

Documents I Paris Vol. I

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**PROBABILITY**  
*of an*  
**Outbreak of War**  
**Documents I**  
**Naval Attaché**  
**PARIS**

**Volume 1**  
**Documents Numbers 1 to 72**  
(9 March 1937-6 Aug. 1940)

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OSD letter, May, 3, 1972

By SLR Date MAY 21 1973

ISSUED BY THE INTELLIGENCE DIVISION, OFFICE OF CHIEF OF NAVAL OPERATIONS, NAVY DEPARTMENT

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FRENCH FOREIGN POLICY: Discussion in French Senate on Anglo-Italian Mediterranean "Gentleman's Agreement".

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Report N° 138 (103) of March, 1937, is transmitted herewith.

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FRANCE  
Report No. 138  
March, 1937.

100 - Political Forces  
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FRENCH FOREIGN POLICY: Discussion in French Senate on  
Anglo-Italian Mediterranean  
"Gentleman's Agreement".

1. A discussion in the French Senate, on France's foreign policy - especially the possible consequences of the recent Anglo-Italian Mediterranean Gentleman's agreement, took place in the French Senate on 23 February, 1937.

2. The Government's foreign policy was approved by a vote of 213 for, and 1 against.

3. While the many aspects of France's relations with the Little Entente, Germany and Italy, were discussed, as well as the Spanish Civil War, this report deals principally with the reaction of France to the Anglo-Italian Mediterranean "Gentleman's Agreement".

4. The replies by the Minister of Foreign Affairs and Minister of Marine, to the interrogations on the Mediterranean Pact, are of particular interest.

5. Referring to paragraph 17 that the Franco-Soviet Pact was voted as a reaction to Hitler's pressure against Soviet relations, and that the Pact was followed by Germany's occupation of the Rhineland; this is only partially true as the Soviet Pact would have been voted anyhow but, perhaps, with a smaller majority. The French Foreign Office was informed, ahead of time, of Germany's intention to occupy the Rhineland using the Franco-Soviet Pact as an excuse. But the French well knew that Hitler had intended to occupy the Rhineland as another step in bilging the Versailles Treaty.

6. Referring to paragraph 25 on Italy's and England's interests being "complementary" in the Mediterranean, the right French press (still pro-Italian) is carrying on a mild propaganda for an immediate rapprochement with Italy so as not to be caught in what it terms "future rivalry" of these two powers in the Mediterranean. That England's interests are "complementary" to Italy's is not accepted by the military opinion in France. Military writers see cause for "dagger's points" between Italy and England in the Eastern Mediterranean, and claim that Red Sea and Ethiopian waters are only a continuation of the Mediterranean insofar as England's route to the Indies is concerned.

7. Contrary to the press propaganda in Italy and Germany that France was excluded from the discussions between Italy and England, on the Mediterranean Accord, and must therefore interpret such an "exclusion" as England's moving towards closer relations with the Fascist block, the French Minister of Foreign Affairs (see paragraph 47), states that France was kept informed by the British Government of the entire conversations concerning the Gentleman's Agreement. As France has continually refused to send an Ambassador to Italy due to the fact that the Italian Government requires the credentials to read "King of Italy and

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By **SEB** Date **MAY 21 1973**

and Emperor of Ethiopia", no doubt Italy took advantage of this situation to exclude French representation at the Italo-Anglo Mediterranean conference. The entire exposé of the Minister of Foreign Affairs shows that France is completely in accord with Italy and England on the terms of the Mediterranean Agreement.

8. The admission contained in paragraph 54 by the Minister of Foreign Affairs that France did at first refuse to prohibit volunteers going to Spain, when Germany and Italy were in favor of the proposition, is of note. The reasons given by the Minister, and his citing the names of such liberty bearers as LAFAYETTE, ROCHAMBEAU, GARIBOLDI, etc., to prove the right of "individual liberty" in defense of threatened democracy, are of particular interest and somewhat humorous. The majority opinion in France, both Left and Right, feel that France deliberately permitted the freedom of volunteers to go to Spain in order to help the Spanish Reds to settle the war before the Fascist volunteers got underway.

9. The statement by M. Bergeon (see paragraph 40) about the Washington Treaty being proarranged with England and the United States, and then inviting France and Italy to "sign" is of interest.

10. The entire reply of the Minister of Marine to the questions brought up in the debate (see paragraphs 59-68) is of particular interest. He deals principally with the "readiness" of the French Navy for any emergency, and confirms the statement of the Minister for Foreign Affairs that the Anglo-Italian Agreement is highly acceptable and approved by the entire French Navy.

11. Principal points of military interest brought out in the debate are as follows:

France's Allies - Little Entente - Soviet Pact. (Mon-sieur /Frabruster).

12. On the 17th. of October, 1936, when we were delighted to have heard reassuring declarations from the Government on the foreign situation, the Belgian Government denounced the Locarno treaty. It invoked as the principal reason that a large majority of the Belgian people, for local as well as political reasons, did not want to be tied down with a military alliance with France. King Leopold, in a discussion a few days later, informed us that he did not wish that his country be dragged into a war with Germany as a result of the Franco-Soviet pact.

13. Yugo-Slavia is drawing closer and closer to Berlin by reason of economic treaties; Roumania, notwithstanding the assuring statements of her Foreign Minister, is headed more and more towards German ideas; Czecho-Slovakia now has doubts, due to German fortifications on the Rhine, whether France can come to her aid in case of attack.

14. Poland is jammed in between Russia and Germany, and is continually haunted from all sides. She shows alternative signs of friendship for France and Germany, depending on her

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her needs, until such time as she is capable of making a definite decision.

15. Are our relations with Italy as cordial as they should be? The Stresa front has melted!

16. With reference to the Anglo-Italian "Gentleman's Agreement", I understand England has granted Italy the facility of transit through English Somalie from the ports of Beila and Berbera. Is not this agreement detrimental to the port of Djibouti?

17. France is accused from all sides to have thrown Europe into a turmoil by contracting an alliance with Soviet Russia. I objected to this Pact in the Chamber, but without success, but permit me to state that I think a good many of the members of the House voted for this Pact in order to give the impression that they were not ceding to pressure from Hitler. The Pact was followed by the occupation of the Rhine; afterwards, by the German-Japanese pact, and perhaps it will eventually be the cause of an alliance between Germany and Spain where at present, in Spain, is being fought the first round of the fight for the Russian oil and wheat fields.

18. While on the question of Spain permit me to state that the reason that Italy and Germany consented to the blockade of Spain is that they consider the "trick" as done, and that General Franco's success is assured.

19. I voted against the Franco-Soviet Pact because it was dangerous. It is no mere talk when I state that very few Frenchmen will put their knapsacks on their back and go and fight for the glory of STALINE in front of the German fortifications erected on the Rhine.

20. While these questions present a small picture of present European conditions, their importance to France is by no means small, and we expect enlightenment of the many policies involved.

Anglo-Italian Mediterranean Agreement (Mr. Plaisant).

21. If we understand correctly the recent Anglo-Italian accord, it can only be a source of satisfaction to us; easing of present tension, recognition of existing rights, etc. However, if we accept the literal interpretation of the letters exchanged between Count Ciano and Sir Eric Drummond, it is nothing more than a promise to respect the integrity of Spanish territory - the status quo of the Western Mediterranean.

22. If we must only see in the Anglo-Italian accord the "status quo" in the Western Mediterranean - especially viewing it the day after the "big fleets" arrived in the Mediterranean - it is a psychological element and retains our entire attention. If, to the contrary, we must consider it, as it was interpreted in Rome, an act of "confirmation" or "weakening" of the equilibrium of naval forces in the Mediterranean, we hereby declare it unacceptable; the accord can only raise in France strong reservations. In brief, that the Anglo-Italian accord adheres strictly to its bilateral character and not pretend to encompass the entire international theatre of the Mediterranean.

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23. After the signature of the accord it was proclaimed to be of benefit to all - such may be the case. But, it is impossible that Mediterranean interests should be discussed without the presence of France; in Mediterranean matters France's interests are superior to any other nation.

24. It has been stated that the Anglo-Italian accord was only natural on the part of England to safeguard her route to India. We know, that since the time of Nelson, England has never had a better Ambassador in Europe than a Battleship in the Mediterranean.

25. In order to have us accept the accord, the dangers of which I have mentioned, we are told that there are no conflicting interests between England and Italy - that their interests are "complementary". I like this "expression" and I have noticed that it is greatly used in the Chancelleries in bringing conflicting interests into harmony.

26. Oh, indeed, there are no conflicting interests in the Mediterranean! How about Ilet d'Ibiza, the smallest and most southern of the Balearics which indirectly commands the outlet of Gibraltar. We could likewise say that it is in our line of communications - Oran-Algiers-Port-Vendres. A question to which we would like an answer is: "is the Ilet d'Ibiza still occupied by Italian troops, and what are the hopes and plans of Italy in this section?"

27. There is also the Ile de Pantellaria, South of Sicily. It is often repeated that there is no point of friction here - that this isle simply commands the passage towards Malta. This Ile de Pantellaria is also oriented toward the Tunisian coast and, having been strongly fortified by Italy during the last three years, is now capable of commanding the Western Mediterranean basin. So you see, Gentlemen, that there are opposing interests in the Western Mediterranean which require a conference of the interested powers to arrive at an understanding somewhat similar to the Montreux Conference on the Dardanelles.

Anglo-Italian Mediterranean Agreement (Monsieur Bergeon).

28. Gentlemen - my intervention in this debate is at the request of the Naval Committee in order to develop a few points brought out in the debate of Monsieur Plaisant.

29. The Naval Committee, as well as the Foreign Affairs Committee, in June 1935, suffered some penible sentiments at the signing of the Anglo-German naval treaty; this treaty threw out the balance of naval power as established by treaties.

30. Again, in the Anglo-Italian Gentleman's Agreement, we were not called to present our observations on the possible reactions of this agreement.

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31. As the appointed interpreter of the Naval and Foreign Affairs Committees, and in order to avoid similar procedure as mentioned above, I had written in the questionnaire presented to the Minister of Foreign Affairs, on 15 November, 1936, the followings:

"If a Mediterranean Pact should be considered, is France assured by England that the negotiations will not be conducted without her cooperation?"

32. You well know the sentiments of the Naval and Foreign Affairs Committees of the Senate regarding the negotiations between Italy and England on the Mediterranean Agreement. You must have been able to judge the displeasure and disappointment of the two Committees when they learned that a "Gentleman's Agreement" between these two countries was terminated without France being included in the conference.

33. Speaking particularly for the Naval Committee, its displeasure is readily understood when France, a big Mediterranean Power not invited to take part in the conference, several years ago took the initiative of a Mediterranean Naval Agreement of the interested powers as being necessary to peace within the framework of the League of Nations.

34. What is really at the bottom of this refusal to have France present at the Anglo-Italian conference; this is the question to be answered.

35. All that was conceded to France, in this Gentleman's agreement, was a vague notice expressing the desire of the two contracting parties to "see an amelioration of the relations between the two signatories and all the Mediterranean powers," and to "respect the rights and interests of these powers."

36. It is precisely because France is mentioned in this Agreement, just like any one of the other small Mediterranean powers, that the Naval Committee has well founded preoccupations in the matter.

37. From a simple reading of the text of the "Gentleman's Agreement", it could be inoffensive; but if one considers that such accords - experience has taught us - can be a course of danger for nations not invited to present their views and who may remain disgraced as a result of an interpretation of certain phrases in a fact.

38. Just what are the "rights and interests" mentioned in the agreement that it is a "question of respecting"?

39. It is for France to evaluate these, in full equality with England and Italy, in a conference where France would have a chance to explain her Mediterranean position. In the Mediterranean France's interests are economic and strategic.

40. We must not forget the sad memories of our being kept apart from the preliminaries of the Washington Conference in 1921. Sixteen years ago the Washington conference took place and this conference was preceded by a preliminary conference between England and the United States; France was not invited. Afterwards

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March, 1917.

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Japan appeared on the scene and arranged her required quota. Then came the turn of France and Italy who found themselves confronted with an irreducible position. The same method was used in the Anglo-German naval accord of 1905. For this reason, Gentlemen, the provisions of the Anglo-Italian Mediterranean accord do not give us any too much assurance.

41. Finally, a strong Navy is what we need; a strong Navy is the best and most eloquent ambassador and the one who gets the most attention.

Spanish Intervention and Anglo-Italian Mediterranean Accord - Minister of Foreign Affairs (M. Delbos).

42. Gentlemen, I will endeavor to reply to the questions posed during this debate.

43. Apropos of the "Gentlemen's Agreement" between Italy and England in the Mediterranean, this Government has never lost sight of the importance of this agreement to France.

44. Last June, before the Senate, I remarked on the importance and necessity of a Mediterranean agreement of all interested powers due to the aftermath of the Ethiopian conquest by Italy.

45. When I spoke in the Senate, the Spanish Civil War had not as yet broken out. The result of this war was to have delayed a general Mediterranean agreement which I have just mentioned. We could not very well have asked the Spanish Republican Government, fighting for its life, to undertake complex international negotiations.

46. The most important problem, as the Senate well knew, was to keep the Spanish war from developing into a world war. Under such conditions the French Government looked favorably on the desire manifested in Rome and London to arrange Mediterranean differences arising out of the Ethiopian and Spanish wars. A Mediterranean accord, therefore, should not have raised any objections on our part; this accord never had, and could not have, any other object than that intended.

47. The idea of regulating Mediterranean interests, without the presence of France, would be absurd. Having been kept informed by the British Government of the entire conversations of the Italo-British accord, and being assured that France's interests were not endangered, as the accord was merely the retention of the status quo in the Mediterranean (some thing to which France is sincerely attached), we could not do otherwise than look with sympathy on an accord which removed misunderstandings between Italy and England.

48. In the declaration signed in January at Rome, the Italian and British Governments proclaimed their common attachment to the status quo in the Mediterranean; at the same time the letters exchanged on 31 December between Sir Eric Drummond and le Comte Ciano contained precise assurances on the status quo of the Mediterranean; the French government also received

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received confirmation of these assurances in communications with the Italian Government.

49. The permanent position of France in the Mediterranean and North Africa is not endangered by this accord. Is there any need of me adding, Gentlemen, that France will know how to defend her position, as she has in the past, if threatened?

50. France welcomes any Mediterranean accord which can be completed in the same spirit, and which does not menace any nation. But, I am in complete accord with M. Plaisant - bilateral accords will not suffice for a general peace. They may have their usefulness, but their extent is limited; a guarantee of treaties and general security, we must not forget, are subordinated to other conditions.

51. If we consider the entire Mediterranean problem, it is not by a series of declarations and bilateral accords that we can solve, for example, a reduction in Mediterranean Fleets. Nothing definite can be arrived at until each interested power is assured that in case its lines of communication are menaced the aggressor will find himself confronted with all other powers.

52. What applies to the Mediterranean is equally applicable elsewhere. It is for this reason that the French Government is resolutely attached to pacts which are open to all nations under the guidance of the League of Nations.

53. I do not care to enter a discussion on the different phases of intervention in Spain by various powers. No one, I hope, doubts that France will permit her lines of communication, or the security of her frontiers, to be threatened.

54. Experiences in Spain clearly showed us that non-intervention should not be limited to arms, but extended to volunteers. In this respect it is correct to state that the question of prohibiting volunteers was proposed by Italy and Germany. At that time we estimated that the respect for individual liberty and the glorious precedents which we had the right to invoke - sufficient to quote the names of "Rochambeau", "Garibaldi", "Lafayette", and "Byron" - did not permit us to agree to this suggestion; we were under the impression that only purely individual cases of volunteering would occur.

55. But, events proved different and risked to assume a serious aspect; intervention direct and of a massive nature; for this reason the London Commission was requested to take steps to prohibit all volunteers entering Spain.

56. Replying to certain remarks in the Chamber, I do not share the pessimism of M. Ambruster in regard to France's friends and allies. I think that France in her alliances and friends can look into the future with confidence. Never have our relations with Great Britain been so friendly - and my words are only an echo of what is said across the channel - and this solidarity of the two nations, ready for any sacrifice to guarantee peace, is the best guarantee of peace in Europe.

57. The communion of ideas which unites us to the Republic of the United States should also contribute to the

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maintenance of peace because this ideal, affirmed by three powerful democracies, is a powerful force for peace in that it menaces no other nation and has no other object than the collaboration of people in independence and liberty.

58. The Franco-Soviet Pact keeps its full value - defensive and pacific; also our alliance with the little entente and Poland.

Anglo-Italian Mediterranean Agreement

Minister of Marine (M. Gasnier-Dupare).

59. Gentlemen, after the description of M. Delbos (Minister of Foreign Affairs), I would not have spoken had it not been to show my respect and courtesy for the Naval Committee and its Vice-President M. Bergeon.

60. The question put to me is: "What does the French Navy think of the Anglo-Italian Mediterranean Accord?" I should state, without any hesitation, that the French Navy which is responsible for the lines of communication with our colonies, and especially North Africa, highly approves the accord.

61. That Navy was, and is, anxious about events taking place in the Mediterranean. It is certain that if the present situation in the Mediterranean becomes definite we would find ourselves in a precarious position.

62. We are pleased that the "Gentleman's Agreement" first of all eased certain friction in the Mediterranean - friction susceptible of creating an incident which would have had considerable consequences.

63. The "Gentleman's Agreement", in declaring for the status quo in the Mediterranean, brought a feeling of relief to the Navy.

64. Referring to the question of the Balearics, notably the Ile d'Ibiza, this island serves for commercial aviation. As to the Ile de Pantellaria, belonging to Italy (which has no harbor), it can only serve as a temporary landing place for airplanes.

65. It was mentioned, in the course of the present debate, that the distribution of our naval forces in the Mediterranean placed us in an inferior position to that of Italy. Permit me to state that if the Italian naval forces concentrated in the Western Mediterranean, it would only need a few days for us to transfer our Atlantic Fleet to these waters.

66. Mention was also made that we must beware of any treaties reducing naval forces, and precedents have been cited. There is nothing, that I know of, that would lead one to suppose

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that France will accept any arrangement fixing definitely and sine qua non the Mediterranean naval forces as they exist to-day. The London 1936 naval pact was concluded on the basis and principles altogether different and, on the question of quantity of tonnage and quantity of vessels, we conserved full liberty of action.

67. It was stated that the country should have a navy in keeping with its policy. Last June when I took over the Ministry of Marine, I had a "splendid navy", in excellent condition, turned over to me, and up to present date it has further expanded and improved. At this very moment, the new projected naval program is ready for presentation to Parliament for approval.

68. Finally, when we examine the "Mediterranean Gentleman's Agreement", between Italy and England, from any aspect, we can only see happy results for France; I repeat it again, speaking for the French Navy, that the accord between Italy and England, because it preserves the status quo ante, was an event of absolute necessity for the defense and security of France.

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Irreconcilable Differences between Policies of  
ENGLAND and GERMANY - CHIMERICAL ILLUSIONS  
of LOCARNO No. 2.

Report N° 158 (103), March, 1937, is transmitted herewith.



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FRANCE  
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100 - Political Forces  
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IRRECONCILIABLE DIFFERENCES BETWEEN POLICIES  
OF ENGLAND AND GERMANY - CHIMERIC  
ILLUSIONS OF LOCARNO No.2.

The return of Von Ribbentrop to London, has again started rumors in the French press about "new propositions" from Hitler; mention is made of a Locarno No.2, and of Hitler's desire to straighten matters out before England and France become armed.

French opinion accepts the German-Italian relations (Rome-Berlin axis) as the marriage of the "rabbit with the carp". It is freely voiced that Italy and Rome expected the famous "Berlin-Rome" axis to bring pressure to bear on France and England to recognize the danger of the "Bolshevik advance on western civilization". However, unknown turn of events in connection with the Ethiopia conquest and the bid for domination in the Mediterranean of Italy - not to mention the re-militarization of the Rhineland, brought France and England only closer together making the Franco-Soviet Pact all the more binding and compelling England to recognize the Franco-Soviet pact as an essential step in her foreign policy (Montreux agreement, giving Russia access to the Mediterranean, engineered by England and France).

