





THE FOREIGN SERVICE
OF THE
UNITED STATES OF AMERICA

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AMERICAN EMBASSY

LONDON, October 5, 1938.

No. 1283

SUBJECT: Anglo-German Declaration.

JRS
DIVISION OF
EUROPEAN AFFAIRS
OCT 12 1938
DEPARTMENT OF STATE

ADVISER ON POLITICAL RELATIONS
MR. DUNN
OCT 12 1938
DEPARTMENT OF STATE

RECEIVED
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ASSISTANT SECRETARY
OF STATE
OCT 13 1938
A.M./C.
DEPARTMENT OF STATE

The Honorable
The Secretary of State,
Washington, D. C.

Sir:

With reference to the Embassy's telegram No. 1116 of October 1, 7 p.m., in which comment was made on the Anglo-German declaration signed by Herr Hitler and the Prime Minister at Munich on September 30, I have the honor to quote for the purpose of record the text of the
declaration

760 F. 62 / 1599

GDG

declaration as follows:

"We, the German Führer and Chancellor and the British Prime Minister, have had a further meeting today and are agreed in recognising that the question of Anglo-German relations is of the first importance for the two countries and for Europe.

"We regard the agreement signed last night and the Anglo-German Naval Agreement as symbolic of the desire of our two peoples never to go to war with one another again.

"We are resolved that the method of consultation shall be the method adopted to deal with any other questions that may concern our two countries, and we are determined to continue our efforts to remove possible sources of difference and thus to contribute to assure the peace of Europe."

Respectfully yours,

For the Ambassador:

Herschel V. Johnson
Herschel V. Johnson
Counselor of Embassy

TELEGRAM RECEIVED

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FROM

GRAY

London

Dated October 8, 1938.

Rec'd 11:55 a.m.



Secretary of State,
Washington.

1145, October 8, 1 p.m.

Analyses of the debates in the House of Commons during the four day session just ended would indicate: (1) that Mr. Chamberlain's parliamentary position notwithstanding strong misgivings regarding the treatment of Czechoslovaks grew stronger as the debates progressed due to the fact that his success in averting war responded to a deep seated wish of the country for peace and to the further fact that the Government in contrast to the opposition had a positive and relatively coherent program for the future; (2) that there was nevertheless no illusion that the strategic balance of forces, as a result of Czechoslovakia's disarmament, had not undergone a heavy shift in favor of Germany; and (3) that it was widely felt that the Government's policy must necessarily be directed toward an attempt at a negotiated settlement of outstanding questions with the Fascist powers paralleled by a policy of accelerated military and industrial preparedness.

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-2- 1145, October 8, 1 p.m.

The views advanced during the debate fall into three categories. The first of these was represented by both the labor and liberal opposition. Their views were accurately summarized in the Labor Party's defeated motion stating that, while profoundly relieved that war had been averted for the time being, it could not approve a policy which had led to the sacrifice of Czechoslovakia under threat of armed force, and demanding active support of the method of collective security through the League of Nations and the summoning of a world conference to consider removal of economic and political grievances which imperil peace. This attitude was motivated largely by a desire to avoid a direct issue with the government lest it dissolve Parliament and appeal to the country on the issue of peace.

A second group, composed of independents and dissident conservatives, a group numerically small but influential (including Churchill, Eden and Duff Cooper) were highly critical of the Munich settlement. This group saw the problem largely in terms of its strategic implications. Mr. Churchill held that the settlement represented "a total and unmitigated defeat"; the Government had made a major mistake in failing to take a firm stand at an early stage; it had been guilty

of

-3- 1145, October 8, 1 p.m., from London.

of a fearful squandering of power by permitting the destruction of Czechoslovakia while at the same time permitting an enormous increase in Germany's military and economic strength and potentialities; and that the Government should now bend every effort to bring the nation to the highest pitch of civil and military preparedness.

The third group was composed of the Government's supporters. Its views were most effectively presented by the Prime Minister and Sir John Simon. The latter took the position that history alone could give a final verdict on the Munich settlement; that Czechoslovakia was confronted with two grievous but unavoidable alternatives; on the one hand, peace and a measure of agreed disarmament; on the other, war with immediate destruction and no prospect of escaping ultimate drastic dismemberment. If blame were to be apportioned, none of it rested upon the Prime Minister; it must attach to those whose policies ended in imposing the ultimate dilemma. It belonged in the first place to the framers of the treaty of Versailles and in the second place to those statesmen who for nineteen years had refused to take any steps to right admitted wrongs until they had accumulated and added threat of catastrophe to the world. The question now was: would the critics undo what the

Prime

-4- 1145, October 8, 1 p.m., from London.

Prime Minister had done? If so what would they put in its place,

Mr. Chamberlain's own account made the point that the Czechs had accepted the Anglo-French plan; that his task had been to bring about an orderly and controlled transfer of territory; that the Munich agreement had done this in contrast to the terms of the Godesberg proposals. He held that the Munich agreement had averted war and had provided a foundation for peace. With regard to future policy there were in his opinion only two possible alternatives: either to proceed on the belief that friendly relations with the totalitarian states were impossible, that they were bent on domination and the destruction of democracy which meant the inevitability of war; or on the belief that Great Britain should seek by every means in its power to avoid war by analyzing its causes and trying to remove them by discussion in a spirit of good will. He believed in the latter alternative. This did not mean that Great Britain would seek new friends at the expense of the old or indeed at the expense of any other nation. He did believe that "we may yet secure peace in our time". But he did not wish to suggest that country should attempt this by unilateral disarming. Past experience had shown too clearly that we knew in our strength and

weakness

-5- 1145, October 8, 1 p.m., from London.

weakness in diplomacy. The emergency had thrown a clear light on the country's preparations for defense. A full inquiry covering the whole of the country's preparations, military and civil, had been ordered for the purpose of ascertaining what further steps might be necessary to make good deficiencies in the shortest possible time.

The Government is thus expected to pursue a twin policy of accelerated preparedness and of negotiations with the Fascist powers. Among the specific measures falling under the former heading to which Parliament is expected to give consideration when it reconvenes on November 1st are further funds for rearmament "a national register" (Mr. Chamberlain has ruled out peace time conscription) and "mobilization of industry". The specific problems which may be expected to receive accelerated attention are Spain, the Anglo-Italian agreement and German colonial claims.

KENNEDY

KLP



THE FOREIGN SERVICE
OF THE
UNITED STATES OF AMERICA

AMERICAN EMBASSY

LONDON, October 24, 1938.

No. 1417

SUBJECT: Sir Samuel Hoare's Speech on the
Czech Crisis

DIVISION OF
EUROPEAN AFFAIRS
NOV 7 1938
DEPARTMENT OF STATE

ADVISED ON POLITICAL RELATIONS
MR. DUNN
NOV 9 1938
DEPARTMENT OF STATE

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NOV 7 1938
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The Honorable
The Secretary of State,
Washington, D.C.

Sir:

I have the honor to report that Sir Samuel Hoare, the Home Secretary, in a speech at Clacton-on-Sea on October 20, 1938, reviewed the Government's policy during the Czech crisis, indicated its attitude toward relations with Germany and rearmament, and pointed out the lessons learned from the emergency. He upheld the Prime Minister's action in accepting the Munich Agreement; welcomed the Anglo-German declaration with the hope that it would result in improved relations with Germany; urged the necessity

for

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NOV 1 1938
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OF STATE

for greater effort in rearmament; admitted deficiencies in air raid precautions; promised to strengthen air raid precautions defense; and appealed for national unity in obtaining two objectives, namely "peace abroad" and "security at home".

Sir Samuel Hoare stated that he was convinced that with patience and restraint it would be possible to create from the Munich Declaration, "a comity of nations upon which a stable peace can be restored to suffering humanity."

He considered that Mr. Chamberlain had accepted the Munich Agreement not only because the inevitable alternative was the catastrophe of a world war in which the whole of Czechoslovakia would have been destroyed but because he believed that the peace of Europe could not be assured as long as the Sudeten Germans were refused union with the German Reich. He answered Mr. Chamberlain's critics, who doubted the possibility of obtaining permanent peace, by stating that he did not share their pessimistic views and he was not convinced as they were that it would be necessary to "fight a preventive war against the dictators."

Sir Samuel Hoare disclaimed the view that democracies can not live side by side with dictators. He was convinced that friendly relations with England had always been a cardinal point in Hitler's policy, and further that, without friendly relations
between

between England and Germany there could be no stable peace in the world. He confirmed this opinion by saying that the Anglo-German Naval Agreement of 1935, which he had signed on behalf of the British Government, had been kept by Hitler "in the letter and in the spirit."

He quoted in explanation of the Government's rearmament program Hitler's statement about German policy as applicable to Great Britain, "Always willing for peace, and any hour ready for defence," and added that he attached vital importance to the need for national strength. "For the great British interest is peace", he said, "and our strength is certain to be thrown into the scales of peace. No peacefully disposed nation need have any fear of British arms."

The Home Secretary pointed out that one notable feature of the crisis was that the spirit of public service was greater than at any time in Great Britain's history and he emphasized that one of the Government's first duties was "to organize the great body of willing workers." He gave an assurance that the Government would take every possible step to improve the air raid precautions organizations and promised that a full report on air raid precautions defense would be made shortly to Parliament.

In conclusion, he appealed for national unity stating "let us set aside the differences that may

have formerly separated us and let us unite in this common effort, firstly, to obtain peace by a wise policy of reconciliation and, secondly, to secure it upon the firm foundation of national security."

1/ A copy of an article from The Times of October 21 reporting his speech is enclosed.

Respectfully yours,

For the Ambassador:



Rudolf E. Schoenfeld
First Secretary of Embassy

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Enclosure:

1. Article from The Times, entitled "Searching for a Stable Peace", dated October 21, 1938.

NL:WMC



THE FOREIGN SERVICE
OF THE
UNITED STATES OF AMERICA

Handwritten marks: a large 'A' and a double underline.

AMERICAN EMBASSY

No. 1412

London, October 25, 1938.

SUBJECT: The Canadian Attitude in the Face of War

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ADVISED ON POLITICAL RELATIONS
MR. DUTH
NOV 15 1938
DEPARTMENT OF STATE

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DEPARTMENT OF STATE
NOV 16 1938
ASSISTANT SECRETARY
OF STATE

The Honorable
The Secretary of State,
Washington, D.C.

NOV 17 1938

Ottawa
11/17/38

Sir:

I have the honor to report, as of possible value in confirming or supplementing despatches from the American Legation at Ottawa, certain authoritative information received from a thoroughly reliable Canadian source regarding the attitude of the Canadian Cabinet should war have arisen out of the recent Czech crisis.

