December 10, 1938.

A-M

Mr. Messersmith:

I have read this memorandum with a great deal of interest. With regard to points 1 and 2, it would seem to me that nothing could be less advisable than any effort on the part of the Department of Labor to undertake steps of the kind suggested. Perhaps it would be advisable for me to speak personally with the President regarding this matter. I shall be glad to talk with you further about this at your convenience.
December 14, 1938

A-M - Mr. Messersmith:

Thank you for an extremely helpful and most interesting memorandum.

Personally, I share your views. I can see, however, from day to day that the situation is shaping itself so that the emotions of our people will be sharply aroused if they are led to believe that the German Government itself will be prepared to take care of the refugees leaving Germany and that it is solely the rigid adherence to shibboleths by this Government which deprive all these unfortunate emigrants of the opportunity to leave Germany with sufficient property to take care of them in their new homes.

I repeat that I have been anticipating this for some time, as I know you have. I still do not know the answer. On the one hand, if the refugee problem is to be solved the German Government has got to permit the refugees to leave Germany with at least a considerable part of their property and consequently we and the representatives of the other interested democratic governments have got to discuss with Germany some plan. On
the other hand, Germany undoubtedly would only agree to a plan which would mean, as you say, a considerable breakdown in our general trade program. For the moment I suppose the wisest thing to do is to await developments and find out what, if any, develops from Schacht's visit to London this week.