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TELEGRAM RECEIVED

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

FROM Brussels
Dated March 24, 1938
Rec'd 5:05 p.m.

Secretary of State,
Washington,

34, March 24, 8 p.m.

STRICTLY CONFIDENTIAL.

I have just been informed most confidentially that within the last few days the French Ambassador has approached certain influential political figures who are not at present members of the government in an effort to ascertain their views as to whether the Belgian Government would act favorably on a request for passage for the French army through Belgium in the event of hostilities with Germany.

I am informed that each of these gentlemen replied emphatically that there could be no question of such a concession and that it would be most unwise to put the request forward.

While the government denies emphatically all reports of mobilization or extraordinary military measures certain steps have been taken including the sending of troops and munitions to the French frontier.

This
LMS 2-No. 34, March 24, 8 p. m., from Brussels.

This afternoon in a conversation with the Secretary General of the Foreign Office I asked him if he could tell me anything about reports that were current as to the French sounding out the possibilities of a passage of troops through this country. He hesitated and then said that all he could tell me was that no "official request" had been made of the Belgian Government, repeating the quoted expression two or three times. He then added that it was known that certain elements in France were hopeful of securing Belgian assent to free passage. I asked whether it was not also known to some of us that certain French elements in Belgium were interested in the same subject. While he offered no comment on this his expression and his reticence indicated that he understood clearly what I had in mind.

He added emphatically that the Belgian position was so clear that under no circumstances would the government be prepared to listen to any such proposal and that he felt the French Government was now aware of this through the clear statement made in Parliament on Tuesday by Mr. Spaak wherein he stated categorically there could be (•) question of such use of Belgian territory.

GIBSON

(*) Apparent omission.
Belgian Press Comment on the Czechoslovak Situation and the speech of Sir John Simon at Lanark, August 27, 1938.

Brussels, August 31, 1938.

The Honorable

The Secretary of State,

Washington.

Sir:

I have the honor to report that the developments in Czechoslovakia are being carefully followed in the Belgian press and that Sir John Simon's speech at Lanark on August 27, 1938, was eagerly awaited.

The public in Belgium is aware of the gravity of the situation and with a profound desire to see a European conflict averted there is evidence of a real apprehension over the possibility of war. Belgium realizes, too, the tremendous importance
importance of England's attitude and though the speech of Sir John Simon may not have been as emphatic as some, especially the enemies of dictators, might have desired, it was on the whole well received and the hope was expressed that it would contribute to the keeping of the peace.

It must be remembered, however, in reviewing the attitude of Belgian newspapers on any subject today that they divide into two camps on one question with a zeal which makes even their party affiliations seem inconsequential, and that one issue is, of course, dictatorship versus democracy. The NATION BELGE (Brussels, catholic) of August 30, 1938, which is definitely anti-parliamentarian, interpreted Sir John's speech in part as a warning to the Czeches against intransigence, and emphasized the fact that

"England promises nothing to Czechoslovakia. She does not even promise anything to France in the event that the latter should attack Germany because of her treaty with the Czeches."

The article continued further as follows:

"In London, fortunately, there is no desire for a so-called holy war against fascist countries."

The PEOPLE (Brussels, organ of the Socialist Party) is inevitably the advocate of democracy as opposed to dictatorship and its attitude in the present Czechoslovak situation is colored by this fact as can readily be seen by the quotations given below from an article published on August 30, 1938, and written by the special commentator on foreign affairs who signs himself "Jexas":

"The question of war and peace is in the balance, and it is as humiliating as tragic to point out that war can come only at the decision, boldly made, of the dictator of a country which five years ago was disarmed."

Sir John's speech, according to "Jexas", was a warning to Germany, but it still left open the question whether the Führers of
of the Third Reich had heard it and were "now convinced that they would be met by the armed forces of England if they committed an aggression against Czechoslovakia".

Although the interpretations placed upon the speech in the Belgian press varied, in general the hope was expressed, directly or by implication, that it might in some way contribute to keeping the peace.

Respectfully yours,

Joseph E. Davies.

qu.
710
FEW/mlg
Secretary of State,
Washington.

87, September 13, 3 p.m.

The first reaction both officially and in the press in Brussels to Hitler's speech in Nuremberg is that it changes nothing: the continuation of negotiations is not precluded but that threat of force has not been removed.

In Belgium and Luxembourg the situation is regarded as grave but the people are calm. The Belgians' pessimism is tempered somewhat by the hope that their independent foreign policy might be able to keep them out of armed conflict.

Mr. Spaak was to have left last week to attend the Assembly of the League but after postponing his departure several times it now appears that he will not go at all. The King last week interrupted his trip to Italy and Switzerland to return to Belgium. There has not been any unusual movement of troops on a large scale as under the existing defense scheme Belgium's eastern frontier is permanently garrisoned.
No. 62

Brussels, September 17, 1938.

Subject: Belgian Opinion and the Czechoslovak Crisis.

Sir:

I have the honor to refer to my telegram No. 57 of September 13, 3 p.m., 1938 and to my despatch No. 45 of August 31, 1938, concerning opinion in Belgium in regard to the Czechoslovak crisis.

Probably the most striking aspect of the Belgian reaction is the unanimity of the approval of this country's "independent" foreign policy. It is almost universally approved as the best and probably the only possible means of keeping Belgium out of a European conflict. As it was King Leopold who first officially announced to the world Belgium's new policy of independence
independence in his speech of October 14, 1936 (see the Embassy’s despatch No. 1020 of October 15, 1936) there have been many tributes to his initiative and wisdom.

There have been a few, such as the Socialists Mr. de Brouckère and Senator Henri Rolin, who have advocated allowing France and England to send troops across Belgium in case of a war against Germany. They have been harshly criticized, however, as urging the line of action which would most quickly involve Belgium in the conflict. The question of the passage of foreign troops across Belgian territory has been a subject of considerable speculation ever since the enunciation of Belgium’s new foreign policy of independence (the word neutrality is carefully avoided because the feeling is strong that the present status is quite different from the guaranteed neutrality of before the war).

After the Anschluss in March 1938, it was currently believed that the French Ambassador in Brussels had, under instructions from his Government, made inquiry about the possibility of obtaining permission for French troops to cross Belgium. It therefore seemed appropriate to ascertain whether any similar step had been taken in the present crisis. A member of the staff of the Embassy was assured on September 12, 1938, by Mr. Le Chant, Chef de Cabinet of the Minister for Foreign Affairs and Foreign Commerce, that France had not recently attempted in even the most indirect or informal way to ascertain what the attitude of the Belgian Government would be in the eventuality of a request from France for permission to allow French troops to cross Belgian territory. Mr. Le Chant also added that the rumors abroad last March about the “soundings” made on the subject by the French Ambassador were greatly exaggerated, and amounted really only to one or two unofficial after-dinner conversations.

Although
Although there is practical unanimity in regard to the wisdom of Belgium’s policy of “independence” and the idea of allowing foreign troops to cross the country is advocated by only a few, opinion is divided on the question of whether Belgium would be able to stay out of a European war indefinitely. The possibility of a German attack on Belgium is generally considered less likely today than in 1914, because Germany’s attention would be concentrated in the East and she would be interested only in protecting her western front with the least effort and would have nothing to gain by invading Belgium. On the other hand, there are those who see no chance for Belgium to stay out of a war between England and Germany because of what they believe to be the inevitable violation of Belgian neutrality in the air, by both German and British airplanes. To date the predominant point of view, or at least the most articulate one, appears to be that it might be possible for Belgium to avoid being drawn into hostilities and that every effort should be made to achieve that end.

It is possible that the prevalence of this conviction that Belgium could avoid being drawn into armed conflict has in part contributed to the calm which has prevailed in Brussels during these last days. The lack of outward excitement has not in any case been the result of minimizing the seriousness of the situation, for on both September 12 when Hitler’s Nuremberg speech was being awaited and again on September 14 when the news of the Sudeten ultimatum was generally known, there was grave apprehension of the possibility of war. The Belgian Cabinet held long meetings on both days and it was announced that the Government had taken the precautionary measures required by the situation. There were, however, no extensive troop movements and reservists were not called.
called up in large numbers. Under the present defense system garrisons are permanently kept on Belgium's eastern frontier and according to reports which have been verified these were reinforced but no great bodies of troops have been shifted.

The annual army manoeuvres were held in the eastern portion of Belgium in August and according to qualified observers the Belgian army, though small, is well trained and equipped, the morale is excellent, and it could be counted upon to offer serious, though not necessarily prolonged, resistance to an invader. This factor alone would make the situation vastly different from that in August 1914 when the Belgian army was in the process of reorganization.

A further evidence of the calm which prevailed in Belgium in spite of the tenseness of the situation was the fact that there was no great drop in prices on the Brussels Stock Exchange. The curve of quotations followed in general the trend of the news. In the beginning of the week the market was pessimistic and prices were down. On Thursday, however, when the market opened prices advanced in a wave of optimism because of the British Prime Minister's decision to go to Germany. Those who had sold short began buying and sent quotations up in their haste to cover. The notes of the National Bank in circulation during the week ended September 15, 1938, increased by almost 720,000,000 francs due to a heavy demand for cash. The Belgian franc more than held its own against European currencies, and sterling fell on Wednesday to less than 142 Belgian francs to the pound, compared with over 145 francs a month previous. The dollar went up in terms of Belgian francs to over 29.70 Belgian francs (as compared with 29.58 Belgian francs to the dollar on September 6, 1938). The rise in American currency was of course not confined to Belgium, and according to reliable reports here the heavy demand in Brussels came as much from Americans residing in Belgium as from Belgians.
The stock exchange was not the only circle in which Mr. Chamberlain's decision to go to Germany on September 15 to see Mr. Hitler was greeted with a feeling of relief. The sudden and dramatic move was hailed as a bold step to preserve the peace of Europe and the first reaction was one of hopefulness and admiration. With Mr. Chamberlain's equally sudden return to England and on second thought there are a few who believe that his action in going to Germany was ill-considered and too impetuous. The atmosphere at present is one of suspense, and the serious events in the Sudeten districts of Czechoslovakia are being watched with anxiety.

There is extreme reserve in official circles in regard to the possible or probable solution of the Sudeten question. The dominant conjecture appears to be that any proposal acceptable to Hitler will involve territorial revision of the Czechoslovak frontiers. Whether this is to be achieved as a result of a plebiscite or of negotiations is not clear, but in any case as a second meeting between the British Prime Minister and the German Chancellor has been agreed on the fear of the immediate use by Hitler of armed force has abated at least temporarily. The growing belief is that England and France will agree to Hitler's demand that the Sudeten Germans be allowed to exercise the right of self-determination and that uncertainty is whether Czechoslovakia could be persuaded by France and England to cede the territory involved. The situation is being closely watched and there is still a great deal of uneasiness although there is not the same tenseness as before Mr. Chamberlain's direct intervention.

Respectfully yours,

J.B.

Joseph E. Davies.
SECRETARY OF STATE

Brussels, Sept 17, 1938
Rec'd 7:50 p.m.

Secretary of State
Washington

88, September 17, 9 p.m.

FOR THE PRESIDENT AND THE SECRETARY OF STATE.

See my telegram 83 September 2, 10 a.m. and 87, September 13, 3 p.m.

Concerning the situation from this angle, I have to advise further as follows:

The situation here in Belgium and Luxembourg is characterized by a calm attitude. Nevertheless there is acute apprehension over this Czechoslovakian crisis.

Following Hitler's speech and before Benes' demand for secession, meetings of the Belgian Cabinet were called. My information warrants the statement that for the past several weeks troop movements have been quietly made in Belgium in anticipation of any eventuality.

In Luxembourg it is indicative of the Government's attitude that the Foreign Minister was suddenly recalled from attendance at the League of Nations meeting at Geneva and that the Grand Duchess has cut short her holiday and returned to the capital. Some days ago there were indications
indications of panicky fear lest Luxembourg might be made
the first battle ground through attempts at occupation by
either the French or the Germans. This fear has subsided
somewhat, influenced by the opinion expressed in some official quarters that there is little probability of such an
eventuality under present conditions because the impracticability of the Belgian, French and the German frontier
defenses makes Luxembourg strategically less important.
I personally travelled along the frontier on the Luxembourg
side this week and saw miles of newly erected barbed wire
entanglements and great activity in concrete construction
on the German side.

