

• PSF

Italy: Breckinridge Long

1933-36

7517 Long

THE UNDER SECRETARY OF STATE
WASHINGTON

July 31, 1933.

Dear Miss LeHand:

I have read the enclosed letter
from Ambassador Long and am returning it
to you, in accordance with your request.

Sincerely yours,

William Phillips

Miss Marguerite LeHand,
The White House.

THE WHITE HOUSE

THE SECRETARY OF STATE:

to read & return

THE SECRETARY



EMBASSY OF THE
UNITED STATES OF AMERICA

PSF Loring
53-2000
7-7-33

Personal

Rome, Italy
July 7, 1933.

My dear Frank:

There is one question more in the minds of Italy today than any other question as far as its military and naval defenses are concerned, and that is Albania and its policy toward that small country.

Not long since Baron Aloisi, who is the Chief of Cabinet and who is Mussolini's personal man at the Foreign Office, talked to me on the subject of Albania and the attitude of the American Minister there. Aloisi said that the American Minister had taken a position antagonistic to the Italian policy in Albania and that he was very much surprised, because he understood that the United States and Italy were very much in accord. He spoke, no doubt, at the direction of Mussolini and expressed, not in positive language but in a very definite way, their ideas about the attitude of the American Minister at Tirana and the manner in which he had opposed the policies of Italy there.

I thought it sufficiently important to telegraph the Department, which I did. I was surprised to receive a reply to the effect that messages of that character should be sent by mail because of the expense. I was also more surprised to receive another despatch commenting upon and replying to my telegram and expressing their surprise that Baron Aloisi should have discussed the question and indicating that his remarks seemed impertinent.

While I do not care to make an issue of the manner in which the Department has received my telegram, I do think it is probably because this Embassy has not in the past informed the Department of Italy's point

The President

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of view and policy in Albania and has failed to properly present the importance which Italy attaches to Albania.

As it is such an important problem for Italy today and as it is part of her foreign policy, I think it worth while for the Department to get the proper point of view, and I am having the situation studied and will send on a despatch as soon as possible which will set out the whole thing and display Italy's interest in Albania.

But as I understand your instructions, which guide my attitude toward the Italian Government and its foreign policy, I believe I would ^{have been} justified in making a recommendation to the State Department at the same time I sent the despatch about Albania. I did not make a recommendation, but in order that you may understand the situation at the earliest moment I take this opportunity to give you the important facts.

In 1925 Italy entered into a treaty with Albania by virtue of which Albania practically abandoned some of its sovereign rights and to all intents and purposes became a sort of protectorate of Italy. Under the terms of the treaty as I understand them, Italy has the right even over the objection of the King and the government of Albania to send her army into that country to restore domestic order. She had the right to direct its military operations and to supervise its army. She has the right to use certain harbors on the Adriatic. For these privileges Italy guarantees something of the independence of Albania and was to make to her certain contributions in money. There were various other provisions.

Of course it was objected to as a point of policy by Jugoslavia and she was joined by the other members of the Little Entente and by France in trying to undermine the influence of Italy at the capital, Tirana.

The President

July 7, 1933.

These diplomatic activities took the form of criticism of Italy and condemnation of certain of her activities and condolences to the King that he was being badly treated and all that sort of thing. It was good policy on the part of the Little Entente and on the part of Jugoslavia. Italy probably intended to use Albania for a military base in operations in case of war against Jugoslavia. That that was the original purpose seems to admit of no reasonable doubt. Military roads were built to the frontier; forts were built. The Albanian army was trained and was officered and the Italian influence permeated the country.

Since that time it has seemed either inexpedient or too expensive or impractical as a policy. It may be that Italy felt that the continuing military threat on the southern border of Jugoslavia was an irritation to France. At any rate, Italy has now changed her policy to a large extent and as regards the military. She has relinquished her control over the army of Albania; has withdrawn her own troops and most of her officers. King Zog has been antagonistic to Italy and has played an opposing policy, and Italy has for two years declined to make the monetary payments which the arrangement contemplated.

But her naval policy continues. To Italy Albania is much in the position of any important country on the Caribbean is to our policy vis. a vis. Panama. The Italians themselves speak of Albania as being similar to Panama in our own world. They attach great importance to the necessity of naval bases. The Straits of Otranto are only forty miles wide. Albania is on the eastern side. Adequate harbors are there. There are no harbors

The President

July 7, 1933.

on the Italian side. If a French fleet should pass the Straits of Otranto, Venice and Trieste and the whole of the Adriatic world would be at their mercy. Consequently Italy insists upon holding the harbors on the coast of Albania to use them for defensive purposes against France. She stresses the defensive nature of her intentions. And they could be nothing but defensive. There is not there the possibility of an offensive movement against any nation but Albania.

Mussolini sent to Albania Aloisi himself to make the treaty. He has since had at Albania as Minister Sorana, who is practically the under-study of Aloisi and his colleague at the Geneva Conference.

So that when the American Minister in Tirana apparently, or in the Italian eyes, joined forces with the Ministers of the Little Entente and with France--or in the Italian eye at least adopted the same diplomatic policy and criticised the Italians and the Italian policy, he gave evidence of a policy of the United States in opposition to Italy in her foreign policy and in the matter of what she considers to be a necessary naval defense.

Either I have wrongly construed your instructions or the Department of State is still continuing to look upon Albania as a separate and independent kingdom and in possession of all its sovereign rights and powers, when as a matter of fact it has surrendered some of them to Italy.

I think that we are entirely justified in playing the game with Italy in Albania as far as her naval policy is concerned and assuming a position in Albania which would be colorless. There is no necessity of our backing up Italy there, but I do not see the necessity of opposing Italy there. Particularly is that so when one appreciates the importance which Italy

The President

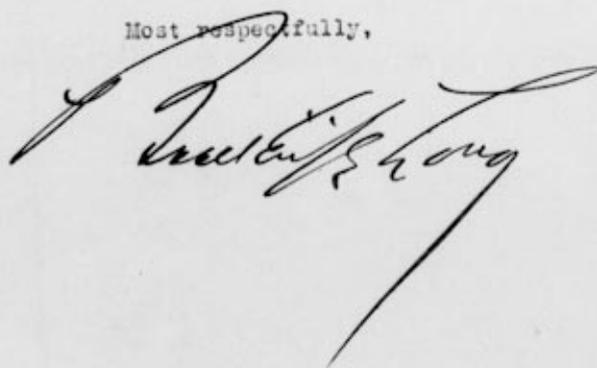
July 7, 1933.

attaches to her special position in that little country.

I reiterate that I do not want to make an issue of the matter, but I do want to present the Italian political situation to your thought. As soon as I can arrange it, a despatch will be got ready to present the whole picture to the Department, but when it is presented to the Department I hope the matter will be considered in the point of view of Italian policy and not from the point of view of Albanian policy and that it will be seen that Italy's naval control of the shore of Albania is a very helpful element in maintaining the sense of security in Europe. For with Italy deprived of the possibility of a naval base near her own nerve center the sense of security in Italy cannot be as strong. And if the sense of security in Italy is lacking, there is just that additional handicap to the success which can be attained by Mussolini in his efforts to maintain peace on the Continent of Europe. It is a small thing, but it is important, and I hope that I have not troubled you with too long a letter in bringing it to your attention.

With kindest regards and best wishes,

Most respectfully,



The President

The White House

Washington, D. C.

PSF Long

August 14, 1933

MEMO FOR HON. NORMAN H. DAVIS: v29

I think the enclosed will be of
real interest to you. Breck Long is, of
course, at one of the good listening posts.
Please let me have it back when you have
read it.

F. D. R.

mwd

Letter to the Pres. from Breckenridge Long, Embassy at Rome, Italy, dated
7-17-33, re his conversation with Arthur Henderson of Great Britain of the
Disarmament Conference concerning the situation in Italy, etc.



EMBASSY OF THE
UNITED STATES OF AMERICA

Rome, Italy
July 17, 1933.

PSF long

Lee

7-17-33

My dear Chief:

Arthur Henderson of Great Britain of the Disarmament Conference was here Saturday to talk to the Italian Government, and I had a long talk with him. He had seen Mussolini twice, and he was definite in his statement that Mussolini had told him that he would go along with him on the modifications which he is proposing to the MacDonald Plan and that he would do everything he could to help get the Germans into line. Henderson was very pleased over the situation which exists in Italy but somewhat discouraged about France, though he has hopes that France will agree. He has tried to get the French to say any one definite thing. They talk about security and the necessity for security and the need for armament and say that they will give the minimum of disarmament for the minimum of security and the maximum of disarmament for the maximum of security. But when asked directly to name the minimum of disarmament they are evasive and non-committal. And when requested to name the maximum of disarmament they are not responsive. However, he thinks that his plan in modification of the MacDonald Plan, and which substitutes a period of eight years for the five of the MacDonald Plan and which divides the eight years into two of four each, can be worked out so as to obtain the adherence of France. The French call the first of the four-year periods the trial period. He says he prefers to call it the period of transition, because then it does not reflect upon Germany. During the first four years no actual steps in disarmament would be made but the process would begin and the preparations be undertaken. During the next four years disarmament would actually commence.

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he had said to Sato that he had probably made a mistake and come to the wrong Conference that this Conference was for disarmament.

He thinks that if you and England give the final push that France can be made to agree. Personally I do not see how you can do anything special to induce France, because you probably would not consider a guarantee of any kind to go to the aid of France. Of course that is what France is angling for. But she should not expect it and could not reasonably ask for it for the very fact of disarmament is in itself a guarantee, particularly when it is carried out under the strict supervision of an international authority.

Henderson said that he had heard in London that Norman Davis might not come back to Europe, but he said that if he was to come back he hoped that he would come in September rather than in October to the meeting because there was a lot of preparatory work to be done.

Henderson is quite antagonistic to MacDonald, and I understood from his remarks that the MacDonald Plan was really Henderson's plan which MacDonald had stolen. Of course they are bitter political enemies.

I also saw on Saturday Dr. T. V. Soong of China. He feels that Japan has the ambition to absorb the whole of China and the maritime provinces of Russia and with her position solidified there that she will then embark on what he considers to be their definite ambition to dominate the world. There is no doubt about the fact that that is the definite conception in the mind of Soong. But he hopes to have the world align itself against Japan. He feels that some day the rest of the world will be forced to take an attitude to stop Japan and her aggression. He hopes it can be done by diplomatic means and he trusts that Manchuria will be evacuated under

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diplomatic pressure as was Shantung. But failing that, he looks to see the rest of the world lined against Japan. He said that he had been talking to the French and to the Italians and to the English. The French assured him that they would at the proper time take their stand. He told me definitely that Mussolini had told him that Italy would take its stand. He said that the British did not commit themselves and had called the Japanese trouble "an American problem" and said that they looked to us to stop Japan because we had a large interest in the Pacific.

The London Conference has been, as you know, very unpopular in all the capitals of Europe and a good many criticisms have been leveled against the American policy. But I think the sober reaction is setting in and that they see that the only sensible thing for America to do is just what you are doing. As corroborative of that change in public opinion I talked the other day to Tefvik Bey, the Minister of Foreign Affairs of Turkey on his way back from the Conference. He said that he thought that you were entirely right and fully justified from any point of view and that it would have been not only impractical but unwise for you to interrupt the process of the "experiment," as he expressed it, on which you are engaged in America and that you could not be expected to make a commitment which would have interfered with it. Present at the same time was Von Hassell, the German Ambassador here and several others, and I was very glad to hear that statement definitely made in public by one other than an American and by one who had been in London and to the representatives of governments here who have themselves been hostile toward your point of view.

The Italians themselves have been very mild and quiet as compared to the others.

The President

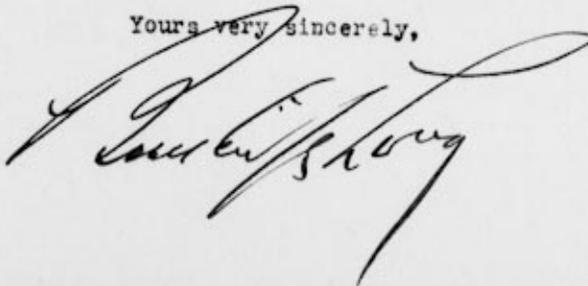
July 17, 1933.

I am glad that Dodd has got to Germany, and I wonder if it wouldn't be well sometime, with your permission, for he and I to meet in Switzerland quietly somewhere over the week-end, not at Geneva and not at Berne, but say at Lausanne or Vevey or some such innocuous place. I really think it would help us each to a more cooperative understanding. I wrote that to him and asked him to speak to you about it, but in his answer he mentioned the probability of our meeting but didn't say if he had discussed it with you.

I am sorry to write you at such length again, but I do feel that you want me to tell you fully about some of these things.

With every good wish and with expressions of affectionate and respectful regard, I am,

Yours very sincerely,

A large, elegant handwritten signature in cursive script, which appears to be "Franklin D. Roosevelt". The signature is written in dark ink and is positioned below the typed name "Franklin D. Roosevelt".

The President
The White House
Washington, D. C.

C O P Y

PSF Long

Rome, August 24, 1933.

No. 153.

Subject: Trade relations between Italy and Russia.

The Honorable
The Secretary of State,
Washington.

Sir:

In response to the Department's instruction No. 39 of July 19, 1933, I have the honor to enclose herewith a study in the form of a memorandum of the trade relations between Russia and Italy.

- Pre-War -

The statistics are lacking in a large extent on the trade relations which existed between these two countries before the outbreak of the war in 1914, during the war, and for the period subsequent to the war up until 1924. Consequently no comprehensive report can be made of trade conditions between the year 1909, as requested by the Department, and the year 1924.

Since

Since that time, statistics have been kept and trade relations have had some attention on the part of the political authorities of the two countries and in the present study these figures are presented and an analysis of them is submitted.

Prior to the World War, trade between Italy and Russia was on a perfectly natural basis, there being no reciprocal arrangements for purchases or sales, and no efforts organized by the political authorities of the respective countries to instigate either purchases or sales or to supplement the respective needs of the people of the two countries in the form of commodities.

During the war there was of course a cessation of all ordinary intercourse.

- Post-War -

Subsequent to the war, Russia in its Bolshevik form was not immediately recognized by any of the Governments of the world. Italy and England were the first of the Governments of the world to make arrangements for recognition of Russia, and if the announcement in the House of Commons is taken as the date of England's recognition then it must be considered that Great Britain was the first Government to recognize the Soviet authorities; but if the date of the documents according to recognition is considered as the basis of recognition, then Italy is to be considered the first country to have recognized the post-war regime in Russia.

- Political Relations -

However, no political treaty exists between the two Governments. There is now proposed a non-aggression treaty and it is understood that it is about to be signed. It was requested
by

by Russia. Since Italy was the first Government or one of the first to recognize the Soviet Government of Russia, the authorities here have felt that Italy should not long delay the signature of a non-aggression pact. In addition to that fact, it seems to be part of the policy of Signor Mussolini to negotiate treaties and to create situations looking toward the maintenance of peace.

- Communism -

While there have been no major political issues between the two countries, the Fascist Government has always ruthlessly suppressed manifestations of Communism in Italy and for a time Communists were sentenced to jail in groups of ten or twenty at a time. The Soviet Ambassador in Rome never protested these arrests unless he was in his own mind sure that the Italian authorities had made a mistake and in such case he would intervene in behalf of a Communist even though the person under charges was an Italian subject. The question of propaganda has not arisen in Italy because of the suppression of Communism. The authorities in Russia at one time attempted to enter into an agreement with Italy for an exchange of political prisoners. The Soviet authorities formed a habit of arresting the Italians in Russia on charges of "espionage" whenever Communists were arrested in Italy. Consequently they created political prisoners whom they attempted to exchange for the Communists arrested in Italy, and they attempted to negotiate a treaty which would give them the right to exchange Italians arrested in Russia for
alleged

alleged political offenses and in exchange for them secure the freedom of Communists arrested by the Italian authorities. But the Italian Government refused this suggestion and subsequent to the refusal the arrest in Russia of Italians on the charges of espionage ceased. Germany and Poland did enter into agreements with the Soviet Government for an exchange of political prisoners and have had great difficulty in their negotiations with Russia and over the arrest in Russia of their citizens charged by the Russian authorities with political offenses. Every time the German or Polish Governments arrest a Communist, there is arrested in Russia some German or Polish engineer who is placed in prison and who suffers there until the formalities of exchange of prisoners is arranged.

Except for the difficulty which existed at the time of the original arrests of Communists in Italy and the attempted reprisals in Russia before Italy declined to enter into treaty relations for the exchange of prisoners, there have been few, if any, political relations between the two Governments.

- Trade Treaties -

As indicated above, the trade relations between Italy and Russia before the war were of little importance, the exports to Russia being of small volume and consisting largely of hats and olive oil. During the war there were practically no relations. However, since the war their relations have been on an extremely different basis and the exports of Italy have consisted largely of machinery, automobiles and electrical equipment.

Mr.

- Confidential -

Mr. Quaroni, of the Italian Foreign Office and now in charge of Russian Affairs in the Foreign Office, is our authority for the confidential statement that immediately after the war Russian purchases in Italy were for cash and their relations were on a very agreeable basis. However, in 1924 (when Russia was reorganized and when the Treaty of Commerce and Navigation was concluded), Russian purchases began to be made on credit and that change introduced a less desirable feature into the commercial relations between the two countries.

Since the credit feature was introduced into their relations, the Soviet Government has been much more difficult to deal with and in every transaction its inspectors in Italy and its authorities at home seize on the smallest flaw in order to delay proceedings. Consequently every transaction must be executed with great care in order to avoid difficulties and orders must be completed with the most painstaking exactitude to accord with the specifications. It has been almost impossible to avoid difficulties in these respects because the Soviet Government does not buy continually the same material. First it will place orders for articles of one kind and after a short while will begin giving orders for the manufacture of other things. The manufacturers of Italy have tried to urge the Soviets to initiate the practice of placing orders for specific materials over a period of years, and thus secure the benefits of lower prices, uniform material and improved methods. But the Soviets have failed

failed to follow that policy and seldom purchase the same kind of goods for a long time. They also have a great advantage when placing orders inasmuch as the Soviet is a monopoly purchaser, dealing with a capitalist country so that it can easily resort to methods resulting in strong competition between the sellers in Italy, frequently to the disadvantage of the Italian manufacturer. (End of confidential).

- Business Methods -

Italian business men occasionally go to Russia on commercial matters but most of the transactions are completed by dealing with the local representatives of the Soviet Government in Italy because no special advantage results from personal visits to the Russian markets. Russia maintains in Italy a corps of inspectors who are regularly stationed at industrial centers such as Milan, Genoa and Turin. These inspectors are generally experienced engineers, electric, mechanical, marine, etc., depending upon their trade assignments. They have something of the status of commercial ~~att~~achés or trade commissioners and are in direct contact with their Embassy in Rome, either the military, naval or other attachés depending upon the nature of the work in which they are engaged and the destination of the material on contract. In addition to their work as inspectors of material, they function as valuable informers, particularly on technical matters. In this connection it may be pertinent to note that the present Russian naval attaché has the rank of admiral and is a specialized material inspector with an extensive engineering experience.

- Russian

- Russian Commercial Representatives -

The Russian purchasing agent in Italy is not a corporation organized under the laws of Italy, nor does it function as such or as an artificial person subject to the corporative or partnership laws of Italy. When it first started to operate an attempt was made by the local Fascist representatives to cause it to conform but in a short while orders were apparently received from the central authorities in Rome and it was permitted to function as it began and as it has since continued, which is rather as a Committee acting under specific instructions from the central Soviet authorities, empowered by it to bind them in contract and acting as a Committee representing the commercial power of the Soviet State.

This Committee of the Soviet state does not deal with the Italian state but makes contracts with individual manufacturers in Italy. However, it coordinates with the Russian Embassy in Rome and reports to it and, supposedly, in many instances is guided by it. The Italian Government has no dealings with the Committee as such, nor does it participate in contracts with the Russian Government, but it is naturally interested and probably encourages contracts between its subjects and Russia, or at least some of those contracts, for the reason that they assist in supporting and developing Italian war industries, such as torpedoes, guns and fire control instruments, airplanes, submarines and vessels susceptible of use for war purposes.

In each of the categories mentioned above there are rights pertaining to the Italian Government as to the plans, designs and specifications, and the consent of the Italian
Government

Government must be obtained prior to their manufacture for contract, it is understood. It is further understood that the Russian representatives have attempted to make contracts for certain ships and to obtain the plans and specifications from the Italian manufacturer, but that the Italian Government has probably interfered and declined to give its consent. The probable objective was to obtain a few completed specimens and the plans and specifications and to have others manufactured in Russia, using the Italian plans.

- Character of Commercial Relations -

Beginning with the year 1924, the trade relations between Italy and Russia assumed a political phase. On February 7th of that year the Treaty of Commerce and Navigation was signed and it went into effect on March 23rd of the same year and will continue in force until it shall be denounced, according to its terms.

On the whole, the commercial relations between Russia and Italy are reported to have been quite satisfactory during the period which began after the World War, the credit feature being the only element which has detracted from the wholesome status of those relations. The trade arrangement between Russia and Italy provides against Soviet dumping by placing contingents on wood, wheat and other commodities, and this precaution was taken by the Italian Government so that Russia would not be able to demoralize Italian markets.

- Payments -

As has been already noted, the original purchases of Russia in Italy were on a cash basis and their interchange of commodities very satisfactory. Since the negotiation of
the

the goods;
contract;
commitment

the Treaty of Commerce and Navigation and the allowance to Russia of credit, Italian merchants and manufacturers have had a great deal of difficulty, first with the inspection by the Russian representatives of the goods under contract and second in the long time nature of the credit. The Italian Government has intervened on behalf of its own citizens, parties to contract, and has guaranteed to them 75% of the purchase price under certain conditions. While there have been considerable Russian purchases during the life of the trade agreements, payments have been promptly paid as they fell due but in view of the fact that original agreements granted credits covering periods of as much as 54 months, payments have so far been on a small scale and are only now beginning to assume substantial proportions. As a consequence of that situation, Soviet negotiators of the last trade agreement made very effort to obtain even longer term credits than in former agreements. But the credit feature was the only obstacle to the conclusion of these negotiations and an agreement was reached only after negotiations had been twice suspended and then only when a rupture in Anglo-Soviet trade relations caused the Soviets to accept an agreement containing an average credit period of 19-1/2 months.

- Confidential -

In this connection it is quite worth while quoting the words of Mr. Quaroni: "They already owe Italy large sums which must be paid beginning next year (January 1934) and in view of these obligations I do not believe that they are in a position to make new commitments on a large scale."

While no facts can be adduced in support of the statement

ment, it seems to be generally considered here that Russia is not in a position to make settlement either for cash or on short term credits and that the volume of purchases by Russia must necessarily decrease in the future unless she can make trade arrangements with persons other than those with whom she has been dealing in the past or on longer terms of credit than she has been able to obtain.

Respectfully yours,

Breckinridge Long.

Copy to Legation at Riga.

631

BL/ajl

Bst Long

September 11, 1933.

Dear Brock:

Just a line to tell you that T.R. Jr.,
lunched with us at the White House on Friday
and was most cordial in every way. F.D.R. Jr.,
came back on the steamer with him and apparently
everything was lovely!

I hope all goes well. Signor Mussolini
has a wonderful chance to force through an
agreement at the Disarmament Conference. Frankly,
I feel that he can accomplish more than anyone
else.

As ever yours,

Honorable Breckenridge Long,
Embassy of the United States,
Rome, Italy.

FDR:ED

PSF Lang

EMBASSY OF THE
UNITED STATES OF AMERICA

Rome, Italy
August 2, 1933.

My dear Chief:

I have probably done the wrong thing, but I have been courteous. Your distinguished cousin Theodore Roosevelt arrived in Rome last night. I did not meet him at the train nor get out any particular brass bands, but he came to the Embassy this morning and I was courteous. He said he wanted an opportunity to talk about conditions in Italy. I afforded him that opportunity by taking him for a swim at the beach and to lunch by the sea. Tonight I am having him and his wife and a few other people to dinner. I am also asking in fulfillment of his desire that he be received by Mussolini.

I think I should tell you this, however. He told me that he had resigned the office of Governor of the Philippines voluntarily and instantly that you assumed office in order that in the future he might be in a position to say to his Republican colleagues that he was under no obligations whatsoever to you in a political way, and in case he should support you in the future that they would not be able to say that he was actuated by a desire to repay you for political favors.

I was just a little surprised and ejaculated "But of course you have no idea of supporting him in the future."

To which he replied, "Well, of course I am a Republican, but there are times when one must leave their Party and become an American, and I can support many of the things which Franklin has advocated. Of course," he said, "I

The President

August 2, 1933.

am not oriented as to the situation in America. I have been away for five years. But I am not going to assume the position that everything that has been done is wrong."

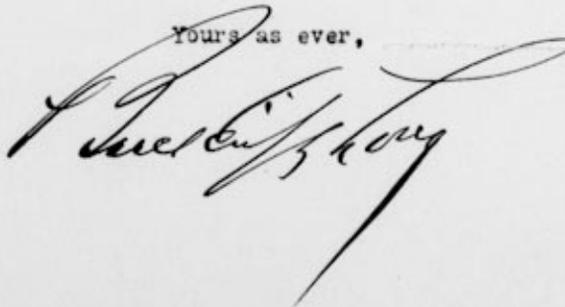
I suggested that when he got home he would find that a number of his associates had accepted you lock, stock, and barrel, but that I felt that he might find himself in an embarrassing position in doing so.

He said, "Of course, I may be forced to take a position in opposition to him, because--and I say so confidentially--it may be that I shall have to lead the opposition against him."

Of course there was no possible reply to the suggestion, but I know that you must be terribly frightened to hear about it!

