

● PSF

Poland

1935-38

Box

Warsaw, Poland.
October 11, 1935.

CONFIDENTIAL

My dear Mr. President:

The situation I found in England is a striking illustration of the fact that it is impossible to predict six months in advance the course of events in Europe. When I was in London at the end of May I heard from our Ambassador, and from other reliable, authentic sources, that any government which attempted to lead the British people into war would be overthrown. Now, four months afterwards, there is a complete reversal of sentiment and the recent vote of the trade unions, overwhelmingly in favor of sustaining the League of Nations and the imposition of sanctions, even though this vote was admittedly prejudiced, because of the opposition of organized labor, to Italian Fascism, is taken as a clear index of public opinion.

This

The President,
The White House.

This about face is not explained by any leadership but is due, so I was informed, to a realization of England's position by reason of the rearmament of Germany and the belligerent attitude of Italy. The average man in the street shows an extraordinary knowledge of political events on the continent and is thoroughly alarmed at the defenselessness of the British Isles, their vulnerability to air attacks, and their complete isolation from food supplies in the event of an effective blockade. Instead of leading popular sentiment the Government is attempting to restrain the demand for more aggressive action, but it is certain that the British are thoroughly alarmed and have scrapped all notion of disarmament.

The entire home fleet is concentrated in the Mediterranean and about one-fourth of the military planes. It is quite apparent that the British regard Italy's ambitions in Africa as a menace to the security of the Empire and will make every effort to prevent Italy from winning the Abyssinian war. The military people are of the opinion that this war should last two years, and

when

Minister would probably go down in the coming elections. when one looks at the map and is told of the vulnerability of Malta from the air, the concentration of Italian war planes in Sicily, only a few miles away, and that large military forces are being kept in Italy because of the British threat in the Mediterranean, it is a pessimistic outlook. A single incident, such as the blowing up of the Maine, might well bring about hostilities, and the possibility of such an incident in the Mediterranean, if the Abyssinian war continues for any length of time, is very apparent.

Popular opinion in France is to stay out of any war at any cost and the position of Laval is a very difficult one. If he follows British leadership in demanding severe sanctions under Article 16 of the League he will probably undertake a commitment that will meet with the opposition of the majority, but if he fails to sustain the League he will fatally weaken what France has regarded as the greatest instrumentality against revision of the Versailles Treaty. I heard the opinion expressed by competent observers in Paris that the Prime

Minister

Minister would probably go down in the coming elections, but bankers and business men say that they think the Laval Government will continue because after Laval there is no one to look to for leadership. They deprecated the opinion which I heard expressed on several sides - that after the downfall of the present Government the future of France would be fought out on the streets. But there is no question but what the economic situation is a trying one. The franc is entirely overvalued and must be lowered for the purposes of international trade. There is no hope of wiping out the deficit in spite of the unpopular economies of the Government. The cost of living is mounting and unemployment is increasing.

In Germany it is surprising but there is no elation over the situation arising from Italy's commitment in Africa and the differences between France and Great Britain. The sentiment expressed in all quarters was that Germany was not ready for war and would not be ready until the end of another two years. The army has been expanded to 600,000 but with expansion
war industries, it was stated that these certainly it
would

it has ceased to be the close-knit, well-functioning political organization that it was when confined to a smaller number and it is agreed that there is a striking shortage of trained officers. One gets the impression that Germany is unmoved by the war in Abyssinia and the potentialities it presents, but intends to continue along the course charted when rearmament was decided.

The economic policy of the country must, before a very long period, lead to impoverishment and a lowering of the living standard. There is a good deal of underground complaint now against the shortage of butter and other food supplies. Germany is very deficient in animal fats, must import 90 per cent of its wool, and all cotton and iron. Exports have been forced and are on an artificial basis to compensate for the great imports of war materials. Competent and conservative opinion express the belief that 60 per cent of all industrial activities are engaged in war preparation and, while no one cared to estimate the number of persons employed in war industries, it was stated that these certainly

would

would be not less than 3,000,000. This non-productive economy must mean a diminution of national wealth with a consequent reduction of the basis upon which taxes can be levied. But the military preparation must go on for any cessation would mean an increase of unemployment with resulting opposition to the Government. It is very clear that either the present policy must culminate in war or else the present Government must be overthrown and this war preparation brought to a stop.

With the permission of the Ambassador, I saw a man closely associated with Hitler, who told me that the final stage of the Nazi program would be started in 1936 and finished in 1938, the two years necessary for the completion of the military program expressed by the military people.

The Nazi Government is most probably a minority one although Hitler personally has a great following throughout the country. The opposition among all religious people, even the Lutherans, is very emphatic. But all opposition lacks unity, can present no effective front and, therefore, will probably continue to have little or

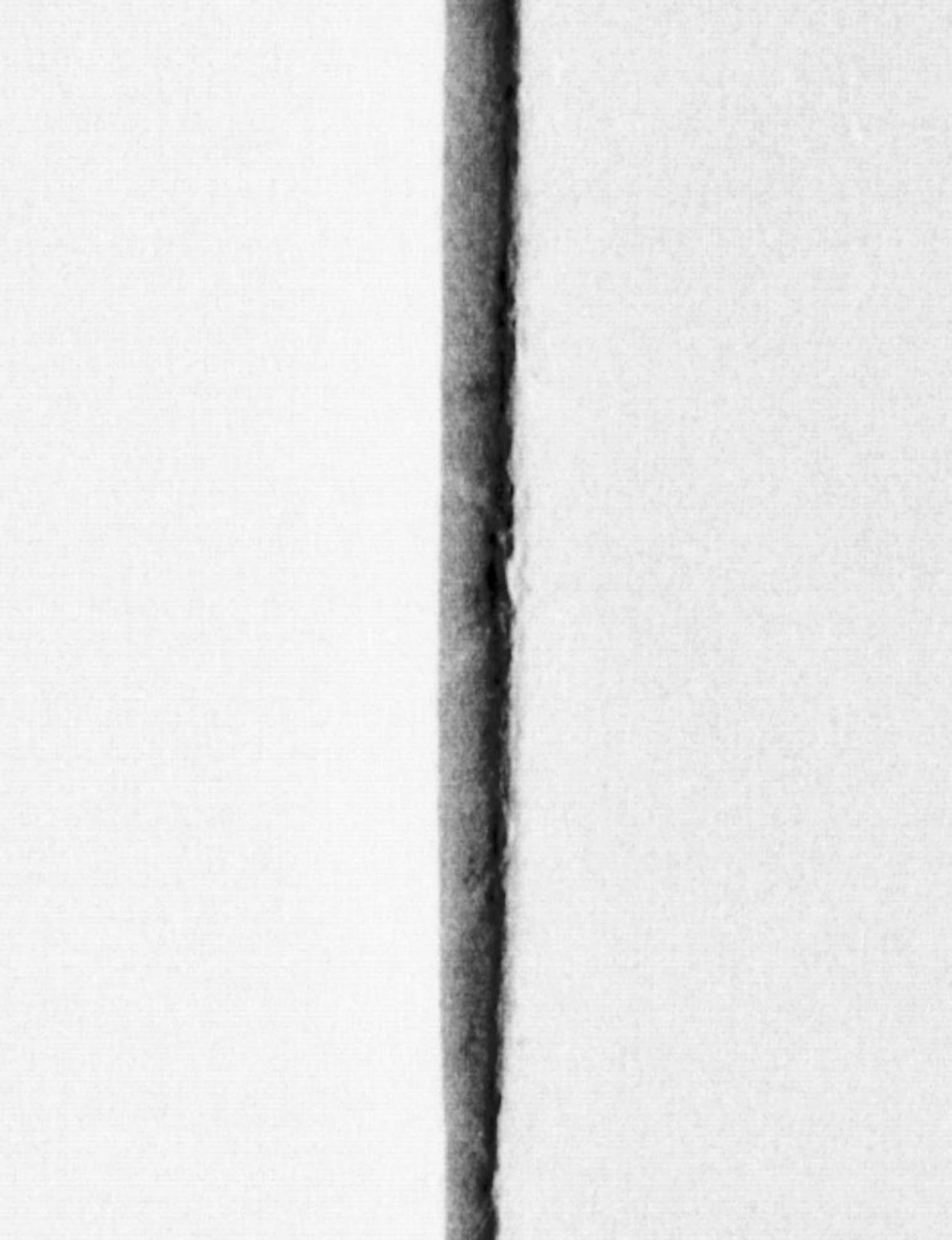
no

no influence. The internal stability of the mark is a continuing mystery but the national debt continues to mount with no apparent possibility of eventual settlement and, while the volume of currency has been kept constant, there is a great credit inflation which is the basis of all governmental financing. The disastrous consequences of inflation may be abruptly felt overnight.

Here in Poland there are no radical changes to record and the Government continues under President Mosćicki much as it did under the direction of the late Marshal Piłsudski. Foreign policy will no doubt continue friendly but alert vis-à-vis Germany.

I am glad Joe Kennedy is over here and he will, I am sure, give you a very informative report of the countries he visits. He is sound and sensible and a discriminating observer. I hope he will keep his promise to come to Poland as I am anxious to show him living conditions here so that he may take back his

first-



October 28, 1935.

Dear John:-

I am delighted to find yours of October eleventh on my return from a grand trip from San Diego back through the Canal.

What you tell me checks up very well with things that I hear from our own and special sources. Things are moving so fast that I feel that my opinion of the situation today may have to be completely changed tomorrow. We are certainly living on a day to day basis.

Keep me in touch.

Always sincerely,

Honorable John Cudahy,
American Embassy,
Warsaw,
Poland.

Post. Poland of

[Handwritten notes and scribbles]

Warsaw, Poland.
January 3, 1936.

CONFIDENTIAL

Dear Mr. President:

The significant phase of recent developments in Europe is the effect as a precedent upon an armed, aggressive Germany two years from now.

The rejection of the Hoare-Laval Proposals instead of indicating the futility of the League reveals the universal sentiment for the necessity of collective action. The dismissal of Hoare and the selection of Eden as Foreign Minister is, in the opinion of the best advised of my colleagues, an intelligent appraisal of public opinion in Great Britain which is insistent upon rigorous adherence to the League. The indications are that sanctions will now pass to a decisive stage, for the assurance of military assistance on the part of Turkey, Yugoslavia, and Greece, has given Great Britain the moral endorsement

it

The President,
The White House,
Washington.

it has from the beginning demanded as a necessary condition for forceful coercive measures that may result in war with Italy.

Step by step Laval should be forced to take a more cooperative position. Otherwise he may find that he has been the instrument of creating a most hazardous League precedent for France in 1938 face to face with a prepared Germany.

The position you have taken under the Neutrality Act has been a great gratification to us in the active Foreign Service. Your utterance, amplified by that of the Secretary of State, has given us an enviable moral leadership in Europe. But it cannot be emphasized too often that the position of the United States is an entirely independent one, based solely upon American principles and the controlling purpose to preserve the peace for our own country. Unless the independent character of our neutrality measures is reiterated most emphatically on many occasions the argument will be made and will find credence that the United States is following the League.

An

An extension of further embargoes before the League acts on the question of further sanctions, would demonstrate our independent action beyond all equivocation. But in considering such an enlargement of the scope of the Neutrality Act there is a heavy responsibility for you must bear in mind not only the possibility but the probability of an extension to Europe of the Abyssinian War. A limitation upon exports to Italy might be countenanced without too great a protest but if such limitation were imposed upon shipments to Great Britain and possibly other countries in Europe there would be violent hostile criticism from many quarters in the United States. Yet I am satisfied the overwhelming weight of American public opinion will sustain you in deciding against such material considerations of selfish interests.

But the decision must be made deliberately with a view of far-reaching consequences.

Already under the Neutrality Act we are charting a course which is an abrupt departure and decisions further broadening this course will inaugurate a foreign policy
for

for unborn generations.

I am writing you these impressions for what they are worth, confident that you will be glad to have them from one who is at an outpost in Europe and therefore conversant with sentiments with which those at home are further removed.

Very respectfully,

John Cuddeback

January 21, 1936.

Dear John:-

Your letter of January third goes along with my own basic thought in regard to the broad problem of our neutrality. Everywhere people ask me - "if there is a European war can you keep us out of it" - and I tell them that I can and will if the people of the Nation back me up.

Things over here are getting on well in spite of surface troubles. The people are all right and I hope Congress will act quickly and get away before the Conventions.

My warm regards,

Always sincerely,

PSF Poland)

St. Le

file
personal

~~CONFIDENTIAL~~

WARSAW, POLAND.
January 16, 1936.

Dear Mr. President:

I am sure all in the Foreign Service are as jubilant as I am over the Neutrality message. The expression of the Polish Foreign Minister, I think, reflects the sentiment of most European chanceries. His only adverse criticism was that the United States would not be on the side of the League in taking punitive measures against an aggressor. That, of course, would be entirely repugnant to the conception of neutrality to which the American people are so definitely committed and which your message so eloquently advocated. The objectives which I mentioned in my letter of

January

The President,

The White House,

Washington.

January 3, 1936, will be accomplished most adequately if Congress follows your recommendation, i.e. a foreign policy entirely independent of the League and one that assures us a high moral leadership, most important of all which guarantees peace as far as it can be guaranteed.

I am sure that on the issue of foreign affairs we can make a very persuasive appeal to the American people in the next campaign for I am certain your administration has the best record of the generation in this respect.

Very respectfully yours,

A handwritten signature in cursive script, appearing to read "John C. Ladd". The signature is written in dark ink and is positioned below the typed name.

~~Strictly Confidential~~

Warsaw, March 20, 1936.

Dear Mr. President:

This has been an exciting week and I hope you are being kept thoroughly in touch from London.

It is clear that the French, driven by panic, are standing firm while the British, faced by the reality of their lack of preparation for war, and by the resentment they feel towards France because of its failure to support them against Italy, are attempting to work out some sort of compromise.

The outstanding thing is that the principle involved in Germany's violation of the treaties has been completely lost in the tumult, and Austin Chamberlain's protest is like a voice crying in the wilderness.

This principle is no juridical nicety or matter of sentiment. It is the plain common working-day sense base of security in any stabilized social organization. It is exactly the same motive which prompted our Vigilantes to string up the outlaws in Montana fifty years ago.

The past week has demonstrated very clearly that this principle has crashed in European international affairs and that the League of Nations and collective action are all illusory. Only a miracle can preclude a war in Europe. After the meetings in London are over every country will settle down to a realization of war and to prepare accordingly. The catastrophe may be

averted

The President,
The White House,
Washington.

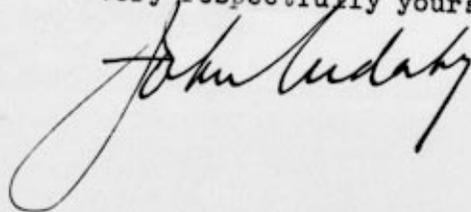
averted for a time but if the Hitler Government is not overthrown a war in Europe is as certain as the rising sun. It may be a matter of a year, two years, five years. But that another contest with Germany is coming is universally conceded now even by the most conservative.

This certainty of war we must recognize and accept as an established fact. I am sure you are aware of the situation but it is disturbing to get petitions from peace societies, one of them signed by prominent college Presidents and a retired Major General, protesting against the National Defense appropriations of the present Congress. I suppose that even if these well-meaning people were to visit Europe at the present time they would remain unconvinced.

I am thoroughly sorry Congress did not pass a Neutrality Act giving you discretion to include materials other than war munitions in an embargo. Arguments opposed to this have not changed my viewpoint that it would give us a powerful weapon in a warring world.

An observation of the German Ambassador might be worth passing on to Mr. Hopkins. He said that it was far better that the unemployed in Germany should be kept busy making ammunition and war materials than that they should receive relief in the way of a dole.

Very respectfully yours,

A handwritten signature in cursive script, appearing to read "John Cuddeback". The signature is written in dark ink and is positioned below the typed closing of the letter.

April 15, 1936.

My dear John:-

I am delighted to find yours of March twentieth on my return from a two weeks cruise in the Bahamas.

The excitement seems still to continue throughout Europe, and the situation changes from day to day.

Things over here seem to be in pretty good shape - socially, economically and politically. We had a splendid meeting that packed the big Armory in Baltimore.

Let me know when you expect to come home. There will be, of course, much work to be done but I imagine the active part of the campaign will not commence until after the Conventions.

With my warm regards,

Always sincerely,

Honorable John Cudahy,
American Embassy,
Warsaw,
Poland.

published in
Foreign Relations
of the US

PS F (Poland)

VOL. I PAGES 24-27,
General 40-41

WARSAW, DECEMBER 26, 1936.

PERSONAL AND ~~CONFIDENTIAL~~

Dear Mr. President:

I went from London and stayed with Bullitt in Paris, saw Dave Morris in Brussels, and then went to Berlin where I found Dodd laid up with a cold and talked to him while he was in bed. He finds the winter humidity of Berlin very trying and suffers a great deal, he told me.

Everywhere there was a persistent rumor that you contemplate some sort of move in furtherance of peace in Europe and I hope this rumor is not true unless you intend to act under certain conditions precedent. I am certain a Wilsonian pronouncement in favor of peace while it would create a great stir would be forgotten in two weeks' time. Also any attempt to assemble the leaders of European States for a statement of their objectives

The President,
The White House,
Washington, D. C.

objectives and grievances would result in nothing but propaganda and recriminations and would leave things worse than before.

Really to bring about any tangible results it will be necessary to diagnose the cause of existing conflicts and propose a program which will eliminate this cause. Otherwise your present great prestige in Europe will be greatly diminished and your usefulness as a future arbiter.

Germany is the outstanding threat. The whole impulse of the country is war preparation. The economy is a war economy and if this were suddenly stopped, from four to six million people would be thrown out of employment. But it must be stopped or the end is a certain conflict. About ten days ago Hitler and Goering assembled the leading industrialists and told them that they must regard the present state of the country as if it were at war. If they failed heads would roll. Hitler is said to have become so violent that several who heard him had grave doubts concerning his sanity.

Germany is in a bad way economically and faces a hard winter with a prospect of genuine privation.

There

There is a shortage in grains 20 per cent. of last year's consumption. Moreover consumption must be greater because of the pronounced shortage in fats. Already the people are being rationed on fats and dairy products which many think is the beginning of a drastic curtailment in free consumption of other food.

This lowering standard of living has been brought about because of the failure to find markets for German exports and the limitation of German imports to those materials requisite for war preparation. As suffering becomes more acute the people will grow discontented and there will be evidence of social unrest unless they are offered some compensation. Such compensation should be another ^{dramatic} ~~drastic~~ stroke for the enhancement of German world prestige with a resultant prospect of a better life. If you will examine the record since the beginning of the Nazi regime you will find that, almost each six months there has been such a ^{dramatic} ~~drastic~~ stroke by Hitler. Some of these strokes have been fraught with great peril of war, such as the one nine months ago when the Rhineland was militarized, but the nature of Hitler's leadership is a daring one and having gambled successfully so far it is

only

only reasonable he will continue his same audacious international policy.

The ultimate issue is between Germany and Russia, not between Communism and Facism or between forms of government and political philosophies but between the intense internationalisms of Germany and Russia. Here is a proud, capable, ambitious and war-like people who are denied a full and happy life while on the same continent the Russians, crude and uncouth, three hundred years behind present day civilization, are in possession of the wealth of an empire. The day of reckoning is coming on this issue - it is only a question of time - that is the ultimate issue.

What the immediate issue will be no one can tell or when it will arise. Some say Danzig or Memel. It seems more probable to assume that next spring when a probable social conflict will occur in France Hitler will, as he has in the past, take advantage of this and move into Bohemia with its four millions of Germans. The danger will then not come from France despite its obligations to the "Little Entente" but it may well be that the ultimate enemy, Russia, will decide that the time has come to resist the inevitable German assault. It will be improbable that

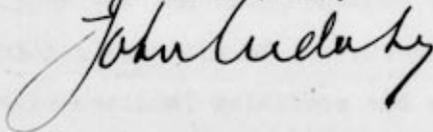
that such a war can be confined to the East of Europe.

The future looks dismal, unless something can be done to relieve the economic condition of Germany, in return for its assurance to stop or diminish its great rearmament program. The recent speeches of both Eden and Blum had this thought as their inspiration. The question is what can be done? A prominent French journalist in Berlin told me that the French Ambassador there had a definite program and asked me to discuss it with him. Of course I could not do so but I shall write Bill Bullitt to take it up with the French Foreign Minister in Paris. This same journalist spoke about credits on the part of France and Great Britain and more broad trade opportunities for Germany with these countries. But it is hard to see how France can lend abroad any substantial sum, for financial people say that they do not see how the French Government will be able to finance itself after February. Nor is there anything to indicate that Great Britain is ready to accept a flood of German imports even if France is willing. As far as we are concerned Germany owes us three billion marks on private credits upon which no
American

American investors, with the exception of those holding the Dawes and Young loans, can get payment in dollars.