Upon the receipt of reports from London of the deadlock in the Chamberlain-Hitler conversations at

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Godesberg, the Canadian Cabinet, led by Mr. Mackenzie King, became so alarmed and so moved by Empire sentiments as to draw up a Cabinet resolution to the effect that Canada would stand with Great Britain and France if the issue came to war. The only reason this document was not made public, as intended, is due to the fact that it was referred by telegraph to M. Lapointe, the Minister of Justice and Attorney General, who was then in Geneva. He objected to its publication and pointed out that if the issue did not come to war, the Mackenzie King Government would face serious criticism from all the isolationist elements which were then, for one reason or another, remaining comparatively silent; if the issue did come to war, there would still be plenty of time in which to make such an announcement.

Aside from this significant action on the part of the Canadian Cabinet, my informant stated that the Prime Minister of Quebec, who was in London at the time of the crisis, was personally prepared to throw his weight in favor of Canadian participation in a war, and in fact he was critical and not a little indignant about the subsequent Munich settlement. These and other indications have led my informant to conclude that there was a far stronger sentiment running in Canada during the recent crisis in favor of participation in a war on the side of England and France than was the case in 1914. In the non-French part of Canada public feeling ran sufficiently high

to

to silence in large measure the voices of those groups which were opposed. In the French part of Canada the influence of the Catholic Church was of necessity against Nazism, and at the same time the more enlightened members of the French-Canadian community also realized that they would be treated, under the existing Liberal Government, with more accommodation than was the case during the last war.

The recrudescence on this occasion of belligerent Empire sentiment in Canada recalls a personal remark made by Dr. Skelton, the Permanent Under Secretary of State for Foreign Affairs, shortly after the Ottawa Conference. At the Department is aware, Dr. Skelton is a robust nationalist who has continuously struggled to modify the relationship of Canada to Great Britain in the light of Canadian national self-interest; but he was reluctantly forced to prophesy, some in sorrow that in 1937 that Canada probably had "one more sentimental Empire war left in her - though only one."

It is, of course, fully realized in Canada that control British policy how important the attitude of Canada will be, if Great Britain is involved in a European war, in terms of United States benevolence or participation. It may be of interest to cite a concrete illustration. When Dr. Skelton visited the British Foreign Office returned in the early summer from his tour of the United States, he gave a lecture on the "British Empire" in the Canadian

of Imperial Defence, which Lord Halifax thought sufficiently significant to have circulated to the British Cabinet in memorandum form. The conditions under which a copy of this document was obtained preclude its being sent in toto to Washington, but it is not a breach of confidence to quote one pertinent observation in the realm of foreign affairs:

"Sympathy is not enough to bring the United States to our assistance in case of war. Isolationist forces and bitter memories of 1917 are much too strong.

"The most we could hope for would be a maximum degree of pacific benevolence, a favourable adjustment of the Neutrality Act, a lot of good advice, and possibly eventual participation as in 1917 if the war were prolonged.

"It is here that the attitude of Canada is of the greatest importance. I was only in Canada for a few days, and will not here embark upon a discussion of the Canadian situation. Suffice it to say, that the problems and the atmosphere are very different from those of the United States. But it struck me that Canada is either looking for or trying to avoid having a foreign policy. She is hesitating between imperial obligations and American abetentionism. She will continue to hesitate, until the moment that war breaks out; and then in the hour of political emotion she will decide. I hope and believe that she will decide to fight with us, but the decision is by no means certain.

"This decision will have an important influence on the attitude of the United States. For, if Canada abstains, why should the United States participate? It will also have an important bearing on the working of the Neutrality Act. In this connexion, the position of Detroit, centre of huge automobile and chemical works, situated right up against the Canadian frontier - a neighbouring part of Canada lies to the south of Detroit - is obviously of great significance."

It may also not be inappropriate to mention here that, ironically enough, it was the Prime Minister of

Canada who first suggested the projected visit of the King and Queen to Canada, the desirability of which he strongly urged; so much so, that it has now become evident to Court circles that Mr. Mackenzie King in his maturing years is becoming a sentimental Imperialist in whom the British can take pride - and comfort.

Respectfully yours,

For the Ambassador:

Rudolf E. Schoenfeld
Rudolf E. Schoenfeld
First Secretary of Embassy

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TELEGRAM RECEIVED

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GRAY

FROM

LONDON

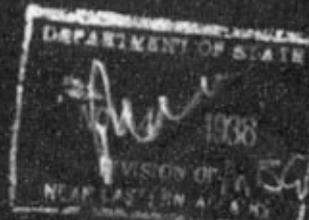
Dated November 3, 1938

Received 9:10 a.m.

Secretary of State

Washington

1276, November 3, 9 a.m.



The House of Commons last night by a vote of 345 to 138 approved the Government's motion "that this House welcomes the intention of His Majesty's Government to bring the Anglo-Italian agreement into force".

In his statement in support of the motion Mr. Chamberlain held that the condition precedent for putting the agreement into effect, namely that Spain should cease to be a menace to the peace of Europe, had been fulfilled; that he had received from Mussolini assurances that the remaining Italian forces would be withdrawn when the non-intervention agreement came into force and that no further troops would be sent to Spain; that these undertakings were a substantial earnest of the good intentions of the Italian Government; that at Munich both Hitler and Mussolini definitely assured him that they had no territorial ambitions in Spain; that the events of September had put the Spanish conflict into a new perspective; that

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FDA - 2 - 1276, November 3, 9 a.m. from London

as the Spanish question was no longer a menace to peace, no valid reason remained why Great Britain should not give force to the agreement, a step which would contribute to appeasement. He also believed that if any justification were required for the Government's policy of ending the differences with Italy this was found in the action which Mussolini had taken when at Mr. Chamberlain's request he used his influence with Hitler to obtain time for the discussions which produced the Munich settlement whereby the peace of Europe was saved.

6.25.01
Turning to the question of Italian sovereignty over Abyssinia, Mr. Chamberlain stated that only two countries in Europe, namely Great Britain and Soviet Russia, were at present confined to de facto recognition and that Great Britain now proposed to follow the example of France and accredit its Ambassador, Lord Perth, to the King of Italy and Emperor of Abyssinia. He was satisfied that putting the Anglo-Italian agreement into effect would improve the prospects of peace as a whole.

The debate on the part of the opposition was limited and almost half hearted. However, Mr. Eden took direct issue with Mr. Chamberlain as to whether the Italians had actually met the conditions for putting the agreement into operation. He held that when the agreement was signed

the

EDA - 3 - #1276, November 3, 9 a.m. from London

the "settlement" of the Spanish question was declared a prerequisite to its enforcement. He insisted that the recent withdrawal of ten thousand Italian infantry was not an effective limitation of Italy's intervention as long as her air legions remained and that in honest truth the essential condition which the government laid down was not satisfied.

KENNEDY

WWC:RR

TELEGRAM RECEIVED

ADVISED ON POLITICAL RELATIONS
MR. DUNN
NOV 25 1938
DEPARTMENT OF STATE

HRE

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

FROM LONDON

Dated November 22, 1938

Rec'd 5:38 p.m.

Secretary of State

Washington

1347, November 22, 8 p.m.

SECRETARY OF STATE
NOV 23 1938
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UNDER SECRETARY OF STATE
NOV 23 1938
MR. WELLES

STRICTLY CONFIDENTIAL FOR THE SECRETARY OF STATE.

I just saw Halifax to check up on what is going on. He had just finished talking with the author of the non-intervention report who reports that Franco will not agree to the non-intervention plan unless he receives belligerent rights. Halifax says that the Prime Minister has decided that here in England it is impossible to make the concession and that therefore things look very bad in Spain. If Mussolini would play ball they might be able to work something out but ^{they} ~~there~~ are not at all hopeful and they are going to take this up with the French tomorrow but they believe that the final decision will be that the war goes on as is-no intervention.

On the German situation their Government reports and also their secret service reports give some hope that the ^{stroke} ~~use~~ on the Jews is to take away attention from a rather pressing undercurrent of feeling about which Goering and Hitler are very uncomfortable. Halifax says of course with the storm troopers working the way they are and arresting everybody who might possibly

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NOV 28 1938

CONFIDENTIAL FILE

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2-#1347 From London, November 22, 8 p.m.

possibly be a sounding board for a disgruntled opinion they failed to see how anything can work out of it. He said it is his own speculation but I think it is a secret service report that Hitler has made up his mind to push on to the Ukraine at the first turn of spring. There is unquestionably amongst the authorities a very bitter hatred starting against Great Britain.

As to the Japanese, while they are thinking of what is to be said to the Japanese regarding the Yangtze River, he told me, off the record, that they would do whatever the United States would do but they would not take the lead in any plan. In other words, he feels that if the United States and England decide upon economic difficulties in the way, the situation might adjust itself, but Great Britain definitely will not do anything unless America tells them what they propose to do.

Regarding Palestine, he believes that nothing short of the Archangel can bring any order out of this chaos. He had a conference today on the subject and it is Mac Donald's plan to first talk with the Jews and then with the Arabs and then bring them together. Halifax and Mac Donald have been advised by their representatives that the only basis on which the Arabs will settle is restricted immigration for the Jews and possibly a separate Arab state and if not an Arab state, a partition for the Arabs ruled by Jews, Arabs, and the British Government and this prospect, says Halifax, makes him ill.

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3-#1347 From London, November 22, 8 p.m.

As far as the French are concerned, the Franco-German agreement was almost ready for signature when either the German pulled back a little or the French decided to hold it for a more auspicious time for launching, but, at any rate, it is held up. Halifax said he has told Bonnet by all means to go ahead and sign the agreement. When Bonnet said that a great many people felt that if the French signed it it might mean that the English and French were not quite so enthusiastic about each other, Halifax told him that he would begin to worry about the French when the French began to worry about the English. As far as he could see they were both tied in together, whether they liked it or not, and he was not at all upset for fear that the French would leave the English tie up and go with the Germans.

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He said the main reason for the trip was for the sake of appearance, to ginger up the French because they were in a very low state, and third to bring pressure on them to buy airplanes; this is the most important. On the whole the prospect, everywhere he looks, including his own political situation here, is very dull and drab.

I do not know just what information you need to fill in any impressions you have there about these situations but if there is anything in particular that you are missing from here, if you will cable me, I will try to get it on his return from France.

KENNEDY

NPL:EMB

TELEGRAM RECEIVED

REC

FROM

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

LONDON

Dated December 31, 1938

Rec'd 3:50 p. m.

Secretary of State,
Washington.

for [unclear]
15 v [unclear]

1480, December 31, 5 p. m.

STRICTLY CONFIDENTIAL.