Of course the above is a repetition of an intimate conversation. Why he should ever have confided in me is known only to him and perhaps to God. Nevertheless, I feel justified in sending it along to you with the hope that you will not broadcast it as coming from me.

Yours as ever,



The President
Hyde Park
New York

OFFICE OF THE
SECRETARY OF STATE
WASHINGTON, D. C.



DEPARTMENT OF STATE

The President

Hyde Park

New York

U. S. A.

BY POUCH

[Handwritten signature]

[Handwritten signature]

PSF Long

62



EMBASSY OF THE
UNITED STATES OF AMERICA

Rome, Italy
September 14, 1933

My dear Chief:

Austria is going Fascist. Mussolini is a master political salesman. He is also the master of neighboring international situations. He has sold to Dolfuss the Fascist idea as a method of escape from a Nazi Germany. He has held out the prospect of satisfying the Nazi psychology with the substance of Socialistic doctrine without the baneful influence of Marxist philosophy. And with that bait he has diverted Austrian mentality from Anschluss, and from his conception of a situation tantamount thereto--a Nazi Austria--and directed it to a Fascist Austria, sympathetic to Italy, politically kin to Italy and with an objective related to that of Italy.

On the part of Dolfuss it has averted internal strife with the Nazis, has provided an escape from the possibility of a losing fight against Austrian Hitlerism and has afforded a political compromise whereby the strength of effervescent Nationalistic sentiment is brought into cooperation with national industrial necessity and in consequence of which the present government in Austria can continue in charge of a state to be fashioned on economic rather than on political bases.

To understand the significance of this new development something of the characteristics of the Italian Fascist state must be remembered.

The President

September 14, 1933.

Popular representation has been discarded. Instead of electing representatives because they are residents of a geographical district or because they are supposed to represent a political party in that area, persons are selected because they represent a trade or an industry in a geographical territory. The fact is frankly acknowledged that the State is not only an aggregation of individuals whose life, liberty, and happiness is to be preserved, but that the State is an aggregation of individuals who depend for their existence upon certain specific economic, industrial, or commercial activities which, along with the right to life, liberty and pursuit of happiness of the individual are the concern of the State. Consequently the State is not only interested in the economic, industrial and commercial activities of its citizens, but is so much interested therein that it assumes to control them for the protection of its individual citizens and in order to promote or to preserve a regulated right to life, liberty and pursuit of happiness of the individual citizen.

The method the Italian Fascist State employs to accomplish this is to resolve itself, as regards its citizens, into various Corporations, six in number, and representing:

Production

By the Agricultural Corporation
By the Industrial Corporation

Distribution

By the Commercial Corporation
By the Railroad, Steamship, and Airway Corporation.

Credit

The President
Credit

September 14, 1933.

By the Banking and Insurance Corporation
and Heterogeneous Activities

By the Authors, Professional Men and Scientific Corporation.

Grouped into one or the other of these six heads are all the members of an ordinary society. When so grouped each Corporation is divided into an employers corporation or an employees corporation which have no connection nor any common bond except to contract with each other through their specified representatives for mutual and for the State's benefit, and to operate under the supervision of the State authorities.

The national legislative representatives of the State are chosen from geographical districts but are nominated, in each district, to the total number of more than 1000, by these Corporations. The list of nominees is submitted to the Supreme Fascist Council which examines each candidate and eliminates all but 400, who are supposed to be representative, in the strict meaning of that word, of the moral, intellectual, scientific and trade life of the district from which they are nominated and of Italy. The revised list is submitted to the electorate--but without opposition. They are Fascists. There is no other party. They are ipso facto elected. But they represent the industrial, commercial, intellectual, and scientific forces of the country. They are qualified, among their membership, to discuss intelligently any question of public concern and to legislate with scientific discrimination. There is no political opposition--as such--because there is no majority nor any minority party to the leadership of which falls the partisan duty of maintaining or instigating a fight in legislative halls because the question presented was or was not

The President

September 14, 1933.

approved by a party caucus. They listen to debates carried on by experts in the various vital activities of the country and express by their votes the approval or disapproval of intelligent persons devoid of partisan bias.

That the legislature is, in Italy, for the time being subordinated to the dictates of the Supreme Fascist Council, which in its turn is composed of members selected by Mussolini, is not only testimony adducible to support the alleged extraordinary personality of the Head of the Government but is a relic of those days which preceded the effective formulation of a political philosophy for the Fascist State.

Now, however, the Fascist State exists and Mussolini has been able not only to develop it in Italy but to sell the idea to neighboring governments distraught by political strife. Nor is that all. He has used the idea of Fascism to wean Austria from German domination and to incline the competent authorities of that government with the thought that the Fascist doctrine of Italy is preferable to that system now dominant in Germany and which might be characterized as the product of an erring disciple of Fascism.

The consequences of the adoption of Mussolinism by Dolfuss are to draw Austria from Germany, to create a closer bond between Austria and Italy, to postpone Anschluss to the indefinite future, to insure temporarily an independent Austria as a buffer state, and to strengthen the hand of Mussolini in European political circles.

The phenomenon of the political cunning of Mussolini in bringing about a compromise in Austria between the Dolfuss Government and the Nazis,

The President

September 14, 1933.

whereby substantial elements of the letter will support the existing government in exchange for partial responsibility for that government-- is interesting--but its real significance would be lost if it were not considered that the actual adoption outside Italy of the principles of the Fascist State--the Corporative State--is an event of considerable importance in political history. It stamps Mussolini as being not only Europe's best political salesman, but an outstanding international strategist and a political evangelist as well.

We are all watching your work but we are not very well informed from here. I wish the Department could devise some method of keeping us in touch with developments at home. They do send us Press reports through the pouch, but they get here about two weeks late. If they could send a weekly or semi-weekly telegram to Paris for distribution from that point to the various important missions in Europe letting us know something of the Government's policy and the meaning of some of its acts, it would help us to keep in touch with things there as they are developing. As it is, we have to depend upon a foreign and controlled press and get very little real information. The British Embassy here for instance gets two or three telegrams a day explaining various of the Government's acts and the reasons for them. Since I have been here I have had one such telegram and that was recently and concerned Cuba.

With every good wish,

Most sincerely,

The President
The White House
Washington, D. C.

your friend
Franklin D. Roosevelt

National Recovery Act in the United States.

PSF Long
Translated from the
"Popolo di Roma" of
9/13/33
B.L.

The Blue Eagle, in the estimation of the POPOLO DI ROMA, is not destined to "fly toward the sun of economic recovery." While the Blanket Code has been forced upon the country's industry, prices are failing to keep pace with costs, and meantime industry is seeking in vain the necessary credit to carry on its undertakings. One needs no gift of prophesy, says the newspaper, to foresee that the banks are not going to lend a dollar more, but perhaps a dollar less, to industry because of the new program: for a bank cannot lend more than it takes in, and a bank that must grant credit willy-nilly, because ordered to do so, is a bank that will wait in vain for deposits from savings investors. In other words, affirms the POPOLO DI ROMA, President Roosevelt is attempting to solve a crisis of confidence without building his program upon confidence.

This is
critical of
your policy
but it may
interest you
B.L.
9/14/33

The present world situation, continues the newspaper, arose because of unlimited and unjustified credit to industry, so that bank and industry became inextricably engangled. In Italy the day was saved by creating special institutions to relieve the banks of their excessive holdings of industrial shares while new organizations were created to succor such of the country's industries as were useful to national economy. The United States, on the contrary, has violated the laws of economy - but the laws of finance will not tolerate violation, which fact is now being experienced in that country. There is a flight of capital from America toward countries having a sound money, and this flight becomes more pronounced as the recovery program progresses. The Americans are

alarmed because they feel that this is the real cause for the depreciation of the dollar. Speculation feeds it and is fed by it; the gangster element, now that prohibition is abolished, has hurled itself into this new game, which is less dangerous and more profitable than the old one. President Roosevelt, who is working toward a system of direct economy based upon the equilibrium of all the factors of production and whose starting point was inflation, should have a ready brake adequate to check the descent of the dollar at the proper stage.

This maneuver, the POPOLO DI ROMA feels, is extremely dangerous, and especially so for other countries, since it amounts to a veritable attack upon nations having sound currencies, which are forced, therefore, to unite into a bloc to defend their money and consequently the confidence which they have built up. Without confidence, concludes the newspaper, there is no salvation, as the United States is now demonstrating.



PSF Long *Confidential File*
EMBASSY OF THE
UNITED STATES OF AMERICA

Rome, October 25, 1933.

Dear Jin,

With reference to our talk about Soviet relations and the historic part in which Italy has been connected, I find it rather difficult to remember just what you wanted or just what I said, which seemed to strike you as pertinent. So I am sending you what I think is rather a good resumé of the subject and which is a copy of the covering despatch I sent with a memorandum on Russian-Italian trade relations. This is a confidential document and you must treat it as such because Italian statesmen are quoted in it and certain information is contained in it which is of a highly confidential nature.

That part of the enclosed paper which is contained on page nine and which begins at the bottom of page eight I may supplement by saying that the Soviets have bought from Italy a grand total measured in lire in the sum of 753,000,000, and they have paid on account only 174,000,000 lire. This is the situation as of May 1, 1933. Their purchases began on a credit basis in 1924, so that at the end of ten years they had made payments from time to time in the total sum of the figure quoted

James Roosevelt, Esquire,
c/o American Consul General,
Naples.

above

above, and they still owe for goods purchased during a ten year period nearly 600,000,000 lire.

Now that would not be so remarkable were it not for the fact that they demanded last spring longer credits for additional purchases. When the longer credits were refused, negotiations were broken off. They went at it again and negotiations were again broken off. Finally, when England broke off trade relations with Russia, Russia rushed back to Italy and accepted the shorter term credits which had been proposed by Italy; and the noteworthy part of that is that Italo-Russian trade has diminished enormously in volume since that time. It has fallen down to less than half.

Russia is now facing a situation in connection with her relations with Italy which demands that beginning with January 1934 she will be expected to pay very large amounts on her outstanding balance. She has not the money with which to pay, so she is looking for some third person from whom she can buy on long term and get the assets to convert into cash so as to make good on her old obligations to Italy and other countries.

I am concerned principally in the conversations which are about to begin in Washington about two things: first and foremost is that very great care be given to any political

commitments

commitments with Russia; she does not respect political engagements, or has not in the past, and they heretofore have only served the purpose of making it possible for Russia to exercise very drastic treatment on citizens of the other country resident in Russia when the efforts of Communists in the other state are dealt with forcibly by the authorities in that state. You will read in my covering despatch about her retaliations upon citizens of Germany and Poland and the very salutary situation in that respect which developed in Italy because of the lack of formal political commitments with Russia. The second matter about which I am concerned is that; in our effort at home to get rid of surplus supplies, large quantities of raw cotton, for instance, will be sold to Russia. She would then be in a position to do one of three things: a) to manufacture cotton goods and put them on the world market in competition with our own; b) to sell raw cotton to Italy at a price under the world market and in satisfaction of her obligations to Italy; and c) to use it for high explosives (in Europe). If any of these three things should transpire, it would have been much better for us to have taken the cotton out to the deep ocean and to have thrown it overboard.

If Russia should sell that cotton to Italy, Italy would immediately make cotton goods out of it and put it into the world market in competition with our own.

Of course the stimulus to Italy's trade with Russia was a

guarantee

guarantee of 75% by the Italian Government that the obligations from Russia would be paid. Up to date they have been paid. In case they are not paid in the future the Italian Government will be called upon by its own citizens to compensate them for the loss of 75% of the value of the goods. Any loan we should make to Russia out of Government funds for the purpose of buying goods in America would amount to the same procedure on the part of the United States Government - up to the amount of the loan. But even that stimulus has been unable to extract cash from Russia or to continue the volume of trade when it is based on short-term credits (vide the distinct falling off under the present short-term commercial arrangement).

But these things are only commercial in their effect and can mean only loss or gain in money to our citizens. They are not as material as the political commitments which the Government might make and I hope sincerely - most sincerely - that every precaution will be taken against making it possible for Russia to take retaliatory action against American citizens on the basis of some political arrangement, and I hope the right will be reserved by the authorities of the United States to deal summarily with Bolshevik activities and Communistic agitations in America, particularly so if the Soviet Embassy or any of the agencies of the Soviet Government in the United States should be the means of inciting or extending propaganda and Communistic activities.

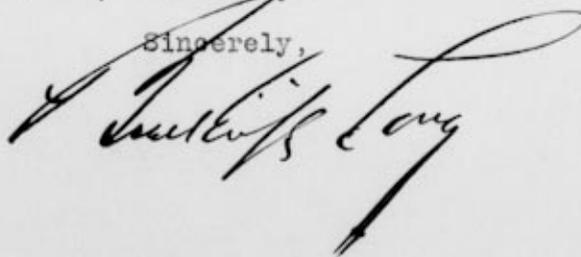
I am afraid this is rather a rambling letter. It has been dictated hurriedly because I have had rather a full day and can only look forward to the next few days with the expectation that they will be full too.

If you should be interested in pursuing further the subject of Russian relations you will find a very complete report on the situation vis-a-vis Russia and Italy in the form of my report on Russian-Italian trade relations from 1909-1933, which went forth to the Department with the despatch copy of which I am enclosing.

It was bully to have seen you and Betty and to have had you at such close range for a while, and we shall hope that you will come back again before very long.

With every expression of good will, and with many messages of admiration and affection to Betty, and with best wishes to your mother and father, I am always

Sincerely,

A handwritten signature in cursive script, reading "Philip Long". The signature is written in dark ink and is positioned to the right of the typed word "Sincerely,".

Enclosure.

BL/ajl



PSIF Long

EMBASSY OF THE
UNITED STATES OF AMERICA

Rome, October 31, 1933.

Dear Jim,

Continuing the subject matter of the letter which I sent you through the Consulate at Naples, I am taking the liberty of sending this through the courtesy of the Consul General at Genoa.

I would like to emphasize that I firmly believe we ought to recognize Russia. The Soviet regime is the de jure government there. It passed the de facto stage years ago and has maintained its authority throughout the geographical confines of Russia. There is no doubt that it exercises sovereign authority there, nor is it questioned in any quarter that any fraction of the population there can successfully challenge its authority. So that its de jure character is not open to dispute - particularly when considered in its historic aspects.

For some years I have been of the opinion that we should accord it formal recognition and I continue firmly of the same opinion. However, formal recognition is one thing, and formal political treaties are another thing.

By recognition we simply admit that that government exists and exercises complete authority. We do not pass upon its moral aspects, the sources of its authority, or the method

James Roosevelt, Esquire,
c/o W. Roderick Dorsey,
American Consul General,
Genoa.

of

of its control.

After recognition then comes the establishment of diplomatic relations and probably the negotiation of a consular convention so that our consuls can operate there and theirs be recognized by us. That permits business to be transacted, bills of lading and invoices to be passed and vessels to be cleared.

So far so good!

The next step is a commercial treaty. That ought to be carefully prepared and the policy constantly kept in mind that through the instrumentality of a commercial treaty we can control "dumping". The Russians are great "dumpers". Wheat, oil, wood pulp - anything they can get their hands on they "dump" if and when they get good and ready. But if we negotiate a commercial treaty with them and fix in that treaty the maximum quantities of specific goods they may import annually, and fix the quantity in tons or in dollar values - we have them under control so they can dump only certain amounts. That policy actually controls "dumping".

Up to this point I would be willing to go if I was vested with authority - and its concurrent responsibility. Beyond that I would not now tread!

We ought not to be hampered in our control of Bolshevik or Communist activities in America. If we make a political

arrangement

arrangement with them for extradition, or for special protection of citizens, or for exchange of political prisoners, they will abuse it and use their police force to make arrests of innocent Americans on trumped up charges to gain the liberty of Communists arrested in America.

Any other political treaty they will violate ad libitem if they continue the line of their practise with European governments (except Italy, which has kept the whip hand).

So I trust you will read this as a preface to the letter I recently sent you and will lay the matter before your father at your earliest opportunity. I see Litvinoff sails from Le Havre today so that you and he will probably arrive at about the same time, and the matter is so involved ^{with} ~~that~~ our future relations not only as regards our commercial activities but as concerns our other contacts in Europe and our Far Eastern position ^{that} ~~with~~ the political aspects of it, demand the closest of attention.

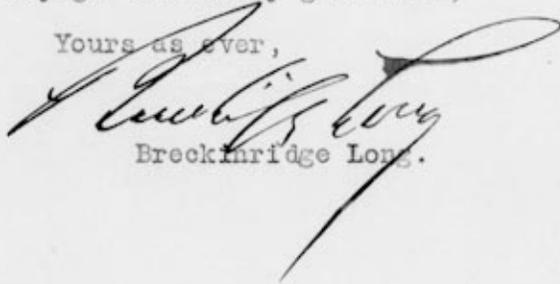
I am sending a letter of introduction to you by a young man, Count Fumasoni Biondi. He is young, very intelligent, and resident in Washington as the representative of one of the biggest Italian papers. He is a great admirer of America and of your father, and I hope you will be nice to him aboard ship. He might be very useful in Washington. He is supposed to be

the

the news representative there of the Fascist organization
and he warrants cultivating.

With a final "bon voyage" and every good wish,

Yours as ever,

A handwritten signature in cursive script, appearing to read "Breckinridge Long". The signature is written in dark ink and is positioned above the typed name.

Breckinridge Long.



*Mr. Phillips
to read + return*

Rome, Italy
December 12, 1933.

Dear Frank:

I wrote you under date of December 8 about the possibility of Italy re-valuing the lira. That letter was based on a conversation I had with Ruggieri, the Chase National Bank man here, and following a conversation he had with the head of the Bank of Italia.

I now have to correct what I said then. Since I wrote that letter Asquini has made a very important speech. Asquini is the Under-Secretary of Corporations. Mussolini himself is the titular Secretary (one of his seven). Since Asquini's speech I have had a long talk with him. As a result of that I am now convinced Italy will take another course.

As a predicate, the Fascist State has issued enormous quantities of securities which they have sold to their own people. They have induced them to invest their savings in Government securities in the thought that the lira was valuable and would continue to be valuable and that saving it was worth the effort of the Italian citizen. Mussolini feels that to devalue the lira would be to break faith with those people, for they have invested their savings in Government securities on his assurance.

Nevertheless, Italy finds itself in this serious predicament. Its foreign trade has fallen off enormously. The high price of the lira prevents the manufacturers from exporting. The manufacturer cannot sell abroad because his price is under-cut by the United States, by England, and particularly by Japan. They want to recover their foreign trade because it means a living

The President

December 12, 1933.

wage to many millions of Italians who would otherwise be forced into the ranks of the unemployed. It is too expensive for the Government to subsidize all the manufacturers who are in the export business--so that is out of the question. They do subsidize a few, such as a few automobile companies who manufacture necessary transportation for Italian armies and who cannot survive on that business alone. But as a general rule the Government is unable to subsidize; so, according to Asquini, they have decided to cut down the cost of production at home--or at least to try it. They have just now reduced the interest on loans to $2\frac{1}{2}\%$. They are going to decrease wages. They are going to decrease the cost of insurance and all of the smaller items that run into "overhead." The decrease in the cost of labor will decrease the cost of such raw materials as they are able to produce. The high value of the lira enables them to buy other raw materials abroad at a cheaper rate in Italian money. So that the manufacturer with smaller bank rates, smaller insurance rates, smaller overhead charges, smaller wage scales, can manufacture at a smaller cost and can himself take a smaller profit. The result will be that the lira in Italy will buy more than it buys today. It will also mean that they can compete with other countries the currencies of which in international exchange are worth less than the lira. Such countries can manufacture cheaper for the world market than Italy can at present. Under Italy's new program she will manufacture, she hopes, at a smaller cost so that she can compete in the world market with the products of the other countries.

The President

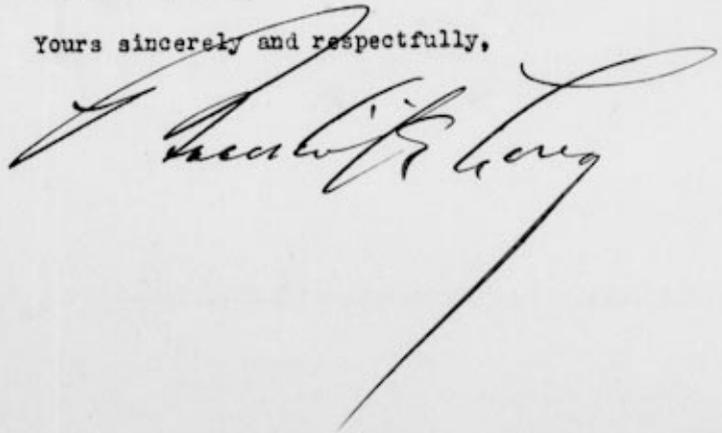
December 12, 1933.

Another phase of their plan is to engage in a series of unilateral commercial agreements with other countries the products of which they need or with whom they have large unfavorable trade balances.

Having led you to the belief in my recent letter that there might be some devaluation of the lira, I now write this to offset that impression, because I am convinced now that the authorities in control of the Italian Government are bent upon the plan I have outlined above. I had Asquini at dinner the other night and talked to him for three hours and went over all of the industrial, commercial, and financial phases of the national and international aspects of the Corporative State Plan.

With kindest regards and best wishes,

Yours sincerely and respectfully,

A large, elegant handwritten signature in cursive script, which appears to be "Franklin D. Roosevelt". The signature is written in dark ink and is positioned to the right of the typed name "Franklin D. Roosevelt".

The President
The White House
Washington, D. C.

PSF Long

DEPARTMENT OF STATE

DIVISION OF WESTERN EUROPEAN AFFAIRS

file
Private

January 6, 1934.

Mr. Phillips:

The enclosed analysis of the situation from Rome is interesting, but I think it is too much simplified. In particular, I think it under-emphasizes the influence and power of Great Britain and the extent to which she can still hold Italy in line. I likewise doubt whether Italy could hope to succeed in drawing Germany and Russia together, particularly as long as Russian pre-occupations in the Far East are not stilled. Such information as we get leads us to feel that Russia is playing far more with the French bloc than with the German. The whole scheme, if worked out, might present a real source of peril but it is far from worked out to date. Already, according to Mr. Long's latest telegram, the British have persuaded the Italians to subordinate League reform to progress in disarmament. But the day when Mussolini held the key to the disarmament situation has passed. Ray Atherton told me that the British Government no longer considered Italy as a first rate diplomatic power, though still useful as a stalking horse if they could flatter Mussolini into taking an initiative for them.

If,

DIAR
EPI

DEPARTMENT OF STATE

DIVISION OF WESTERN EUROPEAN AFFAIRS

-2-

If, however, the analysis is correct, the prime lesson to be drawn from it is that any armaments agreement on an upward basis is a purely European adjustment in which we should not become involved and that our old policy of helping in disarmament but disinteresting ourselves in rearmament is the only sound one.

P. M.

Pierrepont Moffat.

WE:PM:VAS

REPT OF
LROS IF
COLLECT
IT
Diary

THE WHITE HOUSE
WASHINGTON

THE UNDER SECRETARY
JAN 3 1934
DEPARTMENT OF STATE

January 3, 1934.

MEMORANDUM FROM THE PRESIDENT
FOR THE UNDER SECRETARY OF STATE.

Will you speak to me about this some
day?

PSF Long

EMBASSY OF THE
UNITED STATES OF AMERICA

Rome, Italy
December 15, 1933.

Dear Frank:

I am really sorry to trouble you so much with these letters. The subject matters however are so important I see no other course. I can't talk. You ought to know what I think. So--I have to write.

As seen from Rome, the attitude of Italy toward the current political situation in Europe, including disarmament and the League of Nations, is as follows:-

Disarmament:

- a) Italy sincerely desires disarmament, is and has been ready to agree to drastic reductions provided other governments do likewise. She has even diminished appropriations for both army and navy;
- b) Italy views the German attitude toward armament in a practical way, believing it better to concede something in the way of controlled armament rather than see the alternative, a Germany stealthily but effectively armed;
- c) Italy has been engaged in efforts of reconciliation and mediation with the hope of effecting some semblance of disarmament now and holding out the hope of more satisfactory reductions in the next few years.

Accompanying the desire for disarmament is the question of the vitality of the League of Nations and its continuing existence. Italy approaches the League and the disarmament problem as a united objective. Without the League disarmament progress will cease. Supervision, coordination and

The President

December 15, 1933.

unanimity will be lacking.

So the League becomes the most important of the two questions.

Italy views the League as: -

1) An agency under control of France and operated through alliances with Belgium, Poland and the governments of the Little Entente;

2) An agency for the enforcement of the sanctions of the Versailles and other post-war treaties;

3) A body composed of representatives of small countries who have no real power but whose positions on the governing organs of the League permit them to confound confusion and to become the objects of seductive gestures from other powers for the purpose of using their votes;

4) A body overgrown with bureaucracy, enmeshed with detail and encumbered by committees;

5) A body too costly for its usefulness;

6) A body ineffectual in world situations because of its pre-occupation with European politics - vide, especially Japan, Manchukuo, China.

With valid objections to the League, as it exists and as it is operated, Italy has determined to move for change in structure and change in objective - to make it more practical.

Failing, Italy will withdraw.

With Italy out - with Germany, Japan, Russia and the United States out - the League cannot survive even as a European influence. The withdrawal of Italy would, in all probability, be followed by those of Austria, Hungary, Turkey, possibly Bulgaria and Greece.

The consequence would be a return to the old system of alliances.

The President

December 15, 1933.