Chamberlain's dramatic visit to Hitler generally is
regarded as a noble and daring effort but the dominant
conjectures seem to be that if a solution is to be immediately
projected from the proposals made it must come through
speedy acceptance by Great Britain and France—and Czechoslo-
vakia. If what is suspected to be Hitler's final demand for
complete separation of the Sudeten areas from Czechoslovakia
either through political or through territorial revision and
absorption by the Reich and the neutralization of the remaining Czechoslovak state. Apprehension and fear arise out of
what—
NC -3- #68, September 17, 9 p.m. from Brussels

what decision the democracies may make.

In spite of the strong attitude taken by Britain and France last week in backing Czechoslovak's fourth plan with even the threat of war, the opinion seems to be growing here that the resistance of both London and Paris is weakening even to the extent that they may possibly accede to Hitler's terms in a final desperate concession to avoid the horrors of war and to effect what might be regarded as a permanent composition of European peace. There is more certainty in the conjecture as to what Hitler's demands are than there is in what may be the French attitude and the British attitude after Parliament is convoked.

Outstanding in the public reaction among Belgians is the conviction, held with extreme satisfaction, that events have served to emphasize the wisdom of Belgium's policy of isolation and independence.
Secretary of State
Washington

91, September 25, 1p. m.

FOR THE PRESIDENT AND THE SECRETARY OF STATE,

I have the honor to report that the local situation
is as follows:

One. In Brussels there was evidence Saturday of more
tense excitement than at any other time during the present
crisis. On the whole, however, the Belgians are calm and
determined to keep out of a European conflict if possible.

Two. The Government apparently seeks to minimize the
significance of mobilization activities. The Foreign Office
Saturday specifically denied to the end that there was
general mobilization activities in Belgium and stated that
only certain reservists who are specialists such as engineer,
artillerymen and the like had been called.

Three. The Embassy has information that there
was some movement of troops toward the east going on during
that time for the reinforcement of frontier garrisons, that
garrisons in Brussels and vicinity are being held in imme-
diate readiness in barracks, that heavy duty trucks owned
by private concerns have been requisitioned.

Four.
No. 91, September 25, 1 p. m. from Brussels

Four. A special Cabinet meeting was held Saturday and certain defense measures decided upon.

Five. During the last three days I have made short motor excursions in those parts of Germany, Luxembourg and France adjacent to the Belgian and Luxembourg frontiers. I found large numbers of what appeared to be fresh French troops near the Maginot line, also miles of heavy new barbed wire entanglements and new concrete construction along the German border; also indications of troop movements and extraordinary military preparations in Belgium including extensive steel tank barricades guarding Namur from the east.

Six. In Luxembourg Saturday there were indications of considerable panic among the populace indicated particularly by reported flight of capital from the banks.

Seven. There is hope and belief in Belgium that if hostilities break the drive will be directed east rather than through this section.

DAVIES.

HPD
Subject: Summary from Brussels as to European Peace Outlook, 1939.

With reference to the above entitled matter, I beg leave to report as follows:

Unquestionably Brussels has two distinct advantages as a listening post. First, the diplomatic corps here is remarkably free from local nationalistic bias which sometimes in the larger capitals colors judgment. Its members are also generally objective-minded. Once they get talking, they are also very frank. The second advantage lies in the fact that here is a great export and import center for Europe. The business and banking community must needs be and are remarkably well informed...
informed as to European political conditions. There is also a constant stream of European business men who are passing through. Many of these will frankly tell of conditions which they know about of their own knowledge.

This despatch is an attempt to give in very brief form the outlook as to peace for 1939, which would probably summarize innumerable talks which I have had with diplomats and with business men and bankers of England and of this and other countries.

The "not" of it is: that the outlook for the next year as to peace in Europe is bad. Chamberlain's appeasement is having a hard time. Hitler has made no real effort to "forward" these efforts. The basic, aggressive factors and personalities which determined Munich are the same now as then, and are persisting in the old technique. Chamberlain is doing his utmost; although he gives some evidence of being disheartened and of being somewhat disillusioned.

The best that can be said, at this writing, is that there is hope based on the belief that if Europe could overcome conditions as bad as 1938, Europe will be able to avoid war in 1939.

This despatch covers briefly the following situations:

1. The Italian Situation
2. The Spanish Question
3. The Ukraine
4. Memel and the Polish Corridor
5. The Baltic States
6. The Balkans
7. Forces within Germany
8. Forces Working for Peace
9. The "Concert of Europe."
1. The Italian Situation.

Mussolini is confronted with very severe financial and economic stress, extensive popular discontent, general popular disapproval of the Spanish campaign, a definite commitment not to permit Franco's defeat, and practically no "value received" from the Berlin-Rome axis. He needs some signal and external success to rehabilitate his position. He must secure German cooperation while "gratitude" is still living in the memory of peoples. He must secure gold or British credit if he is to work out a peaceful solution. He must at the same time save his face on Spain. His problems are many, contradictory and difficult.

It is under these conditions that Mussolini "jumped the gun" on the European crisis and displaced the Ukrainian situation by "Italian claims." The prevailing opinion is that Mussolini is determined to "cash in" now, on something for Italy out of the Berlin-Rome axis." Spain as an issue is stale and unpopular in Italy. Tunisia is a fresh and popular cause. It is considered that he will employ the usual aggressor technique of secrecy, surprise, boldness and bluff. When the issue gets too "hot," it is thought that Hitler will intervene to "compost" the situation. That is the safety valve which Mussolini is sure of.

Germany's interest is to have the matter settled by having Mussolini get less than what he demands, so that Hitler can get on with his "Drang nach Osten." England's interest lies also in securing composition so that a "living arrangement" as to the Mediterranean may be effected as soon as possible...
possible. Chamberlain will probably press hard to secure some settlement which France can be prevailed upon to accept or rather to concede. France, it is believed, will be prevailed upon to grant certain economic, "not territorial" concessions.

The indeterminate factor in the whole equation is Mussolini himself. One of the wisest of the elder statesmen (one of the representatives of his country at Versailles), gave it to me as his opinion that Mussolini was a far greater menace and danger to peace in Europe than was Hitler, by reason of his ability, his temperament and his over-vaulting personal ambition. The prevailing opinion is, however, that the Italian claims will be composed.

2. The Spanish Question.

With the Italian colonial claims cleared up, there still remains "Spain." That situation is regarded as quite hopeless. It is generally considered that Franco cannot win a decisive victory without great help in materials or men from either Germany or Italy or both, unless perchance he is granted belligerent rights. The British Government appears now to be definitely committed not to grant belligerent rights. With Mussolini committed to Franco’s success, there is a general feeling of hopelessness about any immediate solution. The impression seems to prevail that the situation will rock along more or less indecisively and will not be permitted to be a cause for a European conflagration.

3. The Ukraine.

If both the Italian colonial and Spanish questions are for the time being disposed of, there still remains the Ukraine.
There are, I am told, large concentrations of German troops massed around the Polish frontiers and particularly adjacent to Czechoslovakia. A bill has been introduced in the Polish Parliament, providing for an autonomous Ukrainian State inside Poland. The bill has been rejected. Russia and Poland have also both served notice on Czechoslovakia that Czechoslovakia is being used as a base for German activity and propaganda for the creation of an independent Ukrainian State. Poland has warned Czechoslovakia that the persistence of such a situation will affect their relations adversely. Mussolini yielded to Hitler on the Hungarian-Polish common frontier issue. Carol of Rumania, I am told, received a "Schusschnig" berating in Berlin, and returned to Rumania to promptly "shoot" the Nazi leader, Codreno, and his fellow prisoners. His new Foreign Minister is notoriously pro-English. I am advised by a former Foreign Minister of Italy, and a relative of the present King, who is now an émigré here, that his information from Rome is that for weeks members of the German General Staff have been in Rome conferring with the Italian General Staff on the project of the Common Ukrainian Campaign. German influence is undoubtedly very active in Ruthenia. Several Ministers of countries adjacent to this region have said to me that "January and February are to be the bad months." It is generally accepted that Hitler contemplates some development relative to the Ukraine this spring. It is thought generally that it will take the form of a "Benlein" movement among the Ukrainians "for independence," which will receive German help analogous to conditions in Spain. He probably will find difficulty...
difficulty, however, with both Poland and the Soviets. Beck and Litvinov have "made up." It is my opinion that if Germany tackles the Russian Bear, the world will be surprised at the account which that Bear will give of himself." Hitler's statement to Lord Londonderry a year ago, as published in the latter's book, indicates that he, Hitler, has a wholesome respect for the Russian Army. That may serve to hold the situation quiet.

Undoubtedly, in view of Britain's expressed determination of keeping her "hands off" politically of conditions in Eastern Europe, there will be every effort made to localize war if it should break out there. In the event of Poland, the Soviet Union and Rumania becoming involved in actual hostilities with Germany, France will either be compelled to go into the fight or break her treaty engagements. If Italy becomes actively engaged in the campaign with Germany, France will doubtless be disturbed greatly lest her turn will come later, along the lines of the proposal which Hitler is reputed to have made to Mussolini a year and a half ago and which I then reported to the Department and which comes directly from the French Foreign Office. If France is engaged in hostilities, it is perfectly clear that England must ultimately come in, "willy-nilly," as a matter of self-protection. It is doubtful whether England is yet prepared to have a victorious Germany for immediate neighbor on the North Sea.

There is of course a possibility that Germany will make her peace with Poland and Rumania before she takes on the Soviet Union. The Poles, however, appear to be very suspicious of
Germany's ultimate intent, as it now stands. Hitler is reported to be very sore on Beck and on Rumania.

4. Memel and the Polish Corridor.

The Memel situation as such is not in and of itself a real menace to European peace. It is ancillary to settlement of the larger issues.

There is little mention of the Polish Corridor in discussions of possible focal danger spots - this, presumably, because Germany and Poland have agreed that the situation should not be disturbed during a period which expires in 1944. If necessity drives in connection with a matter of larger policy, it is the prevailing opinion that this commitment will not stand in the way of any action which Hitler may consider necessary.

5. The Baltic States.

Reports of new economic arrangements of the Baltic States with Germany, the resignation of the Premier of Finland (Holstol) because of alleged German displeasure, and other significant actions as well as the attitude of their respective diplomatic representatives here, all indicate the degree to which these States have come under the fear, if not the vassalage, of the Reich. In this connection it should be noted that Russia has closed the port of Leningrad and excluded all foreign consular officers. It is generally known that this is by reason of military and naval necessities. Kronstadt and Leningrad are designed to be the naval Singapore of the Baltic, and huge works are going forward there.

6. The Balkans.

Military operations by Germany against the South Ukraine requires a broader highway for its troops and supplies than

Ruthenia...
Ruthenia. To employ the Polish Ukraine would be to attack Poland. The Balkans become important not only for raw materials but also as an avenue to the Ukraine through Rumania by way of Hungary. The latter is believed to be receiving stimulus from Germany to press its claims as to its Transylvanian minorities against Rumania. There is a "crisis" spot here in embryo. The Little Entente is broken up. Attaturk had started another Balkan alliance. Italy and Germany, it is said, have settled their differences and agreed upon a sphere of influence which gives to Germany a free hand north of an agreed line. Turkey, Rumania, Lithuania - in fact, all of these States - look to a "strong Russia" as their best hope.

All of these factors, known and many imponderables, make the Ukraine, in all probability, the next serious menace to European Peace. The solution will not be a peaceful Munich settlement. It will be war. Whether it can be kept a "local war," in view of the complications, is doubtful. "The Ukraine" continues the most serious menace to Peace in Europe.

