

●PSF

Great Britain: J. Ramsey MacDonald

1933, 1937



Personal & Private.

10, Downing Street,
Whitehall.

10th February, 1933.

Dear Mr. Roosevelt,

I am making bold to write you this letter explaining some of our difficulties here, so that you ^{may} ~~will~~ understand them at first hand. It is in no sense official.

I am most anxious that we should find a way to solve the really great difficulties which have to be surmounted in dealing with the Debt. (You know how I put Anglo-American good relations in the forefront of the things absolutely essential to the regeneration of the world.) We have a double problem with the United States on the one hand and Europe and the world generally, on the other. How are we to bring both together in one solution, or any solutions? Were we dealing with you alone, the problem would be comparatively simple and would proceed somewhat on the lines which a friend of yours explained to us a fortnight ago. We should consider together something which would substantially scale down our indebtedness and leave it in a position which both of us could accept. When we turn to
the /



the other side of our problem, the matter is not so easy. At Lausanne we had to meet the European situation, the characteristic features of which may be summarised thus:

(1) The German payments had become impossible, especially after the Moratorium, and we were faced a year ago with repudiation. Had that begun, nobody could foresee the terrible disasters both in finance and in politics which would have followed. Repudiation is a malady which spreads like foot and mouth disease. Not only would Government financial obligations be smashed, but commercial debts would be involved, and a series of bankruptcies would have followed of the gravest character.

(2) Our debtors, especially France and Italy, would have ceased payment to us. The Moratorium had already cost us a good many millions of pounds which we were perfectly willing to forego had a final settlement been reached, but no such settlement appeared to be possible and a complete breakdown was facing us.

(3) The virtual bankruptcy of certain mid-European States /



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States would have become operative. Whole masses of the people of Europe would have been reduced to starvation; international trade on this side would have been brought to a standstill, and we should have had to face a condition of things in finance, trade and political unsettlement, which have not been experienced for many generations. Communism would undoubtedly have planted its flags over the greater part of Europe.

When I went to Lausanne, the outlook was of the most gloomy kind. The difficulties, however, were overcome for the time being, but, in the process of settlement, we had to face hard realities. I have always regretted that at Lausanne we were deprived of the benefits of American participation or even American advice. You will remember that Mr. Hoover's attitude was 'let Europe settle its own difficulties and then approach us'; and the approach, we were warned, would not have to be of a representative European body, but of individual nations. We were put in a very hard corner. During the whole of the hectic weeks of the Conference I did

my /

my best, with the loyal backing of my colleagues, to keep in mind at every stage the American position.

The result is that whether America formally recognises it or not, no settlement with any European nation can meet the present situation unless it is, in fact, one which will keep the Lausanne Agreement going and enable it to be ratified. In other words, the American settlement must be a European one as well, so that when it is made you and we together will have enabled Europe and America to begin anew a restoration of commercial transactions and trade. This will have to be based upon confidence between the nations, and the establishments of currencies which will have something like a stable international value, to be used for the ordinary operations of international commerce. All this, however, will be fully explained to you when you see our Ambassador.

What prompted me to have this direct personal communication with you was another set of problems, namely, how are we to conduct our negotiations? My last visit to America was preceded by a very full exchange of views between Washington and London. The naval positions of both

countries /



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countries were discussed through your Embassy here, with myself; and all the points that were to be raised in the course of the discussions were thoroughly explored and differences brought down to very definite proportions. When that was done, I went to America and finished the business. We have found that, on this occasion, that could not be done, so that if any Minister were to go to Washington now, he would have to deal with a great budget of questions upon which no exchange of opinions has taken place. After seeing you and discovering what you wished to have discussed and how the discussion should take place, he would require to send very lengthy and elaborate reports to the Cabinet here and begin with the Cabinet an exchange of views under rather unsatisfactory conditions. Things would go, at any rate at first, very slowly. The press in both countries would as likely as not, be pernicious, and as our House of Commons is sitting, Questions would be put daily on how matters were proceeding. That is a situation which I do not like.

Moreover, we should desire to exchange views with you - and I believe you reciprocate that desire - on some important subjects /



subjects which are really international and which, if other European nations felt were being agreed to without their presence, might make it impossible for either you or us to reach the wider agreement upon them which is absolutely necessary if they are to become part and parcel of a world settlement. You will find again and again that it is not always the substance of proposals which creates trouble, but the way they are brought out. We ought, therefore, before any Minister goes to Washington, to agree upon what we are to discuss and how we are to discuss it. I think you will agree with these proposals:

- (i) you and I in our hearts wish to secure for the next half century or so the closest friendship between our two countries and the firmest confidence in each other;
- (ii) not only a settlement of Debts, but a co-operation in world policy on such matters as peace, disarmament, a restoration of trade, is to be our aim; and
- (iii) we must secure between ourselves an exchange of views which will, by the sheer consequence of mutual understanding /




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understanding, give us a very great measure of co-operation in all the international conferences now sitting in which we are mutually interested, not only as separate states but as states responsible for the peace and happiness of the world.

I am afraid that as the outlook now is, we cannot get into real touch until after the beginning of March, though our Ambassador will see you before then and give you much information. But I would suggest that you discuss at once with our Ambassador your views upon the subjects about which you would like to confer with us. We shall then give you our opinions and by rapid exchanges of reactions, settle the purpose of a conference between you and a British Minister, which might be held quite soon so as to help you with your public opinion.

There will be no attempt at this stage of our relations to settle Debts but to examine various possible schemes so that we might officially understand each other's position and the conditions in which each of us find ourselves making an agreement difficult. When that is done, the personal



negotiation stage would have been reached.

The objection~~s~~ to this way of handling is only too apparent. It will mean time, however rapidly we may get through it. But as an offset to that, it will ^{mean} - I hope - success, for the inevitable consequence of failure to agree is really too terrible for me to contemplate.

Before leaving the thoughts which I am now trying to express, I must point out again, and ~~em~~phasize, that in everything we do we must not isolate ourselves from the rest of the interested nations, otherwise we on this side will only have gone out of the frying pan to find ourselves in the fire. This is a very difficult problem. I suppose you find that public opinion in your country ~~p~~resses you to carry out your decision that you ~~can~~ only deal with nations separately. I think you will find that to be very awkward in actual working, and the only way that I can see through it is that in any conversations we may have you and we will have to strive to come to understandings which can be applied to your debtors and ours for we are both a debtor and a creditor state.