Visualizing the possibility, Italy is proceeding to lay the groundwork for possible alliances. She has maintained close relations with Germany. She has augmented cordial relations with Turkey, Russia and Greece and has been instrumental in assisting them to closer cooperation, between each other and with them individually and Bulgaria. She has strengthened her ties with Austria and Hungary, both politically and economically.

The result is that Italy is in a position to surround the Little Entente. Germany, Austria, Hungary and Italy on the west; Greece, Albania and Turkey on the south; Bulgaria and the Black Sea on the east; and Russia on the north, provided they were coordinating, would effectually surround the Little Entente and Poland and might render it more advisable for them, in circumstances short of war, to cooperate with the "Eastern Bloc" - east of the Rhine - rather than with France. In case of war they could be over-run.

The same alliance would cut France away from her Little Entente by drawing a straight line north and south - Germany, Austria, Italy.

In diplomatic moves it might leave France alone, to face world opinion if she blocked disarmament and reconstruction of the League.

In war it would cause France to face Germany and Italy with the strong probability of air assistance from Russia.

The maneuvers centering in Rome lead me unmistakably to the opinion that Italy is -

- 1) Trying, sincerely, to reform the League for peaceful purposes;
- 2) Laying the basis for extensive, encircling alliances for possible development in case France blocks either disarmament or reform of the League - and they are inseparable.

The President

December 15, 1933.

The position of England is enigmatic. Her position in case the League fails is unknown here but her power is discounted in Italian circles. They feel the British Empire is losing cohesion; that centrifugal forces are at work; that the growing independence of the dominions detracts from the centralized power of England; that England would probably take sides with the group opposed, fundamentally and in the long run, to excessive armament in Europe.

Of course Italy does not forget who controls the Mediterranean and her dependence on free ingress and egress. But her opinion of England as a military power on the continent is decreasing.

The German proposals: - 300,000 men, adequate armor, no offensive weapons, no gas warfare or bombing planes, gradual allied reduction, inspection of factories, and non-aggression pacts with each contiguous neighbor - with sanctions - will appeal to Italy, England, Italy's "allies." France will oppose - and her allies.

It has the color of increasing armament instead of decreasing. It will take a lot of explaining to convince the man on the street it is "reduction."

Nevertheless - Germany has a sine qua non. Some armament is necessary to satisfy her national self-respect. The non-aggression pacts will lend substance to her professions of peaceful intent. And the program offers a practical solution of the impasse in Europe.

The English think a French government with Paul-Boncour, Daladier, and Herriot could hold the country in line for acceptance.

If she does accept. O. K.

If France and her allies continue opposition - the show is over.

The President

December 15, 1933.

Germany will arm anyway. There will be no supervision and no agreement of any kind. France cannot attack. It is too late. Germany is a tough nut today - and France knows it. Chemical warfare would be the result of invasion. It would be a difficult task indeed to penetrate Germany, even on the pretext of preventing armament.

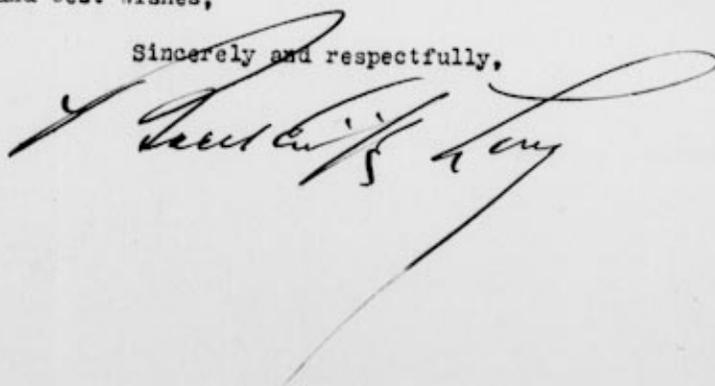
So, while the German proposals may look like a program for armament, it is the best European produce today. It seems the only practical step to get somewhere on the road to armament reduction during the next ten years.

And if it fails - disarmament and the League may both be memories of the past.

If you can lead the way out - consider it. But, the political penalties of failure, even of partial success, are severe - as we have learned.

With kindest regards and best wishes,

Sincerely and respectfully,



The President
The White House
Washington, D. C.

THE WHITE HOUSE
WASHINGTON

February 28, 1934.

PRIVATE AND CONFIDENTIAL

MEMORANDUM FROM THE PRESIDENT
FOR THE SECRETARY OF STATE

This is for your eyes only. I do not think that anyone else should see it. It is interesting even though there may not be anything in it.

LETTER FROM BRECK LONG ABOUT SITUATION
IN FRANCE. FEB. 7, 1934.

C. G. ...



EMBASSY OF THE
UNITED STATES OF AMERICA

Rome, February 7, 1934.

~~Highly Confidential~~

Dear Frank,

I would like to talk to you a few minutes about a situation developing in Europe which may not amount to anything but which has such possibilities that it is well worth keeping in mind and watching. I am not sending a despatch to the Department because there are no facts. So I take this means of bringing directly to your attention a situation which may develop and have wide-spread consequences.

There is a well defined movement to restore the monarchy in France. Strikes and rioting in Paris, which have now spread to various of the outlying cities, are being carried on under the direction of the ACTION FRANCAISE with communist support. The ACTION FRANCAISE is the royalist organ. There are possibilities of a Bonapartist restoration - which I discount. The other possibility is the restoration of the house of Orléans-Bourbon, now united in the person of the Duke de Guise. He is the Pretender to the throne of France.

His

The President,
The White House,
Washington.

His daughter is Françoise of France. She is married to Prince Christopher of Greece whose nephew is the Pretender to the throne of Greece. Françoise is a very clever young woman. She is in Rome and from Rome is intimately in touch with developments in France.

I know her very well and have talked to her about this matter very guardedly on several occasions. Her brother is the Count de Paris and as such is the heir apparent to the Pretender to the French throne. However, he is well known to be an illegitimate son and therefore is not considered by circles which are backing the royalist cause, to be eligible. He has his headquarters in Brussels. Françoise has a sister who married the Duke d'Aosta. He is the second in line to the throne of Italy. The Crown Prince in Italy is not at all well liked and has made remarks critical of the Duce. He is presumably not in favor with the Fascist chiefs and certainly is not popular with the people of Italy. On the other hand, the Duke d'Aosta is on intimately cordial relations with the Fascist officials and is the most popular of all the figures in connection with the royal family.

Because of the stigma attached to the brother of Françoise and naturally the odium in which her mother would be held by the legitimists, it is quite possible that she might figure in the picture rather than her brother and rather than her

father

father, who is himself the actual Pretender. She is shrewd, careful, well educated, intelligent and politically-minded. She has conducted herself very well in Rome where she has been given the royal rank.

The situation in which France finds itself today is lending itself to the furtherance of the royalist schemes. There is intense dissatisfaction with the Government there. In fact it goes farther. There is wide-spread discontent with the parliamentary system. This is fostered of course by the royalists and also by the communists, but it is being helped by the idea of Fascism, which has some ardent supporters in France. The theory of a monarchy is not far removed from the dictatorial principle of government so prevalent in Europe. In both systems power is concentrated and almost absolute. In one, it is transmitted by heredity. The other lacks that element. But both represent a high concentration of power in the hands of an individual. The continent of Europe is pretty well committed to that idea for the time being. Vide Russia, the Balkan states, Germany, Austria and Italy.

When people attain a nervous pitch, somewhat more exaggerated than actually exists in France today, and labor
under

under the impression that they are against a principle of government or against a set of men who symbolize in their minds a principle of government, they are apt to run off at any tangent. The French are notoriously and historically that way. There was the Revolution of 1789, the Triumvirate, Napoleon, the Republic, the Restoration, another Republic, another revolution, and now the Third Republic. They are not committed to any form of government. They are excitable, emotional and possessed of great power under the influence of mass psychology. If they increase their nervous tension there might easily be an opposition to the present government carried on by various elements which in themselves are incompatible except in their opposition but which would result in the adoption of one or the other of the ideas held by those temporarily in opposition to the existing government. It might more easily be, and much more easily, a restoration of the monarchy than the revival of the Bonapartists or an accession to power of communism.

But there are several other elements, which indicate that some persons in the government itself are parties to the possibilities of a restoration. Chiappe has just been dismissed as Chief of Police. His name has been associated with the

restoration

restoration movement. His dismissal no doubt was partly responsible for the increased manifestations of rioting. Last night they were worse than at any other time. He has declined to go to the colonies and continues in France, where in spite of his dismissal he has many political and official connections.

Our friend Tardieu has lost some of his political power and is not now considered to be one of the leaders of French political thought but the fact is that he lost it because he declined to cooperate with his successors in office and has been considered to be something of an opportunist and playing with the royalists.

Our friend Charles de Chambrun is the French Ambassador in Rome. He is leaving tonight for Paris. He is a member of the Cincinnati. He even wears his Cincinnati medal on his uniform when they wear medals. The Cincinnati are considered to be part of the royalist group, at least amongst the anti-parliamentary elements, in Paris. They are distinctly of the right - of the extreme right - and have given reason to be suspected of being sympathetic to a restoration. Whether de Chambrun partakes of the political theories of his colleagues in Paris, I do not know. However, he has now as a house guest for whom he gave a big dinner

dinner the other night, Marquis de la Ferronnays, who is a royalist member of the Chamber of Deputies. Françoise was at the Embassy that night and something must have transpired there because to one or two of her intimates she manifested great excitement and perturbation and left the Embassy under a considerable emotional strain as soon as she could politely and courteously do so, though not as soon as she wanted to do so.

I bring de Chambrun into this picture only on suspicion. But if he is in it, no doubt his two brothers are in it; the Marquis is a member of the French Senate and one of its influential members; the other brother, as you know, is a general in the army.

The Princess Françoise and the royalists generally lack money. It is hard to see how they could finance a coup. I have strong reasons to suspect - though this is all a fabrication of conjecture and thin filament - that a man by the name of Fummi, who is the representative in Rome of J.P. Morgan and who has access to all the financial circles in Europe, is acting with Françoise and within her entire confidence. I am morally certain of the last statement. What his function is - I can only assume that it is as a financial agent in addition to being a close personal friend. That Morgan could be brought into such a movement, I seriously

doubt,

doubt, but his French banking connections might find it to their political advantage to be on the inside of a movement if they had any idea that it was going to succeed.

Fummi has access to the Italian authorities. The Italian authorities have been very courteous, to say the least, to Françoise. Italy looks with grave apprehension upon the continuance of an unsettled situation in France. France can make no commitments. Nobody can speak for her. With France in the shadow of a political revolution, the hand of Germany is strengthened and the delicate situation in Austria becomes more acute because Italy cannot rely upon French aid in preventing Anschluss or even a Nazi coup with some German assistance. So that the lack of responsibility in the French Government - or what goes by that name - is upsetting the picture and the balance in Europe and it is a matter of serious concern to Italy. Consequently Italy would be glad to see something happen in France which would put the government in control of a definite group who could speak for France and could re-enter European politics on the side of Italy. There is also the well-known thought that Mussolini would like to see dictatorial governments throughout Europe.

Given

Given these elements, you have this possibility - that Italy, under cover and without showing her hand, would give some clandestine support to the cause of Françoise whose own sister might easily soon become the Queen of Italy. Françoise and her crowd would be willing to make any concession. They want the throne. They would accept a dictator under them and themselves retain the nominal function of sovereignty. If Mussolini could find in France a satisfactory person to cooperate with him and Françoise would accept - and no doubt she would - Italy might be very glad to help in such ways as she could, even financially - ~~Particularly~~ in view of the fact that the Fascist Grand Council has authority under the Italian system of government to pass upon the succession to the throne and to veto the accession of the Heir Apparent. The Fascist Grand Council is Mussolini's mouth-piece. Since they do not like the Prince of Piedmont, the Crown Prince, and do like the next in line, his cousin the Duke of Aosta, they might easily exercise their power and declare him king when this one dies. Then Françoise's sister would be on the throne of Italy and if Françoise or her father or even her brother were on the throne of France, each of them rendering authority to a dictator to exercise functions of state in their name, it would be a development which would be very pleasing

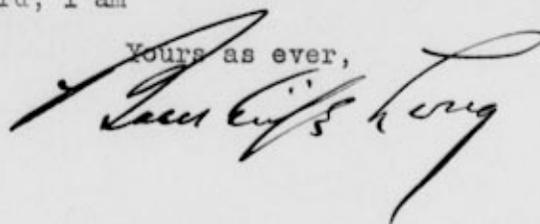
pleasing to Italy no doubt.

How much of this you will hear from other places I don't know. I have no way to find out. I cannot write about it, nor can I talk to anybody here - except possibly to Françoise herself. It is not a matter one could talk about with the members of the Fascist Government or with any other element in Rome. There are very few people in Washington who ought to know that I have written such a letter. But the political possibilities of the situation are so interesting, and the movements in France are so corroborative of my suspicions that I feel there is some substance to my intuitive sense. It all may come to nothing. However, while the elements are before our eyes and some of them working, I think it is the part of wisdom to watch it, and I bring it to your attention just so that it will be somewhere in the back of your head. You have enough things to worry you at home but this won't worry.

Apologies again for the length of this, but it didn't seem possible to make it much shorter.

With every good wish and expressions of affectionate and respectful regard, I am

Yours as ever,

A handwritten signature in cursive script, appearing to read "Paul Elieberg". The signature is written in dark ink and is positioned below the typed text "Yours as ever,".

PSF Long

May 28, 1934.

~~CONFIDENTIAL~~

MEMORANDUM FOR THE SECRETARY OF STATE:

Referring to #102, May 23, from Long in Rome, what would you think of my asking Colonel Frank Knox to come to see me when he comes back to this country and try to draw him out about his trip?

F.D.R.

Colonel Frank Knox of Chicago Daily News and North American Newspaper Syndicate has recently been to Rome. Learns that objective of his visit was to gather ammunition from the alleged failure of Fascist regime to use in newspaper editorials and press articles as arguments against the NRA.

x 466

DEPARTMENT OF STATE

THE SECRETARY

June 9, 1934.

Memorandum:

Returned to the President by the Secretary of State.

*Private
Dyf. 5*

THE WHITE HOUSE
WASHINGTON

June 8, 1934.

~~CONFIDENTIAL~~

MEMORANDUM FOR:

The Secretary of State

Please read enclosed and return to me.

F.D.R.

*Interesting -
Hull*

PSF Long

~~Chief~~

Rome
May 23, 1934.

My dear Chief:

I cabled you today about Colonel Frank Knox's activities in Rome. I was advised in deep confidence by one of my friends who is in the Press here that he had had several long talks with Colonel Knox and that he had had also several long talks with Richard Washburn Child. Of course I write you in all the confidence which in your discretion you see fit to respect. I do not like to write the name of my informant, because it might react against him.

Knox is definitely opposed to your administration and is seeking material to provide arguments which will undermine public confidence in the N. R. A. Whether his former connections and personal contacts with Mr. Hearst have any bearing upon his present inclination was the subject of speculation here. The significant part of it, however, is that he had several talks with Child, and my informant tells me he offered Child \$1000 each for articles to be written for the North American Newspaper Union carrying out Knox's ideas. It is also understood that Child has accepted the assignment. I did not like to name Child in my telegram, and I have a hesitancy in writing even to you on this subject, but I know that you will not misunderstand me and will appreciate the peculiar position in which I find myself,

The President

May 23, 1934.

but as usual in a matter like this my loyalty and allegiance know only one direction. You are not only the head of my Government, but you are the chief of my Party, and my devotion to each is life-long and of the utmost sincerity. Under those circumstances I feel that I should tell you that Child apparently is using the visit he made to Italy to get material which will bring him some pecuniary profit and which will be directed, probably not openly, against the operations of the N. R. A.

Child was perfectly friendly to you in his conversations with me. My information may be entirely wrong. My informant may be wrong. But he is such a careful person and is so well trained in matters of this kind and the circumstances of his conversations with them were on such an informal basis, for my informant knows each of these gentlemen well, that the matter must rest in my mind in the status that the burden is on the other side to disprove the correctness of the information.

From your point of view it may be just another one of those developments with which you are constantly faced. However, from this point of view it is the only real sign of opposition to you or to your administration which has come to my attention.

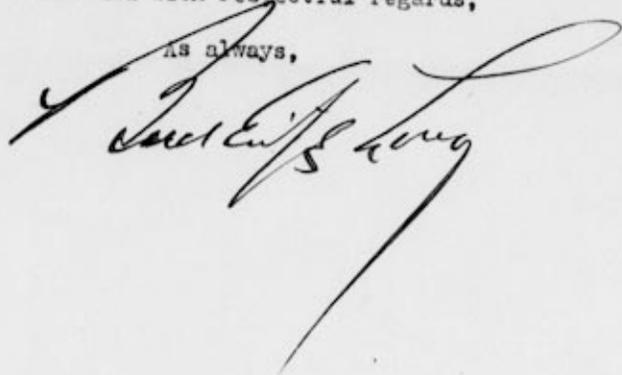
The President

May 23, 1934.

At any rate I feel that I should lay the matter before you for the attention of such of your entourage as you think should know it but with the expressed hope that you will be able to preserve the confidential nature of the communication.

With every good wish and with respectful regards,

As always,

A large, elegant handwritten signature in cursive script, which appears to read "Paul E. Taylor". The signature is written in dark ink and is positioned to the right of the typed text "As always,".

The President
The White House
Washington, D. C.

PSF Long

THE UNDER SECRETARY OF STATE
WASHINGTON

October 24, 1934.

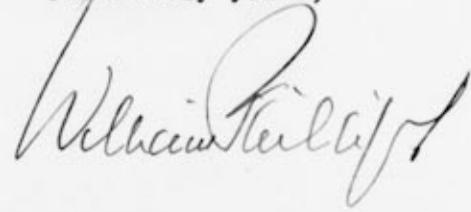
Paula -
Lila -

My dear Mr. President:

In accordance with Ambassador Long's request, I am bringing this confidential cable from him to your personal attention.

I have also sent a copy of it to Secretary Wallace.

Faithfully yours,



Enclosure.

The President,
The White House.

PSF Long

PARAPHRASE OF TELEGRAM

FROM: AMERICAN AMBASSADOR AT ROME.
DATED: October 22, 1 p.m.
No. 235

This message is confidential for the President,
the Secretary of State and Mr. Sayre.

I am using this means to bring directly to your attention a situation which seriously threatens the export of cotton from the United States to Italy. A substitute has been discovered which they believe to be, and which at the present time seems to me to have all the evidences of being, serviceable as a substitute. A process has been discovered by them and they have built a machine which interrupts the process of the manufacture of cellulose into rayon at a certain point and transfers the substance to the new machine and continues a new secret process which will give a substance which is being used by them as a substitute for cotton. Two million seven hundred thousand kilos of this substance per month are being made by them today, and in this way they are permitted to sell it at six lire per kilo. The cost of cotton to them, laid down in Milan, is four lire a kilo. They are selling this substance at a price which permits them to amortize their investment in the machine, in spite of the fact that it can be produced today at a cost cheaper than cotton.

After the next six months with quantity production they expect to be able to sell it cheaper than cotton in Milan.

Through the Commercial Attache I have obtained samples of the finished product of the cotton substitute and samples of the cloth they make from it, mixed with cotton or with wool or with other materials and am sending them by the next pouch to you.

In view of this situation it is very probable that Italy can reduce her cotton purchases from the United States by 50% within two years. I have been informed that a decree will probably be issued about January 1st by the authorities which will require the use of 10% of this new material in the manufacture of cotton goods; thereafter within a few months it will be increased to 20%; and within a few months thereafter to 30%.

Plans are being made by them to enter upon a large scale production and have inquiries from Czechoslovakia, Poland, Sweden, Spain, Belgium, Holland and Switzerland for the establishment of plants in those countries to be equipped with the Italian machine for the manufacture of this substance there. An enormous inroad upon the cotton export trade of the United States would be the result of this.

The cost of changing the equipment of cotton mills would be eliminated as this material is so produced that it

can be used in any cotton textile machine without change of machinery.

The following is a brief review of the history of Italy as a purchaser: Italy imports more from the United States than from any other country; 60% of those imports, by value, are cotton; 153,000 metric tons of cotton are bought by Italy from the United States annually; she has a huge adverse trade balance with the United States, running about two to one against her. Her objective at the present time is to cut down imports and save the necessity of exporting gold. She has directed naturally her attention for some time to the largest item of her purchases. The political authorities and the manufacturers of Italy are now satisfied that they can eliminate a very large part of their purchases of cotton.

I draw your attention, as a predicate for this, to their monetary policy and the fact that Italy is definitely committed to the gold standard and firm in the belief that the countries which have an adequate supply of gold will be in the strongest positions after the world crisis has passed. It is believed by its officers that such countries will then have a more stable monetary system at home, better credit abroad and a larger share of world trade and that they will consequently surpass the other countries in prosperity and security. Therefore, they are not only definitely committed to the gold standard, but also to the conservation at all cost of the gold they have and to policies which will increase their

supply. Their gold reserve, according to recent history, has in the last nine months decreased eleven billion sixty-nine million lire, is now about 43% of coverage for circulation and sight obligations combined and is approaching the legal minimum requirement of forty per cent.

Italy has in her major imports for some years followed the policy of restricting imports. In this connection I refer you to the statistics recently submitted in my report on proposed reciprocal trade agreement with Italy to show to what extent she has decreased her purchases in the United States of coal, wheat, oil and automobiles. Because of the fact that it is the largest item of their enormous trade deficit on their balance with the United States they are more determined in the matter of cotton than they were in other primary requirements.

Very heavy purchases of cotton in the American market is the cause of part of the loss by Italy of gold in the last six weeks. I have received this information from a highly confidential and authentic source. Supplies of cotton in the United States are being laid up by them, for which they are expending gold with the idea of establishing a large reserve in cotton to last them through a period of transition. They will soon, in my opinion, cease their purchases of cotton and will probably put a quota or some other restrictive trade device upon the importation of it and will issue permits to themselves only for the cotton

which they have already bought. This brings to the forefront a matter of extreme importance, not only for our ordinary export trade, but for the effect it may have upon the cotton growing states and upon our general recovery program. This threat applies to other European states which can be equipped with the new Italian machine and can in this way produce the substitute for cotton at a price far cheaper than they can buy the real article from the United States, as well as to the importation by Italy from America.

This situation is causing me serious concern and I refer you, as a background for this telegram, to page three of despatch No. 728 of September 27; to the article on cotton in section three of despatch No. 737 of October 2d; to the enclosure to my despatch No. 741 of October 4th; and also, with the President's permission, to a personal letter to him on the same subject under date of October 12, which should be received by him about now.

Because of the fact that this process has developed here to the extent to which it has, the suggestions made in that letter are probably not now applicable. The process has been very carefully guarded and kept in the nature of a state secret and, although there have been rumors concerning it, until the present time there has been no definite information. Nevertheless, I am still of the opinion that the suggestions made therein might have some ameliorating effect upon the hard and fast economic policy which they are putting

into effect concerning the United States.

The trade balance may very easily run against the United States if Italy can succeed in eliminating fifty per cent of her cotton imports in the next two years. They have told our Commercial Attaché with perfect confidence that they can use as much as 90% of the substitute with 10% of cotton and make a suitable material. The materials which I am sending to you in the pouch are 50% cotton and 50% substitute.

LONG.

PSF Long

European File
Long - (5) (2)

Rome
February 8, 1935.

My dear Chief:

I will try to give you a picture of the appearance of European politics today - since the Rome conference, the Saar plebiscite, and the London conference.

While I doubt if it is reduced to writing, I get the impression that the Italo-French accord amounts practically to an alliance. This is subject to revision and rectification in my thought, depending upon later developments. But the attitude of the Italians toward the French and the confidence with which they look toward unified action in case of German aggression leads me definitely to the belief that the principal business - as yet undisclosed - of the Mussolini-Laval conversations was to align France and Italy against what they probably expect in the form of German aggression.

They all feel that the Saar plebiscite has acted as a big drink of Schnaps to the Germans and that Hitler will be emboldened now to pursue his Pan Germanic ideas into the fields of former German territories and Austria. They are convinced that Germany is very well equipped for war but not yet prepared to take the offensive or to commit an act which might lead immediately to open warfare. Nevertheless, they seem more confident of their

The President

February 8, 1935.

efforts and seem to place great reliance upon the accord with France.

The London conversations seem to have laid the basis for common action against Germany in which England would participate, though it has not been - as far as I can ascertain - in any sense reduced to writing or into the exactness of a definite understanding. However, the growth of air forces in Europe has brought England to the realization that the Channel no longer separates her from the Continent, and as Sir Eric Drummond said to me, and as reported in my recent telegram on the subject, he could not see that a Government could distinguish between one kind of warfare and another and that engagement to participate in one was tantamount to being involved in a general struggle. So that on that basis England seems to be now expected to participate on the side of Italy and France and against a possible aggressive move on the part of Germany. And the Germans are always so "dumb" in their maneuvers that it would be comparatively easy to construe any incident as having been brought about by Germany.

What is striking in the whole thing is that Mussolini appears for the time being to have abandoned his role as mediator. The change of heart probably dates, if it actually exists, to the reaction following the Hitler-Mussolini conversations last summer immediately after which Hitler committed his barbarous activities in Germany and offended the Italian sense of propriety. At any rate, for the time being Mussolini seems to have lined himself

The President

February 8, 1935.

definitely against Germany and to have made what amounts to an alliance with France with the probable annexation of military support from England.

But the most remarkable part of it from my point of view is that it is simply a continuation of French Continental policy. Ever since the War France has tried to encircle Germany. She got Poland; she got the Little Entente; she got Russia; and she had the sympathetic activity from time to time of Italy and Austria, but the circle was not closed. However, the object of France was to encircle Germany. The present situation seems to encircle Germany - absolutely. So that it seems to be not a diplomatic victory for Italy but to reflect considerable credit upon the dexterous management by France of both Italy and England.

