier, il était une brillante Figure continentale, suivant l'heureuse expression de M. Sténio Vincent. Aujourd'hui, sa renommée, sa gloire, et plus encore, son charme, ont traversé les mers américaines pour faire de lui une des plus *Eminentes Dignités Humaines*. Le rayonnement de sa personnalité dans l'Univers est une consécration de la primauté des forces pérennes et spirituelles. Son triomphe n'est pas un effet du pur hasard, ou même de son habileté politicienne. Il est en fonction de ses attitudes passées.

Les haïtiens, plus particulièrement, se réjouissent de cette réélection pour la raison primordiale que l'émancipa-

tion militaire de leur pays, aboutissant des efforts et du patriotisme de M. Vincent, est due aussi à la bonne volonté et l'esprit de justice de M. Roosevelt.

M. Roosevelt n'a pas seulement réalisé pour son peuple. Il a fait pour le monde et pour la paix. Il est le *Grand Médiateur* par excellence qui, dans toute situation, dans tous les conflits, dit le mot du droit. Tout au début de la Guerre Italo-Ethiopienne, alors que les Puissances de Genève gardaient l'expectative, il fut le premier à brandir le pacte Briand-Kellogg.

La conférence interaméricaine pour la Paix qui se tiendra à Buenos-Aires, le 1er Décembre, est une de ses plus belles et hautes initiatives.

Que ses compatriotes prient de préférence en lui tel ou tel des aspects de son tempérament si riche et si puissant; nous, c'est ce dévouement chevaleresque à l'idéal, qui sait pourtant éviter l'utopie, c'est ce désintéressement philanthropique, cet apostolat du Bien, (d'ailleurs l'une des grandes traditions de la meilleure des Amériques), que nous admirons, que nous aimons le plus en lui.

Les haïtiens, debout comme un seul homme, saluent la réélection du grand Franklin Roosevelt.

Clipping from "L'Action Nationale" of November 6, 1936.

réélection de Roosevelt

Succès des Démocrates

N.D.L.R. La nation haïtienne toute entière doit se réjouir du grand succès du Président Roosevelt dont la sympathie pour notre pays et pour notre race oblige notre profonde reconnaissance. Nous présentons nos plus chaleureux compliments au grand Homme d'Etat du Continent.

WASHINGTON.— Le Président Roosevelt a reçu aujourd'hui le plus puissant témoignage d'approbation jamais reçu par un candidat national dans l'histoire des Etats-Unis, selon le «New-York Times». La majorité acquise par le candidat démocrate peut être estimée à 10.000.000. Vers 1 heure de l'après-midi (aujourd'hui) Alf. Landon a fait parvenir ses compliments au Président. Les vœux du président du parti républicain, John Hamilton ont suivi la dépêche de Landon. Le Président Roosevelt a vivement remercié son concurrent. Les espoirs des républicains d'émettre la majorité considérable des démocrates au Parlement se sont évanouis en présence de cette forte poussée-Roosevelt. Les démocrates ont conquis de nouveaux sièges au congrès, jusqu'ici détenus par les adversaires du «New Deal». Le gouverneur Lehmann a été réélu gouverneur de New-York pour une 3ème fois. Il a battu le républicain William H. Blackley.

WASHINGTON.— Après la triomphale élection de monsieur Franklin Delano Roosevelt à la présidence des Etats-Unis, voici la répartition des sièges à la Chambre des Représentants:

Démocrates: 237
Républicains: 41
Progressistes: 0
Sièges douteux: 57

Au Sénat, les sièges se répartissent comme suit:

Démocrates: 15
Républicains: 3
Progressistes: 0
Sièges douteux: 19

Un tiers seulement du Sénat est renouvelable.

Enclosure No. 3...to
Despatch No. 74...
of November 7, 1934...
from the Legation at
Port-au-Prince, Haiti
6, 1934.

Clipping from "Haiti-Journal" of November

La réélection du Président Roosevelt.