DIVISION OF
EUROPEAN AFFAIRS
JAN 3 1939
DEPARTMENT OF STATE

The French Charge d' Affaires, Cambon, told me this morning of the representations which have been made in the last few days in Paris to the British Ambassador regarding the French Government's attitude in its present relations with Italy. Following these representations in Paris, Cambon received urgent instructions to implement and reinforce them at the Foreign Office here. The substance of the French attitude is that the Italian claims and the Italian views as set forth in Ciano's note of December 17 to the French Ambassador at Rome are entirely inadmissible. Cambon allowed me to read a copy of his confidential report to Bonnet of the oral representations he had made here on December 29. To this report was annexed a copy of the aide memoire which he left at the British Foreign Office at the time of his conversation. The terms of this communication

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JAN 5 1939

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2-#1480, From London, Dec.31,5p.m.

WERE in strong language. They reiterated the French determination not to give in to the Italian demands, and made the definite request that Mr. Chamberlain not accept during his forthcoming visit to Rome any suggestion or attempt on the part of Mussolini to have Great Britain serve as an arbitrator between France and Italy and it was made clear that such intervention would not be acceptable to France. It was likewise clear from the tenor of the report that the French are under some apprehension as to the line which Mr. Chamberlain may take during the Rome visit on the subject of Franco-Italian relations. The French view is that Mussolini will endeavor to play on Mr. Chamberlain's desires for European appeasement by persuading him that he must intervene in the Franco-Italian dispute as the only way to preserve peace, thereby putting France in the invidious position of being asked to make concessions to Italy in order to avoid a European conflict.

Cambon is of the opinion that neither the permanent Foreign Office officials nor the British Ambassador at Rome are able to reflect British Government policy with entire accuracy, for the simple reason that the direction of foreign affairs has been taken by the Prime Minister entirely

REB

3-#1480, From London, Dec.31,5 p. m.

entirely into his own hands and these officials are not fully informed.

The Foreign Office response to Cambon's representations was reported as sympathetic on the part of the official concerned but in the absence of the Prime Minister and Foreign Secretary, the official made no formal reply. Further representations are to be made to Lord Halifax himself when the French Ambassador returns to London shortly before the departure of the British Ministers for Rome and the British Foreign Office has been advised of this intention.

Cambon stated specifically to the Foreign Office that the French Government (one) would not consider any territorial concessions to Italy, (two) would not consider meeting the Italian demands regarding the status of Italian subjects in Tunis and (three) would not consider modification of the Suez Canal statute to meet Italian demands. Cambon indicated to me orally, however, that their attitude with regard to the Suez Canal statute was "a long story". He told me in this connection that he had been informed by the Foreign Office at the time he made his representations that the Egyptian Government was strongly

opposed

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4-#1480, From London, Dec. 31, 5p.m.

opposed to any modification of the statute governing the Suez Canal which would give Italy a position of any greater advantage than she enjoyed at present; the British Foreign Office does envisage however, the eventual representation of both Germany and Italy on the Suez Commission at Paris. Although the French attitude as expressed to the British Government is that they must be left to deal with Italy alone in this matter, Cambon, nevertheless says they are apprehensive lest Mussolini conclude from a refusal on the part of Mr. Chamberlain to be drawn into the matter that Italy therefore has a free hand to get what she can out of France and may make an attempt to bring the Rome-Berlin Axis to bear. They naturally, therefore, attach great importance to British insistence at Rome that the status quo in the Mediterranean must not be impaired.

My own conversations with Foreign Office officials confirm Cambon's impressions (one) that the Foreign Office has not a clear idea of what may eventuate from the Rome visit nor indeed any very definite notion of the line that the Prime Minister will take. There are not lacking indications that the permanent staff of the Foreign Office

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5-#1480, From London, Dec. 31, 5p.m.

is divided in sympathy regarding the policy of the Prime Minister and Lord Halifax and that decisions in matters of policy are sometimes taken without the corresponding officials even being advised. And (two) that neither the British nor the French have reliable information regarding German-Italian relations and the extent if any to which recent Italian actions have been concerted with Berlin.

Articles in the London press inspired from Foreign Office sources give the impression that there is no real divergence of view between the British and French Governments and that they see eye to ~~eye~~ regarding French difficulties with Italy; that those difficulties are viewed sympathetically here. Only the barest outline of the French charge's demarche has been allowed to become public.

JOHNSON

WWC

GW

~~(*) apparent omission~~

TELEGRAM RECEIVED

EG
This message must be closely paraphrased before being communicated to anyone. (D)

London

FROM

Dated January 7, 1939

Rec'd 4:45 p.m.

Secretary of State,
Washington.

27, January 7, 2 p.m.

My 1480, December 31, 5 p.m.

DIVISION OF
EUROPEAN AFFAIRS
JAN 9 1939
DEPARTMENT OF STATE

I had a short talk last night with Cadogan. He referred to the French alarm at the Rome ^{visit} which has been the subject of persistent representations by the French Embassy here and has been widely reflected in the French press and said that on the way to Rome the Prime Minister and Lord Halifax would stop off for conversations with the French Premier and Foreign Minister; that there would be a full exchange of views; that there was no question of Great Britain's attempting to mediate in any way between France and Italy. He said further that if Mussolini should raise the question of territorial transfers in the Mediterranean the British reply would be that they stand on the Anglo-Italian agreement in which Mussolini has already undertaken to respect and maintain the status quo in the Mediterranean and that the British Government could not give

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-2- #27, January 7, 2 p.m. from London

give its consent to any modification. At the same time it would be pointed out that such a question is in the first instance one of concern to France. With respect to modification of the Suez Canal regime, the British will be able only to say that any concrete proposal which Italy desires to put forward will, as far as the British Government is concerned, be carefully and impartially examined. The British Ministers will have to point out, however, that under conditions as they are they can express no present opinion and that they can in no way speak for the owners of the canal, over fifty percent of whom are French. They will also be constrained to point out the primary interest of Egypt without whose consent no effective change in the regime of the Suez Canal could be accomplished. On the question of Djibouti they will have to say that it is a matter which concerns France exclusively.

Cadogan has no idea of what the British Ministers may be able to accomplish in Rome or to "bring back" to London. He feels, however, that Mr. Chamberlain's visit may have the useful result of completely dispelling the illusion that the democracies in general and Great Britain in particular are already beaten and on the run.

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CORRECTED PAGE

DIVISION OF
EUROPEAN AFFAIRS
JAN 10 1939
DEPARTMENT OF STATE

-3- #27, January 7, 2 p.m., from London.

It is true that Mussolini and Italy are now in a tough spot due to growing economic stringency and increasing dependence on Germany. Although common sense would seem to dictate the advantage to Mussolini under these conditions of reaching an agreement with England, Cadogan is nevertheless apprehensive lest in what is to him a desperate situation Mussolini may attempt some desperate adventures as a remedy.

I gather that the one subject bound to be discussed in Rome which is causing the British the greatest concern is that of Spain. *It can hardly be expected that Mussolini will not* ~~recognize~~ ^{presumably} recognition of Franco's belligerency. This it is impossible for the British to grant unless in some way it can be brought within the framework of the British plan adopted by the Non-intervention Committee. Franco has already been offered under this plan a limited belligerency, subject to conditions all of which he has thrown out. Franco's present offensive may have an important bearing on any Anglo-Italian conversations about Spain. If the present successful impetus is carried through and Franco achieves substantial victory, Mussolini presumably will take a stronger line and not be willing to talk on the matter in reasonable terms. On the other hand if the stalemate continues, the British may be able to get somewhere.

751.65/480

JAN 10 1939

FILED

FP

CORRECTED PAGE

-4- #27, January 7, 2 p.m., from London.

I have the impression that Cadogan personally regards the forthcoming visit with little enthusiasm. He reflects the generally gloomy view held by the Foreign Office regarding the developing situation in Europe. At the conclusion of the talk he said that although his impressions of the situation at Berlin were based on uncertain information and to some extent on inevitable guesswork, they were nevertheless concrete in that he believed a crisis of some sort was coming to a head. Where will be its focus is a matter of conjecture. There has been general speculation on the Ukraine and it is a fact he said that German agents are active in that area and trying to stir up trouble. Hitler, according to their information, is coming more and more under the influence of Ribbentrop and Goebbels and less accessible to his more moderate advisers. As those two individuals are "criminal lunatics", their increasing influence can only be regarded as a very bad sign. Cadogan moreover is inclined to discount any possibility of a serious uprising against the Nazi regime in Germany itself. There is opposition of course that is widespread, according to secret British information, but it is unorganized, uncovering no articulate leadership

or

CORRECTED PAGE

-5- #27, January 7, 2 p.m., from London.

or machinery for expression. I asked him if the British had received the slightest indication since Munich, privately or otherwise, that Hitler desired to implement the Munich Agreement or if any sort of an olive branch had been extended. He said none whatever.

We mentioned briefly the improved situation in France under the Daladier Government, which Cadogan said he thought was real and most gratifying and would undoubtedly be a helpful factor when they got to Rome. The improvement in France he said has upset Mussolini's plans as he had been confidently expecting the success of the general strike and a corresponding weakening and break up in France.

JOHNSON

DDM:ROW

TELEGRAM RECEIVED

JR

GRAY

1-1338

FROM

London

Dated January 19, 1939

Rec'd 5.15 p.m.

Secretary of State,
Washington.

77, January 19, 8 p.m.

Division of
Foreign Affairs
JAN 20 1939
DEPARTMENT OF STATE

DIVISION OF CONTROLS
JAN 23 1939
DEPARTMENT OF STATE

557-00

The refusal yesterday by the French Cabinet to yield to Socialist pressure for abandonment of the non-intervention policy in Spain and its decision to adhere to that policy is viewed in official circles here with satisfaction. The official British view in regard to this question was succinctly and forcefully stated in a letter from the Prime Minister to Mr. Attlee, leader of the opposition, who had written him, requesting the immediate summoning of Parliament because of the gravity of the situation in Spain. Both these letters were published in the papers today. The Prime Minister said in part: " I have given careful consideration to your request, which is apparently based on your view that the time has come when the policy of nonintervention should be reversed and all embargoes on the supply of arms and ammunition to the Spanish Government removed. In the opinion of His Majesty's Government such a course would inevitably lead to the extension of conflict, with consequences

852.00/8326

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FILED

(1)
-2- #77, January 19, 8 p.m., from London.

consequences which cannot be accurately foreseen but which would undoubtedly be very grave. His Majesty's Government are not, as at present advised, prepared to adopt such a course, and in these circumstances they see no advantage in anticipating the date on which Parliament is due to meet in less than a fortnight".

Press comment on the Spanish situation since the Rome visit has been for the most part chary of recommendation although reflecting uneasiness as to its potential danger to European peace. The opposition press, however, true to the stand it has taken on the nonintervention policy, strongly endorses the views set out by Mr. Attlee in his letter to the Prime Minister. Opposition writers emphasize the logical inconsistency in a so-called nonintervention policy which would tolerate Italian aid to Franco and forbid similar assistance reaching the Spanish Government from France or elsewhere, but are generally inclined to sidestep the logical consequence of the adoption in practice of their own views.