Now it is all up to Germany. The morning press indicates that Germany's demands will contemplate 3000 airplanes as forming a basis of an air equality. This would simply be indicative of the other demands to be made in the form of other equipment. There is neither hope nor dismay over the prospect of the answer which will eventually come from Germany. They seem to be satisfied that whichever way Germany answers the result will be the same, except that it will insure peace without a war if Germany should honestly join the entente of the three western powers. I doubt, however, if anyone will place any great confidence in Germany's declaration to the effect that she would like to continue on friendly and peaceful

million lire for some purpose now undisclosed.

The President

February 8, 1935.

terms with her neighbors. She is suspected like a wolf, and her intentions are considered to be about as peaceful as were the acts which history records of Attila.

The important elements, as I see it now, are first, what amounts practically to an Italo-French alliance; second, the signified willingness of England to join; third, the delay attending Germany's announcement of a willingness to consider cooperation; and fourth, the ring that has been drawn around Germany.

The failure of Germany to agree will result in a race for armament, and it is my real belief that the Italians will not start from behind scratch. My information is that their steel factories are working over-time.

Connected with this thought and the probability of preparation for war on a considerable scale is the fact that when the bond ^(lire 2 billion) issue in Italy was proposed for subscription at the end of November last, it was stated to be one of the objectives to retire five hundred million from circulation and to use the other billion and a half to pay the budgetary deficit. They did pay the budgetary deficit, as appears from the statements of the Bank of Italy, but they did not retire five hundred million from circulation nor any amount from circulation. As a matter of fact, circulation has risen just a little. They explained this by saying that there were certain unforeseen items which had to be cleared up. The net result is that the Treasury got five hundred million lire for some purpose now undisclosed.

The President

February 8, 1935.

It may be that part of it is used for equipment, and it may be part of it is being used to advance the Abyssinian movement. Randolph Harrison, our Third Secretary, has a man servant who is a member of the militia. This man advised him this morning that 300 men and three officers from his own contingent had been drafted to go to Abyssinia and would be paid 25 lire a day instead of the ordinary 10 lire. Enormous supplies of barbed wire, trucks, and all that sort of thing continue to be sent, one big ship load having sailed just recently from Naples, as I was advised by the Consul General there this morning. Of course this will be expensive, and it may be that it will consume the five hundred million lire in question without leaving any for preparation for Germany. And if Mussolini foresees war in Europe, I don't know what he is thinking of in spending so much money in Abyssinia and preparing to engage in warfare there, unless he thinks it would be good training for his men. Nevertheless, the Abyssinian campaign proceeds and the thought of eventual conflict with Germany continues.

In connection with our conversation about a communication to Mussolini on the subject of Abyssinia, may I suggest that the situation seems to have changed a little bit since the time you spoke. Since then there have been Ethiopian aggressions against the French which have been well advertised in the European press and

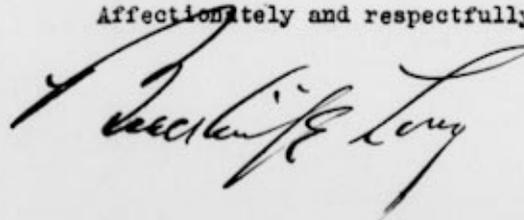
The President

February 8, 1935.

in which it is stated that members of the regular army were mingled with the Nomad tribesmen. And also since then the Italian papers state that the American Minister - or Charge d'Affaires - has been subjected to some mistreatment and indignity. In addition to that, the League of Nations is apparently not to take up the subject but has referred it back for settlement between Italy and Abyssinia. So that our absence from membership in the League would not serve as a predicate. There would remain only our interest in universal peace - but it does seem a long way outside our bailiwick. However, you will know what you want to do and whatever you decide in the premises, I will be happy to carry out.

Things have been awfully hectic here since my return. I have hardly had an opportunity to leave my desk, but I hope within the next week I will be able to get a respite.

Affectionately and respectfully,

A handwritten signature in cursive script, appearing to read "Franklin D. Roosevelt". The signature is written in dark ink and is positioned to the right of the typed name "The President".

The President
The White House
Washington, D. C.

TSF - Brock Long

European file
(5) (2)

Long

EMBASSY OF THE
UNITED STATES OF AMERICA

Rome
February 15, 1935

My dear Chief:

The Abyssinian campaign is uppermost in Italian thought for the moment. I have telegraphed rather fully and assume that you have seen my reports of developments from here, but it is the larger aspects of the thing which are not so apparent and which I am not willing to reduce to writing in official despatch but which intrigue the imagination and lead to long-time deductions and which I will attempt to lay before you - always with the thought that they are tentative conclusions.

It begins to be somewhat clear in my mind that the conversations in Rome at the time of the visit of Laval laid the basis for a very close cooperation between France and Italy, as I suggested in my last letter under date of February 8, and which proceeded to an extent which, in my mind, practically amounts to an alliance against Germany. But to get Italy on the side of France in direct opposition to Germany Italy had to be bought. The price was the subject of the discussion in Rome. For years - since the War - Italy had been clamoring for additional territory in Africa, and France had taken the position that she would give her some. In Rome she made out a deed to some, but it was only a worthless little strip of sand to the south of the southern boundary of Tripoli. It really amounted

The President

February 15, 1935

to nothing. It is of no practical value, but it did serve to straighten out the line of the Italian frontier and to define it exactly and to serve as an actual (even if worthless) concession on the part of France to the demands of Italy.

But in addition to that, France has undoubtedly given her consent to Italian penetration and occupation of Ethiopia. England has, in my opinion, not agreed but is cognizant of the situation and has served notice that the district around Lake Tana must not be interfered with. Lake Tana is the source of the Blue Nile, and the English have large ideas about control of the flow of the Nile (J. G. White and Company had some kind of a contract with the Abyssinian Government which has never been executed to build a dam there). But the English apparently are making it easy for the Abyssinians there and are preparing public opinion in England and bolstering the Italian hand by the nature of the Press articles which are published in Great Britain. The French are doing the same thing with the Press and are making it easier for the Italians. In addition to that they have agreed to send some troops to French Somaliland to reinforce their garrisons there. This is additional justification for the Italians. It has been reported, but not confirmed, that two train loads of French troops passed through Florence this week moving south. The morning Press states officially that France is reinforcing her garrison there. My landlord, Count Borromeo, who is an industrialist

The President

February 15, 1935

and lives in Milan, told me yesterday that it was well understood in important circles in Milan that the French were paying the bills for the Italian military activity. It is probable that rather than give up any territory in Africa the French have decided to make a financial contribution to permit Italy to carve it out for herself.

I think the French Ambassador has intentionally tried to mislead me by sending me a special message to the effect that no movement was contemplated in Africa but that Italy's maneuver was for the benefit of Germany. I discount this statement.

I also believe that the British Ambassador is less than frank with me. I had a conversation with him last night in which he minimized the whole movement in Abyssinia and said that in his opinion all that was necessary was for the Ethiopians to withdraw twenty miles and establish a neutral zone; that the Italians had no intention of joining Eritrea with Somaliland around back of British and French Somaliland; and that he felt that 20,000 to 25,000 troops would be all that Italy would send.

We happen to know that the Italian Government has been busily engaged in their map making department preparing detailed maps of all of Ethiopia. This has been going on since last May. We know that pith helmets and tropical equipment have been manufactured in great quantities and are being furnished troops as they depart. We know that the factories in Milan have been working for months day and night making all kinds of ammunition and equipment as well as tanks,

The President

February 15, 1935

Some shipped to Italian East Africa. Others are still being imported.

airplanes, bombs, trucks, and machine guns. We know that from the ports of Trieste, Venice, Genoa, Leghorn, Naples, and Ancona (We think also from Bari and from Brindisi) there have been continuing shipments of material and supplies. We know that at least 30,000 men have been sent away from Italy. We know that there have been drafts from the military classes as far back as 1893 (one as far back as 1884 - making him 51 years old), of specialists in mechanics, motors, air, and medicine. We know that the large sections of the classes of 1909, 1910, 1912, and 1913 have been drafted and practically all of the class of 1911. Some have been given notices calling them within twenty-four hours. I talked yesterday to a man of the class of 1893 who was in the militia and has been drafted and is now a Captain in the regular army. His orders are to sail on the 18th. He wanted me to have him relieved from duty on the grounds that he was an employee of the American Consulate - which I couldn't.

My Military Attache is unwilling to risk an estimate as to the number of men which would be justified as an expeditionary force based on the supplies which have been sent. He feels there is not enough specific information. However, I am conscious of the fact that we know only a very small part of what has actually been shipped.

However, six months ago I learned that horses had been bought in Canada and mules in Oklahoma and had arrived in Italy and had

The President

February 15, 1935.

been shipped to Italian East Africa. Mules are still being imported. The American S.S. QUISTCONCK landed fifty mules from Huston, Texas, and the Captain of the ship states that all the ships of that line are engaged in transporting mules from Gulf ports to Italy, and it is reported that 10,000 mules are involved in the purchase and transfer.

Now there is only one use for mules in an army. They are no good on the flat costal plains, which are practically desert. They are no doubt intended for mountain work and to carry mountain artillery. If the operation involves as many as 5,000 mules, it means rather a large-scale venture into the mountains. And I am satisfied that the British Ambassador and the French Ambassador are playing the game and trying to leave the impression that the Italian Government is not doing any extraordinary thing and are trying to justify the action of their own Governments in the light of public opinion.

Now briefly I see this picture - that the rainy season will begin in Ethiopia about the time you receive this letter - about March 1. No extensive military operations will take place then. In May and June the rains will be less, but the ground will still be soft. However, airplane activities and light movements across the desert can be successfully undertaken. In July and August there will be some heavier rains. But beginning in September the weather will permit any operation. They will send out airplanes and bomb any

The President

February 15, 1935

will be no use in a European war unless they can be returned to concentration of Abyssinian troops. They will scatter the tribes. They will then move up machine gun units and occupy the territory. They will move up heavier units, including the mules, and will penetrate the mountains, following always in the wake of the machine guns and the lighter movements and will attempt to reach Addis Abeba, which is 500 miles by railroad from the port of Gibuti. It is probable that the objective can be attained during November and December and a subjugation of part of the territory can by that time be made sufficient to satisfy Italian desires for the time being and to join the two colonies of Eritrea and Somaliland. The French will pay the bills; Italy's African claims will be washed out - and by that time Italy will have - if successful - a well-trained body of veterans numbering in the neighborhood of 200,000 men which can be used as a very fine unit around which to build a big army.

The scene may then be transferred to Europe. If Germany does not play ball and if it is necessary to operate against her, Italy and France, with the Little Entente and Russia, will be in a position to make sure that Germany is defeated - with the help of England, and at least her air force.

because there is one phase of this that cannot be overlooked. Mussolini will have a large army south of the Suez Canal. It will be absolutely at the mercy of England. The Italian colonial veterans

The President

February 15, 1935

will be no use in a European war unless they can be returned to the German front. And with those troops south of Suez, Italy will be in the hand of England and must play ball with France and England, or on whatever side England should desire. Else the troops would probably not get back through the Suez Canal.

This Abyssinian movement is not popular in Italy. I hear from all sides that the sober and thoughtful people are far from enthusiastic. The wealthy class is still wondering about how it is going to be paid for. They have heard that France is going to do it, but they are not quite sure. If France does not do it, they will have to. The poor people that have to go in the ranks are objecting strenuously. Of course there is always that enthusiastic age of youth which accepts any military activity as a venture. But by and large, as I hear it from all over Italy, it is not a popular movement. Whether the British and French Press can "educate" their public to approval of Italy's intended activities remains to be seen, but it is certain that the French control of the League of Nations suffices to exclude Ethiopia from the benefits which might be attained by the mediation of the League. Incidentally I hear - and it might be worth inquiring from Geneva - that all the old maps of Abyssinia which were the property of the League and which showed definite boundaries of the country have been removed and are now

The President

February 15, 1935

absent. All of the maps I have seen recently in the Italian, French, and British papers show no boundary between Abyssinia and Eritrea or between Abyssinia and Italian Somaliland, though the boundaries between the British, French, and Italian Somalilands are definitely fixed and between the French and British Somalilands and Abyssinia. The map attached is an example.



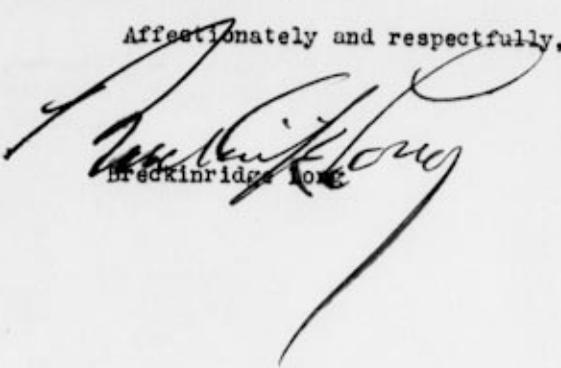
This is a long rambling screed, and I apologize, but I think it is worth considering in view of the possibility of a European

The President

February 15, 1935

struggle - which no observer in Europe can yet discount.

Affectionately and respectfully,



Woodrow Wilson
Breckinridge 1048

The President

The White House

Washington, D. C.

PSF Long
Italy
European File
(S) (5)

March 9, 1935.

Dear Breck:-

Those letters of yours are extraordinarily interesting even though they are pessimistic in tone. I fear I must agree with you about the general situation. We, too, are going through a bad case of Huey Long and Father Coughlin influenza -- the whole country aching in every bone. It is an internal disease, not external as it seems to be in Europe.

These are without doubt the most hair-trigger times the world has gone through in your life time or mine. I do not even exclude June and July, 1914, because at that time there was economic and social stability, with only the loom of a war by Governments in accordance with preconceived ideas and prognostications. Today there is not one element alone but three or more.

Keep on writing to me.

Always sincerely,

Honorable Breckinridge Long,
American Embassy,
Rome,
Italy.

PSF Long

ew



EMBASSY OF THE
UNITED STATES OF AMERICA

Rome
February 21, 1935

My dear Chief:

I seem to be writing you very frequently these days, but I am confident in the belief that if you could sit here as I do and could come in such close contact with the rumors of war and with the actual preparations to engage in war, that you would feel disposed to write as I do.

There is no doubt in my mind that Europe is headed straight for war. Italy is practically on a war basis today. While it cannot be proven, I am morally certain that the whole of the class of 1911 has been mobilized. That means in the neighborhood of 250,000 men. In addition to that, there have been specialists in motors, air, and engineering called back to the colors from many classes. In addition to that, it is inferred from the Press account that as many as 70,000 of the Black Shirt Militia is to be added to the rolls. That will mean a total of somewhere between 350,000 and 400,000 men under arms.

A great deal of noise and publicity is attending the embarkation of small quantities of troops from Naples. Nothing is being said of the vast mobilization in Sicily. It is estimated there are 100,000 men mobilized in that part of Sicily from Messina down to Siracusa.

The President

February 21, 1935.

In addition to that, the Supreme Council of the Defense has been in session and has broken all precedent by having made a public announcement in the form of a communique giving a summary of the decisions of the Council. It is published on the front page of the morning papers under stream-line headers which read "How the Regime has liberated Fascist Italy from the bands interfering with war"- "The Supreme Council of the Defense has decided the steps indispensable to the Nation because an eventual war-like force has been developed for conditions to insure victory" - etc. etc. It is all accompanied by an editorial headed "Ready for any eventuality."

In continuation of the thought expressed in my last letter to you under date of February 15, I am more and more convinced that these people expect war in Europe during 1936 - if not sooner - and that they are ready for it. Their embargo on all imports, which has been announced since I last wrote to you but which I have feared and predicted for six months - just puts into the hands of the Government entire control over all imports. It is a war measure pure and simple. They foresee German objections to the arrangements proposed by England. They foresee the continuation of Germany's preparedness for war. They believe that Germany is not yet ready. They look with some trepidation at the unstable political conditions of France and fear that Flandin may not last another six months. They foresee the possibility of internal conflict in France and that Germany will be free to pursue her aims in Austria, Hungary, Czechoslovakia, and elsewhere with the possible reservation that the

The President

February 21, 1935.

waving of a German flag on the French frontier would solidify the nation. They see England committed to air warfare with the inevitable consequence of participation in other forms of military activity against Germany, provided France is attacked and provided France, if it should blow up internally, will give Germany the free hand to the southward and eastward, which would deny the probability of British participation, because it would not be directed against France.

The Italians do not like the air arrangement which England has proposed, because it does not commit England to help Italy in case the latter country has difficulty with Germany. The arrangement only contemplates mutual assistance between France, England, and Germany, or France, Italy, and Germany. So that if France should blow up and Germany started into Austria, Italy would be faced with the problem of stopping her single-handed.

In any event, Italy is preparing for what she thinks is a certain eventuality. While no responsible statesman in Italy will admit it, I am just as certain of it as I am that I am sitting in this chair.

If this develops in Europe within the next twenty months, Japan will start to over-run the East. Russia may have all her attention occupied with Japan, or she may simply throw a sufficient cordon along the mountains east of Baikal in the neighborhood of Chita to hold the Japanese there while she participates in the European

The President

February 21, 1935.

show with the expectation that she will later attend to Japan.

That leaves the two Americas out, and I hope with every fervent wish that we can stay out of the devastating show and fulfill our real destiny as trustee of the future of the civilization which we have in America and with which we can subsequently revive the world.

But I think we must contemplate that Europe will be at war within two years. I believe we must take into almost definite consideration that fact in making our plans for the future. Personally I cannot see how it can be escaped. The national traditions, the religious prejudices, the local animosities of all these peoples and the strict discipline of each of the Continental States (except France) over the persons under their respective jurisdictions, render unnecessary the creation of a public spirit. The only alternative is that the people will refuse to fight through some manifestation of social disorder amounting in the last analysis to Bolshevism. It is hard to contemplate the recrudescence of disorder in Italy and in Germany under the present regimes. Nevertheless it is possible. It may not take the form of the theoretical Communism. It may, if it should develop, simply assume the form of opposition to established government and manifest itself in a tense terrorism and anarchy.

So the people may refuse to fight. But unless they do, and unless armies refuse to move to the front, I see no escape from a real cataclysm. While the Italian movement in Abyssinia is not popular with the people, and while there is a lack of enthusiasm and some

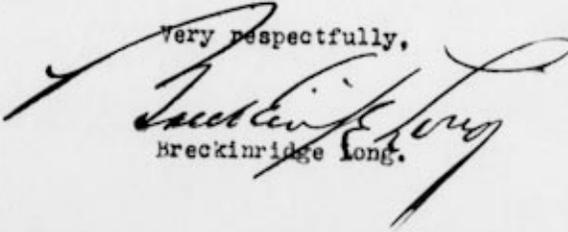
The President

February 21, 1935.

some grumbling and a great deal of criticism - yet the troops go. If they should fail in Abyssinia and have a debacle which would affect the prestige of Mussolini and bring about a change of government in Italy, the general picture would not be changed, except to the extent of Italy's participation on the grand scale.

I am not an optimist about the future of Europe. From where I sit there are only visible preparations for the conflict, which all recognize as being indicative of the future of Europe. All agree that if it should come it would be epoch-marking. The only difference in the opinions which are permitted to be expressed is to the proximity or imminence of the movement.

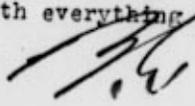
Very respectfully,



Breckinridge Long.

The President
The White House
Washington, D. C.

P. S. Since dictating the above I have had at luncheon at my residence and have had a long talk with Margherita Sarfatti, whom you saw in Washington last year and whom you will recognize as a former associate of Mussolini and who still is probably conscious of his mental processes. She agrees in substance with everything I have written above.



PSF: Long

P. J.



EMBASSY OF THE
UNITED STATES OF AMERICA

Rome
April 5, 1935.

My dear Chief:

The European political situation is marking time until the meeting at Stresa on the 11th. That meeting does not promise to produce anything conclusive. It will probably develop into a larger subsequent meeting either with or without Germany. That subsequent meeting will probably consider some limitation of armament and/or some kind of a general non-aggression pact.

The limitation of armament question will start badly if each of them send back to the conference their old-time representatives. These men have known each other for years - and sat across the table from each other - have each committed themselves to definite proposals - have each declined to accede to the point of view of the other - have each explained their respective positions - and have each so definitely assumed positions from which they cannot recede without losing face that it will be very difficult for them to get anywhere. What they need in any future discussion of armament amongst European Powers is a New Deal in conferees. If they would each send fresh men, there would be a much better chance for them to get together. As it is now, each of them knows each of the other ones and knows their position - and they are at an impasse.

I do not look for any blow-up, though one can never tell what will happen in case someone should get excited and make a mistake - at least

The President

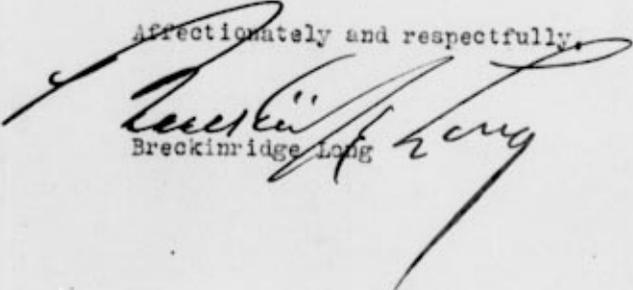
April 5, 1935.

under the circumstances that exist here with a lot of French troops on the border and nearly a million men in Italy under arms and military activity all over the Continent of Europe. Nevertheless, it looks quiet for the time being.

Notwithstanding this weakness, there are some rumblings of a preventive war. It is not heard from the tops of the Government but in the second and third strata of Government officials and from at least one careful and responsible source recently in high position (De Francisci, who has just finished a long service as Minister of Justice). The members of my Embassy have heard them speak furtively and hold out the possibility of an attack on Germany before Germany gets better armed. I discount the probability, but my ears are always close to the ground, and I report for possible reference in the next three or four weeks.

These are truly ticklish days. It is the aftermath of another show which is so appalling. With the social unrest widespread as it is, and with the certain exaggeration of it as the sequel to another war, I can only shudder to think of our social situation a year after another conflict.

Affectionately and respectfully,



Breckinridge Long

The President

The White House

Washington, D. C.

P.S.F. Long

May 8, 1935.

Dear Breck:-

I hope you are not right but I
fear you are.

I am looking forward to seeing
you the end of June or the first part of July,
and it looks as though Congress will still be
here.

Always sincerely,

Honorable Breckinridge Long,
American Embassy,
Rome,
Italy.



Handwritten notes in the top left corner, including the number '52' and various illegible scribbles.

EMBASSY OF THE
UNITED STATES OF AMERICA

Rome
April 19, 1935.

My dear Chief:

The Stresa Conference has cleared up the situation to a considerable extent. Prior to that there was a great deal of anxiety. I think it was more intense in Italy than in any of the other European countries as far as I can judge. Here there was every indication of preparation for and expectancy of military activities. The authorities at Rome even were preparing the civilian population for airplane activities and getting them accustomed to such activity by keeping continually in the air all day and well into the night airplanes which flew low over the city. This went on for about ten days. In Milan and Naples they held gas attack drills, and in every possible way the Administration brought to the attention of the people the possibility of impending military activities.

That has all changed since the Stresa Conference adjourned and not a single airplane has appeared in the sky. Everything has quieted down, and the whole tempo has been altered.

I am sending by this pouch a despatch of comment. It is my No. 1053, and consists of an analysis of the agreements reached at Stresa. There is also another one going, giving a history of

The President

April 19, 1935.

it, but that is all history and just for record purposes.

As I see it, they have put a military ring around Germany. In my last conversation with Suvich he indicated the policy of his Government for the present and the future by saying that Germany would not listen to reason and had to be met by a manifestation of force. Suvich is convinced that Germany has been stopped and bottled up and her aggressive disease cured. I am sorry that I do not share that belief. You think I am a pessimist. As a matter of fact I am a realist. I see the situation in Europe as it exists. They are all prepared for war, and they have got to have it. War is the only cure for the malady with which Europe is affected. There are three and a half million men under arms here today. The Assistant Military Attache has just returned from Milan on a tour of inspection. He was allowed to inspect very little. The factories were closed to him. However, he discovered that the airplane factories were being enlarged so that their production would be ten planes a day instead of one. The automobile manufacturers are engaged in turning out machine guns. The whole manufacturing show is working day and night making military equipment and supplies. The national hatreds, jealousies, ambitions, and their racial, religious, and language differences, with the super-structure now of trade barriers, have got Europe cut up to such an extent that there is no way for them to stay together. Once the

The President

April 19, 1935.

psychology of this moment has passed they will revert to the same situation as existed a few months ago, and it will gradually work up again to another high pitch.

Germany is not going to change her characteristics or her nature. She is not going to throw her ambitions to the winds. The ring which has now been put around her will yield in spots in the east and south east to German diplomacy and will weaken under the strain of fear of Germany, which will lead them to accept something of German leadership rather than French leadership. The French domination is of military and political alliances. The German infusion is of blood and race. It runs all through Poland, Czechoslovakia, Hungary, Jugoslavia, and Austria.

The only cure for it is a war, from which there will emerge a real victor. There are only two Governments in Europe capable of being a real victor. One is Germany, and the other is Russia. I doubt if Russian education and technique is sufficient to establish itself in a dominant position throughout western and central Europe. I believe the German technique, determination, and character is such that it can. I shudder to think of a Russian domination of Europe. While a German domination would be hard and cruel - at least in the beginning - it would be an intensification of a culture which is more akin to ours than would be that of Russia. Further than that, if Germany should be dominant throughout the greater part of Europe, she would act as a bulwark against the westward progress of Russia, and that

The President

April 19, 1935.