The fury of the propaganda sent out, through pamphlets and the radio, by the Dictators blinded them to the peculiar political psychology of the Gallic French (who live on internal political disputes), with the result that they became self-convinced that "Bolshevism" was not far off in France. This glaring error in judgment, of the Gallic trait of controversy, coupled with the mistake of thinking that England would desert a power with a good army, and a key Mediterranean position (France), has now put Germany and Italy in an embarrassing position.

The result of the Berlin-Rome axis has done nothing more than awakened the democracies of France and England to the fact they must be armed to defend their positions.

The following gist of an editorial from the EXCELSIOR of 12 March, showing the "irreconcilable policies" of Germany and England is considered of interest as showing the trend affairs will take during the coming year.

" Now that Von Ribbentrop has returned to London rumors have commenced on the 'new propositions' which he has up his sleeve. Correct information coming from Berlin denies these rumors and prove that Ribbentrop has not a Locarno No.2 to discuss with England.

The foreign policy since 1919 has been to question the territorial status of eastern Europe. The Republican Government of Germany, who were on friendly

relations

relations with France and Czechoslovakia, concentrated on the Polish corridor. The Nazis, to weaken the diplomacy of France, did an about face and made an alliance with Poland and started hostile propaganda against Russia and Czechoslovakia. The tactics employed may vary but the idea remains the same; disassociate the guarantees of peace in the East and West and break down England's and France's influence in Central and Eastern Europe.

What is this eternal dream of Germany so often mentioned in books, speeches, etc., and lately revised by Hitler? Germany intends to make over the chart of Europe from the Baltic to the Black sea. The Brest-Litowsk Treaty gives the best answer to this question and shows German aims.

The Brest-Litowsk Treaty, too often forgotten, called for :

Roumania having been dealt with by the treaty of Bucarest, Russia was to abandon her provinces of Finland, Estonia, Lettonia, Lithuania and Poland - and of course the Ukraine. All these provinces were to become 'independent' under the tutelage of Germany (Poland was to receive a Saxon King). This dream came to an end with the victory of the allied nations.

The details of the Brest-Litowsk Treaty came to mind when we examine the Nazis' attitude to the negotiation - always announced, and always delayed - to a Western Pact, an Occidental Pact, but which will not be a Locarno No.2 as has been erroneously announced at times.

Notwithstanding the illusions expressed recently, in several speeches in England, negotiations for the Locarno No.2 start in a very unfavorable atmosphere because Hitler is very displeased with England's actions and especially so with Baldwin and Eden. England has greatly gone down in Germany's estimation since she refused to join the 'Anti-Bolshevik crusade'. England has aggravated her case by not taking position against the treaties concluded between France - Russia and Czechoslovakia. England has become insupportable to the Germans by not declaring publicly to Germany :

' I am not interested in anything which takes place on the Continent 20 degrees east of Greenwich Longitude' .

England, while refusing to become engaged in eastern European problems, maintained her fidelity to the League of Nations, and strict adherence to the pacts of non-aggression; this act of England perhaps envisages the eventual protection of Czechoslovakia from aggression. This is a thorn in Berlin's side if we judge correctly from the Berlin press.

....

FRANCE  
Report No. 158  
March, 1937.

100 - Political Forces  
103 - International  
Relations.

Advice of Neutrality -

German sentiment, apropos of a Western Pact, was recently exposed in detail in the 'Observer' in an article by M. Garvin. This article was reproduced in Germany, without changing or adding one word. All German propaganda follows the same lines as this article in the Observer; reminding England that she will make a grave mistake to become mixed up in some thing that does not really concern her - anything east of the 20th. degree of longitude of Greenwich. Germany proposes as an act of 'wisdom' the sagacity of Belgium in declaring herself neutral.

In such an atmosphere the least that can be said is that the chances of a Western Pact are not so bright. German tactics have not changed; her preoccupations are the same - break French oriental alliances and keep England from acting through the League of Nations to defend central european pacts.

A Germany well armed on the Rhine has nothing to fear as no one wants to invade her. It is, therefore, England, Holland, Belgium and France, that are asking protection. The price of non-aggression solicited from Germany is well known; the absolute disinterestedness of France and England in German expansion towards the East. The question is squarely put to England by the HAMBURGER FREMDENBLATT, at a moment when negotiations are about to open: 'Is the British Government ready, conforming to its natural interests, to limit its military engagements north-west of Europe, or does she want to engage herself in unknown ground by permitting herself to be dragged via the Franco-Soviet Pact into the political arena of Central Europe.?'

Note: The French are seriously considering what Germany will do when the economic slump will occur when armament is completed. As German rearmament should be completed in about 1-2 years, - it is reported that German employment is 60% employed in armament building - the French feel that War is the only outlet to stave off unemployment. German expansion in the East seems, to the French mind, to be the logical step to forstall an economic crisis when Germany can no longer employ her people in manufacturing munitions and armaments.

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From Y Date 15 March, 37 1937 Serial No. 160 File No. 103  
(Commence new series each January first) (Select proper number from O. N. I. Index)

Source of information Reliable

Subject FRANCE (ITALY AND ENGLAND) POLITICAL FORCES INT. RELATIONS  
(Nation reported on) (Index title as per Index sheet) (Subtitle)

Reference \_\_\_\_\_

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ITALY AND ENGLAND - NOT TOO LATE TO BECOME RECONCILED; WAR IN THE SPRING.

Report No. 160, 15 March, 1937, is transmitted herewith.

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FRANCE  
No. 160  
March, 1937

100 POLITICAL FORCES  
103 INT. RELATIONS

ITALY AND ENGLAND : NOT TOO LATE TO BECOME RECONCILED;  
WAR IN THE SPRING

The following article is taken from the French Royalist paper L'ACTION FRANCAISE and is of interest - not so much for the prophesy of war in the spring, but for the warning to Italy that she is taking the wrong road in going counter to England in the Mediterranean.

The ACTION FRANCAISE, more pro-Italian than pro-German, due to Italy's Bourbon connections, is very favorable to Italian aspirations in the Mediterranean so the article is more from a friend than an enemy:

"Letter received from Rome announcing war in Spring:

"What appears to me to be the worst mistake of all, and the most threatening for the world peace, would be for the Government of Rome to avoid the chances of coming to an agreement - which chances are still available - before it is too late.

"The moment that England feels herself threatened by Germany, which sentiment appears to be more and more confirmed, it is not possible that England will increase the number of her difficulties by antagonizing a nation who, in case of war, would be nothing more than a "good second" for Berlin. The best we can say is that Italy is dangerously placed for a maritime people who wish to have free movement between Gibraltar and Suez."

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From Y Date 19 April, 1937 Serial No. 245 File No. 103  
(Commission new series start January first) (Select proper number from O. N. I. index)

Source of information French newspaper

Subject France POLITICAL FORCES I. V. RELATIONS  
(Nation reported on) (Index title as per index sheet) (Subtitle)

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FRENCH FOREIGN POLICY: Speech by L. Delbos, Minister of Foreign Affairs.

Report No. 245, 19 April, 1937, is transmitted herewith.

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FRANCE  
No. 245  
April 1937

100 POLITICAL FORCES  
108 INT. RELATIONS

FRENCH FOREIGN POLICY: Speech by M. Delbos, Minister of Foreign Affairs.

At a Congress meeting of the Radical Socialists Party at Carcassonne, on 18 April, 1937, M. Delbos, Minister of Foreign Affairs, made several statements concerning France's foreign relations in the present European disturbed conditions.

M. Delbos reaffirmed the desire of France for peace as well as its faith in the League of Nations, reviewed the French attitude towards the Spanish conflict, and expressed confidence in the future in spite of the many obstacles.

Speaking of the French desire for peace, M. Delbos said that it was no precarious arrangement bristling with bayonets that they sought, but true peace based on mutual respect, independence and liberty. The League of Nations, weakened though it had been by past events, still remained "the surest of peace realities," and that with reforms now under consideration the League would conquer many obstacles which lay ahead. The French proposals for reform of the League adhered to realities, since they proportioned the efforts of each State to the danger it incurred. Instead of all being called upon for their unrestricted support (which would be irresistible, but was impossible for the moment,) military assistance should be organized by means of regional pacts between countries threatened by a common danger. Meanwhile, while counting on herself and her allies for the maintenance of peace, France was ready to seek any avenue to a friendly understanding with other nations.

Referring to the Spanish conflict, M. Delbos declared that their desire for peace had been shown by their efforts to make non-intervention a reality. The one bright spot in the entire Spanish affair has been the reinforcement of Franco-British friendship, which, backed by the resources of the two countries, was the surest safeguard of world peace. And one of the reasons which made him view the future with confidence was the knowledge that the three great democracies, Great Britain, France, and America, were united in their determination to avoid ideological blocs.

This did not mean that danger no longer existed. The greatest was the formation of those blocs, of which he had just spoken, though he still believed in the possibility of understandings between nations with widely differing forms of Government. There was also the arms race. But surely it was not too ambitious to ask, as a beginning, for control and the publication of arms programs. That was what France would propose at the meeting of the Disarmament Conference Bureau next month. Finally, there was economic isolation, but here, too, certain signs gave hope of an improvement, and there were indications that M. Van Zeeland would be able to demonstrate his technical and statesmanlike qualities.

Concluding, M. Delbos agreed with Dr. Schacht that a political improvement must precede an economic one, and said that above all, and first of all, hearts and minds must be disarmed. The time has come to put a term to incitement and to break down the spiritual bulkheads between nations.

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From Y Date 31 May, 1937 Serial No. 309 File No. 103

Source of information Reliable  
(Common use series each January first) (Select proper code from O. N. I. list)

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FRENCH POLITICAL ITEMS

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Report No. 309 (103), 31 May, 1937, is transmitted herewith.



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By O. 11652, Sec. 3(E) and 3(F) or (G)  
CDD letter, May, 4, 1972  
By SLR Date MAY 21 1973

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FRENCH POLITICAL ITEMS

Personal contact with a member of Premier Blum's Cabinet, by a representative of the Bureau, developed the following facts:

- (a) That Guido Schmidt, Austrian Secretary of State, had not been able to get anything tangible in Paris beyond encouragement towards closer cooperation with Czechoslovakia and Hungary; that the French did hear rumors that England promised Guido Schmidt most favored nation clauses provided Austria collaborated with Czechoslovakia. France, for economic reasons, could not make any similar promises.
- (b) The attitude of Poland towards Czechoslovakia is interpreted as being most hostile and definitely unhelpful.
- (c) It was felt that Mussolini's attitude towards the coronation was due to the influence of Count Ciano, a germanophile, as well as the influence of some of the younger Fascists surrounding Mussolini. That the older Italian element deplored the anglophobe and francophobe turn which affairs had taken in Italy.
- (d) France could not understand how Italy who had given her such assurances of cooperation at the time of Laval's visit to Rome could, in such a short time, develop such anti-French feelings. It was felt that the Italians were ungrateful and mention was made of the fact that it was France that refrained from bringing oil sanctions on Italy, when England was trying to force the issue; it is claimed that "oil" saved Italy in the Ethiopian affair.
- (e) Referring to the position of the Blum government it is felt that it is entirely sane for the present; the only dark spot was the results of application of the 40-hour week which was causing economic dislocation and general discontent with the middle classes. If elections were held it was rumored that it would politically clear the air, and would certainly bring about a weakening of the Communist and Socialist parties. It was mentioned that Premier Blum would consent to associate himself with a Government composed of a certain element of his Socialists together with the Radical Socialists and oust out from the center, with the Communists definitely out of the picture.

Personal contact, same course, with an official from the Czech Legation, developed the following facts:

- (a) Czech officials not particularly worried over Czechoslovakia's present external relations, particularly with Germany. Claimed that Czechoslovakia is exceptionally well armed with a strong "Maginot Line" of its own, and a well defined agreement with Rumania whereby, in the event of hostilities, centers for war material are to be located at various points in southeastern Czechoslovakia and within Rumanian territory, thus providing an effective line of retreat, by slow stages, into Rumania.
- (b) That Czech Army has made great strides since Beneš became President, and that he is greatly interested in army affairs, holding several staff meetings bi-weekly in Prague.

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- (e) Little optimism is felt for the Austrian position, though it is believed that Nehru might do a good deal to win over Austrian Socialists to his camp, and that influence of London and Paris will now be felt in Vienna where it has been absent all too long. All this will serve to complicate the Berlin-Rome axis. That in the event of any aggression against Czecho-Slovakia or Austria, France would take immediate steps to defend these countries.
- (d) That Czecho-Slovakia could hold off Germany for at least three months and by that time the Western powers would have definitely shown their hands.
- (e) None too confident in the assistance from Soviet Russia in event of attack from Germany. Russia is considered a total enigma and would move or less act on the impulse of the moment than as a result of a pre-conceived military policy.
- (f) Great significance attached to Litvinov-Dalbes reaffirmation of the Franco-Soviet Pact and that it is a warning to the Dictators that neither France nor Russia desired any change in this Pact.
- (g) That Germany has been given food for thought of late: First, she has realized the superiority of Soviet air forces, over Germany, as displayed in the Spanish War; secondly, that England's rearmament is no bluff but a reality, and that England's voice will, in the future, be backed with strong military forces.
- (h) That Czecho-Slovakia has sacrificed a good deal in the recent commercial treaty with Austria, in order to obtain friendly relations with this power, and this would be recognized when the treaty was published.

Note: The optimism felt in paragraph (e) above re: France coming to assistance of Czecho-Slovakia, is not borne out by French opinion. France might aid financially, but from a military standpoint the obstacles are too great and too many.

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E.O. 11652, Sec. 2(b) and 3(D) of (a)

OSD letter, May, 4, 1972

by SLR

Date MAY 21 1973

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From Y Date 8 Sept., 1937 Serial No. 444 File No. 103  
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Source of information Of proven reliability

Subject FRANCE (EUROPE) POLITICAL FORCES INTERNATIONAL RELATIONS  
(Nation reported on) (Index title as per index sheet) (Subtitle)

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THE INTERNATIONAL SITUATION FROM THE AUSTRIAN POINT OF VIEW

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6

Report No. 444, 8 September, 1937, is transmitted herewith.

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ON 10-10-81

By SLH

Date MAY 29 1978

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FRANCE (EUROPE)  
No. 444  
September 1937

100 Political Forces  
108 Int. Relations

THE INTERNATIONAL SITUATION FROM THE AUSTRIAN POINT OF VIEW

SOURCE OF INFORMATION: - Of proven reliability.

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The following view of the International situation comes from a man who has been for several years the close personal adviser, confidant and "arranger" for Chancellor Schuschnigg. He is at present stationed in Paris handling certain aspects of Austrian press relations, but also acts as personal representative and go between for the Chancellor when such duties become necessary. His knowledge of European affairs is said to rank among the very best, and, within the last year, information from him by members of our Legation in Vienna has been unfailingly accurate.

GENERAL:

My informant takes a most pessimistic view of the general situation. The danger is extremely grave and any incident may set in motion a train of events the end of which no one can foresee. For us, with our detached viewpoint, it is easy to accept the present strained diplomatic situation. For the representative of a small country, however, it is an entirely different matter for certainly if events come to pass as now indicated several of the small countries will cease to exist.

THE NUREMBERG CONFERENCE:

The "theme song" of the Nuremberg Conference this year has already been indicated. It is to be justice to German Nazi minorities in other lands. Their rights and organization abroad will continue to be discussed as an abstract principle; that is to say speeches will be in the open and without throwing stones at any particular foreign country. On 12 September, the "Portel Tag", on which date Hitler will address the Conference, there may be some surprises along this line - perhaps even specific situations may be mentioned.

EVENTS WHICH MAY ARISE FROM THE MINORITY QUESTION:

The first great fear of the Austrians, Czechs Slovaks and others is what may happen as a result of this minority agitation. If Henlein, leader of the Nazi German group in Czechoslovakia, decides (or is told) that the time is ripe to begin a campaign of violence, a series of disturbances are envisaged in the course of which some Germans are bound to be injured. After this has gone on for several days indignation in Germany will reach such a point that intervention will be ordered. When the Germans move in to suppress this disorder it will be the signal for Hungary to march in and take over her lost territory and my informant's remarks indicate that this has already been arranged. Thus we may see, before Christmas, the disappearance of Czechoslovakia from the international scene.

POSSIBLE REPERCUSSIONS:

It has been definitely stated by many French officials high in public office that if Czechoslovakia is attacked France will go to war. Many American observers better qualified to know than the writer believe that she will. Personally, however, the writer believes that although indignation here would run extraordinarily high and a diplomatic break would probably occur, that the French would not actually attack Germany for this reason alone. There are many others that share this view.

(CRASH)

E. O. 11652, Sec. 3(b) and (d) of (b)

OSD letter, May, 8, 1972

By SLR

Date MAY 22 1970

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FRANCE (EUROPE)  
No. 444  
September 1957

R. O. 11682, Nos. 200 and 210 or (2)  
OSD letter, May, 1, 1972

By SLR

MAY 22 1963

100 Political Forces  
105 Int. Relations

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Russia, most observers feel, is completely occupied in the Far East and dare not risk a war on two fronts.

Without the immediate assistance, and in force, of France and Russia it is not believed that any of the Little Entente countries would declare war to protect Czechoslovakia. Certainly Rumania would not and there is little faith that the Jugo-Slavs would. Thus Germany's moment for this coup is extraordinarily propitious.

Before continuing it is desire to reemphasize that the foregoing is not a prediction. It is merely a fear of what may happen; followed by an attempt to trace events to their logical conclusion if it does happen.

POSSIBLE RESISTANCE:

The Czechoslovaks estimate that they can hold out against Germany for two months. Austria, assisted by the Czechs, estimates she can last a month more. This is not much and does not hold out much hope unless strong allies can be obtained. Italy certainly will not object to the first phase, the repartition of Czechoslovakia between Germany and Hungary, but will not like the second; the Anschluss.

Recently the Czechs and Austrians held Army maneuvers at nearly the same time and near each other along the frontiers which some observers felt were almost "joint maneuvers".

LOCAL AUSTRIAN POLITICS AND THE INTERNATIONAL IMPLICATION TO BE DRAWN THEREFROM:

Last April Chancellor Schuschnigg, who is an ardent monarchist, brought up with Mussolini the question of the restoration. Mussolini, at that time anxious to solidify the "Rome Berlin Axis", gave Schuschnigg a stern "NO" on the proposition. Just now, however, flushed with success in Spain and anxious to have something to trade with Hitler at the forthcoming conference on 24 September, Mussolini has intimated quietly to the Austrians that restoration may not be a dead issue.

The Vice Chancellor of Austria is old General Hulgerth, a war hero of the Caporetto, who is getting feeble and will shortly retire. Chancellor Schuschnigg is said to be contemplating a reorganization of the cabinet soon and appointing as Vice Chancellor Archduke Eugene (Otto's Uncle). This would be a most decisive Monarchist move and would bring all the "restorationist strings" into the Chancellor's hands. Thus an apparently local matter, the appointment of a new Vice Chancellor, may have a wide international effect.

SOLIDARITY OF ROME-BERLIN AXIS:

It may well be that all the protestations of good faith on the strength and harmony between Rome and Berlin are intended to cover real weakness. It is a well known fact that Italy has no relish for the thought of Germans at the Brenner; and this thought will always be a dominating one. Thus while Italy will sit contentedly and watch the partition of Czechoslovakia, the Anschluss will be a different matter and restoration may well be used as a bar. Chancellor Schuschnigg has always indicated that, in last extremity, there will be restoration rather than Anschluss.

AUSTRIAN POLICY:

Austria, like all the other small countries that are merely pawns in the game, can only wait and see. Short of a world war Austria figures she is safe for several years because the Czechs are due to be eaten first. If the events herein described take place there may be a little agitation by the party called "Nationalist Opposition", which is in reality the Nazi Party that cannot use its real name. In this case the Government might give them one or two seats in the

FRANCE (KURONS)  
No. 444  
September 1937

100 Political Files  
103 Int. Relations

the Cabinet and they would proceed gradually with their Nazification of the country, the real objective - Anschluss - being played down.