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Then the question arises, what Minister or Ministers should go to Washington, when the stage has been set. Of course, I should like to go myself. A sea voyage and friendly contacts with you afterwards would be to me, however difficult the work, a pleasant interlude, but my hands here are so full almost beyond imagination that to leave the country for any length of time and for such a far away destination, is not very possible. Moreover, if you and I met we would have to pull off some big agreement. Failure in that respect would do both of us very serious damage and would badly affect our Governments. Therefore, good preparation would have to be made for the visit, and we should have to find ourselves in a position when a satisfactory agreement would be very possible. Before I went to see your predecessor we spent some months in preliminary negotiations through the American Embassy here.

I believe, however, that if a British Minister went to Washington as soon as possible the effect would be
excellent /

excellent, but even a Cabinet Minister must bring away something.

I have been turning this over again and again in my mind since I saw your friend here a few weeks ago. I think you are a little bit too optimistic as to the timetable, and if you are to meet your Congress shortly you will not be able to go very far as regards settlements. You might be able to go a good long way so far as understandings are concerned, but I come more and more definitely to the conclusion that, if we agree that War Debts must be set in a large programme of agreements, you will have to face the possibility of postponing payments in June. That will, no doubt, be a hard thing for you to do, and you can depend upon my helping you in every way I can to avoid it, but the more I think it over the more the doubt in my mind of the possibility of this deepens. It would not require to be a very long moratorium, as far as I can see at the moment, and it could be arranged between us not for itself and in relation merely to the specific problem of War Debts, but in order to allow time for a full

consideration /



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consideration of the wider set of problems which we would be reviewing. When all these preliminaries were done, I should then be very delighted to run over to Washington for a comparatively brief time and help to dot the 'i's and stroke the 't's and finish the sentences, and with you do something that would draw our two countries closer together and launch them on a great policy of world recovery, inspired by ideals far firmer than mere cash relationships or political documents that are only patched up affairs. In my mind there is a common ideal and a common outlook which I should so like to be made effective during your term of office and my own.

I repeat that this is purely a personal communication which I have been emboldened to make because I am so convinced that we look upon all these problems from the same standpoint and that we have enough influence to bring our two countries to see them as we do. You will therefore please not use this letter in the official communications which must pass between our respective Governments. Our Ambassador will meet you and tell you everything official about us, and he

will /

will have his instructions as to what to say to you about our thoughts and intentions.

I hope most sincerely that you have entered upon a term of office which will give you much satisfaction and bring you great success, and in sending my kindest regards to you I make bold to join Mrs. Roosevelt's name with your own. I have had a good many letters during the last month or two from mutual friends on your side, and the warmth of their references to you warm my own heart as regards the prospects of our relations.

Believe me to be,

Yours always sincerely,

J. Ramsay MacDonald

The Hon. F.D. Roosevelt,
The Executive Mansion,
Albany, New York. U.S.A.

P.S. I am still pondering over the problem of time because I am not quite happy about it. If you could get on rapidly with Lindsay ~~Gray~~ in visit I am willing to make might be materially hastened
JRM

Personal and Confidential

Dear Mr MacDonald:

I was delighted to receive your letter of February 10th, and I hope that you will continue to write to me unofficially until I have the pleasure of talking with you face to face.

I regret that you feel our meeting must be long delayed. I had hoped to see you soon. And your letter strengthens my belief that if you should visit America we would not find it difficult to establish a personal relationship of absolute confidence. You express my own thoughts when you write: "You and I in our hearts wish to secure for the next half century ~~of~~ so the closest friendship between our two countries and the firmest confidence in each other."

I thank you also for stating so frankly your view of the line by which we should approach our task. I shall attempt to be equally frank, since it is only by mutual frankness that we shall be able to achieve the collaboration we both desire.

I was glad to note at the outset of your letter the statement: "Were we dealing with you alone, the problem would be comparatively simple and would proceed somewhat on the lines which a friend of yours explained to us a fortnight ago." From the remainder of your letter, I gather that your difficulty in accepting that line of approach arises from an apprehension that we desire to "isolate ourselves from the rest of the interested nations." I can assure you that we desire no such thing. On the contrary, I have already established contact with the French and shall do so shortly with the other interested nations.

Your difficulty in regard to the Lausanne agreement I think I understand. But I feel that I must add a comment to your statement: "no settlement with any European nation can meet the present situation unless it is, in fact, one which will keep the Lausanne Agreement going and

Pres. file PSF MacDonald
Not sent

February 1933

and enable it to be ratified." Is it not true that in view of recent developments in Europe it may be most difficult, even impossible, to obtain ratification of the Lausanne Agreement but that, ratified or not, it will "keep going?" The possibility of payments by Germany over and above those envisaged by the Lausanne Agreement seems to me somewhat remote.

We cannot, of course, take any official responsibility for the maintenance of the Lausanne agreement, and obviously we cannot comment in any way on settlements which you may or may not make with your own debtors. But we may say that we hope to reach agreement with ~~each of~~ ^{each of} our debtors by way of the line of approach which you discussed with our mutual friend some weeks ago. I am under the impression that such settlements could in no way diminish the chance that the Lausanne Agreement may ~~be~~ "keep going." In any case, please do not forget that so far as we are concerned the Congress of the United States has the final word in this matter, and that I am certain Congress will not under any conditions go beyond the line indicated. Congress may well not go that far. Congress will certainly not go further.

That brings me to the question you raise toward the end of your letter: the question of a possible moratorium on June 15th. It is entirely beyond my constitutional powers to promise any such moratorium. I am bound by the resolution of Congress. Furthermore, in the interest of establishing a real collaboration between us, I must tell you frankly that if we were still in disagreement over questions of importance I should not recommend such a moratorium to Congress. If on the contrary we had reached agreement and all that was needed was in your own words, "to dot the 'i's and stroke the 't's and finish the sentences," and if you were about to come over for that purpose, I should in courtesy to you recommend a slight delay.