7. Forces within Germany.

The leaders of the German Government constantly profess peaceful intentions, and cite their commitments as to definitive territorial boundaries with both France and Italy and also their agreement for naval limitation with Great Britain. Simultaneously therewith, they constantly proclaim the doctrine of their duty and destiny, based upon biological and racial superiority. There is no question but what this philosophy, which is constantly being applied in all fields of thought, whether religious, economic, social or political, requires action and
again renewed action if the destiny of the Aryan German is to be fulfilled and the individual Aryan German is to do his duty. It is to the present interest of the German State to consolidate its gains and develop its aggressive action in the East. This situation would augur well for at least a period of peace in Western Europe if the aggressive action in the East could be kept "localized." Conditions in Germany, however, are such that even now it is doubtful whether forces within Germany will not compel the pressing of matters in the West, which must be disturbing to any real composure. Both popular opinion and economic conditions are impelling the Government and driving the dictators. Hitler has recently recognized publicly that there is division of opinion and criticism in German public opinion. Even their "Führer" must keep the populace measurably satisfied. Moreover, internal economic and financial conditions are serious. October and September (1938) required the purchase of enormous supplies for war, which used up 150,000,000 marks of gold or free exchange reserve. That about exhausted Germany's free exchange reserves. The balance of trade for the year was also heavily adverse. To restore that balance, Germany must increase exports, and for this she must have raw materials. Gold or free foreign exchange balances must be available to pay for such raw material. With practically no appreciable gold reserves, she must procure it through exports. Thus the financial juggling of the last five years is catching up with itself; the vicious circle is narrowing and the inevitable results of economic laws are appearing. The necessities for gold are beginning to press hard. Germany is fighting desperately at this moment for foreign markets, - both to sell her exports and procure gold therefor, or to get raw materials, or both. That is the real reason
for Schacht's recent visit to London. The British Lion has been aroused over the unfair competition in the Balkans and has openly threatened a fight. Germany knows that means real business, and Schacht goes to London to assess the temper of the Government in this trade war.

In view of German necessity, it would not be surprising if shortly Hitler were to ask that Britain repay to Germany at least those sums which were exacted from her by Great Britain under the Versailles Treaty. It would be an easy way to get around the present pinch which confronts Germany, and could be asked as a means of enabling Germany to resume normal forms of international trade. Unless it is this, it will probably be the question of "Colonies" or "Revision of the Naval Treaty."

In addition to these economic forces, there is the pressure of the ideological propaganda of the Nazi régime. The concept of biological and racial superiority and destiny requires constant "proof." This means action. Superiority requires the establishment of inferiors.


These are the black spots on the horizon from this outlook, and form a "close-up" at the trees. Looking at the forest, however, there is a real hope, in that the masses of the people throughout the world do not want another great world war. The dictators must know this also. They must also know that only a quick victory would save them from personal destruction, and a "quick victory by arms" they themselves must know to be impossible. A long drawn out war would inevitably destroy them.
The moral indignation of public opinion in the United States in connection with Czechoslovakia - greatly accentuated by the Jewish persecutions, as expressed by the President of the United States - has had a powerful reaction upon diplomatic circles in Europe. It has undoubtedly affected the outlook of the dictators.

"Perhaps some dictators are not as "crazy" as they purport to be. Perhaps after all, Europe will pull through the coming year without committing suicide. If it does, the prospect for a period of peace will be definitely enhanced.

In any event, so long as Europe is not actually in war, there is always a possibility that it may be forestalled. Time is a factor that may be of the greatest value in this situation. There is an old German adage that, "Trees do not grow forever." Time and human nature may possibly bring changes within the dictatorships. It certainly will bring better preparedness for the democracies.

9. The "Concert of Europe."

Should Mr. Chamberlain succeed, as we all so profoundly hope that he will, in bringing about appeasement in Western Europe through the settlement of the Italian claims and Spanish question and the composition of these other difficulties, it will still be a peace based upon the old "balance of power" under the new name of "concert of nations."

As it now stands, Hitler or Goering or some other German Aryan will be leading the band, so far as Europe is concerned.

Respectfully yours,

Joseph E. Davies
No. 177

Brussels, January 24, 1939.

Subject: Five Days' Sojourn in Luxemburg and Views on the European Situation.

The Honorable

The Secretary of State,

Washington.

I beg leave to report as follows:

Upon my return from a five day sojourn in Luxemburg, the birthday of Her Royal Highness the Grand Duchess of Luxemburg is celebrated with considerable ceremony in Luxemburg each year. It is customary for the American Minister to entertain the officials of the Government and the diplomatic corps on the evening prior to the birthday of the reigning monarch. The occasion of my visit was to comply with this custom.
The various social occasions, where one met the entire diplomatic corps, permitted of opportunity to probe the views of the various diplomatic representations with reference to the contemporary European problem of War or Peace. With a very few exceptions, the opinion expressed was a pessimistic one. Quite generally, the opinion is held that Mussolini will be obdurate in his demands and that "for home consumption" it is now imperative that "he get something for Italy" with Hitler's co-operation to justify his support of the Rome-Berlin axis.

The Spanish situation has also sprung into prominence with Franco's impending victories as a very real threat to the composition of the Mediterranean problem. There is fear, in view of the vital interest which France has in having free access to North Africa and in maintaining control over the Mediterranean, that France may possibly find the strain too severe and refuse to yield to Italian demands even to preserve Peace in Europe.

There was also much pessimism over what was considered to be Hitler's yielding to the extremists of the Nazi party as indicated by the overthrow of Schacht and the re-establishment of the dominance of the Nazi Storm Troopers. There was consensus of opinion generally that the internal economic and fiscal condition of both Germany and Italy was a serious menace to peace. Italian conditions were generally considered to be more severe and pressing than those of her ally.

The Czechoslovak Minister advised (quite to my surprise) that he did not think that the Ukrainian problem was imminent this summer. He corroborated opinions expressed by other diplomats.
diplomate (see previous despatches) that Hitler was employing the Ukraine question, for the present, as a diversion or threat, designed to procure other immediate objectives from Poland, Rumania, and Hungary.

I was told confidentially by a high official of Luxembourg that the Italian Minister accredited to Luxembourg had frankly stated to him that the Italian objectives were sure to be achieved; that these included the actual taking of Corsica; but that such accomplishment would naturally have to await the developments of the war which he assumed as an already assured fact. This same high source advised me that there was scarcely a German, whether refugee or transient, that came into Luxembourg but that assumed the imminence of war, in the immediate future, as a foregone conclusion no longer open to speculation.

The British Ambassador stated to me that it was commonly thought in many quarters that unless there was a breakdown inside of Germany in 1939, there would certainly be war; that it was either one of the two. The greatest danger is considered to spring from two considerations: (1) the possible necessity of the dictators to create a diversion because of internal distress and economic and financial pressure; and (2) the danger of distorted judgment caused by the megalomania of "one man".

A very strong impression was made upon my mind by the observations of the Foreign Minister of Luxembourg, Bech. I had several visits with him and an extended conference at his office this morning. He is an unusual type and, in my opinion, an exceptionally able man. He has had a distinguished career for many years both as Prime Minister and as Foreign Minister.
He would play a large part on any stage, in my opinion. His judgment was that despite all of these ominous signs there would not be war this year. He based it entirely upon the judgment that the peoples of Europe did not want war and that the dictators know it. He expected, however, that there would be loud talk and many "incidents". He gave it as his private and confidential judgment that Hitler would support Mussolini all the way except that he would not go to the extent of war. He gave it also as his opinion that there was inevitable conflict of interest as between the two and that they were playing a game of poker; that they were both masters in the game of bluff; that neither one "carried an umbrella".

The Foreign Minister told me, also, confidentially, that he had been conducting negotiations with both Germany and France, looking to the establishment of a treaty with both, with reference to the autonomy and independence of Luxembourg; that within a few weeks he expected to be able to announce definitely that such treaties had been effected; that in principle it was already agreed by both Germany and France; that the integrity of Luxembourg as an autonomous state would be recognized and protected; that the Luxembourg frontiers would be respected; that Luxembourg in return therefore would guarantee neutrality; that the only occasion for violation of frontiers by either would be the fact that the other was using Luxembourg territory for aggressive purposes hostile to the other.

This despatch is necessarily of a "hearsay" character. Reports from this post must necessarily be more or less of this
this character. They have their value largely as information that may be corroborative or otherwise of other information.

Respectfully yours,

Joseph E. Davies.

qu.  
JMD/VC
This telegram must be closely paraphrased before being communicated to anyone. (B)

Secretary of State
Washington.

O, January 25, 3 p.m.

FOR THE PRESIDENT AND THE SECRETARY OF STATE.

In the course of a private conversation which I had with King Leopold today he spoke of the seriousness of the European situation and particularly of the threat of war which in diplomatic circles is currently reported to be scheduled for February or March. He stated it as his opinion that war would not break out within that time although the outlook for the year was very bad.

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

Secretary of State,
Washington.

12, January 30, noon.

CONFIDENTIAL FOR THE PRESIDENT AND THE SECRETARY OF STATE.

One. Within the past few days I was informed by Hudson, the Secretary of the British Department for Overseas Trade and by the Irish Minister to Belgium that according to reliable reports Hitler now considers England and not France as "public enemy number one".

Two. Hudson and the British Ambassador here also indicated concern over the report that Germany had solicited a renewal of Russian trade relations; and over the manifestation of friendliness toward the Soviets and apparent high respect for Soviet military capacity disclosed by German military men in public articles recently.

Three. Reports emanating from two trustworthy business and diplomatic sources indicate that Holland and Denmark are seriously apprehensive that the next German
German drive will be in their direction instead of towards the Ukraine.

Four. Much importance is attached here to insistent reiterations by Italian authorities, as recently made in Munich by the Italian Finance Minister of State, to the effect that Italy could not permit Tunisia to be possessed by a country that would menace Southern Italy and that German colonial claims were just and must be recognized.

Five. It is generally believed here that Hitler, as soon as Franco consolidates his victories, will again make demands for colonies using threats in Spain and the Mediterranean for that purpose.

DAVIES

CSB
No. 166

Subject: Discussions with new Italian Ambassador in re "Italian Demands" in the Mediterranean.

Honorable

The Secretary of State,
Washington.

Sir:

With reference to the above-entitled matter, I respectfully submit the following:

In the course of the usual protocol call upon the new Italian Ambassador, Mr. Vicenzo Lojacono, we had a very friendly, unofficial, frank talk on the "Italian Demands" in the Mediterranean situation.

The gist of his statement to me was:

That in his opinion there would be no war this summer;

That he "felt sure" that the situation could and would be composed without war;

that . . . .
That it was Mussolini's sincere desire to maintain peace;
That Italian economic needs were great and that serious
inequity was suffered by reason of the fact that the interna-
tional highways, to wit: the Suez Canal and the outlet through
Gibraltar, were under the control, economic or military, of the
competitors of Italian exporters and shippers;
That these were properly subject to economic arrangements
on a basis of equity and fairness as between Italy, England and
France;
That so far as agitation for colonial possessions existed,
it should be borne in mind that these were not official expres-
sions but popular utterances of Italian "aspirations" rather
than demands for "rectifications of a territorial character";
That aspirations were nebulous;
That economic readjustments, however, were real and vital
and would be pressed vigorously;
That the greatest danger in the situation vis-à-vis France
existed in a possible conflict of ideological concepts of a na-
tional character which, if they were flamed into a flame, would
make settlement difficult, as there was no room in this field
for compromise;
That if France were to make a real gesture of fairness in
connection with an equitable economic readjustment to cure these
inequities, the matter would be composed and that the old, his-
toric friendliness between the two countries could be restored;
That the disposition of these problems would probably await
the conclusion of the Spanish conflict, which was imminent.
The Italian Ambassador appears to be an honest, open-minded,
fair, sincere type of man. He is a career diplomat who apparently
has ...
has the confidence of Mussolini to a marked degree. He takes pride in the fact that he was an old comrade-in-arms of Mussolini during the Great War and rose from the ranks to the grade of a Captain. He pointed with pride to an autographed photograph of the Duce, in which most friendly reference was made to this old association. He purported to know the mind of the Chief of his Government. He spoke very frankly but asked me to treat the matter confidentially.

I am transmitting the report of the interview, which made an impression upon me, for such value as it may have.

Respectfully yours,

Joseph E. Davies
Brussels, February 11, 1939.

No. 200.