But all these questions are for the experts. All I have written is only to emphasize, Mr. President, that, in my opinion, it would be a grave mistake to attempt any mediation or peace suggestion in Europe at the present time without first having a definite program for the improvement of conditions in Germany. Furthermore any discussions should, in my opinion, be conducted in greatest secrecy. Nothing should be known until the program is ready for execution. Then and not before can a proposal be made for the future peace of Europe.

Respectfully yours,

A handwritten signature in cursive script, appearing to read "John L. Lewis". The signature is written in dark ink and is positioned below the typed name "John L. Lewis".

4 PSF
Poland

Warsaw, February 6, 1937.

PERSONAL AND CONFIDENTIAL

My dear Mr. President:

I have thought of you very feelingly these days with the strikes, the floods, and all the rest of your gentle worries. You must not bother to write us over here for I know how every minute of your time is taken up. You have many other things to do besides writing letters.

I anticipate your thought by the suggestion of a Polish-Czechoslovak alliance but the conception of such an understanding at the present time is entirely fantastic and unthinkable. Ever since I have been at this post the bad blood between the Poles and the Czechs has been one of the outstanding features of Polish international relations and a mutuality of interests between the two is as remote today as a working alliance between Russia and Germany.

Poland is the poorest country in Europe and I must tell you very confidentially that I will be
surprised

The President,
The White House,
Washington.

surprised if it can survive economically another ten years. The country is without natural resources, is over-populated, has no definite economic or political policy.

With Czechoslovakia the economic situation is entirely different. This is a strong country from the viewpoint of resources and industrial development. In fact Czechoslovakia, in the absence of international complications should have a bright future. But to think of the Czechoslovak army, which has a standing strength of 200,000 and can marshal in time of war nearly 2,000,000 men, marching with a Polish army is fantastic. The feud between the two countries is of long standing and it grows worse instead of better.

Joe Davies came through here two odd weeks ago and I have been listening for "au secours" ever since. Perhaps it has been too cold. I think he is snowed in and frozen out.

Respectfully yours,

A handwritten signature in cursive script, appearing to read "John L. ...". The signature is written in dark ink and is positioned below the typed name "John L. ...".

"file
Personal"

Warsaw, December 31, 1936.

My dear Mr. President:

I herewith submit my resignation as Ambassador to Poland, to take effect at your discretion.

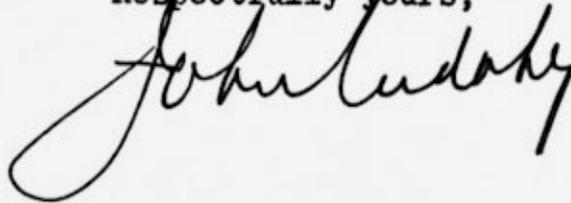
It has been a privilege to have served under your leadership with its outstanding record in foreign affairs and ~~the~~ epochal achievements in the furtherance of peace and I am deeply grateful to you for the opportunity you have given me to have played even a small part in the writing of this record.

If

The President,
The White House,
Washington.

If I can be of any service in the future, either to your Administration or to you personally, I will consider your wish an order of my commanding officer for whom I shall always have the greatest esteem and respect.

Respectfully yours,

A handwritten signature in cursive script, appearing to read "John L. Doherty". The signature is written in dark ink and is positioned below the typed name "John L. Doherty".

BF: Poland

file
private

Warsaw, Poland.
January 7, 1937.

~~CONFIDENTIAL~~

My dear Mr. President:

This is the first opportunity I have to congratulate you very genuinely upon your great work in South America. I am certain the effect of your visit will be far-reaching as far as the American hemisphere is concerned. Your speech at Buenos Aires created a profound impression in Europe but I must tell you very frankly that now, scarcely two weeks later, its influence has been largely dissipated. The people of this continent are concerned primarily with their own troubles and above all they have a very realistic approach.

There is a tenacious belief in diplomatic circles that you contemplate some sort of move toward the pacification of Europe and only a few days ago there appeared a story in the Polish press

The President,
The White House,
Washington.

press that you were coming over here to preside over an international conference. I know this is entirely without foundation yet I can not resist writing you again that, in my opinion, any intervention without some specific remedy for the difficulties over here would not only be unavailing but would be a mistake from the viewpoint of American prestige.

I do not know what we can do. The outstanding menace to peace, of course, is Hitler. No one knows where he is going; probably he, himself, does not know, and this accounts for the lack of direction and apparent vacillation in the foreign policy of Great Britain and the continent.

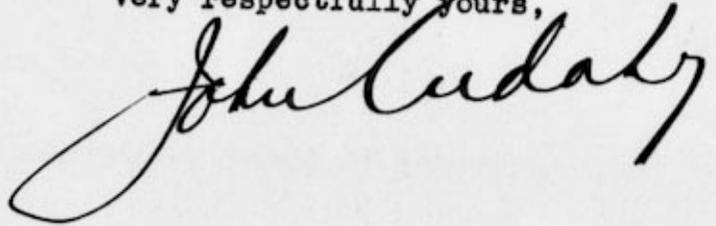
My sources of information convince me that Great Britain will be prepared for eventualities in the summer of 1937 and this should change the atmosphere considerably. Until then, it is my belief that the British hope to hold Germany by conciliatory measures.

I do not like to clutter your very much over-cluttered desk with letters but I do want to impress upon you the futility of attempting any gesture

toward

toward Europe at this time unless this be based upon realistic remedies for the relief of existing troubles.

Very respectfully yours,

A handwritten signature in cursive script, appearing to read "John Cuddeback". The signature is written in dark ink and is positioned below the typed text "Very respectfully yours,".

January 15, 1937.

Dear John:-

Your letter of December twentieth is extremely interesting and your conclusions go along very largely with mine. Acting Secretary Moore has felt that the acute crises recurring every few months can continue to be tided over - I hope he is right but the fundamental economic evils of the situation grow worse and that means greater difficulty each time a new diplomatic crisis arises.

Do not believe rumors that I contemplate any move of any kind in Europe -- certainly under conditions of the moment.

I wish you would write me your thought on the military ability of Poland and of Czechoslovakia to defend themselves against Germany in the event of aggression -- also your thought on the economic future of both these countries for the next five or ten years, assuming that no war breaks out.

Congress has convened and I have startled them once or twice -- more startles to come -- but it is just as well to get them in early and then let the session run its course.

As ever yours,

Honorable John Cudahy,
American Embassy,
Warsaw,
Poland.

J. Poland

*BF
Poland*

Warsaw, February 6, 1937.

PERSONAL AND CONFIDENTIAL

My dear Mr. President:

I have thought of you very feelingly these days with the strikes, the floods, and all the rest of your gentle worries. You must not bother to write us over here for I know how every minute of your time is taken up. You have many other things to do besides writing letters.

I anticipate your thought by the suggestion of a Polish-Czechoslovak alliance but the conception of such an understanding at the present time is entirely fantastic and unthinkable. Ever since I have been at this post the bad blood between the Poles and the Czechs has been one of the outstanding features of Polish international relations and a mutuality of interests between the two is as remote today as a working alliance between Russia and Germany.

Poland is the poorest country in Europe and I must tell you very confidentially that I will be surprised

The President,
The White House,
Washington.

surprised if it can survive economically another ten years. The country is without natural resources, is over-populated, has no definite economic or political policy.

With Czechoslovakia the economic situation is entirely different. This is a strong country from the viewpoint of resources and industrial development. In fact Czechoslovakia, in the absence of international complications should have a bright future. But to think of the Czechoslovak army, which has a standing strength of 200,000 and can marshal in time of war nearly 2,000,000 men, marching with a Polish army is fantastic. The feud between the two countries is of long standing and it grows worse instead of better.

Joe Davies came through here two odd weeks ago and I have been listening for "au secours" ever since. Perhaps it has been too cold. I think he is snowed in and frozen out.

Respectfully yours,

A handwritten signature in cursive script, appearing to read "John L. ...". The signature is written in dark ink and is positioned below the typed name "John L. ...".

File

FF
Poland

Warsaw, Feb 21. 1937.

Dear Mr President, I wish I

could do something more than
 cheer for you at this long range
 in your gallant fight for democracy.

It is the moribund judges with
 their arrogant superiority and their
 usurpation of authority who have
 forced this issue.

No one who has any capacity
 for truthful thinking can fail
 to be with you one hundred
 Per Cent.

Respectfully

John L. Ledy

TELEGRAM

EXEL

RADIOGRAM

WN113CL 51 JM

Warszawa June 2, 1937.

NLT The President,
White House,
Washington.

Presented my credentials to-day STOP I profoundly appreciate this opportunity you have given to represent you and I shall do everything within my power to justify your confidence Margaret joins me in affectionate regards to you and Mrs. Roosevelt Faithfully yours.

Tony Biddle, Jr.

The White House
Washington

file
personal
Poland
PSE

file
personal

PSF: Poland

Warsaw, July 10, 1937.

My dear Mr. President:

During the recent visit to Warsaw on the part of Mr. Matthew Woll, Vice President of the American Federation of Labor, I had the opportunity to discuss with him various factors relating to the labor situation in the United States and elsewhere.

Mr. Woll was received as the American delegate to the Warsaw Congress of the International Federation of Labor Unions upon the extension of membership in that body to the American Federation of Labor.

1/ As I realize that the labor situation both at home and abroad is of interest to you, I take pleasure in forwarding herewith a copy of my confidential memorandum incorporating Mr. Woll's views with respect to recent developments in labor circles.

Margaret and I have already become extremely enthusiastic

The President,
The White House,
Washington, D. C.

- 2 -

enthusiastic about our new post. I find the work tremendously interesting as well as Poland and its people. I am digging in fast and I hope to be able to send you a constructive summary of the situation in this part of Europe in the near future. I can not tell you how proud and happy we both are at your having appointed us to represent you here.

With warmest regards, I am,

Faithfully yours,

Tony Biddle, Jr

Enclosure:

1. Copy of despatch No. 75 forwarding memorandum of Mr. Woll's views on the labor situation.

No. 75.

Warsaw, July 10, 1937.

Subject: Transmitting memorandum of Mr. Woll's views with respect to recent developments in the labor situation in the United States and elsewhere.

~~CONFIDENTIAL.~~

Franklin D. Roosevelt Library
DECLASSIFIED

The Honorable

The Secretary of State,
Washington, D. C.

Sir:

With reference to my despatch No. 70 of July 8, 1937, on the subject of the Warsaw Congress of the International Federation of Labor Unions, I have the honor to inform the Department that Mr. Matthew Woll, Vice President of the American Federation of Labor, was received as the American delegate to the Congress upon the extension of membership in the International Federation of Labor Unions to the American Federation of Labor.

During Mr. Woll's stay in Warsaw, I had the opportunity to discuss with him various factors relating

- 2 -

1/ relating to the labor situation in the United States,
and I take pleasure in forwarding herewith a confi-
dential memorandum incorporating his views with res-
pect to recent developments in the labor situation
in the United States and elsewhere.

I was impressed by the frankness and sincerity
with which Mr. Woll spoke to me and feel that his
remarks may be of special interest to those Federal
agencies which are concerned with labor matters.

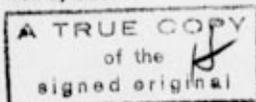
Respectfully yours,

A.J. Dresel Biddle, Jr.,

Enclosure:

No. 1. Memorandum of Mr. Woll's
views with respect to re-
cent developments in the
labor situation in the
United States and elsewhere.

550.4
In Quintuplicate
AJDB/LHH



Enclosure No. 1 to despatch No. 75, July 10, 1937, from the Embassy at Warsaw, Poland, on the subject of "Transmitting memorandum of Mr. Woll's views with respect to recent developments in the labor situation in the United States and elsewhere."

CONFIDENTIAL MEMORANDUM.

Matthew Woll, in my conversation with him during his visit here, stated in effect the following: the reason Warsaw had been chosen as the meeting place for the Congress of International Federation of Trade Unions was the following:

The British and French labor organizations, working in many respects along the same international political lines as their respective Governments, had engineered the meeting here in order to appeal to the laboring classes of Poland and other small neighboring states to bring pressure on their respective Governments to remain independent of the influences of the larger neighboring states. Both British and French delegates were careful not to mention the latter by name but their identities were obviously Germany and Italy. Britain realized she could no longer definitely count on her colonies as in the past and required some time yet before attaining her proposed peak in armament. The Dominions Conference had resulted in a demand for a fresh examination of Britain's position vis-à-vis Germany. The British Air Force and Navy would be up to standard in eighteen months, but a continued decline in enlistments would prevent the Army's being up to proposed strength by that time. Conscription would undoubtedly call for a general election.

election. Hence Britain's present attitude in respect to Spain as well as her currently adopted means of circumventing Germany's attempts to gain control, in one capacity or another, of smaller states in this part of Europe. Including Sir Walter Citrine, President of the International Federation of Labor Unions, the various delegates to the Congress had deliberately given Woll the following impression: if Franco won in Spain they believed Poland would become the scene for the next test between the two ideologies. Though Citrine, at the meeting on July 2nd, had already publicly stated he believed it would be Czechoslovakia, he subsequently confidentially told Woll he really believed it would be Poland. Citrine, moreover, had told Woll that, in his opinion, the two ideologies, Fascism and Communism, had different aims but applied similar methods towards obtaining their respective objectives.

Woll's discussions with various delegates had given him the impression that labor circles looked for a military dictatorship to replace Stalin; such a dictatorship to be followed by a gradual breaking up of the Soviet Union into autonomous states. Moreover, that Germany was exerting no little influence towards this end.

Regarding the Comintern, Woll said that when Trotsky and Lenin came to power, they were faced with a lack of adequately armed and equipped, as well as coordinated, defense. Hence, among other
aims,

aims, the establishment of the Comintern envisaged holding at bay other nations which might wish to intervene in Soviet affairs during the formative stages of organizing the Communist State. The Comintern directed its efforts along the lines of an "inside job", towards internally weakening, if not crippling, and thus holding off the opposition. They, Lenin and Trotsky, so to speak, augmented their own defensive forces by subversively enlisting the support of as large a portion as possible of the other nations' manpower. Woll had gained the impression that the Comintern's efforts were not currently proving as effective on the Continent as in the past, since they had provoked a forceful resistance. Hence the Comintern had turned to the United States. In continuing to apply like methods today, the Comintern aimed to gain control of the merchant marine on a worldwide basis. In this connection, Woll said the Comintern's efforts were now directed towards gaining a strong foothold in the unions engaged in our own shipping industry. He added that thus the Comintern aimed to control ocean transportation facilities eventually throughout the world with the objective of bringing about a paralysis of shipments of goods, food, and ammunition in the event of war.

Regarding the internal structure of the International Federation of Labor Unions, France and Belgium actually dominated the organization as a whole.

whole. French and Belgian delegates played up to the labor of the Latin countries, the British played ball with the French up to a certain point but avoided becoming involved in France's Communist tie-up. Léon Jouhaux, President of Confédération Générale du Travail, the French delegate, though not formerly Communist-minded, now had to play ball with the Communists for he was accompanied here by a Communist Committee from his own labor organization. Besides, Jouhaux's long-time personal antipathy for Mussolini, led him, consciously or unconsciously, to support the cause, opposed to Mussolini's doctrine. The British were none too sure of France's position due to these Communist leanings; hence there was an increasing desire on the British delegates' part to gain the cooperation of American labor organizations. The British admittedly would feel more secure were American labor represented at the Congress. Woll's own impression was that the Jews in the International Federation of Labor Unions were strenuously endeavoring to gain a foothold in the organization's control. This was becoming more obvious every day.

Various delegates, the British and French in particular, had, for Woll's benefit, deliberately painted a black picture of economic and labor conditions here. Moreover, they had obviously determined to discredit by inference the present Polish Government.

Government.

At the same time, Woll had been told that the underlying situation in Poland was a volcanic condition due to following facts:

(a) Poland had made a grave mistake in not having adopted land reform such as the Baltic States had done. One of the contributing reasons for peasants' difficulties here was that the landed nobility were allowed to retain their vast estates. These properties should have been split up into farms and made available to the surplus peasant population.

(b) Peasants' sons were raised on extremely meager living standard until reaching military age. They were thereupon taken into the army where they were fed well and generally well cared for. At the termination of the military training period they were released to go back to the farms and to return to their meager standard of living. The Government should establish and organize means for engaging these men after their training period in order to prevent discontent consequent to the drastic contrast between their welfare in the army and their subsequent return to poor living conditions. It was of utmost importance for the Government to create such means in order to secure these men as pillars of the State. Otherwise, they would become prey to the influences of radical organizers.

The
Racial
Element.

(c) The Jews felt themselves steadily becoming
more

more the objects of intolerance. They were resentful, fearful, and bewildered.

(d) In this connection, the Jews are apprehensive lest a continued lack of rainfall would mean a poor harvest and consequent bad times this winter. They felt that this would mean greater pressure against their race.

[In relation to the Jewish problem here, Woll believed the problem was fundamentally an economic one. However, it was an economic problem associated with and emphasized by the racial characteristics of the Jews.]

(e) It was generally believed here that the Fascist element in Government circles was behind the present drive against the Jews. In this connection, the labor delegates pointed out that three-quarters of the Government was Fascist-minded and only one-quarter liberal. So far the one-quarter had succeeded in tempering the otherwise more drastic actions of the majority. It was further felt by these delegates that the Hitler régime is playing for control of this Government.

As regards the conflict between the American Federation of Labor and C.I.O., Mr. Woll hoped and believed there would eventually be found a common ground whereon the two organizations might conciliate their differences. In the first place, America was no country in which two major labor organizations could continue a feud for very long.

Time

Time would see a change in leadership and personnel in both camps. The C.I.O., would probably find it necessary from time to time to alter its course to fit in with local or ever-changing circumstances of the day. He then pointed out that so far, both organizations in their official actions had "left the door open" after then, though perhaps only to the extent of a crack and the C.I.O., still bore the designation of "Committee". These facts in themselves were significant and pointed to the possibility of an eventual get-together. Meanwhile, in Woll's opinion, John Lewis, consciously or unconsciously, had allowed the Communist elements to honeycomb his organization - and Woll added with emphasis that John Lewis himself was certainly not Communist-minded. In Woll's opinion, Lewis had become the executive of the C.I.O., movement, and that the brains behind the executive were Sidney Hillman and other un-American labor factors. Moreover, Woll added, if John Lewis did not soon rid his organization of this element (which Woll emphatically labeled as Communist-minded), they would take the reins away from Lewis. Woll held that the presence of this element in Lewis' camp had unfortunately served to provoke a personal antagonism between the leading circles of the American Federation of Labor and the C.I.O., respectively. Woll further held that, politically speaking, as against C.I.O., the American Federation of Labor would continue as the predominant influence in Congress, whereas Woll looked for John Lewis to
have

have gained political influence only in those states wherein he had waged his forward movement. The result of this situation during the coming year might point to the possibility of both organizations' seeking a common ground. Mr. Woll regretted the conflict and hoped that time would see both organizations seeing eye to eye.

A.J. Drexel Biddle, Jr.,



DEPARTMENT OF STATE
WASHINGTON

*file
Poland.*

August 13, 1937.

My dear Mr. President:

My dear Mr. President:

I return Ambassador Biddle's letter to you of July 26, with the line of thanks for your signature which you requested me to prepare.

Faithfully yours,

Under Secretary

Enclosures:
Letter from Mr. Biddle,
and the reply thereto.

The President,
The White House.

PSF Poland

Warsaw, July 26, 1937.

My dear Mr. President:

With the passing of each day both Margaret and I are feeling more at home in Poland. We were fortunate to have arrived at the height of the short "spring season" during which the President and other Government officials were in Warsaw. This served to accelerate arrangements for the presentation of my credentials.