Government would be confined to Russia and Siberia and would not have its strength tapped in the European struggle and would be a stronger resistance against Japan. With a Russia successful in Europe and spreading westward, her attention would be taken from Japan, and that country would be even more arrogant in the Far East.

Nevertheless, Stresa has calmed the waters for the time being and postponed the evil day.

Incidentally, the Assistant Military Attache here has been ordered home. His relief will soon arrive, but the new man will not have contacts and will not speak the language. I am writing Bill Phillips and asking if they can possibly postpone Brady's departure for four or five months so that he can break in this new man. I think it almost necessary to have a flying officer here who is actually in touch with the men from whom he can get information, and a new man cannot do it within the space of, conservatively speaking, six months. For the good of the Government's information here I think it ought to be done if it is possible under the War Department regulations, and both Brady and his chief, the Military Attache, are agreeable.

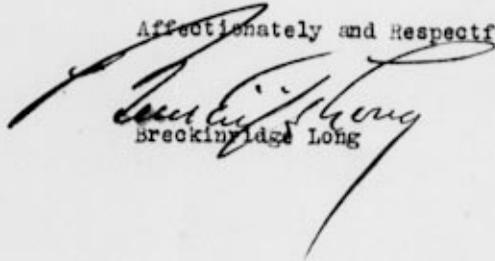
I am expecting to leave here the latter part of June to pay a visit to Dr. Cary Grayson and will hope to see you the first part of July - provided they don't get near the boiling

The President

April 19, 1935.

point here before that.

Affectionately and Respectfully,

A handwritten signature in cursive script, appearing to read "Breckinridge Long". The signature is written in dark ink and is positioned above the printed name.

Breckinridge Long

The President

The White House

Washington, D. C.

175F Long

plu

Rome
May 10, 1935.

My dear Chief:

The war clouds have all brushed away, and the troubled waters have flattened out. The proposed Danubian Conference, which is one of the things to come out of the Stresa Conference, is the object of their present activities. Each of the Governments is being consulted - except Germany. The present effort is to arrange a program and draft resolutions to be adopted. Germany is not being consulted. She will be invited to the Conference like the others are, but Von Hassell, the German Ambassador, tells me that Germany would resent being presented with a fait accompli, as she feels she would be presented in case they should all consult with one another and come to an agreement about program and resolutions and then ask her to come down formally and approve the program which has more or less ostensibly been drawn up against her. There is some merit in the German position. I discussed the situation yesterday afternoon with Sir Eric Drummond. He feels that these other Governments have had so much more experience with Germany than England has had that they may be right in their present policy. He feels that England started out as a mediating friend but found that she would have to align herself more or less with the other Governments.

The President

May 10, 1935.

It seems to me there is a half-way course - which would be more or less the Anglo-Saxon point of view and which would represent a moderate attitude toward Germany and one not calculated to antagonize her further and at the same time would be a broad statesmanlike view of the situation which actually exists in Europe. Whether we like it or not the facts are that Germany has been rather harshly treated since 1918.

The Governments of the countries surrounding Germany are having their difficulties in getting together, even on such a matter as the resolutions to be adopted by the Danubian Conference. It is bringing into pointed relief the differences between Jugoslavia and Italy, and Hungary and Czechoslovakia, and France and Poland - differences which have many evidences of insolubility.

In the meantime I am going off to Tripoli, sailing tomorrow and returning Sunday, the 26th of May. I will try to get a general idea of the agricultural, economic, and political developments in Tripoli and expect to go down into the desert. I want to go to an oasis called Gadames. It is pronounced as if we were swearing at ourselves! It lies two days by motor south of Tripoli on the Tunisian border, quite peaceful and serene, the seat of a white camel cavalry regiment. I also will look at Leptis Magna, which has been dug out of the sand and continues as the most perfect architectural example of "Greek" art extant, though it was actually done by the Romans in the reign, I believe of

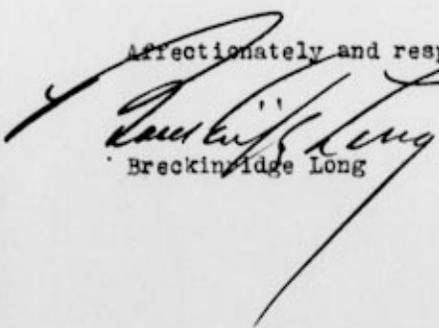
The President

May 10, 1935.

Septimius Severus. It was gradually swallowed up by the desert and drifting sand and has been preserved in all of its details, and since its careful excavation they say it is a magnificent white marble city right on the shores of the blue Mediterranean. Incidentally I am going to present your medal to Balbo and will stay with him at his palace during part of my visit, though it is quite well understood that I am not going on a visit of state and that I am just going in the ordinary course as an Ambassador and as a friend of Balbo.

I sympathize with you in the difficulties you are having, and you have been handling them in a masterful way. I will be over there the latter part of June till about the tenth of July, and I hope during that time you will have an opportunity to let me see you.

Affectionately and respectfully,



Breckinridge Long

The President
The White House
Washington, D. C.

PSF Long

The VANDERBILT Hotel
Park Avenue at Thirty Fourth Street
New York

all personal

5/21/33 -

Dear Miss Leland -

Will you see that
the President gets this
note?

Many thanks - and
our love.

Truly
Franklin's Long

PSF Long

THE BON-AIR-VANDERBILT
AUGUSTA, GEORGIA

The VANDERBILT Hotel
Thirty Fourth Street EAST at Park Avenue

New York

6/21/35 =

My dear Chief -

Your message on Intolerance Texas is O.K.
You have taken the issue from the "Lefts".

Now I want to see you do the same thing
with the "rights". They are standing on the
Constitution and waving the flag. The people
hates their constitution and it can be made
an unnecessary issue. 4th of July is
coming. You can talk about the constitution
and our traditions - and take that issue
away from them. You know how to do
it - and I hope you will.

I am sailing about on the Upwardis
- Cay - Bennis both resigned.

As ever - affectionately
Frank J. Long

125F Long

DEPARTMENT OF STATE
WASHINGTON

September 11, 1935

My dear Mr. President:

I desire to call your attention to the enclosed telegram No. 567 from Mr. Long in Rome, as this may be regarded as the result of his considered study of conditions observed since his return to his post about a week ago.

The developments in Geneva, the high lights of - which you have been kept in touch with through copies of the more important telegrams we have received from Geneva and our missions abroad, are not very different from the picture as presented in the press despatches. There appears to be a very cynical attitude toward the possibilities of preventing the war and at present it would appear that the more important countries in Geneva are proceeding on the theory that Italy must make some demonstration of force in Ethiopia before she will come to a sensible arrangement and settlement of the whole affair

The President,
The White House.

affair. I shall keep you closely informed of any important developments that come to our attention here.

Faithfully yours,

Cordell Hull

Enclosure:

Telegram 567, September 10, 6 p.m.,
From Rome.

MJP
This telegram must be
closely paraphrased
before being communi-
cated to anyone. (B)

Rome

Dated September 10, 1935.

Rec'd 4:15 p.m.

Secretary of State,
Washington.

567, September 10, 6 p. m.

~~SECRET~~

There remains no vestige of doubt in my mind that the determination of Italy to proceed in Africa is irrevocable nor that any opposition will be met by subjected mass attack from whatever quarter opposition is offered. My contacts with the people, reports of the attitude of the man on the street and my observation of the antipathy to England on the part of the civilian and the soldier convince me that the entire population, both civil and military, are in entire accord with the policies of Mussolini as developed up to this point and as prospected for the future. Each issue of the press gives additional expression to the national determination to proceed to war and to brook interference from no source.

Step by step over a period of many months the Italian plans have developed. They now find themselves with more than two hundred thousand men south of the Suez Canal and

at

REP

2-#567, From Rome, Sept. 10, 6 p.m.

at least three more divisions preparing to go. To withdraw those troops would be a defeat. The effect upon the regime here would be disastrous. Hastened on by the gradual approach of an economic crisis at home I have the distinct impression that they would welcome opposition from England as an opportunity to demonstrate their imaginary and even possible superiority of strength in the Eastern Mediterranean. From their posts in Sicily, Malta is only a few minutes by air and the coast of Libya are only an hour removed from Cairo, Alexandria and Port Said.

Their press heaps abuse upon those who have the temerity to stand up at Geneva and express thoughts in opposition to the Italian objectives, castigates the Socialists of France and of England who dare to speak of sanctions and inveighs against the opposition of Bolshevism united with the "piracy of plutocracy", as they choose to designate the Rickett affair, and alleges that these are all combined in a worthless effort to block the progress of Italy.

My impression is that they are quite willing to accept the delay occasioned by the meetings at Geneva

as

REP

3-#567, From Rome, Sept. 10,,6p.m

as it affords them additional time for preparation and to hurry to completion a number of newly bought ships for transport purposes now being transformed in the harbor of Genoa. I am equally impressed with the position in which they find themselves and from which it is now impossible to withdraw without suffering the effect of a defeat. Every indication points to a well calculated, well prepared, cold, hard and cruel prosecution of their preconceived plans using the instrumentality of an army and navy almost fanatic in its devotion to, and idolatry of, one man and worked up to an emotional pitch which is unique in modern history.

I wish I could send some word to encourage the thought that there might be some compromise arrived at at Geneva or elsewhere but I am led to the firm belief that no compromise is possible except on Mussolini's own terms and that unless they are accepted he will proceed to his objectives in spite of world opinion and in opposition to any force that may be raised against him. The only alternative is military capitulation.

At

REP

4-#567, From Rome, Sept. 10, 6p.m.

At the same time I should invite your attention to the lasting effect that this situation necessitates on European international situations and in changing political alignments. The settled friendship between Italy and England is gone, not to reappear for generations. Today the press is featuring the friendly exchange of expressions between Hitler and the new Italian Ambassador at Berlin presumably as a political warning to France that she must adhere to her Italian alliance. But irrespective of the future arrangements Italy may be able to make with Germany, and it would seem impossible their clashing interests could be reconciled, the changed situation between Italy and England has brought an entirely new element into the already complicated European situation. Italy's action in the Eastern Mediterranean is a direct threat to the British Empire, and, if successful in establishing itself in Ethiopia, the Suez Canal will have a political importance to Italy equal almost to that of England. If with 200,000 soldiers south of the canal it assumes its present importance to Italy it will have a greater one when they achieve their ambition to have ten million colonists

REP

5-#567, From Rome, Sept.10,6p.m.

colonists there. And the necessity for an alternative route of communication from Ethiopia to Italy through Libya and across the Sudan will not be long in developing and will be part of the efforts to solidify their position in Ethiopia if their objective is accomplished there. So that from many angles the present situation is fraught with danger not only for the present but for the future and I fear that we shall have the reverberations of it in the international relations of the world during the life of the present generation at least -- unless a decisive military defeat is suffered.

No other missions informed.

LONG

CIB

SMS

PSF Long

Long
(S) (u) PSF Long

Hyde Park, N. Y.,
September 19, 1935.

Dear Breck:-

That is an extraordinarily interesting letter of yours of September sixth. As I dictate this, the situation at Geneva still drags. You are right about the British feeling of the threat to the Empire.

What a commentary this whole situation is on what we like to think of as a modern and excellent civilization!

You and Dodd have been far more accurate in your pessimism for the past two years than any of my other friends in Europe. In any event, I think our American position is unassailable -- so much so that I really believe that even if hostilities start, I can still make my cruise -- leaving the twenty-sixth and getting back to Washington inside of four weeks.

I am delighted to know that your health is so much better. Watch out for that tummy!

As ever yours,

Honorable Breckinridge Long,
American Embassy,
Rome,
Italy.

Private confidential files

PSF Long

EMBASSY OF THE
UNITED STATES OF AMERICA
Rome
September 6, 1935.

My dear Chief:

This may be entirely impertinent by the time it reaches you, but the Geneva session may be a long and drawn-out affair. The Italians now expect that the matter will not be decided by the Council and will be thrown over to the Assembly meeting, and it lasts for several weeks.

While the tone of the Italian diplomatic branch is moderate, their intentions are definite, and some of their other declarations more accurately express their purposes than do their expressions to diplomatic officers. They have worked themselves into a fury here. Every man, woman, and child in Italy today hates England. Even if this affair should be settled amicably, I am afraid it will leave its permanent impress upon international relations. It will take years, if they should start today, to change public sentiment in favor of England and to reestablish the cordial and almost historic relations between the two countries which existed up to four or five months ago. They have worked themselves into a state of self-adoration and self-consciousness which leads them to believe that they can meet any Power in battle with success.

The President

September 6, 1935.

The Italian propaganda in Egypt has been rather intense. They have a propaganda organization there and a large colony of citizens which are organized according to Fascist groups. With their air fleet they could make an enormous amount of trouble for England there, and I think could have some marked temporary success if they should come to the point of hostilities. Italy has a large air fleet, and it is all concentrated, or capable of being concentrated, around the Eastern Mediterranean. It is only two and a half hours by air from the bases in Sicily to the coast of Lybia. Lybia flanks Egypt and the Sudan on the west. Eritrea flanks the Sudan on the east, and when they will have arrived in Ethiopia they will flank the Sudan on the south. The Suez Canal assumes a particular political importance for Italy today just as it has for England. With a large body of men in East Africa it will be necessary for Italy to have some communication between them and the home country. That communication can be established through Lybia and across the Sudan. It can be also established through the Suez Canal. The Canal route is more important than the other because of the transport of supplies. If they are brought to the point of hostility with England, they will attempt to take control of the Canal. Of course this is a direct threat to the British Empire. Without the Canal England loses her route to India, Ceylon,

The President

September 6, 1935

Burma, the Straits Settlements, Australia, and New Zealand. With air bases on the west boundary of Egypt and the Sudan and with air bases on the eastern and southern borders of the Sudan and all communicating directly with supplies from Italy only two and a half hours from the coast of Lybia, it can be understood that their position is rather strategic.

Of course I do not believe they are going to have trouble with England, but the situation is such that England must feel the threat to her empire, and it is also such that Italy feels her power in connection with it. Consequently they are emboldened to rashness, and the high state of fanaticism to which they have been worked renders them a very dangerous people, particularly in view of the excellent organization which they support.

They are now in a state of excitement which might lead them to any rash act in case of hostility, and if they found that they could not take and use the Canal, they might, after the manner of Sampson, attempt to destroy the temple and themselves amongst the rest.

Provided, however, that they do not come to open hostilities with England, and provided also that they do proceed in Ethiopia to establish a military and political control over the country, it will not mean that their objective has been reached. I am conscious that I am walking on delicate ground, but it is my firm belief that the success which probably awaits them in their first venture from home will only lead them on to other fields.

The President

September 6, 1935.

They will be trouble-makers in Africa and will attempt to connect Lybia and Ethiopia. Across the Red Sea they will try to re-inforce their friendly relations with the Imam of Yemen and fortify him in his opposition to Ibn Saud, the King of Arabia with the object of controlling that at present unoccupied and independent country. This will not happen in the immediate future. They will entrench themselves in Ethiopia before they venture to other fields. But I have not the slightest doubt in my mind that they have intentions on the eastern side of the Red Sea.

Their declarations to the effect that they had no hostile intentions toward any British province are hardly to be taken at their face value considering their present and recent activities in Egypt and their incitement in the Italian press to Egypt to assume its independence.

So that whatever the outcome of the present difficulties being thrashed out at Geneva we are going to be confronted with a continuing source of trouble in the future - and that on several accounts. First, the threat to the British Empire in the east; second, the failure of the League of Nations to be useful for anything outside of Europe with the possible dropping of the League as an instrument of policy by England; third, a reversion to the pre-League theory of practical politics and alliances; and fourth, the distrust which will exist in the future between Italy and England and will serve to disrupt the solidarity of the three

The President

September 6, 1935.

western Powers. The result of this last will be an aggrandizement of the power and importance of Germany and an extension, perhaps stealthily, of her influence southerly and easterly.

There is a report in circulation that Mussolini is mad - that he has lost his reason. He has not. He is just as cool and calm and deliberate and has prepared for this present situation through the last year and a half in a stealthy but deliberate manner. Each economic and financial move, attributed at the time to the pressure of economic necessity, is now revealed as a part of his military preparations. It is quite possible that they have been hurried because of the economic conditions that existed, by its need for expansion and the necessity to show that they are a world power and their fanatical belief in the power of their own organization and in the efficacy of that thing they call Fascism which has led them on and which is today driving them. They are not mad. They are deliberate, determined, obdurate, ruthless, and almost vicious. The whole organization is as one man. The efficiency of the army has been increased enormously till it is not recognizable as the same military organization, and the whole civil and military elements of the population are moving as pieces of a single organism, spurred on by the thought that failure means utter collapse and that they must succeed.

So whichever way Geneva goes there is trouble on our hands in Europe for years to come. A new order is in the making, and

The President

September 6, 1935.

the results of it cannot yet be foreseen.

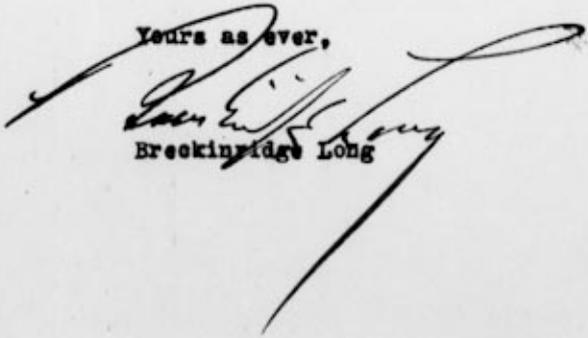
I hurry this off to catch you before you leave on your western trip. I am talking to the British Ambassador this evening, but it will be after the pouch closes, and I want to put this in this pouch, because I am not sure that it will reach you before you get away.

You may be interested to know that my health is much better and that after several weeks in hospitals that I am looking forward to a real return to health. The ulcer has gone, but my stomach is still suffering from some of its effects.

I hope you are well and that you will have a wonderful trip and get some rest and recreation, which you so fully deserve and need.

With every good wish and expressions of affectionate regard
I am

Yours as ever,



Breckinridge Long

The President

The White House

Washington, D. C.

PSF. Long

(5)(2)

*file
personal*



EMBASSY OF THE
UNITED STATES OF AMERICA

Rome
October 30, 1935.

My dear Chief:

I expect I am a good deal of a cynic. Whether I am or not, I am unable to see any moral element in this whole war. To me, it is not a holy war.

Certainly Italy has not a leg to stand on, either moral or legal, in her invasion of Ethiopia. She has been condemned, and properly condemned, by the League of Nations and by practically every Government in the world. But in my opinion the League action would not have taken place without the driving force of England.

While Italy has no moral justification, I doubt very much whether England has. The Italians believe, and I expect there is a good deal of truth in it, that England was preparing a commercial penetration of Abyssinia which would have enveloped the country and given her a political control which would have been peacefully consummated within a period of about three years. The Italians had been trying for many years by peaceful means to come to some understanding with the Negus so that they could extend their commercial activities, but they were not as smart as the British (who are past masters in that game), and they were met by the able and influential opposition to their schemes on the part of the British Minister at Adis Ababa, who had established a considerable influence with the Negus, reinforced by various British official and private activities throughout the country.

The President

October 30, 1935.

The Italians believe, and I expect with some foundation, that the Ual Ual incident was brought on through the activities of a Colonel Clifford. It is certain that he was there with a band of Ethiopian warriors and by his presence and actions on the spot created a situation from which neither side would withdraw. He was supposed to be defining the boundary between British Somaliland and Ethiopia, but Ual Ual is many many miles to the south of British Somaliland, and he does not seem to have had any reasonable explanation for his presence or for his activities there. The Italians think that the Ual Ual incident precipitated a situation which they had hoped would not develop. Of course I doubt that statement, and I have reason to believe, as I reported to the Department long before the Ual Ual incident, that they were bound on a military venture against Abyssinia. Nevertheless, the Ual Ual incident did happen, and Colonel Clifford was there and seems to have been instrumental in creating a situation which brought it about. It is now rumored that Colonel Clifford is again - or still - active in Ethiopia in connection with Chertov, who has organized a British syndicate to finance the explorative operations under the concession he received through the Abyssinian Minister in London and also in connection with Ricketts, who has reappeared on the scene and who still maintains that the concession he received in favor of the Vacuum Standard Oil Company is valid but is to be operated now in favor of a British syndicate, probably the same one which Chertov represents.

We remember the British opposition to the J. G. White Company at

The President

October 30, 1935.

the time it received its concession to build the dam near Lake Tsana. We have always known that the British have viewed with great jealousy any activity by anybody else in Ethiopia. Also we have for many years been witnessing British commercial and industrial penetration of the backward countries and have wondered at the pink spots on the world map.

Viewing it all and discounting the allegations on both sides and denuding the whole thing of frills, I think it stands out very fairly that the British and the Italians were having a rivalry for the economic penetration and subsequent political control over Ethiopia; that British interests were winning out; and that the Italians got desperate and decided to do something about it; and the whole thing got precipitated by either the reckless or the purposeful act of Colonel Clifford at Ual Ual.

So that I can't get very excited about the moral standing of either contestant.

I will say this about it, however, that while the Italians have been crude and bizarre, yet they have been honest and have not tried to hide from the world their plans or their ultimate intentions. It may be bad diplomacy, but it was fair honesty.

The situation which I have reviewed existed up to the time the affair was brought before the League of Nations. At Geneva Great Britain certainly assumed the lead and was the dominating force. Had it not been for her activity and probably her original encouragement to Ethiopia to bring it before the League, nothing would have happened. But the Governments of the world rose to what they consider to be a moral issue. It was painted

solidly and had no moral justification, though they have been good

The President

October 30, 1935.

to them that Italy intended to violate Ethiopian territory, and subsequently they were confronted with the fact that Italy had actually been the aggressor and they so declared it.

However, long before the League met to sit on the actual question of aggression; long before the League considered any measure of sanctions; and long before there was a jeopardy to any national interest except that of Ethiopia, the British fleet appeared in the Mediterranean in an enormous demonstration of force. It was not there to carry out any mandate of the League, for none had been given. It was not there to protect the interests of the League of Nations or of any group or Committee of the League. The British Ambassador here told the Italian Government it was there to protect British interests against a possible Italian attack, and this statement itself is sufficient to divest the presence of the British fleet of any holy motive such as is now being proclaimed for it in the electoral speeches in England by Mr. Hoare and Mr. Baldwin. The plain truth is it had no authority from anybody but the British Government and no purpose but to intimidate the Italians from prosecuting their threat to British ambitions in Ethiopia and the threat that their presence in Ethiopia would be to British Empire interests - including the Suez Canal. The Suez Canal was not at that time threatened, but it was in the cards that it would be threatened in years to come if the Italians attained a big colony at the southern end of the Red Sea and on the flank of the Sudan. Nevertheless the activity of the British navy was one of pure selfishness and had no moral justification, though they have been good

publicists and propagandists and have associated themselves with the moral side of the question.

The British fleet moved about the 25th of August. Immediately the Italian fleet began to assemble in southern waters. The next thing, beginning September 11th, the Italians answered the British threat by surreptitiously dropping down three divisions to Libya and planting them on the Egyptian border. These divisions consisted of mechanized units and had somewhere between 200 and 500 airplanes. It was all under the direction of Balbo. There is a fairly good road runs along the Mediterranean littoral of Egypt. From a place called Solum on the border it is passable to a place called Matruh, which is about one-third of the distance to Alexandria. From Matruh there is a rather good road to Alexandria. The distance from the border to Alexandria is about 300 miles. These mechanized units could have made the run in four or five days. It was a distinct threat - and still is - to the Suez Canal, and the British have been landing reinforcements from India in Egypt in order to protect themselves there.

However, this phase worked itself out of the picture of the League of Nations and became a separate Anglo-Italian conflict - England trying to protect her Empire; Italy trying to expand her colonial domain. The cross-roads is Suez. It is a fight on the part of Italy to gain something and on the part of England to lose nothing. One is on the aggressive; the other on the defensive. But neither of them deserves any sympathy from the world on moral grounds. Each of them is operating from purely selfish motives.

The President

October 30, 1935.

I expect the fight to actually begin whether England is authorized by the League or not. I am satisfied Italy is not going to stop her activity in Africa unless forced to do so by a military defeat or as a consequence of economic necessity. And I think England will try to prevent it sooner or later. And if she doesn't do it now, she will have to do it ten years from now. But first and last it will be a British fight against Italy and not a League of Nations fight or a moral fight.

Conversations to settle the whole thing and to liquidate the whole military program still continue. Laval, undiscouraged, is making another proposal. But for the life of me I cannot see how any of them can be accepted. The League has already gone on record as denouncing Italy as an aggressor. It cannot morally now approve a settlement which would be a partition of the territory of one of its members in favor of that aggressor. To do so would put a premium upon aggression and would reward Italy for having violated its most solemn obligation. If the League should do that it would cease to be a world force or a moral organization. About that there is no doubt in my mind.

So that the League has either got to back down; Italy got to back down; or England got to back down - or be whipped.

So that as I see it one of three things must happen. Either the League goes out of business as a world force; or Italy gets ruined; or England gets a dent put in her Empire. One of those three things has got to happen unless - and I expect there is a good deal of truth in

The President

October 30, 1935.

this observation - your American Ambassador in Rome is just a simple little American student with moral and legal ideas and perfectly ignorant of the wiles of diplomacy. I am probably just a simple little fellow that ought not to be an Ambassador because I can't see how diplomatists can deny their solemn declarations in public without compromising their honor or the dignity of their Government and flaunt dishonesty in the face of world opinion. If they are honest, they can't settle it without a fight. If they are dishonest, we ought to wash our hands of them anyhow.