The entire matter presents itself to me at the moment in the following light: There are a number of problems which must be solved if the economic life of the world is to be revived. It is undesirable to establish an

order of priority in regard to these problems because the solution of each and every one of them is essential for a restoration of prosperity. We should seek together the best solution for each problem individually and not bargain one solution against another; but we should reach our final solutions of all at the same time. We should, therefore, discuss simultaneously methods to revive international commerce, tariffs, monetary questions, the gold standard, silver, debts, etc. For example, concurrently we should attempt to devise ways and means to enable countries, which today have depreciated currencies, to return to the gold standard at the same time that we adopt our other remedies for curing the present economic illness of the world.

In these problems today it seems to me that speed is of the essence. Let us above all avoid a long drawn out conference like the disarmament conference. But let us also avoid an abortive conference. I heartily second your proposal that we should enter upon a rapid exchange of views through the embassies in Washington and London. And I thank you for your thoughtfulness in suggesting that a British Minister might perhaps come over. But I must tell you frankly that such a visit, however agreeable to me personally, would not "help me with my public opinion", and that since Sir Ronald will have the matter at his finger tips it seems to me that the introduction of another personality might tend to delay rather than expedite agreement.

Of course I do not refer to a visit of yourself. I remain most anxious to talk with you at the earliest possible moment. A thought in this connection occurs to me. Sir Ronald communicated to me your suggestion that the Economic Conference should perhaps be held in Washington rather than in London. The French, I find, would also approve of Washington. If you and I should decide that was desirable, would you consider coming over to open the Conference? Then without

prejudice to either of us, we could establish the personal relationship which I believe may be of the utmost importance for the future relations of our countries. And we could give orders to our subordinates to reach solutions in these economic questions which are, after all, but obstacles on the road to the great collaboration we both desire.

In my opinion it is essential that we should from now on approach our mutual problems not as traders intent on driving hard bargains but as intimate friends attempting to help each other to find solutions for questions which involve the welfare not only of our own countries but of all mankind.

Every good wish to you and the hope that we may meet soon.

Yours always sincerely

(A) He 74/-/33

Please thank President for submitting terms of invitation with which Prime Minister is in complete agreement.

Terms of suggested form of acceptance are as follows:-

I am most touched by your friendly invitation to me to come to Washington to discuss with you the preparations for the World Economic Conference and the need for making further progress toward practical disarmament. My Colleagues with whom I have discussed the matter urge me to agree; and it is with the greatest possible pleasure that I accept your invitation.

If it is convenient to you I will leave England by the "Berengaria" on April 15th returning by the same boat. I shall be very happy indeed to stay with you at the White House.

If President concurs we suggest publication of his invitation and of Prime Minister's reply in morning papers of Friday, April 7th. Miss MacDonald would accompany the Prime Minister.

CABLEGRAM.

*file
"personal"*

PSF: Mac [initials]

The White House,
Washington.

1WU MO CABLE 6:29a.m. 29

Southampton, April 15, 1933

The President,

The White House.

Thank you very much for your cable I am leaving
in wonderful weather which I take as an omen.

J. Ramsay MacDonald.

PRESS CONFERENCE - PRIME MINISTER RAMSAY MacDONALD
HELD IN THE PRESIDENT'S OFFICE
FRIDAY, APRIL 21, 1933 - 6.35 P.M.

*Great Britain
The Donald*

The Prime Minister: How do you do? I think some of us have met before, have we not?

Mr. Durno: Yes. There is quite a large crowd, Mr. Prime Minister; they will all be in in just a second.

The Prime Minister: Yes. Well, I am very glad indeed to see you again. Will we come to an agreement with each other? Please do not quote me verbatim because I make it a rule that when that takes place I must always see the copy before it is printed and that is much too great a bother to you and, besides, I am not going to say anything that is worth quoting. (Laughter).

Well, you understand that I have only just set foot again in America this forenoon and it would quite obviously be most improper for me to make any statements whilst I am still full of innocence. (Laughter) I must know a little more before I venture to make statements. And I am sure that you understand quite seriously that the importance of my meeting your President now is so very great -- not merely for your country and for mine, but for the whole world, -- that any one occupying my

position must be very, very careful that a loose word or an ill-considered sentence is not going to make misunderstanding and difficulty for the final success of our meeting. My experience with the American journalists has always been that they are faithful copywriters when you are perfectly honest and straight with them. Sometimes, in other quarters, I have heard how difficult the American journalist is. I always say I have never experienced that. Some one else might have but that has never been my experience and I am sure that an old experience of mine is going to be repeated on this occasion. Well, now, what can I say to you?

Q. Mr. Prime Minister, is Great Britain prepared to cooperate with the United States in restoring --

The Prime Minister: If you wouldn't mind -- just one minute. What can I say to you? Whatever I say to you must be prefixed by an expression of most sincere pleasure in meeting you all again.

You know the purpose of the conversations -- the great purpose of the conversations. It is in a sentence to try, with the President and myself -- with others -- with other nations -- to try and find some sort of solu-

tion for the most extraordinary and very, very tragic breakdown of our economic mechanism. The farmers and some of the very best types of human beings -- and certainly some of the hardest working and most honest of men and women. Our skilled mechanics -- I know them so well -- I can sit by their firesides and talk to them as man to man. Their skill is great; their thrift is magnificent; they are self-respecting and their uprightness is beyond reproach. They have been saving; they have been men and families of most exemplary character, yet they with their families are today in a state of dire distress. There must be something wrong when that is true.

It is not a national problem. Of course nations can do a good deal to elevate it within their own boundaries, but what we have all got to get into our heads -- you of America, we of Great Britain, is this: That no nation can solve it of itself. We have got to lay our heads together. We have got to lay our heads together as friendly cooperators, and that is why I have come here and why your President has invited me to come here and why I have come here on this occasion.

We want to discuss together the calling of this international conference which is going to be held and more clearly define national problems and the situation which I have just described. We want to consider how those problems can be solved. Why is it that the international faith of the world is shrinking and shrinking and shrinking? There are a great many of us, those in particular described by Abraham Lincoln as people for whom God must have had a special affection because he has made so many of them, who really work for a living, some by muscle, some by brains, some by imagination -- the man or woman who writes a great poem that inspires us to good life and great deeds is as much a producer in the world as the man who by the exercise of his muscles takes coal from the bowels of the earth and sends it up so that it may be available for our grates. Why is it that the exchange of goods, the volume of international commerce upon which we have to live, is getting smaller -- smaller -- the stream is getting shallower and shallower? God didn't mean that! It certainly must be a mistake on the part of man.