The occasion of my presentation was indeed a magnificent, picturesque, and efficiently conducted ceremony. I sensed a distinct effort on the part of the President, his Cabinet, and of officials all along the line to make this ceremony an especially impressive one, as a particularly friendly gesture to yourself and to our Nation. My impression has since been confirmed on numerous occasions by confidential remarks by leading officials here to the effect that they hoped I was pleased with the
details

The President,

The White House,

Washington, D. C.

details of the ceremony, for they had been happy to carry out instructions calling for more effort in connection therewith than with any like ceremony in the past. In this connection, they pointed out that for the first time on record General Wieniawa-Długoszowski, formerly a close friend and aide-de-camp to the late Marshal Piłsudski, had especially requested to be allowed to receive me on the occasion of my laying a wreath at the Tomb of the Unknown Soldier (this occasion immediately followed the main ceremony). In brief, it was gratifying for me to learn, by this gesture on the part of the Government, the high esteem in which you and our Nation are held in Poland.

Moreover, because of my profound affection for, and genuine pride in you I was in no small measure touched by the personal remarks which President Mościcki, in the presence of Colonel Beck, Minister for Foreign Affairs, made to me during my private audience. Colonel Beck, moreover, joined wholeheartedly in support of the President's remarks. In effect, the President stated that you had engaged his sincere interest from the very moment that you took over the reins of our Government. He had
recognized

recognized the widespread difficulties with which you had been confronted on the very day you took office and had followed with the keenest interest your subsequent moves, the substance of your program, and the methods whereby you had so courageously and intelligently succeeded in arresting the vertical decline of prices and the panic tendency. Not only had it been a remarkable feat to arrest the momentum of a depression of such magnitude, but also an outstanding accomplishment to have set the wheels of industry again in motion, and to have restored confidence, and to have given the Nation - so to speak - a fresh start. Indeed, this had represented a great achievement - brought about by your own courageous intelligence, and withal, your constant sympathetic regard for and understanding of humanity. What you had accomplished had engaged the interest and study on the part of the whole world. Your prestige and influence had advanced so tremendously that your constructive moves in the direction of world peace were being followed with utmost interest everywhere. President Mościcki hoped that, in view of all the many and important tasks with which you were daily faced, you could find time to rest, at least

least occasionally. Indeed, he stated with emphasis that it should be the duty of everyone close to you to see that you took excellent care of your health towards maintaining that extraordinary vitality and energy which was contributing so importantly to your courageous and able direction of the Nation's renewed forward movement.

At this point, Colonel Beck, with genuine sincerity, stated he heartily subscribed to all the President had said.

I then had the pleasure of describing to them both my last visit with you at the White House. It was on the morning of your departure for Charleston, where you boarded the boat to sail for the Buenos Aires Conference. It was soon after the elections which had been preceded by a lengthy campaign in which you yourself had so energetically participated. I had never seen you in better health and spirits, despite your arduous campaigning activities. Indeed, I was at that moment more impressed than ever with your extraordinary combination of vitality, dynamic energy, and calmness.

The President was delighted to learn this and requested

courageous

requested me to convey to you his every good wish for continued happiness, health, and success.

Another occasion which has afforded me a sense of real pleasure was that of my meeting with the Nuncio, Monsignor Philippe Cortesi. He had just arrived from Buenos Aires, where he had served as Nuncio for some time. He is a man who, from all accounts, justly gained an enviable reputation during his period of service there, and even during the short time he has been here he has come to be regarded generally with affection and esteem. He told me with great sincerity that his meeting with you and your son in Buenos Aires had been a source of genuine pleasure for him. He had had a talk with you and had observed the unparalleled welcome accorded you in Buenos Aires. The spirit with which this welcome was given by the people on the streets, as well as by the officials, the expressions on the peoples' faces as they greeted you, all had made an indelible impression on the Nuncio's mind. Then, during his subsequent conversation with you, he felt that he had acquired a real insight into your inner self. He was profoundly impressed with your humanitarian outlook, your spiritual sense, your
courageous

courageous intelligence, and innate kindness to all with whom you came in contact. Indeed, you inspired the best in everyone. Besides, the Nuncio was thankful that there was such a truly beneficial influence in the world of today. He entertained the hope of going to the United States in the not far distant future, at which time he sincerely hoped that he might have the honor of an audience with you.

With every good wish for Mrs. Roosevelt and yourself,

Faithfully yours,

Tony Biddle

[8-13

Dear Tony:

Thank you for your letter of July 26, describing your first impressions of Poland, which reached me a few days ago. I was delighted to hear how well disposed the Polish officials were to us and appreciated the individual messages you passed on. The State Department tells me that it has recently received from you some highly interesting despatches on the internal political situation. I am sure that you will increasingly enjoy Warsaw as a post.

Sincerely yours,

The Honorable
Anthony J. Drexel Biddle, Jr.,
American Ambassador,
Warsaw.

En/En:Vas

PSF Poland

*File
Personal*

Warsaw, August 28, 1937

Poland

My dear Mr. President:

I greatly appreciate your thoughtful letter of August 16 which came in yesterday's diplomatic pouch. I am especially gratified to learn that the State Department has told you that my despatches have been proving of interest, for I love my work, and have been doing my utmost towards acquiring a clear picture of Poland in terms both of domestic and foreign policy. I am happy to say, that the attitude on the part of Colonel Jozef Beck, Polish Minister for Foreign Affairs, towards me, has been frank and most friendly. Indeed, this cordial relationship has proven extremely helpful to me since my arrival here. From my own observation, Colonel Beck is steadily becoming the leading force in the Polish Government, due mainly to his initiative,

The President,

The White House,

Washington, D.C.

initiative, his willingness to make decisions, and to shoulder responsibility. I find in him a man of courage and intelligence.

He has frequently emphasized to me, that his determined objective is the maintenance of independence and peace for Poland. In line with this, he feels that if he succeeds in his aims, he will be contributing his part towards the maintenance of peace in this section of Europe. In this connection, I have noted during our frequent conversations, his increasing emphasis on the importance of what he calls "voisinage" - or the good neighbor policy. In this connection, it is clear to me that he has taken a leaf from your own book.

As regards his direction of his country's foreign affairs, he admits his "tight-rope walking" role is a difficult one. He enjoys it, however, and has so far proven himself capable of dealing with the various complicated phases entailed in Eastern European affairs. He was profoundly touched by the substance of a message which you transmitted

transmitted to him through Ambassador George Potocki, who recently arrived here from Washington. The Colonel told me, in effect that it afforded him the sense of utmost gratification, thus to learn, that his own efforts to preserve peace in this part of the world had come to your notice. Indeed, he was frankly profoundly touched.

In closing, may I not express to you my most profound felicitations upon your grand address at Roanoke Island on August 18. Both Margaret and I derived a real thrill from this forceful declaration. It was simply splendid !

The George Earle's recently visited us here, and we had the pleasure of conducting them on a tour throughout Poland, visiting the mining areas, agricultural, and industrial centers. At the same time George was afforded several occasions to shoot roebuck. He succeeded in coming away with four fine specimens.

Within the next two weeks we expect to have with us Joe Guffey and his sisters, Ida and Paulette.

I shall arrange a similar tour for Joe and his family in an endeavour to provide him with as broad a perspective as possible of the various phases of Polish life.

With renewed congratulations on your grand speech, which struck just the right note at just the right time, and again thanking you most sincerely for your extremely thoughtful letter, and with warmest regards, I am,

Yours faithfully,

Tony Biddle

PSF
Poland -
2

PRIVATE & CONFIDENTIAL

November 10, 1937.

Dear Tony:-

I am glad to have your letter and I am glad that the Chicago speech has apparently made a real dent in government thinking in Europe even though it is heartily disliked by some of the "powers that be".

Since you wrote, the general situation seems to have got worse instead of better and there is no question that the German-Italian-Japanese combination is being amazingly successful -- bluff, power, accomplishment or whatever it may be.

I appreciate the difficult position of Poland but I hope that the Polish government will not find itself compelled to do things which would be regarded by the democratic nations as yielding to Germany. Meanwhile, all that we can do in every nation to raise the question of what would happen if Fascism were to spread greatly throughout the world and dominate it ought to be said and ought to be done. We cannot stop the spread of Fascism unless world opinion realizes its ultimate dangers.

I am awfully glad to have you and Margaret in Warsaw where you are literally on the firing

line -- more so in many ways than if you were in Paris or Berlin or Moscow. If things get worse, Warsaw and Prague and Vienna will, one or all, become focal points.

As ever yours,

Honorable Anthony J. Drexel Biddle, Jr.,
American Embassy,
Warsaw,
Poland.

Ps F Poland 2

Warsaw, October 27, 1937.

My dear Mr. President,

Your magnificent Chicago address created a profound impression throughout Europe. Those nations who enjoy a clear conscience in their conduct of foreign policy greeted your words with genuine enthusiasm, and have received a marked stimulation. On the other hand, as Colonel Beck, Polish Minister for Foreign Affairs, confidentially imparted to me, it has served as a "Stop, Look, and Listen" sign for potential aggressors. He gave every evidence of being profoundly impressed by your statements, and felt that you had, as usual, wisely taken occasion to bring our people to a genuine sense of the realistic - to face the situation as it actually existed throughout the world today. At the same time, the speech, in Colonel Beck's opinion, undoubtedly represented an expression
on

The President

The White House

Washington, D.C.

on your part of the difficulties entailed in pursuing a policy of isolation, under current world conditions. Hence, it appeared to him that in your drive for peace, you had wished it to be known that the United States was interested, and would henceforth evince more active interest in the maintenance of the principles contained in treaties to which the United States was a part.

The Colonel then took occasion to repeat that he considered all the area from Poland's Eastern frontier to the middle Atlantic, as the Western European culture, and from there on to include the United States, in what might be called the Atlantic culture. To his mind, the United States was increasingly exercising an influence on the Western European civilization, and that any policy or action emanating from so powerful a statesman as yourself would be bound to have a tremendous influence on the whole of the Western world. He was profoundly interested in all you had said, and in the subsequent declaration by the State Department. The Colonel added that the moral weight of your forceful and
constructive

constructive utterance, not only represented a formidable contribution to the cause of peace, but also went far towards creating a much needed code of international opinion.

Moreover, your address on Pulaski Day was received in Government and press circles, and by the public generally, with the utmost enthusiasm. In fact, it would be difficult to describe fully how touched was the nation as a whole, by the amount of thought and real interest which you devoted to an occasion which means so much to the historic Polish-American relationship.

In today's conversation with the President of the Polish Republic, he asked me to convey to you his deep sense of appreciation of what you said in your Pulaski Day address. He was sincerely touched by your friendly reference to Poland and Polish-American relations. He added that at the time he delivered his own address on that same occasion, he was conscious of the unique relationship between our countries in that he could speak to the Polish-Americans in the United States with a sense of confidence that
although

although they bore an affection for Poland, nevertheless, they were first and foremost loyal American citizens. They had found a place for themselves in the American community, and he was proud that they as a group were advancing in the forward march of our country.

The way in which the Polish immigrants to America had been afforded a place in the national life of our country, was a great example for the treatment of minorities throughout the world at large.

I cannot tell you what a source of real satisfaction and gratification it was for me to have recently learned, in effect, the following. An American press representative associated with a number of our leading newspapers, just completed a coast to coast trip for the purpose of making a census of public opinion in regard to yourself. His findings were characterized by his statement that "there is not a Chief of State in the whole world who so enjoys the confidence, esteem, and affection of his people", as you do. He added that he had found that your standing with our people was simply amazing, and that if the elections

were

were to take place today, you would acquire an even greater majority than during the past elections. The only event which has afforded me as great a "kick" as this statement, was your actual victory at the polls this last election.

Before closing, I just want you to know, all over again, how deeply sensible and proud I am of the confidence you have shown in me in having appointed me to this post, and I assure you that both Margaret and I will always do everything in our power to justify your confidence.

I am really enthusiastic about my post, find it intensely interesting, and am very keen about my work. This summer has given me an excellent opportunity to gain a broad perspective of Polish affairs and to concentrate on the study of the essential phases. Indeed, I am happy to tell you that as a result of this period of concentrated activity I feel that I have succeeded in acquiring a broad and useful prospective of Polish affairs both in the foreign and domestic fields.

With every good wish,

Faithfully yours,

Tony Buddleji

FAST



RCA

DIRECT



RADIOGRAM

R.C.A. COMMUNICATIONS, INC.
A RADIO CORPORATION OF AMERICA SERVICE

TO ALL THE WORLD — BETWEEN IMPORTANT U. S. CITIES — TO SHIPS AT SEA

WN101CL PN157 WARSZAWA 34 28 1917

NLT THE PRESIDENT
THE WHITE HOUSE
WASHINGTON D C

*file
Poland*

RECEIVED AT *RCA-1 PSF Poland*
1112 CONNECTICUT AVENUE
WASHINGTON, D. C. 10 50
1957 SEP 28 10 50

AT _____
STANDARD TIME

MARGARET AND I JOIN IN DEEPEST SYMPATHY TO YOU IN THE LOSS OF YOUR
OLD FRIEND AND CONSTRUCTIVE ABLE MINISTER GRENVILLE EMMET FAITHFULLY
TONY BIDDLE

TELEPHONE: NATIONAL 2600

WN-W-TD-6

To secure prompt action on inquiries, this original RADIOGRAM should be presented at the office of R. C. A. COMMUNICATIONS, Inc. In telephone inquiries quote the number preceding the place of origin.

*file
personal
PSF: Poland*

Warsaw, Poland.
December 10th, 1937.

My dear Mr. President,

I am delighted to have your long and interesting letter of November 10th, and I am deeply touched by your having so kindly stated that you are glad to have Margaret and myself in Warsaw, where, as you say, we may expect to be on the firing line in the event of things getting worse. I would rather have that statement from you than almost anything I can think of, and I assure you that it not only serves as a source of real encouragement and stimulation for us, but also as a spur to our working even harder towards strengthening your confidence.

Temple University of Philadelphia has decided to confer on me an honorary degree of Doctor of Laws on February 15th, and I am particularly pleased to be the recipient of such a compliment, particularly since its source is my native city. Therefore, we should like to plan being in Philadelphia at that time, providing of course the situation in Europe does not meanwhile take a turn for the worse. The general condition over here, however, is still so volcanic and jittery that I do not feel we should plan to stay on the other side of the Atlantic for an extended period, for in the event of real trouble, we should not want to be away from our post. Hence, as my paramount desire is to see you, we shall be guided in making our plans, in respect to our length of stay at home, by whatever date you might find available to see me.

Therefore would it fit in better with your plans for us to plan to come before February 15th, or after that date? It would be such a pleasure to see you again, and to discuss the various events bearing on activities at home and abroad. I therefore sincerely hope that I may have the honor of an appointment with you at your convenience.

In

The President,
The White House,
Washington, D. C.

*Photo of Mr. Biddle in Photo file
48-22: 4158*

I/

In view of your expressed interest in the future course of the Polish Government, I take occasion to attach hereto, an outline of what I consider to be the Polish Government's present course, and my estimate as to its future course.

We were delighted to have had the pleasure of Bill Bullitt's several days visit with us. He is such a grand fellow, and I am very proud of the splendid job he is doing in Paris. I am only sorry that the unjustified rumours which accompanied his visit resulted in erroneous articles in our press at home, which eventually caused you the inconvenience of making a denial as to any official objectives entailed in his trip to Warsaw. Unfortunately, Press correspondents in this part of the world have lately been given to a combination of wish thinking, conjuring up fabrications to stir up international complications, and conjectural reporting without confirming the story at its source. Aside, however, from this particular unjustified and annoying press incident, Bill's visit here proved a source of real interest and pleasure for me, as well as an excellent opportunity for a constructive exchange of ideas and useful information.

With renewed thanks from the bottom of my heart for your friendly expression of confidence, which it is my constant and earnest desire to justify, and with every good wish, I am

Yours faithfully,

Tony Biddle, Jr

Outline of Polish Government's Present and Forward Looking
Course in respect to:

Internal Politics.

Foreign Policy.

3 Power anti-Communist Pact

Jewish Problem.

Bearing of Economic Situation of Foregoing Aspects.

*Internal Political
Course*

Present Course.

As was recently vigorously voiced by Marshal Smigly-Rydz, Poland would not adhere to the conceptions of the extreme Right or extreme Left, but would pursue a middle road policy, carrying on Pilsudski's forward looking precepts: Poland had to go forward by evolution, not revolution, and accordingly had to work to an objective, envisaging the realization of a democratic concept.

The President, the Marshal, and Colonel Beck, together with others in the present Government, appreciate the importance of maintaining a democratic facade during this still formative period of Poland's regeneration. Accordingly, they recognize the importance of maintaining a Parliament despite the decidedly centralized character of the present Government. The keynote of Government policy, therefore, during this formative period is: "a conducted democracy" - that is to say, "a democracy conducted under an authority". Contributing to the conception of this keynote, is the Government's conviction that the masses have not yet become sufficiently educated to comprehend, in its broad sense, the objective responsibility accompanying the right to vote in a national election. Moreover, the Government feels, that until the masses become more enlightened they will continue to be subject to the sway of subversive influences of the 3rd Internationale as well as the continued existence of cross currents and the play of other externally inspired forces. Hence they feel convinced that at this stage an election of national scope would result in a decidedly radical turn. In this connection, those Government officials who are regarded as competent and experienced observers of Slavic mass-psychology, earnestly point out for example, that our country's liberalism which they observe is called "radicalism" by our reactionaries, has a "ceiling", whereas in contrast thereto, the radicalism of Eastern Europe and of Poland in particular, has no "ceiling", and might be expected to serve as a "shoe-horn" for Bolshevism.

The Marshal, second only to the President in authority, made this declaration in a recent radio broadcast, as his answer in behalf of the Polish Government to recent widely published rumours of a totalitarian tendency.

I now look for Government inner circles to exert a quiet but definite effort to strengthen in every way possible the Government front, in their aim to exercise a firm check against communistic and other disturbances. At the same time the President and the Marshal who have the interests of the peasantry at heart, may be expected

to

to see to it that every effort is made to alleviate their hardships. This may be expected to meet with the Catholic Clergy's approval and support, which in turn would be reflected in added strength for the Government's position. Such a prospective course will undoubtedly entail the stressing of agrarian reform and the advancement of a broader line of social reform.

Course of Colonel Beck's
Direction of Poland's
Foreign Policy.

Although Colonel Beck, Minister for Foreign Affairs, has been frequently suspected in the past (particularly by the French) of leaning towards Germany, my own observations convince me that he is first and foremost a Polish patriot thinking in terms mainly of Poland's own objective policies, in the light of her own interests, and following the precepts of his former chief, the late Marshal Pilsudski, with whom he was intimately associated. Pilsudski had constantly stressed the importance not only of maintaining an equilibrium between the forces on Poland's Eastern and Western frontiers, but also the importance of building up as good friendship as possible with Germany during peace times, as well as of maintaining correct normal relations with the Soviet. This formula envisaged Poland's ability both to rehabilitate herself economically, socially, and otherwise, and to construct her defenses, militarily, socially, religiously, and otherwise, against what Colonel Beck (in carrying forward Pilsudski's line of thought) considers the "unlimited" menace of Bolshevism. In contrast to Colonel Beck's regarding communism as "unlimited" menace which seeks to penetrate every element in the structure of national life, he regards Germany as a "limited" menace, whose aims are at least ear-marked. To my mind, this, among others of the late Marshal's convictions has been the guiding influence in Colonel Beck's direction of Poland's foreign policy.

Notwithstanding the impression given by propaganda from the Soviet and left press both of France and Britain, the Polish people, as a whole, with the exception of small Francophile sections both of aristocratic and extreme left circles, are in accord with Minister Beck's careful but "active neutrality" policy.

Poland Remains Outside 3 Power
anti-Communist Pact.

As regards Poland's position in respect to the 3 power anti-Communist Pact, I am definitely of the opinion that Minister Beck is determined that Poland remain outside. Among others, the following important factors contribute to Minister Beck's stand in matter: (a) Poland is opposed to the formation of hostile blocs in Europe, (b) due to Poland's geo-political position she could not afford to

Join

join a pact, which for her, would carry such potential difficulties in respect to her Eastern neighbours. Poland must at all times maintain that delicate balance between her Eastern and Western neighbours, and therefore must participate in no undertaking which might tend to upset the equilibrium which she has so far succeeded in maintaining. Besides, Minister Beck is opposed to Poland's joining any pact which holds either unforeseen complications for her, or the possibility of passage either of Russian or German troops over Polish territory. Poland's bitter experience in the latter respect has taught her a lesson. (c) Minister Beck would be in a far better trading position vis à vis Britain by remaining outside the anti-Communist Pact than by joining. Once Poland might have joined, she would have become identified merely as following the foot-steps of the other 3 major members, whereas from a tactical standpoint, by remaining outside, there always exists the possibility of joining; in other words, a "card up Poland's sleeve."