WORLD WAR:

If a major war breaks my informant believes that Poland would be used as a spearhead for an attack on Russia, the terms being that Poland would give up the corridor and get in exchange a section of the Ukraine and other territory inside the present Russian frontier. In other words it would be a general easterly movement at the expense of Russia.

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E. O. 11652, Sec. 2(E) and 6(D) w/ (S)

OSD letter, May. 1, 1982

By SLR'

Date

NOV 20 1970

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From Y Date 20 Sept., 1937 Serial No. 453 File No. 900

Source of information Personal contact

Subject FRANCE NAVY GENERAL

Reference

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FRANCE - Preparedness for war

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FRANCE  
No. 455  
September 1937

900 - Navy  
General

FRANCE - PREPAREDNESS FOR WAR.

The writer gave a luncheon today for Commandant Batet, Chief of the Military Cabinet of Admiral Darlan, Chief of Staff of the French Navy. Interesting information gleaned was the following:

(a) The French Marine Ministry and the French Air Ministry have bomb-proof, underground quarters prepared, into which they can move at a moment's notice.

(b) Commandant Batet is convinced that France will be at war inside of two years, and wagers a luncheon with the writer to that effect.

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EX. 11852, Sec. 2(D) and 2(D) or (2)  
OSD letter, May 4, 1972

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FRANCE  
Report No. 485  
October, 1937.

108 - Political Forces  
103 - International Rel.  
103-100- Treaties.

FRANCO-SOVIET TREATY OF MAY 2, 1935.

General Duchêne, French Army, has written a few articles on the working of the Franco-Soviet Treaty. In a recent article General Duchêne takes up the application of the Franco-Soviet treaty as affected by the League of Nations. The following, from a report submitted by the Embassy, is quoted as of interest:

"Franco-Soviet Treaty: General Duchêne points out that the Council of the League would first have to render a unanimous decision that there had been an unprovoked aggression, in which case it would determine what, if any, economic and financial measures should be taken by the members of the League against the aggressor. The question of military sanctions would not arise since the League as such has no military force at its disposal. In the case of an aggression against France, the most that the League could do would be to recommend to third parties that they facilitate the passage of the Russian army forces to the aid of France. In the case of an aggression against Russia by Germany, this situation would not arise since there is a common frontier between Germany and France. General Duchêne points out further that there is a much greater risk of an aggression by Germany against France than there is against Russia .

He concludes by stating that from the viewpoint of reciprocity of military obligations the treaty is crushing for France and was a great mistake. From the political viewpoint, if one contemplated a Russo-German rapprochement, the treaty might be defended but it is doubtful if this compensates for the military disadvantages. "

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From Y Date 12 Oct., 1937 Serial No. 515 File No. 103

Source of information Personal observation

Subject FRANCE POLITICAL FORCES INT. RELATIONS  
(Nation reported on) (Index title as per index sheet) (Subtitle)

Reference

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France- Reactions of a French naval officer on speech by Premier Chautemps.

Report No. 515 (103), 12 October, 1937, is transmitted herewith.

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FRANCE  
No. 515  
October 12 1937

100 POLITICAL FORCES  
108 INTERNATIONAL RELATIONS

SUBJECT: FRANCE - Reactions of a French Naval Officer on speech  
by Premier Chautemps.

Source: Personal observation.

On 7 October the writer took the French Liaison Officer for Naval Attachés to luncheon with him at the American Club to hear the address by Premier Chautemps, copy of which is attached hereto.

In the course of conversation following the address my guest made the following observations upon the international situation generally:

First, that he spoke German fairly well and had recently visited Germany. He felt that the people there were quite well off and rather happy and that the awful pictures painted in the world press outside of Germany were a lot of hostile propaganda (exactly the writer's own impression after a two-day visit). He added that he had discussed France-Germany relations with several friends there and all were agreed that, as between France and Germany alone, there came no questions at issue. In this he said he quite agreed.

I then asked him why, this being the case, it would not be possible to return some of Germany's former colonies as a gesture of friendship and with a view to quieting Germany's demand for more territory. To this he replied that most of France's Colonies were of little value and, as far as he was personally concerned, Germany could have them. In this category he named Martinique. The Cameroon, however, he stated was a good colony and the French had spent a lot of money developing it. More important than this, however, was the fact that the French would not stand for any situation that would put German troops in Central Africa. This was a very definite threat in that it would constitute a southern "front".

He also stated that within the last few days a French commercial airplane reported passing close aboard a small Russian cargo vessel close to the Eastern Coast of Spain. This vessel was proceeding at 3-4 knots speed and had a heavy wire tow-line out but the plane could not see what was on the end of it.

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From Y Date 18 Oct., 1937 Serial No. 581 File No. 103  
(Commence new series each January first) (Index proper number from O. N. I. Index)

Source of information Press

Subject FRANCE (GERMANY-OT. BRITAIN-ITALY) Political Forces Int. Relations  
(Nation reported on) (Index title as per index sheet) (Subtitle)

Reference

**NOTE.**—(The review, indexing, and distribution of reports by O. N. I. will be greatly expedited if a brief summary of the contents is entered in this space. Mention leading geographical, personal, or political names, and the gist of the report.)

**COLONIAL PROBLEM: French reaction to German demands for South African Colonies**

Report No. 581, 18 Oct., 1937, is transmitted herewith.



OCT 26 1937

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FRANCE  
No. 581  
October 18 1937

100 Political Forces  
103 International Relations

**COLONIAL PROBLEM: French reaction to German demands for South African Colonies.**

Reference: (a) Y No. 515 (105), October 18, 1937.

Germany's constant demand for the return of her former colonies, though more an English affair than French, brings very little response in the French press. Evidently Briand's offer of the Cameroons to Stresemann in return for Germany's adherence to Locarno, etc., has made the Germans feel that little opposition will come from the French if England decides to surrender the other German South African colonies.

The French, prior to the military comeback of Germany and Italy, generally considered the Cameroons as a commercial undertaking (and a poor one at that) and this evidently encouraged former Premier Briand to offer the return of this colony to Stresemann.

Since the return to the status of first class military powers of Germany and Italy, and more especially due to the constant urging of England to have France act in cooperation in all matters (London-Paris axis versus Berlin-Rome axis) the French are now stressing the military aspect of the former German colonies and the absolute necessity of prohibiting Germany from returning to a position in Africa where she can threaten the frontiers of the French and British colonies.

The following points were developed in an article by Pierre Mills, in EXCLUSIOR, on this subject, and are transmitted as of interest:

- "(1) Strategic Frontiers of French and English Colonies: The colonies which Germany reclaims are now the key positions of the vital arteries of the French and British Empires. The German demands for return of her colonies under the excuse of obtaining raw materials is not considered the truth. It is more likely that Germany requires these colonies so as to threaten the colonial frontiers of England and France in Africa. With Italy in Libie, only a short distance across Africa to the Cameroons, it would be an easy matter for Germany and Italy to cut the French and English African colonial possessions in two (see chart).
- (2) Colonial question discussed with Mussolini at Berlin rendezvous: Hitler has advanced many excuses, since coming to power, to enable Germany to obtain her former colonies; viz:
  - (a) Need of expansion for German populace;
  - (b) Need of colonial products;
  - (c) Need of an outlet where German marks can be used as money in exchange due to shortage of foreign currency.

When all these excuses failed to register with the English, and the League of Nations in many pamphlets proved that Germany's arguments did not hold good, Germany then hit on the surest excuse: Prestige. It must be assumed that the Hitler-Mussolini talk decided on this reason as the one to withstand all arguments: 'I want what is mine'. Since the return of Mussolini we witness Italy demanding an entire settlement of Germany's problems (colonials) in the interest of peace.



FRANCE ENTERS THE FIRST ZONE OF THE COMING WAR

Paul Reynaud, Member of the Chamber, after touring Germany and Central Europe holding conferences on financial, economic and political problems, has published his opinions of the trip especially from the standpoint of the military aspect of the present crisis.

Paul Reynaud is considered level headed and ultra-conservative in his statements. In the financial and economic sphere he is right 90% of the time; to what extent his political and military observations can be weighed can only be judged by his all round experience as a Minister in several cabinets.

The following points were developed by Reynaud in his statement, published immediately upon his return from his tour:

**"First War Zone:** France has entered the first war zone, and if she wins this bout a war may be avoided. Once again I have visited Germany, and I find 67,000,000 people bent on one idea: expansion of the German nation. In a measure as their power increases so their arms are spreading out over Europe for a place in the sun. Two years ago Hitler protested that his struggle was against Communism and that it was purely ideologic. At the recent Congress at Nuremberg Hitler changed his views: "The world is burning around us and Germany is an impregnable block free from the fires of Communism."

"Now we find Hitler exploiting his 'ideologic' campaign to further Germany's political ends. Hitler states that he sees Communistic expansion as destroying the European equilibrium. What does this mean? It means that Hitler reserves the right to interfere in the internal affairs of other nations. We now see that Germany's foreign policy has changed in the past two years, commensurate with its increase in power. Mussolini is singing the same refrain to cover his exploits in the Mediterranean. Formerly he stated that Facism was not an article for exportation, but on his recent visit to Berlin he stated that "all Europe will be Facist by the logic of events." The two dictators are, therefore, in complete accord on this part of their foreign policy.

"Japan, for the same reason as Germany and Italy, is seeking expansion for her population, has also invaded China to prevent the spread of Communism. Hitler, who claimed in his book "My Camp" that Germany's colonies were not of much interest, now demands them with full force. These demands for colonies are nothing more than proof of resistance to the democracies. The Germans well know that the return of their colonies will not solve their problems.

"How are we to explain this insolent tone of the dictators? Without doubt, Italy has bled herself white to prepare for war. Without doubt Facism has reassured her that democracies are nothing but vermin, and that France is not to be feared. Our loss of the race Istres-Damas is, in a sense, a factor in the war. Has Italy been the originator of the persistent attacks against our North African colonies? Because, contrary to the opinions of certain elements, the Ethiopian conquest has not satisfied her appetite but only sharpened it. French North Africa is to be the reward for cooperation in weakening France's strength. Means to an end? Formenting troubles in Syria, Palestine, North Africa; troops sent to Tripoli; occupation of the Balearics, while Germany occupied the Canary Islands.

"The Dictators recognize also that the war in Spain is a war against France, but Italy can only play a follow-up role. The final attitude of the Dictators depends on the development of German preparedness, and this development is well underway.

"It was not with idle thoughts that General Ludendorff said, six months ago, that North Africa would be one of the principal theatres of the next war.

"Germany, now that she has all new war materials, is leading the armament race in Europe, and outside of the Navy (which plays only a late role in operations) she is winning the race.

"In the 'psychological' arena preparedness is no less extensive! Yesterday Hitler stated "the German was always a good soldier, but to-day he is better than ever. If it is necessary he will fight with a different fanaticism than the bourgeois German soldier did before the war."

"Are the democracies putting forth the same effort? Two years ago in the Chamber I advocated "quality" if we had not the "quantity", but I was not listened to. We are no longer at the time of Louis XIV when wars were won with combinations; nor are we at 1914 when it was only necessary to prolong the period of military service while awaiting mobilization. With the specialization and mechanization of modern armies it is impossible to prepare for war without the concord of the working masses.

"We are now, let there be no doubt, in the first zone of the coming war. The war of production is on; the war of expansion is declared. The space between the manufacture of planes, anti-aircraft guns, cannons, tanks, etc., in the two camps - dictators versus democracies - are the defeats and victories in this battle of silence. These are the Austerlitz, the Sedans, and the Charlevoix. The diplomatic set-backs are only the shadows of defeats on the green carpets of the conferences.

"Confronted with these facts, what is the reaction of our people? Far from doubting their sincerity or accusing them of lack of comprehension of the gravity of affairs, we say to them: "Your role is decisive in the first phase of the war - if it is won, war can be avoided." The question of industrial production cannot be separated from national defense. The production of industry is an essential element of security for our women and children. It is the welfare of the workers which is at stake in case of losing a war, and it is a 60-hour week instead of a 40-hour one that awaits the worker in such an event.

"Edouard Herriot nobly stated at the Radical Socialist Congress apropos of Mussolini's statement "Europe will be Fascist": "It is the daily production of the French engineer and workman that will give the reply to this question." In this first war zone it is the diplomacy of the machine which commands; the German and French workmen are forging, but at a different pace, their own destiny.

"Finally, if you ask me for conclusions derived from my trip and conversations with important personages, I would state as follows:

- (a) All the energies of the German people are harnessed to increase Germany's expansion;
- (b) At the present rate in armament race, time is working in favor of the dictators;

- (c) This is why Germany does not need immediate conversations with France, nor immediate war. She holds Italy in her power, and Italy has a false conception of French military power and is tempted to find an outlet for her disastrous financial situation in a war;
- (d) If France were divided by serious trouble, Herr Hitler would invade her under the guise of the ideology of Communism, and defense of European order, a system he now uses to divide his future victims;
- (e) To weaken the democracies the dictators do not stop at treason to the white race; they make overtures to the Moslem and the Asiatic;
- (f) There does not exist in the dictator countries any moral or religious force capable of stabilizing their desire for power;
- (g) The demands of the dictators will increase in proportion to the length which they outdistance the democracies in war of preparation;
- (h) It is urgent for the democracies - whose material wealth is immense - to harness their resources and bar the route to war and eventual servitude;
- (i) To be strong is the essential condition for an accord with Germany.

"If the French people understand these conditions they will comprehend that they are in the first war zone.

"If they know where they stand, no political or social consideration will prevent them from stiffening their backs in a manner worthy of a nation which does not want to die."

The labor troubles in France since the inauguration of the Socialist program is, according to the Military Chiefs, doing more than anything else to encourage the dictators and spur them on to active operations. Due to the social program France is far behind in industrial production, thus jeopardizing the military services in their efforts for preparedness.

The "war psychosis" developed in Italy and Germany stands out in contrast to the "status quo" mentality of the democracies and their desire to feast on their surpluses like paid up members of the "haves club". The French, while carrying out the "forgotten man's" program, like the two great sister democracies, paid little attention to the fact that whatever right there may be in the claims of humans to "liberty and the pursuit of happiness", such an innovation was no match for the well trained aggressive armies of the dictators. It took the stubbornness of Italy and Germany in handling the recent delicate European problems (the dictators gave France, England and Russia plenty of chances to fight if they had had any fight in them) to awaken the French to the fact that the "pursuit of happiness" must be left aside and that the workman must don his armor if he even wants to retain his present standard of living.

The article by Paul Reynaud, touching the important question of industrial production in France, is only one of the many articles appearing in an endeavor to convince the Trade Unions that they have chosen the wrong time for social changes and that a "war" will be on their hands, brought on by their own social barriers which were intended to avoid war, instead of a "glorious world peace" as dreamed of by their leader. Jaures.

FRANCE  
No. 551  
November 1937

100% Political Forces  
103 International Relations

The attitude of the Radical Socialist leaders at their Congress (see Y No. 546) towards this important question shows clearly that the Government is finally listening to the reasoning of the French General Staff and putting the soft pedal on the aspirations of the masses for a terrestrial paradise.

While there is still a majority element in France which believes that treaties and negotiations will stop the Germans from expanding, and that the German hates war just as much as anybody, Paul Reynaud belongs to the Clemenceau school of thought whose dictum are that Germany will fight anyone she feels sure of licking and that her thirst will be satisfied when the entire Continent is Germanic. In the last few months, after the Right has been hammering it home for the past 2 years that Spain was only the "try-out" for the big war, the Left politicians are beginning to see the light (this is clearly discernible from official statements and articles in the press) and are now advocating that labor rest on the "pause" and speed up production. The propaganda is being carried on in a clever manner and appeals are made to the "free, democratic birth rights of the Gallic race who knows how to put 'freedom' before 'welfare' and keep the 'musket' as bright as the 'spade'."

Several French critics even claim that the basis of the Japanese-Italian-German anti-Communist alliance is nothing more than a military alliance under the banner of ideology (just like war is no longer declared - you just move in to prevent disorder from spreading) and will come into play around 1940-1942 when the dictators are strong enough to issue an ultimatum to the democracies to "cough up or shut up."

How far propaganda will succeed in arousing the Frenchman to a fighting mood when he well knows that each war left him poorer and more miserable, is a matter of conjecture. Some writers state that the situation will become intolerable should General Franco win and install a military dictatorship in Spain demanding return of Spain's former glory and prestige. Such a stand would have the support of Germany and Italy and would automatically throw France into the isolation ward and make her the next victim.

Note by Naval Attaché:

It is my opinion that in spite of the dangerous situation and increase of armaments in Europe, there will be no war for at least two years unless some extraordinary and unforeseen crisis occurs. At present there does not seem a sincere will to fight and the present system of alliances such as the Berlin-Rome Axis do not inspire enough mutual trust in the partners concerned to allow them to enter into a war fully trusting each other as allies. Of course the whole situation would change if a country such as France developed grave internal disorders and could be regarded as an easy prey.

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From Y Date Nov 8, 1937 Serial No. 554 File No. 103  
(Continues new series each January first) (Submit proper form O. N. I.)

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Subject FRANCE (RUSSIA) POLITICAL FORCES INTERNATIONAL RELATI  
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FRANCO-SOVIET MUTUAL ASSISTANCE PACT

Report No. 554, 8 November, 1937, is transmitted herewith.

12

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FRANCE  
No. 884  
November 1937

190 Political Forces  
108 International Relations

#### FRANCO-SOVIET MUTUAL ASSISTANCE PACT

The following article, taken from the Communist paper "MERAVITE", shows the complete about-face of some of the most ardent supporters of the Franco-Soviet pact.

At the time of the negotiation of the Franco-Soviet pact the French were in an excited frame of mind as they were when they voted to make no further token payments on the American war debt. Germany was tearing up the provisions of the Versailles Treaty; Italy was becoming disgruntled over the constant anti-Fascist propaganda in France carried on by exiles. As a "hot-head" move, in reply to Hitler's breaches of the Versailles Treaty, the French Chamber voted the ratification of the Soviet Pact. At the time it was greeted by all (just like the debt question) with great joy: "France is back in harness with her old time powerful ally", etc., etc. For a time the press was filled with glowing articles on Soviet Russia's military power, as well as the potential market for French products.

The Spanish question was not then on the agenda, and the French did not recognize the tenacity behind the Third International's desire to spread Communist doctrines outside of Russia. With the flaring up of the Spanish affair, and the determined efforts of Germany and Italy to demand a "show down" for a rearrangement of raw materials, and colonies, the Right element in France began to wonder if the Soviet Pact was worth anything. For a time the right politicians (Laval and Company) defended the pact as being excellent for France in that it gave her a powerful ally to keep Germany on the necessity for an anti-Communist front, finally rounded off with the proposed Berlin-Rome-Tokio pact (interpreted in France as a license to invade and interfere in the affairs of other countries under the guise of maintaining order), the Right and Center politicians of France began to wonder if the pact was not at the bottom of all Berlin-Rome animosity towards France. The Left politicians accuse Hitler of starting his anti-Soviet propaganda when Stalin refused to follow the lead of the higher pre-German officers of the Soviet Army in making a pact with Germany and dropping France. Left opinion in France today claims that Germany will pick up Russian friendship the day she succeeds in separating her from France. The recent execution of the Soviet Generals (majority of them pro-German) was unpleasant for Hitler, if he desired Russian friendship, and since then the slogan "danger to peace of the Franco-Soviet Pact" is advanced by Berlin and Rome on all occasions when France's friendship is mentioned.

With the present Left Government in power, it does not seem that any harm can befall the Franco-Soviet Pact unless Soviet Russia completely collapses. It can be safely stated that the present mass executions going on in Russia is anything but pleasing to the Left Government as it bears out the suspicions of its enemies that Russia is a cesspool of disorder and not worth Germany's animosity. Some of the leading military critics have stated that the Soviet military strength - especially aviation - was overrated and that her Army could not be relied upon in the event of war. But the efficiency of Russian aviation in Spain contradicted to a certain extent this opinion of Russian aviation.