Subject: Transmitting Confidential Memorandum prepared by Commander Gade on the Political Situation in Europe and Asia.

STRICTLY CONFIDENTIAL.

The Honorable
The Secretary of State,
Washington.

Sir:

I have the honor to transmit herewith, as of possible interest to the Department, copies of a memorandum prepared by Commander John A. Gade, the former Naval Attaché of this Embassy, who is now residing temporarily in Brussels. The information it contains was given to him orally by Vice Admiral Fursten, an official of the Netherlands Navy. Commander Gade requested that a copy of this document be forwarded.
forwarded to the Office of Naval Intelligence. He has retained the original, which he had prepared in manuscript. The Department will observe that this memorandum refers to Germany's alleged relations with Japan and Great Britain. It has been read carefully by myself as well as by various members of my staff. The result of this study is embodied in a second memorandum, copies of which are also enclosed for the Department's information. Although a portion of the statements made by the informant of Commander Gade do not appear to contain anything of especial novelty or value, certain observations, such as those concerning the construction of German submarines, may be of interest.

Respectfully yours,

[Signature]

Joseph H. Davies.

Enclosures:

1. Copy of memorandum prepared by Commander Gade.

2. Copy of Embassy's memorandum on above.

On/Low

File 710.

[Signature]

Received
Enclosure No. 1 to despatch No. of February, 1938, from the Embassy at Brussels.

COPY.

CONFIDENTIAL.

Vice Admiral Furstner stated that his Foreign Office had recently come into possession of a copy of a recent letter written by one of the Chiefs of the Foreign Office in Berlin to the German Ambassador in Tokio dated Dec. 14th 1938, who was instructed to inform, in as tactful a manner as possible, and at the psychological moment, the Japanese Government of the following:

Germany was aware of the difficulties Japan was experiencing at home and in China in pursuing the war there. Germany was very cognisant of the Chinese military situation. Wishing to assist Japan in her fight against communism in China, Germany would make the following suggestions:

Germany would first call Japan’s attention to the fact that her commercial losses in China has been very considerable owing to the war. She realized that and made no claim.

Germany further realized the strain under which Japan had been laboring owing to the war having lasted far longer than could have been anticipated.

Germany now stood ready to send 118 officers and 1500 planes, a large number of small tanks, adapted to be run on the railroad tracks and thus most serviceable in guerilla warfare. Beyond this, 35 commercial and organizing experts.

Germany would be able to send the large number of planes mentioned as the Reich had now 13,600 planes ready.

In return for the above services Germany would demand more or less of a free hand in developing her future Chinese markets.
always bearing in mind the protection of present Japanese commercial interests and their development in China.

China's enormous undeveloped resources would be jointly developed by Japan and Germany, all other powers to be excluded. Japanese harbors would be open to German men-of-war in case of trouble, and Germany would be given naval bases of her own along the Chinese coast.

The second portion of the letter dealt with the European situation. In this, the official stated that Germany must greatly enlarge her foreign markets or go under. In attempting economic penetration eastward so much resistance had been met and the future results to be obtained seemed so much smaller than were anticipated, that Germany felt there was no other course than to turn westward, where England was naturally the greatest obstacle. A trade war seemed inevitable. This Germany would not however start without a definite military superiority to back up her commercial demands. She would not repeat her error of 1914. To feel certain of gaining her objective she realised she needed naval bases. With this in mind her first colonial demands would include German South West Africa and Australian New Guinea. The figures recently given by her to England as the proposed German submarine problem were false, she not only intended building a considerably larger number, but also to attempt, if necessary, their mass production, though this might only prove possible as to certain submarine parts.

The harbor masters of Ferrol and Corunna, in Spain, were now both Germans.

The German Foreign Office realized the present widespread dissatisfaction at home, a situation which the Führer felt
was too dangerous to leave without offering something to distract public attention.

Germany had availed herself of certain German plantations in the Bissagos Archipelago, near the westernmost tip of Africa, which she now had arranged as a naval base, and from where she some day might have to strike at British merchantmen.
This memorandum was given me on February 4 by Commander Gade, the former Naval Attaché of this Embassy. He tells me that the information it contains was furnished to him orally by Vice Admiral Purstner of the Netherlands Navy, who had just paid him a short visit in Brussels. I understand that all this information, with the exception of two paragraphs, was shown to Vice Admiral Purstner by a high official of the Netherlands Foreign Office, who gave him about ten minutes to read the document or documents in question, as it was necessary to return them immediately to the official files.

I told Commander Gade that the memorandum had been seen both by the Ambassador and by Colonel Brown, who had expressed the opinion that it seemed unlikely that an instruction from the German Foreign Office to the German Ambassador at Tokyo should contain some of the statements, such as those concerning the unsatisfactory economic conditions in Germany and the misinformation about the German submarine construction. Commander Gade replied that this point seemed to him pretty well taken and that he was not certain whether the original German document was an official instruction or merely a personal letter to the German Ambassador in Tokyo from a high official in the German Foreign Office. To this I replied that if the latter were the case, it seemed odd to me that a copy of it should have reached the Germanlegation at The Hague, the office from which the Dutch had obtained this information. Commander Gade concurred with this view and said that Vice Admiral Purstner might, of course, have been shown more than one document. He had been so busy remembering the matters which
which the Admiral told him that he did not think of asking the latter about the form in which the information had been presented to him.

The two paragraphs in the memorandum which do not relate to the document shown to Vice Admiral Pursch are those concerning the German harbormasters at Ferrol and Corunna and the secret German naval bases at the German plantations in the Bissagos Islands.

Brussels, February 7, 1939.

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

FROM BRUSSELS
Dated February 17, 1939
Rec'd 2:06 p.m.

Secretary of State,
Washington.

20, February 17, noon.

FOR THE PRESIDENT AND SECRETARY OF STATE.

I have received definite and reliable information: (one) That the recent messages and public utterances of the President have made a deep impression on Hitler and have been of outstanding importance in influencing his decisions. This comes from two sources.

(Two) That recently the German Government attempted to place an order for 10,000 lorries for April delivery with Antwerp firms who replied that they were physically unable to make delivery within that time. In this connection I am advised that this incident occasioned the Belgian Government considerable embarrassment and that the latter was much relieved by the inability of the firms to deliver the lorries.

(Three) That German officers and troops embarked for Libya a short time ago via a Mediterranean port. This comes through a chief of mission, Minister of State, who stated
stated to me definitely that it was not hearsay but authentic.

(Four) Although less definitely authenticated the following reports are accepted in the diplomatic corps:
(a) that transport conditions in Germany are very bad;
(b) that leave for all German military officers has been canceled beginning the third of February; (c) that Germany is now definitely and unreservedly backing Italy. This is now taken as an accepted fact in the diplomatic corps;
(d) that the economic, social and political conditions confronting the dictators in their own countries are exceedingly critical and may be the actuating course for resort to foreign adventures.

DAVIES

HPD
Subject: Views of Governor La Follette on Conditions in Germany and on the European Situation.

The Honorable
The Secretary of State,
Washington.

Sir:

I have the honor to report as follows with reference to the above-entitled matter:

Governor Philip La Follette has recently been in Belgium having spent considerable time in France, Italy and Germany. He has had many contacts, particularly in Germany, among the liberal and university intelligentsia, and these give his observations particular significance. Briefly, the substance of his conclusions was as follows:

Although ...
Although the food situation in Italy is not as difficult as in Germany, the financial situation is, however, the reverse, and there is much serious political unrest in both countries.

In Germany, Mr. La Follette was impressed by the fact that the Germans with whom he came into contact were shocked by and ashamed of the Jewish persecutions. He gave many illustrations of the extent of the internal dissatisfaction of the populace. Among others he described having himself seen chalked on the side of buildings in Berlin the slogan: "We have no butter; we have no eggs; but we have a Reichskanzlei," (referring to the magnificent building just completed). Nevertheless the people with whom he came into contact, although despondent, were not utterly hopeless, which convinced him that there is no justification for any expectation of a break-up of the régime through popular revolt, except in the event of war. He stated to me that he was authoritatively and directly informed by one of Hitler's chief men, that Hitler had been deeply impressed by, and had expressed his concern over the utterances of the President of the United States and the state of public opinion in the United States.

Discussing the extent of the popular revolt in Germany, he cited the fact that the Gauleiter, or local Chief of the Nazi Party in the Ruhr district, which was 95% Communist prior to the Hitler régime, is now a thoroughgoing Hitlerite although he had been a leader of the Communist movement. The bitterness prevailing among the populace and in the army is exemplified, in Mr. La Follette's observation, by the fact that ceremonies which require the attendance of this Gauleiter as the representative of the Nazi Party, have been characterized by the refusal of the military...
military officers to take off their gloves until after the departure of that official and his associates, as they did not wish to shake hands with them ungloved.

The Berlin-Rome axis, according to Mr. La Follette's information, is functioning in complete harmony, and it is commonly accepted as beyond question that Hitler will back Mussolini as there is a thorough understanding between them. He had learned that S.S. troops who had previously gone into Austria had been sent to Tunisia in civilian clothes. From statements made by German private citizens subject to military call, he ascertained that all military leave had been cancelled as of February 3rd and no new leave granted thereafter. He was convinced that Germany is actually mobilizing now.

It is Mr. La Follette's opinion that war is imminent and will probably occur this year. This view is supported by a conversation which he had with Mr. Reginald McKenna, the British banker. Mr. McKenna stated that the British believed war to be inevitable this spring but that it would be directed towards the Ukraine.

In conclusion, Mr. La Follette informed me that Hitler definitely intends to eradicate Christianity in Germany, and that the Church properties will soon be confiscated.

Respectfully yours,

Joseph E. Davies

P.S.

File No. 500
J.D.
No. 216

Subject: Opinions on European Situation of
        Former Premier van Zeeland and Mr.
        Heymans, Former Minister of Economic
        Affairs.

The Honorable

The Secretary of State,

Washington.

Sir:

With reference to the above-entitled matter, I have the
honor to report as follows:

I have had today an extended conversation with former
Premier van Zeeland and with Mr. Heymans, who was recently
Minister of Economic Affairs in the Speak Cabinet. The latter
is an economist and scholar of note who was previously at-
ached to the Massachusetts Institute of Technology and the
University of Ghent. He is an exceptionally well balanced
and well informed man. As to Minister van Zeeland, his posi-
tion is well known to the Department.

Mr. . . .
Mr. van Zeeland is outspokenly pessimistic as to prospects of European peace for this year. He expresses hope that hostilities can be avoided but is very dubious about it. He also states that many well informed people are completely hopeless as to the outlook and can see no other eventuality than war for this year. He regards Germany as the chief disturber of world peace.

Mr. Heymann expressed himself as optimistic but intensely apprehensive. He considered that from a purely rational standpoint the dictators would not hazard war but that he had no strong confidence that reason would govern their decision. He stated that he was in Rome two weeks after the Munich agreement and that from what he had gathered there (he was then in the Belgian Ministry), Italy would not have "gone in" if Germany had initiated war in September. His view is that Germany is now waiting for Italy to commence hostilities so as to be assured that Italy could not withdraw its support of Germany in the event of war, and that if Hitler goes in, it will be for his own purposes and for no reasons other than those affecting his own interests.

He then discussed with me the internal conditions in Germany, giving me the impression that he drew his information from sources unusually wide in extent. He believes that these conditions are critical. The financial system of the Reich is tottering; and the resignation of Brinkmann (successor to Schacht in the Reichsbank) is very significant and vitally important. Mr. Heymann suspects that this resignation is due to political reasons, occasioned by Brinkmann's pessimism in regard to the economic situation, which he had openly expressed in Mr. Heymann's presence some weeks ago. Continuing on this subject, Mr. Heymann...
Heymics pointed out that exports from Germany had fallen off in January in comparison with those of a year ago; that the gold reserves and free exchange (credits) were practically exhausted; and that Germany had to enlarge its exports in order to be able to buy vital raw materials. Another reason which he advanced in support of his views was the fact that the German financial structure had no substantial foundation of gold or other material asset and was entirely built on credit, and that the moment that confidence faltered, the whole structure would collapse.