Les nouvelles de la réélection du Président Roosevelt a été accueillie avec une joie sans pareille dans le monde entier. Cet événement est considéré comme l'un des plus retentissants de ces temps si pleins de grands événements, a raffermi les espérances et ouvert des horizons plus larges et plus clairs à la paix. Les journaux et les hommes politiques de la terre entière, de toutes les confessions et de toutes les doctrines, depuis trois jours, ne cessent de faire l'éloge du grand Américain.

Rien n'est plus juste.

Roosevelt mérite tous les éloges pour avoir fait les plus réels efforts et accompli les plus tangibles réalisations en vue de la paix du monde. Notre Continent particulièrement le sait. Les États de l'Amérique latine vers la paix et la vie ont rencontré auprès du gouvernement présidé par Roosevelt le plus cordial concours. La bonne volonté dont il se peuvre dans les négociations que le Président Vincent conduisit à la libération du sol haïtien ne sera jamais oubliée par nous autres, par toute l'Amérique latine. C'est lui qui, en rappelant les États-Unis dans le rôle de protecteur vrai qu'ils doivent avoir dans ce Continent, a ramené vers sa patrie la con-

fiance des vingt autres Républiques américaines. Ayant acquis cette immense et incontestable confiance, il a immédiatement conçu l'idée d'assurer dans l'Amérique la vie de la paix dont il est l'inlassable et courageux champion. Et, à l'instant même où nous écrivons ces lignes, l'Amérique regarde vers Buenos-Aires où se prépare la grande conférence extraordinaire demandée par Roosevelt et d'où certainement jaillira une vie panaméricaine nouvelle, plus large, basée sur une compréhension réciproque des intérêts et des aspirations. L'amitié internationale a pris déjà dans l'Amérique un sens qui continuera de s'affirmer. Et vivra, achèvera de devenir une réalité ce que l'entente internationale et commerciale entre le Canada, l'Amérique Latine et les États-Unis.

Le peuple américain, en réélisant le Président Roosevelt, a raffermi la confiance des autres nations américaines dans la grande République du Nord. Car Roosevelt est une garantie pour l'avenir de la paix et du respect mutuel entre les vingt et une nations américaines qui doivent marcher toujours unies et en se comprenant chaque jour mieux vers la prospérité.

CLIPPING FROM "Le Matin" of November 7, 1936.

Enclosure No. 4
Despatch No. 240
of November 7, 1936
from the Legation at
Port-au-Prince, Haiti

Clipping from "Le Matin" of November 7, 1936.

La Réélection de M. Roosevelt

Mr Franklin D. Roosevelt a été réélu à la présidence des Etats-Unis d'Amérique, à l'énorme majorité de plus de 7 millions de voix.

Ce superbe résultat a quelque peu surpris. Non pas que l'on doutât du succès du Président, mais on pensait généralement qu'il eût triomphé avec une majorité de beaucoup moins impressionnante. La campagne très serrée menée contre lui par ses adversaires—qui n'étaient pas seulement les républicains, mais des démocrates aussi dont l'éloquent Al. Smith — laissait, au cours de la campagne électorale, l'impression d'une presque égalité de forces et de chances entre le candidat démocrate et le candidat républicain.

On sait que la politique de *New Deal* a été le principal tremplin de la lutte contre la réélection de Mr Roosevelt. Dans la préface de son dernier ouvrage, Mr Roosevelt

écrit honnêtement que la politique qu'il avait inaugurée pour faire face à la crise américaine, le peuple américain, par son bulletin de vote, pouvait la désapprouver et la répudier, quand il voudrait. Le peuple américain vient de se prononcer.

Il s'est prononcé par le vote du 3 Novembre. Vote libre, donné en pleine lumière et dans le plein sentiment de sa volonté souveraine. Toutes les questions soulevées pendant la campagne électorale ont été discutées et expliquées contradictoirement aux citoyens américains. La dispute pour le pouvoir, comme de coutume n'a manqué ni de passion, ni d'exaltation.

Mais c'est cela même qui fait la grandeur du régime démocratique...

Mr Roosevelt l'a emporté et son triomphe avère la ratification, non équivoque, par le peuple américain, de sa politique générale. Une ratification positive, parce que toutes les forces démocratiques ont marché avec le candidat démocrate. Socialistes, communistes, syndicalistes, et aussi l'agrégat noir, ont voté pour Roosevelt, le grand Président, la politique à conception moderne, généreuse, libérale.