The ending of hostilities in Spain and China may bring some decisive action on the part of the French towards the Soviet Treaty, should Germany and Italy insist on this being a condition for pourparlers for a peaceful pact. It is felt, in many French circles, that England has little love for the Franco-Soviet pact and would publicly disapprove of it (as causing European unrest) should she no longer need France's help in front of the dictators.

FRANCE  
No. 584  
November 1937

100 Political Forces  
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Thus the French Conservative government of May 1935, as well as the government press looked upon the Franco-Soviet Pact with the utmost favor. They claimed that "this frank and sincere exchange of views with the heads of the Soviet Government has created, between the latter and France's representatives, 'an atmosphere of friendship and confidence'. Ties between the two countries were thus 'consolidated' and collaboration of the two big countries was to be a step towards universal peace."

But Pierre Laval went further in his declarations. On a visit to the aviation field of Monino, near Moscow, where he witnessed plane and parachute performances, he complimented Marshal Voroshilov in the following terms:

"I am happy to express my admiration for your planes, your soldiers, your officers. I am greatly impressed with the strength of your air force, its discipline and the enthusiasm of the officers and men. You possess fine planes, valiant pilots, and you are a great chief!"

When received by the members of the Moscow Soviet Assembly, M. Laval again declared that he had been extremely touched by the cordial welcome he had received from the population of Moscow and that Franco-Soviet Friendship would endure.

Also, during his visit, M. Laval had inspected one of the large Moscow factories and he and his party had been very favorably impressed. In this connection, the Agency HAVAS stated:

"In this factory, everything tends to increase the comfort of the workman and stimulate his zeal and interest in the factory. With its industry progressing as it does, Soviet Russia is well on the way to becoming one of the most powerful industrial nations in the world."

I consider it useful to recall this trip of Laval's to Moscow, his impressions at that time, and the comments which appeared in practically the entire French press two years ago on this Franco-Soviet Pact. To-day, alas, we find comment on the subject quite different. Why this radical change? This is what we must find out. At any rate, the Soviet Union is in no way responsible for this complete change. They have during the last two years given many proofs of their desire to maintain peace. They remain faithful to the terms and the spirit of the Pact of May 2, 1935, referred to so enthusiastically by Yvon Delbos and Edouard Herriot at the Radical Congress recently held at Lille.

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**FRENCH FOREIGN MINISTER'S VISIT TO CAPITALS OF EASTERN EUROPE**

*Copy to: Ambassador, Warsaw*  
*Copy to: Ambassador, Rome*

1. It has been officially announced that M. Delbos, French Foreign Minister, will leave on a tour of the Eastern European capitals December 2. He will visit Poland, Roumania, Yugoslavia and Czechoslovakia and confer with the heads of those Governments.
2. In Prague he will attend the celebration of the XX Anniversary of the creation of the Czechoslovakian Army. While in Poland he is also scheduled to visit Cracow, South Poland.
3. This tour of capitals in Eastern Europe at this time reflects fresh French efforts to keep the members of the Little Entente within the sphere of French influence and policy.
4. Undoubtedly the French Foreign Office is also interested in the recent apparent change of German policy to pacific penetration in S.E. Europe instead of military aggression. Poland's key position is therefore deserving of special attention also.
5. It is reported that King Carol of Roumania, when he asked M. Mihailache to form a government, told him that he must include in his cabinet the pro-German, anti-semitic, semi-Fascist leader Dr. Vaida, and give him and his friends key positions. This is of interest in indicating the efforts of the Roumanian sovereign to direct control of the political policy which is hardly calculated to be pleasing to the French. This constitutes an additional reason for the French Foreign Minister's inclusion of Bucharest in his tour of European capitals. Today's press indicates M. Tatarescu has been successful in forming a Government without including representation of the Peasant Party in the Cabinet (demanded by the King).

NAVY DEPARTMENT

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From T Date 24 November 37 Serial No. 684 File No. 103-100  
(Commence new series each January first) (Select proper number from O. N. I. Index)

Source of information Press

Subject FRANCE INTERNATIONAL RELATIONS YUGOSLAVIA/POLAND  
(Nation reported on) (Index title as per Index sheet) (Subtitle)

Reference

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FRENCH RELATIONS WITH YUGOSLAVIA AND POLAND.

1. The attached newspaper clipping from the London "Daily Telegraph" of 19 November, 1937, reporting a lecture by M. Bérenger, Chairman of the Foreign Affairs Committee of the French Senate, is forwarded as of possible interest in case it has not already reached the Department.

**PLEDGES OF HELP FOR FRANCE**

**JUGOSLAVIA AND POLAND**

**READY TO MOBILISE IN MARCH, 1938**

FROM OUR OWN CORRESPONDENT

PARIS, Wednesday.

Interesting disclosures on recent critical events in Europe were made in a lecture to-day by M. Bérenger, chairman of the Foreign Affairs Committee of the Senate.

M. Bérenger said that on March 7 last year, when the German reoccupation of the demilitarized zone became known at Warsaw, Col. Beck, the Polish Foreign Minister, informed France that if a Franco-German war resulted from the active Poles would mobilise and place herself at the side of France. Col. Beck also intimated that in such an eventuality he would resign from the Government and go to the front at the head of his regiment.

The lecturer further stated that the Yugoslav Government also informed the French Foreign Office that it was ready to order mobilisation to assist France if war resulted from the reoccupation. "If France did not mobilise," continued the lecturer, "it was for very honourable motives, of which the chief was the determination always to march in step with England in all our military and naval action."

M. Bérenger advised Frenchmen "to reflect before criticising Viscount Halifax's visit to Germany and the Earl of Perth's diplomatic discussions at Rome." France, he said, would lose nothing through these "semi-official consultations" and "would fall into the most dangerous of traps if she relaxed in the slightest degree her close union with Great Britain."

**BRITAIN'S VIGILANCE**

The lecturer closed with these words: "The British community and the French Republic are to-day sufficiently armed. To-morrow they will be more so. They represent 500 million human beings who 20 years ago gave proof of their courage, tenacity and success."

"Present on all the continents, keeping watch on all the oceans, vigilant in all the skies, they have the authority, in agreement with the United States, to summon the world to a supreme rally for peace."

He said that the final aim of Herr Hitler and Signor Mussolini was to establish a German Empire in Central Europe and revive the Russian Empire on all Mediterranean shores. In case of a conflict he said, France would stand on the British Empire, Germany, Czechoslovakia, Poland and Belgium.

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ITEMS ON EUROPEAN SITUATION - AUSTRIA, GERMANY - AND COLONIAL QUESTION

Report No. 620 (103), 10 Dec., 1937, is transmitted herewith.

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FRANCE  
No. 620  
December 10 1937

100 Political  
105 International Relations

ITEMS ON EUROPEAN SITUATION - AUSTRIA, GERMANY - AND  
COLONIAL QUESTION

An interview between a member of this Embassy and the Press Attaché of the Austrian Legation in Paris developed the following points of general interest on the European situation:

Visit of Von Papen to Paris:

With regard to the recent visit to Paris of Ambassador von Papen, the official reason therefor was that it was entirely of a private character. He did, however, see certain persons of importance here and, it is assumed, discussed the situation in Central Europe, particularly with regard to France's attitude towards the relationship between Germany and Austria and Germany and Czechoslovakia.

Shortly after leaving Paris, von Papen saw Hitler either at Munich or Berchtesgaden. The latter asked him with regard to the Nazi Party in Austria and was told that it was continuing to lose strength and was in rather a bad way. As a result of this, Hitler himself ordered to be written the recent article in Diplomatische Korrespondenz attacking Austria. Austria protested against this and the Assistant Chief of the Press Bureau at Berlin went to Vienna to discuss the situation. As a result of this discussion, which showed that the German press had made many more attacks on Austria than the Austrian press had made on Germany, it was agreed that each country would endeavor to prevent the publication of vitriolic attacks on the other country and of articles tending to stir up ill feeling between the two countries. This is the situation at present, but how long it will last it is impossible to say, as such agreements have been made before and have usually lasted only two or three months before a new outburst occurred.

General Situation in Europe:

At the present time, due to the Berlin-Rome axis, Austria is much less likely to be the victim of German aggression than is Czechoslovakia. It would be very difficult for Italy not to intervene in the event of a German attack on Austria, and Germany now wants payment from Italy for favors granted by Germany to Italy at the time of the Abyssinian war and during the present Spanish war. Not only would Germany have to count upon the possibility of Italy's coming to the aid of Austria in case of a German attack, but also she would have to take into account that in Austria there would be no nationalist question to help her, and she would have the whole country against her.

Likewise, England and France would probably not sit back quietly and watch Germany gobble up Austria. England would be much more likely to march in the event of an aggression against Austria than she would in the event of an aggression against Czechoslovakia (Dr. Fuhs said that this statement was based on information given by King Boris of Bulgaria when he came through Paris a few days ago, and was based upon impressions obtained by King Boris from conversations which he had with the King of England and with Chamberlain).

If Germany were to attack Czechoslovakia, it would take little time and comparatively few troops to grab off the German section of that country. Even if France did mobilize and declare war, it is extremely doubtful that she would be able to break through the German defensive fortifications in the Rhineland, and even if she could do so, it would be only at a terrific cost in men, which she could not afford.

The only other line of attack would be through either Belgium or Switzerland, which it is believed would not be permitted. France could

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carry on an aerial bombardment of German industrial centers, but Germany could reply in kind. Poland, Rumania and Hungary would certainly remain neutral. In the event of a German attack on Czechoslovakia, Russia would probably not be of any help to France, since it is practically certain that neither Poland nor Rumania would allow the passage of Russian troops. What England would do is problematical. If Germany invaded France, of course England would march. However, if Germany were clever enough to fight a purely defensive war, doing nothing against France except defend German territory, then it is an open question as to what England would do.

If Germany received satisfaction from France and England on the question of colonies, even though it be temporarily only symbolic, she would probably stay quiet for the time being. If, on the other hand, she does not receive satisfaction, it is probable that she will break out, not, however, before the spring or summer of next year. She may first take Danzig and then go after Czechoslovakia, or may strike right away at Czechoslovakia. The spring of next year will be a critical period, because by that time the Spanish war will probably be over and there is the possibility, even probability, that Italy and England will have come to terms, which will result in the complete isolation of Germany, thus forcing her to obtain some satisfaction on the colonial question or else to attack before such isolation is accomplished.

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SINO-JAPANESE WAR: Extracts from French discussion of Navy Budget for 1938 (continued).

Report No. 628 (103), 14 Dec., 1937, is transmitted herewith.

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FRANCE  
No. 628  
14 December 1937

100 Political  
103 International Relations

**SINO-JAPANESE WAR: Extracts from French discussion of Navy  
Budget for 1938.**

Two extracts from the discussion of the 1938 French Navy Budget concerning the Sino-Japanese conflict, and the Japanese Navy, are translated as of interest.

The extract from the "Introduction to the Budget" shows the Sino-Japanese affair as viewed by the "Naval Committee" in their drawing up of the 1938 Navy Budget.

While the press and official utterances on this question have been very mild, no doubt exists (as seen from British papers) that the French are worried over the turn of affairs in the Far East - especially since the Berlin-Rome-Tokio bloc is using the occasion to force acceptance of their demands in Europe. Several inferences in the press indicate that the "triangle" will not even stop at blocking France and England in Europe, but may extend their operations to the Far East and, with Japan's support, cause a realignment of interests in China favorable to the triangle:

Extract from Introduction of Naval Budget.

**CONFLICT IN EXTREME ORIENT**

It is a peculiar incident that a fight between Japanese and Chinese troops stationed at Lou-Kou-Chiao during the night of 7-8 July, 1937, was the cause of the bloody war on the frontiers of the Pacific and which may result in a change of the fate of Europe. Japan found it an occasion to extend her economic expansion in China already commenced in Corea in 1905, Manchuria in 1931, Jehol in 1933. Present hostilities which have been underway for a period of five months, without either side breaking off diplomatic relations, have as their theater of operations:

Northern China  
Shanghai District  
Chinese Sea.

Operations in Northern China: These operations, of a maritime character, have as their principal mission the occupation of the Province of Shan-Tung, the possession of which will give Japan complete control of this area, not only in the Gulf of Petchili, but in the entire Yellow Sea.

If these operations are successful, naval communications with Vladivostok and the outer world will be dominated by Japan. If she succeeds in penetrating into the provinces of Mongolia, limits of Manchuria (Sharar and Sui-Yan) she will also threaten the land communications leading to Vladivostok. We can easily conceive the risks which this conflict may create between Russia and Japan and its possible repercussions.

Operations in the Shanghai District: Shanghai, capital of European interests in China, is in the heart of the provinces coming under the Government of Nanking and in which sector Japanese influence had no chance of installing itself by pacific means. This explains the military operations of the Japanese being particularly intensive in all this region. However, contrary to that which took place in Northern China where the conflict may become purely a Russian-Japanese affair, military operations in the Shanghai district interest the leading European powers having possessions in Shanghai.

The cards which are now being played in the Far East not only concern the prestige of all European nations, but that of the entire White Race. Without doubt, since the beginning of the conflict, no prejudice

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No. 528  
14 December 1937

100 Political  
103 International Relations

SINO-JAPANESE WAR: Extracts from French discussion of Navy Budget  
for 1938. (Continued)

has as yet occurred in connection with foreign privileges in China. But, we must remember that China profited (prior to the present conflict) of the Spanish situation to declare that the citizens of Spain would cease to benefit by the extraterritorial privileges which to date they enjoyed. It is manifest, should the Japanese win, or should the Chinese have a complete success, that the conqueror will profit, to regain prestige, if not to suppress entirely the many advantages which were taken from the Yellow Race by the Whites from the West. All weakness on our part will be considered as a sign of abdication. Thus we see the necessity of keeping at Shanghai, as well as in the Yang-Tse-Kiang, as strong a naval force as possible. Once again the honor of France is placed in the hands of the Navy.

Extension of Conflict in the China Sea: Hostilities in the China Sea, at the mouth of the Yang-Tse-Kiang, will certainly extend towards the South, and already we have learned from the press that Japanese raids have taken place in the Islands "Les Petras", "Les Paracels," and at Hai-Nan. By this move the security of Indo-China props up; the same applies for the British interests at Hong-Kong. If Japan has, for nearly a hundred years, her eyes turned towards the Chinese continental provinces, today she is further interesting herself in the islands in the China Sea, - grounds naturally enough leading to British possessions in Asia. We find numerous proofs in studying Japanese economic activity in recent years: penetration into the islands and ports South of Japan and Formosa Island, as well as into Fu-Kien, Hainan, Paracels, Philippines and as far as New Guinea and Borneo. By reason of this economic penetration, present hostilities could easily take a form of outward aggression. If we consider, on the other hand, that Siam, up to present years a friend of France, is actually a center towards which converge efforts of the totalitarian powers, we can well ask ourselves, in case the powder keg explodes, what will be the fate of French Indo-China?

Without doubt the "triangle" - France-Great Britain-Holland - could easily become the "square" by the addition of the United States if the Philippines were threatened. This "square" could counter-balance the powers now forming the anti-Communist pact (Berlin-Rome-Tokyo), but the difficulty of maintaining this balance and avoiding all complications should be clear to the eyes of everyone.

The Brussels Conference: With a view to conciliating the difference between Japan and China the Brussels conference convened. With Japan absent the conference fell through and the conference adjourned "sine-die". At present writing the problem remains unsettled and all hopes of a pacific settlement of this question are lost.

The conclusion to be accepted from the brief summary of facts set forth herein is:

Our duty consists of maintaining our position in China. Our naval forces in China are entirely occupied. They should act in liaison with foreign naval forces who are defending their citizens at Shanghai. We must also keep our eye on the threats to Indo-China - from the coast as well as the Siam frontier.

And all these problems cannot be solved unless France maintains a powerful fleet.

FRANCE  
No. 628  
14 December 1937

100 Political  
103 International Relations

SINO-JAPANESE WAR: Extracts from French discussion of Navy Budget  
for 1938 (continued)

EXTRACTS FROM DISCUSSION OF BUDGET:

Japan: The size of her fleet has not ceased to expand. It is not without reason that the Japanese government championed the right of all nations to freedom of construction.

While speaking of Japan, especially at this time when we witness what is taking place, we might recall that Monsieur SARRAUT (former Minister of Colonies) often stated that the faith of Europe would be decided in the Pacific.

We have not the right to forget the Maritime efforts put forth by Japan. As soon as the Treaty of Washington was scrapped, Japan refused to consent to be tied by any further restrictions on tonnages - and she has profited by her stand.

Her building program of January 1937 comprises 65 million pounds expenditure for a 5-year program, in addition to annual budget credits: 2 battleships, carriers, cruisers, mine-layers and destroyers, as well as numerous submarines are under construction.

On November \_\_\_\_, 1937, the carrier HIRYU (10,000 tons) was launched and this unit is capable of carrying 40 planes.

*Thompson*

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ROUMANIA - Defection from the Little Entente.

Report No. 662 (103), 29 Dec., 1937, is transmitted herewith.

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FRANCE (ROUMANIA)  
No. 662  
29 December 1937

100 Political  
105 International Relations

Subject: ROUMANIA - Defection from the Little Entente.  
Source: Reliable.

The European head of a large American oil company to-day informed the writer that he regarded the present crisis in Roumania as a most serious threat to European peace. Through his associations in the oil business he was able to keep quite well informed on Roumanian affairs and he stated that the present crisis is a very definite break by Roumania from the French orbit and an alignment on the side of the Fascist states. He said that the movement would be anti-semitic and pro-Fascist in nature and would most probably result in the ousting of Lupescu and the possible abdication of the King. He regarded this turn of events as enormously strengthening Germany's war-making powers, for if the Roumanian oil wells were held by a strong group instead of being blown up as in the last war, Germany's supply of petroleum would be assured.

My informant stated further that the French had been aware of this impending situation for some time and had rushed Mr. Delbos around the circuit to try and prevent it. He visited the other Little Entente countries in order that the visit to Roumania would not be too pointed. Mr. Delbos' visit, however, was foredoomed to failure, primarily because he represented a leftist government and, secondarily, because his personal reputation did not carry great weight. My informant was thus of the opinion that this first definite break in the Little Entente would be followed by others and would greatly increase the prestige and power of Germany at the expense of France.

While other observers with whom the writer has discussed this development think that the foregoing is a rather extreme view, none deny the importance of the event.

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OGD letter, May 4, 1972

By SLR Date NOV 21 1973

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FRANCE  
No. 2  
4 January 1939

190 Political  
105 International

POLITICAL EVENTS PERIOD ENDING 3 JANUARY 1939

**SPANISH SITUATION:** The success of the Spanish Republican forces in capturing Teruel came as a surprise to the majority of French opinion. Even the Left press wondered if the many reports coming in were true - doubt of the extent of the Republican successes as mentioned in despatches from Valencia was expressed. At present writing it appears as if the counter-attack by General Franco's forces has succeeded in recapturing lost ground and routing the Republicans. It is predicted that the Franco forces will fail to follow up this recapture as usual. One good excuse will be the adverse weather conditions.

The Spanish affair has lost its "featured" position in the French press and little or not interest is manifested since the German and Italians are not taking such an active interest. Even the question of withdrawing volunteers is not played up. The "Right" press feels that the Spanish affair has lost its importance, in comparison to more pressing problems in the Mediterranean and Central Europe, while the "Left" press feels that England has won in Spain regardless of final results between Republicans and Insurgents.

Condensed opinion, obtained from followers of the Spanish affair, leans to the view that all odds are in favor of General Franco's forces and that also but more pressure, both from sea and land, will enable him to win in the final count. It has long been accepted that Franco's forces were better organized to carry on a protracted war. However, the recognition of the fact that the "morale" of the Spanish Republicans is on the up-grade is now freely admitted by French elements who traditionally consider anything "left" being synonymous of "disorganization".