Indeed, I definitely feel Minister Beck, in directing the course of Poland's foreign policy, constantly keeps his eye on Britain's movements, and that his estimate of Britain's future action plays an important role in the Minister's formulation of Poland's long-term policy. To my mind, in terms of European considerations, Minister Beck's fondest aspiration is a close tie-in with Britain.

Jewish Problem.
Government's Concern.

The Polish Government as a whole are sincere and earnest in their search for a solution of the Jewish problem, the basis of which is mainly economic. In view of their urgent need for, and existing lack of capital for industrialization, and in search for a tangible solution, they emphasize the necessity of emigration outlets, not only for the Jewish element, but also for the surplus farm labor. In stressing this point, they are motivated both by their constant concern not only over the rapid rate of annual increase in the population as a whole, but also over the problem of finding "economic room" for this steady increase in an already economically overcrowded community, which fact, they realize, contributed to a volcanic internal political condition.

Government's Course.

In estimating the Government's near future course in relation to the Jewish problem, I am aware that there has been no small amount of pressure brought to bear on the Government from financial, commercial, and press sources abroad. Despite this pressure along a broad front however, it is my opinion that the Government may not be expected to make any major concessions, unless absolutely essential. On the other hand, however, the Government may be expected to re-emphasize its deprecation

of physical harm to the Jews and their property, and in this light, to re-double its efforts to protect them. Moreover, I believe the Government will continue to regard the problem mainly in the light of an inevitable economic struggle.

Bearing of Economic Difficulties.

Economic distress more than political discontent is mainly responsible for unrest among the peasantry (who comprise about 71% of all the workers of Poland). As a matter of fact, most of the political agitation is stirred up by individuals of the extreme Right and Left groups in the cities and towns with the scattered support of professional politicians who regularly represent the peasantry.

Moreover, in spite of prevailing economic difficulties, the Government deems it essential, in order to assure Poland's independence and peace between the two ever threatening heavily armed forces on her Eastern and Western borders, to contribute proportionately large sums from the national income towards the upkeep of military defense, at least during this period of European tension and uncertainty. These proportionately heavy military appropriations unfortunately work hardship for the Polish people as a whole, in terms of the standard of living.

To my mind, anything which would tend substantially to contribute to a cure of Poland's economic ailments, might conceivably be reflected in the Government's giving more vigorous and emphatic expression to its long term objective of achieving a democratic state in the true sense of its meaning.

file

PSF
Polansky

THE UNDER SECRETARY OF STATE
WASHINGTON

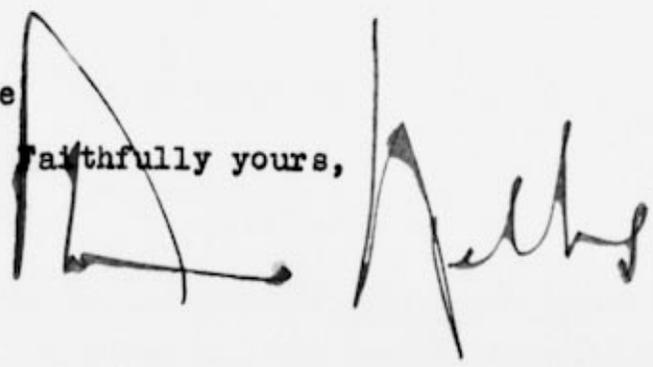
December 28, 1937

My dear Mr. President:

In accordance with the request contained in your memorandum which I received yesterday, a cable today has been sent to Ambassador Biddle authorizing him to take leave of absence any time after January first so that he may reach the United States by February 15th. He has also been advised that you will be glad to see him upon his arrival in this country.

Believe me

Faithfully yours,



The President,

The White House.

FAST



RCA

DIRECT



RADIOGRAM

R. C. A. COMMUNICATIONS, INC.
A RADIO CORPORATION OF AMERICA SERVICE

TO ALL THE WORLD — BETWEEN IMPORTANT U. S. CITIES — TO SHIPS AT SEA

WN20 BC PN225 WARSAW 30 5 1248

NLT THE PRESIDENT

THE WHITE HOUSE

WASHINGTON D C

DERIVED REAL THRILL IN HEARING CLEARLY YOUR WONDERFUL ADDRESS
OVER RADIO AND HASTEN SEND YOU OUR HEARTIEST CONGRATULATIONS
FAITHFULL TONY BIDDLE

file personal

RECEIVED AT

1112 CONNECTICUT AVENUE
WASHINGTON, D.C. - 1

AT ~~1938~~ JAN 5 AM 10 49
STANDARD TIME

TSF-Poland

TELEPHONE: NATIONAL 2600

To secure prompt action on inquiries, this original RADIOGRAM should be presented at the office of R. C. A. COMMUNICATIONS, Inc. In telephone inquiries quote the number preceding the place of origin.

*file
journal*

Warsaw, Poland.
January 13th, 1938.

My dear Mr. President,

I am so touched by the fact, that you, in the midst of all your tremendous work in all fields, thought to send me your welcome letter of season's greetings and expression of appreciation of our Christmas and New Year's greetings to you.

With further reference to your letter of November 10th 1937, to which I have already replied on December 10th 1937, I heartily concur with your expressed concern over the conflict of purpose between democracy and the totalitarian conception. In fact, this conflict has daily engaged my own serious concern. Indeed, I am serving in a part of Europe which is constantly subjected to the cross currents of various conflicting ideologies, and one does not have to be super-sensitive to feel the terrific pressure which the advocates of the totalitarian doctrine constantly bring to bear on the leading statesmen, both here, and in the neighbouring States.

Of relative and general bearing, I feel a review of the European trend in recent years, shows, that the political attitudes of many of the smaller States in the Eastern and Central parts of Europe serve as barometers of the estimated degree of Britain's and France's desire and ability to "deliver", in terms of Article 16 of the League Covenant.

So far, Poland has manifested effective resistance against this totalitarian pressure, and it is my earnest hope that this country will continue to pursue, during this, her still regenerative period,

the

The President,
The White House,
Washington, D. C.

I/ the late Marshal Pilsudski's precept, envisaging an eventual attainment of democracy in the full sense of its meaning - meanwhile, working towards this objective by stages, in an evolutionary process. This entails among other factors, the education and preparation of the mentality of the masses to accept and fully appreciate the responsibility accompanying both the privilege to vote, and of having a voice in the direction of their country's forward movement. In other words, so far, the predominant leading element of the present régime has evinced its adherence to Pilsudski's idea of advancing during this regenerative interval along the lines of "democracy conducted under the idea of an authority", a condition, which from a Western viewpoint would appear to be inconsistent with pursuance of a strictly democratic concept. However, in terms of Eastern European viewpoint, such a course is accepted as an evolutionary process compatible with their forward looking program, envisaging an eventual realization of democracy.

Since I arrived here, it has been my constant hope, that in my own way I might discreetly serve through my daily contacts, the cause of democracy. Towards this end, I have earnestly endeavoured to gain the friendship and confidence of this country's leaders, in order that our relations and conversations might respectively be friendly and frank at all times. Through my efforts along these lines, I have aimed at gaining a position whereby I might discreetly offer constructive suggestions whenever the opportunity might psychologically present itself. Indeed, in these times, I feel that this question is of great import, and I am looking forward with the utmost pleasure and interest to talking further with you about it, when I have the honor of calling upon you during our forthcoming visit to Washington.

Meanwhile,

2/

Meanwhile, aside from British Prime Minister Chamberlain's reported renewed determination to bring about a general European settlement in order to give Britain a free hand to attend to the Far Eastern situation, the present period on this side of the Atlantic might be characterized: (A) by an even greater intensification of armament, and; (B) a static condition - an inclination on the part of everyone to "sit tight", with no apparent intention to revise their respective positions.

Margaret joins me in every good wish for you and Mrs. Roosevelt.

Faithfully yours,

Tony Biddle Jr.

*"file
personal"*

PSF: Poland

Ritz Hotel, London.
March 3rd, 1938.

My dear Mr. President,

I cannot tell you how much Margaret and I enjoyed our visit with you. It was a real pleasure, and we genuinely appreciated your giving us so much of your precious time during this period of intensive activity. We had a most enjoyable voyage on the Manhattan, and the many hours of conversation we had with Joe Kennedy were our chief source of interest and pleasure. I have always liked and admired him, and this opportunity to discuss matters in general and exchange ideas with him has added a further stimulus to my affection and esteem for him. It is comforting to know that we have in this post a man of such broad vision, courage of his convictions, and clear perspective in terms of our objective policy.

You will undoubtedly recall my remarks in respect to reported efforts on the part of Mr. Hoover's associates to arrange a visit for him to Poland in such a way as to lend the visit some official colour. On my arrival here I was greeted by a letter from North Winship, Chargé d'Affaires of our Embassy in Warsaw, the substance of which I feel might interest you. Winship informs me Mr. Hoover has now extended the scope of his itinerary to include Vienna, Prague, Helsingfors, and in Poland, to include Lodz, Krakow, and Warsaw. His European "advance agent", John Hartigan, European Commissioner of the New York World's Fair, arrived in Warsaw several days previous to February 28th to prepare the ground in advance and to set up the machinery to serve as a source wherefrom an invitation might issue. Hartigan went first to the Foreign Office where he interviewed the Chief of the Division of

American

The President,
The White House,
Washington, D. C.

I/ American Affairs; he then consulted representatives of the various charitable organizations through which Mr. Hoover had worked, and with which he had been affiliated when in Warsaw 20 years ago; Hartigan then called at our Embassy. It developed that the invitation was not to be extended by the Polish Government, but by the group of organizations above referred to, and that Mr. Hoover would stop March 10th in Łódź, to receive a Degree from the University there; March 11th at the University of Krakow, where he had already received a Doctor's Degree; then the day of March 12th, in Warsaw, arriving in the morning, departing at midnight, headquartering at the Hotel Europejski.

In the initial stages of Hartigan's Warsaw "manoeuvres", Winship had been approached informally by a Foreign Office official and asked whether the proposed visit would in any way embarrass the Embassy or myself. Winship had replied that he understood that Mr. Hoover's contemplated visit was a matter entailing his own personal interests, and that he would come to Poland in a private capacity.

I was interested to note that Winship had detected a certain uneasiness on the part of the Foreign Office officials when the news first broke in the Press with reference to Hoover's proposed visit. Coupled with the published announcement of Hoover's intention to visit Poland, was a Press notice that he had spent the day with Paderewski in Morges, Switzerland, as well as an article intimating the possible presence of Paderewski and his secretary in Warsaw during the forthcoming visit. At that point the Chief of the Cabinet of Colonel Beck, Minister for Foreign Affairs, (then absent from the country) had conferred with Winship. The Cabinet Chief had prefaced his remarks by stating that the Government and the people of Poland welcomed the opportunity again to greet Mr. Hoover, but, as Winship of course knew, many changes had taken place during the past 20 years; that although Mr. Paderewski was held in high esteem, he was growing old and a number of opponents to the present Government

2/

Government had attached themselves to his entourage. He would appreciate therefore Winship's communicating this to Mr. Hoover, for he felt sure that Mr. Hoover would not wish his visit to be used by any opposition group for political advancement or demonstration. Winship had accordingly warned "advance agent" Hartigan.

In connection with the above information, I fail to understand how John Hartigan in view of his capacity of European Commissioner of the New York World's Fair feels called upon to come into the picture as "advance agent!"

Margaret and I are arriving in Warsaw Monday morning March 14th, which means that we shall not be in Warsaw during Mr. Hoover's visit on Saturday March 12th.

With our every good wish and renewed thanks for our grand visit with you, I am

Faithfully yours,

Tony Biddle, Jr.

PSF: Poland

April 21, 1938.

Dear Tony:-

Many thanks for yours of the tenth.
Tell Margaret I applaud her complete knockout
of the British Ambassador.

That is an interesting story about
Mr. Hoover's visit to the Primate.

Things here are still hectic but
the air is clearing.

As ever yours,

Honorable Anthony J. Drexel Biddle, Jr.,
American Embassy,
Warsaw,
Poland.

Warsaw, April 10th 1938.

My dear Mr. President,

Pursuant the letter I wrote you from London regarding our plans, Margaret and I returned to Warsaw on Monday, March 14th. Mr. Hoover had departed from Warsaw at midnight March 13th.

Mr. Hoover's
Warsaw Visit.

Upon my arrival I learned that the Polish Government had gone to considerable pains to avoid his visits' being interpreted in an official light. In fact, aside from Polish President Moscicki's having entertained him informally and quietly in company with his personal staff, no functions of official flavour were held during his stay in this capital.

Word subsequently reached me through discreet and reliable channels that his "advance agent" and fellow traveller, Mr. John Hartigan, European Commissioner of the New York World's Fair, had expressed the joint sense of disappointment of himself and Mr. H. over the latter's reception here, adding, it was the only capital they had visited where Mr. H. had not been treated as an official guest.

It may interest you to learn that in his hour and a half's conference with Cardinal Hlond, the Polish Primate, I ascertained authoratatively that his conversation was characterized by an inquiry as to what was the Cardinal's opinion on the merits of Fascism; what it held to tempt youth, and how it functioned to maintain youth's interest. At the same time, Mr. H. had explained there was a division of opinion among the leaders of his political party at

home

The President,
The White House,
Washington, D. C.

I/ home as to the possible adoption of fresh methods to gain the interest and support of youth. At the conclusion of the Primate's lengthy explanation on the basis of Fascism's appeal to youth (naturally however the Primate is opposed to Fascism) Mr. H. had expressed gratification at thus being enlightened by so expert an observer of human psychology. Whether this means that Mr. H. may be expected to try out some of the "Fascist melodies" on the "G-O-P piano", in an effort to tempt youth into the Republican fold, remains to be seen. Nevertheless, my informant, who was present during the interview, gained the impression that Mr. H. had evinced more than common interest in some of the features of the Fascist system dealing with youth.

On the other hand, I feel that the following might amuse you: Shortly after we returned, the British Ambassador, a friendly, amusing personality, possessing an extremely dry sense of humour, turned to Margaret at dinner, and asked: "Why were you not here to receive Mr. Hoover?" Margaret replied: "It was not possible, due to our limited time and busy schedule en route to Warsaw. Besides, we had not been notified as to the exact date of his arrival, until we had arrived in London, from which point we began our busy schedule entailing conferences at our Embassies in London, Paris, and Berlin!" The Ambassador retorted: "Oh come now! you might have arranged to be here, if you had wished. After all, Mr. H. is a former President of your country. For example, should a former King of my country plan to visit Warsaw I should certainly make every effort to be on the spot to greet him!" Margaret thereupon turned to him, and said: "Well that's just splendid! We saw the Duke and Duchess of Windsor in Paris, and they hinted that they might consider visiting Warsaw in the near future. Now, after what you said, I can inform them that they can count on your being here to receive them with open arms" (of course Margaret was only kidding him). At that juncture the British Ambassador's eyes widened almost to the popping point, and with nothing short

of

2/ of a gasp, he hastened to whisper in her ear: "Oh for Heaven's sake! you don't mean it! Well, I'll make a deal with you, and that is: Let us drop the subject immediately, and if you will agree, we shall never refer to it again!"

Atmosphere in
Eastern and
Central Europe

In this part of Europe the atmosphere may be characterized by steadily increasing tension. All States, including Poland, east and south of Germany, live in constant apprehension as to which might be the next victim of Hitler's expansion program.

Colonel Beck's
Role

Here, Colonel Beck, who, since the Polish-Lithuanian controversy, has become more than ever the master of Polish foreign policy, is directing the course of his country's foreign affairs even more cautiously than ever. In pursuing the course laid down by his former chief, Pilsudski, Colonel Beck is engaged in an effort to make friends with Germany at every possible turn, in a play for time, wherein he hopes to strengthen Poland's defensive position against what Pilsudski anticipated, and now he, Colonel Beck anticipates, an inevitable eventual conflict with Germany.

With the corridor and Danzig questions looming as potential difficulties, Colonel Beck to my mind, might not be expected to do anything effectively towards establishing his long envisaged neutral zone from the Baltic to the Black Sea, and even perhaps to the Aegean, until Britain will have become fully rearmed and France will have set her political house in order, and brought her air force to effective standard, making an Anglo-French front capable and willing to take an effective and active stand in checking Germany's aspirations for the control of Europe. As a matter of fact, I am aware that the Colonel entertains undisclosed but vague hopes of playing a role in a possible counter policy vis à vis German power politics when Britain and France will have reached the respective aforementioned standards. Meanwhile, I do not look for Colonel Beck

to

3/ to come out in the open with a policy which might be interpreted by the Germans as anti German in spirit or effect.

In other words, in view of Poland's geo-political position and the aforementioned circumstances, I do not believe Colonel Beck would risk provoking German suspicion and ire by exposing his hand in a long range scheme, entailing blocking, or cutting across Germany's drive to penetrate the Danubian valley. Colonel Beck may therefore be expected to play for time, and to conduct his foreign policy cautiously and quietly.

Today's attitude on the part of the Foreign Ministers of most Governments in this part of Europe, recall to my mind that extremely amusing and appropriate truism which you cited during our delightful visit with you at the White House: to the effect that a "Mug-Wump" was one who sat on the top rail of the fence with his "Mug" on one side, and his "Wump" on the other. It would now seem that some of the statesmen of this category are finding the top rail so sharp, that they are in the urgent search of a cushion.

Margaret joins me in every good wish for Mrs. Roosevelt and yourself, and in renewed thanks for the charming hospitality on the part of you both to us during our recent stay in Washington.

Faithfully,

Tony Bidder, Jr

PSF: Poland

DEPARTMENT OF STATE

THE SECRETARY

MEMORANDUM

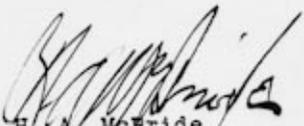
*file
confidential
Poland.*

April 27, 1938.

Dear Mr. McIntyre:

I attach copy of a despatch, No. 434, of April sixth, from Ambassador Biddle, marked "Strictly Confidential For the President and the Secretary".

Quite frankly, it is not apparent to us here why this particular despatch should be sent to the President, but in view of his specific request, we call it to your attention.



H. A. McBride,
Assistant to the Secretary.

The Honorable
Marvin H. McIntyre,
Secretary to the President,
The White House.

PSF: Poland

DUPLICATE

No. 424

Warsaw, April 6, 1938.

Subject: Trial of 39 alleged Communist agitators, and connected bearing of substance of conversations in highest police and military circles.

~~CONFIDENTIAL~~

FOR THE PRESIDENT AND THE SECRETARY

The Honorable

The Secretary of State,
Washington, D.C.

Sir:

I have the honor to report that on April 5, 1938, 39 persons, amongst whom were 9 Jewish women, allegedly members of a militant Communist organization, went on trial before the Warsaw District Court, charged with high treason, anti-Polish propoganda, and establishment of Communist cells in the Polish army. The leader of the "gang", a racial Pole, was released in 1934 after 6 years imprisonment for similar activities. Of the remaining number of the

men

are
men accused, 23/Jewish and 6 are Gentiles. The indictment contains charges that the defendants were closely collaborating with the Moscow Comintern towards undermining the Polish army with a view of bringing about civil war and the downfall of the existing order in Poland.

During the first day's trial, texts of leaflets allegedly distributed by the accused were read into the court record. In substance these leaflets represented an appeal for the destruction of discipline in the army. Moreover, copies of telegrams were read into the court record illustrating how the plotters intended to proceed towards achieving their objective.

Details of an alleged secret center also came to light, as well as the methods for the distribution of moneys and instructions to foment insubordination. In this connection, the defendants were accused of distributing sums varying from 10 to 50 pounds sterling towards carrying out their subversive mission.

Veteran press observers are of the opinion that the methods allegedly employed by the defendants, as so far revealed in the trial, are identical to those which the first Russian revolutionaries employed in bringing about the disruption of the Russian Imperial Army in 1917.

Of connected interest, highest police authorities disclosed in my recent conversations, their secret reports revealed steady increase in subversive activities of Comintern agents throughout Poland. Moreover,

secret police exchanges with other countries were indicating similar conditions, which my competent informant characterized as "hysterical activity", adding that the currently Stalin-revised, as compared to the former Trotsky-opportunist modus operandi of the Comintern, was now reflecting the hand of Stalin, in that many of the former agents had already been replaced by a more intelligent type, and that their subversive activities were directed along even more subtle and insidious lines than in former days. (See my despatch No. 288 of January 3, 1938.) My informant moreover remarked that, unfortunate though it might be, the fact that the fast accumulating police dossiers here, as well as those of secret police organizations in other continental countries, indicated a predominance of Jews among the Comintern agents, might be expected eventually to be reflected in the light of a hardship against the Jews as a whole, at least on the Continent. To my mind, his remarks were significant, in view of his being known to me as a liberal in terms of racial and religious considerations.

