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TELEGRAM RECEIVED

RB GRAY

FROM Rome

Dated January 18, 1937

Rec'd 2:50 p. m.

Secretary of State

Washington.

125, January 18, 6 p. m.

The Italian press publishes today the following interview granted by Mussolini to the correspondent of the German VOLKISCHER BEOBACHTER.

"The Rome-Berlin axis, the Duce declared, really marks the beginning of a process of European consolidation. The United States of Europe is a mirage. Historical and political geographical reasons preclude any possibility of realising such a mirage.

"A sort of European idea on the other hand is making headway arising from the recognition that our civilization, our existence, our culture, are menaced by one sole peril: bolshevism. We are passing through a period of total overturn in political and social schools of thought. The democracies have completed their task, they are liquidated. Today they are, consciously or not, only centers of infection and carriers of the germs of bolshevism.

"The future wants nothing to do with collectivism.

The

FILED JAN 21 1937

The new times belong to a strong virile individuality: they belong to the dominant personality. This is luminously demonstrated by the course of events. The democracies are sands upon which it is impossible to build. The new ideal is of stone, it is a block of granite."

The article continues "In connection with the gentlemen's agreement and with the Spanish question the Duce desired to emphasize two things: first, that the agreement with London has in no way weakened the "Rome-Berlin axis" but indeed has consolidated it, being a logical development of joint efforts directed toward the maintenance of European peace; in the second place that the status quo would be altered if in Spain or a part thereof a Soviet Republic should be established."

PHILLIPS

CSB

TELEGRAM RECEIVED

LNS 1-1156

FROM GRAY

Rome

Dated May 3, 1937

Rec'd 4:50 p.m.

DIVISION OF WESTERN EUROPEAN AFFAIRS
MAY 4 1937
DEPARTMENT OF STATE

Secretary of State,

Washington.

196, May 3, 6 p. m.

My 191, April 30, 10 a. m.

Neurath arrived in Rome this morning.

Suvich writes this evening that the visit which follows that of Goering and precedes "by a few weeks" that of Blomberg represents merely a continuation of previous policy and disproves foreign rumors of Italo-German friction. Discussions will refer to the general European situation and the repercussions on that situation and on Italo-German relations of the Italian conversations at Vienna, Budapest and Venice and the Belgrade agreement.

As to general problems he says the two countries agree on the present inefficacy of the League as an instrument of peace and that France and England, despite official speeches, are of the same mind. As to Locarno, Italy and Germany recognized a return to the principles of the former pact. Belgium's neutrality policy has simplified the situation by reducing it to a definition of Franco-German relations

FILED
MAY 4 1937
763.94/107

relations on the Rhine and further sources of complication must be avoided. At the same time Italy and Germany agree that it is out of place to press for the conclusion of a western pact so long as the Spanish question is unsolved.

Italy and Germany seek no special advantages in Spain but demand that that country be preserved against a communist revolution imposed from outside and expect the great powers at last to evaluate in their true light the supreme issues at stake and courageously abandon hollow ideology. Meanwhile international control has failed to function and the character of the Spanish conflict continues analytical, distorted by unequal foreign interventions.

As to the Danube Italo-German policy is that no organization is possible or tolerable without Italy and Germany much less against them. That principle applies to Germany in the functioning of the accord with Austria and to Italy in the application of the Rome protocols, in the development of relations with Austria and in the new policy of collaboration with Yugoslavia. The attempt to draw Austria into an anti-German and possibly away from Italian system may be considered as having failed; on the contrary the process of internal conciliation in Austria, with the appointment of a liaison officer enjoying the confidence both of the

German

LMG 3-Ms. 196, May 3, 6 p. m., from Rome.

German Nazis and the Austrian Chancellor, is making rapid progress and will unquestionably promote Austro-German conciliation.

Neither, Gayda continues, can any general European plan succeed without Italian and German cooperation. For that reason Italy continues to support the legitimate claims of Germany who is an indispensable factor in European equilibrium and organization.

The TRIBUNA says among other things that the Belgian declaration of neutrality is one instance of a changed trend in Europe resulting from lessened confidence in the Paris-London axis. Forces hitherto gravitating toward the west are now tending toward temporary isolation or toward central and southern Europe. The newspaper also terms unfounded rumors in London of an Italo-German military alliance and says that if there is any military alliance it is a Franco-British one and witnessed by recent negotations with Belgium and the latter's refusal to be "yoked up to a cart drawn also by a Soviet horse".

KIRK

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TELEGRAM RECEIVED

WM 1-138

FROM GRAY
ROME
Dated May 6, 1937
Rec'd. 2:47pm.

DIVISION OF WESTERN EUROPEAN AFFAIRS
MAY 10 1937
MAY 7 1937
DEPARTMENT OF STATE

Secretary of State

Washington, D.C.

205, May 6, 5pm.

My 202, May 6, 10am.

In an interview to the GIORNALE ITALIA published this evening Signor Gayda discusses certain foreign interpretations of [illegible] conversation and says that it is unjustifiable to attach secret designs to Italo-German collaboration which is directed toward the organization of peace in Europe. The policy of the two countries with regard to Spain, he continues, aims only at safeguarding European civilization and guaranteeing the right of the Spanish people to auto-decision. The same principles inspire their Danubian policy: "It is a case of guaranteeing each country the free development of its possibilities and necessities". They share the same opinion on the western pact project and as soon as the question of Belgium's position is resolved, the natural interests of the other powers concerned "must be reunited in a pact and single act".

[illegible] this verdict [illegible] that Italy and Germany

File
Rome
740.65/502
FILED
MAY 12 1937

Germany are completely agreed on major problems which he he describes along the following lines:

One. Economic problems. Germany, who refused to apply sanctions, has resumed a leading place in Italy's trade and will "retain and amplify that position in harmony with the expansion of Italian trade".

In Ethiopia economic collaboration has already begun and will be further extended. The "moral condition precedent therefor is Germany's full and frank de jure recognition of the Italian Empire".

In the Danube the trade and economic development of each of the two countries presupposes respect for the interest of the other.

As to world economic projects "brought from Washington and diffused in various and still extremely vague forms in Europe" Italy and Germany are ready to collaborate on condition that such projects (1) are substantial, not utopian; (2) are based on respect for the interests of all nations without any monopolistic tendency by one power or another; and (3) consequently do not seek to interfere in the policy of economic self-sufficiency which has been forced on Italy and Germany by adverse external conditions.

Two. Political problems. Italian and German detachment from the League and collective security in no wise signifies repudiation of European collaboration to build up peace.

peace. Their idea of the organization of peace differs from that of France and England only in its more realistic method, not in its principles.

The two countries are ready to resume the Locarno conversations as soon as Belgium's position is definitely made clear and European relationships are relieved of the dangerous burden of the Spanish problem.

In Spain they desire to restore that country's right to self-decision and free it from foreign imposed revolutions. "They therefore continue to regard with natural reserve the new projects for mediation being proposed in certain quarters".

In the Danube they propose an increasing conciliation of their positions with the national positions of the various countries "whose right to the utmost liberty, conditioned solely upon the law of reciprocal respect, they fully recognize". The problem of Austria "a free and independent German nation through obviously parallel interests falls within the line of the Rome-Berlin axis" to which Austria is linked by the Rome protocols and agreement with Germany.

Other Italian press comment adds little to Gayda's remarks. The keynote of present comment is criticism of the statements made against Italy and Germany in England and France particularly by the DAILY TELEGRAPH and by Portinax and particularly in connection with Spain. All newspapers

insist

insist that the Rome-Berlin axis aims at European collaboration and peace but that the London-Paris axis apparently is pulling in the opposite direction.

KIRK

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CSB

TELEGRAM RECEIVED

EDA

GRAY

ROME

Dated May 13, 1937

Received 6:20 p.m.

Secretary of State

Washington

224, May 13, 6 p.m.

In a speech on foreign policy in the Chamber this afternoon, Ciano made the following points:

Italy does not attribute excessive value to formal recognition of the Empire.

Italy's policy toward the League depends on what the League does and will become. Italy has no proposal to make now or in future for the reform of the League but if occasion should be offered to serve the cause of peace she will do her part.

Italy will scrupulously respect her international obligations regarding Spain although the application of control inspires considerable skepticism. As to the false reports abroad regarding Italian volunteers, history will show that their valor in the struggle against Red tyranny in Spain was in keeping with Italy's heroic traditions.

Italo-German collaboration does not constitute a bloc and has no secret designs but aims toward general collaboration and peace. All European forces aiming to save civilization

OFFICE OF ECONOMIC ADVISER
MAY 24 1937
DEPARTMENT OF STATE
FROM

DEPARTMENT OF STATE
MAY 14 1937
DIVISION OF FAR EASTERN AFFAIRS

DIVISION OF WESTERN EUROPEAN AFFAIRS
MAY 14 1937
DEPARTMENT OF STATE

DIVISION OF TRADE AGREEMENTS
MAY 17 1937

TREATY DIVISION
MAY 26 1937
DEPARTMENT OF STATE

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FILED

793.00/90

civilization from Bolshevism will naturally gravitate around the parallel policy of Italy and Germany. Their collaboration which requires no further protocols will be continued and extended.

Italy's policy toward Austria remains unchanged as does the friendship existing between the two countries, neither of which ever conceived of their friendship as directed against Germany. Italo-Hungarian friendship is steadily developing.

Following the Mediterranean agreement with England and the subsequent accords referring to Somaliland, the rapprochment that had seemed well under way encountered an unexpected obstacle. The explanation offered in certain quarters that Italy's position had stiffened as a result of British rearmament is entirely inaccurate; Italy recognizes England's right to arm following the failure of the Disarmament Conference just as she herself is methodically arming.

At the time of the gentlemen's agreement, Italy concluded no agreements with France because she felt and still feels that the atmosphere between the two countries required public clarification. The abnormal situation of the French diplomatic representative in Rome is not the result of discrimination but of a general decision

that

that foreign plenipotentiaries must be accredited to the King Emperor. In those few cases where the old form had been accepted agrement had been granted several months previously while the Italian decision naturally referred to the future not the past. There are no real reasons for dissention with France, and Italy is patiently waiting for an indication that France desires to restore relations on a new footing.

As to the Locarno negotiations in which Italy and Germany will continue to act in close agreement, ideas are still widely divergent. Italy is willing to resume all her former obligations provided the basic structure of the Treaty is not altered. Italy, like Germany, has offered to guarantee Belgian security under all circumstances jointly with the other three powers. This desire for a return to the former treaty does not imply disregard for the vital interests of other countries such as Poland with whom Italy's relations are most cordial but only that a definite system of security in Western Europe is the first essential step. Italy will attend no Locarno conference until success is certain.

Italy's relations with Yugoslavia are most cordial following the Belgrade agreements as are those with Albania. Mutual confidence has been restored between

Italy

EDA - 4 - #224, May 13, 6 p.m. from Rome

Italy and Turkey and all pending questions will before long be settled. Relations with Greece, Rumania, and Bulgaria are cordial and susceptible of further developments.

In resuming trade relations following sanctions, the basic principle was to buy from those who buy from Italy and trade agreements have been concluded on the fixed rule of (one) no foreign exchange for frozen credits; (two) margin of exports over imports to cover these credits; (three) limitation of imports to indispensible products.

Italy's traditionally friendly policy toward the Arab countries is in no way directed against the positions of other powers. Egypt whose demands regarding capitulations were supported unconditionally will unquestionably show every consideration to the interests of the Italian colony.

Relations with Japan have been further advanced by Japan's recognition of Ethiopia as well as by Japanese policy toward Bolshevism. Relations are cordial with China where Italy's prestige has been heightened by the services of naval, air, and financial experts. Relations are good with the other Asiatic countries particularly Iran and Siam.

Following the denunciation of the Treaty of Commerce and Navigation with the United States negotiations are in progress

for

for a new treaty; a draft consular convention submitted by the American Government is also under examination.

"Although it cannot be said that in the immediate past developments have marked a particular intensity in political relations between the two countries the Italian Government is following with sympathetic attention the efforts of American statesmen to facilitate world economic reconstruction and is ready whenever the occasion should present itself to give its most active contribution. For our part we should be happy if a better acquaintance with our ideals and achievements permitted the American public not to allow themselves to be so frequently misled by propaganda the origins and pretexts of which are easily recognizable".

Great possibilities for Italian commercial and cultural expansion are offered by the Latin American countries. Political and economic relations with Brazil are especially cordial.

In conclusion Ciano described the work being done among Italian communities in foreign countries and the patriotic spirit shown by Italians abroad during the Ethiopian campaign.

PHILLIPS

EJB:SNS

DIVISION OF WESTERN EUROPEAN AFFAIRS
MAY 14 1937
DEPARTMENT OF STATE

TELEGRAM RECEIVED

RR
This telegram must be closely paraphrased before being communicated to anyone (S)

FROM Rome.

Dated May 14, 1937

Received 9:20 a. m.

OFFICE OF COMMUNICATIONS
MAY 19 1937
DEPARTMENT OF STATE

MAY 15 1937
DIVISION OF FAR EASTERN AFFAIRS

Secretary of State,

Washington.

226, May 14, noon.

STRICTLY CONFIDENTIAL. In a conversation yesterday with the German Ambassador he told me in reference to the causes of tension in Anglo-Italian relations that he considers that the Duce is under the impression that the British rearmament program is directed against Italy and that when all is ready Britain will strike and also that Eden is fundamentally an enemy of Italy and would like to keep Italy under. Thus Mussolini, von Hassell added, believes that while there is no immediate danger of British aggression against Italy it will come in due course. The Ambassador also thought that Mussolini had a cordial dislike for Eden not only as an individual but because he is the representative of everything which is antithetical to the Italian form of government.

In reply to an inquiry as to the [illegible] speech and [illegible] circulating lately of a forthcoming meeting between Hitler and Mussolini, von Hassell told me that

the

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JUN 27 1937

the Duce had in fact accepted an invitation to go to Germany but not before autumn. He continued, that in order to avoid the impression that such a meeting might give of a closer form of military cooperation between the two countries Von Hassell declared emphatically that no military alliance existed; that no military conversations had occurred and that there had been no exchange of views between the respective military and naval staff officers of Germany and Italy such as had already taken place between the French and British General Staffs. It was true of course that each government was fully informed with respect to the military and naval forces of the other but no thought had as yet been given to preparation of military cooperation between the two against any other nation. Von Hassell made an exception to this general statement with regard to Spain. He said that although the German forces in Spain were insignificant there was in fact cooperation with the Italians along certain lines in the Spanish campaign.

The only reference to the Italian-Yugoslav Treaty in our conversation was a remark of the Ambassador that the agreement had not in any way affected the good relations between Yugoslavia and Germany and that while the Little Entente had been somewhat weakened it was still very much in existence. He said that it was not

therefore

therefore correct to feel that by means of this Treaty a new grouping of nations had been created.