In conclusion he expressed the opinion that Germany was mobilized and ready for war; but that, if hostilities were embarked upon and the government were not able to achieve speedy and decisive military successes, it would crumble from within by reason of popular and military discontent.

It is highly probable that there is no man better informed as to economic conditions in Germany than Mr. Heymics.

Respectfully yours,

Joseph E. Davies

qu.

Pile No. 711

JED:AFH
This telegram must be closely paraphrased before being communicated to anyone. (C)

Secretary of State,
Washington.

32, March 21, 2 p.m.
FOR THE PRESIDENT AND THE SECRETARY OF STATE.
Herewith is an idea which you may already be considering. I believe it has substantial potentialities.

The energetic timely action of the President before Munich is accepted among the well informed here as the deciding factor in Hitler's then decision for peace.

European peace is now tottering.

The President aptly could again contribute to securing peace—this time influencing Mussolini's decision.

The conviction is growing that Hitler wants war as his only way "out." Cumulative information out of Germany and my own observations in Germany for the last ten days supports that theory.

Hitler probably won't risk it without Mussolini.

As goes Mussolini so goes European peace this year.

France and England are now desperately trying to wean Mussolini from Hitler.

(End Section One)
This telegram must be closely paraphrased before being communicated to anyone. (C)

BRUSSELS
Dated March 21, 1939
Rec'd 6:16 p.m.

Secretary of State,
Washington.

32, March 21, 2 p.m. (SECTION TWO)

Hitler's strategy requires that he have Italy's support and that he now encourage Mussolini to make extreme demands and in such manner as to make it impossible for France to yield. Mussolini then would become the spearhead and would be definitely committed to fight and could not "run out" which the Germans fear. Hitler then would have his war for his own purposes with assurance of Italian support.

Mussolini would probably be greatly influenced, if the President were to convey to him directly through Phillips or the Italian Ambassador to Washington:

(One) that the neutrality act undoubtedly will be speedily amended; this in itself would be a major helpful factor now;

(Two) that with world public opinion mobilized against the totalitarian states they would probably eventually lose;
(Three) that even if they were successful Hitler would crush Mussolini next -- there is no room for two Caesars in Europe;

(Four) that Mussolini's present and future interest is clearly with the western democracies as a preserver of world peace and international law;

(Five) that the President hopes that Mussolini will go slow and not take an extreme position on March 26 and not precipitate a crisis now by demands which French pride cannot accept;

(Six) that delay might afford time to work out an agreement which would be acceptable to Italy, France, and Great Britain and tend to insure permanent peace in Europe;

(Seven) that as it stands Mussolini can probably get nothing out of the Berlin axis except through war;

(Eight) that taking the other position Mussolini would be the saviour of peace, would bring the maximum benefits to his country at least to contest and prevent the domination of Europe by a single power.

I am on excellent personal terms with the Italian Ambassador here who is a war buddy of Mussolini and has his personal confidence. I could sound him out informally and
and purely on personal grounds and possibly secure re-
action from Rome if such action by me were considered
desirable. My own judgment is, however, that a message
should be conveyed directly by the President. It could
do no harm. It is up the alley of peace. If successful
it would command the everlasting gratitude of the world.

(END OF MESSAGE)

DAVIES
Brussels, March 30, 1939.

No. 261

Subject: General Observations on the European Situation Reflected from this Post.

FOR THE ATTENTION OF THE SECRETARY AND UNDER-SECRETARY OF STATE.

CONFIDENTIAL

The Honorable

The Secretary of State,

Washington.

Sir:

With reference to the above entitled matter, I have the honor to submit herewith a short recapitulation of certain factors in the European situation as reflected from this post and as of this particular date.

GENERAL.

Pessimism is the darkest here that I have seen. War is regarded as inevitable. Hope only is expressed that hostilities may be averted for the next few months. This obtains in all circles: court, military, business, and diplomatic.

POLAND.
POLAND.

The particular fear of this day centers around Poland. The openly expressed threats of Germany through the official DIPLOMATISCHE KORRESPONDENZ, along with reported troop movements into East Prussia, are feared to be indicative of another German coup. Berlin is regarded as threatening Beck on the eve of his London visit.

SPEED OF GERMAN ACTION.

The speed with which Germany has acted in the past twelve days, since the Birmingham speech, in Slovakia, Memel, Rumania, Hungary, and Yugoslavia (economic treaties), in contrast to the breakdown of the British effort to obtain a "common declaration" against aggression is generally cynically commented on. Hitler, it is said, has been served with ample notice of the intention of the democracies and has promptly acted, while his enemies have only talked.

MUSSOLINI AND HITLER.

The moderate tone of the demands of Mussolini brought relief. The solidity of the Berlin-Rome axis is, however, generally accepted (for the present at least). The diplomatic battle to wean Mussolini from Hitler is considered by some to have failed, not because of lack of disposition on Mussolini's part entirely, but because of his necessities with Germany at the Brenner Pass.

FRENCH SOLIDARITY.

The speed, effectiveness, and boldness of the French Government since March 17 has commanded great admiration, respect, and universal comment.

LONDON-PARIS-MOSCOW.

Among the representatives of some of the smaller eastern European countries, there are expressions of gratification that
Britain and France are finally seeking Soviet aid, which they regard as vital to their safety. It is generally said that if Britain and France had done two years ago, what they are doing now, in that respect, Czechoslovakia would still be an independent European state.

**BRITAIN AND CONScription.**

There is much criticism of Britain for not speedily adopting conscription. It is quite generally considered that England will not accept conscription under Chamberlain's party leadership and that it can come only through a coalition government. Comment is heard in some quarters that Chamberlain's judgment was tragically and disastrously bad on Hitler in September; that his diplomacy is bungling even noticed on Hitler before he had set up his encirclement; that Hitler has outflanked Chamberlain in the last twelve days, has perfected his defences in Central Europe; whereas thus far, Great Britain has accomplished nothing.

**RELATIVE STRENGTHS.**

It is generally discussed that England, and particularly France, have improved their military situation enormously since Munich; it is also heard that this is offset by the acquisition of Czechoslovakian planes (1600), the armament factories, reserves, and manpower of Czechoslovakia. Hungary is generally accepted to be completely under the domination of the Reich. Poland is now completely encircled. From representatives of smaller countries, the query is heard: "What can France and England do about aiding Poland or Rumania against aggression in the face of the Siegfried line?"
Political, social, economic, industrial, and financial conditions in Germany, and in particular in Italy, are universally held to be exceedingly bad. This fact is commonly referred to as reason for pessimism.

**Hitler and War or Peace.**

Chamberlain's Birmingham speech is held generally to have radically reversed the situation as to Peace prospects for the year. Peace this summer is not now protected by a British policy of appeasement. Hitler is considered to be faced with the decision of war or peace, now, when he is at the height of his power which relatively would be less later on. If he decides upon peace, he can have it only upon condition of disarmament preceding discussion over the council table, as to colonies, etc. Disarmament for Germany, economically and socially, and probably politically, would be disastrous. There is no local or foreign market for German manufactured goods, and hence no demand for goods or for labor. Consequently, unemployment would require enormous financial credits and gold reserves. Germany has neither. From this point of view, peace for Hitler would be the hard way out. It is feared that Hitler is thinking in the terms that war is the easier and safer way out. This is on the theory that he has a first class chance to win by a quick "putsch," and that even if he does not win, he nevertheless cannot be defeated because he is immune from blockade and with the Siegfried line can hold off attack; and if worse comes to worst, he can still probably make peace. It is extraordinary that nowhere can you find any real confidence that Hitler has a will for peace. The little countries are scared to death.

Hitler
Hitler this week end is at Berchtesgaden, communing with the stars. What he will decide is, of course, unpredictable. Judging by the past, whatever he does will be speedy, bold, and will contain the element of surprise.

Despite the protestations of the Berlin Foreign Office, there are persistent rumors that German troops are being moved heavily into East Prussia.

Up to this point, there is no doubt but what Hitler still holds the "initiative" and the advantage which goes with it.

Respectfully yours,

Joseph E. Davies

qn.

JED\NVG

File 710

4 Carbon Copies

Received
No. 269

Brussels / April 4, 1939

Subject: Informal and Personal Discussions in London with Mr. David Lloyd George, Mr. Winston Churchill, and Ambassador Kennedy.

FOR THE ATTENTION OF THE SECRETARY AND UNDER-SECRETARY OF STATE.

STRICTLY CONFIDENTIAL

The Honorable

The Secretary of State,

Washington.

Sir:

With reference to the above-entitled matter, I beg to report the following:

On the week-end of April 2, as my daughter was arriving from the United States, I made a hurried trip to London to meet her. An opportunity arose to have a visit with two old friends, Mr. Lloyd George and Mr. Winston Churchill, as well as to have a conference with Ambassador Kennedy. I therefore decided
decided to stay over a day, in the belief that it might be of value to you to have the views, from the Liberal and Conservative sides, of these two English statesmen, at this juncture of the crisis, immediately after Hitler's reply to Chamberlain. I returned to my post Monday afternoon.

The gist of Lloyd George's views was:

That up to the last two weeks, he had been very confident that the hostilities would not break in Europe this summer; but

That now he was not sure and was definitely uneasy and fearful, for "Hitler was going on";

That "the country" and all parties were behind the Government to a man;

That personally he was much concerned lest this new policy might not be implemented into effective and vigorous action;

That Hitler would doubtless press to re-nationalize Danzig and secure a concession of a military highway across the corridor to East Prussia; that he was set on getting Silesia;

That Britain would not ordinarily fight for Danzig, which after all was a German city;

That if Poland fought, however, Britain would now have to fight;

That unless vigorous and definite military arrangements were made with great initiative and speed, both England and France would be rendered ineffective, and it would result in a declaration of war "without fighting a battle";

That it was vitally necessary that England should, wholeheartedly and immediately, aggressively bring Russia into close cooperation with definite and specific mutual military arrangements;

That he had talked with "Neville" (Chamberlain) about Italy and that he (George) believed that Mussolini was simply waiting for Hitler to absorb the attention of France, when he would make a military drive in Africa. This would probably result in the Mediterranean being closed to troop ships, and with France in Spain, the lines of communication for naval and troop ships, to get troops into the Soudan around South Africa, would be menaced by German submarines from a Spanish base on the Atlantic;
That there was no immediate prospect of a coalition government in England because Labor would not cooperate;

That if hostilities broke, there was danger that it would be a long war, with the possibility that Hitler would ultimately fight a defensive campaign within the Siegfried lines and, if finally necessary, try to make a peace, retaining what he held;

That public opinion of England, however, had now definitely hardened into a resolution to fight it out if necessary;

That the desperate internal situation which Hitler and Mussolini faced, politically, industrially, and economically, coupled with the fact that the democracies were making rapid strides in preparedness, were facts which were driving Hitler ahead.

He was definitely very uneasy.

Churchill was also definitely pessimistic. He said;

That war was bound to come, if it were now not already upon us;

That the last two weeks had shown a new England—morally aroused, mad clear through, and definitely committed to stopping Hitler and his attempted world domination;

That the idea of unilateral protection of Poland and other European states was England's own—not that of France, nor of Poland. So far as the latter was concerned, it was unsolicited, surprising, and perhaps even embarrassing.

That Mussolini faced a desperate situation which was driving him on to hostilities. It was his (Churchill's) opinion, however, that the British and French navies could overwhelm and demolish Mussolini's naval forces. Their dominance was 4 to 1.

That he was positive that there was now no opposition to bringing in the Soviet Union because of ideological differences; it was simply a question of what would be the wisest method of projecting joint defense against aggression. Russia, in his opinion, would have to fight anyway, but nevertheless she should be brought in.

That Belgium would have to make up her mind to take sides—or England would have to abandon her to shift for herself. They did not need Belgium as the Maginot line would "do the necessary".
That the country and all parties would be back of Chamberlain to a man;

That enormous strides had been made in the last few months in protection against air raids and that with an additional six months time, England would be secure against bombing attacks in the day, and this "horrible menace of blackmail" would be relieved;

That war, if it came, would undoubtedly be characterized by early German successes, but that ultimately the aggressors would be smashed;

That Hitler's speech in reply to Chamberlain could not be taken as reassuring in any way; that Hitler was unpredictable and that he, Churchill, was fearfully concerned.