Subsequently, one of this official's close associates, widely travelled and recognized as a man of liberal views and broad intelligence, offered the following opinion with apparent sincerity: providing a Japanese-Soviet war within the next two years could be localized, it might perhaps prove the one "solution" against the European continent's overhanging menace, which he pictured as the Comintern's envisaged

- 4 -

envisaged opportunity to spread chaos throughout Europe: that juncture when Europe might have gone into an economic "tail-spin", with a subsequent widespread unemployment, resulting from the saturation point's having been reached in the armaments industries.

It was therefore relatively interesting to note that my subsequent conversation with highest military authorities disclosed their opinion that a Japanese-Soviet war within the next year and a half was almost inevitable.

Respectfully yours,

A.J.Drexel Biddle, Jr.

800-B
AJDB/emq

(In quintuplicate)

Copy sent Embassy, Paris.

A TRUE COPY
of the *emq*
signed original

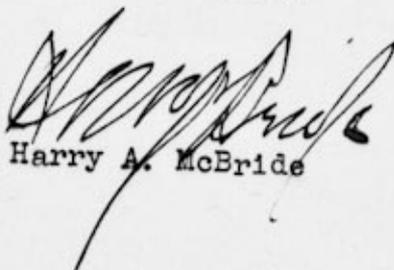
DEPARTMENT OF STATE

THE SECRETARY

April 26, 1938.

MEMORANDUM FOR MR. McINTYRE

There is enclosed herewith copy of
a despatch from Ambassador Biddle marked
"Strictly Confidential for The President
and The Secretary" regarding Poland's
activities in connection with the
Polish minority in Czechoslovakia.


Harry A. McBride

DUPLICATE

No. 428

Warsaw, April 7, 1938.

Subject: Energy of Poland's activities in connection with Polish minority in Czechoslovakia attributable to Polish officialdom's undisclosed, but discernible deep-lying anxiety over intensification of German power politics.

~~EXPLICITLY CONFIDENTIAL~~

FOR THE PRESIDENT AND THE SECRETARY

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

Sir:

I have the honor to report that my daily observations of the turn of events in this part of Europe, and the effect thereof on Polish policy, leads me now to perceive even more distinctly, evidences of Beck's underlying motive in his current direction of Polish foreign policy.

In

BSA • 438

DIPLIČKA

In the first place, Beck's energetic action vis-à-vis the Polish minority in Czechoslovakia comes as no surprise to me, for as I informed the Department in my despatch No. 258, November 26, 1937, Memo B. page 1, Beck had informed me that the Polish minority would claim autonomous administration immediately, in the event that German influence led to a like claim by the Sudeten Deutsch. It is now becoming steadily clearer to me that, in the light strictly of Poland's own long-range defensive policy, Beck's energetic activities, through the Polish press, and official representations vis-à-vis the Czech Government and in connection with the Polish minority, are motivated mainly by an underlying serious apprehension as regards Germany's potential moves. I am aware Beck is concerned lest through intensified diplomatic and political-economic pressure, the Germans succeed in bringing the Czech Government around to making a "deal" with Germany on all of Bohemia, or perhaps even on the whole of Czechoslovakia, before Poland might succeed in her efforts to bring about autonomy for her own minority in Czechoslovakia.

In this connection I have been authoritatively informed in strictest confidence that Polish military intelligence service's reports disclose there is a division of opinion in German official circles: Hitler had hitherto aimed eventually to include in the Reich only the German minority inhabiting the Germany-wards fringes of Bohemia, whereas highest German military circles

The Director
Office of
AIDS-9-178
137 271

circles were now urging inclusion of the whole of Bohemia. These military authorities were pointing out that such a move, from a strategic standpoint, would afford Germany an excellent vantage point, wherefrom she might radiate her influence effectively eastwards and throughout Czechoslovakia. I have gained the distinct impression that these reports have to no small degree contributed to discernible anxiety in the inner circles of the ^{Polish} Government.

I am, moreover, aware that the Government is also concerned lest Hitler at the back of his mind might visualize the extension of German political and economic hegemony right down the Danubian Valley, to the Black Sea, with an eventual eye to the Ukrain - perhaps even involving an intermediary step entailing the incitement of German adherence on the part of the Polish Ukrainian minority by means of direct or indirect contact through an eventually German-controlled Hungary. The Polish Government recognizes what a danger potential German control of Hungary would hold for Poland. Indeed, this might readily afford Germany, through the Hungarian minorities in Czechoslovakia, a direct or indirect contact with the Polish-Ukrainian minority.

I have gained the distinct impression from my conversations in official circles, that Horthy's conversations with Beck during the former's visit here in early February, dealt discretely with the problem with which both Poland and Hungary would be faced in

the event (a) of Germany's continued eastward expansion, and (b) of intensification of Germany's machinations vis-à-vis Czechoslovakia.

In connection with the foregoing, and of important relative bearing, I am aware that Beck, whose actions are in the main traceable to the teachings of his "old master", has not forgotten the late Marshal Piłsudski's long-range dream which, according to his former friends, envisaged a neutral wall from the Baltic to the Black Sea, as a means of stiffening the defensive position of each state in such an area, towards resisting, according to Piłsudski's apprehensions, an eventual and inevitable German drive eastwards. In this connection, Piłsudski was hopeful that an eventual direct touch might be resumed between Poland and Hungary. This could be brought about only through a corridor in Czechoslovakia. Piłsudski moreover, according to my competent informants, had anticipated that one day Germany would reach out for the Sudeten, which would be a signal for Poland and Hungary, in the light of their own respective long-range defensive policies, to urge autonomy for their respective minorities, before Germany might have time either to absorb the whole of Czechoslovakia or gain control over Hungary through political, economic, and diplomatic pressure. Piłsudski had pointed out, that by the aforementioned measures alone could Poland and Hungary succeed in resuming direct touch towards stiffening their respective defensive positions against German penetration. Piłsudski had pointed out
moreover,

moreover, that in view of Czechoslovakia's geographical position, she was a wedge between Poland and Hungary. Indeed a wedge which by virtue of its position might readily serve as a channel for eastern or western influence. In such light, Piłsudski considered Czechoslovakia a wedge in his envisaged neutral wall.

Moreover, with Hitler's ascendancy to power, Piłsudski's apprehensions in respect to Germany's threat to Poland were augmented. Indeed, Piłsudski had detested Nazism and all that it implied - and he had pointed out to Beck that Beck must so direct his foreign policy as to make friends with Germany in every way possible, and as quickly as possible, in order to afford Poland time to strengthen her defensive position against an eventual and inevitable German attack. Piłsudski had, moreover, pointed out that the ascendancy of Hitler to the power of a dictator, enabling Hitler to move swiftly, without the check-rein of a parliamentary system, made it all the more essential that Beck do all possible towards improving Poland's relations with Germany in order to ward off the day when Poland might have to meet Germany's challenge.

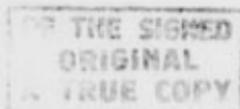
Respectfully yours

A. J. Drexel Biddle, Jr.

710
AJDB/emq

(In quintuplicate)

Copy sent Embassy, Paris



*file
personal*

DEPARTMENT OF STATE

THE SECRETARY

May 24, 1938.

MEMORANDUM FOR COLONEL MCINTYRE

There is attached a further despatch from Ambassador Biddle which has been marked for the President.

H. A. McBride

H. A. McBride,
Assistant to the Secretary.

DUPLICATE

Biddle
2

No. 458

Warsaw, April 27, 1938.

Subject: Comment in Polish official circles on various aspects of the Anglo-Italo Agreement - from both the British and Italian standpoints.

~~PERSONAL AND CONFIDENTIAL~~

FOR THE PRESIDENT AND THE SECRETARY

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

Sir:

I have the honor to report to the Department the following reactions as to the Anglo-Italo Agreement which have come to light in my confidential conversations with informed individuals in official circles here.

In substance, my informants expressed their opinion that from Britain's standpoint the Agreement was, materially speaking, considerably better than most people had anticipated.

The

The British negotiators had secured undoubted advantage. They had, on paper obtained the better half of the bargain, that was to say, from a practical standpoint. Italy had temporarily renounced the designs which she had undoubtedly entertained not so many months ago against Egypt, and the British position in the Arab states generally. Indeed, the most startling feature of the Agreement was the diplomatic alliance which the new treaty had established between Britain and Italy for the satisfaction of their respective interests throughout East Africa and the Middle East. They had recreated spheres of influence in the best tradition of the old diplomacy, and Britain's own, extending as it did, from Aden right away to the Persian Gulf, was by far the most important of the two.

Similarly, Britain had brought Italy to renounce not only any military, naval, and aerial holds in Spain, her colonies and islands, but to forego, at the termination of hostilities, any economic concessions which she might have obtained from General Franco during the civil war. This was an achievement, as was the case in the arabian part of the Agreement.

The question must be asked, in both instances, how these stipulations would effect third powers. The latter were expressly excluded from any intervention or acquisition throughout the Arab world.

At whom was this striking exclusion really aimed. Possibly, in the Italian view, only at the Soviet Government whose agents had been so busy stirring up

strife

strife throughout the Arab and Moslem countries from Iraq, right away to Morocco. These Bolshevist activities had certainly not been absent from the minds of the British negotiators.

It was difficult, however, to overlook the possibility that the British were also thinking of future German expansion. Even the Italians, now that they were alarmed over the Drang Nach Osten, and did not know where Hitler intended to stop, might also have born this menace in mind.

What my informants had noticed, was that Germany was also puzzled and nettled by this gesture of the Agreement, and eager to discover whether or not its spearhead was directed against themselves or against Moscow only. The Germans were also, it was unnecessary to add, even more perplexed and worried over Italy's renunciation of any position of economic privilege in Spain, for Germany's own concessions would not be so readily given up, being infinitely more valuable than those given by Franco to the Italians.

Moreover, the Germans assumed that there must be either in an additional and secret annex, or else in the minutes of the discussions, some specific interpretation and undertakings, elaborating this vital point. The Germans were also trying to discover what had happened in respect to Italy's known desire to be represented on the Suez Canal Company's Directorate.

It was quite clear that Italy had dropped the old claim on Egypt in fact of Cairo's determination not to

allow

allow Italy a footing on the Nile. On the other hand, my informants had been unable to confirm the report that Rome had dropped her claim to representation on the Nile Board, to which the Egyptian Government were, naturally enough, opposed. However, since the Company was a private one, its British, French and Dutch Directors would be free to accept Italy as at least a junior partner, and my informants felt confident that many of them would willingly do so.

If this were the move contemplated in order to circumvent Egyptian official hostility, nothing would, of course, be mentioned about it in the text of the treaty. My informants' reports disclosed, moreover, that German inner circles were determined, if Italy was to be admitted to the Canal Directorate, to frame a similar demand, considering that Germany's annual tonnage record through the Canal - (the tonnage of the Hansa Lines in particular - exceeded that of the P. and O.)

Apart, however, from the Anglo-Italo diplomatic alliance in the Arab world, the most striking and unexpected feature of the Agreement was the omission of any extended reference to Palestine. (This feature is developed at greater length in my despatch No. 461 of April 29, 1938).

At this point my informants reiterated their opinion that from Britain's own standpoint, both Chamberlain and his diplomatic instruments were to be congratulated on the fruit of their labors with and in Rome.

This

This was not to say that Italy herself had not gained several advantages, but such were mainly successes of prestige. The conditional recognition of Abyssinia was one; negotiation with Britain through the Levant on a new and general footing, was another.

The material gain was perhaps not immediately perceptible. However, Mussolini was rid, for the time being, of any British naval threat in the Mediterranean, and therefore would be able to concentrate his diplomatic efforts on preventing Germany from securing a monopoly of political, military, and economic domination throughout the entire Balkans, except perhaps Albania, Bulgaria, and Greece, in which Hitler might "graciously condescend" to give Mussolini a "break".

Having discussed a number of the important points of the Anglo-Italo Agreement in the light of Britain's and Italy's respective standpoints, to the above effect, my informants confidentially remarked upon the mercurial character of Italian policy in relation to that of other states. In this connection, the Duce appeared to be envisaging a return to the old classical Italian game of running two axes simultaneously - of playing the London-Rome Axis against that of the Berlin-Rome - in order to derive the maximum of profit and commissions from both sides. In judging the reality of Italy's past actions on this score, it was not beyond Mussolini to entertain hopes of playing both sides again.

Italy's masterful double game of former days was
based,

based, however, upon Italy's geo-political position, taking into consideration the independence of Austria. Hence, Austria's incorporation in the Reich had considerably altered Italy's former position of vantage. Her former position had permitted her expansion in Africa and her extension of Italian influence in the Danubian area.

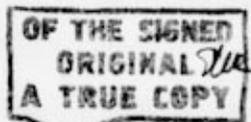
The alteration of Italy's geo-political position by Germany's annexation of Austria had, moreover, altered Italy's range of tactics between Paris and London on the one hand, and Berlin on the other. Indeed, the recent turn of events might conceivably result in emphasis on a policy of defense of Italy's existing positions.

Respectfully yours,

A.J.Drexel Biddle, Jr.

710
AJDB/emq

(In quintuplicate)



d-2-
8.7

file
pres ml.

Warsaw, July 28, 1938.

My dear Mr. President:

1/

For your information and interest, I am attaching hereto a memorandum covering in effect my recent conversation with the Chief of Minister Beck's Cabinet, Count Michał Żubieński.

To my mind, his questions and remarks justify recording, in that they reflect Polish officialdom's interest in the questions (a) as to whether the United States might be expected to supply Germany with war materials in the event of a European conflict, and (b) as to American public opinion's reported increasing antipathy for Nazi policy.

In response I prefaced my remarks by exacting an assurance from him that he would treat them in an unofficial, confidential, and off-the-record light.

The President

The White House

Washington D.C.

light. Without dwelling on details, I endeavored to clarify our Government's neutrality policy and American public opinion in terms of its attitude towards certain phases of Nazi policy. I hope that the substance of my response meets with your approval.

Hoping that you will be able to find at least a little rest from your arduous duties during the hot summer months, and with every good wish, I am,

Yours faithfully,

Troy Biddle

MEMORANDUM

Memorandum of substance of my recent conversation with a high ranking Polish official wherein (a) he disclosed Polish and other European statesmen's interest in the question as to whether the United States might be expected to supply Germany with war supplies in event of a European conflict, and (b) he questioned me as to American public opinion's reported increasing antipathy for Nazi policy.

The following is the substance of my informal and confidential conversation with a high ranking Polish official. In connection with my response to his question, he assured me upon my request that he would treat the information informally, unofficially and in strictest confidence. Needless to say, I was guarded in my statement but owing to our close and frank relations, and to the fact that he has steadily proven an exceedingly helpful source of interesting information for me, I concluded to comply with his request in general terms.

In response to his remark that a vital question currently engaging the interest of European statesmen, in considering the possibility of a European conflict, was whether the United States might be expected to supply Germany either directly or indirectly with war materials and supplies, I drew his attention to the substance of our neutrality law, and recalled to him my previous remarks (imparted upon my return from the United States in March) to the effect that I had observed (a) that American public opinion in general was characterized by
opposition

opposition to any entangling alliances, and (b) a rigid insistence on the part of public opinion that the United States guard its rights to independent and uncommitted judgement on all aspects of each and every foreign crisis as it developed; in other words, an unwillingness to make advance commitments. I added that in effect, the foregoing reactions reflected the principles which had long formed an integral part of our foreign policy.

I emphasized that the majority of my countrymen manifested a strong will to "steer clear" of war, believing at the same time that war was not inevitable. However, it would, to my mind, be dangerous for opinion abroad to interpret this as an unwillingness to fight under any circumstances, aside from invasion. At the same time, it would be equally misleading for opinion abroad to assume that the United States might be unable to retain its neutral status in the event of a major European conflict. As a matter of fact, there was no barometric device whereby we might gauge what position our country might assume under unforeseen circumstances.

In response to the Polish official's further inquiry as to the correctness of reports he had recently received regarding American public opinion's growing antipathy for Nazidom's policies, I stated that in further examining American public opinion in general, I had personally discerned a growing antipathy for the principles and practice of Nazidom's policies; they were for the most part in direct conflict with the principles underlying democracy.

In clarification of this point I remarked that in appraising the full value of this antipathy, it was well to bear in mind (a) my Government's profound respect for the rule of law in international affairs, (b) Berlin's alleged implications in the recently detected "spy-ring", (c) the clash of our principles of tolerance and equal opportunity for all, regardless of race, creed or color, with Nazidom's neo-pagan policy of extreme anti-Semitism. Indeed, the effect of barbaric measures entailed therein, upon the sensibilities of my liberal-minded countrymen, was unfavorable, to say the least.

He then remarked that my observations as to my countrymen's continued belief that war was not inevitable, had especially engaged his interest. I thereupon offered my personal opinion that present European tension might be expected to be liquidated within the next year and a half, either through war or through statesmanship and diplomacy. Moreover, I personally believed that this current war-conducive tension could be liquidated by means of the latter provided there was sufficient will towards that end on part of Governments directly interested.

Throughout our conversation, I discerned his undisguised and lively interest in my remarks. In fact, he observed in conclusion that he was particularly interested, in that, in substance nearly all phases of my observations had corresponded in effect with verbal reports on the part of recently returned Ambassador Count George Potocki. Moreover, my remarks as to my countrymen's attitude in relation to the persecution of Jews in Germany had corresponded with

with observations recently and confidentially imparted to him by an important German diplomat to the effect that his Government had become seriously concerned over Ambassador Dieckhoff's alarming reports of a frenzied wave of anti-German feeling throughout the United States due (a) to the "spy scare", (b) to repudiation of liability for the Austrian external loans, and (c) to Jewish persecution.

PSF: Poland

file
personal

Warsaw, July 29, 1938.

My dear Mr. President:

As of possible interest and for your information I am attaching hereto a copy of a letter which I have recently written Bill Bullitt.

The substance of Minister Beck's remarks go to show the extent to which even personal equation enters into European foreign relations today.

In reading these remarks it is well to bear in mind that a mutual personal hatred has existed between Minister Beck and M.Leger for many years.

In appraising the turn of events in terms of the present and of the near future, I note distinct signs of a comparative relaxation in tension. Several factors contributing to this condition, according to Polish official circles are Paris' reported adoption of a

more

The President

The White House,
Washington, D.C.

more constructive attitude towards Berlin, the prospect of Runciman's presence in Prague as a counselor and observer during further Czech Government-minorities negotiations, and Hitler's reportedly turning more towards his veteran diplomatists and experienced military authorities. Another factor which was coming to the fore as a helpful sign was the apparent tendency on the part of London and Berlin to find a common footing upon which to reopen appeasement negotiations. In brief, while my informants here regard these among other helpful signs, as grounds for hope for a turn for the better in European affairs, I am aware that they are keeping their fingers crossed.

As to the near future, my own observations concur with the views of my informants here, in that the next six weeks may be expected to prove a period characterized by show-downs, back-downs, and critical negotiations.

With warmest regards and every good wish, I am,

Yours faithfully,

Tony Bissell, Jr

Warsaw, July 25, 1938.

~~STRICTLY CONFIDENTIAL AND PERSONAL~~

My dear Bill:

I had an extremely interesting hour and a half conversation with Minister Beck, Sunday, July 10. In general we discussed various impressions I had gained during my recent consultation with you, as well as impressions I had subsequently received in London and Berlin. In particular, he imparted to me in effect the following, asking me to communicate it to you, as he wanted you to know it. In appreciation of your objective views both on Polish and French policy, he wanted you to have a clear picture of the below described incident, in event it should come up as a subject of discussion.

Just previous to Minister Beck's departure for Stockholm on May 23rd last, he had received a Note from the French Government in effect seeking clarification of his views on Czechoslovakia and the League. On the train to Berlin he had personally written the reply covering each of the points clearly and precisely. Upon his arrival at the railway station in Berlin, he had given this Note to a Polish official instructing him to forward it immediately to Ambassador Lukaszewicz. Upon its receipt, Ambassador Lukaszewicz was received by M. Bonnet to whom the Ambassador read the Note, word for word, explaining to M. Bonnet that his reason for so doing was because the six points were so precisely phrased by Minister Beck that one word revised might alter the sense of the whole. Subsequently, the Ambassador had covered the contents in like manner to M. Daladier.