In emphasizing the necessity for economic cooperation among nations the Ambassador remarked that he had just received a report of the conversation between President Roosevelt and Ambassador Leahy prior to the latter's departure from Washington and he was aware therefore that the President was anxious about the European situation and would like to find some way to help. Von Hassell felt that Van Zeeland was in the best position at present to be of assistance in this connection as he had the confidence of Schacht who not only admired him but was a personal friend. Van Zeeland also had the confidence of the British and French Governments. Thus in von Hassell's opinion Van Zeeland was in a particularly favorable position to discuss political and economic matters with the other nations.

In a subsequent conversation with the Italian Minister for Foreign Affairs in the course of which Italo-German relations were mentioned Count Ciano emphasized the economic aspects of the new relations between Italy and Germany and pointed out that commerce between the two countries had increased rapidly and that German trade was now a very important part of the Italian commercial program.

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TELEGRAM RECEIVED



FS
This telegram must be closely paraphrased before being communicated to anyone. (E)

FROM Rome

Dated May 14, 1937

Rec'd 1:35 p. m.



741.65/366

Secretary of State,

Washington.

[illegible], May 14, 4 p. m.

Following my conversation with the German Ambassador (see my [illegible], May 14, noon) I had occasion to discuss Italo-British relations with the Italian Minister for Foreign Affairs. In this connection Count Ciano referred to his speech before the Chamber and to its "coolness" with regard to Great Britain which under the circumstances he said was necessary. He criticised the attitude of Great Britain as illustrated not only by the Government but in the press and said further I had noted the attitude of the Chamber when during his speech he had referred to the courage and bravery of the Italian volunteers in Spain. He said he had never seen [illegible] an ovation in the Chamber.

He [illegible] to secure the unaccountable of the British press in [illegible] for [illegible] of the Italian behavior in the [illegible] affair. He [illegible] that there had been no [illegible] actual [illegible] of about twenty kilometers; that a small [illegible] of Italians had stood off and finally [illegible] nearly ten times greater and that the [illegible] the Italians had been for five days without food

FILED

food or blankets.

As he discussed the iniquities of the British press Ciano became considerably excited. He concluded that unless this attitude of the British were altered there was no hope of improving relations. While admitting that the British Government had not the same control over its press as the Italian Government, he said that at least two or three of the important papers such as the TIMES and TELEGRAPH might at least have obtained the real facts and published them.

Ciano then mentioned four grievances which the Italians had against the British following the gentlemen's agreement. (one) The invitation to the Negus; (two) the aspersions cast by the British press upon the honor of the Italian soldiers in Spain; (three) the general attitude of the British press of hostility toward Italy; (four) the failure to recognize the Ethiopian conquest.

With reference to the last point he explained that it was important not because the Italians cared for the mere formality of recognition but because British persistence in their present attitude gave the unfriendly elements in Ethiopia the impression that the Italians were not established there, thus causing unrest. This might well have been the cause he said of the recent bomb attacks on

Graziani.

FS [illegible]-[illegible]. 228, May 14, 4 p. m. from Rome

Grazzani.

Ciano repeated that he had done everything he could to improve relations with Great Britain and that he stood ready at all times to work to this end if only the British would give some sign of a desire for rapprochement. He explained that if Great Britain sincerely wished for friendly relations with Italy, Italy would gladly respond but that if on the other hand Great Britain was preparing for a future war with Italy Italy was ready and unafraid. He again emphasized that Italy was ready if England had hostile intentions.

I said that I was perfectly confident that the last thing the British wanted was trouble with Italy and now that I knew the attitude of the Italians I wondered why the two countries could not pull together. Ciano replied that he would gladly make every effort if there could be a new approach by the British in a genuine effort to solve their mutual problems.

HPD PHILLIPS

DIVISION OF WESTERN EUROPEAN AFFAIRS
MAY 17 1937
DEPARTMENT OF STATE

TELEGRAM RECEIVED

FROM

OFFICE OF ECONOMIC ADVISER
MAY 17 1937
DEPARTMENT OF STATE

740.00/[illegible]

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[illegible] great danger [illegible] those [illegible] there would [illegible] many things [illegible] beginning with the [illegible] which up to one month ago it not know [illegible] prohibited the collective [illegible] contract) have been waiting the so-called authoritarian states to give up their plan for economic self-sufficiency against we know not just what counter concessions. For us this is impossible. In a world like the present one, armed to the teeth, to lay down the arms of self-sufficiency would mean tomorrow, in the event of war, placing ourselves at the mercy of those who possess

what

LMS 2-No. 229, May 15, 5 p. m., from Rome.

what is needed to wage war, without limitations of time or consumption. Self-sufficiency is therefore a guarantee of that peace which we firmly desire and an impediment to any eventual aggressive intentions on the part of the wealthier countries. Anyone who has run the risk of being strangled by the ropes of economic war knows what to think and how to act. In this matter no hesitation is admissible, for it would be fatal. It is a case of insuring the life, future, and power of that great people, the Italian people".

Full text by mail.

PHILLIPS

CSB

OFFICE OF ECONOMIC ADVISER
MAY 26 1937
DEPARTMENT OF STATE

TELEGRAM RECEIVED

JLS
This telegram must be closely paraphrased before being communicated to anyone. (B)

FROM

Dated May 25, 1937

Rec'd 8:30 a. m.

DIVISION OF WESTERN EUROPEAN AFFAIRS
MAY 25 1937
DEPARTMENT OF STATE

Secretary of State,

Washington, D. C.

837, May 25, 11 a. m.

[illegible] May 15, 4 p. m.; and 289, May 15, 7 p. m.

In conversation with Sir [illegible] yesterday I referred to the apparent conflict between the reference in the report to cooperation with the United States and the alleged internal laws and the [illegible] of the Tripartite Agreement [illegible] Sir [illegible] replied that the Tripartite Agreement [illegible] in the course of [illegible] (see my telegram No. 265, April 21, 1 p. m.)

He explained that the [illegible] in consideration of his report [illegible] that the Board of Trade [illegible] that [illegible]

765.00/93

GDG

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o. 228, May 14, 4 p. m.) he summarized the difficulties between Italy and Great Britain and indicated that he was making an effort to bring about an improvement in their relations, concluding with the assurance that Italy was ready to go forward with any new proposal that might lead to improvement in international lines whenever any such definite proposal could be made.

[illegible] I expressed the belief that this would [illegible] since every one was waiting for a separate move from Italy in this regard and expressed the hope that Italy would take the initiative and not merely act after a practical suggestion was submitted to it.

At one point in our conversation Piano said that the Duce was planning to speak over the radio to the American people along the lines of peace and mutual commercial efforts. I explained that any such statement would no doubt be helpful but wondered whether it might not be better to express these views to all countries rather than to America alone.

PHILLIPS

HPD

TELEGRAM RECEIVED

EMP:
A portion of this telegram must be closely paraphrased before being communicated to anyone. (A.)

FROM Rome

Dated June 2, 1937

Rec'd 9

DIVISION OF WESTERN EUROPEAN AFFAIRS
JUN 3 1937
DEPARTMENT OF STATE

Secretary of State,

Washington.

158, June 2, 8 p. m.

(CIAY). Blomberg arrived this evening at the Rome airport where he was welcomed by the Chief of Government. He is being received today by the King and the Minister for Foreign Affairs.

In an editorial this afternoon Gayda says the visit serves to complete Italo-German relations by establishing direct contact between the military forces. It is not, however, intended as a militaristic demonstration, an contrast to the " ostentatious jingling of spurs" that has marked certain recent military meetings in other countries. The two countries will, if necessary, use force in defense of their national interests but do not intend to use force in the development of their international policy. Gayda then says that even following the Spanish-Soviet aggression Italy's foreign policy remains as defined by Ciano on May 13 and the Duce in his interview with Simms and that the strong but voluntarily limited stand taken by the two countries regarding these aggressions proves that they refuse to lend themselves to communist efforts to provoke

war

762.65/518

war in Europe. "Italy and Germany, firmly holding to their agreements which do not isolate them from the responsible countries of Europe, are watching developments vigilantly and with all necessary means with a view to protecting their own interests and the no less essential interests of Europe."

Press despatches on the Spanish situation today emphasize the more reassuring factors, among which is the British note to Valencia and the sang froid evinced by the British and French Governments. Editorial comment, however, warns that while tension appears greatly diminished as a result of the firm but responsible action of Italy and Germany the recent incidents have shown all too clearly the danger of the situation and the need for determined action. The TRIBUNA after pointing out that if Italy and Germany were seeking to provoke trouble as their enemies so often accuse them of doing the present occasion would have been propitious, says that the other countries must now choose between Russia's policy of provoking revolution throughout Europe and the Italo-German policy of peace and collaboration which is, however, "based on the condition precedent of keeping communism out of the Mediterranean". There can be no half way policy between the two.

The newspapers publish from abroad without comment reports of the concentration of Italian war ships in Salerno and Naples preparatory to sailing for Spanish waters.

All

EMB 3 No. 258 June 2, 8 p. m. from Rome

All papers this afternoon conspicuously print a "first list of Italian legionaries killed in the Malaga operations" this being the first publication of the kind to appear here. Some newspapers carry brief editorial tributes to these Italians who "fell in the cause of civilization."(END GRAY)

With reference to the report noted above to the effect that preparations being made by the Italian fleet are causing anxiety in London, Foreign Office officials explain that there is no cause for anxiety and that probably the rumors in question arose from the fact that the fleet was being prepared for some minor maneuvers during Blomberg's visit to Italy.

A report has been circulating in foreign press circles in Rome during the last twenty-four hours to the effect that Italian vessels were stopping all ships carrying munitions of war to Spain and I understand that statements along this line have been cabled to the press in the United States. Upon inquiry at the Foreign Office and the Ministry of Marine I have been informed that the foregoing report is without foundation.

My appointment with Ciano scheduled for this afternoon has been postponed until tomorrow.

PHILLIPS

EMB:RGC

EMBASSY OF THE
UNITED STATES OF AMERICA

ROME, June 11, 1937.

No. 415

Subject: Visit of Field Marshal von Blomberg.

The Honorable

The Secretary of State,

Washington.

Sir:

In amplification and continuation of the Embassy's telegram No. 256 of June 2, 1937, regarding the visit to Italy of Field Marshal Werner von Blomberg, the German Minister of War, I have the honor to inform the Department that the following official communiqué was published in the press on May 28th:

"Marshal von Blomberg, upon the invitation of the Duce, will arrive in Rome on June 2nd next to visit the armed forces of Italy. Marshal von Blom - berg will remain in Rome for several days."

Marshal von Blomberg, accompanied by his daughter and two officers, duly arrived in a Junkers airplane at the Littoria airport, Rome, in the afternoon of June 2nd. He

was ...

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JUL 2 - 1937

was met at the airport by the Duce, the Minister for Foreign Affairs, the three Undersecretaries of the Armed Forces, the Commandant of the Corps of Rome, the Secretary of the Fascist Party, Marshals Badoglio and De Bono, a number of other high Italian officials, and the German Ambassador. After the usual military honors had been rendered, Marshal von Blomberg proceeded by automobile to the Hotel Excelsior. He shortly afterwards placed the customary wreaths in the Pantheon and on the Tomb of the Unknown Soldier. Later in the afternoon he was received in audience at the Quirinal by the King. He then went to the Palazzo Venezia, where he had a "cordial conversation" with the Duce and Count Ciano which, according to the official communiqué, lasted more than an hour. In the evening a banquet was given in his honor by the German Ambassador.

In the morning of June 3rd Marshal von Blomberg, in company with the King and the Duce, witnessed air maneuvers at the Furbara Airport. The problem of the maneuvers was the destruction of a naval base. Following the maneuvers, the Marshal flew to Guidonia in an airplane piloted by the Duce, and inspected the organization of the "air city." In the afternoon he attended exercises in the Mussolini Forum and later had a conversation with the Duce in the Palazzo Venezia. In the evening the Duce gave a large official dinner at the Palazzo Venezia in honor of von Blomberg, followed by a reception to which it is understood only Italians, Germans, and Austrians were invited.

On June 4th the German Minister of War visited the towns on the reclaimed land of the Pontine Marshes. He afterwards witnessed elaborate army and militia tactical

firing ...

firing exercises at Civitavecchia. Later in the day he attended cavalry and mechanized troop exercises, including motorcycle and tank demonstrations, at the Tor di Quinto hippodrome. In the evening a dinner was given in his honor by the Armed Forces Club.

On June 5th Marshal von Blomberg proceeded by special train to Naples where he attended with the Royal Family a historical pageant given in honor of the infant Prince of Naples. In the evening he was the guest of honor at a dinner, given by the Crown Prince and Princess of Piedmont. No accounts of the Marshal's activities on Sunday, June 6th, were published in the press.

On June 7th, standing beside the Duce on the deck of the cruiser "Duca d'Aosta", the German Minister of War witnessed grand naval exercises held between Gaeta and Naples in his honor. Sixty surface units of various categories and seventy submarines participated. In this connection, the press pointed out that there were 20 more submarines than took part in the naval review in Admiral Horthy's honor (Embassy's despatch No. 106 of December 4, 1937). Following the maneuvers the Duce issued orders-of-the-day commending the officers and men of the First, Second, and Training Squadrons. To the Command of the submarine force he sent the following message:

"I have today reviewed, by the side of Marshal von Blomberg, the submarines of the Fascist Navy, gathered together in numbers unprecedented in naval history. The superb spectacle of discipline and strength confirms to me the perfect preparation of the submarine craft of Imperial Italy. My congratulations to the commanding officers, officers and crews."

Upon ...

Upon leaving the "Duca D'Aosta" after the maneuvers, von Blomberg made the following statements to the President of the Stefani Agency:

"I have no intention of granting an interview. I am, however, very happy to be able to express on this occasion my deep satisfaction at the cordial welcome extended me both by H. M. the King Emperor and by the Duce.

"In the atmopshere of perfect hospitality in which my visit has taken place, the Duce also kindly placed at my disposal the yacht "Aurora" for my trip to Sicily. Particularly appreciative of this great courtesy, I express my warmest gratitude to H. M. the King Emperor and the Duce.

"I am also deeply touched by the spontaneous cordiality and hearty welcome that the Italian People has everywhere given me. Along with the unforgettable historical and artistic beauties of Rome and Naples I have been given the opportunity of becoming familiar during these few days with all the more important aspects of the Italian military forces. It is my impression that all three branches, under the personal encouragement of the Duce, have a technically perfect armament and that indeed the technical aspect of their armament has been extraordinarily successful.

"As soldiers, however, we know that good arms must be accompanied by good soldiers ready to sacrifice their own life for the liberty and greatness of their Country. It is not for me to judge the military qualities of the Italian

People ...

People, but it is my personal impression that these good arms are in the hands of good soldiers.

"I am sure that the merit for this fact is to be attributed largely to the Party and its organizations, which in any case is easily explicable to anyone who has seen how the Italian youth is being systematically prepared as regards physical and moral education to make them good citizens and good soldiers."