We are going to talk about that during this weekend. As I said, I don't know that at the moment I can say very much more than that. I dare say there will be other subjects -- I don't like -- you certainly are not to quote this now, but somehow I feel very fond of your President. I have got a sort of feeling that there is a good colleague with great spiritual power. And what can we do in public life without sincerity and spiritual power? A lot of people think that politics is a somewhat degrading occupation. Rubbish!-- rubbish! It is the most elevating of occupations. I call it service. It is the most elevating service that any man or woman can be called upon to perform. It all depends on the spirit in which you do it. Some of us come from very humble origin -- haven't forgotten and never will forget -- and using their influence and authority in order to place people where they can put their energy to useful purpose. What better service can we give to the community? And I believe that is the spirit of President Roosevelt, who is now my host. I say, "Don't quote that", for I am just talking to friends, talking to men and women with whom I should like to come

into a personal understanding so that if you damn me, your conscience will trouble you in doing it. (Laughter) I know -- I know perfectly well. I whirled a pen myself and probably, when these hectic days have gone over, I may have to return to it and I shall do it with a great deal of pleasure if I do. So I know the insides of newspaper offices. I know that newspapers will oppose and object to things, but I should like, especially on this matter, which is not a parliamentary matter, which is not a sectional matter, which is not an American matter, which is not a British matter, that the critical press should be seized with the determination to help. Because if we could only get that -- but don't make any mistake about it, it is going to be very difficult, but we will. When we went through a crisis in Great Britain a little over a year ago -- getting on to two years ago, what did we do? We said that all those things that are petty and small minded and partisan must go. We have fought, but now for the time being a truce to this pettifogging partisanism and I am glad to say that every newspaper of any reputation in the country responded -- I say every newspaper of any reputation.

My friends, it calls for a union of nationalities. Not that we get in alliances with each other -- not that we get tied up one to another -- not at all. But it is a union of nationalities, appreciating the nature and importance of the problems and laying their heads together in order to find common ways to get commonly held solutions. My friends, we hope so to do it.

I am not going to say any more because I am going to speak tomorrow at the Press Club and by then I shall, perhaps, have been able to find my bearings a little more. This is only just a "How do you do?". This is an introductory -- a re-introductory to many of us -- shaking of the hand. If you would like to put questions I hope you will be discreet (laughter). If you are not discreet, I can assure you that I shall show you a very good example. (Laughter).

Mr. Boettiger: May we put one very discreet question? Will you discuss war debts with the President?

The Prime Minister: The question of debts is one of those things -- one of those features in the landscape that we have got to survey.

Q Have you any suggestion to make to the President in your discussion of the debts when you survey that far?

Q. Do you think it would be indiscreet to ask if Great Britain is prepared to cooperate with the United States in the restoration of the monetary standard based on a reduced rule?

The Prime Minister: You have not put one question; you have put a dozen. (Laughter) The United Kingdom has been hoping for a long time for the opportunity of considering with other nations how best to establish stability in monetary systems.

Q. Will you discuss the stabilization of Sterling -- (inaudible)

The Prime Minister: We have been trying for a long time to give more stabilization and certainty to money.

Q. Can you tell us your idea of some things that might be done to meet present problems?

The Prime Minister: Not at this stage. You see, we have come to just exchange views -- especially myself. I am your guest. You see, I am your guest and I must behave as a guest. But I can assure you all that there is going to be no holding back. No holding back. We are going to pull what is in our heads, whatever it may be and whatever value it may have.

Now, during the time I am here -- it is only just this week end -- as you can imagine, there is a tremendous amount of work that has to be done in London and it is not convenient to be away long, so I am really only going to spend, much to my regret, what we call at home a "long week-end". A long week-end is from Friday to Tuesday and I am afraid that is about all I can spend here -- as I say, very much to my regret. But during that time my friend, Mr. Wright -- I think probably some of you know him, he has been in Washington before -- he will be the liaison officer between and I am sure he will help you with information in every possible way. I think he would like to say something to you before we part this afternoon.

Q. Might I ask this question? I think it is timely. In your opinion, is there any intrinsic validity in the criticisms -- we have cables reporting the editorials in London papers as criticizing the monetary policies of the United States -- the motive because of the effect on the proposed conversations.

The Prime Minister: Well, I have seen nothing -- I have seen nothing. What you might call the crisis --

the change, took place while I was on the Berengaria and I cannot say. I have read no newspaper. It is literally true that I have read no newspaper. I will try to do it tonight before I go to bed or after I get to bed.

I am quite willing to say this: All this talk about conveying enmity -- it is not in my heart -- it is not in the hearts of my colleagues nor the British Government. If little bits have cropped up -- well, we are all human -- but even that is not in my heart and I am sure it is not in the hearts of my colleagues. Realize that we are going through a very difficult crisis and do not let us begin to say -- do not let our people say the U. S. have been working under some curious policy and do not let you say that we have been working under some curious policy. I can assure you -- I certainly can speak for ourselves. It is not true -- it is not true. It does not exist.

Now I think I will leave you in charge of Mr. Wright. I had a rather tiring day.

(Discussion about pictures)

Well, so far as I am concerning, I have no objection to a photograph being taken in this room of my friends and myself. (Pictures)

I was just going to say that so far as I am concerned

I am standing at this particular spot on the instructions of the President who wished me to interview sitting in his chair and standing at this desk. So you see, we are getting on (applause)

I am very glad to be photographed here with you and I talked very sincerely.

Thank you. Thank you so much for coming here.

(End)

PSF R. MacDonald

[April 7, 1933]

Today was occupied in a thorough survey of the business of the Disarmament Conference at Geneva. ~~Substantial progress was made,~~ & it was felt by both the President & the Prime Minister that the results of the day's conversation would considerably advance the prospects of the success ^{both} of the Disarmament Conference & of the International Economic Conference.

The President will continue the discussion of Disarmament problems with M. Herriot ~~on~~ his arrival.