Copies to Paris, Berlin, Rome.

JOHNSON

KLP

REB

2-#84, From London, Jan. 21, 2p.m.

I gather from the Under Secretary that the British accept with due reserve Mussolini's assurances that the Italian Government has every intention of carrying out to the full the commitments under the British Italian agreement of last April and that it has no territorial ambitions whatever in Spain or Spanish possessions. The British are not, he said, basing any policy on the assumption that these assurances are entirely valid.

452.000
Regarding the situation in Spain I understand from the Under Secretary that in the present view of the Foreign Office there is little doubt of Franco's ultimate victory. This attitude of course has been reflected by the Prime Minister's determination to continue his so-called "non-intervention" policy and to await development of events in Catalonia. I suggested that there seemed to me to be a real danger to peace in the present violent attacks and threats on the part of Italy against France in connection with French sympathies for the Barcelona Government and the pressure on the French Government to reopen Catalonian frontier. The Under Secretary said that he agreed with this view; that there was a real danger that if Italy pressed these attacks and insults too far, the French Government

REB

3-#84, From London, Jan. 21, 2p.m.

Government would be put in an embarrassing and possibly unbearable position and might through internal pressure be forced to take some action as a matter of national pride and to save face. In this connection the Under Secretary remarked that the fault was not all on one side; that from the French there has been provocation and that it was quite futile to resort to the nursery argument of "who started it".

JOHNSON

CSB

TELEGRAM RECEIVED

7

REB

1-1338

FROM GRAY

London

Dated January 24, 1939

Rec'd 5:22 p. m.



Secretary of State,
Washington.



RUSH

94, January 24, 9 p. m.

STRICTLY CONFIDENTIAL AND PERSONAL FOR THE SECRETARY
AND UNDER SECRETARY.

Following is text of telegram being sent tonight to
British Charge d' Affaires in Washington which Sir
Alexander Cadogan thinks is doubtful can be received and
deciphered in Washington before sometime tomorrow. With
his permission I am therefore sending the exact text in
nonconfidential code over our direct wire. Mallett will
be instructed to communicate it to the Department for the
"personal and secret information of the President".

"One. I have received a large number of reports
from various reliable sources which throw a most dis-
quieting light on Hitler's mood and intentions. According
to these reports Hitler is bitterly resentful at the
Munich agreement which balked him of a localized war
against Czechoslovakia and demonstrated the will to peace
of

740.00/548

Confidential File

FILED

JAN 25 1939

REB

2-#94, From London, Jan. 24, 9p.m.

of the German masses in opposition to the warmongering of the Nazi party. He feels personally humiliated by this demonstration. He regards Great Britain as primarily responsible for this humiliation and his rage is therefore directed principally against this country which he holds to be the chief obstacle now to the fulfillment of his further ambitions.

Two. As early as November there were indications which gradually became more definite that Hitler was planning a further foreign adventure for the spring of 1939. At first it appeared -- and this was confirmed by persons in Hitler's entourage -- that he was thinking of expansion in the east and in December the prospect of establishing an independent Ukraine under German vassalage was freely spoken of in Germany.

Three. Since then reports indicate that Hitler, encouraged by Ribbentrop, Himmler and others, is considering an attack on the western powers as a preliminary to subsequent action in the east. Some of these reports emanate from highly placed Germans of undoubted sincerity who are anxious to prevent this crime; others come from foreigners, hitherto Germans, who are in close touch with leading

REB

3-#94, From London, Jan.24,9p.m.

leading German personalities. They have received some confirmation in the reassurance which Hitler appears to have given to Monsieur Beck concerning his plans in the east, as well as in the support which Germany has recently given to Italy's claims against France.

Four. - There is as yet no reason to suppose that Hitler has made up his mind on any particular plan. Our reports show that he may:

(First) Push Italy to advance her claims by force and use his obligations to Italy as a pretext for embarking on war. This course would have the advantage of ensuring the participation of Italy from the outset.

(Second) Begin by launching an attack on Holland.
(END SECTION ONE)

JOHNSON

NPL

TELEGRAM RECEIVED

REB

GRAY

1-1336

FROM

London

Dated January 24, 1939

Rec'd 6:23 p. m.

Secretary of State,
Washington.

RUSH

94, January 24, 9 p. m. (SECTION TWO)

The President will have noticed the recent deterioration of German-Dutch relations and the critical tone adopted towards Holland by the German press. Once in command of Holland and the Dutch coast, Germany would aspire to dictate terms to us and paralyze France. She might at the same time bribe Poland and perhaps other countries with promises of colonial loot; in that event the Dutch East Indies might be allocated to Japan.

(Third). Put forward impossible colonial demands in his speech of January 30th in the form of an ultimatum. This seems the least likely hypothesis.

(Fourth). Make a sudden air attack without pretext on England and follow up this initial surprise by land and sea operations against the western powers. We have received definite information from a highly placed German that preparations for such a coup are now being made. He has, however, no information to show that Hitler has yet

made

REB

2-#94, From London, Jan.24,9p.m.

made up his mind to execute this plan.

Five. In the last few days we have received reliable information to the effect that the German Government are pressing for the conversion of the anti-comintern pact into a pact pledging the signatories to give each other military assistance against unprovoked attack by a third power; that the Italian Government have agreed, and that the Japanese Government are considering the matter. Our information is that the German Government wish this pact to be concluded in time for it to be announced by Herr Hitler in the speech he is expected to make on January 30.

Six. All the reports are agreed in forecasting that the danger period will begin towards the end of February. This is borne out by independent reports to the effect that orders have been issued for mobilization about the middle of February. We have already received news of preliminary mobilization measures and the formation of a reserve regiment composed of time expired conscripts has been recently established in Bavaria. Moreover the economic and financial crisis with which Germany is now faced might well compel Hitler to take some action, and the choice before him is either to slow down his rearmament

and

REB

3-#94, From London, Jan.24,9p.m.

and to abandon his policy of expansion, or else to launch into some foreign adventure in the hope that it will both distract attention from domestic difficulties and supply him with the material resources which the country urgently requires and can no longer buy abroad. There can be little doubt that a man of Hitler's temperament may be tempted to choose the second alternative. Another motive for his doing so might be that he was not sure of the loyalty of his army, and might feel that the surest way for a dictator to deal with a doubtful army was to give it occupation.

(END OF SECTION TWO)

JOHNSON

NPL

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TELEGRAM RECEIVED

REB

1-1336

GRAY

FROM

London

Dated January 24, 1939

Rec'd 7:40 p. m.

Secretary of State,
Washington.

RUSH

94, January 24, 9 p. m. (SECTION THREE)

SEVEN. It may seem fanciful and even fantastic to attribute such designs to Hitler and it is as yet impossible to speak of them with certainty. His Majesty's Government have no wish to be alarmist, but today, as in July, August and September of last year, it is remarkable that there is one general tendency running through all the reports, and it is impossible to ignore them, particularly in view of the character and proved reliability of many of the informants. Moreover, Hitler's mental condition, his insensate rage against Great Britain and his megalomania, which are alarming the moderates around him, are entirely consistent with the execution of a desperate coup against the Western powers. The removal of moderates such as Schacht and Wiedemann is symptomatic. It has been suggested in some quarters that the German people would not follow Hitler on such a course and that a revolt would ensue. We have

REB

2-#94, From London, Jan. 24, 9p.m.
(Sec. Three)

have examined this aspect, but the authorities on Germany whom we have consulted including anti-Nazi Germans of sound judgment are agreed that Hitler's orders would be carried out and that no revolt can be anticipated at all events during the initial stages of a war.

Eight. His Majesty's Government have carefully considered the situation in the light of these reports and have decided to accelerate as far as possible the preparation of their defensive and counter-offensive measures. In the meantime they are employing such methods as are available to them for bringing home to the German people the wantonness and folly of embarking on aggressive military adventures. They will lay such public emphasis as they can on the point, in the hope of deterring Herr Hitler from committing himself to something irrevocable in the speech which he is expected to make on January thirtieth.

Nine. Finally, in the event of Germany picking a quarrel with Holland, His Majesty's Government are considering the desirability as a matter of tactics and precaution of being ready at once with a proposal to both Governments for the selection by neutral governments of a board

REB

3-#94, From London, Jan.24,9p.m.
(Sec. Three)

board of three arbitrators. Such a proposal might not prove effective, but if arbitration were rejected or over-ridden by Germany, the issue would be clear and His Majesty's Government would have locus standi for appropriate action.

Ten. In the next few days His Majesty's Government will be considering carefully what further steps they might take to avert or to meet a situation such as they have cause to apprehend, and I will of course keep the President informed of any decision taken.

(END SECTION THREE)

JOHNSON

HTM

ROW

TELEGRAM RECEIVED

REB

1-1384

FROM GRAY

London

Dated January 24, 1939

Rec'd 8:30 p. m.

Secretary of State,
Washington.

RUSH

94, January 24, 9 p. m. (SECTION FOUR)

Eleven. In view of the relations of confidence which exist between our two Governments and the degree to which we have exchanged information hitherto, His Majesty's Government feel bound to state frankly their apprehensions as to the future and to indicate what measures they feel able to take. It would, of course, be a great help to them if the President had any further suggestions to make.

Twelve. It is impossible as yet for the Prime Minister to decide whether he will himself utter any public warning to Germany before Hitler makes his speech on January 30th. The Prime Minister is due to speak at Birmingham on January 28th and, if possible, I would let the President know beforehand what line the Prime Minister would propose to take. If the President were disposed to take an occasion for any public announcement, it might be the more valuable if he were to do so before January 30th."

When

REB

2-#94, From London, Jan.24,9p.m.
(Sec. Four)

When the Under Secretary, who sent for me at seven o'clock tonight, handed me a copy of this message he said that the statement was a syntheses of all the information they have from their most confidential and reliable sources. The text was prepared in the Foreign Office but it has undergone careful scrutiny today by the Prime Minister, and approved by him for transmission to Washington, at a meeting with his special advisers in the Cabinet. It is therefore to be regarded not (repeat not) merely as a statement of Foreign Office views but as a statement of the views of the Government.

The Under Secretary said that he could, of course, no more produce concrete proof now to substantiate this report than when he talked to me on January 6th (my telegram No. 27, January 27, 2 p. m. penultimate paragraph) but he said that the situation was so serious that his Government had to be prepared for any eventuality and he indicated that they have full confidence in the reliability of the sources of this information. They will keep our Government fully and currently advised of any additional information which comes to them and in regard to their own policy.

Referring

REB

3-#94, From London, Jan.24,9p.m.
(Sec. Four)

Referring specifically to numbered paragraph five on the anti-comintern pact he said that information had only come to him yesterday and that the Japanese, contrary to their previous stand, were now the ones holding out against the signature of a military pact.