Referring briefly to the similarity of ideas of the German and Italian peoples and their ancient cultural ties, the Marshal strongly deplored certain political manoeuvers which, he alleged, were consistently and deliberately intended to distort the simplest facts.

"I have most willingly accepted the kind invitation of the Duce, which has permitted me to gratify my keen desire of visiting the military forces of Fascist Italy. It would be ridiculous to ascribe to my visit a secret political aim, since both the Duce and the Fuehrer are fully desirous of maintaining world peace. I find it also an excellent method of strengthening, through personal contacts, the work carried on in that direction by the two Countries.

"I am convinced that the consolidation of the Rome-Berlin axis is an excellent means of ensuring world peace. If my visit marks a step forward in this direction, so much the greater will be my satisfaction in recalling the pleasant days I have been able to spend in Italy."

In ...

In the evening Marshal von Blomberg, accompanied by his daughter and staff, proceeded to Palermo in the yacht "Aurora", escorted by the destroyers "Andromeda" and "Antares". It is reported that he will visit various points of interest in Sicily and return to Rome on June 14th.

Press comment in general on Marshal von Blomberg's visit referred to its military character, but emphatically denied any aggressive intentions on the part of either Italy or Germany, and scoffed at "foreign rumors" that a military alliance or any startling developments were contemplated. Foreign suggestions that Germany, uncertain of Italy's military strength, wished to inspect her armed forces, were also indignantly denied.

Gayda, the official spokesman of the Foreign Office, in an editorial in the GIORNALE D'ITALIA on June 2nd declared that the German Minister of War, "who represents the great military tradition of Germany", was coming to Rome as a soldier and his meetings and conversations would have "an essentially military character" and would serve to create "the logical direct contact between the armed forces of the two great Powers who are friends and associates in the Rome-Berlin axis." He went on to say that "It is just and necessary that the scope and spirit of the contacts between Italy and Germany should be broadened and deepened in the service of the many common missions which the two Nations have assumed and in the eventful European political atmosphere in which those missions must be carried on. After Count Ciano's visit to Berlin and Berchtesgaden and the subsequent visits of General Goering and Baron von Neurath to Rome and after the meetings of industrialists

and ...

and Journalists, there remained only to establish direct contact between the representatives of the armed forces of the two Countries. This is today accomplished." Gayda added that the military character of the visit was not intended as a warlike manifestation. While the two countries cultivate a "warrior spirit because it is the virile spirit of faith, struggle, and sacrifice" which sustains the laborious work of the two Nations, "they do not intend to practice militarism as the sole expression of their laborious and creative life." Recent meetings of military leaders of other countries, Gayda declared, had been marked by an ostentatious clashing of spurs "to create an immediate, lively sensation of the presence of the armed forces in the service of politics. Italy and Germany will, should it be necessary, serve their national policy with their arms, but they do not intend to develop their international designs by force of arms." Reiterating once more that the Rome-Berlin axis is directed against no nation but rather as a "possible line of concentration for other nations of good-will", Gayda asserted that the present meeting "signifies no alarmist plot, but is the logical development of the quiet, ir firm, policy of Italo-German collaboration." Italy's foreign policy, he went on to say, remained as defined by Ciano in his speech to the Chamber on May 13th and by the Duce in his interview with Simms. Its principles had not been changed as a result even of the aggressions of the Spanish-Soviet Reds. "Italy and Germany, to the honor of Europe, share the difficult privilege of being the first target of communist agitation. But, determined to repulse it, they are also determined not to lend themselves to its provocations, in

other ..

other words, not to join in its irresponsible and destructive forces. This is proved by the energetic but deliberately limited attitude taken by them following the Majorca aggressions, for which, despite the number of victims, Geneva will certainly not unsheathe its extremist judgments and repressive sanctions. The foregoing must be summarily but clearly stated at the beginning of the further cordial and expressive Rome meeting which occurs simultaneously with a renewed political tension in Europe resulting from the deliberate offensive initiative of communism. Italy and Germany, firmly holding to the agreement which do not isolate them from the responsible countries of Europe, are watching events vigilantly and with all necessary means, to check up on them in accordance with their own interests and the no less essential interests of Europe."

In a second editorial on June 7th, Gayda after referring to the military character of von Blomberg's visit and his admiration expressed to Mussolini and military leaders on the Italian military organization, declared that the visit had not gone beyond its original and well-defined purposes, despite the alarmist rumors published abroad, particularly in the "usual neurotic squad of the French press, with the sour OEUVRE at its head." He denied the OEUVRE's statement that, in order to face internal difficulties in the two countries von Blomberg was looking for a closer agreement or a military alliance.

"The conversations certainly were on the subject, as is natural, of the military problems of the two friendly countries, problems which have become more than ever important in Europe and dominant in the national policy of

every ..

every country in view of the ostentatious armaments race carried on by certain great Powers for motives that are still mysterious and therefore suspect, and in view of the deliberate confusion created in the European political scene despite the reiterated invitations for clarification made by Italy and Germany. But this right and proper joint examination of military problems, which accompany the political ones, has been carried on along the natural and now consecrated lines of the well-known nature of the Rome-Berlin axis. The conversations have, in substance, continued along military lines the negotiation of everything that pertains to the Rome-Berlin axis and exclusively to that axis. They did not turn upon any new commitments or agreements other than those established in the Protocols signed by Ciano at Berlin last October. "Unlike other countries, Italy and Germany like simple, if substantial arrangements and are therefore free from the perilous neurasthenics of pactomania. The solidarity between Italy and Germany is the stronger in that it is built up from within, not merely described on paper. The visit constitutes another step in perfecting the political association of the two countries, the cordiality and efficiency of which it has strengthened."

The GAZZETTA DEL POPOLO said among other things that there was no formal alliance between Italy and Germany but that it was natural that since the two countries desired to cooperate in the sphere of international policy their military forces should be in contact. The military establishments of the two countries "form a whole which gives full guarantee of being able to save Europe fro communist infection, even if this has found a propitious terrain for development..

development in the democratic regimes, as evidenced by developments in France." At this point the newspaper called attention to the report from Riga of June 3rd that the Komintern had been raised to the rank of a Commissariat and that its secret title was "Commissariat for the World Communist Revolution". Repeating that Italy and Germany desired peace and that von Blomberg's presence in Rome at this time was a reassuring indication, the writer added that it was well to know that the military authorities of the two countries were keeping in touch with each other.

The STAMPA said that the meeting belied false foreign rumors in circulation, particularly at the time of the British coronation, as to differences between Italy and Germany and the slight regard of the German military authorities for Italy.

The CORRIERE DELLA SERA derided the remarks of certain foreign newspapers that Blomberg was coming to Italy to "get an idea" of the worth of the Italian army. "The General Staff of the German army, like those of other countries -- who, incidentally, do not confide their views to the press--, is fully aware of the value of the Italian army, which has been recently tested so thoroughly as to require no investigations or inspections." This newspaper spoke, like all other Italian newspapers, of the joint mission of Germany and Italy against Bolshevism and refuted the usual story of their aggressive-mindedness. It added that neither country intended to use Blomberg's visit to increase the present tension, and that they were both perfectly aware of their great responsibilities at this time. "It may, on the other hand, be hoped that other capitals are similarly

aware ..

aware of their responsibilities; so far there has been no evidence that they are, and in certain cases evidence to the contrary has been furnished. Nothing irrepereable has occurred, but nothing has been solved. The solution can come only after a series of revisions and exact evaluation of the increased dangers of an increasingly uncertain situation. Paris and London should reflect thereon while Marshal von Blomberg carries out his mission in Rome. The problems of the present hour must be faced with that courage which statesmen no less than military men must possess in critical times."

In another editorial the CORRIERE DELLA SERA said that both those who claimed that von Blomberg's visit was a mere formality and those who interpreted it as proof of an Italo-German military alliance "lie knowing that they lie." It declared that it refused even to comment on the "grotesque" version that Blomberg came to dictate prudence to Italy, Germany representing the prudent power as against the extraordinary rashness of the Italian government.

The GIORNALE D'ITALIA singled out for comment Blomberg's statement to the Stefani Agency that the technical and moral preparation of the Italian military forces was perfect, under the encouragement of the Duce, and it traces the efforts made by the Duce to achieve this end. In conclusion, the newspaper asserted that the opinion expressed by the leading military authority of Germany confirmed what should be clear to everybody after the World War and the Ethiopian war and after Italy's resistance to the League's sanctions: namely that Italy was formidably trained both in the work of peace and the duties of war.

The TRIBUNA also commented on the Marshal's statement, saying..

saying it answered the many deliberate rumors put in circulation to discredit Italy's military efficiency. In conclusion it declared that Italy's new power in the Mediterranean could not be ignored or wiped out, and that any power which insisted on trying to maintain a hegemony which was now over would be making a most serious blunder. The only logical solution was to admit the facts and become Italy's friend instead of her enemy.

CONFIDENTIAL

Both Italian military authorities and members of the German Embassy are reticent regarding the visit of Marshal von Blomberg but deny that any military alliance was concluded between Italy and Germany. It is believed, however, that specific plans for joint action in Spain in certain eventualities may have been drawn up or elaborated. In any case, the German Minister of War and his staff have had an excellent opportunity to inspect Italy's new military equipment and to evaluate the strength and efficiency of her various armed forces from first-hand observation.

Respectfully yours,

William Phillips.

SG/wrm
710.

TELEGRAM RECEIVED

XLP

GRAY

FROM Rome

Dated July 13, 1937.

Rec'd. 8:45 a.m.

DEPARTMENT OF STATE
JUL 14 1937
ASSISTANT SECRETARY

Secretary of State,

Washington.

325, July 13, 11 a.m.

George Lansbury, British labor leader who arrived in Rome July 8th, saw Mussolini a second time yesterday. He has also had three talks with Ciano.

Following yesterday's conversation Lansbury stated to the MESSAGGERO that he was more than ever convinced that Italy would participate in an international peace conference although Mussolini rightly demanded thorough preparation to avoid an otherwise inevitable fiasco and that the conversations had given him greater faith in his own personal efforts for peace. Mussolini had repeatedly assured him that Italy would do everything possible not to disturb the peace. He also had said that with good will England and Italy could get together, their interests in the Mediterranean being complementary and that as regards Spain, Italy had no territorial ambitions whatsoever. He had described Italo-Turkish and Yugoslav friendship as examples of

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reestablishment of an improved international atmosphere and had expressed the conviction that a world war would be the end of European civilization. Referring to a previous conversation with Ciano, Lansbury also said that "somebody had told him that in another world war there would be no victories".

Lansbury believed that preparations for a peace conference, the possible details of which had been discussed with the Duce, should first be prepared by contacts between "ordinary men" and subsequently between statesmen and experts. This did not necessarily mean that experts should not take part in preliminary talks: a peace loving Belgian Minister, for example, had told him that he would be ready to travel from capital to capital for this purpose but a generally propitious psychological atmosphere should first be created.

Lansbury, who has been refused an audience by the Pope on the grounds that the latter's health makes this impossible, is seeing a number of Vatican prelates today.

PHILLIPS

KLP:CSB

THE FOREIGN SERVICE
OF THE
UNITED STATES OF AMERICA

AUG - 9 1937
DEPARTMENT OF STATE

AMERICAN EMBASSY

No. 488

ROME, July 15, 1937.

Subject: Visit of Mr. George Lansbury, former British Labor Leader, to Rome.

765.00/99

GDG

The Honorable

The Secretary of State,

Washington.

Sir:

With reference to the Embassy's telegrams No. 325 of July 13th and No. 328 of July 14th, 1937, concerning the visit to Rome of Mr. George Lansbury, former British Labor leader, I have the honor to transmit in further detail a translation of Mr. Lansbury's remarks as published in the TRIBUNA of July 13, 1937, to Italian and foreign press correspondents following his conversation with the Chief of the Italian Government.

Mr. Lansbury arrived in Rome on the afternoon of July 9th and was received by Count Ciano and the Duce the following day. Again on July 12th he had further

conversation...

conversation with these officials and left Rome on the 14th to return to England.

Respectfully yours,

For the Ambassador:

A. Kirk

Alexander Kirk,
Counselor of Embassy.

Enclosure:

Translation of
Mr. Lansbury's remarks.

SR/WTM
710.

Enclosure to despatch No. 488 of July 15, 1937, from American Embassy, ROME.

LANSBURY

July 13.

(The following is the account in tonight's TRIBUNA of Lansbury remarks to the press at the Hotel Flora yesterday evening following his conversation with Mussolini).

You know the purpose of my visit. With people having more authority than myself, I believe in the usefulness of an international conference to deal with the tremendous problems of the present hour: the political problems resulting from certain unfair territorial situations and the economic-financial problems with which the raw material question is connected.

I have already made explorations. I have seen Hitler. I have come to Rome to hear what a statesman like Mussolini thinks.

The Duce is in favor of a meeting of this kind. He maintains, however -- and he is right -- that it must be most carefully prepared, for a disappointment to the peoples like that following the fiasco of the 1932 conference would be disastrous.

I maintain that the preparation of the conference does not need experts so much as men equipped with the determination to succeed, to assure Europe, indeed the world, of a minimum of concrete, practical, beneficial results.

According to my impressions, President Roosevelt also wants the conference to take place; he, however, does not seem disposed to take any initiative in that

direction...

direction until the leading European countries have in a tangible way showed that they want an agreement.

Mussolini thinks that the conference should also realistically handle the problem of the limitation of armaments, which is the most that can be hoped for at this time. And in fact, once the more burning difficulties were solved or at least placed on the way to settlement, the reasons for the armaments race would cease.

I here desire to say in the most emphatic manner that Mussolini is for peace, unreservedly. And his good-faith cannot be questioned. He wants peace for his people, peace for the development of the African Empire, peace because it is a European necessity. Another war -- this was how he expressed himself -- would destroy civilization.

So this is the view of Rome. And I am not surprised. Look around you. The Italians are a quiet, hospitable, likeable people. No, Italy does not want a catastrophe. This is the conclusion I have arrived at.

Moreover I think that from Rome, the center of Christianity, there might come an appeal to peace for all nations. Mussolini also thinks so, but naturally the initiative cannot come from him.

I have sought to obtain an audience with the Pope, but unfortunately at this moment his health does not permit him to grant audiences. He sees only the cardinals, and them only on serious and urgent business.

But before leaving Rome I shall have occasion to set forth my idea to a few high prelates.

As regards the Mediterranean and Spain, Mussolini again told me that Italy has no aim either on the national

territory...

territory or on the colonies of that country. In the face of that declaration every insinuation falls through.

As to relations between Great Britian and Italy, the fascist leader was no less explicit. He told me that there was nothing in the way of a complete understanding between Rome and London. He believes that a frank, honest discussion with British representatives would eliminate all misunderstanding and would open the way to recognition of the new state of affairs in Abyssinia.