The diplomatic program is to come to a settlement which will save the face of Mussolini, the prestige of Great Britain, and the dignity of the League of Nations. But I notice they leave the Negus out of this! I suppose he is to be saved either by the shot and shell of the Italians or by the moralising economic activities of England.

If we save the League and preserve the English Empire, the old world will roll along under the gentle guidance of Great Britain for some few years to come. But if Italy is implanted with a big colony and a persisting ambition south of the Suez Canal, the political line-up of the world is going to be different, and it may be very interesting.

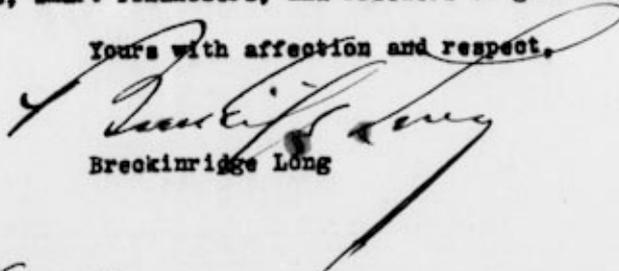
The unthinking man is liable to look at England as a fine example of a democracy. As far as England is concerned, she is a very nice democracy. But as far as Great Britain and the Empire are concerned, she is just about as great a concentration of political power as existed in Prussia prior to 1918. The British Parliament and its government speak for the Empire, but neither Canada, nor South Africa, nor India, nor Australia, nor New Zealand, nor any of its smaller parts has a seat in Parliament. They each

The President

October 30, 1935.

have their own little aggregation of legislative bodies like our states do, but they have no representation in the policy-making body as our states have. Parliament and its leaders speak for the Empire and act in the name of the Empire. They have a little trouble occasionally with their dominions and colonies on matters of internal policy, but when the Empire speaks the dominions and colonies all vote "Aye". It is the most centralized Government on earth today with the possible exception of Italy and Japan - but its greater extent makes it more centralized than either - but I am unable to think of it in the light of a democracy or as typifying the principles of Government which we have developed in America, except in so far as they apply to the British Isles themselves, where they are delightful gentlemen, good traders, smart financiers, and breeders of good horses.

Yours with affection and respect,



Breckinridge Long

In other words -

"A flag up in both your houses!"

The President

The White House

Washington, D. C.

PSF Long

file
personal



EMBASSY OF THE
UNITED STATES OF AMERICA

Rome
November 8, 1935.

My dear Chief:

Since my letter to you of October 30 the situation has not changed in any material aspect. Everybody seems to be waiting for one reason or another. The Italians are talking about negotiation but proceeding with their plans in Abyssinia. The British are talking about negotiation and can do nothing until they have had their elections. The French are talking about negotiation but trying to come to some definite understanding with either Great Britain or Italy or both to help them against Germany. The League of Nations is plodding on its weary way through committees and sub-committees and sub-sub-committees arranging for the sanctions program, having postponed the application of sanctions until after the British elections.

The people here speak in future terms. The Government talks as if it might hope for some change to come after the British elections, but I am morally satisfied that in the bottom of their hearts they have not the slightest hope for arriving at a settlement. My last conversation with Mr. Suvich, which I had yesterday and which has already been telegraphed, left me with the rather solemn understanding that they were looking forward with rather a grim determination to eventual trouble with England.

The President

November 8, 1935.

As I wrote you in my last letter, I think the struggle is really one between England and Italy. The road to British empire has crossed with the road of Italian empirical ambitions or colonial aspirations, whichever one cares to call it. The crossroads is Suez. A clash is a definite certainty as I see it.

I know you have thought I was a good deal of a pessimist, and I have parried the thrust by claiming to be a realist. In whichever way you may view me today I can only see trouble in the future. To pursue the thought that England and Italy could have a battle, even of a comparatively short duration and with England victorious, without involving other countries of Europe would be to delude oneself with the thought that there was a universal tranquility except in these two areas.

While Italian armament is a palpable and throbbing thing, the armaments of Germany are fast in the making and of France ready made but carried like a sword in its scabbard concealed from the inquiring eyes of the public. We even saw a year or more ago in Vienna that there was a real army in a country which was supposed to have been disarmed, and there are military establishments all oiled and greased in Poland, Jugoslavia, and Russia. The conflicting interests of some of these Governments will bring them in, and their presence will bring others in. I cannot see just how far it will go or just which ones will become involved first, but I am sure that if the English-Italian show starts and lasts any considerable length of time that first one and then another will get in. And the poor French people may blow up internally before any of it

The President

November 8, 1935.

happens. That is the only thing which seems not to be dependent upon the first shot in another war, and there is such a great deal of unrest in France and such a large and well organized left element that it seems almost necessary to expect some radical change in the form of the French Government before very long.

The truth of it is that the Italian challenge to England in the Mediterranean has raised the specter of another military power along the central nerve of empire. It seems to be a conflict in which Ethiopia is a side-show and which would have come to a head somehow or other even if there had not been an Ethiopia. The mere fact that it is Ethiopia which brings it to a head is because there was no other place for Italy to go. Up until fifty years ago the Continent of Africa was a dark and unknown waste even though on its borders for thousands and thousands of years had existed the world's only civilization. What is a stone's throw from Rome today would have required endless toil and years of work to reach. During the fifty years in which Africa has been absorbed, the Governments of Europe, except Italy, have had their big slices. Even little Portugal and Belgium, countries inconsequential in size and power to Italy, have very extensive colonies. Though Italy awoke too late, or was hampered earlier by the incompetence of her statesmen, it remains that Ethiopia was the place in Africa which was not already occupied by some other European power. It also happened that the particular spot in the hands of a European power would raise Cain with various of the British possessions scattered through Africa and Asia. And the result

mysterious quality of which they are a bit afraid. But whether it is

The President

November 8, 1935.

is that the Italian outbreak, while it is pointed at Ethiopia, is really aimed at the British Empire.

I think we cannot afford to look at the world as static, either as to its philosophies, its political theories, its political jurisdictions, or as to its geographical aspects. It was only a hundred years ago that the Turkish Empire started at Vienna and encompassed all the Balkan states, Turkey proper, Asia Minor, Arabia, and as far east as the Himalaya Mountains and westward along the south side of the Mediterranean. It exists today in a very restricted area in Asia Minor. Two hundred years ago the Spanish Empire encompassed most of the Americas, including most of the United States, and ruled the seas. Today it is hardly self-supporting and practically confined to a peninsula in Europe. Such has been the history of the world. Unless we deny the theory of change and accept the point of view that things will always remain as they are we cannot expect the British Empire to continue as it is. This may not be the time for it to suffer a set-back. But whether this is the time or not, some such ambition is sure to start the change at some future time. Personally I do not discount the power of the Italian military machine concentrated as it is in the eastern part of the Mediterranean. Whether they can pay the bills to keep it going is another thing, but in my opinion they can keep it going for nearly two years. The start may be delayed, because I think both the British and the Italians have a lurking idea that the other's navy has some mysterious quality of which they are a bit afraid. But whether it is

The President

November 8, 1935.

delayed for that reason or for some other reason, sooner or later - and my impression is sooner - this thing is going to break out into actual open warfare and involve other nations of Europe with the chances that it may develop into a European conflagration.

I hope you are going to keep us out. If they are going to destroy themselves, it is because their civilization is built on those lines. When people say to me that it would be a shame to destroy such a pure civilization, I cannot help but remark that it is that same civilization which has developed and produced the thing which is about to destroy it and that consequently the strongest part of the civilization and the most virile element of it is its power for destruction. To my mind that is a truism, and if the cataclysm breaks and we get drawn into it, we will not be able to relight the fires of a decent civilization. So I fervently hope you are going to keep us out, and when I say "out" I mean entirely out - without any possibility of being involved.

While I believe you are not entirely satisfied with the neutrality legislation, yet to my mind it offers a very good solution, and I am afraid you are going to have a lot of trouble with the Congress to get it changed, except to write into the law a demand for a more strict neutrality. The way it stands today the American people can trade at their own risk. Any of them who are selfish enough to take the chance are at liberty to do so without in any way involving the Government of the United States or making it necessary for the Government to protect them. And if the theater of war should become enlarged, the same thing

The President

November 8, 1935.

could continue without in any way involving us.

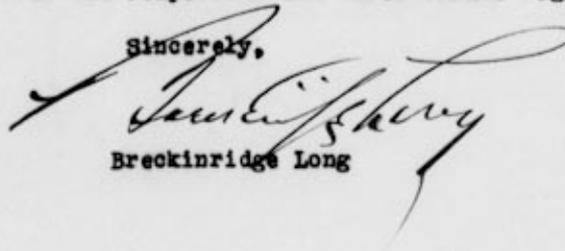
For purposes of peace I believe in international cooperation. For purposes of war I believe in keeping out. And if we start to take sides in order to make peace, our position is immediately compromised with every chance that we will be drawn into the war.

If I know my "Middle West" and if I have any proper appreciation of the sentiment of the American people lying west of the Allegheny Mountains and south of the Mason and Dixon Line, they want "out". And if they saw this thing as closely as I see it and had the veil of mysticism lifted from the picture so that they could see it in all of its naked reality, I am sure they would think so all the more. Because all of these nations, including Great Britain, have policies based on force and put their faith in big military and naval establishments - which none of them can afford.

The Italians have tightened their belts for the sanction period and are all set and waiting for what they fear and expect to be the opening gun of the fight with England. I can't see any escape from it - but just as soon as I see the slightest ray of hope, I will be the first to admit it and will send a joyous telegram.

With every good wish and respectful and affectionate regards,

Sincerely,



Breckinridge Long

The President
The White House
Washington, D. C.

DSF Long

FS
This telegram must be
closely paraphrased be-
fore being communicated
to anyone. (B)

Rome

Dated November 12, 1935

Rec'd 1:15 p. m.

Secretary of State,
Washington.

822, November 12, 3 p. m.

The present seems to be an opportune moment to make a resume of the European political crisis. It may be opportune for the reason that the present solstice marks the end of one period and the beginning of another. Any account of the complicated situation is lacking in clarity and baffling to the understanding which fails to recognize that there are two academic struggles in Europe, sometimes fused, sometimes seeming to be amalgamated but fundamentally different and distinct. One is the Italo-Abyssinian conflict of which the political focus is Geneva. The other is the Anglo-Italian conflict which has its epi center in the eastern Mediterranean.

ITALO-ETHIOPIAN.

Considering these separately and in that order Italy vis a vis Geneva stands today indicted as an aggressor, stigmatized as an international outlaw, subjected to sanctions of industrial, economic and financial character.

At the

FS 2-No. 822, November 12, 3 p. m. from Rome

At the moment she has an army of nearly 300,000 men in Ethiopia, is shipping additional supplies and personnel reinforcements at the rate of 12,000 a week; has 50,000 troops in Lybia, 1,000,000 soldiers in Italy. A recent survey of industrial activity in Italy discloses present generally speaking (for it is impossible to check up every individual manufacturing plant and their respective products) the entire productive machinery of the country is working day and night on military supplies. Production is not being increased for the simple reason all the plants have been working at capacity for many months turning out military motors, airplanes, rifles, guns, ammunition, equipment, et cetera. They are still working at capacity. There is no diminution of output. In a constant stream ships carry men, arms, equipment, munitions and supplies to Africa.

Under these circumstances and with a sound appreciation of the character of the men directing Italian policy today I have no hesitancy in saying that there is not the very slightest indication of modification of their course in this respect in the near future. Reaffirming my repeated statements to you during the whole course of this difficulty I say that they have no present idea of altering their course but on the contrary that they are determined to

supply

FS 3-No. 822, November 12, 3 p. m. from Rome

supply as many more men and materials as may be necessary to a successful prosecution of their venture in Ethiopia.

The Italians believe rightly or wrongly that their former possession of the Tigre was terminated by the incompetence of the then Italian Government and that Adowa stood as a disgrace to their national reputation and as a testimony to their own improper equipment; that the present delayed punitive expedition must be so manned and equipped as to deny the possibility of repetition. Their policy is to induce the local chiefs (End Section One).

CSB

LONG

REP

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

ROME

Dated November 12, 1935

Rec'd 12:15 p. m.

Secretary of State,
Washington.

822, November 12, 3 p. m. (SECTION TWO)

to accept without a fight the protection of Italy in preference to that of the Negus but to confront them with a force bewilderingly superior as an added inducement to submission.

THEIR MILITARY AIMS.

They plan to occupy as much of the country outside the old Kingdom of Ethiopia as may be practicable but certainly sufficient to join territorially their two colonies including substantial parts of the uplands -- and to retain control of the territory occupied. Simultaneously they plan to build roads, dig wells, build towns, establish telegraphic and telephonic communications and to render the country habitable for persons of readable education and experience, all with the idea of colonization and exploitation.

POLITICAL

REP

2-#822, From Rome, Nov.12,3p.m.
(Sec. Two)

POLITICAL POLICY.

Their policy has been and still is to delay a negotiated settlement until they have occupied such a substantial part of the country that their claims to possession or control cannot be successfully denied. During that period of time -- until there may be found a settlement -- they are bending every effort in Africa to advance slowly but surely, then consolidate their positions and to pour in men in the rear for protective purposes. At the same time they are playing a delaying diplomatic game.

SETTLEMENT OF THE DISPUTE.

The hope of negotiators is to save the face of Mussolini; the dignity of England and the honor of the League of Nations. The three seem to me incompatible. As I see it each has gone so far there is no retreat without loss of face or dignity or honor. It can be settled on a basis favorable to Italy. That would require the League to accept a decision which would engulf it in the bad estimation of the public for it would require a partition of a member state in favor of an aggressor and incidentally put premium on
aggression.

REP

3-#822, From Rome, Nov.12,30.m.
(Sec. Two)

aggression.

As I see it one of three presumptions must happen -- (1) a negotiated settlement which will ruin the character of the League; (2) an humiliated Italy; or (3) an England partially defeated at sea.

SANCTIONS.

I divide this into its effect on (a) Italy and (b) European sanctioning countries and governments.

(a) Italy. The incredible happened when there was practical unanimity in the vote for sanctions. The Government was disillusioned and distressed particularly at the attitude of France but in a true combative mood immediately took steps (a) to apply the arrangements already made to minimize the effect on Italian economy and (b) to retaliate on the countries of those governments which will actually apply them. In respect to the former activity the government has already directed curtailment (one) in the use of meat by abstaining

(END SECTION TWO)

LONG

CSB

REP

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

ROME

Dated November 12, 1935

Rec'd 2:50 p. m.

Secretary of State,
Washington.

822, November 12, 3 p. m. (SECTION THREE)

Tuesdays and Wednesdays (except chicken may be eaten Wednesdays), (two) in the use of gasoline by raising the price to almost prohibitive figures, (three) in the use of electric power by rearranging the hours of business and offices by arranging for closing at 4:30 thereby eliminating electric consumption at night and continuing work through the lunch hour.

A perfect phenomenon is the attitude of the Italian people. They have accepted the vote of sanctions with stoic placidity and await application with grim calmness not usually associated with Italian temperament but which is both a reflection of the attitude of their leaders and a testimony to their entire devotion to the cause at stake. They anticipate privations of a drastic nature and are prepared to suffer them with

perfect

REP

2-#822, From Rome, Nov. 12, 3 p. m.
(Sec. Three)

perfect equanimity. They are a grim, determined nation today practically totalitarian in abnegation and support.

(b) Retaliations on other countries. They are already (#) from buying articles of French and British manufacture. Such articles as may have been in shops -- perfumes, brandies, et cetera -- are already removed from (?) and stored away. That is just spontaneous action by the people. The Government, however, plans definite steps. What they are I do not know but I think they will include withholding balances due, refusal at the ports of cargoes under delivery, owners to pay return costs, dumping foreign securities on their local bourses, possibly impounding credits and even possibly confiscation of property owned in Italy. But this is pure conjecture as no one is in the confidence of the Government. In other words, they look upon sanctions as economic war waged against the individual and collective personality of Italy and are prepared to meet it on that basis by waging economic war against the personality of foreigners citizens of offending governments who have property
real

REP

3-#8222, From Rome, Nov. 12, 3p.m.

real or personal subject to the jurisdiction of Italy. It is a new kind of warfare but logical in view of sanctions and not without some precedent.

IS APPLICATION PRACTICAL?

The hope of ameliorating their prospective condition lies in a negative answer. It seems there will be bootlegging on a large scale with some governments acting as bootleggers or conniving at the practice but in spite of government supervision there is certain to be a lot of illicit trade in evasion of sanctions regulations. The future alone can disclose the extent of it. But even with a strict application of the provisions as they stand I think Italy can last two years with the proviso that before the end of that period the inevitable will be apparent and have its depressing psychological effect.

(b) EFFECT ON EUROPEAN SANCTIONING COUNTRIES AND GOVERNMENTS.

There will be political repercussions in the internal affairs of some in consequence of

LONG

CSB

(#) Apparent omission

M3P

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

ROME

Dated November 12, 1935

Rec'd 2:10 p. m.

Secretary of State,
Washington.

822, November 12, 3 p. m.

(SECTION FOUR)

of these I count France as important. My information here from non Italian sources is that there is widespread sympathy for Italy throughout France, a recrudescence of opposition to England, and a growing potential opposition to the Laval Government which if his strong hand is shaken may assume the proportions of real disorder. Yugoslavia would apply sanctions strictly but to do so would have to send her army to the border and the unfortunate consequences of that move would be enormous. Rumania will still sell her oil and will suffer internal difficulties if she fails to continue her foreign credits through that medium. Czechoslovakia intends to enforce sanctions. The road for Poland to effectuate her exceptions recorded at Geneva lies through Germany and Austria. If an effort were not made to exercise force against Austria to compel her compliance with the Geneva program Italy would

MJP -2- No. 822, November 12, 3 p. m. from Rome

would consider it an unwarranted interference in the internal affairs of that country and would react to it as quickly and as effectively as she would if Germany should attempt an interference there. Germany is watching the whole proceeding with the understanding that the machine which has been fashioned to operate against herself is being given a thorough trial and a sharpening up so as to have it all greased and primed for future use and she is not very sympathetic in her efforts to perfect the mechanism. While I can't imagine Germany will suffer any internal complications from the effect of the present movement - except to solidify Hitler's strength out of fear of France and the League - her foreign policy is liable to be modified to look more to England for a better understanding there. It is also true she sees her pan-German ambitions closer to realization with a prospect of a weakened Italy and the end of the old allied powers. And in my mind the one thing that stands out as definite is the long time estrangement of Italy and England frustrating the old alliance and necessitating a new European set of alliance. These have come into vogue in spite of the League of Nations, (?) France and her Little Entente-- and France and
Russia

HJP -3- No. 822, November 12, 3 p. m. from Rome

Russia. The encirclement policy of France was practical as long as Italy stayed with her and England but with Italy and England antagonized the encirclement policy seems of doubtful longevity. And that leads to my second subdivision the Anglo Italian struggle. But before I venture on it and in closing this part of the review I desire to emphasize the calm undemonstrative quiet well ordered deep seated unanimous determination of the Italian people to see this whole thing through under the orders of the Duce and at the same time to remind you again of the bold fearless virile, almost, it seems, reckless, determination of their leaders.

ANGLO-ITALIAN DISPUTE.

This developed gradually to a point where it has assumed the greatest importance and in the course of its development became separate and

CSB

LONG

FS
This telegram must be
closely paraphrased be-
fore being communicated
to anyone. (B)

Rome

Dated November 12, 1935

Rec'd 3:15 p. m.

Secretary of State,
Washington.

822, November 12, 3 p. m. (SECTION FIVE)

distinct from the Italo-Abyssinian dispute focused
in Geneva. The Italian press became critical of England
in early May, 1935. Suvich stated to me then it was
retaliatory of articles in the English press critical of
Italy. There were some such articles in British ^{papers.} The
Italian press though soon outstripped them in malediction
and I now believe it was a studied policy of the Italian
Government either because Mussolini foresaw that England
must in the very nature of geography and British imperial
plans sooner or later take steps to oppose Italy or be-
cause the Italian Government had some definite knowledge
of British activity in and plans for a penetration of
Abyssinia which would, if successful, have precluded the
realization of Italian ambitions there--or some of both.
Nevertheless, the Italian press grew vicious. In August
Great Britain ordered her home fleet to the Mediterranean
and her China fleet to the Red Sea. The movement actually
started

FS 2-No. 822, November 12 SECTION FIVE from Rome

started August 25th. This was before the League met September 4th to consider the question of aggression and was without any authority of the League. It was an unilateral action of Great Britain in defense of her own interests as the British Ambassador in Rome later told Mussolini. In my mind the movement never needed explanation. Its nature was patent on its face. After the whole fleet was in the Mediterranean the League met. Also after that beginning September 11 and ending September 16 the Italian Government moved two mechanized divisions and some hundreds of airplanes to Libya and placed them on the Egyptian border. It was their answer to the British fleet. After that a third division was sent. Prior to this there were in Libya some seven thousand colonial colored troops all the rest having been withdrawn and sent to the Ogaden front in Somali.

In spite of the electoral statements of distinguished British statesmen that the fleet is in the Mediterranean to lend support to the councils at Geneva the fleet was there before there were any decisions taken at Geneva which might need support.

The Italians as a nation were electrified and were immediately solidified. The war became not only justified
of which

FS 3-No. 822, November 12, 3 p. m. from Rome Section 5.

of which there had been some doubt but sanctified. Italy resented the presence of the fleet as an intimidation.

The British suddenly discovered three divisions on the frontier of Egypt and resented that as a threat. And it was.

As a gesture to relieve tension and to entice some warships away from his path Mussolini withdrew one division (but not a mechanized unit). The British thought one division not equal to a battleship and failed to withdraw a single unit unless the French would throw open their bases, supplement any British withdrawals.

Conversations in Paris, London and Rome and professions of deep friendship have eased the tension a little but the fundamental difference

WWC:CSB

LONG

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

Rome

Dated November 12, 1935

Rec'd 5 p. m.

Secretary of State,
Washington.

822, November 12, 3 p. m.

(SECTION SIX)

remains and out shadows in importance any of the Geneva deliberations. Until the British elections are passed, and the date of application of sanctions has arrived, the tension will be relieved and the situation continue unchanged barring any unfortunate accident which might precipitate an armed clash.

Danger of war between Italy and England is a reality, not because of or for the account of the League of Nations, but because of the clash of two ambitions for empire, the paths to each of which cross at Suez. If actual hostilities do not break out soon, that danger will continue a long time - - and until either Italy is forced to abandon Ethiopia for financial reasons or is whipped in a fight, or until England becomes
reconciled

MJP -2- No. 822, November 12, 3 p. m. from Rome

reconciled to a big Italian civilization implanted in juxtaposition to her colonial treasurers and on her path to India.

This fact alone ends the entente cordiale with its consequences in Europe. But it also portends more armaments with more political unrest than it has already created and brings closer an European conflagration. The consequence of that European situation, and the certainty that the governments inconsonant will be preoccupied at home gives Japan a free hand to pursue her way unmolested in the Far East. And Japan will be sure to constitute such a continuing threat to Russia that the latter can be counted on for little military activity in the European field. Whether that is a blessing or not is debatable.

So that the Anglo-Italian conflict is liable to have far reaching consequences.

While Italy was entirely wrong in her penetration of Abyssinia from the point of view of the League Covenant, the Kellogg Pact, and her honorable commitments, there is quite a different aspect in regard to her difficulty with England.

In

MJP -3- No. 822, November 12, 3 p. m. from Rome

In my opinion Great Britain's naval threat against Italy was also a violation of the Covenant of the League (it was a threat of war) and fairly good evidence that she was, and is, ready to disregard her renunciation of "war as a national policy" taken under the Kellogg Pact. And that possibly will continue unless, and until she receives an authorization from the League to make war against Italy.

ATTITUDE TOWARD AMERICA.

The efforts of the American Government to prevent hostilities in Ethiopia have been universally received and appreciated as to the wholesome and honest expression of a great power of its desire to preserve peace.

The neutrality proclamation was viewed by Italy at first with some suspicion in that its application was practically one-sided. Now they have adjusted their minds to look upon it as a real neutrality in a conflict we tried to prevent. However, the Italian officials place their own interpretations upon such extracts as appear here in the press for public

KLP:SMS

LONG

JS
This telegram must be
closely paraphrased be-
fore being communicated
to anyone (B)

ROME

Dated November 12, 1935

Rec'd 8:05 p.m.

Secretary of State,
Washington, D.C.

822, November 12, 3 p.m. (SECTION SEVEN)

Statements made by the responsible heads of the American Government read in connection with other interpretations of those statements sent out from England are likely to convey the impression that any remarks favorable to, or which might be construed as an encouragement to the League as lining America up with British policy. Considering the peculiar situation of Italy vis a vis England, they naturally reason that if these expressions indicate the possibility of a modification of policy which would be in support of the League's position or that of England ipso facto it would be antagonistic to Italy. While there is some querulousness in their scrutiny of American policy, they are on the whole generous in their interpretations of it as it affects them and they very generally consider America in a very friendly way. Their attitude to America is in marked contrast to their bitter antagonism toward all the sanctionist governments. They hope it will
not

From Rome, November 12, #822.

not involve the friendship of America not only because of the selfish advantage it is to them in this fight but also because the thought is traditional with them.

CONCLUSION.

The 18th of November will mark the beginning of a new era in this really very considerable political disturbance. It is quite possible that even economic sanctions may lead directly to war. This is not only because of the sanctions per se but because of the retaliatory measures which may be taken by Italy.

The potentiality of the whole situation is sinister. Every government in Europe is armed to the teeth. Any little incident might mistakenly lead to trouble or even afford the pretext any one of three or four governments might seek. Open hostilities are definitely a distinct possibility. If they should begin, the base of the conflict is almost certain to be broadened.

