I saw the President this morning. He inquired first regarding the situation in Mexico and I told him that while the situation was not wholly clear as yet, there were certain rather definite indications that no open break between President Cardenas and General Calles had taken place. I said the most concrete evidence of this was the new cabinet appointed by President Cardenas which was very considerably more conservative in character than the previous cabinet and would presumably follow the least radical course indicated by General Calles in his public statement attacking the policy of the Cardenas Government. I called attention specifically to the inclusion as Foreign Minister of Dr. Gonzalez Roa whom I had known well while he was Mexican Ambassador here in Washington up to last January and whose conservative inclinations and conciliatory tendencies and friendly disposition towards the United States were very plain. I said that it looked as if conditions would be quiet for some months, that General Calles would remain in the background unless the Cardenas Government took a position distasteful to him and that if that proved to be the case and if Cardenas refused then to back down, we might look for trouble early in the autumn.
I then explained to the President the situation developing at Buenos Aires with regard to the Chaco peace conference and of the plan which I had discussed with the Secretary of utilizing the opportunity presented to try to align public opinion on the continent back of an inter-American conference for the purpose of creating adequate peace machinery to deal with inter-American disputes in the future. I said that I believed that no more propitious moment would ever be presented and that it seemed to me so altogether in line with our whole continental policy that I hoped the President would favor a move by the United States in this direction. The President seized the idea with avidity and said that he was heart and soul in favor of it. I called to his attention the fact that the implication would be drawn from such a move on our part that it was directed against a continuation of League of Nations activity on the American continent. The President replied that he did not take this very seriously, that the League had certainly shown in its handling of the Chaco matter that it was incompetent to deal with a purely inter-American problem of this kind and that the maintenance of peace on the American continent was a matter in which only an American nation could be vitally concerned. On his own initiative the President suggested that in support of this move he himself might address personal letters to the Presidents of the American repub-
lies, saying that the moment seemed highly opportune for a move of this kind and asking for the benefit of their judgment in this question. He said that this would be the first time to his knowledge that the President of the United States had personally acted in this manner and that he believed it would be a good policy for him to adopt. I told him that it seemed to me that this personal intervention on his part would be in fact tremendously helpful but that I did not think that any move should be made until after the respective congresses of Bolivia and Paraguay had ratified the peace protocols. The President agreed to this and added that the letters which he would send could be sent by air mail to be delivered personally by our chiefs of mission in the various capitals and that not very much time would be lost in this way. He asked me if I would prepare the necessary drafts for him and said that he would be glad to take up the matter with me on Monday after his weekend vacation.

The President then requested information as to the status of the Panamanian negotiations.

I also told him of the difficulty I had encountered with regard to our Brazilian naval conversations in that the Treaty of Limitation of Naval Armaments would make it impossible for this Government to dispose of any naval vessels to Brazil until after January 1, 1937. I told the President that I had consulted with the Navy Department
in this matter and that I was awaiting information from the Navy Department as to what could be done in meeting Brazilian requirements. The President said he saw no reason why contracts could not be entered into with Brazil for disposing of any available vessels after January 1, 1937 before completing any remodeling work on them prior to that date. I mentioned that I thought there might be certain legal questions and questions of policy involved, particularly if a new naval conference were to take place, that I myself could not see why this step could not be taken and that I remained of the same opinion that I had expressed to him before, that the policy of naval cooperation of this character with Argentina and with Brazil would be of the highest usefulness to us. In this the President concurred.

The President spoke with some irritation at the lack of useful information coming from the Embassy in Rome during Ambassador Long's absence and also the same condition with reference to the Embassy in Berlin.

Before I left I told the President that I was increasingly concerned by the situation in Puerto Rico; that for two years we had been holding out hopes to the Puerto Rican people which had hardly been realized at all; that I was constantly getting repercussions of the discontent and agitation in Puerto Rico through the independent republics of the Caribbean and that from all in-
formation I had a major flair-up involving even physical disorders did not seem at all unlikely. The President said that he really felt completely stumped with regard to the Puerto Rican problem; that of course I was familiar with the surplus population question as well as with regard to the inordinate expense involved in any land distribution program. He said that he had attempted to place responsibility now on Dr. Gruening but that he did not know how this would work out. I told him that I thought the specific difficulty had been a continuation of competing jurisdiction as to Puerto Rico and the President said that he realized that this of course had been the case. He said he wanted to talk to me regarding the matter at considerable length next week and that he would arrange to see me as soon as he returned.