In effect the contents had clarified Poland's position
in

The Honorable
William C. Bullitt,
American Ambassador to France,
Paris,
France.

in respect to Poland's direct obligations pursuant the Polish-French Alliance and the bearing thereof on the Czech situation. Besides the contents had disclosed in effect that whereas Minister Beck considered that the League was passing through a depression and currently existed mainly in theory he was not altogether pessimistic as to the League's long-range outlook. Indeed, he even entertained hopes that the League might later be revived on a basis of more practical application to member states.

Both M. Bonnet and M. Daladier had respectively given Ambassador Łukaszewicz the impression of clear comprehension.

Four days later in Warsaw, French Ambassador Noel had telephoned the Foreign Office, stating he urgently desired an immediate audience with Minister Beck. During the subsequent conference, Ambassador Noel had conveyed to Minister Beck the substance of a Note from the Quai d'Orsay purportedly bearing on Ambassador Łukaszewicz's former representations to Messieurs Bonnet and Daladier. The substance of what purported to be Ambassador Łukaszewicz representations was so foreign from the substance of Minister Beck's former reply to the French Note, that it immediately became obvious to Minister Beck that some individual in the Quai d'Orsay had deliberately mutilated the sense of his actual reply. (Minister Beck did not hesitate to state that the object of his suspicions was M. Alexis Leger, permanent Undersecretary of the French Foreign Office).

At this juncture, of his conversation with Ambassador Noel, Minister Beck had become so enraged that in response to Ambassador Noel's request that the Minister clarify his views on the misunderstanding so that he, the Ambassador might be in a position to convey them to his Government, the Minister had flatly refused. He had then pointed out to the Ambassador that this had appeared to be an evidence of some one's having deliberately misquoted and misrepresented his personally written reply to the previous Note.

To make matters worse several days later, Minister Beck had received a report from Prague to the effect that the Soviet Chief of Mission in Prague had remarked to several colleagues and Czech officials that Prague need
no

no longer be concerned over Poland's position vis-à-vis Czechoslovakia, for Poland's position had become clarified several days previously as a result of French pressure on Warsaw. This report had not served to assuage Minister Beck's irritation for he had suspected that this reported statement had grown out of some Quai d'Orsay-inspired rumor.

In later checking up with Ambassador Lukaszewicz, the Minister had ascertained that neither M. Bonnet, nor M. Daladier had mentioned a word along the lines expressed in the Note conveyed by Ambassador Noel here. As a matter of fact, Ambassador Lukaszewicz was greatly surprised by the incident, having formerly gained the impression that both Messieurs Bonnet and Daladier had clearly understood the contents of Minister Beck's reply.

In concluding his discussion of this incident, Minister Beck remarked that whereas machinations on the part of an individual like Leger might not be expected to cause a European explosion, still actions such as above-described only served as obstacles towards a better all-round understanding in general and as an impediment to efforts for a franker and clearer understanding between allies in particular. He characterized Leger's suspected part in this incident as "unfair play" and as contrary to the rules of the diplomatic game. As a matter of fact, the whole incident had recalled to his mind the days when he had suddenly awakened to the difficulties of dealing with Litvinoff, for the latter had frequently resorted to twisting Minister Beck's messages to suit his own purposes.

Of pertinent interest, my further discussion with Minister Beck on this particular occasion disclosed that in response to the French Government's soundings on Poland's position in respect to Czechoslovakia, Minister Beck had stated in effect that he would be willing to have discussions in Warsaw on the subject of Prague, but not on the subject of Warsaw's position in relation to Prague.

From my own observations, I am aware that this unfortunate incident has provoked the Minister's ire and served

served to increase his already acute detestation of M. Leger, whom he is led to suspect as the party responsible for deforming his own clear statement of Poland's position on the points which were the subject of the French Government's former inquiry. Indeed, I feel that he is more convinced than ever as to the lack of objectivity on M. Leger's part and in exculpating both M. Bonnet and M. Daladier for whom he bears the utmost respect and esteem, he is inclined to characterize possible smooth functioning of the French diplomatic machinery.

Finally, I am aware that the Minister's friendship for you, besides his respect for your own objectivity, clear vision and just attitude, has led him to request me to lay before you his position in the above-described incident.

To my mind, this whole incident is illustrative of how personal prejudices on the part of responsible individuals can play a harmful role in international relations. I am aware, of course, that we both have long known of the existence of M. Leger's acute prejudice against Minister Beck and so to speak vicious circle of bad feeling arising therefrom. In other words a mutual dislike. Such misunderstandings are indeed unfortunate and to my mind these tense times call for men in responsible positions to pocket their prejudices in the cause of appeasement and pacification.

With every good wish, I am,

Your friend,

A. G. G.

PSF: Poland

P. F.

Warsaw, August 13, 1938.

My dear Mr. President:

I have just returned from an inspection trip
in eastern Galicia and in the thought that my report
thereon might possibly prove of interest to you, I
1/ am attaching hereto a copy.

I followed with keenest interest your western trip
and was elated over the wonderful reception you were
accorded everywhere. It brought to mind that thrilling
day when Margaret and I had the honor of following your
car through the streets of Philadelphia and Camden. That
was a rare thrill indeed!

Every day makes us more proud of you, and in turn
more proud to be serving you.

With every good wish for your continued happiness
and success, I am,

Faithfully yours,

Tony Bissell, Jr.

The President,

The White House,

Washington D.C.

DUPLICATE

No. 655

Warsaw, August 12, 1938.

Subject: Supplementing my despatch No. 194, October 7, 1937, page 16; Further observations on secret "flooding system" aimed at serving as defense line from Pinsk Marshes to Dniester River; Further observations on roads and terrain in southeastern frontier district.

~~STRICTLY CONFIDENTIAL~~

FOR THE PRESIDENT AND THE SECRETARY

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

Sir:

I have the honor to supplement my despatch No. 194 of October 7, 1937, regarding construction of a flooding system in southeastern Poland aimed at serving as a line of defense against a potential effort on the part of Soviet troops to cross into Polish territory and to report that my recent tour of inspection in that particular area brought to light the following information.

Along the two rivers, Styrpa and Seret, which run
parallel

Explos

NO. 622

parallel southward to, and emptying into the Dniester River, have been constructed a series of dams which, when and if opened, would be capable of flooding an intervening area averaging about 20 kilometers in width for a distance of about 200 kilometers, within a period of several hours. This obstruction, combined with the quality of pasty clay-like soil which lies between the two rivers would seriously impede, if not completely hinder the passage of any motorized equipment.

In traversing this southeastern area I was careful to observe the roads and the terrain in the light of their bearing on potential military operations. The road which brought me to the border runs due east from Lwów, and is constructed and maintained as a main military artery. Hence, up to a point within about 20 kilometers from the border, it is broad enough for two lines of heavy motorized equipment, and the surface up to the aforementioned point is macadamized. East of the aforementioned point, however, as in the case of all roads running eastward to the frontier, the highway became very narrow and ceased to have a macadamized surface. At this point (which as I pointed out is about 20 kilometers from the frontier) there is a very broad belt of forest running north to south, maintained as a shield for tactical purposes.

In surveying the rolling plains which characterize southeastern Poland, and continue for several hundred miles into the Russian Ukraine, I gained the impression that the terrain is far better suited to cavalry rather than to
motorized

motorized operations. Indeed, the undulating nature of this part of the country would lend itself admirably to the movement or deployment of cavalry or infantry. As to its lending itself to the operations of tanks and other motorized equipment, the black silt which characterizes the land over this area, reaches depth on the Polish side of about 18 inches, and in the wet season is practically impassable except on foot or horseback. Having reached these conclusions, I can now more readily understand why the Polish military authorities have maintained an exceptionally large cavalry establishment, and so much horse-drawn artillery.

Examination of the map moreover, discloses that such an obstruction on Polish territory would throw the main burden of responsibility on Rumanian shoulders for the passage of Russian troops into Czechoslovakia.

As near as I could estimate upon careful examination, the main part of the work on this project has already been completed. In fact, I believe that outside of the present work which is mainly devoted to the digging of sluices to connect up one river bed with the other, in order to expedite the inundation, the system as a whole could be made to function effectively even now in an emergency.

During my tour of this district I was interested to find that the community inhabiting the area adjacent to a large estate belonging to Count Siemienski (whereon one of the large dams of the Styrpa river had been constructed) had become greatly excited over some incident which had just occurred. Upon inquiry, I was confidentially informed that on the day previous the Soviet military attaché had appeared near by in civilian clothes, motoring in a small

car and was stopped by the military authorities, was discretely informed that this particular area was under military control and advised to conduct his tour elsewhere. He had departed in the opposite direction without demonstration. Later I found that his departure from Warsaw had been marked by the secret police and though his trail had been lost during one night, he was picked up again the next day by the local police near Sloczow. I cite this to show how careful the military authorities are to guard the "flooding area" from inquisitive eyes - especially those of officials of the Soviet. I was interested, moreover, in observing conditions in various frontier posts along the Polish-Russian border, from Podwojoczyska southward. At this particular point, I noted an exception in that there was the absence of the usual three strands of barbed-wire entanglements. Here there is a small river dividing the two center posts. Instead of the wires being visible as in the case of most frontier points, the wire is submerged in the stream. The Russian village opposite Podwojoczyska has undergone a major change in terms of population during the past year. All inhabitants except the Jewish population evacuated the town and were replaced by immigrants from the interior of Russia.

Southward along the frontier I found that at all bridges and points of military concentration on either side, there were two Soviet soldiers on guard vis-à-vis one Pole. Inquiry on my part revealed that in Polish military opinion the reason for these two guards at each

Soviet

Soviet post was for the purpose of having one watch the other. An interesting sidelight on Polish frontier etiquette was that the Polish soldier on guard never takes his eyes off his opposite number on the other side. Thus when the officer whom I accompanied approached his guard, the latter backed to join us, advanced along side, and saluted the captain and myself without ever looking at us. The captain explained that this is a cardinal principle strictly adhered to by the Polish frontier troops on guard.

Having at the same time the flooding system in mind, I noted that the terrain southward to the Dniester offered itself advantageously for the operation of that defense scheme.

Respectfully yours,

A.J. Drexel Biddle, Jr.

800
AJDB/emq

(In duplicate)

OF THE SIGNED
ORIGINAL
A TRUE COPY

Warsaw, ^{VSF - Poland}
October fifteenth 1938.

My dear Mr. President:—

Supplementing my letter of October sixth, I have the honor to convey to you the following observations upon main-line developments in this part of Europe:

It is now becoming clear that Hitler's immediate plans envisage (a) a period of internal reconsolidation and "digestion" for Germany, and (b) a reinvigorated trade drive Eastward and Southeastward.

In connection with this drive, I have been informed confidentially by a leading official in the Polish intelligence service that already Germany has adapted "France's post-war trade-infiltration methods", namely, offering directorships and important, remunerative positions in commercial enterprises to leading individuals in political circles in "certain" states of

The Balkan and Central European areas.

Moreover, I now discern distinct signs of Germany's turning its vigorous attention to Roumania. In fact, I look for Hajdoru's political-economic activities to become pronounced in that state at an early date.

As for what is left of unfortunate Czecho-slovakia, Hitler, as I have long anticipated, is bringing all possible pressure to bear on Prague to fall in line with Berlin.

I still perceive no tangible grounds for hopes that the Munich Conference might lead to a general European appeasement and pacification — and I continue to feel Europe is passing through a period of armed truce.

A possible reshuffle in the British Cabinet, however, might tend to change the complexion of British policy, which in turn might conceivably reflect itself in a change in the political atmosphere of the Continent.

With every good wish
I am

Faithfully yours,
Tony Biddle

DEPARTMENT OF STATE

THE SECRETARY

November 2, 1938.

MEMORANDUM FOR MISS LeHAND

Respectfully returned to
the President with the thanks
of Secretary Hull.

file personal

Poland

REPRODUCTION OF
HOOPER
THE SECY
DEPARTMENT OF



Poland

EMBASSY OF THE
UNITED STATES OF AMERICA

Warsaw, June 19, 1938.

*d-2-foreign
Prosser*

*file
confidential*

My dear Mr. President:

How thoughtful you were in the midst of all your pressing duties to write me your welcome letter of April 21! Margaret was delighted that you were amused by her friendly Hoover-Duke of Windsor "dig" at the British Ambassador.

During one of my various conversations with official circles here, we discussed a number of appeasement formulas which had been suggested during recent months. One official who possesses an exceptionally dry sense of humor made the following remark which I consider rates passing on to you. "Those European nations seeking a face-saving formula for appeasement were becoming aware that it was no longer a question of saving the face - for there was no face left to save - it was now merely a case of saving the "rear end". I thought this might fit in with your amusing definition of a "mugwump".

Moments

The President
The White House.

Poland

- 2 -

Moments continue tense in this among other parts of the Continent, and Polish officials, though not unduly pessimistic as to the outcome of the Czech problem, nevertheless, feels the situation continues (a) to call for caution and (b) to remain at the mercy of incidents.

As regards the general European situation, except for occasional so-called breathing spells, such as the current one, I perceive at the moment no grounds for hopes of an alleviation of tension - until perhaps the setting in of bad flying weather, which would ordinarily be about the first part of November.

Meanwhile, highest military circles here are inclined to regard the period immediately subsequent to the harvest (which in some countries of Eastern and Central Europe is estimated at about six or seven weeks late) as one calling for caution.

1 I am forwarding you hereto attached, an outline of the current situation as perceived from my observations here, which I hope will serve you as an interesting reference.

As
Tony

As the geo-political position of Poland is so delicate and as the substance of Minister Beck's strictly confidential disclosures represent such a profound insight to the fundamentals of his foreign policy, I am confining this memorandum to you and to the Secretary personally.

Bill Bullitt agrees with me that during times such as these it is dangerous to give departmental circulation to such strictly confidential and intimate disclosures for fear that should the substance leak out it might work harm, in this case, for Poland, which is doing its best to "stand off" Germany. In other words, should Nazi ears gain knowledge of Beck's underlying thoughts herein cited, it would not be long before German pressure either in the form of Nazidom's favorite sport, the "minority racket" or some other form, might be expected to take place.

Again permit me to assure you of how proud we are to be representing you and our country in Poland, during this extremely important and interesting era. I only hope that you realize how grateful we are that you did us the honor of appointing us to this post.

With every good wish for Mrs. Roosevelt and yourself, in which Margaret joins, I am,

Yours faithfully,

Tony Biddle Jr

I N D E X

TITLE: Outline of salient features of Poland's present role in the continental political arena.

TITLE: Minister Beck's views as of June 19, 1938, on Czechoslovak situation.

TITLE: Streamline observations on various aspects of complex effect of Hitler's expansion program--- in terms of (a) Poland's short and long-term objective and (b) its general bearing on Eastern and Central Europe (from the Polish viewpoint).

<u>SUBTITLES:</u>	<u>PAGE</u>
<u>Introductory</u>	1
<u>Basis for gauging effect of past and current events on Eastern and Central Europe.</u>	1
<u>Polish official's confidentially disclosed views on Hitler's eastward objective.</u>	2
<u>Informal discussions between officials of German and Polish Governments re the Ukraine.</u>	2
<u>Germans did the talking; Poles the listening.</u>	2
<u>Polish collaboration with Germany in possible aggression against Ukraine dangerous from Poland's standpoint.</u>	2
<u>Poles gained insight to Hitler's long-range objective by listening.</u>	2

<u>My personal observations on Beck's policy.</u>	3
<u>No long-range commitments beyond existing alliances and non-aggression pacts.</u>	3
<u>German occupation of Ukraine would spell German encirclement and vassaldom of Poland.</u>	3
<u>Beck's direction of Polish foreign policy characterized by alertness, elasticity, and influenced by former training in military tactics.</u>	3
<u>My opinion that Beck would seek means to prevent Hitler's envisaged Ukraine objective.</u>	4
<u>Beck's aim to confine German frontier vis-a-vis Poland at minimum.</u>	4
<u>Potential circumstances whereby Poland might conceivably be forced to become party to a German move on Ukraine.</u>	4
<u>Conclusion: Poland's elastic policy.</u>	4
<u>Long-range commitments of rumored category contrary to Polish policy.</u>	5
<u>Further observations from various angles bearing directly and indirectly on German expansion.</u>	5
<u>Polish concern over potential threat of German aggression Poland-wards.</u>	5
<u>Pilsudski's unforbidden warning of an eventual German challenge.</u>	5

<u>Of connected bearing:</u> <u>paraphrased cable</u> <u>excerpts.</u>	5a
<u>Further important bearing:</u> <u>Beck's enlightening dis-</u> <u>closure of Poland's policy</u> <u>vis-a-vis Germany's potential</u> <u>Ukrainian aims.</u>	6
<u>Views of Beck's close</u> <u>associate re Poland's possi-</u> <u>ble counter to a German</u> <u>determination either to</u> <u>infiltrate "peacefully"</u> <u>or seize the Ukraine.</u>	8
<u>Interesting bearing of</u> <u>recently published Polish</u> <u>book.</u>	9
<u>Polish views on Germany's</u> <u>envisaged methods of</u> <u>"infiltrating" Ukraine.</u>	10
<u>Potential bearing to Italian</u> <u>policy on Germany's envisaged</u> <u>Ukraine objective.</u>	12
<u>Mussolini's reported efforts</u> <u>to divert Hitler's expansion</u> <u>course Ukraine-wards as</u> <u>means of getting Hitler "off</u> <u>his neck" in Balkans.</u>	13
<u>The Axis and its profits</u>	13
<u>To Italy the short end of</u> <u>profits, potentially making</u> <u>for ultimate intra-Axis</u> <u>differences.</u>	13
<u>Hitler's reported "boring in"</u> <u>methods vis-a-vis Moscow.</u>	14

<u>My impressions of Polish officialdom's consideration of events in the making.</u>	15
<u>Germany's eastward politico-economic drive.</u>	15
<u>Britain, as peace-broker envisages an ambitious formula for European appeasement.</u>	15
<u>Britain's hope of bringing Germany into line.</u>	15
<u>Poland foresees alternative counter-policy in event of Britain's failure to deal with Germany.</u>	15
<u>Polish officialdom not optimistic over prospects of Anglo-German settlement.</u>	16
<u>In event of counter-policy, Polish officialdom sees chance of playing a key role.</u>	17
<u>Outline of my own observations on Polish foreign policy in re German expansion.</u>	17
<u>The recent Quai d'Orsay-attributed rumors.</u>	18
<u>Potential key role for Poland in counter-policy might conceivably prove her best "out" from German eventual expansion clutches.</u>	18

Poland

TITLE: Observations of Economic Advisor to Foreign Office and those of a veteran observer of affairs in this part of Europe on the economic block resulting from Germany's annexation of Austria.

SUBTITLES: PAGE

Poland's "classical maximum" of 17 percent of her total trade with Germany. 2

The effect of Nazi-economic-salesman, Dr. Schacht's tour. 2

Unhappy awakening of those countries whom Dr. Schacht "sold" on Nazidom's trade policy. 3

Current dark outlook for those countries now victims of Nazidom's "straight-jacket". 3

Poland's foresight so far served to avoid her victimization. 3

Poland's efforts to increase Polish-Hungarian trade. Poland's contribution towards keeping Hungary out of Nazidom's clutches. 3

Question: cheaper in long run for Britain and France to devote part of arms expenditures to purchase of Danubian products? 5

Answer: Britain prevented by Dominions' situation and France could not do it alone. 5

Peoples of Danubian area not now pro-German at heart. 5

Unhappy reaction in Austria 5

A dual lesson: fear
previous to annexation
and disillusionment
afterwards. 6

The critical aspect:
Germany's whip-hand over
internal structure through
economic bondage. 6

Only solution: replacement
of adequate part of German
trade by trade with liberal-
minded nations. 6

One of potential dangers:
likelihood of Germany's
forcing Central European
states to use only German
railways and ports for
their exports. 6

Observations here in relation
to the economic-political
developments in Eastern and
Central Europe subsequent to
the Anglo-French talks in
London. 9

TITLE: My observations on various aspects of current
trend of German eastward expansion.

SUBTITLES: PAGE

Bearing of German politi-
cal-economic expansion on
Italian interests. 1

Bearing of German trade
with Hungary on Italian
interests. 2

Nazidom's designs on
Danube trade. 3

Figures of Germany's 1937
trade with Greece, and
countries in the Danubian
area. 4

German-Czech trade 5

Routing of Czech
export traffic. 5

Question of Gdynia's
potential competition
with German ports. 5

Poland

OUTLINE OF SALIENT FEATURES OF POLAND'S
PRESENT ROLE IN THE CONTINENTAL POLITICAL
ARENA.