I think there is nothing the American Government can do or say which would alter the situation in any material respect. These governments have got themselves into this position with their eyes all open. Some of them mean business. They have all got their guns and some of them mean to use them.

The

From Rome, Nov. 12, #822.

The application of sanctions by America would not alter the situation. Brazil, Germany, and Japan are not applying sanctions. Bootlegging prohibited materials in Europe will be very profitable. Consequently American goods are not essential. Besides many of them can be furnished by the other big non-conformist governments. I emphasize this point.

Furthermore, even if it were consonant with American policy to conform to the Geneva regulations or to shut off all supplies from Italy because of the Abyssinian difficulty, there would remain the Anglo-Italian trouble and the adoption of a policy to punish Italy would be tantamount to aligning America with England and to become immediately involved in what may become a general European war. The trouble with taking sides in one conflict is that if it is enlarged we are involved before we know the list of contestants or the American interests concerned.

Neutrality is a definite status. If a neutral government attempts to end a war quicker by aiding one belligerent that government is no longer a neutral. If it attempts to coerce a belligerent it is no longer a neutral.

I strongly recommend the American Government be neutral and keep out of this war. If we are not neutral we will be into it when it breaks. We will

then

From Rome, Nov. 12, #822.

then be inextricably involved for the duration of the war unless we should be willing to make a separate peace. Pending the time when this unfortunate affair will be either settled to their own satisfaction by the interested powers and the League, or until it breaks in open conflict, I recommend that we pursue a course of studied aloofness. And I make the recommendation, solemnly arrived at after months of study of complicated situations and after careful consideration of all the facts at my disposal, as the only course I see to safeguard the interests of America.

Code copy handed Grew. Not repeated anywhere.
End of message.

LONG

SMS NPL

JR

CORRECTION

In telegram from Rome 822, November 12, 3 pm.
(section 4) re Italy-Ethiopia, page 2, last line, (?)
should be "England."

DIVISION OF COMMUNICATIONS AND RECORDS

PSF Long

MJP

GRAY

Rome

Dated November 12, 1935

Rec'd 2:30 p. m.

Secretary of State,
Washington.

823, November 12, 6 p. m.

FOR COMMERCE FROM COMMERCIAL ATTACHE.

21. Hooper arrived.

LONG

CSB

REP

GRAY

Rome

Dated November 12, 1935

Rec'd 4:20 p. m.

Secretary of State,
Washington.

824, November 12, 7 p. m.

Afternoon papers publish text of Italian note on sanctions which was delivered yesterday to the governments represented on the Committee of Coordination at Geneva and which was brought to the attention of other governments including, I understand, the American Government.

LONG

KLP

SMS

PSF: Long

MJP

GRAY

Rome

Dated November 12, 1935

Rec'd 7 p. m.

Secretary of State,
Washington.

825, November 12, 8 p. m.

Official Gazette of November 11 publishes decree law No. 1891 dated November 3, effective on seventh day after publication which places entire Italian import trade under the control of the office of the Superintendent of Exchange with the exception of gold, silver, and copper coins, and manuscripts, the importation of which is not restricted. There is a long list of additions to the list of commodities for which import licenses, issued by the Ministry of Finance on instructions from the Superintendent of Exchange, are required. The importation of all other products will not be subject to quotas based on customs receipts of previous years, the percentages to be fixed by the Ministry of Finance on instructions from the Superintendent of Exchange "with particular regard to the country's

MJP -2- No. 825, November 12, 8 p. m. from Rome

country's requirements and to the availability of means of payment derived from Italian exports".

An official of the Ministry of Finance stated that in this phrase lies the instrument of reprisals against sanctions inasmuch as the percentages approved on goods coming from countries applying sanctions "may be zero".

It is obvious also that the Superintendent of Exchange is able to grant or withhold import licenses as expediency dictates.

The decree law further provides that the import quotas on products handled by Government monopoly or by special boards, commissions, institutes, et cetera, shall be fixed by the Superintendent of Exchange.

Shipments of goods affected by the new rulings will be admitted on the basis of the former regulations where it can be shown that such goods were shipped direct to Italy up to and including the date on which the decree becomes effective, provided they are declared at the Italian customs within stated periods according to their origin, which in the case of the United States is one month from November 18.

Inform Commerce.

LONG

SMS:KLP

PSF Long

JR

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

Rome

Dated November 13, 1935

Rec'd. 9:15 a.m.

Secretary of State,
Washington.

826, November 13, 10 a.m.

My 819, November 11, 4 p.m.

Mr. Suvich was present again at the conversation yesterday between Mussolini and Drummond. He told me last night that the conversation concerned British naval tonnage in the Mediterranean and that there was now a possibility that the British would remove their two big ships, the HOOD and the RENOWN under a sort of gentlemen's agreement in the spirit of conciliation and with the understanding that the Italians would subsequently remove another division from the Egyptian frontier in Libya with no time set for the withdrawal of the ships or the removal of the division but with the understanding that if the one should be done the other would follow within a reasonably short time. He said that no understanding had been arrived at but that the conversations proceeded along that line and that while there was some hope for a future agreement there had been nothing substantial to indicate a change in the situation.

PEG:CSB

LONG

PSF Long

MG

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

Rome

Dated November 13, 1935.

Rec'd 8:04 a.m.

Secretary of State,
Washington.

827, November 13, 11 a.m.

My 824 November 12, 7 p.m.

~~CONFIDENTIAL~~. I discussed with Mr. Suvich last night the communication which had been addressed to the governments employing sanctions against them and with particular reference to the seventh paragraph concerning Italy's continuing membership in the League of Nations. I asked him whether that was intended to convey the thought that Italy might leave the League of Nations or even to lay the basis for some future communication in that regard and whether it might indicate that that step was being contemplated by Italy.

His answer was in the negative. He said that Italy was not considering withdrawal from the League and that the note was not intended to lay the basis for any such development but that it was simply in

line

HIG

Page 2, #827 from Rome.

line with the other provisions of the note, all being based on the thought that Italy as a member of the League had certain ideas as to the correctness and legality of the acts of certain of the governments in pursuance of the decisions of the Coordinating Committee and that these governments had certain obligations as members of the League which they might be neglecting by adopting recommendations of a body which was not a constitutional organ of the League and might thereby be incurring liabilities in respect of which Italy might have some valid claim against them.

I was unable to substantiate the thought that Italy might have been preparing to withdraw from the League. Mr. Suvich's manner as well as his words failed to permit that deduction.

LONG

HPD

JR

GRAY

Rome

Dated November 13, 1935

Rec'd. 9:30 a.m.

Secretary of State,
Washington.

828, November 13 noon.

My 824, November 12, 7 p.m.

Press comment on the Italian note emphasizes the idea that the various governments must assume individual responsibility rather than hiding behind the fictitious collectivity of the Coordination Committee which is declared an arbitrary and artificial instrument for evasion of responsibilities and in no way a League organ. The "economic siege" is termed an unequivocal act of hostility and Italy must call due attention to the ^{consequences} thereof on her trade relations with individual countries, hitherto governed by commercial treaties which sanctions will render invalid.

It is insisted that at British instance the League has never tried to settle the Ethiopian dispute, that the spirit of the Covenant has been broken, that the letter of the Covenant in so far as those of its provisions actually applicable to the present case are concerned has never been applied, that the League's procedure has been illegal
and

JR -2- 828, November 13, noon, from Rome.

and immoral and that all efforts have been concentrated only upon an economic war against Italy overlooking the justice of the latter's accusation and deliberately endorsing the false statements of the Ethiopian Government.

The pitiful conditions prevailing among the native populations under Amharic rule and the benefits which are being brought them by Italian administration are described as proving the erroneous promises of League action and it is also pointed out that the spontaneous submission of the populations is an act of autodecision which cannot be overlooked.

Newspapers received to date contain no reference to the possibility of Italy's abandoning the League except for the statement that each country must state its position with regard to sanctions and that upon this basis Italian policy both toward each country and toward the League will be established. It is insisted that Italy fully recognizes her obligations under the Covenant but that the Covenant in this instance has been falsely interpreted in the service of the imperial interests of other countries rather than in the service of the League's fundamental purpose.

LONG

HPD

P.S.F. Long

MG

GRAY

Rome

Dated November 13, 1935

Rec'd 8:40 a.m.

Secretary of State,
Washington.

829, November 13, 1 p.m.

According to communique No. 43, the territory beyond the Doghea Pass and the Dandera River ahead of the Makalle front is being cleared of enemy groups; the second army corps has garrisoned Adnevrid in the Adiabo region while four columns are advancing toward the Tacazze; the Dankali column is advancing toward Dessa while one unit proceeding along the edge of the plateau has reached the vicinity of Azbi; the districts north of Gorrahei are being cleared; and the air force has explored the uplands and the Dankali region.

LONG

TTC

HPD

Ps F Long

JR
This telegram must be
closely paraphrased be-
fore being communicated
to anyone. (B)

Rome

Dated November 13, 1935

Rec'd. 11:20 a.m.

Secretary of State,

Washington.

830, November 13, 2 p.m.

~~CONFIDENTIAL~~ I learned yesterday from an authoritative
source that secret orders have been given each harbormaster
in Italy to see personally the captain of every departing
Italian merchant vessel and advise him that if his ship is
stopped for search by an English man-of-war he is to stop
and submit to search.

Apropos of the foregoing, last night in a conversation
with Mr. Suvich I posed the following hypothetical question:
Suppose a particular Italian merchant ship were proceeding
to Italy with raw materials not included in the list
prohibited by Geneva and should be stopped for search by a
British man-of-war in the Eastern Mediterranean. What would
be the reaction of Italy?

He replied that England had announced that she was
acting as a neutral under The Hague Convention of 1907, and
that as a neutral under that Convention she had no right to
stop an Italian ship. If she should stop an Italian ship

the

JR -2- 830, November 13, 2 p.m., from Rome.

the Italian Government could appeal to the International Court at The Hague for redress. However, as soon as a British warship should commit such an act it would mark a definite departure of Great Britain from a state of neutrality to one of belligerency for only belligerents had the right to stop vessels for search. He was inclined to think that an attempt would first be made to place the matter before the World Court but that Italy would necessarily be confronted with the assumption of a change of character in the relationship of England vis a vis Italy in the present circumstances.

LONG

HPD

JR

GRAY

Rome

Dated November 13, 1935

Rec'd. 11:55 a.m.

Secretary of State,
Washington.

831, November 13, 3 p.m.

COMMUNICATION OFFICER NAVY DEPARTMENT.

Washington 19 18 1100 October speed of transmission
bulletins continues at 17 words per minute. Request if
practicable the increase to 22 or 25 words per minute
to facilitate early finish and mailing of bulletins and
to allow time for commercial press items. Reception
continued good.

LONG

HPD

REP

GRAY

Rome

Dated November 13, 1935

Rec'd 12:30 p. m.

Secretary of State,
Washington.

832, November 13, 4 p. m.

FROM COMMERCIAL ATTACHE FOR COMMERCE:

22. Your 9. Imports according to Italian statistical classification as follows in hundreds of metric tons:
July total crude petroleum 256, gasoline 358, kerosene 150, lubricating oils 68, all other mineral oils 3, residual oils 835, benzol 10; from the United States gasoline 14, kerosene 3, lubricating oils 40, crude, all other and residual 40, benzol 2. August total crude 207, gasoline 401, kerosene 2021, lubricating 64, other 4, residual 927, benzol 11; from the United States gasoline 15, kerosene 2, lubricating 50, crude other and residual 35, benzol 5. September total crude 1, gasoline 432, kerosene 209, lubricating 133, other 10 residual 919, benzol 18; from the United States gasoline 12, kerosene 3, lubricating 74, crude, other and residual 50, benzol 5.

LONG

HPD

PsF
Long

REP

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

ROME

Dated November 13, 1935

Rec'd 12:55 p. m.

Secretary of State,
Washington.

833, November 13, 5 p. m.

Italian press carries without comment notices of German export embargo list published yesterday. In German Embassy circles here the measure is declared to have no anti-Italian spirit behind it and to have as its sole purpose the protection of German economy against possible scarcity of necessary commodities and local speculation. The proximity of the date of publication of the list to that of the beginning of sanctions is explained by the fear that increased demands from Germany by Italy as a result of sanctions would tend to bring about the above mentioned scarcity and speculation.

LONG

CSB

REP

GRAY

Rome

Dated November 13, 1935

Rec'd 12:45 p. m.

Secretary of State,
Washington.

834, November 13, 6 p. m.

In preparation for the application of sanctions the Official Gazette of November 12 publishes ministerial decree effective same date containing list of essential commodities of which the export from Italy is prohibited. This is the second list of export prohibitions to become effective within the last ten days.

REP With regard to Franco-Italian commercial relations the Superintendent of Finance decided yesterday that beginning November 18th no Italian goods can be exported to France unless already paid for by confirmed letter of credit opened in Italy or in cash duly transferred. Concerning imports from France ministerial decree published November 12 and effective that date provides that the proceeds of such imports must be deposited with the Foreign Exchange Institute in a non-interest bearing blocked account in the name of the creditor.

Inform Commerce. date containing list of essential commodities of which the export from Italy is prohibited. This is the second list of export prohibitions to become

LONG

RR-CSB

REP

GRAY

Rome

Dated November 13, 1935

Rec'd 3:15 p. m.

Secretary of State,
Washington.

835, November 13, 7 p. m.

According to communique No. 44 the first army corps has occupied the Dessa district and established contact with the Dankali column. The native corps is completing occupation of the Gheralta region defeating strong enemy groups. The second army corps has reached the Tacazze forming a front at Addi Rassi and Addi Encato. Operations on the southern front continue. The air force which has reconnoitred as far as Lake Ashanghi and northern Ogaden is keeping tab on enemy movements.

LONG

KLP

HPD

PSF Long

REP

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

ROME

Dated November 13, 1935

Rec'd 3:40 p. m.

Secretary of State,
Washington.

836, November 13, 8 p. m.

~~SECRET - CONFIDENTIAL~~

From a secret source, which I consider entirely reliable, I have learned that some days ago instructions to the following effect were sent to the Italian Ambassadors as indicated below:

One. To Grandi at London to advise the British Government that (a) the Italian Government will not recede or withdraw from any of the territories it has occupied or may occupy in Ethiopia; (b) that the Italian Government will maintain by all of its power the position of its military forces in the occupied areas and protect them and the Italian rights and interests concerned; (c) that the Italian Government is proceeding to build and will continue to maintain airplanes and submarines in numbers always to be superior to the British.

As supplemental to these instructions Grandi has
been

REP

2-#836, From Rome, Nov. 13, 8 p. m.

been directed several times in the last few days to be strong and forceful in his presentation of these matters to the British Government and to carry to them the conviction that Italy is not only earnest in these expressions but is determined to use whatever force may be necessary to prevent and overcome any interference with the attainment or preservation of her national interests.

Two. Cerruti in Paris has been instructed to make himself the "guardian angel" of Laval; to show sympathy and appreciation for his support to Italy; and to support in such way as he may be able the position of Laval and to present to Laval the positive picture that if France allies herself definitely and finally with England that Italy will offer no opposition to the German occupation of Austria and will not interfere with German ambitions in Yugoslavia and will withdraw entirely her support, military and otherwise, from the side of France.

Three, Attolica in Berlin has absolutely no instructions on these matters.

Not repeated anywhere.

LONG

KLP

PSF Long

file
Private
Long

AU

GRAY

Rome

Dated November 14, 1935

Rec'd 8:55 a.m.

Secretary of State

Washington

837, November 14, 1 p.m.

Your 202, November 13, 8 p.m.

I am very sorry if my 822, November 12, 3 p.m. was too expensive to be considered by you justified. I used my judgment and discretion in sending it by cable so as to present to you a full picture of a matter I consider of great importance to the American Government before an entirely new phase will present itself on November 18th. It would not have been possible to present it to you by mail till ten days after that date for the next pouch will not arrive in Washington until about November 26. If I have been guilty of extravagance from your point of view naturally I regret it. If it is only a matter of cost it is easily remedied and may be dismissed for I have paid for the message out of my personal funds. But as long as I am Ambassador I will continue to use my judgment and discretion as to what should be sent to you and how it should be sent. If you consider the

cost

AU -2- #837, November 14, 1 p.m. from Rome

cost too heavy I will always be glad to assume it.
If, however, the use of my discretion is denied me
or my judgment be considered at fault an entirely
different condition would exist.

LONG

HPD

TELEGRAM SENT

RB
This telegram must be
closely paraphrased be-
fore being communicated
to anyone. (B)

November 13, 1935

8 p.m.

AMEMBASSY

ROME (ITALY)

202.

We estimate that your telegram 822, November 12, 3
p. m. cost approximately \$400 net. We appreciate your
study and comments on the situation, but would suggest
that for reports of this character brief summaries be
telegraphed and complete text sent by mail.

HULL

WE

COST OF MESSAGES FROM ROME NOVEMBER 12 AND 13, 1935

No. of Message	Date	No. Words	Cost of Message
822	11/12/35	2,827	\$ 409.92
823	"	12	1.74
824	"	32	4.64
825	"	238	34.51
826	11/13/35	122	17.69
827	"	184	26.68
828	"	268	38.86
829	"	97	14.07
830	"	192	27.84
831	"	53	7.69
832	"	140	20.30
833	"	76	11.02
834	"	109	15.81
835	"	87	12.62
836	"	232	<u>33.64</u>

TOTAL COST \$ 677.03

Ps F Long

file

(5) (2)



DEPARTMENT OF THE
UNITED STATES OF AMERICA

Rome
November 15, 1935.

My dear Chief:

Joe Grew has been here two or three days and is leaving tomorrow. We have had several good talks. It is very helpful to have contacts with my colleagues from other posts. I hope they too find it helpful. Joe is a very able fellow and has had a long and valuable experience. He sails Monday on a German boat for his post, but it will take him a month to get there. He had a good talk with Suvich at my house one night when I had several people to dinner, and he has also talked to others in the Government and to de Chambrun and Drummond, though I am afraid he found the latter as uncommunicative as I find him. However, I think it has been very helpful to have him here, and I hope it has been helpful to him. I wish you would suggest to some of the others to do the same thing as they move around.

With affectionate regards,

Very respectfully,

Breckinridge Long

The President
The White House
Washington, D. C.

PSF Long

FS

GRAY

Rome

Dated November 20, 1935

Rec'd 2:50 p. m.

Secretary of State,
Washington.

847, November 20, 7 p. m.

Royal decree law published in the Official Gazette of November 19th and effective that date establishes a state monopoly for the purchase abroad of raw gold and subjects the importation of semi-worked and worked gold objects to the license system. The Foreign Exchange Institute furthermore is authorized to purchase within the Kingdom for the account of the Treasury gold in all forms at a price to be fixed each week by the Institute on the basis of the average price of gold on the international markets, applying the average official exchange rate of the respective currencies on the Milan Stock Exchange on the day preceding the purchase, and with the addition of premiums which shall be established periodically by the Institute. Private persons are forbidden to buy gold within the Kingdom at a price higher than that fixed by the Institute. The Institute is authorized to receive gold in all forms on deposit
and

FS 2 No. 847, November 20, 7 p. m. from Rome

and interest at the rate of 5% per annum will be paid on the sum equivalent to the gold deposited. The Institute undertakes to return not later than one year from the date of deposit a quantity of fine gold equal to the amount of gold deposited.

Inform Treasury and Commerce.

HPD

LONG

Purkey

EMBASSY OF THE
UNITED STATES OF AMERICA

Rome
November 29, 1935.

Dear Chief:

We are in another crisis here, and this time we are involved in it. It arises over the proposed embargo on oil. Mussolini has adopted the position that an embargo on oil will be tantamount to a military sanction. He is justified from his point of view in taking the position, because Italy has no resources of oil and limited storage capacity. The effect of it would be to immobilize his navy. Consequently he construes it the same as a military sanction and will react to it just the same as if military sanctions were applied. That means war, and war soon, if the actual decision is made. Anybody that thinks he is bluffing is mistaken. There are only two alternatives, one is for him to quit and the other is for him to fight his way through the circle. He has already served notice to this effect upon France, and I have no doubt in the world that he means to do it if the embargo is undertaken. That will mean the European war. He cannot be crushed in a few weeks, and the longer it goes the more countries will be involved. If there is any doubt in your mind that he would quit, please dismiss those doubts. On the contrary, he will use every force at his command.

Now we get involved in it through the possibility of an embargo

The President

November 29, 1935.

which serves as a predicate for League action, that we will be morally responsible for participating in the embargo war and will not be on oil shipments from the United States to Italy. To my mind that is not a neutral act. It may be neutral from the American point of view, but it is not consonant with the status of neutrality as fixed in the principles of international law. Our act will be judged by other nations not as we see it but as viewed in connection with international law as the other nations understand it. That embargo would violate our treaty of commerce with Italy. The argument that Mussolini has violated other treaties is to my mind no justification for a violation of a treaty on the part of the United States. He will consider an embargo on oils by the United States as an unfriendly act. His reasons are three-fold: first, it is a violation of the treaty; second, it is a breach of what he considers neutrality; third, it will make possible the action at Geneva which Great Britain desires to effectuate by ^{a general} ~~emplacing~~ that embargo, and he views our action in that connection as being in coordination with (if not in collaboration with) the powers opposing him. As a consequence of his reasoning the United States will be placed in the same position that the other principal Governments at Geneva will be in, and he will treat us accordingly.

I am motivated entirely by the desire to see the United States out of this war. I believe that an emplacement of an embargo on oil will get us involved in it. We are not members of the League and have no obligation in that respect, but if we take the action

The President

November 29, 1935.

which serves as a predicate for League action, then we will be morally responsible for precipitating the European war, and we will suffer the consequences of it.

If I thought that Mussolini could be stopped and that a war could be averted by a violation of our neutrality, I might be persuaded to agree to it. But if I feel that the very act which we commit will precipitate a crisis of untold consequences, will bring on a European war, and will involve the United States, then I must continue to advocate that we follow a course which will be justified in the light of international law as the course of a neutral. Believing as I do in the latter theory, I implore you to direct the policy of the American Government along the lines of strict neutrality.

There has been made a suggestion in the press in the form of a despatch from New York to the effect that we would limit our exports of all commodities to the quantities bought by Italy in normal times. To my mind that is the solution of the problem, but I have not been advised by the Department of State that we have adopted that policy. The Foreign Office here has information to that effect, and the British Embassy understands it to be the case. The press has that information. But I have no confirmation of it. To my mind it is the solution. If we refuse to sell Italy any oil, we would be taking sides against Italy. If we agree to sell Italy more oil than she had been in the habit of buying in normal times, it would, under the present circumstances, be taking sides against Ethiopia - or against England, whichever you choose. To continue to sell her the same

The President

November 29, 1935.

quantities of commodities which she has been in the habit of buying will be contributing to neither side, will be the continuance of a state of neutrality, and will be substantial compliance with our treaty commitments.

We have not been selling Italy great quantities of oil. She cannot prolong the war by buying from us the quantities she has been in the habit of buying. It will not be a material factor in any sense of the word, so that if the other Governments when they assemble at Geneva vote to apply the oil embargo against Italy, the little quantity of oil that we sell will not in any material way effect the efficacy of their decision. But we will be out of it. It will not be on our responsibility that Geneva has acted. We will not be responsible for closing the circle. And if they want to take the decision, it will be on their responsibility and not on ours. If they want to precipitate a European war - that's their business. Personally and officially I do not want us to precipitate a European war or to be a party to its precipitation. I do not want us to have any responsibility in connection with the beginning of a circumstance that may engulf all Europe.

Mussolini is wrong and has been wrong from the start. But his wrongful conduct can be limited in its consequences to a small part of Africa. If he is driven to the wall, he will break out and with such force that you cannot conceive from America. If he is allowed to

The President

November 29, 1935.

wander his own way, he will either go broke or be forced by the trend of circumstances to limit his activities in the course of time. But if he is goaded under the mistaken impression that he will be stopped, the development will occur which I shudder to think about but which has been in the cards for a year and a half and which you have thought I was a pessimist in anticipating.

Another situation will arise if you have legislative authority for neutrality. If there had been no Neutrality Resolution, your hands would have been freer and there would have been no presumption of law which Italy and other Governments in Europe might invoke as indicating that you are exceeding the authority granted by the Congress. But under the circumstances there is the law which they well know and which they interpret in a narrow way after the custom of such of us as are lawyers. But with that law and with that interpretation, they will feel that the Administration is actuated by motives of hostility to Italy in exceeding the limits of legislative authority. However if the law were changed, it would also amend the treaty, and the activities of the executive branch of the Government under your direction would be viewed entirely differently by Italy and by other Governments which might some day be critical of your act. So let me implore you again to continue the policy of allowing Italy - and Ethiopia - to buy the same quantities of the same goods they have bought in normal times in the recent past and to pursue that policy until the Congress meets. At that time have the law repealed so as to give you a free hand or have another law passed which will relieve you of the responsibility

The President

November 29, 1935.

as understood in international law.

of committing acts which will be interpreted as violating neutrality,

I would like to telegraph this to you. I have telegraphed to the Department of State until I am blue in the face. I feel that they have resented some of my telegrams because they contained recommendations which seemed to be at variance with a policy which they had already adopted but which I had not been sufficiently advised about to understand properly. It is all very easy for them to sit in Washington with all the background and understanding and interpret public statements. But it is quite another matter when one is isolated over here and lacks the background and lacks the reasons that underlie public statements to give a proper interpretation to a statement or to pick out one paragraph from it and realize that it was supposed to indicate the direction of Government policy which I was supposed to follow. I should receive supplemental explanatory telegrams giving me a better interpretation of public statements and specific instructions under the circumstances. But lacking practically any such explanatory messages, I have had to flounder along as best I could, and I assure you it has been most difficult. But this oil business has given me the greatest of concern, because I do not want to see America involved in any of the complications that come out of this thing, and I am sure it will be involved if it follows the course of an embargo without authority and in violation of our treaty. Because even an ordinary commercial treaty is a solemn and binding obligation. If you will get that treaty and read Articles VI and XV, you will understand that they were drawn specifically to meet just such circumstances.