**CENTRAL EUROPEAN AFFAIRS:** The new Regime in Rumania, under the leadership of GOGA, has not been well received in France. This change coming immediately after Monsieur Dalbos' visit and his assurances that Rumania would remain a faithful friend of the Little Entente has only complicated matters more.

Even though GOGA's party is a minority one, and the opposition may be strong, the mere fact that King Carol has called him to take over the government is proof to the average Frenchman that some form of dictatorship is about to be set up in Rumania. Any form of dictatorship, though mild in the beginning, will eventually work out in favor of Germany and Italy, and to the detriment of France. All policies of Monsieur Goga are pro-Hitler, and anti-democratic. His interior policies, especially his attack on the Jews, and press, is interpreted in France to mean that Hitler and Mussolini will be his guide in framing the future of Rumania. Monsieur Goga, according to the French press, is violently anti-Soviet and will line up with the anti-Communist nations.

The extreme Left and Right press accuses Monsieur Dalbos of being fooled and obtaining an erroneous impression of Rumanian friendship for France and the Little Entente on his recent visit to that country. It is, however, too early to form an opinion on the exact meaning of the formation of Goga's government insofar as it pertains to Franco-Rumanian relations. For the present, it is viewed with grave concern by Frenchmen who feel that the Balkan bloc is decidedly pro-Fascist. The excuse that "economic" conditions are the bottom of all the Central European and Balkan troubles makes the picture all the more black as "economic" ills are not easily cured and, as a rule, do not react to statesmanship.

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OSD letter, May, 1977

By SLR

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4 January 1938

100 Political  
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**SINO-JAPANESE AFFAIR:** The favorable reply of the Japanese to the "Fanny" incident was well received in the French press. It was remarked that the Dictator and Fascist nations could, when real opposition was in sight, be brought to their senses just like any weak nation.

The following peace conditions, according to the press, have been offered to China by the Japanese:

- (1) Repudiation of Communism and cooperation with Japan against it. In other words, China must cease to be anti-Japanese and become anti-Russian.
- (2) Economic cooperation: this to include the establishment of joint air services and the construction of certain railways in North China.
- (3) Acknowledgment of China's liability for the course of Japanese military operations. As North China is unable to pay a war indemnity this condition implies the giving of security in the form of rights and interests of the earmarking of Customs revenue.
- (4) Recognition of Manchukuo. This may take the form of commercial and communications agreements.
- (5) The creation of a demilitarized zone around Shanghai and possibly at other places where Japanese interests require this form of protection.
- (6) China to employ Japanese advisers and to agree that Japanese troops occupy certain places for a time.

Items in the French press state that these conditions, which are decidedly German in origin, are only preliminary conditions and that a complete list of conditions are now being worked up by the Berlin-Rome-Tokio bloc.

Hope is still expressed in the French press that France-England-United States may combine and use their influences to preserve their combined interests in the Far East.

The Right press states that whatever may be the military results of the war in the Far East, the days of the White nations are ended in China and that the future will witness a "packing up" process in preparation for Japan's next move in the course of the next decade. Depending on the strength of the Berlin-Rome-Tokio bloc, and its ability to stick together until a redistribution of colonies takes place, will depend Japan's next move, perhaps taking in the Dutch East Indies and French Indo-China.

Comment on the United States is to the effect that the favorable commercial balance of over 60,000,000 dollars is a much stronger factor than mere prestige and the retention of doubtful assets in China.

Comment by military writers, should the United States remain aloof, is that France and England are helpless in face of Japanese aggression and expansion in the Far East. It is stated that pressure being brought in Egypt by Italy and Germany will make England think twice before she risks anything but "polite notes" to the Japanese; that Singapore and Hongkong could go by the board and England would not dare move her fleet from the Mediterranean for fear of Italian and German aggression.

**INTERNAL SITUATION:** The strike situation is still very embarrassing to the Government in that the Chautemps Government is trying to mediate between the Employers and Employees and with a view to leaving with the workers the much needed social benefits granted under the Social Laws. The strength of the Chautemps government lies in the fusion with the Socialists, hence the necessity for maintaining as many of the social benefits as possible for the masses.

UNCLASSIFIED

E. O. 11652, Sec. 3(C) and 5(D) or (E)

OSD letter, May, 1972

FRANCE  
No. 2

By SLR

Date

MAY 31 1973

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4 January 1968

Leading politicians, both in the Senate and Chamber, consider the present strikes as a natural straightening out process due to the drastic changes in working conditions of the masses due to Social Laws. The upheaval of the country's economic and industrial system was too drastic to allow its being pieced together again except by a long process of adaptation that is only possible by the exercise of conciliation and good will on the part of everyone concerned. The many decrees and laws issued to meet difficulties as they arose, many of them ineffective or inapplicable because they are at variance with economic principles, or principles of authority, placed employers in uncompromising opposition to the unions.

While a year ago strikes were prevalent for the enforcement of the five-day week, wages and collective contracts, they have lately been revived for a renewal of contracts with provisions which deprive employers of authority. The occupation strike at the Goodrich Rubber factory, near Paris, is a typical instance of labor's attitude. It was undertaken for the reinstatement of certain discharged workers. For the first time the Government sent a military force to expell the men from the factory, but the force was confronted by a barrier of strike sympathizers and the armed police were withdrawn. The employers, on the other hand, are adhering to the plan of not discussing terms with the strikers while the plants are occupied.

The strike, which is considered most serious, and occupying the City and Federal Government, is the "transport" strike in the Department of the Seine. The Paris municipal transport workers (buses, subways, etc) went on a 24-hour general strike over a wage dispute and in half-sympathy with their colleagues on strike at the Paris delivery markets. Transportation was completely stopped, except taxis, for a period of 24 hours. The Government immediately ordered mechanical ratings from the Navy Yard, Brest and Toulon, as well as from the Army, to proceed immediately to Paris and take over all municipal transportation. Finally, there was no need of using military mechanics as the strike ended with the 24-hour protest.

While the reasons given by workers for the recent strikes are "increase of pay", "allowances", etc., the underlying issue appears to be the right of employers to dismiss men without submitting the cases to arbitration. A cross section study of the many arguments concerning the recent strikes indicate that the employers are willing to submit to arbitration on every point except the right to dismiss men. To belittle this "right" on the part of employers is to ignore the meaning of the word "possession" to all Frenchmen. However, the workers, who pay little heed to "tradition" of the possessing class, are bent on obtaining rights which will ensure them from discharge at the whim of an employer as was the case in the past. It is "now or never" with the workers and they do not intend to abandon the struggle without a fight.

However, it must not be assumed that the "majority" of French workers, in all industries, are in favor of these continued disputes with the Employers. A canvass of the leading department stores, banks, insurance companies, municipal employees, show that over 60% are in favor of the "pause" and consolidating present gains. This category realizes that rising costs of living will eat up any small increases accorded after protracted disputes.

POLITICAL ASPECT OF THE STRIKES: Assuming that there is nothing more unpredictable than political developments in France, it is not thought that the present unrest from strikes contains any immediate threat to the Chateaux government. It may be stated, however, that the "Front Populaire" has been shaken as a sequence to Chateaux' Government jockeying to appease both the employers and the employees. The "rightists" who seek sensational events in anything and everything predict that the Chateaux Government may "fall" or "resign" as a result of these strikes. However, the conservative elements (who would probably wish a shuffle of the Cabinet) feel that the Socialists and Communists will seek strength in union, regardless of the

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strikes, at the first signs of danger to the Front Populaire fusion. The close affiliation between the Chautemps Government (Radical Socialists) and the Senate suggests well for any action the Government may take to bring about a solution to the problem.

CLOSING OF PARIS EXPOSITION: By a vote of 224 votes to 75 the Senate rejected the bill to reopen the Paris exposition in 1958.

While Senator Gaillaux (Radical-Socialist) in moving the rejection of the bill, stated that the exposition had been mismanaged from a financial point of view, and that the country's financial resources should be devoted to national defense and not in furthering the 1958 exposition, it is common knowledge that the Provinces have strongly objected to a reopening of the Paris Exposition (all trade drifted to Paris). Senator Gaillaux' motion was only the voice of the Provincial Radical-Socialists condemning a Bill which the Chautemps Government (Radical-Socialists) passed through the House knowing that the Senate would be able to handle the matter and relieve the Government from the responsibility of not submitting the Bill.

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DECLASSIFIED

EX. O. 11652, Sec. 3(E) and (G) - (S)

OSD letter, May, 4, 1962

By SLE

Date: MAY 21 1973

~~CONFIDENTIAL~~

H. A. Paris  
FRANCE  
Report N° 5  
January 4, 1938.

100- Political Forces  
103- International  
Relations.

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ADMIRAL CASTEX Abandonment of distant colonies and concentration on African colonies.

The following excerpt from the Brest Dépêche, discussing the theory of Admiral CASTEX on France's Colonial Empire in his "Volume III- Théories Stratégiques", is transmitted as of particular interest at present writing.

The article agrees with Admiral Castex, that France cannot defend her distant possessions, and should have bargained them off at the proper time:

Distant Colonies: A short while ago I remarked the weakness of our fleet in the Orient to defend French interests now in peril by Japanese aggression. This condition also applies to United States and England who have more to lose than France.

I have re-read Castex' Volume III "Théories Stratégiques" which deals with "Colonial expansion and Naval strategy". Contained therein are many subjects for thought.

It is a matter of common glory to boast of France's colonial domain in five corners of the Globe. We are accustomed to praise the economic and military advantages in time of peace and war. Admiral Castex shows us that while our African colonies have immense advantages and possibilities, the same changes to one of great inconvenience when we consider our possessions in Asia and Pacific. No need of remarking that Indo-China is defenseless in front of Japan, or even China, and that the worry of holding them and protecting them costs enormous sums.

His conclusion was that we should abandon all our distant colonies and get the best bargain possible for them. This would permit us to concentrate our efforts in Africa - from the Mediterranean to the Congo.

When this work of Admiral Castex appeared in 1930, it was received with indignation by the Colonials - the question of sentiment and ties was discussed. But, if we adhere to solid logical arguments we must admit that Admiral Castex was correct. Castex said that we must never lose sight of the wisdom: "we must proportion the political front, and military front, to existing possibilities."



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No. 188  
15 March, 1938.

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POLITICAL EVENTS PERIOD ENDING 15 MARCH 1938.

DECLASSIFIED

C. 11652, Sec. 3(E) and 5(D) or (2)  
OSD letter, May, 4, 1978

ENCLOSURE: List of new Cabinet of Premier Léon Blum. by SLR

Date MAY 21 1968

SPANISH SITUATION: According to the press General Franco's present drive on the Aragon front is a well prepared offensive and may be leading to a decision in the Spanish conflict.

The Right press states that complete demoralization exists in the Republican ranks, as well as within the Republican controlled sections, and that a complete collapse could take place at any time.

During the discussions entering into the formation of the new Blum Cabinet, it was noticeable how the Radical-Socialists, as well as all Right parties, insisted on absolute neutrality in connection with the Spanish situation. This is in keeping with the British policy of "hands off" in Spain as not to complicate the Italo-Anglo-German negotiations now underway.

Late press reports state that General de Liano, Nationalist Radio General, was relieved of his command and confined to his residence on the following charges:

- (1) Anti-British radio speeches;
- (2) Accusing German troops of theft;
- (3) Antagonistic attitude towards German and Italian officers.

The press also reports that recent air raids on Republican naval base at Cartagena seriously damaged the cruisers LIBERTAD and MONTEZ NUMER, and the destroyer LEPUJOL. Confirmation of this is awaited, but should it be a fact it places the Republican fleet at a great disadvantage.

GERMANY AND AUSTRIA: While France was without a Government during the march of Hitler into Austria, the press severely commented on the probable future in store for Czechoslovakia.

The press states that France has asked England to decide, now, what will be her reaction in case Germany proceeds against Czechoslovakia in the same way as Austria. The French press strongly inferred that France would come to the aid of Czechoslovakia and that it would mean war. The Right press, ever doubtful of England, stated that Goering's assurance to Czechoslovakia will be accepted by England as proof of Germany's good intentions and that it obviates the necessity of England committing herself at the present moment.

Items appearing in the press indicate that Italy was wounded, more than the Italian papers indicate, by the invasion of Austria by the Germans. It is pointed out that the average Italian had been led to believe, for the past 5 years, that Italy was the guardian of Austrian liberty. While Mussolini had to submit to German force, it is inferred that his pride received a severe shock. The press states that the letter from Hitler to Mussolini, giving him last minute notice of his intentions to invade Austria, only made matters worse as it clearly indicated that Hitler considered Italy as a second-rate nation in limiting Italian frontier to the Brenner pass.

INTERNAL SITUATION:

Resignation of Chautemps Government - Premier Chautemps, after reading a declaration before Parliament, handed in the resignation of his Government.

Chautemps, after mature deliberation and collaboration with all political parties, decided that his Government was not representative enough for all parties to efficiently handle the many delicate problems confronting France and Europe.

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The first major problem which influenced the Chautemps government to resign was the immediate necessity to procure 40,000,000,000 francs for the State: 20,000,000,000 for rearmament purposes and 20,000,000,000 for fiscal running expenses for the year. Chautemps felt, after creating the "National Defense Special Treasury Account" preparatory to the taking over all funds subscribed for the rearmament, that a large political backing comprising all parties should get behind the government in its endeavor to float such a large amount in a country where Government bonds are at a low ebb.

The second major problem confronting the Chautemps government was the new Labor Code which aroused animosities and caused much useless bickering in the Chamber - the Rightists defending the employers and the Leftists defending the masses.

The entire press agreed with Premier Chautemps, in heading in his resignation, as it was felt that his Cabinet was too "narrow" to keep harmony in the discussion of such thorny problems.

Some papers objected to the fact that Chautemps did not make his demands for greater powers a matter of confidence and thus place the Socialists in an embarrassing position. Premier Chautemps preferred resignation, without debate, so as not to have the responsibility of breaking the Front Populaire agreement by confronting the Socialists with reality in the form of a vote of confidence.

New Léon Blum Cabinet - After three days futile effort to form a National Union Cabinet, Léon Blum (Socialist) was forced to form another Cabinet of the "image" of a Front Populaire Government similar to his first cabinet of July 1936.

Blum was given a free hand by the Socialists to form a National Union Government. But he had little success as the Right minority groups (Flandin and Maria) decided not to participate in a government with Communists who received their instructions from a foreign country (Moscow). The decision of the Right minority groups to refuse to participate in a National Union Government was communicated by Monsieur Flandin as follows:

"In the presence of the gravity of the internal and external situation the Presidents or representatives of all the groups of the minority have decided to adopt a common attitude. They have declared themselves ready to participate in or give their support to a government of union and public safety on a program whose content appears to them to be incompatible with Communist participation."

It was concluded, in view of the foregoing, that Léon Blum should appear before them and answer specific questions concerning program:

Foreign Policy -

- (1) The French Government's action toward events in Austria;
- (2) Non intervention in Republican Spain under any form whatsoever;
- (3) Liquidation of France-Italian differences, with the appointment of an Ambassador to Rome and recognition of the Ethiopian affair.

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No. 188  
18 March, 1948

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Financial policy -

- (1) Precise information as to the eventuality of a forced loan or of a conversion of bonds;
- (2) Hostility to exchange control.

Social policy -

- (1) Precise information concerning hiring and firing, re: new Labor Code;
- (2) Cessation of occupations of factories.

Blum appeared before a second meeting of the minority groups to to answer the above questions.

Endeavoring to calm the objections to the participation of the Communists, in a National Union Government, Blum recalled how his former Government defended France's interests by a strict policy of non-intervention in Spain. To the criticism that the inclusion of Communists in the Cabinet would provoke a bad impression on foreign powers, Blum retorted that it was undignified to think that France could not remain herself.

Blum acknowledged that there existed points of friction between them concerning foreign policy but that they could be ironed out. The minority group asked Blum certain questions, for example those concerning recognition of the Ethiopian Empire; sending an Ambassador to Rome, financial problems, etc.

Certain opposition groups felt, he (Blum) said, in a tone of warning, that someone else than he would be more qualified to head a national union government. What might be possible today might not be possible tomorrow. Now exceptional circumstances made that union possible, since the formula had received country-wide approval.

Blum stated:

"Take care; if you do not accept it to-day the country will be against you, and you may be sure that tomorrow under greater circumstances you may not secure the support of the Socialist Party indispensable for that formation."

In spite of Blum's declaration, the minority groups remained adamant, adopting anew their previous declaration of non-participation in a government where Communists held seats.

In view of such an attitude, on the part of the minority groups, Blum concluded that it would be impossible to form a government of National Union, and stated:

"I feel I have gone the extreme limit in my efforts to form a government which the country demands. All the groups of the minority, except the Popular Democrats, have given me their refusal. I cannot hide my surprise or my sadness.

"Had I thought that the formation of such a government, under the initiative of another politician, had a better chance of success I would immediately renounce my mandate. But, the events of the day have furnished proof to the contrary."

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R. O. 11652, Sec. 3(E) and 3(D) of (E)

OSD letter, May, 3, 1972

By SLR

Date

MAY 2, 1973

FRANCE  
No. 128  
18 March, 1938

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Léon Blum, at present writing, has finally formed a new cabinet around the "image" of the Front Populaire government of July 1936. The cabinet is composed, principally, of Socialists and Radical Socialists (see Inclosure). Blum intends to present this cabinet, with outline of program, to the Chamber on 17 March.

The general reaction of public opinion to the failure to form a National Union Government is more or less of a disappointing nature. It was felt that the time had come to bury differences and give Frouse a stable government to traverse the present difficult period in European affairs.

Even Blum's most bitter political opponents give him credit for his liberal and broadminded views in endeavoring to form a National Union Cabinet. It would not be surprising if Blum's prestige will not be enhanced by recent events. However, Blum being a Jew and a Socialist handicaps his chances of cooperation and friendship from the upper classes in France. Many French people who admire Blum's sincerity always remark that "it is too bad he is a Jew".

It is yet too early to comment on the program of the new Blum Government, much less prophesy what success it will have in piloting the many difficult problems on the political calendar. Blum must be very careful in handling financial problems (proposed 40,000,000,000 franc loan) as his party is anti-capitalistic and capital may well take flight at the first signs of scarcity or even forced loans from banking institutions to cover bond issues.

- Notes:
- (1) Last minute reports indicate that the French Chamber will hold a ~~secret~~ session to discuss France's foreign policy in the light of her military capacities.
  - (2) Rumors are going around that the present Blum Cabinet is a stopgap government pending a National Union Government under either Deladier or Herriot when the fusion time is "ripe". Herriot is reported to have stated when asked to head a government of National Union: "I will leave the temperature of the Chamber work in favor of such an event."

DECLASSIFIED

E. O. 11652, Sec. 2(b) and 5(D) or (E)  
OSD letter, May, 1, 1972

By SLR Date MAY 2, 1973

ISSUED BY THE INTELLIGENCE DIVISION, OFFICE OF CHIEF OF NAVAL OPERATIONS, NAVY DEPARTMENT

ATTACHE'S REPORT

15363-1  
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From Y Date 22 March, 1938 Serial No. 145 File No. 103  
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 Subject FRANCE POLITICAL FORCES INTERNATIONAL RELATIONS  
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NOTE.—(The review, indexing, and distribution of reports by O. N. I. will be greatly expedited if a brief summary of the paragraphs of this report. Mention leading geographical, personal, or political names, and the gist of the report.)

FRANCE: Items compiled during week following invasion of Austria by Germany.

~~CONFIDENTIAL~~

21 1938

Report No. 145 (103), 22 March, 1938, is transmitted herewith.