He referred to the Prime Minister's scheduled speech at Birmingham on January 28th and said that the Prime Minister has not yet decided whether he will then make any public warning to Germany. Anything he says on Saturday will have to be correlated with what must be said before Parliament on January 31st. The opening of Parliament, however, takes place the day after Hitler is scheduled to make a speech before the Reichstag.

(END SECTION FOUR)

JOHNSON

HTM

NPL

TELEGRAM RECEIVED

REB

¹⁻¹³⁹⁶
This telegram must be
closely paraphrased be-
fore being communicated
to anyone. (D)

FROM

LONDON

Dated January 24, 1939

Rec'd 9:08 p. m.

Secretary of State,
Washington.

RUSH

04, January 24, 9 p. m. (SECTION FIVE)

In my personal opinion the grave anxiety so graphically set forth in this message may be attributed more than to any other factor to the acute consciousness that British and French armed forces combined are not equal today to the combined armed forces of Germany and Italy. Moreover anxiety regarding the efficiency of the rearmament program is spreading among all sections of the public and outspoken criticisms are by no means confined to the Government's opponents. The attacks indicate lack of confidence that there is any driving force to spread and coordinate effort, and the Government will have this issue to meet when Parliament reassembles.

(END MESSAGE)

JOHNSON

EIB



EMBASSY OF THE
UNITED STATES OF AMERICA

RBS
RDC
H/A

EU
DAB
A/A
H

No. 1967

LONDON, January 30, 1939

SUBJECT: Conversation between Mr. Vinton Chapin and
Dr. Eduard Benes, former President of
Czechoslovakia.

DEPARTMENT OF STATE
A-M/C
FEB 20 1939
ASSISTANT SECRETARY
OF STATE

ASSISTANT SECRETARY OF STATE
FEB 17 1939
MR. MESSERSMITH

DIVISION OF
EUROPEAN AFFAIRS
FEB 11 1939
DEPARTMENT OF STATE

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Dr. for	

RECEIVED
DEPARTMENT OF STATE

FEB 10 AM 11 17

DIVISION OF
COMMUNICATIONS
AND RECORDS

ASSISTANT SECRETARY OF STATE
MAR 10 1939
MR. WELLES

ADVISER ON POLITICAL RELATIONS
MR. DUNN
FEB 15 1939
DEPARTMENT OF STATE

The Honorable
The Secretary of State,
Washington, D. C.

Sir:

I enclose herewith a copy of a strictly confidential memorandum of conversation which Mr. Vinton Chapin, Second Secretary of Embassy, had on January 28 with former President, Dr. Eduard Benes of Czechoslovakia covering some of Dr. Benes' views on past events and some of his comments evaluating possible future developments in Europe.

A copy of this memorandum has been sent to the American Minister in Prague by pouch.

Respectfully yours,

Herschel V. Johnson
Herschel V. Johnson
Chargé d'Affaires ad interim

Enclosure:
1. Memorandum.

VC/alc

Received

76 OF .62/1919

FILED

MAR 13 1939

GMB

Enclosure No. 1 to despatch No. 1967 of 1/30/39
from the Embassy at London, England.

January 30, 1939.

Memorandum of conversation with former President
Dr. Eduard Benes of Czechoslovakia.

STRICTLY CONFIDENTIAL

Mr. Johnson:

On January 28 I called by appointment on Dr. Eduard Benes, former President of Czechoslovakia, at his temporary residence in Putney. Inasmuch as he requested, on one or two occasions during the conversation, that some of his remarks be received "with discretion" and, as he spoke "frankly" with respect to events which had transpired affecting his responsibilities as President, I believe that his partial injunction of confidence should cover the entire memorandum of conversation.

After discussing his plans and preparations for his forthcoming trip to America, Dr. Benes inquired when I had left Prague. Answering that I left early in November, he commented upon the fact that I had been a witness to the "tragedy" of his country. This

then

then led, in the ensuing conversation, to references to certain phases of (1) his policy as President, (2) the relations between Germany and Czechoslovakia from 1918 to 1938, (3) the past relation of Czechoslovakia and of other Central and Eastern European States with the western democracies, vis-à-vis dictatorial ambitions, and (4) the consequences of past events upon the probable developments of the immediate or not too distant future.

Dr. Benes claims to have foreseen as early as three years ago some such fate as overtook his country in 1938. He foresaw that Germany would in some manner attempt to get Czechoslovakia "out of its path" inasmuch as - according to his view - the presence of a sound economic State, upholding healthy democratic institutions was, by proximity, "unhealthy" to Nazi Germany as having possible dangerous contagious qualities to a neighboring State in the process of establishing totalitarian methods upon its people. Furthermore, as the foreign policies of England and France became progressively "myopic" and futile, his position became proportionately more and more delicate. Nevertheless, as Czechoslovakia

was

was pledged by treaties, he was obligated to set his policy squarely upon the obligations of international law - a law which the philosophy of force does not comprehend.

Consequently, thus pledged to this type of policy, he believed, with the growing menace of Germany, that as a means and contribution to the preservation of peace in Europe it was absolutely essential for him to put his country on a basis of complete defense. Dr. Benes stated that the last three years of his term as President had, therefore, been dedicated to bringing the army to the high standard of efficiency reached in September 1938 "behind fifteen/hundred kilometers of fortifications with plenty of ammunition and supplies, and dominated by a fine esprit de corps - a mobilized army of one and one-half million, proportionately the finest army in Europe." He estimated that at the time of Munich, Germany had mobilized a force also of about one million and a half.

With regard to the short-sighted policy of France and England, above referred to, Dr. Benes stated that he had considered, during the past three or four years, arguments favoring the desirability of Czechoslovakia swinging into the German orbit,

this

this being particularly due to its geographical location and considerations involving trade and economics. He had, none the less, held true to his political commitments. Subsequently, in dealing with recent Polish-German relations, he stated:

"Poland betrayed France in 1934 - I could also have done the same then or later on; I did not, and then paid the penalty for being loyal to my obligations."

Arguing against the question of entering the German orbit, Dr. Benes stated that he believed that, had he ever yielded to Germany and had he decided to adopt a basis of "concession" towards that country, the net result would have been about as it is today since, once the barrier was down, the concessions extorted from Czechoslovakia would have been increased progressively to the present point of Czechoslovakia's domination by Germany. Using this argument as an analogy, he sees France and England suffering a similar fate to that of Czechoslovakia, different only in form and degree, if they continue to make "concessions" to Hitler.

With the acquisition of Austria, Dr. Benes stated that there was no doubt in his mind that Czechoslovakia's fate was soon to be determined. While he firmly believed that Germany had every

intention

intention of using military measures against Czechoslovakia in May 1938, his main object in calling substantial mobilization of the troops on May 21 was to "maintain order, to quell civil strife, and to prevent bloodshed in the Sudeten Areas." He was aware that there were agents provocateurs in that territory; that the S. A. units were fomenting trouble; and that the whole technique was similar to that used in Austria before its occupation. He admitted, in answer to my question, that Berlin never accepted his reason for mobilizing and that Berlin henceforth used his action to distort his motives even to the point of declaring it provocative. He recalled the vicious propaganda campaign which then ensued in the German press and radio, which went so far as to declare that Czechoslovakia had designs of attacking Germany. Dr. Benes said "the whole thing was fantastic." Through all this, he stated that he realized he was dealing with a situation artificially brought about inasmuch as, until the advent of Hitler - or until Hitler had become released from other preoccupations and turned toward the "menace of Czechoslovak democracy" - the relations between Germany and Czechoslovakia had been perfectly

correct

correct and friendly for some seventeen years.

Dr. Benes went on from this to state that the Germans in Czechoslovakia had enjoyed "the best and most satisfactory status of any minority within any other sovereign State in Europe". Furthermore the German elements within the nation had not only been fully represented in Parliament but had been more lately admitted to representation in the Government. But incident after incident had been provoked in the area culminating in the rapidly disintegrating situation following the occupation of Austria.

When the Runciman mission arrived, Dr. Benes stated that he realized that it could not stem the tide and could do no good as inspired agitation kept the situation constantly out of reach and out of hand. He then referred to the critical days culminating in the Munich Agreement as a period of significance and disaster for the future of all European democracies. The only result of Munich now to be seen was the dismemberment of his country and its subjugation by Germany. "With what has transpired", he asked, "how can anyone any longer believe

in

in the policy of appeasement? I do not see how Mr. Chamberlain himself can still put any faith in it."

Recalling his earlier remarks with respect to the sanctity of international obligations, he took opportunity at this point to inveigh against France and England, particularly against France, for their action "as friends and allies" in not abiding by their obligations and for not living up to their principles in the critical days of the German-Czechoslovak situation. He foresaw in these denials great consequences in the future of the western democracies. In his opinion, Germany has been completely successful in "freezing" her eastern or back door. This has been done by the establishment of a solid wall between Germany and Soviet Russia by the domination of the dictatorial powers over Yugoslavia, Rumania, Czechoslovakia and Poland. Furthermore, he does not believe that the "freezing" of this buffer of nations has been entirely essential as he does not consider that Germany or Soviet Russia have any desire to engage in a war at the present time. In any event, Hitler's undivided attention may now be directed to the west.

Dr. Benes

Dr. Benes then emphatically stated that the fate of European civilization lay clearly in the hands of the European democracies and that they must, even at the risk of war, say "No!" to any further demands from the dictators. If they do not, as he indicated above, the crumbling of the British and French Empires was as good as established. While war would bring its disasters - and he hastened to add that he was not "bellicose"-war was the only means by which dictators could be destroyed. He considers that no political, economic, or financial situation internally is going to upset either Mussolini or Hitler as they cover up their internal deficiencies by continually accelerated external activities. However, when one day they bump up against (quand ils se brisent contre) external resistance, only then will they be overthrown. Of the two, he believes that Mussolini's position is the weaker. In spite of the probable superiority of arms at the outset, Dr. Benes is convinced that England and France could in the long pull defeat Germany and Italy.

In the above circumstances, he believes that war is inevitable as he sees, by the very nature of the situation, that at some point the demands made on

England

England and France, in terms of an ultimatum, will be so outrageous in character and so dangerous to "vital interests" that England and France must fight, the only alternative being, as he had already indicated, the dismemberment of the two Empires. He does not necessarily see a war in the immediate present but claims that it is not far distant - "in a month, late spring, fall; perhaps not until next year."

"Hitler and Göring want war"; Dr. Benes stated. "While they have recovered much politically and territorially that they lost, and more too on the Continent, they want now to live down 1918 and its military defeat; it is almost like a form of crusade to them."