Ambassador Kennedy's views were definitely pessimistic, but I shall not go into them as he has doubtless reported to the Department direct. It was definitely of value to me in my work at this post to have the benefit of his intimate knowledge of the situation in London.

Upon my return to Belgium, I find that opinion is confused and seriously fearful. The elections demonstrated that party considerations were thrust aside because of the international danger and the necessity for unity. The Belgian Bourse was very weak today.

Respectfully yours,

Joseph E. Davies
MA

TELEGRAM RECEIVED

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

Dated April 8, 1939

FROM

SECRETARY OF STATE
Washington

REO'd 11:46 a.m.

40, April 8, 2 p.m.

FOR THE PRESIDENT AND THE SECRETARY OF STATE

From an unofficial but what I regard as an entirely reliable source I am informed

(One) that back of the Lord Stanhope incident this week the facts were that his orders were based on British Intelligence reports that a lightning air attack on the British fleet by German air squadrons was imminent and that the entire British air force was and still is standing by with motors warmed up.

(Two). That this situation accounts for Holland's extraordinary defense measures and was because of the fear lest the Albanian situation was the prelude to a general German western assault.

(Three) That from present appearances the situation in Albania will probably evoke no greater activity by France or England than a possible denunciation of the Anglo-Italian status quo agreement.

This information is forwarded because of the Department request for any material reports that might be valuable for possible corroborative or checking purposes.

DAVIES

CSB
Brussels, April 18, 1939.

No. 287

Subject: Negotiations now proceeding in Moscow re anti-aggression pact.

Attention of the Secretary and Under Secretary.

The Honorable

The Secretary of State,

Washington.

Sir:

This day I have sent a cable with reference to the above-entitled matter, a paraphrase of which is as follows:

"It is my conviction that the deciding element in the Führer's determination will be whether or not Britain and France will receive the wholehearted support of the U.S.S.R. I know from personal knowledge that the U.S.S.R. did mistrust the British and French, both in their aims and their actions. But they do have confidence in you. Also, they believe in me. Accordingly, I am impelled to suggest that, should you consider it desirable, I could make a trip to Moscow for a few days, ostensibly for the purpose of disposing of personal matters (provided that such a pretext should be considered desirable), and could unofficially, if necessary - see Litvinov, Kallinin and Molotov - and also, I am confident, Stalin - for
the purpose of helping to secure, with the minimum of delay, a Russo-British non-aggression agreement. In my opinion neither France nor Great Britain is able to get in personal touch with the highest authorities in the U.S.S.R., in the negotiations that are pending in Moscow. I am sure that I can see not only the proper authorities who cannot be reached otherwise, but that they have confidence in my sincerity and judgment. It is my opinion that the Germans will not start a war at present if they know that they will have to fight on two frontiers; and I believe that, without making commitments, I could be helpful either in turning the scales in Russia's decision or in aiding to strengthen it, and consequently implement in a small way your great effort for world peace. As a result of your wider information it is possible that you may consider action of this kind inadvisable or unnecessary. I am sure you understand that my only aim is to be of assistance. It is essential that there be no delay.

"The above message is for the immediate attention of the President and the Secretary of State."

The thought occurs to me that the situation is in hand and the suggested action might not be necessary, and also that there may be considerations as to possible effect upon public opinion at home that would make it inadvisable. After some deliberation, however, I decided to send the wire in any event because I do believe that the Soviet position will be vital for peace or war this summer. Germany has a very wholesome respect, according to their official publications, for the effectiveness and strength of the Red Army, and would hesitate to engage in hostilities on both fronts. If I could be of any help to the situation there in Moscow, as I am sure I could be, I could not resist calling the matter to your attention from that point of view. I shall be greatly relieved if you and the President decide in the negative, as it would entail travel by air.

Respectfully yours,

[Signature]

Joseph E. Davies

File No. 710
JED:AFH
URGENT FOR THE PRESIDENT AND THE SECRETARY OF STATE

I am convinced that the decisive factor in Hitler's determination will be whether or not Russia will support Britain and France whole heartedly. From personal knowledge I know that the Soviets did mistrust Britain and France, both their purposes and their performances. They do trust you. They also believe in me. I am instilled therefore to suggest that if you considered it advisable I could go to Moscow on the pretext of cleaning up personal affairs for a few days (if that pretext is advisable) and can personally and if need be unofficially see Litvinov, Kalinin, Molotov and, I am quite sure, Stalin also with the object of aiding in securing a quick and speedy agreement with Britain against aggression. Neither the French nor the British in my opinion can personally reach the highest authorities there in the negotiations there pending. I am confident that
RFP -2- #47. April 18, 5 p.m. from Brussels

that I not only can see the proper people otherwise unreachable but that they have confidence in my good judgment and sincerity. In my judgment Hitler will not fight now if he is confronted with two military fronts. I believe that I could help without commitments in either turning the scales in the Russian decision or aid in strengthening it and thus in a small way help in implementing your great effort for world peace. It may be that from your wider information such action is unnecessary or inadvisable. You know I am sure that my sole purpose is to help. Speed is vital.

DAVIES

H&D
Subject: Interview with Prime Minister Pierlot in regard to President's Message to Hitler.

The Honorable

The Secretary of State,

Washington.

Sir:

With reference to the Department's telegram No. 19 of April 20, 1939, 7 p.m., and my reply No. 52 of April 21, 4 p.m., I have the honor to report that immediately upon receipt of the former message I requested an interview with Mr. Pierlot, the Prime Minister and Minister for Foreign Affairs. Mr. Pierlot received me at 11.30 on April 21, notwithstanding the visit of the Russian Foreign Minister and the domestic political problems which were occupying much of his attention.

After
After handing the Prime Minister the Aide Mémoire, a copy of which is transmitted herewith, I expressed to him the opinion that in view of the high esteem in which the Belgian Government and people were held in the United States owing to their heroic resistance to the German invasion of 1914-1918, a statement such as that outlined by the Department would be considered especially valuable by my Government at this juncture. Mr. Pierlot thanked me and said that he would, of course, be obliged to refer the matter to his Cabinet, which he promised to do that afternoon during the meeting which had been arranged for that time.

The conversation then turned to the questions asked by the German Government, conveyed through the German Ambassador in Brussels. These, he said, were two in number, the first being whether the Belgian authorities had received any previous information concerning President Roosevelt's telegram. The answer to this was in the negative. The second was whether Belgium considers herself to be threatened by Germany. Mr. Pierlot, smiling rather wryly, said that the Belgians had also answered "no" to this question, but had qualified their answer by pointing out to the German Government that Belgium relied, of course, upon the assurances that were given it by Germany in 1937. He then went on to say that it was the unchanging foreign policy of the Belgian Government to maintain an independent and neutral position in European affairs. Belgium's territory was so small that in case of war it could be occupied quickly by an enemy, and consequently no good purpose would be served if Belgium should join an international alliance which might involve that country in a war arising out of problems not of immediate importance to it. By preserving its independent and neutral position, Belgium, he said, could avoid
avoid becoming thus involved and help to serve the cause of international peace.

During the course of the conversation it appeared that Mr. Pierlot was disposed to consider the Department's request with favor, but that he hesitated to commit himself before discussing the subject with the cabinet. His inquiries concerning the manner in which other countries had signified their approval would seem to support this view. The disturbed political situation in Belgium and the instability of the present Government are other factors which may delay the sending of a reply.

The matter was left with the understanding that the Embassy would inquire on the following day at the Foreign Office whether the Belgian Government had reached a decision in regard to the subject of my visit. When this inquiry was made, it was pointed out that the Cabinet was completely occupied in drafting its statement of policy for presentation to Parliament on the following Tuesday. Its attention is, therefore, for the present devoted exclusively to the consideration of domestic affairs. The Embassy was assured that as soon as a decision had been reached, this would be communicated promptly.

The text of the President's telegram was sent by me to the Belgian Foreign Office on April 18.

Respectfully yours,

[Signature]

Joseph E. Davies.

Enclosure:
Copy of Aide-Mémoire,
dated April 21, 1939.
AIDE MEMOIRE

The Government of the United States is of the opinion that a statement issued by the Belgian Government declaring that the latter welcomes President Roosevelt's message to Chancellor Hitler as a constructive move in the promotion of world peace would be of help in building up public opinion against aggression and war. The Government of the United States is receiving messages of approval from various Governments in Europe and the Near East. All the Governments in the Western Hemisphere have already signified their approbation.

Brussels, April 21, 1939.
Brussels, May 2, 1939.

No. 303

Subject: Hitler’s Speech of April 28th in reply to President Roosevelt’s Message. European Situation as seen from this Embassy Post.

Confidential

The Honorable
Secretary of State,
Washington.

With reference to the above-entitled matter, I beg leave to report as follows:

I. Anxiety Prior to Hitler’s Speech.

The anxiety and apprehension with which Hitler’s Reichstag speech was awaited here, was very marked. It was expected, particularly after Ribbentrop’s failure to receive the British Ambassador promptly on his return, that Hitler would reply insensitively and brutally, that his reply would be negative, but that he would not close the door finally to negotiations.

II. Effect...
II. Effect Here.

The effect which the speech made here, in its manner and as to its subject matter, was about as follows. There were general expressions that Hitler's manner of speech and methods of presentation were different from his Munich and Nuremberg addresses in that they were more calm, argumentative and less vehement. There was some surprise that he should have gone so far as to denounce the Anglo-German Naval Agreement and the Polish Corridor Pact. There was very great relief that the door had not been closed for future negotiations as to both of these situations and that he had also agreed to enter into reciprocal agreements for guarantees against aggression with the countries enumerated by the President, provided the Reich was suitably approached.

The purposes of his speech were here generally conceived to be:

(a) To recapture the diplomatic initiative, in which effort he was measurably successful.

(b) To re-inoculate his people with propaganda for home consumption. This effect cannot be "gauged" from this post.

(c) To serve notice upon the smaller States of Eastern Europe, by defying the Western democracies insolently and belligerently, that he was master in Central Europe and was prepared to not only impose but to obtain "satisfactory" relations with them respectively on his own terms and by discussions if need be but with "the gun on the table," if he saw fit to decree it. The success of this purpose is measurably established, according to opinion here, by the developments in Yugoslavia, Rumania and Poland.

(d) To
(d) To throw a sop to Britain, by professions of grief over the failure of Britain to appreciate Germany's desire for peace with Britain, and thereby wean Great Britain back to her former position of leaving Eastern Europe exclusively to German dominion and control. In certain quarters, misgivings are entertained as to the degree of the hardness of resolution of the Chamberlain government; but on the whole it is considered here that England is now determined to see the situation through. Apprehension in England of immediate hostilities, as apparent from the newspapers, has decreased.

III. Poland, Danzig and the Corridor.

Poland is generally regarded as the focal point of immediate danger. May Day, however, has gone by without the feared annexation of Danzig by the Reich. Bonnet is reported to have stated within the last few days that France was not prepared to fight over Danzig. From such discussions as I had in England a short time ago, I judge that that is also the attitude of the British Government.

Beck's speech next week in answer to Hitler is anticipated here with interest. It is thought here that Beck wants to negotiate with Hitler on both the Corridor and on Danzig, but that Kisz-Smigly insists that war is inevitable for Poland and that now is the most favorable time for Polish arms. Hitler is apparently awaiting Poland's next move. He has served notice on Poland that he would exact more arduous terms than heretofore and that if Poland wished security against German action, she would have to project discussions, willy-nilly, and regardless of whether Germany had a gun on the table or not. The Polish...
Minister here has advised me specifically that his Government has always been willing to discuss and adjust the Danzig and the Polish Corridor problems with Germany with a view to securing peace, provided it could be done as self-respecting men should do it, namely, without the threat of force or duress. There is much apprehension here among the chiefs of mission as to what may develop out of this situation. It is believed that the fate of Danzig, a Germany city, will not precipitate a European war. On the other hand, it is considered that under the British and French guarantee, the determination of whether there is aggression against Poland is entirely with the determination of the Polish Government, and that its decision is not predictable.