(At this point the TRIBUNA correspondent asked whether Lansbury were in favor of recognition.

He replied that he preferred to wait before making any public statement on this subject but that his previous declarations showed his views. He added that in any case it seemed certain that the Labor Party would have to face the question in all its aspects and reach a decision.

Lansbury, the TRIBUNA asserts, let it be understood, that eventual recognition by Downing Street must not be in the nature of a counter-concession following negotiations, but a spontaneous gesture. In such a spirit any meeting of the Duce with British representatives would take place in an atmosphere propitious to European agreement.)

The Conference should in particular examine injustices like that suffered by the Hungarians, injustices which might lead to war. Mussolini is of this same opinion.

(A correspondent then asked whether Spanish affairs might lead to a conflict.)

No, unless somebody commits some colossal blunder susceptible of precipitating the situation.

In conclusion, I repeat: In Rome there is a will for peace. Rome voluntarily will never look for war. The improvement of Italy's relations with Yugoslavia shows in what direction and with what intentions fascist diplomacy is working.

These...

These are facts which it would be unfair not to take into due account.

In conclusion, Lansbury made an appeal to the press for a detente in international relations, which would be possible by fighting against criminal misrepresentation. Great Britain furthermore, he said, must guard against the defect of setting herself up as a judge of other countries, to whom she occasionally addresses criticisms that might well be directed against herself.

DIVISION OF EUROPEAN AFFAIRS
JUL 30 1937
DEPARTMENT OF STATE

TELEGRAM RECEIVED

LWS
This telegram must be closely paraphrased before being communicated to anyone. (B)

Rome

FROM Undated

Rec'd 3:30 p. m.,
July 29, 1937

Secretary of State,

Washington.

354.

My 326, July 14, 5 p. m.

In conversation with Count Ciano this afternoon I said that I had noted with pleasure that there was a distinct moderation in the unfriendly attitudes of the Italian and British press and that I hoped this reflected an improvement in the relations of the two governments. Count Ciano reminded me that it had always been his desire to bring about better relations with England and while he did not say anything specific in regard to the manner and time in which this would be brought about he was optimistic that matters were proceeding now on a much better footing. He mentioned that Chamberlain had been very helpful. Ciano reiterated that if Italian-British relations could be satisfactorily adjusted once more the peace of Europe would be assured.

In reply to my inquiry with regard to the negotiations within the Nonintervention Committee he said that they were proceeding satisfactorily, that the recent deadlock had been overcome, and did not foresee any particular difficulties in this regard.

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TELEGRAM RECEIVED

ML GRAY

Rome

FROM

Dated August 20, 1937

Rec'd 9:05 a. m. 21st

DIVISION OF EUROPEAN AFFAIRS
AUG 23 1937
DEPARTMENT OF STATE

DEPARTMENT OF STATE
AUG 26 1937
DIVISION OF NEAR EASTERN AFFAIRS

Secretary of State

Washington

382, August 20, 9 a. m.

In his Palermo speech last night Mussolini stated that other countries must be convinced of Italy's intention to pursue a concrete policy of peace and to that end Italy was working to improve its relations with all neighboring countries.

With respect to France, he said that calm and reasonable reflection showed that relations with that country were not a subject for dramatization and that they would certainly be better if the authoritative circles of France were not worshipping the Geneva idols and were it not for those who for the past fifteen years had done by deed or word all for the fall of the Fascist regime.

As to maritime and colonial frontiers Italy [illegible] points encountered but did not clash with Great Britain. A consideration of Anglo-Italian relations during the past two years showed that there had been misunderstandings on the part of the British who still tended to think [illegible] picturesque little country. [illegible]

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had cleared up realities although this had been followed by deplorable incidents upon which he preferred not to dwell. Today the clouds were again clearing away. In view of the common frontiers of the country he thought complete reconciliation could be reached.

Italy, he added, was disposed to cooperate in all international problems but certain relations must be taken into consideration, the first of which is the Empire. It was not true that Italy desired recognition of the Empire by the League. She did not request the services of the League in certifying births; there was, however, a death that should be certified and a corpse that should be buried for reasons of public health. Another reality that must be taken into consideration was the Rome-Berlin axis; one could not reach Rome by ignoring Berlin nor vice versa for there was an active solidarity between the two regimes.

Mussolini then said that Italy would never tolerate Bolshevism or anything like it in the Mediterranean and made an appeal for peace to all Mediterranean countries. Italy hoped that appeal would be heeded; but if not Italy was tranquil knowing that her forces, spiritual and material, were such that she could face any contingency.

PHILLIPS

KLP:CW

[illegible] paraphrased [illegible]
[illegible] communicated
to anyone. (S)

[illegible]

[illegible] September 7, 1937

[illegible] 5:00 P. M.

Secretary of State,

Washington.

537, [illegible]

Berlin [illegible] dated [illegible] Department No. 206

August 28, 11 [illegible]

STRICTLY CONFIDENTIAL.

During my conversation with Count Ciano yesterday I expressed the thought that there might be [illegible] altered in German quarters towards Japan as a result of the recent Japanese attacks on Shanghai, et cetera, et cetera. Count Ciano replied that he was confident that there was no change in German cordiality towards Japan and he added that as a matter of fact there was a far closer understanding between the two Governments than appeared on the surface. Of this he said he was certain, although he did not give me any further enlightenment. [illegible] to Berlin.

PHILLIPS

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S.S

THE FOREIGN SERVICE
OF THE
UNITED STATES OF AMERICA

AMERICAN EMBASSY

No. 681 ROME, October 1, 1937.

Subject: Press Comment on Mussolini's Visit to Germany.

DIVISION OF
EUROPEAN AFFAIRS
OCT 14 1937
DEPARTMENT OF STATE

DEPARTMENT OF STATE
A-M/C
OCT 15 1937
ASSISTANT SECRETARY OF STATE

762.65/358

The Honorable
The Secretary of State,
Washington.

Sir:

In view of the vast amount of editorial comment and general publicity which have been carried in the Italian newspapers during the past few days concerning the significance of Signor Mussolini's recent visit to Germany, an effort has been made to select from the mass of available material for presentation to the Department an article which is typical of such comment and which synthesizes the editorial opinions on the subject which have thus far appeared. It is believed that Maurizio Maraviglia's article in yesterday's TRIBUNA, of which a summary is given below fulfills both of these conditions. It is dedicated "to that Europe which is not yet Fascist."

In ...

In countries accustomed invariably to observe developments through the same lens and to judge them by the same formulae, the Berlin meeting is a puzzle. Did it lead, they ask, to an understanding, an alliance, a simple manifestation or specific political sympathy or to generic diplomatic cordiality? The critical evaluation of the exponents of political thought in the great democratic countries can go no further than that. Their mania for minute diplomatic details, particularly when contrasted with the substantial moral force of the speeches delivered at the Maifeld, gives the measure of the aridity of spirit to which are reduced the more authoritive interpreters and factors of democratic opinion in those happy countries where all are free to say what they want, especially when they don't know what to think. Nevertheless, the indifferent and monotonous conventional form they ostentatiously employ does not achieve its purpose of making this meeting appear as an ordinary diplomatic encounter. They fail to conceal their amazement, and in certain cases their emotion, at the formidable spectacle of popular enthusiasm and still more at the deep spiritual appeal of the speeches made by the two Leaders.

Accordingly, certain persons preferred to be silent, though it was their duty on such an occasion to help public opinion to understand the event. This silence and the evasive disgressions

of all the others are highly significant symptoms which we must note as being the first result of the Berlin visit. They, in fact, tell us that the oracles of democracy are unwilling to accept polemics, that they react in no way at all to the solemn Maifeld proclamations.

It should be fully understood that the speeches, in particular that of Mussolini, were addressed to the peoples that were absent rather than to those who were present at Berlin. Mussolini spoke to all the peoples of the Europe not yet fascist and brought them face to face with their responsibilities as European nations.

When to the question (a question in itself impertinent and tendentious) whether Italy and Germany want war or peace, Mussolini answers "peace," the democratic press, though drawing a sigh of relief, implies scepticism and occasionally openly expresses doubt. Why such glittering of arms, asks one, if they truly desire peace? How can the alleged desire for collaboration, asks another, be reconciled with an anti-bolshevik attitude?

This means that we speak two completely different languages and have two completely different ideas of peace: which is certainly not an auspicious sign for the world's future.

Democratic opinion means by peace simply the political status quo, a desire to continue

to...

to enjoy the present prosperity won through past wars, and an aversion to every movement of ideas and intentions in any way disturbing, not just to their comfort, but to their optimistic way of thinking. Like those who, threatened in their sleep by imminent peril, show resentment against one who violently awakes them, such persons react thus against Fascism which attempts to rouse them to the tragic facts of the historic hour which all of us are now living.

Failing in any way to understand the dramatic facts of present European existence, the democratic regimes conceive peace as a problem that depends solely upon the determination of a few men. When a serious organ like the MORNING POST says that Hitler and Mussolini are "men who know perfectly that a European war would be the last way to defeat(their) enemy, bolshevism," it considers England and Europe as not involved and sees no other peril for peace than the conflict between Fascism and Bolshevism, reduced to the miserable proportions of a quarrel between equally excited groups of heretics in a serene, tranquil world: and this means that the lulling of the democratic countries has reached its extreme limit and that they must urgently be disillusioned.

Fascism and Nazism, on the other hand, conceive peace and European civilization as one single thing. Peace today is not threatened

so...

so much in the territorial and political status quo as at the social and human root of the individual peoples of Europe. All other sources of political or ideological differences between the various nations must take second place as against this supreme exigency, which is not that of Fascism and Nazism or of the Fascist and Nazi countries, but of all European peoples.

Fascism and Nazism, which themselves are the product of this more acute and alert view of European life and its requirements, have fully realized that today history has confronted all European peoples with an an inevitable dilemma: either the peace of Europe -- that is, peace not in favor of certain powers and to the detriment of others, but peace founded upon honest recognition of the legitimate aspirations of each nation and upon real agreement among all for the defense of their common civilization -- or war in Europe.

Only peace in Europe can avoid war: only peace, that is, can induce bolshevism to relinquish its destructive plans. All wavering or procrastination on the part of governments and peoples, inevitably further encouraging the aggressive aims of bolshevism, can result only in hastening the catastrophe.

Italy and Germany have proclaimed that they are for peace in Europe. It is now up to the other peoples, and more specifically the other two great European powers, to take their stand.

Considered ...

Considered in the light of this identification of the cause of peace with the cause of civilization, Mussolini's word takes on a significance that is not at first perceived. Thus alone can one grasp its deep pathos and extreme sincerity -- as in the reference to Italian blood sacrifices in Spain, which at first blush might seem an impolitic move, or as when he said that he had little faith in banal propaganda but much in the natural force of ideas -- and understand its real objective: namely, to hasten on that process of evolution.

Because of this intuition and this faith, Mussolini's speech at the Maifeld is a document which will be memorable in the history of Europe as the manifesto to that Europe which is not yet fascist.

Respectfully yours,

Edward L. Reed

Edward L. Reed,
Chargé d'Affaires ad interim.

ELR/wrm
710.

TELEGRAM RECEIVED

GRAY

FROM Rome

Dated November 7, 1937

Rec'd 10 a.m.

DIVISION OF EUROPEAN AFFAIRS
NOV 8 1937
DEPARTMENT OF STATE

Copies sent to Peiping (Nanking) Tokyo & Moscow Nov. 15

NOV 11 1937
DEPARTMENT OF STATE

Secretary of State,

Washington.

469, November 7, 11 a.m.

My 467, November 6, 1 p.m.

Commenting upon Italy's adherence to the anti-communist pact the Italian press is unanimous in declaring that the pact is not directed against any nation, nor contains any secret clauses but it is a defensive measure against those forces in the world which are systematically interfering in the affairs of other nations with the object of bringing about world revolution. It is pointed out that the anti-communist front composed of 200,000,000 of Germany, Manchukuo and Italy now extends from Europe to Asia, from the Mediterranean and Atlantic to the Pacific, and that the action of the three powers precedes that of other nations and represents the feelings of hundreds of millions of other people. Poland, Switzerland, Portugal, Austria, Hungary, Yugoslavia, Brazil and other Latin American countries are also cited as uncompromising opponents of communism. In describing the strength of the three powers Government spokesmen declare that they have a defense force of almost 8,000,000 men, warships and that the

762.94/176

JR -2- 468, November 7, 11 a.m., from Rome.

presence of the armed forces of the three powers constitutes an effective warning against any rash plan which destructive forces and their associates might still be contemplating. It also indicates that aside from the communist problem Italy, Germany and Japan will find other broad and important fields of collaboration.

News despatches, which are very detailed on comment in the United States, France and England, tend to express the idea that their unfavorable reaction gives the best proof of the importance of the triple action. Washington state that the press has not been well informed. The Department of State is said to believe that it strengthens the position of the three authoritative powers that it may have an unfavorable effect on the Moscow Conference and that it is probably the forerunner of broader cooperation among the three. It is added that United States will now probably ascertain its position with other powers especially as it will be put before them that the Americans are afraid that the agreement may be supported by South American countries or at least influence them. Repeated to American delegation.

DIVISION OF
EUROPEAN AFFAIRS
NOV 15 1937
DEPARTMENT OF STATE

This telegram must be closely paraphrased before being communicated to anyone. (E)

Rome

Dated November 13, 1937

Rec'd 8:45 a.m.

Secretary of State,

Washington.

476, November 13, 11 a.m.

In a conversation with Count Ciano yesterday he said that he wished to assure me that there were no secret understandings whatsoever connected with the Italo-German anti-Comintern pact and that it was nothing more than a three-cornered recognition of attitude of the three governments in their opposition to the spread of Communism.

He also told me that while he had received a number of sympathetic messages with respect to the pact from other governments which he did not name he did not believe there were any other governments now prepared to join it.

With reference to the press reports concerning possible resumption of Anglo-Italian negotiations Ciano told me in strict confidence that the British Ambassador had called upon him to urge him to go to Brussels for the purpose of meeting Eden. He explained that he had declined for two reasons: first, because the conference was a failure and he did not wish to be regarded as having contributed to the failure; and secondly, he did not see that it would be useful to talk to Eden at this time without adequate

preliminary

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preliminary preparation. He said, however, that he was prepared to meet the British Foreign Secretary at any time after the ground for the meeting had been duly prepared. I gained the impression, however, that Ciano would prefer that such meeting mark the successful conclusion of negotiations rather than entail his negotiating with Eden directly.

Ciano admitted quite frankly that there was mutual distrust between Italy and Great Britain and that this was the material cause of divergence between the two countries. He said that whereas the British had apparently reached the conclusion that Italian armaments were intended primarily for the purpose of striking at England the Italians on their part were equally distrustful of British intentions and were convinced that British armaments were to be used against them. Ciano added that in addition to mutual distrust there was of course the question of the recognition of the Empire before the Italians and the British could make much progress. A number of matters between them remained to be adjusted and as they were chiefly colonial matters, recognition of the Italian colonies was a necessary preliminary. In stating that he was ready at any time to open conversations with England in an effort to eliminate the difficulties upon this subject he seemed to be sincerely hopeful that some step in this respect might shortly be made from London. It was evident however that he did not contemplate taking the initiative.