Miss Letland

IMMEDIATE RELEASE

April 26, 1933

FOR THE PRESS

JOINT STATEMENT BY PRESIDENT ROOSEVELT AND PRIME
MINISTER MACDONALD

As stated yesterday, our discussions on the questions facing the World Conference were not designed to result in definitive agreements, which must be left to the Conference itself. But they showed that our two Governments were looking with a like purpose and a close similarity of method at the main objectives of the Conference, and were impressed by the vital necessity of assuring international agreements for their realization in the interests of the peoples of all countries. The practical measures which are required for their realization were analysed and explored. The necessity for an increase in the general level of commodity prices was recognised as primary and fundamental. To this end simultaneous action needs to be taken both in the economic and in the monetary field. Commercial policies have to be set to a new orientation. There should be a constructive effort to moderate the network of restrictions of all sorts by which commerce is at present hampered, such as excessive tariffs, quotas, exchange restrictions, etc. Central Banks should by concerted action provide an adequate expansion of credit and every means should be used to get the credit thus created into circulation. Enterprise must be stimulated by creating conditions favorable to business recovery and Governments can contribute by the development of appropriate programs of capital expenditure. The ultimate re-establishment of equilibrium in the international exchanges should also be contemplated. We must when circumstances permit re-establish an international monetary standard which will operate successfully without depressing prices and avoid the repetition of the mistakes which have produced such disastrous results in the past. In this connection the question of silver, which is of such importance in trade with the Orient, was discussed and proposals were tentatively suggested for the improvement of its status.

These questions are all inter-related and cannot be settled by any individual country acting by itself. The achievement of sound and lasting world recovery depends on co-ordinating domestic remedies and supplementing them by concurrent and simultaneous action in the international field. The proposals examined will be discussed with the representatives of the other nations who have been invited to Washington with a view to securing the fullest possible measure of common understanding before the Conference meets. It is the hope of both Governments that it may be possible to convene the Conference for June.

We have in these talks found a reassurance of unity of purpose and method. They have given a fresh impetus to the solution of the problems that weigh so heavily upon the most stable, industrious and deserving men and women of the world - the human foundation of our civilization whose hard lot it is our common object to alleviate.

Miss Lettard

FOR THE PRESS
IMMEDIATE RELEASE
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April 26, 1933.

PRESS CONFERENCE - PRIME MINISTER MACDONALD

The President's Office, April 26, 1933 - 10.10 A.M.

THE PRIME MINISTER: Good morning. Well, I brought good weather and I have left good weather. I think that ought to be reckoned in whatever settlement is going to be made between us. How much value do you place upon a good day? You had better credit me with that.

Well, I am very sorry to leave you again. It seems only an hour or two since I said "How do you do" to you just after I arrived in Washington. I think you have been so admirably served by our press men behind us that it was unnecessary for you to see me, and I should like to thank you for the fine help you have been to us. I would like to thank our press experts -- and I think you perhaps will join me in this -- for the way they have placed themselves so unreservedly at our disposal. The success of our conversations has depended very largely upon that admirable body of experts who, with great patience and great knowledge and unlimited good will for each other -- both sides -- have worked away to advise possible ways of coming to agreements when the time arrives.

You will remember I told you that I was not calling to come to agreements -- to draft papers and sign them so that the last word had been said. I have kept my promise, my friends, we have not done that -- we have never tried to do it. This has been preliminary conversation -- just like when you are going out on some big expedition you send scouts ahead to see what is the best trail for you to take and to see how far the ground will enable you to carry out your purposes.

Well, that is what we have been doing the last two or three days and I think -- though I have had many experiences that between the cup and the lip there are many slips -- I think that I can say to you, without any reservation at all, either in my heart or on my lips, that these two or three days of friendly, pleasant conversations have been fruitful in a way that I hardly imagined would be possible when I came. But still -- and I repeat it -- no agreements, no settlements.

I leave your President as free as he was when I found him and he lets me go home to see my own colleagues in the British Empire as free as I was the day I left them -- that is the day before I sailed for New York.

But, nevertheless, it has been real good business we have done -- real good business. I am very glad that I have had the pleasure also of meeting Mr. Bennett down here.

It was absolutely impossible for me to get to Canada at this time. You saw this morning that yesterday was our budget day, and the Prime Minister's supreme duty is to be at home whilst the budget is being discussed and settled in the House of Commons, so I am hurrying back. I must hurry back in order to be there with as little delay as possible.

So I couldn't go to Canada and I hope the Canadian journalists who are present will convey to their readers my profound regret that fate has been against me on this occasion but that I still remember my pledge to go to Canada on a holiday. In the meantime, I am very glad indeed that I am having the opportunity of talking with Mr. Bennett.

Now, I would like to put it to you this way: I came here as -- apparently as a Minister of Great Britain and as the destined -- perhaps for my sins, because it is going to be no easy job -- Chairman of the International Economic Conference. The burdens and the worries of both offices were lying in a most terrible way on my back when I saw you last.

I am going away as a friend, for I am taking away with me a memory of a most genial man, who is your President, and a really friendly crowd representing I hope -- I flatter myself by hoping -- representing the spirit of the American people.

I have learned more clearly than I knew before of the difficulties of the American Government -- the American nation -- and I hope that in return for that you folks and your Government appreciate perhaps a little bit more vividly the great troubles and the great difficulties that I have to face as Prime Minister and my colleagues have to face as responsible cabinet ministers.

We are going away leaving behind us and taking away with us a closer understanding than before. We understood each other at a little distance off. We now understand each other, as it were, elbow to elbow. You know the human difference in that and, believe me my friends, the very highest diplomacy and the most accurate and searching diplomacy always take into account the value of personal and human understandings between both sides. I think we have got that as the result of the conversations.

It therefore has come to this: That we have got above and beyond mere market haggling and fogging. We are not going to co-operate in finding solutions of the great troubles of the world if we maintain ourselves in the position of mere bargainers. "I will give you six pence in silver if I am perfectly certain that you are going to give me six coppers." Bah! That is not the way of going to work together. That is not a way we are going to live together. That is not the way we are going to aspire and achieve together. We have got above that.

We have got to an understanding now. There is to be a real human understanding and the bargains we want and the exchanges we want are the bargains and exchanges which will make us both -- both separately and cooperatively -- more efficient in removing the burdens that are oppressing the world at the present moment.