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 R. O. 11682, Sec. 6(D) and 6(D) of (ES)  
 OSD letter, May. 1, 1979  
 BY SLR Date MAY 23 1973

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REASONS

E. O. 11692, Sec 3(E) and 8(D) of 48C

OSD letter, May. 1, 1973  
MAY 21 1973

FRANCE  
145

By SLR

Date

100 Political Forces  
103 International Relations

22 March, 1938

**FRANCE:** Items compiled during week following invasion of Austria by Germany.

With the fall of the French Cabinet, and inability to form a National Union Cabinet, coupled with the invasion of Austria by Germany, it may be said that Paris had the "jitters" during the past week.

The Attaché has compiled, as a matter of passing interest, several little incidences of importance:

**COMMUNIST RESIGNEMENT:** Charles Rappoport, one of the founders of the French Communist Party and Paris correspondent of the Moscow newspaper ISVESTIA, has handed in his resignation both as a member of the Communist Party and as correspondent of ISVESTIA on learning of the recent executions in Moscow.

**MOBILIZATION CARDS:** Mobilization cards have been mailed to all French reservists up to the age of 50 years. Periodically, mobilization cards are mailed to bring records up to date. On mobilization the reservist is informed what depot to report for further disposition. Information received tends to show that a percentage of reservists: artillery, tanks and aviation, have been diverted from former depots in northeastern France to more southern points close to the Spanish-France frontier.

While this is a natural sequence of troubled events in Spain, it is of interest as showing that the French have their eye on probable developments in that sector and Northern Africa.

**CZECHOSLOVAKIA AND FRENCH AID:** The Attaché has spoken to many French officers, as well as foreigners, on how France would come to the aid of the Czechs and received the reply, "we do not know."

The press reports that Hitler will make a demand on Czechoslovakia, in the immediate future, to grant autonomy to the 3,000,000 Germans (Sudets) on the borderland, and the creation of a neutral state on the style of Switzerland for the remainder of Czechoslovakia. If the Czechs agree Hitler is willing to guarantee the security of the nation. Otherwise, Czechoslovakia will be placed on the "index" and will await Hitler's "power politics" at his pleasure.

It is also rumored that Hitler, in a bid for Hungary, will guarantee Hungary's security under the guise that Hungary is a step-sister to his beloved Austria and has kindred ties and relationship.

**Possible sources of action for France:** Many people in France, particularly the poorer classes, believe that France should come to the rescue of Czechoslovakia. The workmen and communists see the salvation of France in aiding Spain. But as much as the French General Staff would love to secure their route to Africa, which French military writers have written many articles on recently, it is a great temptation for France to seize the Balearic Islands or to set up a puppet state in Catalonia, which would have a French naval base and air stations, but they would not dare risk this because England objects very seriously to any adventures in Communist Spain. The French officers are also worried, probably due to their fears of what steps Hitler and Mussolini may take next, as they think that the longer ~~the~~ Berlin does not get the better England and France will be armed, but there is the possibility of Italian action against Tunis where there are so many Italians under French rule. British officers discount this but think that the next action may be taken by Mussolini. They frankly state their fears that Egypt will be the next Italian objective. There is evidently no cooperation between the British and the French. The officers I have talked

## MEMORANDUM

R. O. 11832, Sec. 8(B) and 8(D) or (E)

SOURCE

OSD letter, May, 4, 1972

100 Political Forces

No. 145

By SLR

Date, MAY 21, 1973

103 International Relations

28 March, 1938

to see fairly high-ranking officers in the Ministry of Marine and Ministry of Air and the Military. The initiative is still evidently in the hands of Mussolini and Hitler.

SPAIN AGAIN WITHIN REACH OF ITALY: Conversation with a British official revealed that he was worried over the uncertain situation in Europe. He has more than ever to find out what this officer knows about developments. The Britisher felt that the next surprise move will come from Italy and not from the seizure of Egypt or Tunis. He stated that if Italy did not "do it now" England would hit her when she was armed. He also stated that he was not in close touch with the British General Staff as he reluctantly came around to my office asking for my copy that I could give him.

REVIEW OF NATIONAL DEFENSE COUNCIL: The French National Council of Defense met in meeting, after consultation with the Soviet Ambassador, Spanish President and leading Communists to discuss the entry of French troops into Spain to take over Catalonia. Reports have it that the French General Staff, in agreement with the National Defense Council, planned to move into Spain while Germany was busy looking out for Austria. However, it was decided to consult England and endeavor to have her join in so that a common front would be presented to the Dictators. England refused to commit herself so the plan fell through.

MUSSELI'S JULIA WIFE IN SPAIN WITH ITALY: Rumors are rife in Paris that Hitler's telegram to Mussolini after the Austrian coup: "I will never forget this for you" can be interpreted to mean that Hitler will back up Mussolini, with troops, in any Mediterranean venture he may care to make. A few of the papers indicated that if France goes into Spain, Germany will interpret it to mean that her ally, Italy, is threatened and that Germany will come into action on the French frontier.

DISSENT IN THE SPANISH REBELS: Notwithstanding the turmoil of the past week, the alliance of the rebels has been most remarkable. No meetings, protests or shouting of any sort has occurred. Such a state of affairs makes the situation all the more serious and indicates that movements are on foot both in the diplomatic and military world.

ATTEMPT TO WIN OVER COMMUNISTS: Efforts by Leon Blum to form a National Union Government failed due to the minority groups refusing to join in a Cabinet with Communists and, as they claim, no set program other than a resolve for "union" under which the great Republic could carry out its program.

Blum made a pathetic appeal to all parties to sink their differences stating that they not have another chance. Referring to the objection to the Communists Blum stated that the Communists composed a part of the electorate and that in the event of war they would be expected to shoulder the rifle, just like the republicans, and that they could not, therefore, be objected to on political grounds. Even Paul Raymond (L'ESPRESSO) an erstwhile ally and tried to persuade his colleagues that the Communists would be justified in refusing to bear arms if they are deprived of representation in the government of the country.

While the REBELS make much capital of the idea of Blum forming a National Union Government, with the Communists forming part thereof, serious thinking people feel that the "Communists" are part and parcel of the people and must be recognized. It is mentioned that the Communists are powerful in the Trade Unions and control many industries; hence a strike on their part could easily paralyze important industries in the event of war.

Blum can not ignore the Communists and must support them in the Chamber should he desire to keep industrial peace in the country.

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E. O. 11652, Sec. 302 and 303, or 68

FRANCE

OSD letter, May, 1, 1972

No. 145

By SLR

Date MAY 21 1973

12 March 1938

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FRANCIS ASSASSINATION IN SPAIN: Monsieur Zyramski, one of the militants of the French Social Party, in an article in the Socialist paper *LE POPULAIRE*, urges the Government to send troops to occupy Spanish Morocco and Spanish Morocco, and aid in every way the Red forces of Spain.

A resolution was taken by the workers in the Paris arms factory offering to work one hour a day extra to manufacture arms for Republican Spain.

MR. HULL'S SPEECH: The British Attachés (Naval and Air) stated that they were highly pleased with Mr. Hull's speech on American foreign relations.

HOISTING OF GERMAN FLAG AT AUSTRIAN CONSULATE: When the Austrian Consul General in Paris received orders to haul down the Austrian flag and hoist the German flag, he replied to the effect that he would not hoist any flag but the Constitutional Austrian flag and that he had already handed in his resignation.

AUSTRIAN MILITARY ATTACHE TAKES OATH OF OFFICE BEFORE GERMAN MILITARY ATTACHE:

General de Jehn of the Austrian Army, and Austrian Military Attaché in Paris, reported for duty as Assistant Military Attaché at the German Embassy.

GENERAL FRANCO DEFIES DEMAND: Reports from Spain, dated 18 March, state that General Franco announced that he will not cede one inch of territory to any foreign power, and that there will be no changes in the Western Mediterranean.

Franco further stated that he has now 20% less foreign volunteers than a year ago, and they are barely 5% of his forces; that he had no further need of foreign assistance, and that all reports of recent German and Italian troops arriving in Spain were false.

Franco is reported as stating that he hoped for very friendly relations with France and England when the conflict was over.

TRIP OF FRENCH VETERANS' SONS TO GERMANY CANCELLED: A two-week visit to Germany by 1,000 sons and daughters of French war veterans, planned for the month of April, has been cancelled.

The leader of the movement, Monsieur Pinchet, in a letter to the Nazi youth leader stated:

"With great regret in the name of the Federal Union on the eve of the departure of our youths for Germany, I have to decline your invitation. We are forced to do this by the course of international events, the gravity of which cannot be ignored. In order that no ambiguity may arise from this decision, I affirm that the desire for Franco-German entente remains complete on our part."

VISIT OF GERMAN TRAINING SHIP "EDEN" TO TOULON CANCELLED: The projected visit of the German training ship *EDEN* to Toulon, as a return visit for the *JACQUE D'ARC* to Kiel last year, has been officially postponed.

Elaborate programs were in view of making the trip of the *EDEN* a huge success.

The press stated that the trip was postponed by mutual agreement between the French and German governments.

The Toulon paper *LE PETIT VARI* approves the postponing of the visit for the reason that Toulon is a Communist center and there certainly would have been street meetings and demonstrations to protest Germany's power politics in Central Europe.

FRANCE - CZECHOSLOVAKIA: Doubt of French aid if attacked.

Since the seizure of Austria, by Germany, the question of French aid to Czechoslovakia is taking a "realist" turn in French discussions.

The refusal of Chamberlain to commit England to aid Czechoslovakia, in event of attack from Germany, has made the Frenchman realize what a task he has on his hands.

The exposure of the Czechs frontier, with Austria now in Germany's hands, has made French military leaders admit that the problem has another aspect.

It is now freely admitted that the French Government in making the statement that "France will fulfil her agreement with the Czechs" was only veiling the politicians' and endeavoring to bolster up the treaty rights until a more subtle way out was found.

It is pointed out that, whatever may be the strength of the Czech army, the whole strategic position has now changed. Czechoslovakia now stands isolated, with the German army surrounding the northern, western and southern frontiers of the German speaking section of the country.

The Czechs are now negotiating with the German Sudists (no doubt with the approval of Paris-Berlin) in an effort to straighten matters out before it is too late. Naturally, with Berlin behind them, the Sudists are making rather strong demands on the Czechs. It is admitted here that the Czechs will be forced to accede to the demands of the German Sudists if they do not want the Germans to step in and "protect their fellowmen beyond the frontiers".

The concert of public opinion rising against the risk of plunging France into war may be gauged from the following representative press quotations:

SPARE

LE JOUR :

If M. Corbin told Lord Halifax "France will fight for Czechoslovakia," he could only have done so on the instructions of M. Leon Blum and M. Paul Boncour, and such a thing would be simply monstrous."

Le JOUR goes on to point out that in the last war France lost 1,800,000 men, and that it is madness to think that the French nation should be mobilized again to protect Czechoslovakia.

"NO AGGRESSION."

"Doubtless France has always the duty to intervene in favor of Czechoslovakia, but if the events took a tragic turn, it is not the duty of France any more than that of Great Britain to declare a war of aggression against Germany."

-1-

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E. O. 11652, Sec. 302 and 303 of GDS

OSD letter, May 1 1972

By SLR

Date MAY 21 1973

FRANCO (CZECHOSLOVAKI)  
Report No. 150  
March 24, 1938.

100- Political Forces  
103 -International  
Relations.

The writer in the JOURN. M. Léon Garibaldi, studying the possibilities of such a war, points out that France would be held up by Germany's fortifications, that Russian air aid would be held in check by the Poles and that the issue of the whole war would have been settled long before the French army could have pierced the German fortifications.

"It is only by diplomacy, by an agreement with England, by an accord with Italy and by agreeing to negotiate with Germany on all the questions which separate us," he goes on, "that we can help Czecho-Slovakia."

"It is certainly not by blustering, by nonsense, or by pronouncing that terrible phrase 'France will go to war.'"

"The bones of one French soldier are worth more to the French than all the Czecho-Slovaks and all the peoples of the world."

"No, M. Blum, France will only fight for her own independence and you cannot use our army to defend peoples in Eastern Europe who are too far away for our assistance to be of any real use."

#### DEPOSES DE TOULOUSE :

The "Dépêche de Toulouse, which town is the stronghold of French Radicalism, in an article on the present situation printed in black type, lays down solemnly that France's supreme concern is "to think of her duty to herself."

"She must look after her own security, the security of her frontiers, her territory and her inhabitants. She must avoid any word or any act which would risk leaving her isolated in the midst of a feverish Europe."

"What do the war-makers want? Do they want France to adopt a policy of adventure when the Soviets, who are urging her on this path, did not raise a little finger in aid of their immediate neighbors the Chinese? No, France is not prepared to be the instrument of any policy of false idealism."

#### L'ERE NOUVELLE :

M. Marcel Déat, Moderate Socialist, writing in L'ERE Nouvelle, says: -

"Very calmly I invite our rulers not to talk lightly, not to engage in an adventure light-heartedly on the faith of 'being prepared down to the last garter-button.'"

"I ask them

DECLASSIFIED

E.O. 11652, Sec. 8(C) and 8(D) or (6)

ORND Letter, May, 4, 1972

By SLR

Date

MAY 21 1973

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FRANCE (CZECHOSLOVAKIA)  
Report No. 150  
March 24, 1938.

100 - Political Forces  
103 - International  
Relations.

" I ask them to remember the last war, never to take their desires for realities and never to yield to the terrible temptation of launching our country into war in the hope that Great Britain would be obliged to follow us. Such mistaken animosity would be, in reality, a crime. "

### ACTION FRANCAISE :

M. Charles Maurras, in L'ACTION FRANCAISE, points out that the whole Czech scheme of defence of the mountains of Bohemia relies on French intervention, and asks: "How can such an intervention be promised in the present state of Europe? The policy of the barrier defence was already stupid in 1919 and now it no longer exists. "

### "PEU OU MEILLEUR."

Mr René Bellin, the Socialist Deputy, general-secretary of the French Confederation of Trade Unions, writing in LE PEUPLE and also in the INDÉPENDANT of Perpignan, warns the workers of France against engaging in hostilities urged on by the Soviets, and says: "Even unsatisfactory negotiations resulting in peace are better than a war, though it may be victorious."

Mr Emile Roche, Radical, in LE REPUBLICAIN, reminds his readers that Radicalism has always stood for the rights of people to dispose freely of themselves.

The ECLAIRIEUR DE NICE points out that Britain's re-  
armament consists of more cruisers and more airplanes, and goes on to say that, against Germany's 52 divisions, France can only put 28 or 26 in the field.

" In the air, M. Guillaux has told us, "the ECLAIRIEUR continues, "that we are behindhand, very much behindhand."

### SHORT OF TANKS.

" As a result of strikes and the 40-hour week, France has not yet the number of tanks which the War Minister thought indispensable at the end of 1936, nor an air force which is sufficiently strong.

" Marshal Joffre said that, to envisage war, it was necessary to have 75 chances out of a hundred of winning it. How could anyone dream of declaring an offensive war against Germany when, far from having 75 per cent of chances, we would be obliged at the outset to remain on the defensive? "

"There are

REF ID: A66585

FRANCE (CZECHOSLOVAKIA)  
150 - 38

100 - Political Forces  
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Relations.

" There are many people in France and in England who do not like to look facts in the face. Left-wing politicians live in the lying atmosphere of Moscow and are content to hate the totalitarian states, such as Germany, Italy, Japan, France's Spain, and would like to wage war on them.

" When it is a question of the very existence of our country, we must think of keeping France intact, not expose her to an unequal war, and must bring about union among Frenchmen. "

CAMMIE publishes a leading article on this subject:

" Czecho-Slovakia constitutes a grave and urgent problem. We admit that it cannot be dismissed with a shrug of the shoulder. But M. Bergery (a Deputy) goes too far when he maintains that to divide up Czecho-Slovakia would be as shameful as was the partition of Poland.

" Poland was a real country, many centuries old and possessing absolute unity. Czecho-Slovakia, which is 20 years old, is the worst, from the point of construction, and the most heterogeneous of the Wilsonian states.

" While bearing in mind that the Czechs are entitled to independence and respect, it must be realized that this cocktail of three races constitutes a serious pretext for the final World War in which law and our civilization will be at stake.

" And there are people who ask: 'What about France's alliances?' We deplore the fact that France under Briand, wanting to imitate the policy of the Kings of France, chose her allies to the east from the weakest nations, from those who could never give us useful aid in return.

" We have antagonized the strongest among these nations - Jugo-Slavia and Poland - by engaging in an alliance with Russia. Thus, there only remain the others, which ask for everything and give nothing.

" The worst fault is to persevere in the errors already made. To plunge our country into the war demanded by Thorez and Uri (leading French Communists) to defend the honor of Stalin, of Magria (the Spanish Red leader) and of Banes would be diabolical.

" France has already been led by a man who pursued sentimental wars in the four corners of the World. This unfortunate mania ended at Sedan. "

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OSD Letter, May, 1972

By SLR

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From ..... Date 25 March, 1939 Serial No. 154 File No. 103  
(Commence new copies with January first) (Select proper number from O. N. I. Index)

Source of information Journal de la Marine Marchande

Subject POISSON LES ÉCARTS DE LA MER  
(Name reported on) (Index title as per Index sheet) (Subtitle)

## Reference

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The Importance of North Africa's Maritime Role in France's National Defense - Article by French Deputy.

Report No. 154, 25 March, 1939, is transmitted herewith.

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E. O. 11652, Sec. 5(b) and 5(c) on GPO  
 OSD letter, May, 4 1972  
 By SLR Date MAY 21 1973

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FRANCE  
No. 154  
25 March 1938

~~CONFIDENTIAL~~  
100 Political Forces  
~~105 International Relations~~  
105 - Colonies (N. Africa)

The Importance of North Africa's Maritime Role in France's National Defense.

The following résumé of an article by M. Albert Le Bail (Deputy from Finisterre and vice-president of the Navy Commission in the Chamber of Deputies) which appeared in the "Journal de la Marine Marchande" of 10 March, 1938, entitled "The Importance of North Africa's Maritime Role in Our National Defense," is submitted:

The writer speaks of a very real anxiety which exists in Algeria and Tunis regarding their defenses against foreign aggression. As contributing causes for this feeling, he cites Balbo's review of 50,000 troops in Tripoli, radio propaganda from the Italian station at Bari and the numerous maneuvers conducted recently by the Italian navy. All this, he says, shows Italy's interest in the French colonies.

The deputy hopes there is a peaceful solution but states that it is the country's duty to be ready for war in this locality since the fighting lines in Europe would quickly be stabilized after which North Africa would become one of the principal theaters of operation. He emphasizes this point strongly. He assumes, throughout the discourse, a war between France and Italy. Since aviation would most probably render untenable Toulon as a base, he feels that Mers-el-Kébir, in Algeria, offers itself as the logical base for the naval units. This port has a good roadstead and is protected from enemy planes by its distance "unless the enemy had the Balearic Islands as a base." His argument is to build Mers-el-Kébir into a French Gibraltar, making of it a sentinel as near as possible to the Atlantic-Mediterranean sea lane and a worthy twin of Lizerta situated at the other end of the French African coast line. In this connection, he describes Bizerta as a formidable base, both defensive and offensive.

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E. O. 11652, Sec. 3(b) and 3(d) on GPO  
GPO letter, May, 1, 1962  
By SLR Date MAY 2 1963

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From Y Date 25 March, 1938 Serial No. 155 File No. 103  
 Source of information French newspaper "L'Action Française"  
 Subject FRANCE RELIGION INTERNAL AFFAIRS  
(Nation reported on) (Index title as per index sheet) (Subtitle)

Reference

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FRANCE  
No. 155  
25 March 1938

100 Political  
103 International Relations

"CAN FRANCE HAVE A FOREIGN POLICY?"

The following résumé of an article by M. Pierre Méricourt in "L'Action Française" of 27 February, 1938, entitled "Can France have a Foreign Policy?" is submitted:

This article was written after a debate in the French Chamber of Deputies, embracing many subjects.

On the question of Spain, one member (Gérard) demands to know why France continues to remain aloof from Rome and more specifically why she continues to supply arms and munitions to Barcelona. He then says that the government is denying this but that such statements are made in certain French papers and if they are false, certainly the law could suppress them. But they are not stopped and that would prove their truth. He suggests a commission to investigate in Spain. He then urges the acceptance of Franco rather than allow what is three quarters of Spain to fall to nations which do not love France.