I inquired whether, in his opinion, the army would follow Hitler. In reply, he stated that, although the army chiefs were probably angry at the moment at the re-establishment of the prestige of the S. A. organizations, he understood that the generals had given Hitler assurance that they would fight (be loyal?) if the war was localized to one front. I then inquired whether "one front" meant keeping France occupied by Italy while Germany was left free to deal with England. "No", Dr. Benes

said

said, "France would be the front to all intents and purposes and with the thought of crushing France and obtaining command of the Mediterranean in conjunction with Italy, France's Empire and ultimately England's too will disintegrate."

In short, Dr. Benes sees the picture on the Continent of Europe, insofar as the large Powers are concerned, as it existed in 1914. He modified this, however, when I asked him about Soviet Russia, repeating what he had said above with respect to the "freezing" of the east and acknowledged that the operations of a new continental war would be fought in the west, certainly at the outset, on the "one front" as demanded by the German army. Parenthetically, but in this connection, Dr. Benes had earlier stated that he had consistently expounded the fallacy of British policy which attempted to see in Germany a buffer against the encroachments of the doctrines of Bolshevism in the West. In his belief, Stalin is now pale in comparison to Hitler and with the social revolution continuing in Germany, that country will be soon under the influence of a more pernicious form of Bolshevism "than Bolshevism ever was". Schacht's removal,

which

which Dr. Benes believes was his own act and not Hitler's, is an incident in this rapid trend. Therefore, Dr. Benes feels, with these tendencies in Germany as guided by the maniacal crusading mind of Hitler, with the disruption of international law and with the philosophy of might and power guiding the dictators, that a conflict is unavoidable.

He spoke the above dispassionately and with great conviction and before again turning to his forthcoming visit to America said "I am only an observer; I may be wrong and I hope I am."

Vinton Chapin



THE FOREIGN SERVICE
OF THE
UNITED STATES OF AMERICA

~~FILE~~
PAID
~~FILE~~

AMERICAN EMBASSY

No. 1979

LONDON, February 1, 1939

SUBJECT: House of Commons Statement by
Prime Minister on the Rome Visit

DIVISION OF
EUROPEAN AFFAIRS
MAR 11 1939
DEPARTMENT OF STATE

ADVISED ON POLITICAL RELATIONS
MAR 10 1939
DEPARTMENT OF STATE

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MAR 17 1939

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ASSOCIATE SECRETARY
OF STATE
MAR 1 1939
M/20

The Honorable
The Secretary of State,
Washington, D.C.

Sir:

Referring to my telegram No. 84 of January 21, 1939 2:00 p.m. and previous reports regarding the official visit which the Prime Minister, Mr. Chamberlain, and the Foreign Minister, Lord Halifax, paid to Rome on January 11-14 last, I have the honor to report that Mr. Chamberlain yesterday made a statement in the House of Commons regarding the circumstances and results of this visit.

In this statement Mr. Chamberlain revealed
comparatively

FILED
MAR 10 1939

F.P.

comparatively little that is essentially new or that has not previously been reported to the Department. Mr. Chamberlain explained that as there was nothing in the nature of a formal conference or negotiation and the discussions were exploratory and informal, it would be a discourtesy to the Italian Government to divulge in detail what passed, but that he had no hesitancy in giving the House of Commons the following general impressions which resulted from the conversations. He added that in doing so he had the consent of Signor Mussolini and Count Ciano.

Signor Mussolini, Mr. Chamberlain stated, made it clear first and foremost that the policy of Italy was one of peace, and that he would gladly use his influence in favor of it if at any time the necessity arose. Italy desired peace from every point of view, and not least for the general stability of Europe.

Their hosts, Mr. Chamberlain continued, also made it clear that the Berlin-Rome axis was an essential point of Italian foreign policy, but that this did not imply that it was impossible for Italy to have the most friendly relations with Great Britain and with other Powers "when circumstances were favorable" or that good relations were not possible between Germany and France. The Prime Minister added that he and Lord Halifax on their part made it equally plain that close co-operation

between

between Great Britain and France was the basis of British policy.

As regarded the Mediterranean, he said, Signor Mussolini expressed satisfaction with the terms of the Anglo-Italian Agreement and repeated emphatically that it was Italy's intention to stand loyally by her obligations under the Agreement.

It was agreed to proceed forthwith to the mutual discussion of the adjustment of boundaries between Italian East Africa on the one hand and the Sudan and British adjacent territories on the other, as provided for in the protocol to the Anglo-Italian Agreement. So far as the Sudan was concerned, the Egyptian Government would naturally participate in the forthcoming negotiations.

Mr. Chamberlain went on to say that he and Lord Halifax made no concealment of their regret that Italy's relations with France should recently have deteriorated. It was clear to them from subsequent discussion that the great barrier between France and Italy was the Spanish question and that until the civil war was over no negotiations between the two countries were likely to be productive.

Mr. Chamberlain added that at the same time Signor Mussolini emphasized that when the Spanish conflict was over Italy would have nothing to ask from Spain, and in further discussion on this point Count Ciano spontaneously reaffirmed the assurance already given to the British Government that Italy

had no territorial ambitions with regard to any portion of Spanish territory. Further, Signor Mussolini did not hesitate to express the view that belligerent rights should be immediately granted to General Franco, but reiterated his willingness to stand by the British plan which had been adopted by the Non-Intervention Committee.

As regarded the guarantee to Czechoslovakia, Signor Mussolini indicated that in principle he was prepared to accept the idea of a guarantee of the frontiers of Czechoslovakia against unprovoked aggression. But he thought there were three questions which had to be settled first, namely, the internal constitution of Czechoslovakia itself, the establishment of her neutrality and the delimitation of the frontiers on the ground.

Mr. Chamberlain referred to the fact that the subject of disarmament had been discussed and that Signor Mussolini favored an approach to the question by way of qualitative limitation in the first instance when conditions were more favorable for its discussion. It was agreed that they would keep in touch with each other regarding the future development of the question.

Mr. Chamberlain added that in regard to the Jewish problem, it was clear that Signor Mussolini felt that the matter was an international one which could not be solved by one State alone and which had

to

to be treated on broad lines.

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I enclose the full text of Mr. Chamberlain's statement as published in Hansard of January 31, 1939.

Respectfully yours,

Herschel V. Johnson
Herschel V. Johnson
Chargé d'Affaires ad interim

Enclosure:

1. Parliamentary Debates, House of Commons,
January 31, 1939, Cols. 36-41.

RCS:WMC

Copy sent to Rome.



THE FOREIGN SERVICE
OF THE
UNITED STATES OF AMERICA

AMERICAN EMBASSY

LONDON, February 4, 1939.

No. 2025.

SUBJECT: Debate on Foreign Policy in the
House of Commons: Statement by
Mr. Chamberlain

DEPARTMENT OF STATE
ASSISTANT SECRETARY
OF STATE
FEB 22 1939

DEPARTMENT OF STATE
FEB 18 1939
MID ONI

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FEB 28 1939

ADVISED ON POLITICAL RELATIONS
Mr. DUNN
FEB 24 1939
DEPARTMENT OF STATE

The Honorable
The Secretary of State,
Washington, D.C.

Sir:

Referring to my despatch No. 1961 of January 30, 1939 reporting Mr. Chamberlain's speech on foreign policy and defense at Birmingham on January 28 last, I have the honor to report that with the reassembly of Parliament on January 31 a debate on foreign affairs took place in the House of Commons in the course of which Mr. Chamberlain defended his foreign policy.

Mr.

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1939 FEB 17 AM 11 39

COMMUNICATIONS
DIVISION OF DS

MAR 3 1939

Mr. Chamberlain's speech was in reply to an attack on the Government's foreign policy, particularly with respect to Spain, by Mr. Attlee, leader of the Opposition, who urged the Government to discontinue "the hypocritical farce of non-intervention" and to restore to the Spanish Government its inherent right as the government of a sovereign State to purchase arms.

Mr. Attlee stated that he believed that there were more and more people who were coming to realize the repercussions which the prolonged intervention of Germany and Italy in Spain might have on the security of Great Britain and France. Ever since it had become clear, he said, that non-intervention was a sham, the Opposition had demanded that the Spanish Government should be given its right under international law and allowed to purchase arms. It was his opinion that the only possible excuse for taking away that right would have been if it had been applied strictly on both sides. But no one pretended that that was being done.

Mr. Attlee pointed out that every acquiescence in aggression leads to more aggression. "Manchuria," he said, "led to Abyssinia, and Abyssinia to Spain. The reoccupation of the Rhineland led to the occupation of Austria, and the occupation of Austria to the dismemberment of Czechoslovakia. The chain of events does not stop there. Successful aggression in Abyssinia leads to a demand for

Djibouti and a share in the Suez Canal. Successful intervention in Spain leads to a demand for Tunis and perhaps Corsica." He suggested that by giving Signor Mussolini carte blanche in Spain, the Prime Minister was pursuing a policy of "unilateral appeasement." He held further that irrespective of whether the territorial integrity of Spain were respected by Italy and Germany, the economic domination or the ideological domination of Spain by either Herr Hitler or Signor Mussolini, or the general subservience of the country, would be dangerous to the strategic position of Great Britain.

The Spanish Republic, he believed, had in fact been fighting the battle of democracy and freedom against aggression and Great Britain should cease tying that Government's hands, while it was being attacked, and should modify the non-intervention policy so that the Republican Government might buy arms.

In his reply, Mr. Chamberlain reiterated, as he has done several times in the recent past, that the Government did not propose to modify its policy of non-intervention in Spain. The Government, he said, had made it clear from the beginning that its fear was that if the policy of intervention were continued and increased, sooner or later it was bound to lead to an extension of the conflict, and it had been the Government's aim to prevent that extension. He

did

did not consider that the situation in Spain at this time was a menace to the peace of Europe but he did most emphatically consider that if the Government abandoned the policy of non-intervention, and if intervention on any considerable scale took place in favor of the Spanish Government, the Spanish situation would become a menace to Europe. He reiterated that in his view a reversal of the policy of non-intervention must inevitably lead to the extension of the conflict in Europe, which was against the policy that had been followed and would be followed by his Majesty's Government. It had throughout endeavored to maintain a policy of strict impartiality, and its actions had backed up its desire that the Spanish question should be settled by the Spaniards themselves.

As to the danger to British and French security which, according to Mr. Attlee, would flow from the "ideological domination" of Spain by Signor Mussolini or Herr Hitler, Mr. Chamberlain stated that only recently, during his visit to Rome, he had again received fresh assurances from Signor Mussolini and Count Ciano confirming what they had previously stated, that they had nothing to ask of Spain after the war was over. He had also had similar assurances from Herr Hitler.