From Poland's objective point of view she may not be expected to make any commitments at this juncture, in view of Poland's necessarily drastically realistic foreign policy of neutrality (fundamentally due to Poland's geo-political position between two colossal neighbors, each of whom represents to a different degree a potential menace).

Indeed, any commitment in advance of an actual Anglo-French clash of arms with Germany might conceivably endanger Poland's voisinage, in fact the entire value of her tactical position, attributable to the delicate balancing of the forces at her East and West, which she has so long struggled to maintain.

In other words, Beck, in his determination to maintain this balance in Poland's own interests, necessarily plays his diplomatic cards with extreme care. It is reasonable, therefore, to assume, that he could not be expected "to stick out Poland's chin" prematurely by indicating either directly or indirectly Poland's commitment to a potential counter-policy directed against his Western neighbor - for Beck realizes that if such a commitment reached the ears of Berlin circles, it might conceivably work an inestimable hardship for Poland before such time that Poland was fully prepared to apply forceful action

vis-a-vis

vis-a-vis Germany. Besides, it is well to bear in mind that (a) Britain and France have let down Czechoslovakia, according to Poland's anticipation and (b) France's about-face policy in respect to Czechoslovakia, in the light of French pressure on Prague to revise her national political structure after twenty years of apparent French approval thereof, do not serve to inspire Poland's confidence in Anglo-French collaboration in a "pinch". In other words, events of the past and present have given rise to Poland's desire to be "shown".

In my opinion, Beck on the one hand realizes Poland cannot afford to take the German "rap" alone, while on the other hand, he would even welcome the opportunity of throwing the Polish forces on the side of Anglo-French forceful action.

Indeed, I discern that, in a potential concert of forceful action by British, French and Polish, and by others who would eventually fall into line, Beck perceives Poland's best "out" from the grim prospect of becoming either a potential victim of German political-economic expansion, or the potential pathway for a German aggression against the Ukraine, should Germany fail to acquire the latter through Hitler's envisaged alternative of Nazi-styled "peaceful infiltration".

Hence, from my personal observations, I feel that whereas it is difficult for certain official circles in Western Europe to evaluate and to comprehend the underlying motives of Beck's rather confusing "mugwumps" or "on-the-fence" policy,

evidence of an actual Anglo-French military move vis-a-vis Germany would completely and almost instantaneously change the picture. Accordingly, in such event, I should look for Poland to strike out vigorously, and even eagerly, on the side of Britain and France.

Hence, I believe that although for the above-cited among other reasons, Poland could not afford to commit herself in advance; it would be quite another picture after hostilities commenced.

Of further bearing on my above reference to the apparent inability on the part of certain Western official circles to understand Beck's policy, I take occasion to verify my reaction by the following brief observations:

On the one hand, I have recently become aware that although not yet the British Foreign Office, nevertheless, 10 Downing Street is gradually gaining a clearer understanding of Beck's policy of drastic realism and the factors which motivate it. Moreover, I have gained the impression that 10 Downing Street has come to recognize Beck's undisclosed but persistent regard for British policy and that its perception thereof has contributed towards increased confidence on the part of Downing Street in Poland's potential willingness and capacity to perform effectively in the event of a continental explosion.

As regards reported confusion in French official circles as to Poland's policy, I am inclined to attribute this so-called confusion to a combination of the following factors:

(a) The persistent hatred of certain Quai d'Orsay factions for Beck and their continued inclination to label him as pro-German - due perhaps to their refusal to understand, or complete lack of comprehension of Poland's geopolitical position, and of the forces which motivate Poland's policy of "active neutrality". In other words, Polish officialdom feels that this faction of the Quai d' Orsay is given to judging Polish policy in terms of France's rather than Poland's own objective interests.

(b) Among French official circles in general whose inherent perception and understanding of the why's and wherefore's of diplomatic policy have long been recognized, there appears to be an unwillingness to admit a comprehension of Poland's present non-committal attitude.

(c) An apparent obsession on the part of French circles in general vis-a-vis the German menace serves to eclipse due and full evaluation of the Soviets' unlimited threat to peace through what Polish officialdom styles as Stalin's secret insidious wrecking policy aimed at preventing Western European appeasement and pacification for fear of the Soviets' potential isolation. In other words, lack of consideration of the latter menace is apt to befog a clearer understanding in Paris of the dangers which constantly worry countries such as Poland.

In considering the outlook of France's alliance with an internally enfeebled Russia, reportedly

unable to wage war on two fronts, and harassed by a potential eventual threat of a Japanese attack - and meanwhile striking out in all directions in a policy aimed at wrecking Western European appeasement efforts, I should look for Britain and France, at least during the lives of their respective current Governments, to devote more serious consideration to Poland, as a potential pivot of strength in the area East of Germany.

Poland

MINISTER BECK'S VIEWS AS OF JUNE 19, 1938,
ON CZECHOSLOVAK SITUATION.

Beck feels that prudence and caution should guide the course of European statesmen just as rigidly during periods of "breathing spells" conducive of optimism (such as the present one), as during volcanic periods conducive of pessimism.

In Beck's opinion the Czechoslovak situation continues to be:

(a) A vital one, at the mercy of incidents and unpredictable developments.

(b) One calling for cautious observations: what might for the moment appear to be a "breathing spell" should not be translated into undue optimism.

Moreover, the situation held three, among other outstanding potential dangers:

(a) An attempt by either side to prolong unduly the Hodza-Henlein negotiations.

(b) The possibility of the Czech Government's answering conceivable Sudeten resistance to the Government's terms, (characterized by self administration,) by means provocative of internal strife, conducive of outside intervention.

(c) Stalin's pursuance of a diplomatic policy aimed at wrecking attempts of appeasement and pacification west of the Russian frontier and the Comintern's reported efforts to keep open the Czechoslovak wound in the heart of Europe.

In connection with sub-division (a) in the preceding paragraph, the following observation may be of interest: Beck, whose personal feeling towards Benes is far from cordial, and whose judgement of Benes should therefore be considered in such light, feels Benes' natural inclination is to stall for time, a dangerous course in the light of its conceivably abusing the other side's patience. On the other hand, Beck is concerned lest Benes, in the event of wanting company in his "misery", might conceivably "strike out" in an attempt to provoke real trouble while the cards are in his favor, namely, ^{stacked} among other factors, the support of Britain and France. Moreover, Beck is inclined to question, ^{whether} although the French General Staff was reportedly ready to move, and the British were prepared to come along subsequently, either might be so sanguine later, if Benes overplayed his hand in an undue prolongation of negotiations. Of connected bearing, Beck is aware of France's rather embarrassing position in relation to bringing pressure on her ally, Czechoslovakia, to revise her national policy after twenty years of apparent approval thereof. Under such circumstances it was not easy for French diplomacy to point out to Benes, that he was now facing the necessity of adjusting the balance of political mistakes which his Government had made during the last twenty years. Hence, it was only natural that the Quai d'Orsay was unloading as much of this burden as possible on

STREAMLINE OBSERVATIONS ON VARIOUS ASPECTS
OF COMPLEX EFFECT OF HITLER'S EXPANSION
PROGRAM - IN TERMS OF (A) POLAND'S SHORT
AND LONG-TERM OBJECTIVE AND (B) ITS GENERAL
BEARING ON EASTERN AND CENTRAL EUROPE
(FROM THE POLISH VIEWPOINT).

Introductory

In examining the forces which have influenced, and in many cases determined the course of events leading to the present tense situation in Europe, I have herein endeavored to fit together some of the pieces of the international mosaic which have come under my observation here. My purpose envisages an attempt, from Poland's viewpoint, to peer over the hill of European political confusion, to gain a glimpse of what events are leading to.

Basis for gauging
effect of past and
current events on
eastern and central
Europe.

From the Eastern and Central European, and particularly the Polish point of view, the potential outcome of events both current and the recent past, may best be evaluated by taking into consideration the implications and possible effect of the following aspects:

(a) Hitler's reportedly envisaged synchronization of an eastward expansion policy with his four-year economy plan.

(b) Mussolini's and Hitler's apparent attempts respectively to shake loose France and Czechoslovakia from their alliances with the Soviet. (According to the Polish viewpoint, Hitler sees in a severance of these ties, a clearer pathway for his envisaged

ultimate

ultimate infiltration of the Ukraine, and Mussolini, conceivably wishing to clear the path for Hitler's envisaged drive as a means of diverting his course from the Adriatic to the Ukraine).

(c) Potential effect of Austria's annexation upon economic-political outlook of Central and Eastern Europe and of Poland in particular.

(d) Poland's position in respect to Hitler's plans.

Polish official's confidentially disclosed views on Hitler's eastward objective.

In the course of discrete inquiry as to Polish observations on a rumor going the rounds in diplomatic circles to the effect that Hitler envisaged a policy of German infiltration of certain states including the Ukraine, by stages, in synchronization with his four-year economy plan, a high ranking informed Polish official imparted to me in strictest confidence

Informal discussions between officials of German and Polish Governments re the Ukraine.

there had taken place informal discussions between certain Polish and German officials, wherein the Germans had in vague terms actually mentioned the Ukraine in the light of a German long-range objective.

Germans did the talking; Poles the listening.

In these conversations, which were only of the most informal character, the Germans had done all the talking. The Poles had listened only! Indeed, my informant emphasized this point, and added that a policy envisaging a future aggression vis-a-vis the Soviet in collaboration with Germany was a dangerous one in terms of Poland's long-range interests.

Polish collaboration with Germany in possible aggression against Ukraine dangerous from Poland's standpoint.

On the other hand, however, by listening, the Poles had at least to a certain extent gained confirmation of their suspicions as to Germany's long-range aims.

Poles gained insight to Hitler's long-range objective by listening.

My personal observations on Beck's policy.

No long-range commitments beyond existing alliances and non-aggression pacts.

German occupation of Ukraine would spell German encirclement and vassaldom of Poland.

Beck's direction of Polish foreign policy characterized by alertness, elasticity, and influenced by former training in military tactics.

As to the likelihood of Minister Beck's (or his associates') agreeing to collaborate with the Germans in a Ukraine-wards move, Beck, in my opinion would not lend himself beyond the point of listening to any such proposal, for on the one hand, he is not in the habit of committing himself so far in advance, while on the other hand, he could not fail to recognize that such a long-range project would spell eventual vassaldom for Poland (even his close associate, whose observations I have above recited, bore out in effect my opinion in this regard).

It is moreover, well to bear in mind, that notable among Beck's characteristics are his alertness and elasticity of mind; moreover, due perhaps to his military training, strategy, discernably marks all phases of his direction of Poland's foreign policy. Hence for each move forward, he generally leaves himself two ways for retreat (see my despatch No. 194 of October 7, 1937).

Moreover, Beck's tendency to color the direction of his foreign policy with the effects of his former military training was in part illustrated by his remark to me to the effect that according to Article III of the Polish cavalry and artillery regulations, once the command to "gallop" had been given, the direction of the "charge" could not be changed. Hence, it was necessary for the commanding officer to study every possible angle in advance, in an effort, not only to appraise his opponents' position, but also to make sure that the "charge" under consideration was

properly

properly conceived, timed, and directed. Minister Beck added significantly that this principle formed one of the cardinal considerations which guided his direction of Poland's foreign policy. Indeed, he realized that before embarking on any positive line of policy in one direction or another, it was essential to devote undivided study to the effect and implications, in terms both of short and long-range outlook, for once his country had actually embarked upon a given positive course, there was no veering as to direction, nor turning back.

My opinion that Beck would seek means to prevent Hitler's envisaged Ukraine objective.

It is safe to say that, if between now and the next four years, any feasible measure presents itself whereby Beck can avoid Poland's vassalage to Germany, he would take advantage of it.

Beck's aim to confine German frontier vis-a-vis Poland at minimum.

Moreover, to my mind, Beck aims to confine the German frontier to the minimum vis-a-vis Poland; consequently, at this point, I would not look for him to involve himself as a party to any envisaged extension of the Polish-German frontier.

Potential circumstances whereby Poland might conceivably be forced to become party to a German move on Ukraine.

As to whether Poland might in the future become a party to such a scheme under certain circumstances it is, in my opinion conceivable, but only if at the time, the economic-political-military circumstances were such as to offer Beck no alternative. In other words, in such case, he might conceivably be driven to collaboration in the German Ukraine drive.

Conclusion: Poland's elastic policy.

In conclusion, it is well to bear in mind that one of Beck's guiding policies is to keep Poland in such a position as to jump at a moment's notice

in the direction which Beck feels will serve Poland's interests to the best advantage.

Long-range commitments of rumored category contrary to Polish policy.

Strict adherence to this policy would preclude his agreement to such a long-range German-envisaged Ukraine project which in the end would only accrue to Poland's disadvantage in terms of peace, independence and international prestige.

Further observations from various angles bearing directly and indirectly on German expansion.

Poland's playing into the hands of Germany would be, I believe, in conflict with Beck's policy of counter-balancing German eastward expansion. Moreover, I do not believe that the acquisition of additional lands would hold any temptation for Poland. My observations lead me to feel that the acquisition of any part of the Russian Ukraine would fail to compensate Poland for having Germany on her East and South as well as her West. As a matter of fact, Poland is having none too comfortable a time as it is, with Germany at her West. Indeed, there is an undisclosed but deep-lying apprehension here over the potential threat of Germany vis-a-vis Upper Silesia, the Corridor, and Danzig. In the eyes of Polish officialdom, each fresh evidence of Germany's territorial appetite makes those three points loom more grimly as potential objects of German aspirations.

Polish concern over potential threat of German aggression Poland-wards.

Poland has gained the impression that for the moment Germany welcomes a strong Poland to serve as a buffer between herself and the Soviet during Germany's consolidation of her position in Central Europe. Informed veteran observers in Polish inner Government circles, however, regard this merely as temporary comfort, for they have not forgotten their former Master's (Pilsudski's) warning to the effect, that Poland

Pilsudski's unforbidden warning of an eventual German challenge.

during peace times, in order to allow Poland time to strengthen herself sufficiently to meet an inevitable eventual German challenge.

Of connected bearing: Of connected bearing, I take occasion to recite paraphrased cable excerpts.

the following paraphrased excerpts from my cable No. 88 of May 23, 3 p.m.;

In supplement to my cable No. 82 of 10 a.m., May 21, further light might be thrown on the motives underlying the present Polish course of action respecting Czechoslovakia by the following:

1. Poland, in my opinion, may be expected more and more to recognize that a conflict of German and Polish interests is being led to by events in the making.

2. Briefly, I am cognizant that the deep-seated desire of Polish officialdom, although undisclosed, is to keep Czechoslovakia from becoming a German arrow pointing too far east and running along the southern border of Poland, as a direct and dreaded contact between Germany and the Polish Ukraine minority would thereby be allowed, which contact, Polish official circles feel, Germany would employ as a way of indirectly contacting the Russian Ukraine, to the end of the ultimate infiltration with German politico-economic hegemony of the Ukraine, and as an instrument of pressure against Poland. Official circles in Warsaw, in this connection see a possible German

encirclement

encirclement of Poland in the potential expansion of German hegemony along the eastern borders of Poland, which would be a threat to Poland's peace and independence.

3. The more positive, moreover, does the character of the politico-economic drive of Germany become, the more in my opinion, will the interests of Germany and Poland clash, for it is my belief that Germany's push at present has caused the rise of Polish hopes that a close tie-up with a Slovak minority, favorable both to Hungary and Poland, might strengthen Hungary's hand and serve to block Germany's infiltration of the whole of Czechoslovakia. It would appear that this is in conflict with the suspected encouragement by Germany of Hungary's appetite in the direction of Transylvania.

4. German-Polish interests clash again in Rumania for Poland is not pleased at the prospect of German infiltration into her ally's territory.

Further important bearing: Beck's enlightening disclosure of Poland's policy vis-a-vis Germany's potential Ukrainian aims.

Of further important bearing, in the course of conversation just previous to his departure for Stockholm, Beck imparted in strictest confidence what I consider to be a most enlightening disclosure of his foreign policy in terms of the long-range outlook. In effect he said he felt that some day, in the event that Germany might find an envisaged acquisition of the Ukraine impossible through Nazi-styled "peaceful penetration", Poland might have to fight to prevent passage of German troops over her territory, which from the German military viewpoint would represent the most direct route to the Ukraine. In

such

such event, Germany would attack Poland, not as the objective, but as the means of reaching Germany's envisaged Ukrainian objective.

Poland would resist such an attack with every force at her command in order not only to eject the Germans from Poland's soil, but also to prevent them from seizing the Ukraine, for German occupation of the Ukraine would constitute a menace to Poland's peace and independence. In such efforts, Poland might face potential defeat, but she would delay and "bleed" Germany to such an extent that eventually through Poland's resistance, together with the force of an almost inevitable subsequent Anglo-French-German clash on Germany's Western front, Germany would be prevented from obtaining her objective.

In conclusion, Beck said he would in effect, discreetly and strictly confidentially, impart his aforementioned views to certain representatives of Scandinavian and Baltic states with whom he intended to confer in Stockholm, pointing out to them that particularly the Baltic states, due to their geo-political position, would inevitably suffer as potentially dangerous ^{an} outlook as Poland, in the event of a German seizure of the Ukraine.

Moreover, he would make clear his opinion that the Baltics occupied a geo-political position similar to that of Poland's in respect both to Germany and the Soviet.

Even before his departure for Stockholm, he confidentially imparted the above line of thought to the Estonian Minister here, who had played so important a mediating role during the Baltic

same time, Beck arranged with the latter, a forward date for a formal visit to Tallinn, whereby Beck would be enabled both to express his profound sense of gratitude to the Esthonian Government for their important mediatory contribution during the heated stages of the aforementioned quarrel, and to emphasize discreetly his aforecited views on the Baltics' sharing Poland's geo-political position.

Since Beck's return from his Stockholm and Tallinn visits, I have derived an impression in my numerous conversations with him that he was satisfied with the results of both trips.

In brief, from my own observations, I feel that both voyages might be characterized, on the one hand, by Beck's soundings as to Scandinavian and Baltic capacity and willingness to resist ideological forces through the maintenance of a firm "active" neutrality policy, while on the other, "diplomatic shopping" on Poland's behalf.

As to the effect thereof on Poland's position in the international political arena, my observations lead me to believe Beck made a good turn for his country in the light both of drawing closer to "Downing street" through the medium of London-inclined Sandler, and of strengthening Poland-Baltic ties.

In response to my further inquiry, an informed high ranking Polish official, and close associate of Beck's, frankly stated that to extend Germany's frontier vis-a-vis Poland along the south and east, would work a serious disadvantage for Poland. Indeed,

Views of Beck's close associate re Poland's possible counter to a German determination either to infiltrate "peacefully" or seize the Ukraine.

disadvantage of Germany's occupation of the Ukraine, would be a Polish tactical move to occupy White Russia. Thus, Poland might gain a strategic position whereby she might hope to prevent Germany's eventually covering Poland's entire eastern frontier. Moreover, Poland might thus be in a position to counter any possible German attempt to attack Polish territory elsewhere. In other words, such a move on Poland's part would be mainly tactical to block possible German encirclement of Poland which would inevitably spell Poland's vassaldom to Germany.

Interesting bearing of recently published Polish book.

In line with this explanation, my informant referred me to a book written in the Polish language by Mr. Bochenski, a Pole; the name of the book (translated into English) is, "Between Russia and Germany". My informant recommended it as in many respects one of the most illuminating discussions of Polish policy vis-a-vis both Germany and Russia that he had ever read. While emphasizing that the substance of the book could be taken in no sense as illustrative of official policy, still it represented to his mind, political observations which were full of possibilities. In brief, the book had pointed out that in the event of a German seizure of the Ukraine by troops transported via territory south of Poland and by air, Poland's only alternative would be to seize the territory immediately north of the Ukraine. In at least this respect, the book corresponded with my informant's ideas as to what Poland's course might necessarily be in event of German action vis-a-vis

the Soviet.

Polish views on
Germany's en-
visaged methods
of "infiltrating"
Ukraine.

In further discussing Germany's Ukrainian objective, my competent informant stated his intelligence reports indicated that German officialdom expected a continued period of weakness in the Soviet's internal structure to lead to an eventual break-down, whereby resistance to aggression would be reduced to a minimum. Indeed, the Germans felt that if present conditions lead to a military revolution, "skillfully" supported in advance from the outside, matters might even develop so that German military "specialists" would be called in to assist both in the restoration of order and in the reorganization of the military structure. My informant then pointed out that German policy, vis-a-vis the Soviet has for long been one envisaging a long-range "inside job", entailing the secret enrollment of executives and officials occupying key positions in coup-aimed organizations, ^{and} a subsequent subversive propagandizing of the masses.