La démocratie américaine vient de renouveler son adhésion à la politique novatrice inaugurée en 1933.

Roosevelt Réélu

Mr Roosevelt a été réélu Président des Etats Unis d'Amérique.

La lutte durant la campagne électorale a été sévère entre lui et le Gouverneur Landon.

Le parti républicain qui avait présenté la candidature de Landon a déployé toutes ses énergies pour faire triompher son favori mais le peuple des Etats Unis a accordé la victoire à Roosevelt en lui attribuant 58.271.525 votes, assant à Landon 11.221.325 et 326.800 et 9.601 aux deux autres candidats.

Nous de L'ELAN, qui avons su apprécier la bonne volonté et le bon vouloir du Président Roosevelt en faveur d'Haïti, notre très chère patrie, nous nous mettons à l'unisson des journaux du monde entier pour glorifier le deuxième triomphe de l'homme qui a la Maison Blanche a fait et fera encore le plus de bien pour Haïti comme bon voisin et comme partenaire fort en face d'un partenaire faible.

On est unanime à reconnaître que la majorité de Roosevelt le 3 Novembre dans les Etats est supérieure à celle des premiers présidents des Etats Unis, à l'exception de celle de Washington qui fut l'Unanimité et celle de Monroe qui fut aussi l'unanimité moins un ; — car Roosevelt a triomphé dans quarante et un Etats ne laissant que trois à Landon.

Les journaux de Londres, Bruxelles, Paris sont pleins d'éloges pour Mr Roosevelt et les grands hommes politiques d'Europe élogent sincèrement le vainqueur du 3 novembre.

Mr Sarraud a dit que la victoire de Roosevelt ne l'a pas surpris, il l'avait devinée lors de son dernier voyage aux Etats Unis. Dans la mesure, dit-il, où je peux me mêler de la politique d'un autre pays, je me réjouis du succès de Mr Roosevelt.

Mr Herriot a publié hier un bel article sur Mr Roosevelt. Le succès de Mr Roosevelt, a-t-il écrit, est le succès, le triomphe du courage Mr Roosevelt pour relever son pays à employé la méthode hardie de la Chi

La victoire du Président Roosevelt n'est pas la victoire du parti démocrate, mais la victoire du rayonnement personnel de Mr Roosevelt.

Le New York Herald, républicain avancé, la proclame avec les journaux du monde entier.

Enclosure No. 5...to
Despatch No. 349...
of November 2, 1936.
from the Legation at
Port-au-Prince, Haïti.

December 29, 1936.

State Dept.

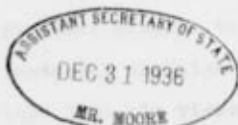
Memo to Judge Moore
From R. C. Tanis
Acting Chief-Mexican Affairs

In re-Property owned by W. R. Hearst about 150 miles from
El Paso, Texas.

SEE--Mexico-Foreign File-Drawer 2--1936

DEPARTMENT OF STATE
DIVISION OF WESTERN EUROPEAN AFFAIRS

December 31, 1936.



MEMORANDUM

Mr. Norman Davis telephoned from New York to express his deep concern at the type of publicity which appeared in the NEW YORK TIMES and other newspapers today, to the effect that the Powers, including the United States, were embarking upon a new naval race, et cetera. He pointed out that the capital ships which were being laid down by the United States and Great Britain were in accordance with the terms of the expiring naval treaties, that a new treaty would shortly come into effect regulating types of naval vessels and that the exchange of information provisions of this treaty would remove the factor of suspicion. He thought it highly dangerous to permit the idea to get abroad that naval limitation was at an end and thought that perhaps the Acting Secretary of State in one of his press conferences might take steps to head off this campaign by pointing out some of the constructive elements in the situation. Mr. Davis reiterated his deep concern several times and stressed his conviction that the Department should

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at least attempt to scotch the wholly uncalled for newspaper campaign at the start. He expressed the hope that his views might be brought to the attention of the Acting Secretary.

RP
WE:RFP:NNB

[Signature]