We are also -- and this is the last I want to say -- we are also going away not only convinced of the fact that we hope to come to an agreement -- we are going away with a greater thought than that -- we are going away with a determination we are going to come to an agreement because it is our moral duty to come to an agreement; that if we don't come to agreements, --- I am only telling you what I have been trying to do.

But can you imagine what is going to happen if America and Great Britain cannot devise a means of marching side by side? No alliances. Don't you have any fear of that. No entanglements! We are not going to be brought into the maelstrom of Europe. You are going to remain where you are, but no man lives to himself alone.

The man who is strongest and most independent is the one who has stretched out his hand to somebody else and grasped it. That is the idea that is in my mind and I think -- I think we have got. I think we have got it.

And you have been awfully good in helping us to get it, and with all the gratitudes that I take away with me -- I believe in about an hour and a half -- I am sorry but it is true -- but amongst all the things I am going to take away with me -- not in my luggage but in my heart -- one of the strongest of them will be my gratitude to the American Press, whom you represent here today.

Well, I hope we will meet again. I cannot bear to think that this contact is not going to be a continuing one. I hope that your President will be spared many years of life to give us opportunities for these meetings and I can assure -- I can assure him through you that every opportunity that comes to me to go out in your woods, to go down your river, I will fly to take them.

So, my friends, goodbye for the time being.

TELEGRAM

The White House
Washington

NA 1061

42

WA New York 628 PM April 26th-1933.

The President:

The White House.

I cannot leave these shores without sending you a message of heartfelt thanks for the cordial and generous hospitality which you Mr. President and Mrs. Roosevelt have extended to Ishbel and myself and for the friendly welcome which we have everywhere received.

J. Ramsay MacDonald.

710 PM

P3 F R. MacDonald.

30 Radio RCA

T.S.P. R. Macdonald

Radio

apl 27th 1933

RT Hon J. Ramsay MacDonald -

S.S. Berengaria - New York Radio

My wife and I wish much you both
were still with us - Happy voyage and
best of luck always -

Franklin D. Roosevelt

7th Apr 1933
FDR

✓ [F.D.R.] to [J. Ramsay Mac Donald], [May 22, 1933]

Great Britain's copy published in

Documents on British Foreign Policy,

1919-1939, Second Series, Vol. V, 1933

pages 810-811.

[May 22, 1933]

DEPARTMENT OF STATE
WASHINGTON

I have read with great care your gracious letter and also the personal message handed to me by the Ambassador. You may be assured that I fully sympathize with your expression of views as to the desirability of avoiding difficulties concerning the debts at the opening of the Economic Conference. I note with appreciation what you say of your understanding of the views held by our Congress and by the American people.

As I told you when you were here, I am most anxious that the Conference begin in an atmosphere of mutual good-will. To that end I am discussing the subject informally and privately with leaders of the Congress. No doubt we shall find some way of meeting the situation in ample time before the opening of the Conference. I am finding a good deal of sentiment to the effect that if your Government is unable to pay the
entire

entire amount, it might find it possible to pay a part, perhaps in silver, as has been authorized by Congress. This feeling is based on the thought that it would make it clear in both countries that there had not been a default. It avoids a debate on terminology. This is a mere suggestion, however, and is not intended to be a definitive request.

Another question, however, concerns me much more. I am disturbed lest the deliberations of the Conference be unduly affected by the desire of the debtor governments to bring about a new settlement of the debt question, even though this question does not form a part of the Agenda. While we all recognize certain economic relationships between the debts and a few of the subjects at issue, the major questions to be discussed at the Economic Conference, in my opinion, can be brought to a satisfactory and mutually advantageous determination at the Conference, without reference to the debts at all, and without their settlement being made in any way contingent upon a debt settlement. Hence, I am deeply pleased to note that you

do

do not place a new debt settlement as a necessary prerequisite to a successful conclusion of the Conference.

I hold to my policy of free debt discussion whenever the debtor governments desire them. It is obvious of course that such discussions must be held here in Washington with whatever representatives the British Government designates for that purpose.

As to procedure, I note that your letter suggests an exchange of notes, but your personal message sent subsequent to the letter, suggests that in your opinion it would be best not to wait for a formal request from you. I am inclined to the point of view that we can consider that the communications and conferences which I have had amount to a representation of your views. I will have a clearer picture of the Congressional situation by the end of this week and will cable you then.

I am delighted that the disarmament conference is moving forward on the lines on which you and I are in such full accord. If things again get in a jam, be sure to let me know if you advise any action by me.

Tell

- 4 -

Tell the Lady Ishbel that Howe ate that halibut
for breakfast. My warm regards to you both.



Personal & Unofficial.

10, Downing Street,
Whitehall.

8 May 1933.

My Dear President,

The weather on my way home was as fair and kind as my stay at the White House, and I reached Southampton much benefited by my ten days at sea. Whatever may be the results of our conversations as regards national understandings, they have given me memories of great friendship and an interesting companionship which I shall always be swift to try and renew. During the next week or two, as we anticipated, the great advantages to both our countries which our meeting could bring, if they are given a chance to mature, will have to undergo criticisms and attacks both in Washington & London, designed to render them of no avail. According to our press, you seem to be going to have a specially troublesome time. You know how well I understand your difficulties and how much I sympathise with you in meeting them. I have tried to keep you and your task in mind in everything I have said since my return, and I hope that I have not embarrassed you by anything I have done.

To an inner Committee of the Cabinet & to the Cabinet

itself in more general and less specific terms, I have reported what things we reviewed. I can assure you that my colleagues are as anxious as ever to find ways of reconciling your difficulties with our own so that both your Government & ours may deal with our problems & the International Economic Conference work determined to find solutions & secure agreements.

Our good-will, however, cannot blind us to the realities of the exceedingly treacherous country we have to cross before we reach easier times. I shall refer to two points specifically:

1. The Tariff Issue: You know how much I favour the idea and how much I wish to cooperate in making it possible. You will remember when our experts first brought up the subject, I had to warn you of the position in which I found myself owing to negotiations which we had begun, and to objectives e.g. land settlement and agricultural protection, which had been embodied in legislation giving instructions from the House of Commons to the Cabinet to proceed immediately to apply the law. What had actually been begun and announced, we could not suspend on the chance that, six or seven months from now, the International Conference would be a complete success. All that we are now doing will be reported at the Conference when the subjects



2.