IV. Rumania, Slovakia and Poland.

Rumania is believed in some responsible quarters here, to have agreed with Germany through Călăscencu that the mutual defense alliance of Poland and Rumania is directed only against the East and that as between Poland and Germany this Polish-Rumanian Pact does not apply and that Rumania will remain neutral. The Rumanian Foreign Minister, Călăscencu, told me personally here last week that so far as Hitler's attitude toward Rumania was concerned, it contained no threat to Rumania or to him personally, but that it was terrifying as to the rest of the world. The inference might readily be drawn from this that Călăscencu had made his peace by giving assurances to Hitler, or that the latter's attitude would have been otherwise. In his present temper it would not be the color of Călăscencu's eyes which would moderate German requirements from Rumania. It is believed in certain diplomatic circles...
circles here that Germany has definitely agreed with Rumania that Hungary will not attack Rumania for the old Hungarian province of Transylvania and that in consideration therefor, Hungary will acquire Slovakia; but that this will not be announced until Germany has settled with Poland, and will be conditioned upon Rumania paying the price of remaining neutral as between Poland and Germany.

V. Turkey, Russia and England.

Turkey is reported in certain quarters here to have served notice upon Great Britain that a condition of her "going along" with Britain and France is that they shall get their matters fixed up so as to be assured of Soviet Russia's support.

VI. Yugoslavia.

Yugoslavia is definitely regarded here as within the pincers of the Rome-Berlin axis and as quite helpless. As the Yugoslavian Minister in Brussels has recently stated to me, there is nothing that they can do, despite any sympathies they might have for the Western democracies. They are completely dependent upon Germany, even for their war supplies, which came from the Skoda works. From what I can gather here, it would appear that fundamentally the Yugoslavs are sympathetic to the British. The latter, however, might consider Yugoslavia as a liability rather than an asset, because of British inability to be of any practical help to them.

VII. Belgian Opinion.

In certain high circles in the Belgian Government, there is the opinion that there will not be war this summer; that
Hitler's real desire is a desire for peace; that he has now almost completed all European adjustment which is necessary from his point of view; that if he could find now some plan which would enable him to abandon armaments and restore normal economic and financial stability, he would seize upon it; and that anyone who could devise a plan that would enable him to get back to normalcy, would solve the problem of European peace. This, in other words, is another way of stating that one of the chief menaces to peace in Europe is the desperation within Germany.

VIII. Italian Attitude.

One of the noticeable facts here is the complete lack of enthusiasm for Germany on the part of certain members of the Italian Embassy, and among the friends of Italy generally. In fact, it is almost the other way. There is much criticism of Ciano, and much grumbling. Along with this, however, there is a resigned acceptance to the inevitable: i.e., that Mussolini will be forced by circumstances and conditions to go along with Hitler.

IX. General.

The foregoing is illustrative of what appears to have been the purpose and the effect of Hitler's speech. The policy behind it appears to have been one that required a calming-down of excitement temporarily, to solidify German gains and afford time for Germany to establish its domination in fact if not de jure over the smaller States of Europe seriatim through diplomatic force majeure and to make such process easier by a bold demonstration of defiance to the Western Powers and a show of the ineffectiveness...
ineffectiveness of either the French or British to aid them in the face of realistic German will.

The prevailing opinion here is that a war some time this year is inevitable and that nothing short of a miracle will prevent it. There is some apprehension for the month of June because of the absence of the King of England. There is more fear that it may come immediately after the harvest.

Respectfully yours,

[Signature]

Joseph E. Davies
TELEGRAM RECEIVED

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

BRUSSELS
FROM
Dated May 31, 1939
Rec'd 2:18 p.m.

Secretary of State,
Washington.

68, May 31, 3 p.m.

FOR THE PRESIDENT AND THE SECRETARY OF STATE.

The Belgian Minister of National Defense informed me yesterday in the strictest confidence while discussing the possibility of the outbreak of war this summer that although in general prospects of peace were brighter in view of British-Soviet agreement he was nevertheless very seriously concerned over reports from his staff and sources of information which he had in various capitals, all of which pointed to June 20 as a day of particular crisis. He did not know just what the occasion would be or where lightning would strike but there was grave apprehension that the time schedule for action of some kind was set for that date. It was his opinion that two factors were working for aggressive action: (1) that the dictators were being driven to make decisions owing to the desperate state of internal conditions and (2) that they might determine that...
a military adventure would be the easiest way out in order to preserve their regimes. He viewed with particular concern and as indicative of this situation the increasingly bitter intensity of Italy's warlike press attacks on France.
The Honorable

The Secretary of State,

Washington.

Sir:

With reference to the above-entitled matter, I have the honor to report the following:

Last evening I had an extended talk with General Denis, the Belgian Minister of National Defense. He impressed upon me the fact that he was giving me his views in the strictest confidence. The gist of what he said in our conversation is contained in my telegram No. 68, dated May 31, 3 p.m., a paraphrase of which is enclosed herewith.
In spite of the prevailing optimism with reference to peace that one finds generally, I was impressed by the grave and obvious concern with which General Denis regarded the situation. He based his statements upon information he has received from various capitals, and I took it from his conversation to be the fact that his sources were the Belgian Sûreté and the Military Attachés of Belgium.

He expressed gratitude that last weekend had passed without incident and stated that each coming weekend was a matter of concern to the military authorities.

His judgment was, given at least the benevolent neutrality of the United States, that in spite of possible initial German successes, the ultimate victory would lie with the "democracies" in the event of war; but that the prospect for smaller countries such as Holland and Belgium was "very, very black." I was impressed by General Denis' earnestness and sincerity when he stated that to live under any other than a democratic régime would be impossible for free men.

The Minister is approximately sixty years of age, and impressed me as being a very slow-thinking, sound and able man.

Respectfully yours,

Joseph E. Davies

Enclosure:
1. Paraphrase of telegram.

File No. 710

JED:APH
Paraphrase of telegram No. 66, sent May 31, 1939, 3 P.M.

Yesterday while discussing with the Belgian Minister of National Defense the possibility of the outbreak of war this summer, he informed me in the strictest confidence that although in a general way the prospects of peace seemed brighter in view of agreement between Great Britain and the U.S.S.R., he nevertheless was very seriously concerned by reports from his staff and from information which he had received from various capitals, all of which pointed to the 20th of June as a day of particular crisis in Europe. The Minister was unable to say exactly what the occasion for the crisis might be or at which point the lightning might strike, but there was grave apprehension that the date for action of some sort was fixed for June 20. His opinion is that two factors are working for aggressive action by the dictators: first, that Hitler and Mussolini are being forced to make decisions, as a result of the desperate internal conditions in Germany and in Italy; and, second, that the dictators might come to the conclusion that a military adventure would be the easiest way out to preserve their régimes. The Minister views with particular concern, and as an indication of this situation, the increasingly bitter intensity of the warlike press attacks on France, emanating from Rome.

The foregoing message is for the President and the Secretary of State.
No. 346.

Subject: Views of Chinese Ambassador, Dr. Tsien Tai, as to the European Situation and particularly the Status of the British-French-Soviet Negotiations.

The Honorable
The Secretary of State,
Washington.

Sir:

With reference to the above entitled matter, I have the honor to submit the following:

The Ambassador of China, Dr. Tsien Tai, in the course of an extended confidential discussion with me outlined his views as follows.

The European situation so far as peace is concerned is most precarious.

Hitler will, however, employ his customary technique of surprise.

An
An effort will be made to induce an atmosphere of calm with a resultant psychological "let-down" among the general public of the democracies, and the blow will probably fall, when least expected, "on some Saturday".

He stated that he was told by the Turkish Minister - which confirms my understanding also - that the Turkish-British agreement was simply an agreement in principle, subject to becoming finally binding and effective only upon agreement on subsequent details, and that a primary consideration with Turkey in any agreement looking to opening the Dardanelles to the British and French fleets would be the successful conclusion of the pending British-French-Soviet agreement.

As to the pending Soviet-British negotiations, he had much concern as to the outcome. In his opinion, Premier Molotov's speech before the Soviet Assembly disclosed the distrust which the Russians have of both the underlying purpose of Britain and even of the validity of their engagements; one purpose of the speech was to assure that any covenants arrived at would be of such an open and notorious matter of knowledge to the public opinion of the world that it would give additional security to any engagements entered into. His understanding of the Soviet position, based upon discussions here with the Soviet Minister - which also confirms my understanding - was that because of their lack of confidence in any realistic, direct and speedy action by Britain and France in the face of an emergency, it was necessary, from the Soviet point of view, to have a very specific, practical and clearly defined plan of common action for the contracting parties to be able to act immediately without the delay of consultative processes.

That in the light of the situation which developed in Czechoslovakia, where fear had induced that State to acquiesce and not ask for aid against aggression, a similar situation might result
in the case of the Baltic states, with the result that aggression in fact might be completely and successfully achieved by Germany despite the proposed agreement of protection against aggression, unless this eventuality might be guarded against by a guaranty to these states by Britain and France similar to those given to Poland, Rumania and Greece. Otherwise Russia might be left "holding the bag", with another "bastion of defense" destroyed.

He also gave it as his strictly confidential opinion that Chamberlain's policy vis-a-vis Russia was being slowed down not so much by present consideration of the Spanish and Italian situation as it was by the attitude of Japan, and the threat of the latter to join the axis with military conventions in the event that Britain concluded an agreement with the Soviets. As a practical consideration he thought that Chamberlain must be considering the fact that Russia was confronted with two possible war fronts and that in the event of hostilities developing in Eastern Europe, Japan would in all probability take advantage of that situation to attack Russia on the East; and that Britain, as an ally of Russia in Europe, would thereby be confronted by the fact that her European ally would be warring with Japan in the Far East, where her interests are great and her defensive possibilities relatively limited. In this connection he stated that public opinion in Japan was giving evidence of being tired of making war on China and was not particularly enthusiastic about it in any event, but that the tired Japanese populace would enthusiastically approve war against Russia. In this connection he gave it as his opinion that the recent incidents (conflicts in Manchukuo and Inner and Outer Mongolia and the reference to Outer Mongolia by Molotov) were part of a deliberate plan to bring clearly to Britain's attention the full significance of any commitments which they might engage upon with Russia and thereby close the door to any possible future interpretations of what the significance of the Soviet-British-French Pact really was.
That with reference to Japan his information was that financial and economic conditions were becoming more and more serious in that country. He was very much interested in the possibility of the enactment of the Pittman neutrality proposals.

That the firm attitude of the United States and Britain in connection with the entry of passenger ships in Chinese waters in his opinion had been of great value to China. He stated with much confidence that the Chinese Government was being constantly better and better prepared and that resistance was hardening all along the line.

Respectfully yours,

Joseph E. Davies.

qn.

JED/IGW

File 710.
Brussels, June 14, 1939.

No. 352.

Subject: Transmitting Paraphrase of Telegram regarding Conversations with Mr. Franz Van Cauwelaert and Mr. Marcel Henri Jaspar.

The Honorable
The Secretary of State,
Washington.

Sir:

I have the honor to transmit herewith a paraphrase of my telegram No. 75, of June 14, 1939, 4 p.m., in which I reported to the Department on conversations which I had yesterday with Mr. Franz Van Cauwelaert, the President of the Chamber of Representatives, and with the Minister of Public Health, Mr. Marcel Henri Jaspar.

Respectfully yours,

[Signature]

Joseph E. Davies.

Enclosure:
Paraphrase of telegram.
PARAPHRASE OF TELEGRAM NO. 75, OF JUNE 14, 1939, 4 P.M.

The President of the Chamber of Representatives, Mr. Van Cauwelaert, who ranks next to the King, on June 13 stated to me in confidence that he believed that there was imminent danger for the future; that Hitler would probably not wait until the harvests were in, for the reason that following the recent difficulties in Czechoslovakia, it was believed that the Hungarian and especially the Czechoslovak crops could be more certainly taken over by the Germans and sabotage prevented if they were in control of the harvests. Mr. Jaspar, Minister, likewise stated to me confidentially yesterday that in high circles June 20 and 21 were regarded as likely to be critical.

