

President's Secretary's File
Departmental File
State: Jan-May 1938
Box 70

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personal*

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Budapest, January 28, 1938.

Hungary

Dear Mr. President,

I hope to see the Regent soon and will deliver your message. I have already mentioned it to his aide-de-camp who told me yesterday that he had repeated it to the Regent and that the latter had been very much pleased.

In regard to Rumania. Apparently the King has two ideas in mind: one, to keep control of the Government in his own hands; and two, to put his country in the same position as regards France, Germany and Italy as Poland and Yugoslavia. By adopting anti-Semitism and appointing as Prime Minister a man friendly to Germany and Italy, the King apparently hopes to weaken the Iron Guard by leaving

The President,
The White House,
Washington.

leaving it without an issue, and to stop German and Italian intrigue. Italy is particularly interested in Rumanian oil to make her independent of Russia and England; Germany in all the natural resources which she needs so badly.

Baron von Hahn, representative in Budapest of the Deutsches Nachrichtenbureau, told me today that while Goga was perfectly satisfactory to the Germans they considered his Government weak. He intimated, however, that if the King could establish a strong Government on the present lines the Germans might be satisfied for the time being because they need the natural resources which Rumania has in such abundant quantities, and because Coindreau is an uneducated man who by his own admission is not able to take over the Government at present even if he had the opportunity to do so.

While on the face of it both Germany and Italy have gained in Rumania, everything depends upon the success of the Government in the new elections and what will happen if they fail of a majority. Only

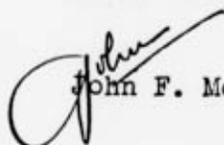
one thing is certain and that is that Jewish persecution once commenced is very apt to continue and even intensify.

I might add that no one that I saw in Rumania believed that the rich Jews, regardless of their category, would suffer particularly at present as they can buy immunity, or that any poor Jews would escape either at the hands of the Government or the populace,

As to the Nazi or anti-Semitic movement in Hungary, there is not much change. Many people, including Foreign Minister de Kánya (who is anti-Nazi) believes that it will encourage anti-Semitism. Eckhardt (Small Farmer and anti-Nazi leader) on the other hand believes that the persecution of Hungarian Jews in Rumania will be followed by the persecution of all Hungarians and that reaction here will be unfavorable.

With my warmest regards, I am,

Yours cordially,


John F. Montgomery