10, Downing Street,
Whitehall.

arise. On an examination of our actions, we have come to the conclusion that if our work in hand were completed, we should still be in a better position than other States whose agreement is essential, to accept proposals which would make a real success of the Conference. Moreover, it must be remembered that we were forced to begin this policy when our European competitors were hard at work setting up new barriers to damage our trade, and when every attempt we had made to fix the date for the meeting of the International Conference had failed. For instance, the Argentine Agreement (regarding which Mr. Norman Davis called upon me on Friday to say he had been instructed to protest & to indicate the possibility of some hostile action in Congress) was virtually concluded before I left for Washington. I told you of the unfortunate effect on our minds of the behaviour of some European Governments when we ourselves tried to get a Tariff Union at Geneva a few years ago, and nothing could persuade us to go through the same experiences. Before I got home, the position which I had explained to you was worsened owing to a heavy propaganda by

some newspapers, and the House of Commons had become suspicious that the proposal was another attempt to take advantage of our existing weak points & that it would mean a sacrifice of our interests alone of all our competitors. You will readily understand how difficult it is, when lack of confidence is about, to meet the plausible argument that, if there is to be a truce, it shall be ^{not} only a stabilisation of the status quo which exposes us all the time to damaging attacks, but should be upon a standard of protection and prohibition as low as our own. I made some suggestions as to how the truce resolution should be worded, but I do not know what was the result of your conversations with the French on the subject and whether they were helpful or otherwise. No doubt Sir Leith Ross will be able to tell us.

2: War Debts: I am sorry to see in the press that new troubles appear to have gathered round this question, and the quiet and steady working out of the negotiations which we had planned has been interfered with by newspaper head-lines. If the quieter ways cannot be followed, failure threatens the other good work we did, the



10, Downing Street,
Whitehall.

friendly cooperation between our two countries and the International Economic Conference itself. All these mistakes I shall strive to the end to prevent. If we are thwarted - well! the world will regret it as it reaps the consequences. Since my return, I find that the position I explained to you regarding a June payment still holds good and that there is increasing nervousness lest from good-will we should ask the country to do what it believes it cannot & ought not to do. You seem to be beset by pressure to exact all payments; I am beset by deputations demanding that I should make none. At the same time, the Government is still anxious to find some means of final settlement though economic conditions continue to narrow the margin within which we can turn. This final settlement is to be difficult enough in all conscience, but if during debt negotiations and the sittings of the Economic Conference something happens which is to create confusion in Europe and an upset in commercial as well as Government debts all over the world,



I cannot visualize in what state we are all to be left. So with a final debt settlement within three or four weeks is impossible, for it entails not only an agreement between us too, but between us separately and all our debtors and creditors. The negotiations between us will have, from stage to stage, to be examined in relation to this under complexity, because, if not, results may break down in their application to meeting facts. I can see no way out of this disaster other than ~~the~~ one we considered viz. a suspension of the final payment on the ground that it would seriously interrupt the negotiations for a final settlement and jeopardize the Conference, and on the definite and announced understanding that you were in no way committed to anything beyond the specific act of temporary suspension. The latest news from Washington is rather ominous as to this hostility and frankly, it depresses me. If this cannot be arranged, then I fear much that nothing can be done; if it can be arranged, an agreement though it be difficult is within the bounds of possibility.

Supposing that the shock of disagreement on the 15th June could be avoided in this way I have indicated, the question of procedure is important. It would mean an exchange of notes and I am anxious



10, Downing Street,
Whitehall.

that they should be helpful to both of us. We cannot expect you to take the initiative by informing us that in view of the great work in which we are both engaged you do not expect us to make a payment on the 15th June. If we addressed you first, our note would have to be on the lines that owing to the negotiations for a settlement which are begun and the importance of the work of the International Conference we ask that we may hold up our payment for the time being ~~without~~ without prejudice to either of us and you might respond emphasising your views on the importance of the negotiations and the Conference, and agreeing not to regard a failure in June as a default, but making it plain that such a gesture on your part must not be taken to commit you to this, that and the other thing. If your leading representative at the Economic Conference could come to London a day or two before the opening, these arrangements could be made easily - provided of course that we know you can accept them. It would be most desirable that the terms of our letters be settled beforehand.

I return to those pleasant days we spent together discussing

how we could get over our troubles, if there were no one but
ourselves charged with overcoming them. There is one open
green park in front of my window (I am looking at
Chesham) & thrushes singing in the garden, and I wish
that you and Mrs Roosevelt - and may I add the gay
and the faithful How trailing a doubtfully fragrant halibut
in his wake? - were here now paying me your return visit.
You will all come one day, I hope however, to Looe mouth before
we get to regions more sublime, but not more attractive, &
through our tobacco smoke - even if yours comes from
miserable Chesterfields or Lucky Strikes - survey a
ramshackle world which we strive together to help.

With my kindest regards & best wishes to both of you,

I am

Yours very sincerely

Ramsay MacDonald

I have read with great care your gracious letter and also the personal message handed to me by the Ambassador. You may be assured that I fully sympathize with your expression of views as to the desirability of avoiding ~~an unpleasant~~ ^{difficulties} ~~disference~~ concerning the debts at the opening of the Economic Conference. I note with appreciation what you say of your understanding of the views held by ^{our} ~~your~~ Congress and by the American people.

As I told you when you were here, I am ^{most} ~~so~~ anxious that the Conference begin in an atmosphere of mutual good-will, ~~that I am willing to attempt to bring about the deferment of the June 15th payment by your Government if practicable means can be found.~~ To that end I am discussing the subject informally and privately with leaders of the Congress. No doubt we shall find some way of meeting the situation in ample time before the opening of the Conference. ~~I~~ I am finding a good deal of sentiment to the effect that if your Government is unable to pay the entire amount, it might find it possible to pay a part, perhaps in silver, as has been authorized by Congress. ^{This feeling is based on the thought that it would make it easier on} ~~This is a mere suggestion, however, and is not intended to be a definitive request.~~

Another question, however, concerns me much more. I am disturbed lest the deliberations of the Conference be unduly affected by the desire of the debtor governments to bring about a new settlement of the debt question, even though this question does not form a part of the Agenda. While we all recognize certain economic relationships between the debts and

told countries that there had not been a default. It would be a debate on terminology.

a few of the subjects at issue, the major questions to be discussed at the Economic Conference, in my opinion, can be brought to a satisfactory and mutually advantageous determination at the Conference, without reference to the debts at all, and without their settlement being made in any way contingent upon a debt settlement. Hence, I am deeply pleased to note that you do not place a new debt settlement as a necessary prerequisite to a successful conclusion of the Conference.