CSB

PHILLIPS

EMBASSY OF THE
UNITED STATES OF AMERICA

Rome, November 17, 1937.

No. 654

Subject: Conversation of Ambassador Phillips with Count Ciano, Italian Minister for Foreign Affairs.

STRICTLY CONFIDENTIAL.

The Honorable

The Secretary of State,

Washington, D.C.

Sir:

With reference to my telegram No. 476 of November 11 a.m., reporting the substance of my conversation with the Italian Minister of Foreign Affairs on November 12th, a few days after the signature of the tripartite Anti-Communist Pact, I have the honor to enclose a copy of the memorandum of the conversation in question.

Insofar as Italian adherence to the Anti-Communist Pact is concerned, I am of the opinion that the Minister's assurances that there are no secret undertakings connected with it are to be accepted (see my despatch No. 643 of November 12, 1937). While the Pact may not introduce any new elements into the situation, this sympathetic anti-

communist

762.94/215

GML

communist cooperation between the three Powers may well be the beginning of a closer and more elaborate working understanding between them. Any development along these lines will, in my opinion, however, depend to a great extent upon the attitude of Great Britain, France, and even that of the United States toward Germany and Italy. There is already a tendency to crystallize a fascist bloc in opposition to the democratic Powers, and unless any further strengthening of the two contrasting blocs can be offset by a re-establishment of good relations between England and Germany or England and Italy, there will be a serious menace to world peace in the years to come.

Up to the present, however, this crystallization of opinion does not appear to be general throughout Italy, the public of which seems inclined to view the anti-communist policy of its Government with a certain measure of disinterestedness. Although the newspapers, as on no other occasion since my arrival in Italy, have spread their enthusiasm for the tripartite Pact across many columns of print, its purport does not appear to have been communicated to the general public, which at first did not understand the matter and finally has apparently accepted it without question or enthusiasm but merely as another phase of Italo-German friendship.

It appeared to Count Ciano's statement that he was prepared to open conversations looking toward a complete settlement of differences with Great Britain but that the question of recognition of the Empire must be settled before

before the Italians and British could make much progress, there is no doubt that he and the Duce are anxious to settle their differences with the British Government. It is also possible that their desire in this respect may be accentuated by the realization that the Italian people are not whole-heartedly behind the present German-Italian entente. The Department is well aware that no great warmth of feeling exists between the German and the Italian people. One does not have to look far to hear expressions of regret that the international situation has made bed-fellows of the two nations. There is, on the other hand, the traditional tradition of associations with England; this, in background, it seems to me, is not [illegible] make itself felt in some mysterious way in spite of the great influence directed from above and [illegible] the press in favour of Germany. Recognition of Ethiopia by the British Government would, however, before the Italians [illegible] recognition of their [illegible] necessary to the Italians, not only [illegible] but also [illegible] with their enemies [illegible] by securing [illegible] to feel [illegible] Government [illegible] Italian people [illegible] the moment, if not [illegible] Great [illegible]

appear and so permit their relations to become normal once more. Furthermore, I am convinced that in this way, and in this way only, can there be brought about a change in the directives of the Rome-Berlin axis and a further consolidation of the bloc of the three great fascist Powers prevented.

There is nothing new in the assurances given me by Count Ciano that Italy has no political interest in Spain other than to prevent it from becoming a communist state (see my despatch No. 634 of November 3, 1937), except that on this occasion he admitted that, although Italy had no desire for special economic advantages, it would be pleasant if it could receive some cash remuneration for what had been spent on the Spanish campaign. It is to be noted, also, that he emphasized that Italy did not wish any special economic advantages in Spanish territory at the expense of other nations.

The Italian attitude toward communism in Spain has always been a subject of my conversations with the Minister. He has noted, in the American, British and French press, statements to the effect that Italy more than any other country is responsible for the present chaotic conditions there and that without her interference the Spanish people themselves would long ago have settled their differences. Ciano took this occasion to assure me once more that the Italian Government has long been convinced that the Soviet authorities had for some time been planning a revolution

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in Spain which would result in the establishment of a Spanish communist state. He brought to my attention the volume entitled "L'Expérience Rouge", which was published by Yvon Delbos in 1933, shortly after the latter's return from a visit to Moscow as a representative of the French press, and seemed to attach much importance to the reference on page 185, which in translation reads as follows:

> In speaking of the Museum of the Revolution at Moscow, Delbos wrote that "Finally, a special room is devoted to the future communist revolution in Spain, with issues of newspapers: LA BANDERA ROJA, LA PALABRA, etc. ....., pictures of Castilian bolshevists, scenes of strikes and riots. From this it appears that the Soviets count in advance on their first success of contagion among our friends on the other side of the Pyrenees."

Undoubtedly Count Ciano considers M. Delbos's statement as a convincing proof of the Soviet intentions with regard to Spain. I assume the Department is already in possession of this volume, but if not, I shall of course be glad to forward the copy presented me by the Minister.

In illustration of the Fascist methods of dealing with labor conditions and of checking any spread of communist doctrines among the working class in Italy, Count Ciano sought to convince me that the Fascist method of bringing about the necessary cooperation between employer and employee, as described in the memorandum of our conversation, has achieved remarkable results and that the great mass of laboring people are heartily in sympathy with the present form of governmental supervision over their [illegible] with their employers, to [illegible]

do, that their interests are fully protected by a Government which exercises parental control over employer and employee. While the Minister's assurances in this respect may be true in a large measure, I am aware that all is not serene and that there is a growing dissatisfaction against the rising cost of living and the wage scale, which, although it has recently increased, has not kept pace with higher living costs.

In this connection, it may be stated that it is becoming increasingly difficult in Rome to obtain first-hand reliable estimates concerning economic conditions, particularly in the industrial regions. Others of my colleagues, including members of the German Embassy, have confessed to the same difficulties. It was for this reason and for the purpose of securing directly from the consular representatives throughout Italy their impressions with respect to this situation that I had planned to hold the Consular meeting, mentioned in my telegram No. 170 of November [illegible]. In view of its postponement, the Military Attaché of the Embassy has, however, volunteered to visit certain of the principal industrial centers in the north of Italy in order to obtain further light on the situation. These visits are worthy of mention if only to indicate to the Department that we are endeavoring to follow the developments and all currents of opinion as closely as possible.

Respectfully yours,

William Phillips

[illegible]

Enclosure to despatch No. 654 of November 17, 1937, from the Embassy in Rome.

M E M O R A N D U M

I called upon Count Ciano this afternoon and told him that I had no instructions to ask questions with regard to the Italian signature of the anti-Communist Pact but that I would be very grateful if he would tell me anything he felt appropriate with regard to its background and purpose. He said that he would keep nothing at all back from me as he always wished to be entirely frank with me in every respect. First of all, there were no secret undertakings connected with the pact. It was nothing more than what it stated, nothing more than a three-cornered recognition of the attitude of the three Governments in their opposition to communism in their respective territories. He himself had not the slightest objection to the Soviet form of Government in Russia, - in fact in many ways it was far better than the old imperial form of government. For years the Italian Government had tried to believe that there was a distinction between the Soviet Government and the Third International, but like all the world, they had been forced to the conclusion that there was no difference whatsoever.

I asked the Minister whether he was under the impression that any other countries were preparing to join the pact. He replied in the negative, adding that he had received a number of sympathetic messages from other Governments (which he did not name), and that he did not believe that there were any Governments now prepared to join the pact.

The Minister then went on to describe the attitude of Fascism towards the working class in Italy - how the worker

had been taught over a period of years to believe that he was better off under the capitalist system with a Mr. So-and-So or a group of Mr. So-and-Sos as his boss, but with the Italian Government standing over and above his relationship with his employer, than if the worker had no one but his Government to deal with. The Fascist Government feels that the Italian laborer is satisfied under the present system, and is not liable to be tempted by communism. On the other hand, he said, as he had told me frequently in the past, when the Italian Government became convinced that the Soviets had deliberately sought to make of Spain a communist center for the purpose of spreading bolshevism throughout Europe and the rest of the world, then there remained no alternative but to resist, for a communist Spain would be a menace to Italy. He asked me whether I had ever seen a book published by Delbos in 1933, when the latter was a newspaper correspondent. He described the visit of Delbos to Moscow as reported by him, how he had gained admittance to the bureaus of the Third International, and how he had seen the actual plans for the forthcoming bolshevik activities in Spain. The book, however, had been withdrawn from circulation almost immediately after its publication, and Ciano himself had only been able to obtain two copies. At this point he rang for his secretary and asked to have the two copies brought to him and gave me one, which he said he would be glad to have me forward to Washington if I so desired, inasmuch as the references to Spain had a special interest in coming from Delbos.

Ciano then restated Italy's future attitude towards Spain.

He said that no one knew better than he that Franco, even if he so desired, could not give to Italy, in return for Italy's efforts on his behalf, "one inch" of Spanish territory, and that if he did so, "it would be the death of his government." Moreover, siad Ciano, we should hold him "in contempt" if he tried to do anything of that kind, for we know that it would be contrary to the spirit of the Spanish people and to the welfare of any Spanish government to hand any territory, whether the Balearic Islands of any other part of Spain, to any foreign government. Continuing, he said that Italy has no political interest in Spain other than to prevent the set-up of a communist state, nor has it any desire for special economic advantages. It would be pleasant, he said with a smile, if Italy could in some way receive a little cash to make up for what it had spent, but he reiterated that Italy did not wish any special economic advantages at the expense of other nations in Spanish territory.

I referred to the newspaper comments emanating from London with regard to possible resumption of negotiations with Italy and asked whether this was a helpful sign. Ciano said that he would tell me, but only in the strictest confidence and not for repetition to anyone except, of course, my government, that he had been urged to go to Brussels for the purpose of meeting Eden. He had declined for two reasons: because the conference was a failure and he did not wish to be regarded as having contributed to its failure, and because he did not feel that it would be of any use to have a half an hour or an hour's talk with Eden at this moment. He said that even a five-minutes conversation with Eden in Brussels would excite the press to

such

such an extent that if there were no immediate developments, matters would be worse than ever. He stated, however, that he was ready to meet Eden any time after the ground had been laid for the meeting, and, as I gathered, rather to seal the negotiations through a friendly contact than to negotiate with Eden directly. At this point I said that personally I could not understand the great divergence of views between the two Governments, in view of the fact that the principal divergence of views - that with regard to the Mediterranean - had been so satisfactorily adjusted by the gentlemen's agreement. Ciano was emphatic in his assurance that every word of the gentlemen's agreement conformed to the Italian views of today; and he agreed with me that there was no material divergence of views between the British and the Italians except - and this of course was important - mutual distrust. The British, he admitted quite frankly, did not trust the Italians and had reached the conclusion that the Italian military and naval armaments were for the sole purpose of striking at them. The Italians, on their part, were equally distrustful and were convinced that the British armaments were to be used as a weapon against them. As Ciano put it, the Italians had scored over the British in the first round - for example, Ethiopia - and the British were preparing to score over the Italians in the second round. Mutual distrust, therefore, was the only serious problem between the two countries. He himself was ready at any moment to open conversations looking towards a complete settlement, and he seemed to be sincerely hopeful that some step in this respect might soon be made from London. It was evident that he was waiting

for London and was not contemplating taking any initiative from Rome. Ciano added that in addition to mutual distrust there was, of course, the question of the recognition of the Empire before the Italians and the British could make much progress. A number of matters between them remained to be adjusted and as they were mostly colonial matters, recognition of the Italian colonies was a necessary preliminary.

William Phillips.

R O M E, November 12, 1937.

EMBASSY OF THE
UNITED STATES OF AMERICA

ROME, January 5, 1938.

CONFIDENTIAL

No. 737

Subject: Present status of Anglo-Italian relations.

STRICTLY CONFIDENTIAL

DIVISION OF EUROPEAN AFFAIRS
JAN 21 1938
DEPARTMENT OF STATE

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DEPARTMENT OF STATE

741.65/443

The Honorable,

The Secretary of State,

Washington.

Sir:

I have the honor to refer to my telegram No. 531 of December 23rd, 5 p.m., 1937, in which it was outlined that the British Ambassador to Rome was pessimistic about present prospects of improving relations between Italy and Great Britain, as well as to my telegram No. 2 of January 4th, 4 p.m., 1938, in which it was indicated that Lord Perth considered that positions previously taken by both the British and Italian Governments had relaxed somewhat, although it was not yet clear to him to what extent.

1./ I now have the honor to enclose with this despatch copies in translation of a memorandum which was given by a representative of an unspecified French radio agency to ...

to the Polish Ambassador here, which the Polish Ambassador transmitted to Lord Perth, who, in turn, gave it to me. As will be seen, the Memorandum enclosed deals with an interview between the French representative concerned and M. Anfuso, Assistant Chief of Count Ciano's Cabinet.

There seems reason to believe that this interview given by M. Anfuso was intended to be brought to the knowledge of the British and Polish Ambassadors and perhaps other diplomatic representatives, and it may be of interest to note that it was granted on December 28th, 1937. The Department will recall from my telegram No. 2 of January 4th, 4 p.m., 1938, that on December 23rd, 1937, the Italian Chargé d'Affaires in London called upon Mr. Eden and presented an Italian proposition which broadened the base of proposed discussions between the British and Italian Governments. The fact that M. Anfuso granted the interview under reference after the above mentioned démarche of the Italian Chargé d'Affaires would seem to indicate that Italy is still using all means available to force Great Britain into recognition of the Ethiopian conquest. Reference my telegram No. 531 of December 23, 1937.

Lastly, in the above connection, it may be said that a usually reliable foreign press correspondent, in conversation with a Secretary of this Embassy recently remarked that at his last interview with Count Ciano, Count Ciano practically quoted Machiavelli, to the effect that "in matters of foreign policy strong measures should be done strongly and kindnesses spread out thinly over a large surface."

Respectfully yours,

William Phillips.

Enclosure:
1. Translation of Memorandum.

EA:SR/wrm 710.

Enclosure No. 1 to despatch No. 737 of January 5, 1938,
From American Embassy, ROME.

(Copy)
Translation

Confidential Rome, December 28, 1937.