A second member (Dupont) followed with the same ideas. Spanish friendship is necessary for French security, commerce and industry.

He then seconds the motion of Gérard for a commission to investigate, which, he says, would find French guns of the latest model at Teruel and "the Spanish will know unfortunately that not only French material but French hands have killed their brothers."

\*\*\*\*\*

M. Delbos, the Foreign Minister, spoke then on his policy (weakly according to L'Action Française). He disputes that France is isolated or that the League is irretrievably condemned. He tries to diminish the general pessimism of the speakers. The Minister then sets forth France's duties - to be foremost peoples wanting peace, to protect their moral and material heritage; a France which has engaged itself to this end and cannot isolate itself to practice a policy of abstention. He affirmed the solidarity of Great Britain and France and his own confidence in the pact with Russia. Throughout this part of the editorial, the writer uses a barrage of sarcasm against Delbos.

\*\*\*\*\*

The next member to speak, M. Montigny, appears to be more appreciated by L'Action Française. He is violent in his denunciation of a policy that has only words and no actions, specifying that of Sarreut concerning German cannon at Strasbourg. In this connection, he elaborates on the German war and industrial machine. Adding that the French army is organized solely on a defensive basis, he urges that an offensive machine be inaugurated.

\*\*\*\*\*

M. Flandin, greeted by leftist cries of "Heil Hitler," then spoke at long length. After implying that England no longer believed in the League, he wonders why France should continue to base all its foreign policy on this dead effort. There must be a choice between Russia's war policy and Britain's peaceful and realistic methods. And if France is to line up with England, then negotiations should be opened with Italy and Germany. It is then asked if France doesn't have the right to know where she is being led. He makes a résumé of the activities of recent years wherein France was forced to follow Great Britain when it would have been much more to her advantage to converse with Italy and Germany. He criticises Blum and Chautemps for their indirect dealings - since they followed England who made an about-face in regard to Italy and Germany, why not deal directly with them instead of through the British? The French interests in the Mediterranean and on the Rhine are superior to England's.

FRANCE  
No. 155  
25 March 1938

100 Political  
103 International Relations

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Premier Chautemps spoke shortly praising the work of Delbos, calling for a strong national defense program and at the same time assuring the Chamber that, regarding Germany, the government was exerting every effort towards an agreement despite the many obstacles in this path (L'Action Francaise then calls attention to the utter lack of Chautemps' words on the complexities of the continued relation with Barcelona). The Premier called for a long life of the League and ended his speech with an appeal to the French people for discipline and peace during the troublous times.

\*\*\*\*\*

The article finished in a blaze of sarcasm. After Chautemps had finished, a motion for a vote of confidence in the government was read. The writer of this article then added "The only signature missing is that of André Marty, now in Madrid in command of the International Brigades." The vote showed 439 in favor of the government against two but "more than 169 abstentions - 169 people lacking the courage to signify their disgust in those who are leading us to war through the bloody paths of the League of Nations."

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From Y Date 5 April, 1938 Serial No. 169 File No. 100-103  
(Commence new series each January first) (Indicate proper number from O. N. I. Index)

Source of information FRANCE

Subject FRANCE POLITICAL EVENTS - International Rel.  
(Nation reported on) (Index title as per index sheet) (Subtitle)

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POLITICAL EVENTS - BE IOD ENDING APRIL 4th., 1938.

Report No 169 (100-103) of 5 April, 1938, is trans-  
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E. O. 11652, Sec. 3(B) and 5(D) and 6(D)

OSD Inter, May, 4, 1972

By SLR Date MAY 21 1973

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**FRANCE**  
Report No. 169  
8 April, 1938.

100 - Political Forces  
103 - International  
Relations.

POLITICAL EVENTS - PERIOD ENDING APRIL 6th., 1938.

**SPANISH SITUATION:** - Press reports on Spain indicate that the fate of the Republican Government will be decided perhaps in the next few weeks.

The military forces appear to be disorganized with Franco's recent advance and are retreating wherever retreat is possible. Despatches from Spain state that General Franco's aviation forces are pounding the Republican lines, making any definite stand impossible. Reports indicate that the Republicans are short of planes and tanks and that trench warfare is about to set in in order to make a last stand in defence of Barcelona.

Over 10,000 Spanish refugees (4,000 soldiers) crossed the frontier to France; the escape was made through the passes to France, which was a much easier route of escape than over the ridges to Barcelona. The 4,000 soldiers are the remnants of the 10th. Republican army corps, defeated in the upper Aragon at Huesca and Barbastro.

Before leaving Luchon the Republican troops were given the option of returning to Barcelona, or of going into General Franco's territory via Iran. No agent of General Franco was allowed to address the troops, and the terms of the referendum which was to be taken were announced to them by Major Zapatero, a Republican Officer, as follows:

" Do you still wish to fight for liberty  
or do you want to join the degraded  
ranks of those who fight for General  
Franco? "

After this the soldiers were marched through a courtyard before French Officers and given their choice. About 300 anti-Republicans, who claimed to have been pressed into the Republican Army, voted to go to Iran to join General Franco's troops. The remaining troops were sent by train to Catalonian towns to join the Republican forces. Trains were delayed due to Franco's forces bombing Port-Bou, the Spanish town just over the frontier where the troops were to be conveyed. If the disorder is as great as reported by the press, it is surprising that the majority were willing to go back to Republican Spain.

The press reports that a high French Official, who passed through the frontier on his way from Barcelona, stated:

" The Spanish war is nearly over. The plight of the Republican Forces in Catalonia and the hopeless disorder prevailing in Barcelona itself are such that the final downfall may come within a few days."

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OSD Letter, May, 1, 1972

FRANCE  
Report No. 169  
5 April, 1938.

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Date

~~MAY 21 1938~~

100- Political Forces  
103- International  
Relations.

Even the most conservative opinion in Paris is that the war will be over inside of a couple of months.

Now that the Spanish conflict appears to be drawing to a close the majority of the French press (moving towards the winner) has taken an anti-Republican (RED) attitude and is hoping for a rapid victory for Franco's forces of "law" and "order". The "elite" of France were always (could not be otherwise) pro-Franco and considered the Spanish Republicans as "Red-Communists" from the start of the conflict. This latter view was also held in higher military circles in France.

Agitation is now on foot, in the RIGHT press, to prevent mass refugees from crossing over the Frontier. Items in the press indicate that Franco intends to deal severely (death) with all politicians and military officers who took leading parts in the civil war. It would be hard for the French to refuse asylum to Spain's lawfully elected Republicans, especially in the face of death, but the press infers that it may be the cause of friction with Franco in the post-war reconstruction period. Items in the press also indicate that the Republicans have many thousands of Royalist hostages, including prisoners, and that a general slaughter may take place prior to final surrender. The French LEFT press, favorable to the Republicans, infer that French LEFTISTS have requested the Spanish Republican Government not to adhere to wholesale massacre, in event of defeat, and bring the condemnation of civilization on their heads.

Last minute information indicates that the 43rd Republican army division, camped on the Spanish side of the frontier, is making preparations to cross the Aran Valley into France.

VON PAPPEN APPOINTED AMBASSADOR TO TURKEY : Certain sections of the French press take the view that von Pappen's appointment to Ankara is motivated by a desire on Berlin's part to resuscitate the former Germano-Turkish alliance, it being apparent that Ataturk holds the key to British-Franco-Russian collaboration.

KICELSIOR observes that Hitlerian Germany feeling assured that she will not encounter any serious resistance in Central and Eastern Europe, has resumed her pan-Germanic policy of the "push toward the East", and is exerting her effort to resuscitate the alliances of the former German Empire :

- " Hitler is looking far ahead and, in the execution of his ambitious plans, is taking no more notice of the secret apprehensions of Italy than of the legitimate fears of France, England, and Russia .
- " It remains to be seen whether Ataturk will prove as docile to the orders of Berlin as the "Young Turks" in 1914, the wreckers of the European and Asiatic Empire of the Sublime Porte.

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5 April, 1938.

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" The new Turkey, mistress of the Straits, is a moral and material force with which all the Mediterranean powers, so unfortunately divided, will have to count. It would be imprudent for France, traditionally Turkey's friend and ally, to neglect that Power and allow her to fall again under the heel of a Germany who would spare nothing to assure the sympathies and support of the Ankara Government. "

There is a rumor that Ataturk is very sick.

INTERNAL AFFAIRS : The important items at present on the French political calendar are:

- (1) presentation of Premier Blum's financial projects;
- (2) formation of a National Union Government;
- (3) ending of industrial strikes.

On April 7th. the Blum financial project will be discussed in the Chamber. The following is a summary of the financial measures proposed by Premier Blum:

BUDGET AND THE SURVEY :

- 1.- Modification of the income-tax scale and of the income-tax reduction under the heading of family charges.
- 2.- Suppression of bearer securities and their replacement by registered securities.
- 3.- Reduction of the security dividend tax from 24 to 18 per cent.
- 4.- Suppression of certain tax exemptions in favor of rents holders.
- 5.- Suspension for two years of the public debt sinking fund.
- 6.- Excess profits tax for armament firms.
- 7.- Graduated levy on capital above a certain limit beginning at 150,000 francs.
- 8.- Discountable drafts for government contractors.
- 9.- Facilities for banks to convert their foreign exchange holdings into Treasury bonds.
- 10.- Issue of short-term Treasury bonds to small amounts.

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CREDIT

E. O. 11652, Sec. 2(E) and 2(D) or (G)

GSD letter, May 4, 1972

By SLR Date MAY 2 1973

**CREDIT AND CURRENCY :**

- 1.- Development of middle-term credit.
- 2.- Obligatory acceptance of drafts.
- 3.- Lowering of interest rates.
- 4.- Supervision of credit operations by the Bank of France.
- 5.- Revaluation of the gold of the Bank of France at present franc rates.
- 6.- Centralization at the Bank of France of all foreign exchange operations, which will have to be justified.

**ECONOMIC AND SOCIAL POLICIES :**

- 1.- Adaptation of tariffs to the differences between world and French prices.
- 2.- Encouragement of tourist traffic to France.
- 3.- Control of price movements in France.
- 4.- Encouragement of building and construction.
- 5.- Longer hours in the armament industries.
- 6.- Old age pensions.
- 7.- Completion of the labor code.
- 8.- Extension of the system of allowances for large families.

The publication of these financial measures brought strong opposition from all sides except the extreme Left. The proposed capital levy is expected to be made the subject of a concerted attack by the conservative elements who consider they have already paid a handsome levy by the fall in stocks and bonds since the coming into power of the Front Populaire Government. It is mentioned that the shares of the Bank of France falling from 20,000 gold francs per share to 2,750 gold francs due to Socialist tactics, is a nice capital levy of 90% for thrifty citizens. All stocks and bonds, due to additional charges necessitated by the social laws, have lost anywhere from 20 to 60% of their value.

The following points give a brief idea of what the new finance law intends to accomplish :

- (a) Premier Blum asks decree powers for a period of 3 months;
- (b) capital levy on capital above 150,000 francs, at rising rates from 4 to 17 percent;
- (c) control of foreign exchanges, in a disguised form ;

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- (d) revaluation of the gold stock of the Bank of France;
- (e) abolition of 40-hour week in national industries (probable increase to 48 working hours);
- (f) super-tax on profits from National Defense programs;
- (g) lowering of interest rates on national bonds by means of conversion;
- (h) suspension of annual reduction of national debt.

As mentioned in previous reports, France's principal trouble is "finance". There is an estimated 1938 budgetary deficit (rearmament, etc.) of 37,000,000,000 francs. It is considered almost impossible for the financial markets to absorb such a sum by loans, etc. Hence, Premier Blum's drastic operation of a "capital levy".

Premier Blum estimates that the Government would obtain some 20,000,000,000 francs by the capital levy - 2,000,000,000 a year for a period of 10 years, and an additional sum of 5,400,000,000 francs, annually, by suspension of annual redemption of national debt. Rearmament for 1938 takes 47% of the entire budget, but Premier Blum has stated that rearmament is the watch word of the day, and absolutely essential to the national interests.

The Finance Committee of the Chamber approved the Government's program by 25 votes against 18. Strong opposition developed in the Radical Socialist group. But for the votes of the Radical Ministers, the Radical Group would have gone on record as hostile to the Government bill, and a split in the Popular Front would have occurred before the bill went to the Chamber. Opposition of the Radical-Socialists was based on the view that it savored of a dictatorship.

Opinion in Paris is that Premier Blum will fall in a matter of days. It is a question not of an excuse to find to throw him, but only to find a suitable Cabinet to relieve him. It is probable that Herriot, Daladier or Chautemps, will replace Premier Blum perhaps at the head of a National Union Government. The small movement to make Marshal Pétain head of the government is growing stronger. Most of the Anciens Combattants and even some of the workmen's organizations have placards for him in Paris.

Mr. Ridgley Carter, member of the Morgan Banking Firm, informed the Naval Attaché that if a strong National Government was formed in France, the French franc would be strengthened and French finances would feel the healthful rebound as took place in 1926 when the Poincaré Government was formed, as the exported capital would have to return and get over 30 francs to the dollar, if the holders could only trust that a strong government would be formed that could modify the social laws and prevent the present adverse trade balance.

As an example of French patriotism in financial matters, a member of this office conversing with a war veteran (promoted from Corporal to Captain and fought all through Verdun) was informed that many war veterans would subscribe 100 francs for a 100 franc bond of the proposed National Defense loan, notwithstanding the fact that other Government bonds are selling in the open market for a 20% discount, providing a National Union Government was formed.

NATIONAL UNION GOVERNMENT: The question of a National Union Government is still on the French calendar and progress seems to be making slow headway. The main objection of the RIGHTISTS is the fear that the extreme Socialists and Communists may use the National Union Government to foster some of their pet schemes for the masses on Parliament.

The RIGHT having absolutely refused to join any Cabinet where the Communists are represented seems to have boiled the issue down to the two solutions:

- (a) dissolution of the Chamber and new elections;
- (b) form National Union Government with all parties, exclusive of the Communists (this with the consent of the Socialists which would certainly cause a break with their Communist friends).

While the masses pay little attention to the National Union Government (know little what it means, and care less), the conservative and Right elements are pressing the issue. Some extreme RIGHT elements even go further and demand a "Council of Public Safety" similar to the "Comité du Salut Public", under Robespierre, at the time of the French Revolution. Such a proposition will have a hard time coming to a head as the politicians would seal their own fate (abolish their mandates) by such a creation. The President of the Republic will hardly take the responsibility of creating such an institution as it could, if abused, easily change the entire Republican structure of the country. There is trouble enough agreeing on a National Defense Union, much less handling the country over to a Committee of Public Safety.

However, some Frenchmen are thinking in terms of a "Committee of Public Safety" as will be seen from extracts of a letter written by Radical-Socialist Deputy Léon Archimbaud to the President of France. Deputy Archimbaud is an influential member of the Radical-Socialist Party - the party known as the "backbone" of Republican ideals and principles - but considers the Country at the "crossroads" of destiny.

In his letter to the President of the Republic, Deputy Archimbaud states, in part:

....

" Excuse my addressing you in this manner, but events are moving so rapidly, and the situation appears to me so serious, that one can no longer respect established rules.

" I am a Radical-Socialist, and I shall die a Radical-Socialist, but at this very moment I consider party politics should give way before the interests of the nation.

" What we need is a Government of Public Salvation - not a Government of a few weeks, but a Government which lasts and governs.

" We want a strong France and liberty in a peaceful Republic. For the sake of that Republican France, for that liberty we demand enough!

" The peril of foreign invasion exists, the financial peril exists, the social peril exists. The workman in France suffers, the farmer suffers; the small thirty Frenchmen are all apprehensive - a great number believe the France will collapse completely.

" Many Frenchmen fear a revolution from the Extreme Left, many others a Dictatorship from the Extreme Right. To avoid one and the other we ask for a Government of National Safety. We require men who have confidence of Republican France and the nation."

Reports are current that many factories are closing up sooner than expected to financial losses, and continual blockings with labor, and this with a view to bringing pressure on the country for a National Union Government. Many white-collar strikers have taken place as a protest against the "hit-down" strikes of labor under Communist influence. This clearly shows that the labor situation is already coming to a head and a drastic change may not be far away.

STRIKES IN KEY INDUSTRIES France is again going through a "hit-down" of all-the strikes in the aviation, metallurgical and automobile industries. This after approval of part one of the "Labor Code" whereby Employers and Employees agreed to submit their differences to arbitration prior to striking.

The present strike is weakening the Blum Government and many of his followers are openly declaring that the "soft" methods of the Socialists are of little use in handling the working man partly indoctrinated with semi-Communist ideas. Investigation has shown that the present strikes are the work of a "minority" under extreme Left influence. This fact has caused disunion within the ranks of the Blum followers, and the hostile Senate, as well as the conservative Radical-Socialists, are planning an open attack on the Social Policies of the Socialists. Business as represented by the Employers Syndicate is showing a stiffer lip in the present dispute, claiming that labor is interested in "privileges" and not "unities".

CONFIDENTIAL

N.A. Paris  
Report No. 184  
FRANCE  
17 April, 1938.

100- Political Forces  
103- International  
Relations.

POLITICAL EVENTS - PERIOD ENDING April 12th.

SPANISH SITUATION : On April 6th the recognition of the new "Government of National Union" (Republicans) was constituted:

President and Minister of National Defense :	Juan Negrin Lopez, Socialist;
Minister of State :	J. M. del Vayo, Socialist;
Minister of Interior :	P.G. Sai, Socialist;
Minister of Justice :	R.G. Pena, U.G.T.;
Minister of Agriculture :	Vincent Uribe, Communist;
Minister of Finance :	F.M. Aspe, Left Republican;
Minister of Public Works,	A.V. Onate, Left Republican;
Minister of Communica-	B.G. de los Rios, Union Rep.;
-tions :	
Minister of Labor :	J.M. Aguirre, Left Rep. and
Ministers (without Port-	José Giral, Left Rep. and
-folio)	Mamel de Irujo, Basque Na-
	-tionalist.

The new Government issued a declaration stating:

" its absolute decision to continue the war for the independence of Spain until it is freed from the presence of those who have attacked and invaded it with the most monstrous international complicity that has ever existed. "

The declaration further states that the President of the Cabinet has received power to apply sanctions to "traitors and cowards", and refers to the recent note addressed to France and England on the subject of purchasing munitions in the open market.

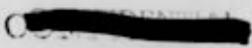
While the various declarations recently made by the Republican Government tend to convey the impression that all is well, and that the fighting spirit is excellent, news leaking through from Spain indicates that the Government is making its last stand prior to collapse. It has been confirmed from reliable sources that the Republicans intend to make France pay dearly for final victory (see Y.No.50 of April 11th.) and the war could well be prolonged for several weeks.

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Report No. 184  
FRANCE  
 1 April, 1938.

100 - Political Forces  
 103 - International  
 Relations.

As mentioned in previous reports, should the war be lost to the Republicans, it is rumored that the Anarcho-Syndicalists contemplate the liquidation of "class enemies" (reports indicate that some 7,000 prisoners and class hostages are in question) as a final "purge".

French policy regarding Spain, regardless of extreme left demonstrations favoring intervention in one form or another, is one of "non-intervention" following England's lead.

An Italian official of the General Electric Company who had recently been in France again informed the Naval Attaché that the Spanish War could very well last for several more months and was very sympathetic to the Franco side.

#### FRENCH AID TO CZECHOSLOVAKIA :

The French Foreign Minister personally handed written instructions to the French Ministers to Prague, Bucarest, Moscow and Warsaw endeavoring to ascertain from these countries the position they would take in case of a German aggression against Czechoslovakia, in view of the fact that the French and British governments had now officially defined their position.

The French Foreign Minister also received the delegates from these countries and discussed the entire Central European question with them.