The President

November 29, 1935.

As I have written, I would like to telegraph you this. Letters take so long, and the times are so urgent. But some of the responses to my telegrams have led me to believe that somebody in the Department resented their receipt. I think you know me well enough and have known me long enough and have known enough about me to realize that I am actuated purely and simply by the best interests of the United States as I see it. If you have any other impression, then you ought to recall me. And if I felt that you had any ^{other} ~~such~~ impression, I would ask you to relieve me of my responsibility. Because you need here at this time a person in whom you have entire confidence not only as to his patriotic impulse but as to his judgment and discretion. The Department has made me feel that they resented the receipt of certain telegrams and that they were displeased with advice which I feel it my right and duty to give, and I am sure that from my point of view I would be quite derelict in my duty if I did not send them every bit of information I got and interpret it as best I could and give such advice as seems to me proper under the circumstances. And when I have done it to the very best of my ability it seems just a little inappropriate to receive a message complaining that I have spent \$400 on a telegram when as it turned out it was that telegram which forecast the situation which has arisen and which could not have been delivered by mail until after the development had taken place, because it would not have arrived in Washington until the 26th of November.

Washington, D. C.

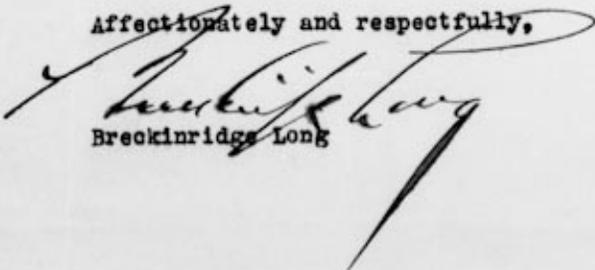
The President

November 29, 1935.

I don't mean to bother you about details of that character, but I do think that your Ambassadors ought to be treated with due consideration by the Department. But it makes no difference with me. I have continued to send telegrams and to advise them to the best of my ability, and I shall continue to do so as long as I am here.

I know, my dear Chief, that you have a thousand worries and I have only one. I do not want to exaggerate the importance of the one with which I happen to be concerned, but from my point of view it is most enormously important at the present time that we do not overstep the limits of strict propriety as regards our international conduct as it will be viewed in the light of international law. And I implore you again to so direct our policy that until the Congress meets we will follow a course of neutrality as I have indicated above in order that we may not be held responsible for precipitating this awful conflict and will not be held to have gone out of our way to commit a hostile act against Italy - or any other country - under these circumstances.

Affectionately and respectfully,



Breckinridge Long

The President

The White House

Washington, D. C.

PSF: Long

file
resonance

EMBASSY OF THE
UNITED STATES OF AMERICA
Rome
December 6, 1935.

My dear Chief:

This may be known in history as the "oil war" - or "no oil war" - depending on which side you are on or what the future historian may think about it all. It certainly to my mind is demonstrating one thing - that under the conditions in the world as now organized and mechanized nobody can make war unless he has an oil well. On that thesis there are only three Governments in the world that can successfully wage war - the United States, England, and Russia. And even England is dependent upon the carriage of oil and the protection of the seas in order to insure that she will have oil. Other places, such as Mexico, Venezuela, and Rumania, have oil wells, but that is about all they have got in the way of war industry.

On that predicate, I think it would be a very wise thing for you to set up some unannounced and confidential committee - if one does not already exist - to consider the very great power which the United States has over and above that of any other Government in the world in these circumstances and to consider how that power might be further developed and how it might be exercised for the best interests of the United States. Such an inquiry might develop that it would be wise to encourage American oil production outside of the United States and that the Government itself might be interested in having American ^{companies} oil.

The President

December 6, 1935.

exercising exclusive rights in such countries as Mexico, Venezuela, Columbia, and Bolivia.

I hope the policy to prevent war will not react in favor of British oil companies by permitting them to extend their influence and become more widely and securely entrenched. There is no doubt that English companies are preparing to sell oil to Italy through Germany. I telegraphed that to the Department as having been obtained from official sources in connection with the activities in Rome of an American who was selling oil to Italy. He had in his pockets contracts with British companies for future delivery to be imported into Italy through Germany. It is of course known to you that the British oil companies at Suez are selling oil and loading it directly into the bunkers of Italian ships on their way to and from Italian East Africa. The British do not miss one chance to "earn an honest penny".

But there are several possibilities, not only through the ownership, but through the well-directed control of oil in the Caribbean area and in the United States, to exercise an enormous influence in the world. I don't see how Japan is going to get very far in a war without oil. She must confine herself to neighboring lands in China and eastern Siberia. If all flow of oil could be stopped toward Japan, she would find herself in the same position that France would find herself if an embargo were placed on oil to France.

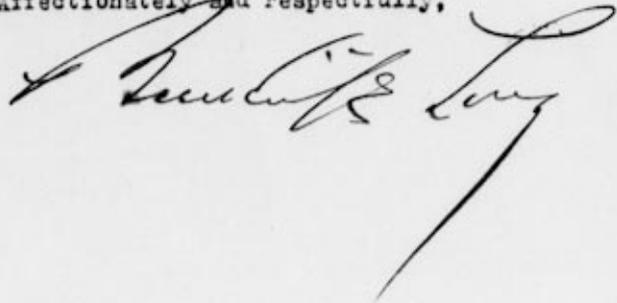
The practical lessons involved in this small war may be very

The President

December 6, 1935.

far-reaching, and I am only wondering whether the possibility that the Congress might place oil on the embargo list might not interfere with the use of the power of the United States in some future situation which might be much more important to us than the present.

Affectionately and respectfully,

A handwritten signature in cursive script, appearing to read "Franklin D. Roosevelt". The signature is written in dark ink and is positioned to the right of the typed name "Franklin D. Roosevelt".

The President

The White House

Washington, D. C.

MINISTERO DELLA GUERRA : SERVIZIO CHIMICO MILITARE



Quando dal cielo vien giù la pioggia voi prendete l'ombrello e siete tranquillo.

Se domani dal cielo venisse giù dell'altro, per esempio dei gas, prendete la maschera e sarete altrettanto tranquillo.

**Con l'ombrello non vi fa più paura la pioggia.
Con la maschera non vi faranno più paura i gas**

PSF: Italy: Long 12/13/35

In caso di attacchi con gas asfissianti soltanto la maschera antigas può **salvare la vita**

La fabbricazione delle maschere richiede una organizzazione scientifica e tecnica quale soltanto una Azienda Industriale di primissimo ordine può avere.

Le maschere antigas **PIRELLI** approvate dal Ministero della Guerra, offrono oggi le migliori garanzie di assoluta sicurezza.

RIPRODUZIONE VIETATA

ARTIGRAF NAVARRA SA MILANO

Translated

When from the heavens comes rain
use an umbrella and be happy.

When from the heavens come other
things, like gas, use a gas-
mask and be supremely happy.

With the umbrella you have no
fear of rain.

With the gas-mask you have no
fear of gasses.

The Pirelli gas-mask approved by
the Minister of War offers today
the best guarantee of absolute
security.

file
"press mat"

EMBASSY OF THE
UNITED STATES OF AMERICA
Rome
December 13, 1935.

My dear Chief:

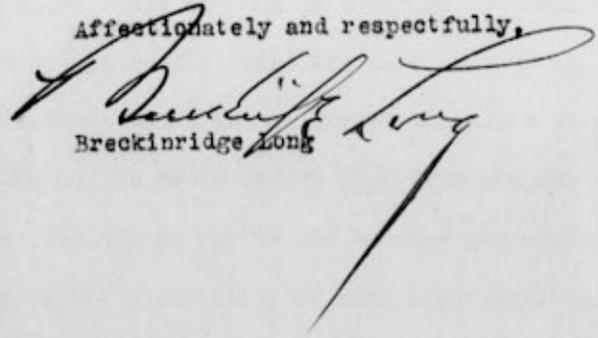
Without a sense of humor this whole business - as well as the rest of life - would be pretty drab. Attached is a serious advertisement, but it can be read with humor. These things come in cigarette boxes, and I pass it along to you for a laugh.

The situation is so confused here I cannot write about it. It will take a few days to judge whether England is playing on the level in her peace offer; what the astonished assemblage at Geneva will do about it; and what the effects of it will be on the League, on Italy, on British prestige, and on the peace of Europe.

One thing seems certain - that we are well out of it.

With every good wish for a Merry Christmas and a Happy New Year - and all that the New Year may hold for you in the satisfaction of additional accomplishments, I am

Affectionately and respectfully,



Breckinridge Long

The President
The White House
Washington, D. C.

PSF: Italy
Long folder

EMBASSY OF THE
UNITED STATES OF AMERICA
Rome
January 31, 1936

My dear Chief:

There are two things of a constructive nature I would like to do here before I leave - and I hope you are not going to leave me here long after the present difficulties smooth out.

First, I would like to induce the Italians to pay their war debt and to break the solid front in Europe which exists against the United States in that matter. And

Second, I would like to buy the house I now live in as a residence for the string of American Ambassadors who will follow me.

These two things are susceptible of combination.

One reason the Italians have not paid their debt is because of the transfer problem. As you know, they have had a very limited supply of gold, and it would have been at any time very difficult for them to have made payments in gold. They now owe us about \$2,000,000. If we could buy this house - and it really makes the best Embassy in Rome, except the Farnese Palace, which is the French Embassy - at a cost of \$800,000 or \$1,000,000, we could deduct that from the sum which the Italians owe us. They could then pay us the balance and continue their other payments pending the possibility of some adjustment to be made of the whole question at some subsequent date.

The President

January 31, 1936

I particularly would like to break the solid front in Europe. If the Italians cash in, it is possible that the French might be induced to do so or to make some agreement with us in that connection under the leadership of Herriot, who, as you know, has always been favorably inclined toward paying the American debt and who seems to be the coming Premier of France - after their elections. All of my information is to the effect that the country will go strongly radical. If we could induce Italy to desert the other European Governments on this question, it might be a leverage that would help Herriot in France, and it might leave England in a position where she would rather reconsider the situation.

As to the house - it is such a delightful place with such large grounds and such commodious space and so well furnished that I know if you could see it you would approve of the movement. And if we could get it without the expenditure of any money, it seems to me that it would be quite worth while doing. As a matter of fact I even have advocated the expenditure of that much money to acquire it. It is dignified and appropriate for an Ambassadorial residence, and the upkeep is not a major question. It has been there for 350 years, and it will probably be there for another 350 years with an occasional new roof and once in a while a bit of interior paint.

I really would like to do both of these things, but I will not move until I am authorized. Will you not consider it very carefully and either write me or have me telegraphed that I can try my hand on it.

The President

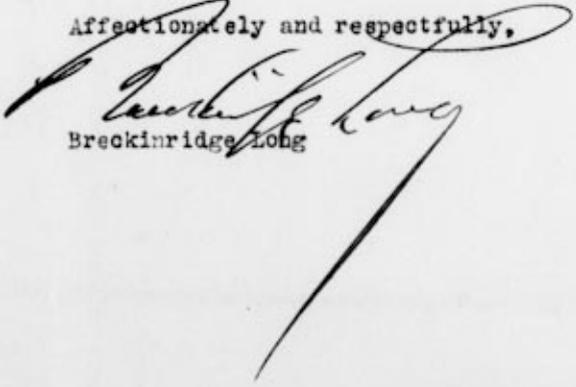
January 31, 1936

The political consequences of Italy's payment of her debt might be considerable, and even the acceptance by the Government of the United States as part payment of a piece of territory (only eight acres in extent) might be the precedent for acquiring a few West Indies islands from one source or another.

I think it is worth considering carefully, and if you decide in the affirmative, I hope you will let me know as soon as possible, because the Italian Government will have to make some kind of arrangements before its June 15th payment.

I think Al Smith's speech helped you. And I think Joe Robinson's helped some more.

Affectionately and respectfully,



Breckinridge Long

The President
The White House
Washington, D. C.

PSF Long

447

THE WHITE HOUSE
WASHINGTON

February 15, 1936.

MEMORANDUM FOR
THE UNDER SECRETARY OF STATE

Will you let me have a
memorandum on which I can base a
reply?

F. D. R.

Let. from BRECKINRIDGE LONG, Rome, 1/31/36, outling
2 things he wants to do while in Italy - and expres-
sing hope he won't be left there long after the pre-
sent difficulties smooth out:

1. Would like to induce Italians to pay their war debt and to break the solid ffont in Europe which exists against the U. S. in the matter.
2. Would like to buy the house in which he lives as residence for future Ambassadors.

PSF Long

February 22, 1936.

Dear Breck:-

I have not written to you for ages but I am very glad to have had your most interesting letters. I quoted your letter about the Embassy to Bill Phillips and enclose the memorandum from Carr. You will doubtless hear from Phillips.

We all watch the daily news from Europe with, I think, the feeling each day that the next will bring a major explosion. On the other hand, day succeeds day without anything happening so some people are rather definitely concluding that each recurring crisis will iron itself out and that nothing really serious will happen. I cannot wholly share this optimism.

Here at home things are going extremely well from the point of view of business, though the papers are against us from the political angle as well.

That leads me to the question of your return. As you know, I want you here during the whole of the campaign. I hope, too, that Bowers and Bullitt and probably Cudahy among the Ambassadors and two or three among the Ministers will do likewise. This involves resigning because all of us here are agreed that it is not wise to retain the titles and be active in campaign work. You know, and the others too, that after November I shall want you again to be part of the Administration! I hope, therefore, that you will make

your plans to come back at such time as suits you
this spring.

We are facing a very formidable opposition
on the part of a very powerful group among the
extremely wealthy and the centralized industries.
Ours must be a truth-telling and falsehood exposing
campaign that will get into every home. You can be
extremely useful in this.

I hope your "tummy" is all well again
and that you are ready for one-night-stands and
ham and eggs and coffee.

As ever yours,

Honorable Breckinridge Long,
American Embassy,
Rome,
Italy.

(Enclosure)

1
PSF: Italy: Long

file

Sec of State
Please check the President
about this at Cabinet

Rome
March 13, 1936

My dear Chief:

I have your letter of February 22 and gladly follow your suggestion. My "tummy" is gladder. I am planning to leave in May and by that time hope to have the war debts question definitely settled one way or the other.

Since the date of your letter the situation in Europe has assumed an entirely different phase. Germany's action in the Rhineland has produced a crisis which may not be so easily settled. By the time you receive this you will know whether you want me to come home now - even under the circumstances of an upheaval here - or would rather I postpone my departure a while. In case you think I ought to stay longer, of course I can do it. I cannot be of much practical assistance to you before or during the Convention, because nomination is only a formal matter and the Campaign will not really begin until August.

One other thing I think you ought to consider is the possible political effect upon you of letting a number of men from key posts in Europe return to participate in political activities during a period which is more dangerous than any since 1918.

However - I am not arguing the question. I am simply expressing things which are in my mind and which you may want to consider before I leave here and which are not susceptible of determination today.

The President

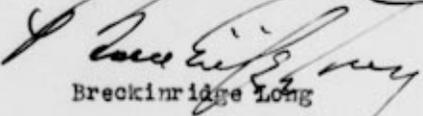
March 13, 1936

There are certain formalities which will have to be complied with here and which you will want me to comply with before I leave, and I think the courtesies involved prior to my departure would be much easier if you would have me telegraphed to proceed to Washington for consultation via Paris. The "via Paris" will eliminate the question of traveling on an Italian ship and the order to return for consultation will afford the basis to do the proper things before I leave, and which I would not do if just going on leave.

Can we not leave it this way? - I will plan to proceed to the United States in May on receipt of orders, unless you want me earlier. If you see any reason to change your mind so that I should postpone my return, you could telegraph and simply mention the date of this letter which I will understand to mean that I will postpone my return until I receive further orders. If I hear nothing I will return in May.

I will be very glad to be back in the States and do what I can to see that the things you have been fighting for are confirmed in November. This being Friday, the thirteenth, the omen is good. I am always lucky on that coincidence. The last one - last December - I got \$2,000 refund unexpectedly.

Affectionately and respectfully,


Breckinridge Long

The President
The White House
Washington, D. C.

Stacy
(Long)

June 18, 1936.

Dear Break:-

I have followed your progress at the Mayoss, first with alarm and later with deep satisfaction that the operation was wholly successful and that they found no permanent trouble. Everyone says that you will be better than ever after you have regained your strength.

You must be sure to devote plenty of time to the period of recuperation, and you are fortunate in being able to go to Nantucket.

I do not need to tell you how proud I am of the splendid record you made in Rome, in the midst of trying and difficult situations -- and I cannot blame you for not wanting to go back to a place where you had so much physical suffering.

If it is all right with you, I will consider that you resign and that it is accepted a short time after the adjournment of the Congress. As you probably know, I have asked Bill Phillips to go to Rome as Ambassador, and I am hoping that we can straighten out the problem of the King's title by using a series of 'etc.'s."

You are right about the campaign. I am telling all our friends that they have a serious task. When you feel wholly well again it will help, I know, for you to go into a number of places and, in the meantime, perhaps you can write some articles that would be useful. Try your hand at it.

You are a grand fellow -- and you know my
devotion to you.

As ever yours,

Honorable Breckinridge Long,
c/o Mayo Brothers Clinic,
Rochester,
Minnesota.



"THE KAHLER"
ROCHESTER, MINN.

HOTEL KAHLER

THE KAHLER CORPORATION

OWNING AND OPERATING

THE KAHLER WORRALL HOSPITAL THE COLLEGE APARTMENTS
HOTEL ZUMBRO THE DAMON HOTEL ZUMBRO CAFETERIA
COLONIAL HOSPITAL CURIE HOSPITAL MODEL LAUNDRY
ROCHESTER CALORIE KITCHEN

Rochester, Minn.

Dictated from bed in Columbia Hospital
June 15, 1936

My dear Chief:

I expect I have let you down for a while. My presence at Philadelphia is now impossible, and active participation in the Campaign will not be possible until after Labor Day. They took most of my stomach away from me, but all the trouble has been eliminated. It was just an old ulcer that had been irritating the whole stomach and that whole nervous area for years. Now it is gone, and I will be in better health and in stronger physical condition.

I am sorry that it will lessen my activities on your behalf for the time being, but the old head will still work, and there will be no reason why I cannot appear from time to time at Headquarters and do what may be possible in the way of consultation after the next two or three weeks.

There was one phase of the consequence of my resignation which I wanted to present to you along with several



"THE KAHLER"
ROCHESTER, MINN.

HOTEL KAHLER

THE KAHLER CORPORATION

OWNING AND OPERATING

THE KAHLER	WORRALL HOSPITAL	THE COLLEGE APARTMENTS
HOTEL ZUMBRO	THE DAMON HOTEL	ZUMBRO CAFETERIA
COLONIAL HOSPITAL	CURIE HOSPITAL	MODEL LAUNDRY
	ROCHESTER CALORIE KITCHEN	

Rochester, Minn.

The President

June 15, 1936

other things before I came to the hospital. My belief is that the appointment of a successor will be authentic recognition of the Government of Italy by its new title including "Emperor of Ethiopia" with the consequent recognition of that status. Personally I see no reason why it should not be done - from the practical point of view. It will have to be done some day unless there is a bigger war about it. However, that is a matter of policy for you to decide. You ~~will~~ have my resignation whenever you want to use it. The only thing is that I hope never to see Italy again and hope you will not ask me to go back there. I had so much physical suffering on that scene that I really hope I never set foot in the land again.

In my one conversation with you I neglected to give you a message from Jessye Straus and hoped to do so before I got sick. Jessye said that he expected to continue in Europe this summer and to take a cruise to the North Capes;



"THE KAHLER"
ROCHESTER, MINN.

HOTEL KAHLER

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ROCHESTER CALORIE KITCHEN

Rochester, Minn.

The President

June 15, 1936

that he had not considered coming home and helping in the Campaign because he did not feel he could be of any great assistance - but he wanted me to tell you that he was sure that you knew him well enough to feel that all you had to do was to make a suggestion and he would gladly do anything that you wanted him to do. He hesitated to write to you on the subject and asked me to convey it orally. I am sorry I forgot, but my conversation with you was quite short and there seemed so many things to talk about that I didn't have time for that and several other things.

As to the Campaign - Please do not let our fellows get over-confident and take chances. I am perfectly confident of your reelection, but I like to see an organization working as if the candidate was "running scared". I mean no betrayal of a lack of confidence but simply a thorough intensity that will not overlook a single bet.



"THE KAHLER"
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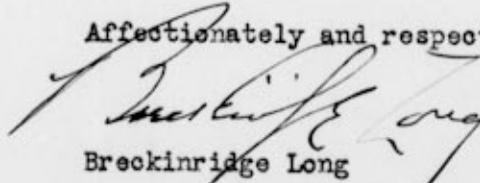
Rochester, Minn.

The President

June 15, 1936

In about three weeks they let me get away from here, and I hope to go to Nantucket to my summer home. From there I shall get to Headquarters occasionally, but it may be a long time before I see you. Whenever you accept my resignation you may take back the commission which I have been honored to hold and under the authority of which I have faithfully tried to serve you.

Affectionately and respectfully,



Breckinridge Long

The President

The White House

Washington, D. C.

PSF Long

July 2, 1936.

Dear Breck:-

Many thanks for yours of June twenty-third. I do hope that you will soon be able to move to Nantucket.

That is an awfully nice letter from the Cardinal.

I am telling Bill that when the agreement goes through with Rome your resignation and his appointment can be announced.

Take it easy for a month or six weeks and then when you are feeling wholly fit come down here and we will work on plans for the campaign.

As ever yours,

Honorable Breckinridge Long,
Hotel Kahler,
Rochester,
Minnesota.

PFS Long

BRECKINRIDGE LONG
LAUREL MARYLAND

Hotel Kahler
Rochester, Minnesota
June 23, 1936

My dear Chief:

It is with real pleasure I receive your letter of June 18. You are a good friend as well as being a great Chief.

As this is probably the last communication I shall make to you in my capacity as your Ambassador to Italy, I will devote it to a two-fold purpose; first, I am glad you are sending Billie Phillips. I am sure he will do well there. In doing so I hope you will not quibble about the credentials that he will carry. It can be a quiet and innocuous way to effect recognition. Personally I advocate recognition. If we do not do it, England and the Governments of Europe will do so, and England will try to use her benevolent act as a lever with which to pry open again the door of Italian trade. They talk a lot about principles, but these European statesmen are very practical gentlemen. What they want is trade and extension of business. We are now in a position to obtain a great deal of the trade that formerly went to England, and I trust that you will not consider in too generous a light the attitude which the British will profess they will take. It will only be a matter of a short time one way or another until they recognize the status in Ethiopia. We might as well do it first, and I am very glad to see that you have already revoked the Neutrality Proclamation. So I strongly urge that you send Billie with regular credentials and not enter into any fine-spun arguments on the theory of recognition, which themselves, as a matter of fact, will indicate our desire not to recognize.

Secondly, I want you to be advised of a letter I have received. I think it is quite personal, and I think you probably will desire to keep it confidential. It is such an unusual letter that I wanted to show it to you but had not an opportunity, for it was received just shortly before I had to leave Washington to come here. It is from Cardinal Pacelli, the Papal Secretary of State, and came through the open mail. I enclose you a copy. It is quite unique in that it was written by the Minister of Foreign Affairs of one State to an Ambassador accredited to another Government. However, the purpose in showing it to you is to reveal to you something of the character of the relationship which your Ambassador in Rome established with the Vatican authorities. Through this and several other contacts most intimate in the Vatican circle and amongst the most highly placed in the world there existed a relationship "off the record" which might have been placed to practical advantage in case the European war became a reality.

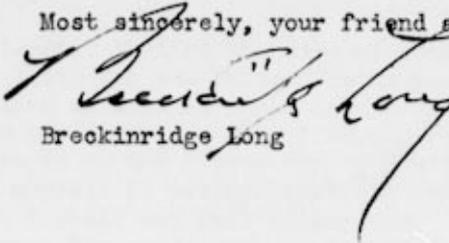
The President

June 23, 1936

And so I close my official relationship - with a recommendation which I consider to be to our own practical advantage - and with a revelation of an unofficial relationship with the authorities of the Vatican which is not of record anywhere but of which I think you should be advised.

With every good wish and expressions of affectionate regard,
I am

Most sincerely, your friend and servant,

A handwritten signature in cursive script, appearing to read "Breckinridge Long". The signature is written in dark ink and is positioned above the printed name.

Breckinridge Long

The President
The White House
Washington, D. C.

Enclosure: Copy of letter from Cardinal Pacelli

SEAL

Segreteria di Stato
Di Sua Santita

May 12 , 1936.

Your Excellency:

I have learned that at the time of your departure on leave for the United States you were not feeling as well as might have been desired. The news was a source of deep personal distress to me and I know that you will permit me to express to you my heartfelt good wishes, which I shall not fail to confirm with my prayers, for your early restoration to good health so that you may continue with renewed vigor your career of distinguished service to your beloved country.

It is my confident hope that some weeks of rest in the mild and beneficent airs of Maryland will act as a tonic and recruit anew the forces which you have spent so generously for the public weal.

I can never forget your kindness at the time of the death of my dear brother.

With cordial regards and the renewed assurance of my prayerful interest in your health, happiness and well-being, I am, my dear Mr. Ambassador,

Very sincerely yours,

(Signed) E. CARD. PACELLI