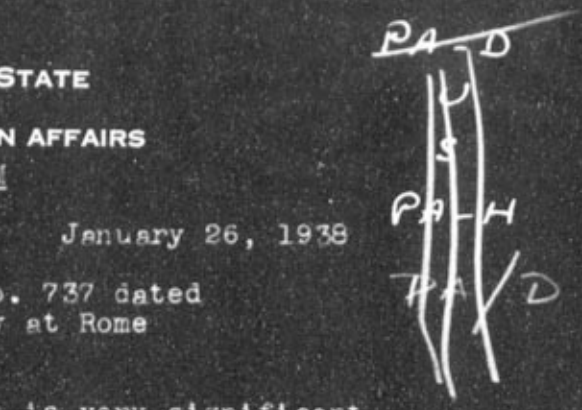
M E M O R A N D U M

I went to the Chigi Palace where I was to see Mr. Anfuso, Assistant Chief of Count Ciano's Cabinet. During the course of the conversation I alluded to the debate which took place recently in the House of Commons. Mr. Anfuso said to me:

"In a good many countries the impression exists that we are on the way to war, even that a war is not too far distant. Certainly a European war will depend on the decisions taken by Great Britain. The accord between Rome, Berlin and Tokyo is very useful to the three powers which have signed it. It was Germany which proposed it, first to Japan and then to Italy, and it is possible that Germany even counseled Japan to act in China the moment being opportune. Moreover, all this is clear and logical. Great Britain finds herself in a very embarrassing situation; either to interfere in the Far East and run risks in Europe or to watch over Europe and lose all her positions in the Far East. Great Britain fears that, if she intervenes in the Sino-Japanese conflict, Germany and Italy profiting by her temporary weakness might attempt a double stroke; first against Czechoslovakia, second, against Egypt. In this way it is believed in certain British circles that Italy would seize the Suez Canal and oblige Great Britain to give up using 'the Empire Route' in communicating with the Far East.

That....

That would even more enfeeble Great Britain and would favor Tokyo. If London does not intervene in China, limiting itself to making violent but platonic protests, Japan will complete the occupation of all Chinese territory and the new government of China will recognize (as, moreover, the Japanese news agency Domei has announced) the contractual rights of the anti-communistic powers, Italy, Germany and Japan, as well as their economic interests in China. All this to the detriment of Great Britain (and also the United States) which will find themselves on an inferior footing vis-à-vis the three powers referred to. As one can see, the position of the Government in London is a delicate one. It is the Anti-Comintern accord in successive acts. Under these conditions, the British game would appear to be clear; gain as much time as possible, proclaim a desire for a general understanding, hold forth the possibility of Anglo-German and Anglo-Italian conversations in order to achieve complete rearmament. But it is evident that the others will not allow themselves to be taken in by this dangerous but discovered game. That is why either Great Britain must make up her mind to negotiate seriously or else she will not be given time to get ready. It is in this sense that a European war depends on Great Britain's decisions."



DEPARTMENT OF STATE

DIVISION OF EUROPEAN AFFAIRS

MEMORANDUM

January 26, 1938

Observations on Despatch No. 737 dated January 5, from the Embassy at Rome

In my opinion this despatch is very significant.

I agree with Mr. Phillips's conclusion to the effect that the account of the interview given by Anfuso (who, incidentally, is probably the most influential of Ciano's confidential associates) was "planted" on the British Ambassador in Rome with a view to exerting pressure on the British to recognize the Italian conquest of Ethiopia without delay. I would go a step further, however, and say that the document might well be regarded as something approaching an ultimatum. In any event, telegram no. 13 of January 25 from Mr. Phillips indicates clearly that the British Ambassador to Rome, Lord Perth, who as Sir Eric Drummond was for many years Secretary General of the League of Nations, is now definitely of the opinion that Italy's conquest of Ethiopia must be recognized by Great Britain before the long delayed Anglo-Italian conversations can take place, and is favorable to such recognition.

I feel certain that the Italians used similar "planting" tactics with the same British Ambassador during the Ethiopian campaign in order to convince the British that they were not bluffing and were prepared to fight

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the British or anyone else in the Mediterranean if necessary. A meeting of the Fascist Grand Council was held during the last half of November 1935. Up to that time the British Embassy, it seemed to us, had always held the opinion that the Italians would back down at any real threat of war. Very soon after the above-mentioned meeting of the Fascist Grand Council I saw the First Secretary of the British Embassy, who was Sir Eric Drummond's closest collaborator in handling the Ethiopian situation. The First Secretary had changed his attitude completely. Instead of belittling the possibility that Italy would go to war as he had always done heretofore in spite of any arguments of mine to the contrary, he excitedly told me that his Embassy had just received evidence to the effect that the Italians were not bluffing after all and that I had better so inform my Government as soon as possible. It was of course not necessary for me to follow out his advice as the American Embassy had been reporting nothing else for weeks.

I have reason to believe that the change of opinion in the British Embassy was brought about by the following: The Italian authorities saw to it that the secret minutes, or at least an account of the proceedings, of that Fascist Grand Council meeting, in which some very solemn

pledges

pledges were said to have been taken all around to flank to the finish, reached the hands of the British Ambassador. Sir Eric Drummond was so impressed by what took place in the meeting that he forthwith decided that a compromise must be made in order to avoid war, and so reported to his Government. The result was that the Hoare-Laval plan was hastily gotten together and submitted to Mussolini on December 11. On December 19 the British Cabinet repudiated the Hoare-Laval proposals and Great Britain lost any chance she might have had of saving something for herself out of Ethiopia. In this way, it seems to me, the "planting" of the secret minutes of the Grand Council meeting with the British Ambassador led the British to back down and gave Italy a clear road to conquest.

I don't believe this angle of the Ethiopian affair was ever presented officially to the Department.

H. H. Tittmann

Eu:Tittmann:LF

TELEGRAM RECEIVED

JR
This telegram must be closely paraphrased before being communicated to anyone. (B) (C)

FROM Rome

Dated February 3, 1938

Rec'd 11:04 a.m.

Secretary of State,

Washington.

30, February 3, 1 p.m.

VERY CONFIDENTIAL.

I had an extended conversation last evening with Count Ciano and frankly expressed my personal concern over the apparent trend of affairs in the world. I mentioned that public opinion in the United States looked at affairs very differently from public opinion in Italy, that certain impressions were becoming crystallized which were affecting unfavorably the relations of the two countries. I touched upon the PANAY incident, the relations of Italy and Japan, to the continued tension between Rome and London, and the impossibility of understanding why this tension was permitted to continue and develop. The Minister gave me most definite assurances that there was no understanding whatsoever of a military character between Italy and Japan. He then said he desired to speak to me not as Foreign Minister to Ambassador but purely personally and most confidentially. He could not give me details but he could tell me that he was confident that British

recognition

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recognition of the Empire would come soon; that conversations between the British and Italian Governments were also not far distant; and that once good relations with Great Britain were established the whole European atmosphere would change for the better. He said most earnestly that war was the last thing in the world that Italy desired; that war with Great Britain would be fatal to both countries and that the Duce was determined to have peace. There would have been ample opportunities for war he reminded me if either country had so desired and in this connection he mentioned the sinking of the ENDYMION. I said I was glad to have his assurances but added that in my opinion time was running against him and that unless there was some early improvement in the situation forces would continue to develop and incidents might occur which would make it more difficult to arrive at satisfactory solutions of problems. I again expressed the urgent hope that prompt action would be taken along the lines which he had intimated as possible.

Yesterday I also had a conversation along somewhat similar lines with the Undersecretary for Foreign Affairs Bastianini. He too gave me similar assurances with regard to Italo-Japanese relations to which I replied that unfortunately long distance observers have to judge from

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the way things appear to them. The Undersecretary said that the Italian Government stood ready at any moment to discuss all points of conflict with the British; that there had never been any reluctance on their part to do so but that he himself and many others had become convinced that Great Britain did not desire to negotiate with Italy until their armament program had been completed and they were ready to enforce their own terms upon Italy.

PHILLIPS

PPD

TELEGRAM RECEIVED

CA
A portion of this telegram must be closely paraphrased before being communicated to anyone (S)

ROME

FROM

Dated Feb. 17, 1938

Rcvd 6:05 p.m.

Secretary of State,

Washington.

54, February 17, 7 p.m.

(GRAY) An informazione diplomatica communique this afternoon set forth the official views of the Italian Government regarding the meeting between Hitler and Schuschnigg and derides the international press comment with respect to the Italian attitude and considers that the Berchtesgaden meeting and the changes made in the Austrian Cabinet are the natural developments of relations between Germany and Austria on the basis of the agreement of July 11, 1936 which established the essential character of Austro-German relations through the explicit declaration of Austria that it was a German state and which was intended to prepare the way for an understanding between Austria and Germany founded upon realities.

The communique continues that "the Fascist Government has always considered and continues to consider that cordial relations and close collaboration between the two German states not only respond to the unalterable conditions of fact but to the essential interests of peace and tranquillity in Central Europe" (END GRAY)

This

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This expression of the official Italian view was confirmed to me by Count Ciano today. While the Minister admitted that the inclusion of Seyss-Inquart a strong pro-Nazi leader in the Austrian Cabinet meant a pronounced increase of German influence in Austria he nevertheless felt that it was far better to have cooperation between the two governments since any increase of Austrian opposition or hostility to Germany might of itself be an invitation to Hitler to take some drastic step. Ciano also told me that there would be very much closer cooperation between the German and Austrian armies and that during the next year there would be an exchange of high ranking officers between the two armies.

The Austrian Minister here Berger-Waldenegg who as the Department will recall was formerly Austrian Minister for Foreign Affairs takes a somewhat optimistic attitude presumably representing the official Austrian interpretation. During a conversation with him today he expressed the view that the Berchtesgaden conversations had been beneficial and represented a fairly satisfactory compromise between the demands of Hitler and the views of Schuschnigg. Berger-Waldenegg regarded Seyss-Inquart as thoroughly loyal to Austria and not an out and out Nazi. He considered Hitler's public reaffirmation of the agreement of July 11, 1936 a most useful accomplishment since Austrian Nazis had in the past refused to regard it seriously because it had been

negotiated

negotiated and signed by Neurath. They had used as their excuse for continuing to make trouble that Hitler had not been in sympathy with the agreement. Berger-Waldenegg added that the meeting had been carefully prepared in advance and that negotiations along this line had been going on for about five weeks during which the Italian Government had been kept fully informed.

I gain the impression that the Italian Government is not dissatisfied with the present arrangement since it recognizes the importance of the 1936 agreement in the maintenance of Austrian independence and therefore welcomes any development which might tend to strengthen the agreement and prevent the increase of Austrian hostility toward Germany. On the other hand the elements in this country which have been previously described as either hostile or indifferent to the Rome-Berlin axis are concerned lest recent developments mean such a weakening of Austria as might encouraged Hitler to take further steps.

Repeated to Vienna.

PHILLIPS

TELEGRAM RECEIVED

EG 1—1536

This message must be closely paraphrased before being communicated to anyone. (B)

FROM
Rome

Dated February 23, 1938

Rec'd 3 p.m.

Secretary of State,

Washington.

39, February 23, 6 p.m.

My 37, February 22, 5 p.m.

As viewed from Rome the promise of successful negotiations with the British Government has brought about a decided change for the better in the European atmosphere and already there seems to be a détente in the hardening process which has been developing between the opposing oratory of nations. Assuming that the negotiations are satisfactorily concluded it is a good guess that nothing of a very disturbing nature will happen in Europe during the next year or two. The moment chosen for the conversations seems particularly fortunate for the following reasons:

(One) According to my information the Italian Government was not notified beforehand of Hitler's demands upon Schuschnigg at the recent Berchtesgaden conversations although aware of the certain fact of the exchange of invitations between Schuschnigg and Hitler.

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was not contented with this procedure on the part of Hitler but there was nothing for him to do but make the best of it. It seems possible therefore that the axis may have had its first dent.

(Two) Franco's favorable progress in Spain together with the almost certainty that Italian soldiery is no longer essential to him.

(Three) The announcement by Chamberlain that he is prepared to recognize the Empire has already cleared the atmosphere to an astonishing degree.

PHILLIPS

CSB

TELEGRAM RECEIVED

A

This telegram must be closely paraphrased before being communicated to anyone (C)

ROME

FROM

Dated March 10, 1938

Rec'd 6:50 p.m.

Secretary of State,

Washington.

DEPARTMENT OF STATE
MAR 11 1938
DIVISION OF NEAR EASTERN AFFAIRS

DIVISION OF EUROPEAN AFFAIRS
MAR 10 1938
DEPARTMENT

86, March 10, 7 p.m.

STRICTLY CONFIDENTIAL

My telegram No. 40, March 3, 1 p.m.

The following account of Perth's conversation with Ciano on March 8 has been given the Embassy in strict confidence.

The British Ambassador read to Ciano a memorandum outlining the various points mentioned in my telegram under reference and was informed in reply that the Italian Government for the present had no other questions to add to the agenda but would reserve its right to do so subsequently. Ciano promised to refer the points raised to the Duce and it was agreed that the conversation should be considered as having a purely preliminary character.

The principal questions which apparently may give rise to certain difficulties are: (one) the extension of the Mediterranean agreement to other powers and (two) the Spanish question.

With respect to the first, if the pact is to be open to accession, by means of a unilateral declaration, of the other Mediterranean powers the question will arise as to the

inclusion

inclusion of Spain. Any Mediterranean pact without Spain would seem in Italian opinion incomplete; and Italy would not apparently be willing to accept the adherence of both Spanish Governments while on the other hand Great Britain would not be prepared to exclude the Republican Government.

While Ciano expressed considerable disappointment over the necessity of the delay in recognition by Great Britain of the Italian conquest in Abyssinia he seemed to attach more importance to the Spanish question and remarked that "a settlement of the Spanish question might postpone the conclusion of the agreement beyond the May Council." Ciano asked the British Ambassador to determine what the British Government required as evidence that satisfactory progress had been made in Spain. He pointed out that in the matter of withdrawal from the Balearic Islands there were no Italian land forces there but only a certain number of Italian airplanes with some Italian and some Spanish pilots. He thought that it might be difficult to do anything about this since the question of airplanes had not been raised at the London committee but promised to look into the matter. He also wished to know whether the conclusion of an Anglo-Italian agreement was dependent upon the practical application of the British formula for the withdrawal of volunteers which had been agreed to by the Italian Government as the preliminary to begin the conversation and if so exactly what was meant by "practical application". In this connection

Ciano

Ciano gave formal assurances that Italy had every intention of loyally implementing its acceptance of the British formula. It was thereupon agreed that the British Ambassador would seek further instructions on these points the solution of which would remove the greatest obstacle to the satisfactory conclusion of the negotiations.

In discussing the question of propaganda Ciano pointed out that the anti-British propaganda in the Italian press had practically ceased; that such propaganda was a consequence and not a cause of Anglo-Italian difficulties and that it could easily be handled if an agreement were reached.

In the matter of Italy's adherence to the London Naval Treaty Ciano gave the impression that provided other matters were settled this subject would present no practical difficulties.

The British Ambassador informs me that Ciano spoke with the greatest possible earnestness to the effect that the Anglo-Italian settlement would be the greatest step toward peace in Europe which could be taken at the present time; and from other sources it appears that the Italian Government is most anxious to conclude an agreement as early as possible--possibly before Hitler's arrival in May.