The journal L'ESPIONNE observes that to clarify the situation that the foregoing instructions have been given : Poland had always remained faithful to the Franco-Polish alliance, that is to say, that she would come to France's aid if Germany attacked her. But the question was what Poland would do were France to attack Germany to help Czechoslovakia ? On this question Poland should give a clear answer. There was also the question as to whether Poland would permit the passage of Soviet troops over her territory. On this, the reply will probably be negative as Poland fears bolshevik influences.

As for the Little Entente - Yugoslavia and Rumania were not to help Czechoslovakia except in case of an attack by Hungary. France wanted to know what their action would be in case of an attack by Germany. As for Rumania the passage of Soviet troops over her territory was raised, which was also quite unlikely. Finally, Turkey should make known whether she would be disposed to assure the liberty of the Straits.

According to the French press most of the German troops have left Austria, which excludes for the moment the idea of a coup de force against Czechoslovakia .

France and Anschluss : France, in her turn, has recognized the Anschluss by deciding to transform her Legation in Vienna into a Consulate-General.

DECLASSIFIED

- 2 -

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In post No. 104  
 PLAGE  
 Le 11 April, 1938.

100 - Political Forces  
 100 - International  
 Relations.

POLAND'S DEWARD PAR COLONIES :

The Polish Foreign Minister, in a public declaration, advanced the reasons why Poland should have her share of Colonies when the distribution takes place. He stated that the increasing population of Poland, and the need for overseas commercial expansion (some reasons advanced by Germany) necessitated Poland registering her demand for a share of the Colonies now under mandate by the League of Nations.

For some time, as previously reported, France has been urging Poland to put in her claim for a share in the Colonial mandates; the reasons are two-fold:

- (1) to compete with Germany, thus placing Poland in the opposition camp and alienate France - her ally;
- (2) France preferring to hand the former German Colonies over to Poland, thus preventing the Berlin-Rome axis from obtaining the strategic position across Africa from Libya to the Cameroons.

INTERNAL AFFAIRS :

On 8th. April Premier Blum's Cabinet resigned. The Senate had refused Premier Blum power to enact, by decree, measures designed to meet financial difficulties.

Premier Blum's government, considered as the Front Populaire Government, was considered a step-gang Government and not expected to survive for any length of time. The sentiment and not expected, as controlled by the Socialists and Front Populaire Governments, although they possessed the entire mass Communist, failed because, though they possessed the entire mass of the wage-earning classes, they were regarded with dislike and distrust by employers and investors, whose co-operation is essential for financial and economic recovery.

While the Socialists claim that the Senate (especially Senators Laval and Galliani) has a prejudiced hatred for Leon Blum, more conservative opinion is that the friction between Blum and the Senate is due to the "Orange-haired Senators" not having any confidence in Blum's Social reforms which are considered extreme (even though ultra-conservative) for such a transitional conservative people as the French. French tradition is to "save pennies" and keep away from "radicals", while the policies of the Socialists (as interpreted by the Senate) is to seize the "savings" and therefore destroy "radicals".

Followers of Leon Blum staged a demonstration before the Senate building while Blum's fate was being decided but no disorder occurred. On April 10th. a Front Populaire demonstration was held at Place de la Bastille protesting against the persecution of Blum by the Senate. The demonstration passed off quietly, but several shouts of "Down with the Senate" came from the crowds.

REUTERS

E. O. 116112, Sec. 502 and 517D of E.O.

OSD Letter, May, 1947

Date: MAY 21 1973

By SETR

Report No. 184  
FRANCE  
17 April, 1958.

100 - Political Forces  
103 - International  
Relations.

NEW DALADIER GOVERNMENT :

Within 24 hours after the fall of the Elyse Cabinet, Monsieur Edouard DALADIER formed his new Cabinet. DALADIER offered the Socialists a place in the Cabinet in an endeavor to form a sort of Union cabinet taking in all parties but the Socialists abstained, preferring to remain on the side lines. Daladier then turned towards the Center and Right and has succeeded in forming a fairly strong Cabinet. It is expected that this Cabinet will remain in power, providing nothing unforeseen turns up, until the Senate and Chamber are ripe for the formation of a National Union Government.

The DALADIER Cabinet is as follows:

President and Minister of National Defense - Edouard DALADIER  
(Deputy).

Vice-President and Minister of Co-ordination- Camille CHAUTEMPS  
(Senator)

National Economy - Raymond PATIGNON (Deputy).

Justice - Paul REYNAUD (Deputy).

Interior - Albert SARRAUT (Senator).

Foreign Affairs - Georges BONNET (Deputy).

Finance - Paul MARCHANDEAU (Deputy).

Navy - Cesar CAMPINCHI (Deputy).

Air - Guy LA CHAMBRE (Deputy).

Merchant Marine - Louis de CHAPPEDISIAINE (Deputy).

Commerce - P. GENTIE, (Deputy).

Education - Jean ZAY (Deputy).

Agriculture - Henri GUNVILLE (Deputy)

Communication - Jules JULIEN (Deputy).

Public Works - L.O. FROISSARD (Deputy).

Labor - Paul REMADIER (Deputy).

Public Health - Marc ROBERT (Deputy)

War Veterans and Pensions - CHAMPETIER de RIBES (Senator)

Colonies - Georges MANDEL, (Deputy) .

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RELEASSED

E. O. 11652, Sec. 302 and 303 or GDS  
OSD Letter, May, 3, 1972

- 4 -

By SLR Date MAY 21 1973

~~CONFIDENTIAL~~

Report No. 184  
FRANCE  
1 April, 1938.

100 - Political Forces  
103 - International  
Relations.

Premier DALADIER will present his new Government to the Chamber today. Chief points in Daladier's program are expected to be:

- 1- Full powers for a six-month period;
- 2- Maintenance of the present foreign policy; non-intervention in Spain;
- 3- Vote of credit of 5,000,000,000 francs for immediate treasury needs;
- 4- Steps to obtain a 15,000,000,000 franc loan for continuation of re-armament program;
- 5- Evacuation of occupied factories;
- 6- Vote of a strike law destined to put a definite end to conflicts between employers and employees;
- 7- Immediate deportation of undesirable foreigners.

In a broadcast speech to the nation Premier Daladier appealed to the patriotism, and common sense, of all Frenchmen to bring the country out of the present difficulties. Premier Daladier stated, in part:

- "As head of the government responsible for the destiny of the country, it is to all Frenchmen that I address myself;
- "I have not sought power. Several months ago I would not accept it in order to consecrate myself to National Defense;
- "To-day, on the contrary, I have responded without hesitation. The grave difficulties in the interior of the country, those which on our frontiers risk becoming even more redoubtable;
- "When I called upon you for heavy sacrifices to bring our national defense to the strength necessary, at present hour, you replied to my appeal. But the National Defense exceeds today the framework of the military organization. At the present hour, all that which concerns the life of the country, all the political, social, economic and financial problems are closely united to the problem of security, closely linked itself to the safeguarding of peace.
- "There is no longer today a series of problems; there is only one problem: the salvation of the country. It is necessary to accept all its obligations and all its charges."

Note: Item (7) "Deportation of Undesirable Foreigners": this is aimed at the Russian Communists who have obtained employment in many of France's leading industries and manage the Communist "cells" within the organization.

DECLASSIFIED

E. O. 11652, Sec. 5(b) and (c) of

OSD letter, May, 1, 1972

By S/R

Date MAY 21 1973

Report No. 184  
FRANCE  
 13 April, 1938.

100 - Political Forces  
 103 - International  
 Relations.

Edouard Daladier is considered the strong man of the hour, and is wide awake to the many problems confronting France. Naturally, like all politicians, he has many enemies due to his connection with the rioting which took place in 1932. Daladier, while favoring non-intervention in Spain as being one of the items on the Radical Socialist Program, is for a more aggressive attitude in front of the Dictators. He is supposed to have opposed France being in the tow of England, and favors friendship with Italy and an understanding with Germany. He is a "realist" on the military side of the fence, and feels that the strength of treaties, friendships, etc., is commensurate with the size of the military forces of the country.

The popularity of the Daladier government will be determined when it presents its program to the Chamber for approval - probably on April 12th. In view of the voting strength of the Socialists and Communists, who have decided to support or oppose the government depending on the circumstances, the outlook cannot be considered too assuring and Daladier will have to walk carefully to avoid disaster. This government will have the support of the Senate, which means a lot in France, but the spreading of industrial unrest (with most workers leaning towards the opposition) could bring violent opposition from the Socialists and Communists. While Daladier's Ministers can be counted on to handle the many administrative problems cropping up, from time to time it will be no easy matter to handle the "human" elements cropping up with strikes, etc. Any "hard-boiled" tactics, on the part of the Government, in handling Labor would be resented and could result in a general strike; especially as Labor would see in such tactics the "big stick" policies of Capital. Such a policy would only rekindle the smoldering fires of Labor due to persecution of their leader Blum and place Daladier in a precarious position.

While Daladier will certainly have the support of Capital and Right elements (contrary to Blum), this will not be sufficient as Labor, whose cooperation is essential, must be assured that their recent privileges under the Social Laws are not disturbed.

The weakness of the Daladier Cabinet may, therefore, be described as due to the "narrow" Parliamentary support which exposes it to the whims of the extreme Right and Left. The Cabinet does not command a safe majority in the Chamber, and much will depend on the support coming from the Socialists. The Socialists are resentful by the way they have been treated by the Radical Senators, and may only give tolerance to the Daladier Cabinet as long as it does not violate any of the principles of Socialism. Therefore, with the largest majority in the Chamber (the Socialists) in a revengeful mood and determined to take the first opportunity to down a Radical-Socialist government, Monsieur Daladier will have to proceed slowly with his program. The continued support of the Right, and extreme Right (necessary to maintain a majority) will depend on how far Daladier goes to appease the social demands of the Left.

Comment

DECLASSIFIED

E. O. 11652, Sec. 3(c) and 5(D) or (E)

OSD letter, May 4, 1972

By: SLR

Date: MAY 21 1973 - 6 -

Report No. 184  
 FRANCE  
 15 April, 1958.

100 - Political Forces  
 103 - International  
 Relations.

Comment in the French press on the new Daladier government is varied: The extreme Right is disappointed that a National Union Government was not formed at this critical moment; the Center feels that Daladier can well prepare the way for the National Union Government which must eventually come; the Left is disappointed at the weakening of the Front Populaire combination and feels that Daladier will be drawn towards the Right (Daladier is personally hostile to the Front Populaire), and may eventually make his party (the Radical-Socialists) a "Center-Right" group in the Chamber.

Premier Daladier favors immediate negotiations with Italy, and Franco Spain, with a view to promoting friendships and ironing out differences. It is expected that an Ambassador to Rome will be one of the first acts of the Daladier Government; a representative (on the British style) is expected to be sent to General Franco's Spain. These moves show the swerving away from the Front Populaire policies of anti-Mussolini, and anti-Franco.

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E. O. 11652, Sec. 2(D) and 6(D) or (F)  
 OSD Letter, May 1, 1972

By SLR Date MAY 24 1973

ISSUED BY THE INTELLIGENCE DIVISION, OFFICE OF CHIEF OF  
NAVAL OPERATIONS, NAVY DEPARTMENT

ATTACHE'S REPORT

21,355-I  
C-9-c

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From Y Date 10 June, 1938 Serial No. 302 File No. 103  
(Commence new series each January 1st) (Select proper number from O. N. I. Index)

Source of information French press

Subject FRANCE POSITIONAL TROOPS INTERNATIONAL RELATIONS  
(Nation reported on) (Index title as per Index sheet) (Subtitle)

Reference

Notes.—(The review, indexing, and distribution of reports by O. N. I. will be greatly expedited if a brief summary of the contents is entered in this space. Mention leading geographical, personal, or political names, and the gist of the report.)

Article by General De Gagnac

Report No. 302 (10 June, 1938), is transmitted herewith.

27

Revised Form 10-1-37 (Rev. 1-1-38) Classifications of the various copies as at receipt. Check which would be distribution of the copy intended for the particular distribution as indicated.

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FRANCE  
No. 302  
10 June, 1938

100 Political Forces  
103 International Relations

The following article by General de Guise is submitted as of possible interest to the Department as an illustration of the present feelings of a majority of the French:

"The international situation of Europe is today dramatic to the highest degree. We feel ourselves at the mercy of an incident either fortuitous or premeditated. There is a general feeling that peace is secured only by a thread.

"The principal topic of conversation is the question of the Sudetes, the question of the minorities in Czechoslovakia, the question of the German-Czechoslovak conflict. All these expressions are incorrect in defining the present European tension. They are only details, and do not at all go to the bottom of the problem that perhaps may set Europe aflame.

"One can hear it said, 'I believe is not going to war with Germany over the Czechs. They are the friends of the Soviets and are half Communist.

"Let the Germans and the Czechs argue it out, with their minorities, their elections, their constitution. It is totally indifferent to us.

"We had the foolishness of getting ourselves bashed twenty-four years ago for the Serbs, and we are not going to get caught a second time for the Czechs."

"All who speak so have no real understanding of the problem. They have forgotten that Sedan preceded Sedan by only four years. It means as if they have even forgotten the Anschluss of only two months ago.

"The problem that is before Europe is that of the supremacy of a nation of Central Europe; it is that of the hegemony of Germany in the center of the continent. To conquer a nation is no longer only to occupy its territory; it is to possess its railways and other communications, it is to acquire its mines, its oil, and its factories. If Germany can occupy Bohemia, the former will have at its disposition, besides a region rich in minerals, the excellent works of Czech, which furnished in 1914-18 all the artillery and all the munitions required by the Austro-Hungarian Army.

"Once master of Czechoslovakia, the Reich will take one more step toward its domination of all of southeast Europe. The next step will be to take over Hungary with its fertile wheat fields. Afterwards will come the turn of Roumania and its oil and of Yugoslavia with its cattle and wood.

"None of the smaller nations is capable of resisting Germany. They can only escape German domination by being supported by the great powers. And the question that should be put to the Chancelleries and to European public opinion should be formulated as follows:

"Are you willing to accept that Germany should become the master of all the peoples and of all the raw materials of Central Europe from the Baltic to the Black Sea?"

"If Europe is willing to allow Germany to become a nation of 120 to 150 million people, together with the resources of the center of the continent, then it means slavery for the rest of the people of.....

FRANCE  
No. 302  
10 June 1938

100 Political Forces  
108 International  
Relations

of Europe immediately afterwards. It is no longer merely a question of the Sudetes, nor of minorities, nor of races, nor of communists. It is the question of German supremacy on the continent, it is the realization of the dream of a Pan-Germany, it is the question of liberty for Europe or of its enslavement."

ISSUED BY THE INTELLIGENCE DIVISION, OFFICE OF CHIEF OF  
 NAVAL OPERATIONS, NAVY DEPARTMENT  
**ATTACHÉ'S REPORT** 15653-E  
C-10-m

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From Y Date 13 June, 1938 Serial No. 309 File No. 103  
(Commence new series each January first) (Select proper number from O. N. I. Index)

Source of information Press.

Subject FRANCE POLITICAL FORCES - International Relations  
(Station reported on) (Index title as per Index sheet) (Subtitle)

Reference \_\_\_\_\_

**NOTE**—(The review, indexing, and distribution of reports by O. N. I. will be greatly expedited if a brief summary of the contents is entered in this space. Mention leading geographical, personal, or political names, and the gist of the report.)

FRENCH MOBILIZATION ORDERS READY FOR  
PUBLICATION on 21 MAY.

Report N° 309 (103) of 13 June, 1938 is transmitted herewith.

28

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E. O. 11652, Sec. 3(E) and 5(D) or (D)

OSD letter, May, 1, 1972

By SLR Date MAY 21 1973

Director		A-S-C-D-E		Main graph	Arch. Insp.	Budget	C. H. O.	Com. Board	War College	M. I. B.	Nav.	Gen.	I. S. B.	C. A. B.	Reg.	S. A. I.	M. A. S.	A. S.	U. S. M. C.	H. C.	
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FRANCE  
Report No. 309  
June 13, 1938.

100 - Political Forces  
103 - International  
Relations.

FRENCH MOBILIZATION ORDERS READY FOR  
PUBLICATION on 21 MAY .

Referring to the Czech-German tension, on May 21st., Deputy Etienne Flandin (former Premier) stated in a speech to the Center Political Party:

"Many Frenchmen will be surprised to learn that on 21st May the general mobilization orders were ready for signature. Less than 20 years after the armistice we were to again see the 'White Posters' of mobilization."

Premier Daladier, in a statement in the Chamber on June 9th., stated that :

"France was a few weeks ago only a 'few centimeters' (meaning May 21st.) from a war. "

Rumors were rife in Paris that the British Ambassador in Berlin informed the German Government that if Germany invaded Czechoslovakia the French would come to the assistance of the Czechs and that Britain would fall in line with the French. It was rumored that it was this action that stayed Hitler's hand in duplicating his Austrian experience .

So much pro and con has been said and written in France about the French coming to the aid of the Czechs, in case of invasion by Germany, that it is almost impossible to state just how far the French would go if Germany attacked Czechoslovakia.

The above statement by Deputy Flandin that the "mobilization orders" were ready for signature shows that the French intended to carry the "bluff" to the extreme limit, or else carry out their agreement with the Czechs which meant another European war.

*Director*

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*Ca. Dr*

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ATTACHÉ'S REPORT

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PRESS EXTRACTS, POLITICAL EVENTS, WEEK ENDING

JUNE 28th., 1938.

5 1938

Report No 330 (103) of 28 June, 1938, is transmitted herewith.

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OSD letter, May 4, 1973

By SLR

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PRESS EXTRACTS, POLITICAL EVENTS, WEEK ENDING

JUNE 28th., 1938.

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SPANISH SITUATION :

Premier Daladier has issued orders to practically close the Spanish frontier to the shipment of war materials. All shipments are now carefully examined by the Customs and shipments of "guns" marked "agricultural machinery" is no longer possible. This was done as a gesture to England in her endeavor to have the non-intervention committee arrive at some definite conclusion on the withdrawal of volunteers.

The threat of Spanish Republicans to bomb Italian ports as being the "real" culprits in the open town bombing in Republican Spain is not taken seriously by the press. It is stated that the French Government informed the Republicans that they must bear the drastic consequences of any rash action such as the bombing of Italian towns .

While the French Communist press is clamoring for help for Republican Spain, the Daladier Government is decidedly in favor of the British policy of leaving the odds in favor of General Franco and not interfering in any way that would help the Spanish Republicans .

Even the section of the Socialists, under control of Léon Blum, are veering around to the point of view that liquidation of the Spanish affair by the defeat of the Republicans appears the logical solution of the Spanish affair .

INTERNAL AFFAIRS :

The postponed visit of the King and Queen of England, at the suggestion of President Lebrun, due to the death of the Queen's mother was played up in the press as "another" proof of the complete friendship and understanding between the two peoples.

Now that Parliament has adjourned, the Government is profiting by the respite to complete the decree laws on the calendar. Labor is accepting certain variations in the rigid 40-hour week, in key industries, so that a complete test may be made to prove or disapprove the many contentions regarding the economic dangers of the 40-hour law.

Economic situation is, as is always the case , improving due to summer trade in tourists; hotels are all booked up for the visit of the British King and Queen. The trend in economic situation is being closely watched by the Government, and heavy government expenditures are underway in an endeavor to prime the pump for a fall pick-up. The life of the Daladier Government may well depend on the economic situation when Parliament meets next October. If unemployment is not on the decrease Labor will certainly demand the application of the Social program whereby funds will become available for public

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public works and increase of salaries of Government employees.

FRANCO-JAPANESE RELATIONS :

The French press contained many articles on the proposed occupation of the French Indo-China island of "Hainan" by the Japanese. It can be gleaned from the press comments that while the French (for reasons of prestige) do not want the Japanese to occupy the island, the French will not use force to prevent Japanese occupation for fear of international complications .

The press reports that the British and French Governments have notified the Japanese that the occupation of the island of Hainan would bring such joint action as the circumstances warranted .

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