Passing to the question of the Government's general foreign policy, Mr. Chamberlain stated that it was not true, as Mr. Attlee had contended,

that

that the policy of appeasement had failed. On the contrary, it was steadily succeeding. The visit which he and Lord Halifax had paid to Rome, he hoped, had strengthened the feeling of friendship between Great Britain and Italy. At the same time, it had not weakened British relations with France, which were perhaps closer and more intimate than ever. Moreover, Anglo-French relations were solidly based on mutual confidence. Each of them could look not merely calmly but with favor on the friendships which the other made.

Mr. Chamberlain then referred to the fact that the country only recently had had an example of ineffectual and exaggerated fears in the gloomy prophecies in the press and elsewhere about what Herr Hitler was going to say in his Reichstag speech on January 30. It was a long speech, Mr. Chamberlain said, and he had not yet had time to examine with care every phrase in it, but he could say this, that he very definitely got the impression that it was not the speech of a man who was prepared to throw Europe into another crisis. It seemed to him that there were many passages in the speech which indicated the need of peace for Germany as well as for other countries.

Mr. Chamberlain recalled the fact that in his Birmingham speech he had expressed the view that there were no questions arising between nations,

however

however serious, which could not be settled by conversations and discussions. He wished to repeat that statement at this time. He would only add this qualification, that it was no use to embark upon discussions with a view to a general settlement of differences, the satisfaction of aspirations and the removal of grievances, unless the atmosphere was favorable, that was to say, unless those who should come to the table were all convinced that all those who sat around it wanted a peaceful settlement and had no sinister ideas in their minds. After a long period of uncertainty and anxiety in Europe, confidence could not easily or quickly be established.

"I say, therefore," Mr. Chamberlain concluded, "that we want to see not only words which indicate a desire for peace; before we can enter upon the final settlement, we shall want to see some concrete evidence in a willingness, let us say, to enter into arrangements for, if not disarmament, at any rate, limitation of armaments. If that time comes, if we can find a spirit corresponding to our own elsewhere, then I know that this country will not be unsympathetic and we shall be ready to make our contribution to the general appeasement of Europe."

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I enclose the full record of the debate, as published in Hansard of January 31, 1939.

Respectfully yours,

Herschell V. Johnson

Herschell V. Johnson
Chargé d'Affaires ad interim

Enclosure:

1. Debate, in quintuplicate,
from Hansard, Jan. 31, 1939.

RES:WMC

TELEGRAM RECEIVED

DEPARTMENT OF STATE
FEB 6 1939
DIVISION OF
NEAR EASTERN AFFAIRS

En
ME

EDA
A portion of this tele-
gram must be closely
paraphrased before being FROM
communicated to anyone (C)

LONDON

Dated February 6, 1939

Received 6:08 p.m.

Secretary of State

Washington

173, February 6, 8 p.m.

DIVISION OF
EUROPEAN AFFAIRS
FEB 7 1939
DEPARTMENT OF STATE

(GRAY) The Prime Minister has made following
statement in the House of Commons this afternoon in
reply to a labor question:

"According to my information M. Bonnet stated
in the Chamber of Deputies on January 26 that in
the case of war in which the two countries were in-
volved all the forces of Great Britain would be at
the disposal of France just as those of France would
be at the disposal of Great Britain. That is in com-
plete accord with the views of His Majesty's Government.
It is impossible to examine in detail all the hypothe-
tical cases that may arise but I feel bound to make
it plain that the solidarity of the interests of France
and this country is such that any threat to the vital
interest of France from whatever quarter it came must
evoke the immediate cooperation of this country".
(END GRAY).

CONFIDENTIAL. Sir Alexander Cadogan whom I saw
later

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Confidential File

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FEB 9 1939

EDA - 2 - #173, February 6, 8 p.m. from London

later, referred to this statement as of great importance. He said that in his view Hitler's Reichstag speech had not really changed the situation in the slightest degree and that the same sort of reports as those mentioned in my ^{740.00/548 com file} 94, January 24, 9 p.m., continued to come in. Reports of Italian troop movements are particularly persistent and the British Ambassador at Rome has under instructions queried Ciano about them. Ciano has evaded the issue and endeavored to deprecate their importance on the ground that they were of a routine nature. The British have reason to believe that there has been a great increase in the number of Italian troops in Libya and Italian Africa, particularly on the borders of French Somaliland. Cadogan said that he did not discount at all the possibility that many of the most alarming reports were deliberately planted by the Germans themselves in order to provoke a reaction in London and Paris. Whether this is true or not, the Undersecretary thinks it is necessary for Great Britain and France to take cognizance of them and to give as clear an indication as they can to Berlin that they will not allow themselves to be chivied around. That was the primary

REASON

EDA - 3 - #173; February 6, 8 p.m. from London

reason for their rather sharp query to Ciano regarding Italian troop movements. He does not see how the present situation of uncertainty and continuing threats coming from Berlin and Rome can possibly go on another ten or twelve months without coming to a real issue of one kind or another.

JOHNSON

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TELEGRAM RECEIVED

HRE

FROM

LONDON

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

Dated February 17, 1939

Rec'd 5:12 p.m.

Secretary of State

Washington

246, February 17, 6 p.m.

STRICTLY CONFIDENTIAL FOR THE SECRETARY.

I saw Halifax and the Prime Minister this morning and my visit with the Prime Minister was quite lengthy and covered all the points discussed with Halifax, I will shortly give you the information from the Prime Minister, suggesting any possible differences of opinion between the two, when I come to them.

As to the general outlook: Chamberlain feels definitely that it is much better. He does not lose sight of the fact that Hitler is impractical and fanatical, but he ~~has~~ definite indication of moves toward Holland, Switzerland, or elsewhere to the west or to the Ukraine and in this he takes issue with the Foreign Office. He still feels that the only hope of doing business with Hitler is to take him at his word and when he ~~says~~ this he realizes that it is by no means certain that the word will be kept, but up to date he has no reason personally to disbelieve it.

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Apparent omission

ORDER SECRETARY OF STATE
DEPT. OF STATE
MR. WELLES

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2-#246 From London, February 17, 6 p.m.

He believes the reason for Hitler quieting down is primarily the President's speech before the Military Committee and his rearmament program. He said it came at a psychological moment and he feels that his own correspondingly stiffening attitude has done much to make Hitler believe that the English would not take a fight lying ~~down~~ down.

He believes there is a very definite chance of arriving at some solution through economics. He told me that in one of his visits to Hitler, while waiting for the latter, Ribbentrop proceeded to tell him what a specialist Hitler was on economics; that while he was in prison he worked out all the pros and cons and Chamberlain said that this coming from Ribbentrop, who knows nothing about economics, was faintly amusing. After he met Hitler and listened to a long dissertation on his economic theory for the solution of all our problems, Chamberlain was convinced that Hitler knew just a little more than Ribbentrop about economics, which was very little indeed. Chamberlain felt that Hitler's reference in his speech to the economic situation that "we must have trade or die" was most significant because, in view of his attitude towards his immediate subordinates that he is god in the matter of economic

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policy

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3-#246 From London, February 17, 6 p.m.

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policy, he would not have dared make this statement to the German people if there was not a very definite feeling amongst them that what he stated was the truth. Chamberlain also said that when Schacht was here he had a long talk with him and the latter was most outspoken in his criticism and personal vindictiveness towards Hitler but told Chamberlain not to believe for a minute that the economic policy would crack. Schacht said he was responsible for it but frankly did not know what kept it going. Schacht said there were two alternatives for Hitler to take: one was heavy taxation which they believed was impractical and the other inflation, the first steps toward which they were afraid would start internal agitation in Germany that would ruin the Government. So, with this in mind, Hitler has made ~~definite~~ overtures to England for economic consultation. They have made a coal agreement; they have invited Oliver Stanley to Germany and he is going the beginning of March; they have requested Gwatkin, who is under Leith-Ross, to come over and they plan to send Funk here. Both Halifax and Chamberlain feel that these are steps in the right direction and, while they are keeping their fingers crossed, they feel it essential to make as many industrial contacts as possible in order to keep their information

HRE

3-#246 From London February 17, 6 p.m.

as to what the Germans are thinking as much up to date as possible. Another indication of a more pliant attitude was that when Neville Henderson went back to Berlin the other night and showed his speech to the Foreign Office they took back the speech of the Duke of Saxe-Coburg, Gotha and changed it to go along with Henderson's speech and it was not returned to the Duke until during the dinner and he was ready to speak.

(END SECTION ONE)

KENNEDY

NPL

(#) Apparent omission

TELEGRAM RECEIVED

PS

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

FROM

London

Dated February 17, 1939

Rec'd 9:30 p.m.

Secretary of State,
Washington.

246, February 17, 6 p.m. (SECTION TWO).

As to his visit with Mussolini, Chamberlain definitely considers him a practical operator. He contrasts Mussolini, as a man who likes to see the whole picture, very much like himself, as against Hitler, who looks out of the window at Berchtesgaden, dreamingly considering the future prospect of Germany without being very practical. He asked Mussolini what Hitler meant by all this flurry in connection with moves to the Ukraine, Holland and finally Great Britain itself. Mussolini shook his head and said there was no possibility of a move directly against England and he did not believe any possibility of a move against the other countries because Hitler, in his talks with him, had indicated that his problem had increased tremendously with the Sudetenland and Austria and that he wanted a long period of peace to put the whole situation in shape.

Chamberlain said that the Italians were talking loud in their threats against France, but he did not believe that Mussolini would take on France in a battle unless he had

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FS 2-No. 246, February 17, 6 p.m. from London SEC. TWO

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had an absolute commitment from Hitler that he would go along and this, Chamberlain believes, he has not had. In fact he thinks and I am of the opinion that this comes from Ribbentrop, that Hitler is urging Mussolini to play down the issues with France rather than make too great a fuss about them.

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852.01
Chamberlain believes that a settlement of the Spanish situation will permit the Italians and French to get together. Mussolini said he had tried to do business with the French but had been unable to and therefore would not discuss anything further with them until the Spanish war is over. Chamberlain is holding up recognition of Franco in order not to give the opposition here a chance to say that he had recognized Franco just when the Government were on their way to win back Spain for the Loyalists. He says that this attitude is of course all nonsense, but, as he believes the war is likely to be finished in a very short time, he is holding off recognition and while he will not hold it up indefinitely, as he thinks the Government is liable to surrender any day now, he will grant recognition at what he considers the psychological moment. With the recognition of Franco, he thinks the Italians and French can get together for negotiations although he believes neither will want to start and that he may be called upon to use his good offices to get them together. He thinks that what will probably
happen

FS 3-No. 246, February 17, 6 p.m. from London SEC. TWO

happen is that the Italians will settle for better treatment of the Italians in Tunisia, lower fares on the Djibouti Railroad and some improvement in their position on the Suez Canal, all of which he says the French will be willing to give them as Bonnet has already assured them, and as they would have been willing to give them without all this hollering, but Chamberlain is of the opinion that the dictators must holler loud to convince their people they are going forward.