PHILLIPS

(#) apparent omission

NPL ROG

GRAY

TELEGRAM RECEIVED

Rome

Dated March 31, 1938

FROM Rec'd 9:15 a.m.

Secretary of State,

Washington.

80, March 31, 11 a.m.

The Duce's speech on the military budgets yesterday afternoon was vigorous in tone and content but was not in my opinion more bellicose than other declarations he has made in the past and was probably intended for French consumption. He again stressed Italy's readiness to fight in case of need and the confidence he expressed in the preparedness and morale of this country's land, sea and air forces carried a feeling of conviction.

His statement that air warfare should be conducted in such a way as to weaken the morale of enemy populations and his reference to the successful operation of Italian planes against planes of American and French manufacture in Spain will probably attract most attention in the American press as will his affirmations that Italy leads the world in submarine strength and has 580,000 workmen employed under military discipline in the production of arms and munitions.

Full translation by tomorrow's pouch.

PHILLIPS

CSB

765.00/112

THE FOREIGN SERVICE
OF THE
UNITED STATES OF AMERICA

AMERICAN EMBASSY
Rome, March 31, 1938.

No. 845

Subject: Mussolini's Speech of March 30, 1938, in the Senate on Italian Military Affairs.

DIVISION OF
EUROPEAN AFFAIRS
APR 15 1938
DEPARTMENT OF STATE

765.00/113

The Honorable

The Secretary of State,

Washington.

Sir:

765.00/112

Referring to my telegram No. 80 of March 31, 11 a.m., I have the honor to transmit herewith a 1/2/ copy and translation of the speech which Signor Mussolini delivered in the Senate on March 30, 1938, concerning Italian Military strength in connection with the consideration of the annual budgets of the Army, Navy and Air Force.

In presenting this address, the Duce presumably spoke

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APR 29 1938

spoke not only as Chief of the Government, but also as Minister of War, of Marine and of Aviation. His remarks were received with enthusiastic applause by an audience which had been packed for the occasion with officers of the armed services. The members of the Lower Chamber were also present in force. As is customary on such occasions the streets and public squares in the vicinity of the Senate were thronged with men and women and the leaders of several groups were observed to be collecting cards from each individual, apparently in order to check up on those who had failed to obey the summons to participate in the demonstration.

In addition to the points in the Duce's speech mentioned in my telegram under reference, considerable speculation has been aroused concerning the significance of Signor Mussolini's injunction to residents of large cities to remove themselves without delay to smaller towns and country places as a measure of protection against aerial bombardment. There is indeed much conjecture whether this warning is to be taken immediately at its face value.

Just after the Duce's departure from the Senate, both Chambers approved legislation creating the position of "First Marshal of the Empire" and conferring that rank on the King and on Benito Mussolini.

Respectfully yours,

William Phillips

Enclosures:

Enclosures:

1. Copy of Mussolini's Speech of March 30, 1938 on Italian Military Affairs.

2. Translation of above speech.

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Enclosure No. 2 to despatch No. 845 of March 31, 1938, from the Embassy in Rome.

MUSSOLINI'S SPEECH OF MARCH 30, 1938

to the Senate on Italian Military Affairs.

(Translation)

Exactly thirteen years have elapsed since the day - April 2, 1925 - when I had the honor of speaking before you on problems of military character. In that now long-ago, but perhaps not entirely forgotten speech, I described in its fundamental aspects the problem of our defense and of our organizations. I venture to state that since that time there was a compass which guided our progress, a goal toward which we directed our energies day by day: a goal which is summed up in the following program: to render increasingly efficient and increasingly to be feared the armed forces of the nation.

After thirteen years I desire to inform you in the tersest and most complete manner possible, and with the necessary reserve on certain data, of what has been done for the Army, the Navy, and the Air Force.

(The Army)

I shall begin with the army, upon which falls the burden of defense of our land frontiers. I add immediately that "defense" must not be interpreted in a restrictive sense; frequently the best defense is offense. Now, as regards land frontiers, nature has seen to it that Italy is guaranteed considerable coefficients of security. When certain passes have been rendered hermetic - which is being done - the Alps are, all along the remainder of the great circle, impassable, and not during the winter months alone.

(Natural Frontier Defenses)

In ....

(Man Power) In the shelter of this gigantic fortification, marked out by God through the centuries, there lives and develops a people whose numerical strength already places it, excluding Russia, in the third place in Europe, while it is one of the most homogenous peoples of the earth. Within the current solar year, Italy will have more than 44 million inhabitants. Within ten years it will, in home territory alone, reach 50 million. This fundamental fact must be taken into account in discussions of arms and armies. Without men battalions are not made, and many men are needed to form the "big" battalions. Calling up men between 21 and 55 years of age, Italy can mobilize eight million men; if the young men of 18, 19 and 20 are added, the total amounts to more than nine million. Estimating that 50 percent of this number is destined to service behind the lines - which is important especially in view of the characteristics modern warfare is assuming - there still remain between 4 and 5 million first-line combatants.

You cannot but admit, honorable comrades, that this is an imposing force. As of March 1 of the current year, we can and within a short period of time completely mobilize a largernumber of units than that which was used in the battle of Vittorio Veneto. This shows you how ridiculous are the polemics in certain transalpine circles to the effect that the African war has weakened us, as has the institution of two army corps in Libya or the participation of volunteers in the Spanish war. All this has, on the contrary, formidably strengthened us, and not merely from the viewpoint of morale, as is the case when one wins, but as regards also the equipment which we have gradually replaced and therefore brought up to date and perfected...

perfected, and as regards the officers and men who have had the great experience of a war lived and won and it is the only army since the world war that has had that experience.

Along with those great leaders whose names are Badoglio, De Bono, Graziani, there are dozens of generals who have waged or re-waged war: they have, that is, once more proved themselves in that supreme event in the life of peoples; there are thousands of officers of every rank who have led men into battle - against a bellicose and cruel enemy such as the Abyssinian, or in a war which has now assumed classic European character such as the Spanish war; there are, finally, hundreds of thousands of privates who have marched, fought, suffered in waging warfare that, even in the case of Ethiopia, presented extraordinary difficulties and assumed continental character.

It is my intention that all these men who have the experience of one, two, and sometimes three wars shall form at the proper moment one or more armies of maneuver and assault.

(Morale) I shall not dwell on the "morale" of these troops or of the fresh recruits. It is simply superb and is destined to improve still further as the G.I.L. (Italian Youth of the Lictor), determined upon by me, prepares the new generations morally, physically, and politically for their ever more arduous tasks. Thus, as the glorious veterans of the world war who victoriously measured themselves against traditionally warlike races such as the Austrian and the Hungarian, decline, their sons and grandsons come forth, capable of following the example of their elders and with the evident determination to surpass them. The

officers ....

officers of the Italian Army, of all armies and corps, by virtue of their lofty sense of duty, their physical and moral courage, their integrity and chivalry, their comradeship and spirit of sacrifice, truly constitute a hierarchy of national values worthy of the most unconditional respect. As to the problems affecting them, the policy is to solve these in such a way that the legitimate needs of individuals are reconciled with the superior collective needs of the Army and the Nation.

No less meritorious are the non-commissioned officers, to whose condition the Ministry is giving its particular attention.

(War Industry's organization)

To mobilize millions of men, enormous material equipment is required, the extent of which ranges from a million to a billion (as in the case of cartridges for firearms). The Cogefag, or more intelligibly the Commissariato Generale per le Fabbricazioni di Guerra (Commissariat General for War Manufactures), instituted in 1935 and most competently directed by Senator Dalolio, is the body which coordinates, controls, and urges on all those plants which are uninterruptedly working for the armed forces. These plants, which are called auxiliary plants, total 876, with 580,033 workers placed under military discipline. I add immediately that the discipline of the workers in the auxiliary plants is perfect.

(Italian theories of warfare.)

This is not the most fitting place to describe our doctrine of warfare, as we have worked it out and brought it up to date in the light of our own and other peoples' past and recent experience. I shall merely say that we are working to prepare men and material for rapid warfare. For this reason there cannot be too much attention given

to ...

to the individual training of the soldier and collective training of units in close and open order; the infantry, which always was and always will be the queen of battles, can never be sufficiently supported by the artillery or equipped with artillery; the attack can never be sufficiently fed by innumerable reserves so that tactical success may become strategical success, which is the purpose of the battle. Motorization can not be carried beyond a certain limit without thereby offsetting its advantages. The division, to be called a division, cannot have fewer than nine battalions. The superior and subordinate officers must possess in maximum degree a sense of responsibility and spirit of initiative and decision. There cannot be sufficient coordination of the activities of the various units and of the supply services, or - as regards the sum total - sufficient harmonization of the action of the Army, the Navy, and the Air Force, to carry out what I call the unitarian conduct of integral warfare, that is, swift and implacable.

(Unified Command) In Fascist Italy the problem of unity of command - which torments other countries - has been solved. The political-strategical directives of warfare are established by the Chief of Government; their application is entrusted to the Chief of Staff and dependent organs. History - our own as well - shows us that dissension between the political and the military conduct of war is fatal. In the Italy of the Lictor this danger does not exist. In Italy war will, as it was in Africa, be directed under the orders of the King by one man alone, by him who is speaking to you, if, once more, if, once more, destiny should hold in store for him that grave task.

The .....

(The Navy)

War on land is facilitated or hampered by greater or lesser control at sea. What naval control means in the development of national power is demonstrated in the light of history and by our own national experience. Italy, especially Italy, has the duty rather than the right to possess a navy worthy of that name. We are building one. Here, too, the problem has simple terms: construction, cadres, bases. Post-war discussions between the advocates of battleships and those in favor of innumerable smaller craft have spent themselves, like all discussions of a rather theoretical nature. It is certain that battleships are not sufficient to form a navy, but it is still more certain that a navy cannot be formed with the famous naval "spray powder". Even without the privilege granted us by the Washington Conference we should ultimately have built battleships. We decided at first to rennovate our old ships. This occurred during the Giolitti administration. The question was carefully considered, also because - it must be recognized - the precedents of the kind had not been successful. However, our naval engineering organization has solved the problem in the most brilliant manner. The old units have been rather than rejuvenated, made over. Two of them, the CAVOUR and the CESARE, have already entered into active service; the other two, the DUILIO and the DORIA, are in the shipyards. For the other four ships of the line we have utilized the maximum Washington tonnage, namely, 35,000 tons. The VITTORIO VENETO and LITTORIO have been launched; the other two, the ROMA and IMPERO, are being laid down. Between 1940 and 1941, and even before then if possible, the backbone of our fleet will...

(Battleships versus small craft)

(Italian Capital Ships)

will be formed by eight capital ships of a total of approximately 240,000 tons.

(Light Craft) Following the capital ships come the lighter surface craft, whose tonnage ranges between the 10,000 tons of the TRENTO and the 600 tons of the torpedo boats. This is a noteworthy aggregation of well-armed, fast, manoeuverable units, all or almost all of which have been built during our era. Then come the submarine craft. I confirm to the Senate that Italy has today the world's most powerful submarine fleet. We have left all other countries behind in such a way as to make it difficult, if not impossible, to catch up with us and wrest this supremacy from us.

(Naval Officers) The cadres of the navy are equal to their task. Theoretical and professional training in the Livorno Academy is becoming more and more thorough. During these past eventful years the Navy has given proof of its solidity and strength. Its contribution in the campaign for the conquest of the Empire was fundamental. The officers of the Supreme Staff, from the admirals to the midshipmen, are all conscious of their mission and ready for any test. To those who, in dissertations on naval strategy, advance the theory that in future wars battleships will again be retained under guard in port, as during the World War, I reply that as regards Italy this will not be the case. It is not a question of the cost of the ships: it is a question of the fiber of the men and of the orders they will receive.

(Crews) Like the ships' officers, the officers of the Naval Engineering Corps, of the Marines, and of the other corps are equally worthy of mention. In the life of a modern

warship.....

warship, the duties of petty officers and specialists are increasingly important. Training schools for such specialists are functioning in excellent fashion. The G.I.L. (Italian Youth of the Lictor) is doing its part. The discipline of the crews is admirable. Never more clearly than when boarding one of our warships does one feel the profound physical and moral change that the Regime has brought about in our people. Every time that disrespect for Italy or Fascism is shown in foreign ports, our sailors refuse to tolerate it.

(Bases) Fundamental for the efficiency of the navy is the existence of numerous and well-equipped bases. All our bases in the central and eastern Mediterranean have been especially reinforced. Along with bases, much work has

(Oil Stocks) been done as regards deposits of fuel oil, deposits which have been constructed according to the most up-to-date engineering criteria on the subject. I may say that we have supplies of naphtha at home to cover the estimated requirements for a fairly long period of operations.

The same applies to surface munitions and torpedoes. I desire to call the Senate's attention to another fact: that is, the reduction that has been made in shore duties, which were once performed by naval forces and today are performed instead by Militia formations. Coast defenses - save in certain sectors of primary importance - are entrusted to the Blackshirts, who are carrying out their tasks in the most commendable manner. Thus what might at one time have been defined as a deplorable tendency to dig into shore assignments has now disappeared, it being repugnant to the habits of the new generations.

As a result of hard lessons of experience and progressive political education, there is forming in Italy

a ...

a "consciousness" which I shall call, rather than maritime, "navalistic" in the imperial sense of the word. The men of the sea are habituated to silence, patience, precision, risk: Italy can count upon their courage, their capacity, and their self-abnegation.

(The Air Force)

It is known to you, honorable Senators, that during the years 1919 to 1922 the literal massacre of our air force was deliberately perpetrated.

It was only after Fascism came into power that the Air Force began to live again; the steps of that rebirth are consecrated in the laws and measures which restored wings to the country.

During the decade 1924-1934 the Italian Air Force was organized and brilliantly proved itself in the memorable Mediterranean and oceanic flights; the foundations were built for the great structure, whose construction began in July 1934 with an initial extraordinary appropriation of 1200 millions of lire. Four years have passed. Today the Italian air force is one of the world's foremost. Alongside the auxiliary units of the Army and Navy and of the Colonies, there has at last appeared the Army of the Air.

Several thousand planes, almost all of them very recently built, form the sum total of our air forces. Here, too, we have the trinomyn: construction - officers - bases. Some 58,000 workers are today employed in the construction of airplanes and motors in a large number of factories, no longer entirely and exclusively concentrated

(Airplane factories)

in ....

in the Po Valley but scattered also throughout central and southern Italy. The tendency of our air engineers

(Types of Planes) is toward a plane which can reconnoiter, bombard, and defend itself; toward a bomber which can effect bombardments both by day and by night; for a pursuit plane of high speed, but above all of great agility. Our C.R.32's - though not so fast - have in Spanish skies wreaked havoc among the fastest Curtis and Rata planes. The trend is toward complete, or virtually complete, metallic construction. The bimotor is indicated for scout and light bombardment planes; but for long-distance bombardment with a heavy load of bombs, a trimotor is needed. We have one which is much envied and in demand everywhere. The four-motor, under the present conditions, can be used in civil air lines. Planes with a greater number of motors have so far not been very successful. The famous Do-X, with 12 motors, after great expectations was used as scrap.