I hold to my policy of free debt discussion whenever the debtor governments desire them. *It is obvious of course that*

be held ~~Conference, however, I should prefer to have~~ such discussions *must* here in Washington with whatever representatives the British Government designates for that purpose.

As to procedure, I note that your letter suggests an exchange of notes, but your personal message sent subsequent to the letter, suggests that in your opinion it would be best ~~for~~ *not* ~~to wait for a formal request from you, but to announce that~~ ~~because of the danger of disturbing the atmosphere in which~~ ~~the Economic Conference will meet, we are not pressing for the~~ ~~immediate payment on June 15th.~~ *The* I am inclined to ~~this~~ point of view, ~~and will, if it is decided to express agreement to a~~ ~~deferment,~~ *that we can* consider that the communications and conferences which I have had amount to a representation of your *views.* ~~case, and make such~~ ~~announcement as I deem necessary on my own initiative.~~ I will

have a clearer picture of the Congressional situation by the end of this week and will cable you then.

I am delighted that the

Disarmament conference is moving
forward on the lines on which you
and I are in such full accord. If
things again get in a jam, be sure
to let me know if you advise
any action by me.

Tell the Lady Isabel that I have
ate that habitant for breakfast. My
warm regards to you both.

PSF: R. MacDonald

Personal

ON HIS MAJESTY'S SERVICE.

Personal & Unofficial

By bag
—

The President

The White House

Washington

PRIME MINISTER.



PS F R. Mac Donald

10, Downing Street,
Whitehall.

September 27th 1933.

PURELY PERSONAL AND UNOFFICIAL :

My dear President,

I was very glad to have your letter delivered to me by Mr. Norman Davis. I watch from day to day, so far as newspapers and reports will allow me, the valiant struggle you are putting up to straighten things out in the United States, and I pray that you will secure a great success. You have opportunities for experiment which we do not have here. Our margins are very narrow; the equipoise of our economic life is very delicate; to pull out a brick, to see what is behind or to get at some rotten bit of structure, is as dangerous in the State as I have just found out it is in my own delightful old house which is beginning to show signs of its two centuries of years. But with care, exercised in carrying out a very clearly defined policy aimed at increasing both prices and consumption, we are steadily effecting improvements.



Every day, however, I come across decisive proofs that, unless we get the world in a healthier condition, we are going to be able to do very little that is to be permanent and is to remove the awful poverty of our day. Every stream of international commerce is as parched as our Scotch rivers have been this summer on account of the drought. No fish have been able to get up and the reservoirs of water-supply upon which hundreds of villages depend, ~~is~~ ^{are} almost down to ~~the~~ ^{their} mud bottom. To spend a quiet half-hour musing over the unity of things is very profitable; but how few such half-hours have you or I got ?

I saw the Dutch Prime Minister this week and had a patient survey with him over the field. You know, we really must try and get some means of imparting some degree of certainty to international exchanges. You can help us enormously and we can help you, if our exchanges were a bit more steady. I do not dream of anything that is permanent. I do not think that you can settle rock foundations or anything of the kind; but if we could just patch something up to keep going from day to day, I

decisive proofs
condition,
to be

-3-

am sure that both your general aim and mine would be enormously facilitated. Please do not imagine I am butting in on your province. I am just venturing to impose upon our mutual relationships ^{and} ~~to~~ mention to you one of my biggest troubles in getting things going on this side of the world.

I saw Leith Ross before he left and told him that, apart from his official work of discussing Debts, if you show any disposition to have a general talk with him on how matters stand; he must withhold nothing from you but tell you exactly what is passing ~~ing~~ through my mind; and nobody knows what that is better ^{than} he does.

The Disarmament situation is becoming increasingly difficult. On this side here there can be no doubt at all but that the conduct, the pose and the spirit of the German Government have raised fear and unsettlement where, largely owing to us, calmness and confidence had begun to operate. And, in addition to that, the same unfortunate hesitations arise from the more remote country, Japan. I cannot honestly say to you that we can get such a good agreement to-day as

we could have got twelve months ago. This letter has been interrupted by a telephone communication from Sir John Simon at Geneva. He reports no great achievement as yet by reason of the private negotiations, but he does say that our efforts are getting the more troublesome powers a little closer together. I am seeing him here in a few days and he says he will give me a more complete report.

Now, I must not take up any more of your very crowded moments. I just send you all my best wishes and, with kindest regards to Mrs. Roosevelt and yourself, believe me to be

Yours always sincerely,

Hammy Macdonald

The Hon. Franklin D. Roosevelt.
White House.
Washington.

P.S. I hope that your indisposition of which I saw has now completely gone. H.M.

PSF R. MacDonald

THE WHITE HOUSE
WASHINGTON

*file
Great Britain*

November 10, 1937.

STATEMENT BY THE PRESIDENT

Because Ramsay MacDonald
labored long and successfully
for the good of his fellowmen,
he will be mourned by those
throughout the world who call
themselves liberals. I am
glad to have known him as a
friend and I deeply regret
his death.

STANDARD FORM NO. 14A
APPROVED BY THE PRESIDENT
MARCH 10, 1926

TELEGRAM

OFFICIAL BUSINESS—GOVERNMENT RATES

CABLE

FROM

PSF R. Mac Donald
The White House
Washington

U. S. GOVERNMENT PRINTING OFFICE 131254

November 10, 1937.

MISS ISHBEL MacDONALD
LONDON
ENGLAND

MRS. ROOSEVELT AND I ARE DEEPLY SORRY AND SEND YOU AND THE
FAMILY OUR HEARTFELT SYMPATHY

ROOSEVELT