761.62
Chamberlain does not take the possibility of a Russian-German alliance seriously. He says they are both ~~not~~ ^{so} distrustful of each other, that it would never work out; and that it is Hitler's hope of course to stir up enough trouble in the Ukraine so that he can point out how badly the Russians are treating the Ukrainians and that he could go in if he wanted to and in this way get some more concessions without any strain on his resources.

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Mussolini when talking with Chamberlain said he had very definite ideas on disarmament and Chamberlain said so had he and Mussolini agreed that, when the Spanish situation was settled, he would draw up a memorandum containing his ideas and send it to Chamberlain.

Chamberlain also considered as significant that Ribbentrop, who has been talking constantly about the decrepit

English,

FS 4-No. 246, February 17, 6 p.m. from London (SEC.TWO)

English, now says that the one thing he wants to do more than anything else in the world is to have an arrangement between England and Germany.

I think that the point of difference on the whole question of England's relationship with Germany is that the Foreign Office believes that Hitler is not to be trusted at all and that he will do something that will provoke trouble any day. Chamberlain's idea is that he is going to go along, preparing and arming all the time, but assuming that he can ^{do} business with Hitler. He feels that America's action psychologically and Britain's tremendous amounts for defense have had a very definite effect on Germany and may do the trick.

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I feel and the general impression here is that Chamberlain is stronger now than he has ever been and I asked him about this and he said he felt that was true. He is against having a general election at this time because he is afraid that it may interfere with trade. Business he says "is just starting to pick up and you want to cause more agitation".

He was in very good spirits and looked very well and I would say that, in spite of all the evidence to the contrary, all of which he recognizes, he is very optimistic.

Incidentally

FS 5-No. 246, February 17 6 p.m. From London (SEC. TWO)

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Incidentally he told me that he had had a report about guns being shipped over the Italian border from Germany and the answer he gets is that they are being shipped to Libya. He is not convinced however that what has been shipped up to date is of serious import.

It is very difficult to reconcile his two points of view: his hope that appeasement will still be worked out and his fear that Hitler has in his hands, and is quite likely to use them, the means of causing a world war. He definitely does not think Mussolini will cause it.

End of message

HPD

KENNEDY

~~(*) Apparent omission~~

TELEGRAM RECEIVED

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FROM

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

LONDON

Dated February 20, 1939

Rec'd 5:12 p.m.

Secretary of State

Washington

SECRETARY OF STATE
FEB 21 1939
NOTED

UNDER SECRETARY OF STATE
FEB 21 1939
MR. WELLES

255, February 20, 8 p.m.

STRICTLY CONFIDENTIAL AND PERSONAL FOR THE SECRETARY OF STATE.

I have just had a long talk with Halifax. He told me that on Wednesday they expect to come to a decision on a loan to China, which he is of the opinion they will make. He realizes that America has done much more for the Chinese than England has, but he thinks that a straight loan such as they contemplate making, will be much more provocative, and he is hopeful that, at the time of the announcement, somebody will rise up and say that, after all, America has done such and such and so and so, the idea being to show that the two countries have helped China.

Regarding the Spanish situation, there is no change in the program as outlined in my cable of February 17 except that Halifax feels that recognition is fairly imminent on the part of England.

With reference to the German situation, I am convinced

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convinced that while they are still very distrustful of Hitler and expect anything might happen, they think the chances are that nothing will. Halifax reiterated that America's action i. e. the withdrawal of Wilson, the President's speech before the Military Committee and the rearmament program, and their own speeding up of production has been the body blow for peace. He showed me a confidential telegram from Neville Henderson. In a conversation with Goering this morning Henderson suggested that possibly an air mission might come to Berlin and Goering received the suggestion with great pleasure and said by all means but suggested waiting until the weather is good in April. Henderson added a foot note to his cable for the confidential information of the Secretary and Prime Minister as follows: "(/) ~~Goering~~ ^{Goering} told me that he plans to take a long holiday beginning in March to clear his mind, is occupied with problems connected with the administration of his position and he continues to evince the greatest interest in working out a deal with England". Halifax concluded by saying that I should take this for what it is worth. He also told me that Henderson had advised him that the changes in the speech of the Duke of Saxe-Coburg and Gotha, to make it more friendly, were made

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--3--255 from London..

made by Hitler himself.

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My observations, and I have talked with Chatfield, Simon, Hoare, Halifax and Chamberlain, in addition to many other people, are that they thoroughly believe that England is on its way; that Germany will not attack; that the problem of last fall, when they were obliged to do things that perhaps they would rather have done otherwise, is gone, and that while England will not go to war if Germany should attack Rumania or the Ukraine, they would declare war at once if Germany moved towards Switzerland or Holland.

Let us all make no mistake, however, that the **psychology** resulting from what the United States has done is a determining factor in the peace of mind that exists at the moment.

KENNEDY

EMB ROW

ADVISED ON POLITICAL RELATIONS
MR. DUNN
MAR 2 1939
DEPARTMENT OF STATE

TELEGRAM RECEIVED

OFFICE OF THE ASSISTANT SECRETARY FOR INTERNATIONAL ECONOMIC AFFAIRS
MAR - 3 1939
DEPARTMENT OF STATE
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A-M

CA

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

FROM MR. MESSERSMITH
LONDON

Dated February 27, 1939

Rec'd 7:43 p.m.

Secretary of State
Washington

SECRETARY OF STATE
FEB 28 1939
NOTED

Completed and sent to Treasury by EA.

UNDER SECRETARY OF STATE
FEB 28 1939
MR. WHEELER

274, February 27, 7 p.m.

STRICTLY CONFIDENTIAL FOR THE SECRETARY OF STATE AND THE SECRETARY OF THE TREASURY.

I had lunch with Montagu Norman and told him that I was much impressed after two months absence to find a very much better feeling in England and on checking it up that a great deal of it seemed to come from the fact that there was a general belief that the German economic and financial situation was in a bad way, and I wondered if he could give me any enlightenment on this subject.

I told him that all his information for the last 16 years had come from Schacht and that what he would tell me and what he said about Germany I could consider as having come from Schacht and it is about as follows:

Schacht was called to Hitler's office the day of the announcement of his resignation. Hitler talked for about twelve minutes about the situation in Germany; how there were only a few institutions that were not completely Nazi and notably

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CONFIDENTIAL

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notably the Reichsbank and went on about this at great length and at the end of about ten or twelve minutes, reached into a drawer and handed a paper across the desk to Schacht which was his notice of dismissal. Schacht up to then had said nothing and on rising and leaving the room started to ask, as he said, four questions but the questions were never asked because Hitler said he was too worried about the whole situation to bother talking to Schacht about it. Schacht realizing that he was finished, has left for a trip around the world and is now in Switzerland. He had no trouble getting permission to leave and getting enough money to pay for his trip.

Norman says that the real reason for Schacht's dismissal, in addition to the one suggested by Hitler, was the fact that he had warned Hitler a short time previously that exports must be increased or imports for armaments must be decreased. As it is impossible to increase exports under present conditions and they refuse to cut down armaments, Hitler was left with no alternative. Norman said there is no danger of any financial crack-up for some time. He thinks the financial authorities will be very careful to show that they can carry on as well as Schacht did and will follow his ideas religiously and he is also convinced that in the Reichsbank at the present minute there are no short bills

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of the Government for discount directly. He does believe, however, that there is nobody in sight to take on the responsibility. He had a good deal of confidence in Brinkmann but, of course, he says he is completely gone mentally. There is therefore nobody he knows of that can take the responsibility and at the same time have the courage to say "no" to Hitler. He did make it clear to me, however, that he does not believe that anybody can depend on a crack-up in the economic or financial situation that would cause a war to be called off.

He said that the dominating factor under Hitler today is Ribbentrop. Goering is of the ^{moderate} group and is not as influential by any means as he was. He also said a very interesting thing: that when Hitler signed the Munich pact he did it without any advice or suggestions; that when Goebbels, Himmler and the rest saw what had been done, they saw visions of a peace really resting on the British Empire and that their work would be done and their jobs gone and they set to work to make the working out of the Munich agreement an unsatisfactory one for the other powers. This may have had some bearing on the fierceness of the drive against the Jews led by this same group.

He regards the Italian situation as much worse than the German situation but feels that they both can continue for

some

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CA

--4--274 from London.

some time living as they are today. He feels strongly that the Germans do not want to go to war and that the constant interchange of responsible ministers between Great Britain and Germany makes it more unlikely that they ever will.

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851.51
As to the situation at home, he believes that sterling is likely to stay firm for quite some time. The fact that they have eliminated speculation makes sterling much more stable in its movements. He believes definitely that it is better to be busted and live than be solvent and perish and he thinks that a continuation of the policy of spending means economic chaos as far as Great Britain is concerned. He thinks Reynaud has done a splendid job with finance in France, but senses his difficulty in being obliged to go very soon to the public for large loans. He pointed out that he sees no difficulty financially ahead for Great Britain for another year and then, his hunch is, that something will happen that will bring the problem of big spending and worry about war to a climax. What it will be he does not know.

841.00
He is in complete accord with the Prime Minister's policy but feels animosity against the only man in England that can be depended upon to carry on through these difficult times.

A summary

CA

--5--274 from London..

A summary of the discussion is (one) the fact that he is not as bearish on the economic and financial position of Germany for the short pull; (two) he believes that sterling is in good condition at the present minute; (three) that the present financing will be successful, and (four) he is apprehensive of everything after this year.

KENNEDY

JPL EMB

EDA
This telegram must be
closely paraphrased
before being communi-
cated to anyone (C)

ASSISTANT SECRETARY OF STATE
TELEGRAM RECEIVED
LONDON

RECEIVED
FEB 27 1939
DEPARTMENT OF STATE

V
J
~~AA~~
RAYD
~~EO~~

MR. MESSERSMITH
Dated February 27, 1939
FROM Received 8:14 p.m.

Secretary of State
Washington

SECRETARY OF STATE
FEB 27 1939
NOTED

UNDER SECRETARY OF STATE
FEB 27 1939

275, February 27, 8 p.m.

ADVISER ON POLITICAL RELATIONS
MR. DUNN
MAR 2 1939
DEPARTMENT OF STATE

STRICTLY CONFIDENTIAL FOR THE SECRETARY OF STATE

I had dinner with the Prime Minister Saturday night

You have all the facts in Lindsay's telegram as to what
the English think of conditions. I merely want to add that
I am thoroughly convinced that the Prime Minister does
not believe war is imminent. We talked for hours but
that would be the sum and substance of the conversation.

He is appalled at the prospect of trying to find a
solution to the economics of all our countries if
spending continues another year.

KENNEDY

RR

FILED
MAR 1 1939

740.00/598

FP