In the field of aeronautical construction we count on achieving complete autarchy. The trend is toward realizing a maximum coefficient of safety. A plane is built in a day - but not a pilot. The airplane is a machine which is made in quantity production; the pilot is a human life. This whole subject is a matter of the most intensive scientific research and practical experimentation: The City of Guidonia was created and is functioning toward that end.

(Personnel) The flying personnel of the Air Force - with the exception of men taken from the reserves for the necessities of war - has come almost exclusively from the Caserta Academy, which has been supplemented by the School of

Applied...

Applied Flying at Florence. Italian aviators - officers and non-commissioned officers - are now legendary. What they have done and are doing in peace and war has aroused general admiration. Their professional skill, their scorn of danger, is unequalled in the world. Hundreds of them have now the experience of two wars; many have fallen in combat or in the performance of their duties. In Italy there exists the possibility of having a force of 20-30,000 pilots, as a result of the air levy (system of conscripting aviation personnel) introduced by us alone, and ofthe enthusiasm prevailing among the young. In this connection the activity of the R.U.N.A, should be mentioned.

(Airports and landing fields) The whole structure of the Air Force is now in efficient working order throughout a large number of "hidden" landing fields are ready, as well as deposits,

(Deposits) constructed scientifically, for fuel and lubricants and for explosives, which are of the highest destructive

(Munitions) power. As to air bombs and torpedoes I shall say nothing further, but the progress realized is to be considered

(Theory of Aerial Warfare) highly satisfactory. Our theories of aerial warfare was applied even before being expounded in the school. Stripped of all political passion, Douhet's vision appears to us as that of a prophet. The war from above must be conducted in such a way as to break up the enemy's devices, to dominate the air, to wear down the morale of enemy populations. The whole technique of bombardment has improved, and therefore the possibility of hitting the target, even if in motion, has increased.

Aerial warfare is destined to assume increasingly great importance in the war of tomorrow.

Anti....

(Anti-Air Defenses) At this point, one must consider the possibilities of active and passive anti-air defense. For active defense one must rely first of all on multiplied reprisals, on pursuit-plane defense against invasion where possible, and on anti-aircraft battery and machine-gun fire. It must be recognized that the anti-aircraft artillery has made notable progress. As to passive defense, the most efficient means consists in the thinning out of the great demographic centers of all those -- and they are very numerous -- who are not strictly obliged to live therein. From this time I say to all those who can organize their existence in the smaller cities, villages, and country that they will do well not to wait until the zero hour. Tomorrow, should the real thing come, anything which might hamper mobilization might be forbidden, so much the worse, in that case, for the improvident and the procrastinators.

Honorable Senators:

(Blackshirts) My examination of our military situation would be incomplete, were I not to refer to the activity of the Blackshirts, both those organized in the legions and battalions and those belonging to the special militias. All together form what might be called the military organization of the nation in a horizontal direction. The Blackshirts have given proof of their valor, fighting heroically in Africa and Spain; their presence imparts to the people a habit of discipline and order. With the post-military training entrusted to the militia, tens upon tens of thousands of officers have the desired chance to serve in the ranks. The work of Chief of Staff General Russo deserves to be commended to you.

The volunteer service of the militia is of an absolutely new...

new, that is to say of a fascist, type, which may last ten years, twenty years, and even a lifetime.

From what I have told you, one conviction, I trust, will arise in your mind: that the military problems are the fundamental ones, and to them I devote the greater part of my day. This work is made much easier for me by the assiduous, invaluable collaboration given me by Undersecretaries Pariani, Cavagnari, and Valle, with whom every problem of material and men is examined and discussed: we are working together as comrades, striving toward the same identical objective.

Another conviction, I believe, has entered your minds, and that is that anyone who dared to strike at the rights and interests of the country would encounter, on land, by sea, and in the air, the immediate, resolute, proud response of an entire people in arms. Having made this clear, I hope that a third conviction will not grow among you: that is, that everything is in good shape now and we can rest easily. Precisely because a great deal has been done we must remind ourselves that the greater part remains to be done and that we shall do it at any cost. Thus we intend to ensure peace in general, but above all "our" peace. We reject illusions and mirages: for that reason we have abandoned the wholesale house that sells them at Geneva. What has always counted and still counts in relations among peoples is their military capacity. We give first place in our military capacity to the forces of the spirit. Never were they in Italy so profound, so widespread, so ardent and determined as today. Did Napoleon Buonaparte, the Italian who found in France the instrument to wield his superhuman military genius, foresee

this....

this ? When, during the Spanish War, Marshal Suchet asked the Emperor for the use of the Italian Palombini Division, Napoleon replied: "You are right. These Italians will one day be the world's best soldiers."

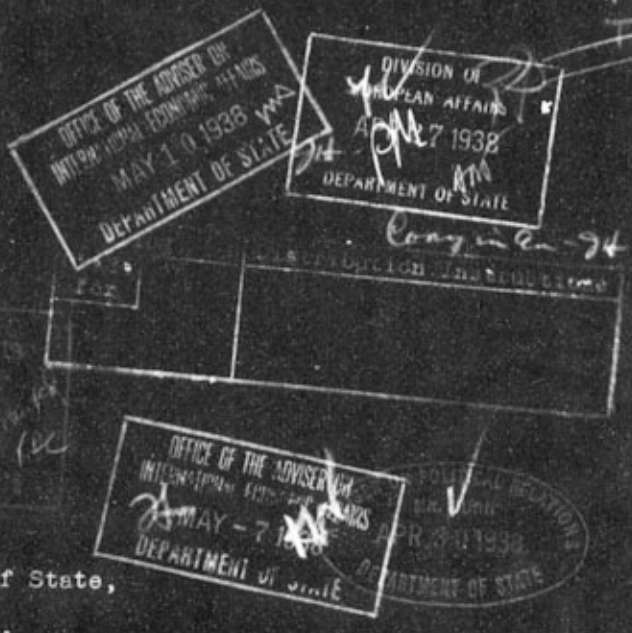
This is what we want: that the Napoleonic prophesy be transmuted into the fascist and Roman reality of our times.

EMBASSY OF THE
UNITED STATES OF AMERICA

No. 867

ROME, April 15, 1938.

Subject: Italo-French Relations.



751.65/379

The Honorable

The Secretary of State,

Washington.

Sir:

With reference to the Embassy's despatch No. 856 of April 8, 1938, concerning Italo-French relations, I have the honor to inform the Department that the Italian press in general has been publishing uncolored accounts of the development of the political situation in France and seems inclined to take a favorable view of the new Daladier Cabinet, although reserving its judgment on the possibility of the Cabinet remaining in power in the face of socialist and communist pressure.

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It is apparent, however, that the change of Government in France is universally welcomed in Italy as giving hope for an improvement in relations between the two countries, and rumors that France shortly proposes to send an Ambassador to Rome are given prominence in press articles. It is also

felt ....

felt that the successful outcome of the British negotiations has influenced French opinion. The GAZZETTA DEL POPOLO, for example, wrote on April 14th that there was no longer talk in France of intervention in Spain, of an alliance of the great democracies against the totalitarian regimes, or of war against Italy and Germany, but that there was now talk that France might hasten to follow England's example. The Government spokesman, on the other hand, while affirming that he had no knowledge of the intentions of the new French Government as regards non-intervention in Spain, maintained that French assistance to Barcelona had been intensified during the past two months and that the Daladier Cabinet carried the burden left by preceding Governments which had brought France to the brink of war. In his article of April 14th, a full summary of which is enclosed, he made further "revelations" regarding French intervention and, in particular, regarding the activity of French military officers in Spain.

1./

It has also been announced that new payment and commercial agreements between Italy and France were signed on April 14th. It is understood that these agreements abolish the clearing system and reestablish freedom of payments between the two countries, making possible the resumption of normal commercial credit operations. They also provide for measures to insure a progressive liquidation of French commercial arrears and payment of financial credits and for the establishment of a mixed commission to supervise the application of the accords. As soon as further details with respect to these agreements can be obtained,

an...

an additional report will be submitted.

Respectfully yours,

William Phillips.

Enclosures:

1. Summary of article by Virginio Gayda.

SR/wrm
710

Enclosure No. 1 to despatch No. 867 of April 15 1938.
From American Embassy, ROME.

(GIORNALE D'ITALIA, Rome,
April 14-15,1938).

FROM PARIS TO BARCELONA

MORE INTERVENTION

-Virginio Gayda-

(Summary)

We do not yet know what intentions animate the new French Government in regard to the policy of intervention in Spain, which has been uninterruptedly practiced since the very first day of the civil war in favor of the Reds. It has been intensified during recent months, through the activities of the two Blum governments, which also led France to the brink of still more open intervention and of a still more immediate danger of European catastrophe.

But Daladier's government still carries the heavy burden bequeathed it by preceding governments. It has often been said that Red resistance in Spain continues, and in some points has become stronger, only because supported by the Soviets and, especially, by France. It has been demonstrated that the deficiencies of the Reds consist not only in the adverse spirit of the populations, but in the lack of artillery and motorized equipment. And during the past few months France has with all her strength seen to remedying these two deficiencies. At the same time she has sent specialized artillerymen to handle the guns that have been furnished.

It was estimated at the beginning of March on a most reliable basis, that during the past six months France had sent at least 6000 automotive units to Spain. Proof was at the same time gathered of intensified shipments of artillery

during...

during recent months. Half of such material came from Russia and was unloaded at Marseilles and taken to Spain on Matford and Chevrolet trucks over ordinary routes across the French frontier. The other half was furnished by France and taken to Spain by rail or by sea.

To this artillery must be added equipment and means of transport for seven full divisions, which were counted on to foil the nationalist drive that opened early in March.

Early in April there was, among other things, ascertained a concentration in Castello Figueras, not far removed from the French frontier and in proximity to the sea, a large quantity of arms and munitions, including fifty Oerlikon anti-air guns, 6000 Mauser rifles, 120 machine guns, and 59 million cartridges. All this material, urgently shipped from France during the last days of March, was apparently destined for the Lister Brigade and another brigade in the course of formation. The Castello is defended by four anti-air batteries and at the time the investigations were made was housing 1500 foreign volunteers for the international brigades.

Supplies of arms have been invariably accompanied by supplies of men. Recruiting and transporting of volunteers to Spain continues, though with lessened fervor. One need only stand along the roads of Toulouse, Marseille, and Perpignan, to see the continual passage of volunteers in companies. Among others going to Spain recently was a Corsican group headed by one Giudicelli, who had a letter from Campinchi. Campinchi, who wants war with Italy, is not extraneous to the assistance France has so far given at all times to Spain.

French...

(French Military officers)

But the penetration of the French Chief Staff and technical experts in Red Spain is increasingly apparent. On January 30 last it had already been ascertained that a high official of the Undersecretariat for Armaments of the Ministry of National Defense, Telf Major, had arrived at Barcelona, accompanied by the secretary and other members of the French Embassy, for a detailed inspection of various fortifications in Catalonia. It was obvious that this official had the mission of helping in the organization of Catalonian defenses. He conferred with the numerous French experts already in Spain and obtained detailed information on the efficiency of armaments, on defensecapacity, and, particularly, how far France could in future count on the men instructed and trained in Catalonia by French experts, using the same methods and armaments as in the French army.

There is an aspect of the problem at this point which must be considered with special attention. There is no question that France has during recent months directly organized the Catalonian recruits, with plans which appear also to serve her own hidden designs. It is also certain that the Catalonian fortifications have been constructed and organized along the lines recommended by French experts and hence by the French Chief Staff. It is also certain that never as today has France given her special attention, not merely as an observer but as a participant, in everything referring to the military organization of Catalonia andthe red defenses constructed against the advance of the nationalists and legionaries toward the sea.

And....

And it is because of this direct French activity - a further violation of the elementary principles of neutrality - that the Spanish national forces have had to halt for a few days in their drive toward the sea.

It is a fact that a report on the Spanish military situation has been drawn up in France and delivered to Negrin and to most of the members of the French Government. The report originates with the French Chief Staff. It pointed to the deficiencies in the red military situation and remedies therefor. It denounced the interference of the political commissars among the Spanish reds, the lack of leaders capable of taking command, the large numbers of deserters, the scarcity of production of war materials, and the inadequany of the general staffs. It also mentioned the necessity for the general Staff to have a free hand vis-a-vis the civil authorities. And it was precisely as a result of these suggestions that the new plan of French assistance to the Reds was organized with a reinforcement of artillery, automotives, and reinforcements in subaltern officers, technicians, and specialists.

Among the French tenhhicians today in Spain certain outstanding persons may be noted. For example: General Armengand, Inspector of the Aragon front, who is assisted entirely by French officers. This general also is a journalist in his spare time and has published a series of articles in the Toulouse DEPECHE exalting the military strength of the Barcelona government. There is also General Clement, chief of the Hita-Arasella sector, and General Linares, of the infantry reserve; Colonel Dumobt, commanding the 14th International Brigade; Lt. Col. Monnier of the French General Staff, detailed directly from the French

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War Ministry to the Red Army, in relation with the IInd Bureau; Col. Reynard, defender of Verdun, who has now organized the defense of Madrid; Commander Reygot, who directs the French commands with officers of all branches; Col Coste Doit of the 14th Infantry Reserve; Commander Vidal (whose real name is Geymann), head of the French militiamen in Spain; Lt. Col. Vincent, who fought with the Reds at Madrid and has been promoted general of the Red Army and delegated to command the University City sector.

We will also cite: André March, High Commissioner of the International Brigades; Victor, Commissioner General of the 14th International Brigade; Larracien, Commissioner of the battalion of the 14th International Brigade; Faure, who directed the Briehuga offensive and later the Brunete and Escurial operations; Captain Andrac, specialized in coups-de-main; Blanche, battalion commander of the 13th International Brigade; De Reche, artillery commander at Pozo Blanco; Maurice Jampa, Commissioner General of the officers' base of the International Brigades; Francois Vittori, commissioner of the XV International Brigade; Victor Bonnet, heads of transports of the international brigades at Madrid.

We note in conclusion a group of French technical experts who are now directing the fortifications construction along the lower Ebro in an effort to stem the advance of the nationals and legionaries. Among them are: G.Mailles, architect; Henry Soulé, Emile Guerin, Maurice Delherm, J. Alousque, R. Seguy, S. Fouché, V. Sémat, Pierre Aubinan, Francois Guignier, Alfred Mamé.

Thus up to the very edge of the new French government, while the Popular Front press denounced alleged

further...

further intervention by Italy, there continued apace and redoubled France's assistance to the Spanish Reds. The fact must, for the sake of clarity, be pointed out. But it cannot now arrest the inevitable course of events.