The optimistic outlook which prevailed generally a fortnight ago seems to be giving way, as far as public opinion is concerned, to a revived fear that the early or middle summer months may bring hostilities.

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

FROM

Brussels
Dated August 27, 1939
Rec'd 7:51 a.m.

Secretary of State
Washington.

104, August 27, noon.

My telegram No. 103, August 25, noon, last paragraph.

Belgian Government has now reinforced military effectives to approximately the double of normal establishment of 100,000 men. Measures have been taken for widespread requisition of vehicles and horses.

WILSON

KLP
TELEGRAM RECEIVED

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

FROM Dated September 29, 1939
Rec'd 11:20 a.m., 30th.

Secretary of State,
Washington.

148, September 29, 11 a.m.

The Luxemburg Government fears that its country is about to be overrun by the belligerents now fighting on the borders. Yesterday an official advised me that his Government apprehends that France is "itching to invade Luxemburg". They regard it as a grave possibility that even if the Germans do not give the French an excuse the latter may regardless of this fact allege that the Germans have invaded Luxemburg and pour their own armies in thereby making the country a battle ground. Today I was informed by the same person that for the last three days English planes have been flying over Luxemburg. It is feared that this will induce reprisals by the Germans on the pretext of protecting the neutrality of the Grand Duchy owing to the inability of the latter to do so. Formal but friendly protest is being made by the Luxemburg Government to the French Foreign Office.
-2- #140, September 29, 11 a.m., from Brussels.

A suggestion was made to me that the President and the Secretary of State consider the advisability of conferring with the French Ambassador at Washington with reference to the matter and of at least expressing the hope that this little country may be spared. My reply was that while I was sure my Government was deeply sympathetic with and interested in Luxemburg the matter might be of such delicacy that my Government might feel that it could not with propriety take the requested action. If, however, you should consider that this could be properly done it would constitute a humane service to this gallant little people.

DAVIES

GW
SECRETARY OF STATE,
Washington, D.C.,
152, October 7, 5 p.m.

TO THE PRESIDENT AND THE SECRETARY OF STATE.

There is great fear here that there is possibly imminent some action of either one or the other of the belligerents which will harden the present situation into an irrevocable, bitter, real, long and horrible war. It is directed not only to the possibility of an immediate German assault on the western front but to the fact that the other side might precipitately do something that would destroy the trembling "bridge of peace" which delay might yet afford. They still cling desperately to the hope that time and development of some possibly unforeseen events might avert the catastrophe before it is hardened into finality. In this, their darkest hour, I have been requested by a high source to say that the only person in the world who can possibly avert the holocaust is the President of the United States and to express their hope that he might find some
-2- 152, October 7, 5 p.m. from Brussels
some means of again making some effort similar to
the noble ones which commanded the admiration of the
liberty loving world in previous crises. Despatch
following by special messenger on Clipper.

DAVIES

WMC
The Honorable
The Secretary of State,
Washington.

Sir:

With reference to the above-entitled matter, I beg leave to report as follows:

Some days ago the Soviet Minister to Belgium, Mr. Roubinin, who, it will be recalled, was an Attaché of the Soviet Embassy in Washington for some years, asked me to have dinner quietly with him and his wife and spend the evening. The gist of the discussions, which consumed the better part of three hours, was as follows:

He tried to justify the Moscow-Berlin developments on the following grounds: that for years the Soviets had tried to contribute...
contribute to the establishment of a peaceful Europe through cooperation with the Western democracies, but that their cooperation and efforts had been spurned and rejected; that the Soviet Union now was seeking the same end through cooperation with Germany; and that the ethical, economic and political forces in Eastern Europe and in the Balkans could be settled by Germany and the U.S.S.R. on a realistic basis which alone would establish permanent peace. More in particular, he cited the following: that the U.S.S.R. had for years advocated "collective security" and the "indivisibility of peace" in efforts to secure a practical combination of the non-aggressor nations in Europe to curb Germany; that Litvinov had carried on these efforts in the League of Nations, in the Spanish situation and in the Non-Intervention Committee in London; that the Soviet Government had served notice on Poland that in the event of German aggression against Czechoslovakia, it would cancel its non-aggression pact with Poland, 36 days before Munich, and was prepared to fight for the Czechs; that in April of this year, in response to Chamberlain's query as to whether the Soviets would join in the resistance if Germany attacked either Poland or Rumania, the Soviets had issued a statement in the affirmative and suggested a conference of the non-aggressor states to decide upon a plan of action, which was the only "language Germany could understand”; that Chamberlain had flown to Berchtesgaden himself and had sent a subordinate to Moscow without authority and had then sent a military commission with similar lack of authority, with only "talk"; that the British and French refused to guarantee the Baltic states against internal aggression, in which event the Soviets would have to fight Germany alone; that both the Rumanians and the Poles were obdurate and refused...
refused any actual physical help from the Red Army in the event of invasion, etc., etc. - with the result that the Kremlin authorities finally became convinced there was no way out through cooperation with France or Britain.

In response to my query as to whether Russia would permit Germany to establish herself on the Black Sea either at Constanza or at the Dardanelles, he stated it to be his opinion that this was impossible and contrary to the vital interests of Russia.

Again in answer to my query, he stated it to be his opinion that the Soviets would not send their soldiers to the Western front; and that it was not to the interest of the Soviets that Britain and France should be destroyed nor was it to the interest of the Soviets that Germany should be defeated.

He then made an elaborate argument upon the advisability of accepting the status quo and thereby establishing peace in Europe now by a conference of the belligerents. He asked me what, in my opinion, the attitude of the United States was. I told him I could not speak for the Government or for the United States in any official capacity, but if he wanted my opinion as an individual, I would be glad to give it to him. It was briefly this: that as far as I could gauge public opinion personally I believed that, generally speaking, our people thought that for the conquerors who had resorted to force, to ask now for peace on the basis of the status quo was analogous to a situation where a couple of highwaymen who had robbed and murdered two inoffensive old ladies, now sought to make friends with the police who were interested in preserving the peace of the community, by convincing them that they were not robbers and murderers but law-abiding and honorable citizens and as such were entitled to be restored as peaceful and law-abiding citizens of
the community without even offering to restore the loot; that
the simple issue involved was whether the nations in Europe
were now to live in a society where law and legal processes,
or brute force, was to be the arbiter for the settlement of
differences between nations. To this he replied that his own
point of view was that in the last analysis the present conflict
was simply a conflict between the British Empire which sought to
dominate the world and the Germans who demanded the right to de-
velop as equals.

Minister Roubinin is an able and very intelligent man.
He did not impress me as having very much moral conviction be-
hind his statements. In fact, I detected rather the contrary,
particularly when I referred to what a shock it was to me to
see the Soviet leaders become partners of Hitler when his system
had been so bitterly reviled by them.

As to whether Roubinin was acting under orders in trying to
feel out what the attitude of the United States was, I am some-
what in doubt. It may possibly have been inspired by his Gov-
ernment as a part of the peace offensive which is being now so
actively projected. In any event, I was exceedingly careful
to point out that my Government was strictly neutral in this
situation and was not mixing up with European affairs; and that
any expressions of mine were purely personal and in no degree
were to be considered as the attitude of my Government.

There is a great deal of wishful thinking being indulged
in here in French and British circles, to the effect that the
agreement between Hitler and Stalin is not a clearly defined
and explicit understanding, and that it may weaken with the
situations arising from the conflict of their ambitions which
might bring about a break. From what I know of the mentality and character of the Soviet leaders in Moscow and from what I judge to be Hitler's mentality and methods, from a constant study of his moves and past proposals, I am inclined to believe that this opinion is founded more upon desire than upon facts. It is much more probable, to my mind, that the main political objectives founded upon the interests of each, in the main have been very specifically defined and agreed upon between each, covering certainly not only the Balkans but the Baltic as well.

Respectfully yours,

Joseph E. Davies
Subject: Conversation with the Belgian Prime Minister on the subjects of Belgium's Attitude towards the War and its Military Preparations.

I have the honor to inform the Department that in the course of a conversation which I had a few days ago with the Prime Minister, Mr. Pierlot, the latter stated that his Government was doing everything possible to maintain the obligations by which it was bound, to preserve the strictest neutrality as between the belligerent powers. He said that this was being done, despite the fact that it might be "at variance with any personal feelings of the members of the Government." He now felt reasonably assured that the Reich would not violate Belgian neutrality unless provoked...
by some action of the French and the British.

In this connection, however, he asserted that his Government had been subjected within the past few days to suggestions from indirect sources which he believed emanated from the French General Staff, insisting that Belgium was in imminent danger of a surprise attack similar to that of 1914, with the possibility of a repetition of the military disaster at Charleroi which, in the interests of both Belgium and France, should be prevented by a Franco-Belgian arrangement whereby French troops would be permitted to enter Belgium or at least consultations could be held by the General Staffs of both countries in anticipation of such an eventuality. Mr. Pierlot assured me that his Government was firmly determined to resist any such suggestions as they would undoubtedly incite the Germans into activity, and that his Government was determined to do everything possible to prevent his country from again becoming the battleground of the belligerents.

He then went on to say that the Belgian army was quite ready and prepared to meet any attack, and that in some circles it was considered that the Belgian defenses on the German border were equal to or superior to either the Siegfried Line or that part of the Maginot Line along the Belgian frontier. In addition thereto, the Belgians have, during the past several weeks, been intensely engaged in perfecting their defenses in the northeast along the Dutch boundary, by making preparations for inundation through the use of the water of the Albert Canal, by the erection of barbed-wire barricades, and in the preparation of trenches and a complete line of anti-tank defenses. The Prime Minister also told me that they have four or five hundred thousand men mobilized and under arms, in addition to several hundred thousand additional trained men available for military service; that the soldiers' equipment...
equipment is first-class; and that the resistance to a German attack would be much more effective than that which occurred during the last war. They had already, he said, seven times as many men of the first line under arms as the Belgian army had in 1914. He stated that the real danger to Belgium might arise through the insistence of the French and the British on some act that would give the Germans a pretext for an attack on Belgium.

Mr. Pierlot asserted that while no one could foretell what Hitler's military policy would be with reference to an offensive this autumn, he was rather of the opinion that Hitler would dig himself in behind the Siegfried Line, maintain a defensive attitude against the French, and, if his peace overtures should fail, would confine his military activities during the winter to the air, and possibly to the Netherlands.

In conclusion, he spoke with much evident feeling of the sympathy and great help which the United States had extended to Belgium in the last war.

While the Prime Minister did not mention this fact, it is nevertheless commonly asserted here that Belgium is much more secure than Holland against the possibility of German military land operations, for the reason that the resistance of the Belgians would assure ample time for the French and British to come to their aid. In addition to this, it is believed that if the Germans were successful in their invasion of Belgium, they would still be confronted with the Maginot Line and the possibility of facing a British attack on their right flank near the North Sea.

Ten days ago there was considerable fear that a German attack through Belgium was imminent. Today, opinion is quite
the contrary and maintains that Belgium is immune from such an attack, at least for the winter. Tomorrow, however, this viewpoint may again be reversed, as events here move with such rapidity.

Respectfully yours,

Joseph E. Davies

File No. 710
JSD:07/afh
This telegram must be closely paraphrased before being communicated to anyone. (Br)

Brussels
Dated October 28, 1939
Rec'd 8:40 a.m.

Secretary of State
Washington
164, October 28, 1 p.m.

Public opinion appears to believe that there will be no German invasion this autumn. In spite of foregoing Belgian defensive measures continue unrelaxed. Total effective somewhat increased (see Embassy's telegram No. 111, September 1, 2 p.m.).

DAVIES

PEG
HSM
This telegram must be closely paraphrased before being communicated to anyone. (Br)

Brussels
October 28, 1939
Rec'd 9:25 a.m.

Secretary of State,
Washington.

165, October 28, 2 p.m.

It is believed probable in official circles that immediately after the settlement of the Finnish question activity will be resumed in the Balkans. The Soviets are expected either to take Bessarabia or to use it as a threat to organize a Balkan bloc against Italian efforts in the same region.

DAVIES

RR