Of related bearing, the Japanese Ambassador to Poland, Sakoh, came into possession of a confidential report covering a meeting as of December 24, of the Soviet Government Council at the Kremlin (see my cable No. 33 March 25, 3 p.m.) wherein among other points, it was concluded that of the two threats to Soviet security, Japan currently comprised the more immediate danger as compared with Germany. Moreover, it was concluded that the Soviet was in no position to fight on two fronts, et cetera. I understand

that

that the substance of this report is known both to the Government in Warsaw, and to that in Berlin. In addition to this, highest military circles here disclose their reports to the effect that, the majority of Brigadier Generals presently being appointed by the Soviet, are officers who were made captains as recently as 1936. This among other confidential information dealing with the weakened condition of the Soviet military establishment, are known to the Governments of Warsaw, Ankara, and Berlin.

In connection with the foregoing it is significant to me that during his recent participation in the examination at the Polish-Soviet border of prisoners returning home from Soviet prison camps, a responsible individual informed me that during the past several months he found these returning prisoners averaged ten to fifteen per day, all Germans.

My informant felt that the preponderance of German prisoners in these various camps indicated Soviet distrust and a concentrated campaign against the German group in the Soviet by the authorities thereof. Moreover, in turn, he felt that this might indicate a concentrated German subversive effort against the Soviet Government.

In other words, this reported subversive German policy entailed reaching over and getting a firm grip on certain personalities in key positions for the purpose of using them in their scheme when the time was "ripe". Then, when there were sufficient signs of decomposition setting in, these agents
throughout

throughout the political and military structure would operate, not only towards giving the situation the needed "shove" to bring on a revolution, but also to steer their respective departments in the direction of calling for German assistance.

In commenting upon Hitler's suspected envisaged methods of accomplishing his Ukraine objective by means of an "inside job", an informed high military authority stated that the German General Staff were fully aware of the difficulties to be encountered in guarding the extensive northern line of Ukraine against a possible eventual attack by Soviet forces. As a matter of fact, few people realized how enormous was the Ukraine and amongst those who were familiar with that territory, there was a division of opinion as to whether the Ukraine extended to the Don or even to the Caucasus. Besides the difficulty of guarding such a huge territory against the invasion, Hitler was aware of the risks entailed in a military seizure. In other words, why run a military risk, when there existed the possibility of his machinations bringing about the Ukraine's falling into his lap.

Potential bearing to Italian policy on Germany's envisaged Ukraine objective.

It would seem from all reports that Mussolini has reverted to his policy of 1933: to endeavor to steer Germany into Russia as a means of leaving Mussolini's interest in the Balkans alone.

In connection with this, informed veteran observers in official circles here discern through the fog of international political confusion,

characterized

characterized by maneuvers and counter maneuvers, the earmarks of at least one development in the making, namely: an attempt both on the part of Rome and Berlin, but for respectively different reasons, to shake France and Czechoslovakia loose from their respective alliances with the Soviet. In this connection my informants' reports lead them to feel Mussolini is aware of Hitler's long-range aim to infiltrate the Ukraine with Nazi economic and political hegemony, in connection with which objective Mussolini perceives an "out" for his own prospective intra-axis difficulties - in other words, a means of getting Hitler "off his neck" in those states which Mussolini had hitherto regarded as lying within the sphere of Italy's economic-political influence and wherein Mussolini fears Hitler might eventually "muscle in" at the expense of Italian interest.

Mussolini's reported efforts to divert Hitler's expansion course Ukraine-wards as means of getting Hitler "off his neck" in Balkans.

The Axis and its profits.

An informed Polish official confidentially remarked that despite a potential conflict of Italo-German interests in several domains, the Axis, in his opinion, would probably remain in tact - if not as hitherto active - for after all, it had so far cost little to maintain and had proven a source of profit for both axis points. Indeed, so far, disadvantages were limited to intra-Axis differences - and in this connection just how long Mussolini would continue to accept the short end of the profits, remained the outstanding question.

To Italy the short end of profits, potentially making for ultimate intra-Axis differences.

Hitler, on the other hand, according to my informants' observations, seeing in the Ukraine a potentially

potentially valuable consumers market, as well as a source of commodities' supply, aimed to gain economic-political domination thereover - not, however, by resort to arms, but by means of a typical Hitlerian "inside job" - styled by Hitler and his Nazi associates, as "peaceful penetration". Hitler's successes in carrying forward these methods of power-politics had given Hitler added encouragement to believe he could perform a similar operation on the Soviet. Indeed, his cunning and insidious machinations had already been in operation throughout the Soviet political military structure for some time, "boring in" and preparing for the day when all that might be necessary to bring on a military revolution would be the essential shove at vital points at the psychological moment. In event that such a day dawned, a pre-conceived Berlin-inspired "invitation" might conceivably issue to Berlin, from a "newly-formed military Government" under influence of Berlin-planted agents in Moscow, inviting Berlin to send in "specialists" and "technicians" to assist in a program of reconstruction and reorganization. This according to the observations of my competent informants was the scheme envisaged by Hitler, whereby he hoped eventually to gain dominance, politically and economically over the Ukraine. Such, moreover, were the purposes respectively motivating the activities of Mussolini and Hitler as regards Hitler's envisaged control over the Ukraine.

Hitler's reported "boring in" methods vis-vis Moscow.

My impressions of Polish officialdom's consideration of events in the making.

Germany's eastward politico-economic drive.

Britain, as peace-broker envisages an ambitious formula for European appeasement.

Britain's hope of bringing Germany into line.

Poland foresees alternative counter-policy in event of Britain's failure to deal with Germany.

I have gained the impression that as the picture now presents itself, Polish official circles perceive the following courses in the making:

(a) Germany's envisaged political-economic drive to the Black Sea, to Istanbul and beyond.

(b) Britain's vigorous role as an honest peace-broker in her efforts to liquidate the Spanish and Czechoslovak problems. (Regarded here as the first stage potentially leading to an Anglo-German settlement in a subsequent stage of Britain's envisaged ambitious program for European appeasement and pacification.)

Polish officialdom feels in this connection that Britain's concern lest France might become involved in a continental war and drag in Britain has led Chamberlain to press into force all possible measures towards preventing a continental eruption. Moreover, they feel that the British have been trying to get the French to soft-peddal their ire in respect to the Czechoslovak issue, and have been giving France encouragement to "put to sleep" her alliance with the Soviet, for they feel that Britain has come to suspect that Moscow's continued practice of her policy of irritation might conceivably lead to a European "jam" of major proportions.

(c) Polish officialdom foresees also the possibility of an alternative course on Britain's part. Should Britain fail in an attempt to bring Germany into

into line, Britain together with France might conceivably resort to a counter-policy vis-a-vis Germany's envisaged expansion program - hoping that even though Italy might refuse to support such a counter-policy, she might at least remain neutral.

Polish official-
dom not optimistic
over prospects of
Anglo-German
Settlement.

Of pertinent bearing official circles here feel that Chamberlain is fully cognizant of the complexities entailed in an envisaged Anglo-German settlement. Indeed, my informants here are inclined to regard the prospects of such negotiations with considerable pessimism. This view is attributable in part to my informants' feeling that Chamberlain does not yet enjoy the full support of British public opinion, an important part of which is still opposed to any conciliatory deal with the dictators. However, my informants look for Chamberlain to continue in his persistent efforts to bring Hitler into a round-table discussion looking to a settlement of grievances. Should such a settlement fail short of success, Chamberlain would be in a position at least to draw not only the world's attention, but more importantly so, his dominions' attention to the fact that Britain had left no stone unturned in her efforts towards bettering her relations with Germany. (My informants have not forgotten that at the Dominions' Conference a little over a year ago, the question was put to Chamberlain as to whether he was sure that his Government had left no stone unturned towards ameliorating Anglo-German relations. This question was put, according to subsequent reports, on the heels of

Chamberlain's

Chamberlain's urge that the Dominions join Britain in rearming on an Empire scale).

In event of counter-policy, Polish officialdom sees chance of playing a key role.

Polish officialdom sees in the possible development of a counter-policy a potential opportunity for Poland to play a key-role, possibly in the formation of Poland's long-cherished hope of a neutral Baltic-Black Sea or even Baltic-Aegean Axis, aimed at cutting across Germany's envisaged eastward drive. Poland would want, however, to be assured of ample support from Britain, France, and possibly even Italy, for Poland would expect at least Britain and France to share in any burden of responsibility which the states of Eastern and Central Europe might incur in provoking German ire and suspicion.

Outline of my own observations on Polish foreign policy in re German expansion.

On the one hand, Polish officialdom interpreted Chamberlain's conception of the recently concluded Anglo-French military-naval-air understanding as, among others, a strategic move to strengthen his hand for possible eventual conversations with Germany. In this connection, Chamberlain, recognizing Britain had not attained her desired measure of rearmament, considered the French army might fill the gap, Britain supplying other requisites. At the same time, Chamberlain felt that through such an understanding, he could more readily exert a restraining influence over the uncertain political forces within France, whose machinations, he considered, might conceivably lead to a continental explosion. By thus gathering his forces behind him, Chamberlain felt he could face Hitler around the table with a "full hand".

With this interpretation in mind, Polish officialdom

The recent Quai
d'Orsay-attributed
rumors.

officialdom is aware of French irritation over the French-Polish alliance, whereof the French are apt to emphasize the political aspect, while the Poles emphasize the military. The Polish Government are not unduly concerned over the fact that the French might consider a withdrawal therefrom - for Polish officialdom feels on the one hand that the French would not move without the British, while on the other hand, (though not yet the British Foreign Office), at least realistic "Downing Street" is gradually coming to recognize more and more the merits of Poland's policy of drastic realism. In further connection therewith, officialdom here looks for Chamberlain to continue not only to direct Britain's foreign policy, but also importantly to influence that of France. As one informed official remarked, "France will continue to take her orders from 10 Downing Street and like it!"

Potential key role
for Poland in counter-
policy might conceivably
prove her best "out" from
German eventual
expansion clutches.

Of pertinent bearing, I continue to discern that under Beck's rather confusing "mugwump" policy, he keeps a close eye on British policy. To my mind, Beck though mute on the subject, harbors a distinct hope that a potential eventual linking of forceful Polish action with that of Britain and France in countering Germany's expansion ambitions, might prove Poland's best "out" from the grim prospect of becoming either a potential victim of German expansion, or the potential pathway for a German aggression against the Ukraine, should Germany fail to acquire the latter through the alternative of "peaceful infiltration". In

other

other words, I should look for Poland to be fighting on the side of Britain and France in the event they came to blows with Germany. Moreover, since in terms of long-term military-economic considerations, the combination of France and Britain might conceivably be expected to gain the upper hand, in the long run, Poland's fighting on the Anglo-French side would be consistent with the Polish policy requisite, of "picking the winning horse."

Of connected bearing, Beck sees time playing in favor of Britain and France in terms of military preparations, and favoring Germany in terms of economic-political expansion and consolidation of her position in newly acquired areas. From the standpoint of Poland's objective policy, this expansion may be expected to come steadily more in conflict with Polish interests. Even a German infiltrated Czechoslovakia would be for Poland, like one's trying to sleep peacefully with a strand of barbed-wire at the foot of one's bed. It is therefore well to bear the foregoing in mind when appraising Polish realistic foreign policy in terms of potential circumstances, over the long pull.

Beck, moreover, is aware that the combined armies of Poland, her ally Rumania, ^{Yugoslavia and} possibly Hungary and even Czechoslovakia, would potentially present an effective resistance to a German eastward military action, provided the British and French forces simultaneously engaged the Germans on the German Western front. Though Poland and Czechoslovakia, fighting side by side might form incongruous military

bedmates, their geo-political positions are at least vis-a-vis Germany, similar, and an actual German aggression might conceivably throw them on the same side, particularly if Poland were assured of synchronous forceful action on the part of Britain and France in the West. Besides, in such event, Poland would march not for Czechoslovakia, but against Germany.

In evaluating Beck's policy, I wish to emphasize the importance of bearing in mind, not only Poland's potentially black outlook in the event either of continued German military or peaceful infiltration eastwards, but also the already reported disclosure that Beck, according to the Belgian Minister here, was bitterly disappointed over France's refusal to march, subsequent to Hitler's march into the Rhineland. In fact, Beck later told me personally that France had made a great tactical error. To his mind, failure to march at that time, would prove costly in terms of the long-run, not only for France, but also for Poland and Britain. In other words, they had "missed the boat", for Germany, their common potential menace, had at that time been less prepared to resist the combined forces of France, Britain and Poland, in a lengthy engagement, than she would be in another year or more.

Poland

OBSERVATIONS OF ECONOMIC ADVISOR TO FOREIGN
OFFICE AND THOSE OF A VETERAN OBSERVER OF
AFFAIRS IN THIS PART OF EUROPE ON THE ECONOMIC
BLOCK RESULTING FROM GERMANY'S ANNEXATION
OF AUSTRIA.

Of almost inescapable connection with the political aspect, and with reference to the Department's Instruction No. 20, I take occasion herein to transmit the following results of my examination of the potential effect of Germany's annexation of Austria upon the economic outlook for this part of Europe and for Poland in particular.

Accordingly, I believe that the substance of observations disclosed in my several discussions with Mr. Jan Wszelaki, Economic Advisor of the Foreign Office, might prove illuminating. He possesses a liberal attitude towards trade in general and his intelligence and sound views are coming more and more to the fore in terms of influence on inner Government circles. His influence upon Poland's trade policy is consequently becoming steadily more effective.

In substance, he said that in 1935, there had arisen a vigorous argument in Government circles as to what extent Poland should be permitted to trade with Germany without eventually endangering, through potential German economic pressure, Poland's independence.

Poland's "classical maximum" of 17 percent of her total trade with Germany.

In fact, the heated controversy which grew out of the issue as to whether Poland should be permitted to trade with Germany to the extent of 15 or 16 percent of her total trade had almost led to a cabinet crisis. (At this point he explained that 17 percent represented so-to-speak, the "classical maximum" which Polish trade authorities set on the extent of Poland's trade with Germany). Finally, however, the majority, who, despite their desire to go even further, (since it had seemed to them a real sacrifice to limit their trade with Germany) compromised on 16 percent. Indeed, in their opinion, Poland might have temporarily at least, been economically benefited. However, according to my informant, by its decision to limit Polish-German trade, the Polish Government as a whole had manifested its foresight as to the possibilities of German domination through economic strategy, such as had since proved to be the case in Bulgaria, Hungary, Rumania, and Yugoslavia, and to a lesser degree, Czechoslovakia.

The effect of Nazi-economic-salesman, Dr. Schacht's tour.

About that same time, Dr. Hjalmar Schacht, had made a tour of the Eastern and Central European areas, offering German markets for a large portion of the trade thereof. The prices he had offered for the various products under discussion were tempting to all the countries, except Poland and Turkey who had foreseen the potential outcome in the form of a German economic-political domination, and they had eagerly accepted Dr. Schacht's terms.

Unhappy a-
wakening of
those count-
ries whom
Dr. Schacht
"sold" on
Nazidom's
trade policy.

These countries had been accustomed to dealing with France and Britain and other liberal trading countries on a basis of cash payments, and they did not realize until too late that Germany had no intention of paying cash - in fact was completely incapable of doing so. Later Dr. Schacht announced his regret to learn of these countries' disappointment over Germany's inability to pay cash, and thereupon explained the restricted formula of Germany's "closed" economic system, which has governed their trade relations with Germany ever since.

Current dark
outlook for those
countries
now victims
of Nazidom's
economic
"Straight-
jacket".

In my informant's opinion, the economic outlook for these countries was now far from rosy, in view of their having fallen victims of Germany's economic "straight-jacketing" system.

Poland's fore-
sight so far
served to
avoid her
victimiza-
tion.

Poland so far had fortunately avoided this pitfall by restricting her trade with Germany, and intended to continue this policy. In fact, my informant believed this was the only way to prevent Poland's falling prey to German economic, and in consequence, potential political domination.

He was moreover aware of an overhanging cloud of German potential penetration of the whole of Eastern and Central Europe. In such case, lacking Western aid, even Poland might conceivably be forced to accommodate her economic-political scheme to the German line of policy. In such eventuality, and from Poland's standpoint, it would be a case of trying to compromise with danger in an effort to hold on to her independence. Moreover, potential collaboration between Poland and Germany would prove a serious danger for the rest of the world.

Poland's ef-
forts to
increase
Polish-
Hungarian
trade. Po-
land's con-
tribution
towards
keeping

On the other hand, Poland was at the moment endeavoring to find means of effecting an increase in her trade with those countries which were now being economically pressed by Germany, as Poland's contribution (infinitesimal though it might be) towards keeping this part of the world in almost a vain hope, from falling

Hungary out
of Nazidom's
clutches.

completely into German economic clutches. Accordingly, Poland and Hungary were at the moment endeavoring to find some way

unfortunately, however, their respective representatives had found it a difficult task, due mainly to the similarity of their respective exports.

Moreover, my informant added that he felt I was aware that in addition to Hungary, Poland would like to be in a position to contribute towards keeping Rumania, Yugoslavia, and Bulgaria, out of Germany's envisaged political-economic strangle-hold. Beck's policy (as I have previously pointed out in former despatches) had already favored closer bilateral relations, both politically and economically, between Poland and each of the aforementioned states. In fact, Beck was now proceeding with renewed vigor in an effort to bring about an amelioration of Rumanian-Hungarian relations, and to bring Bulgaria into closer relations with Rumania. Moreover, Beck had considerable respect for the Yugoslav people - their courage and their ideals; and he felt that they had sufficient courage of their convictions to resist an attempt on Germany's part to draw them completely politically into the Nazi orbit. Besides, he felt that the Yugoslavs were strong enough to hold the Bulgarians in line in a crisis. Personally, from my own observations, I should be more inclined to feel that the Yugoslav people - aside from that uncertain political quantity, Stoydinowicz, would be at this juncture a more reliable element to count on than the Bulgarians whose forward-looking policy appears to have been based to a large extent upon the political success of Nazi policy. Nevertheless, my informants in Polish official circles are inclined

to believe that with real evidence of an active Anglo-French counter-policy, and with pressure from Yugoslavia, Bulgaria might be expected to be brought into line against German expansion.

Question: cheaper in long run for Britain and France to devote part of arms expenditures to purchase of Danubian products?

My informant had frequently been asked the question as to whether it would not be cheaper in the long run for Britain and France to devote at least some of the moneys now going to armaments into the channels of trade, by purchasing for example, commodities and products of the Danubian area, in an effort to prevent Germany's becoming the economic and political master of Eastern and Central Europe - and potentially the economic dictator of that region.

Answer: Britain prevented by Dominions' situation and France could not do it alone.

The answer, to his mind, was that Britain was prevented from taking such steps by her Dominion's situation, and that France, beyond possibly a gesture, could not be expected to take any positive or effective action on this score. Moreover, my informant doubted that France under present-day circumstances, could take any steps without Britain's cooperation.

Peoples of Danubian area not now pro-German at heart.

In response to my question as to whether he thought the peoples of the Danubian countries were at heart pro-German, he said that at the moment he did not think so, for Germany's annexation of Austria and subsequent happenings there had opened their eyes, and each country now feared that it might become the next victim of Germany's machinations. As concerns the peoples of the various German minorities, in states contiguous to Germany, recent

Unhappy reaction in Austria following annexation; a forbidding example.

A dual lesson:
fear previous to
annexation and
disillusionment
afterwards.

events in Austria had served as a two-sided lesson: (a) the individual's fear that he might not get aboard the "band wagon" in time to ride with the potential wave of Nazi penetration, and (b) the aftermath of disillusionment among the native Nazis, resulting from their experiencing the cold reality of Berlin's clamping down its iron claw.

The critical aspect:
Germany's whip-hand
over internal struc-
ture through economic
bondage.

The critical situation, however, was that so long as Germany had the preponderance of trade she would dictate to these countries in that, if these countries made an effort to throw off the yolk of German economic bondage, they might experience such acute sufferings, unemployment et cetera, that the result might conceivably be revolutions in economic countries where such attempts were made. The only solution he saw for a happy outcome for the economic dilemma in this part of Europe would be the replacement by those countries now dominated by Germany of part of their German trade, by trade with liberal trade-minded and peace-loving nations.

Only solution: re-
placement of ade-
quate part of
German trade by
trade with liberal-
minded nations.

One of potential
dangers: likelihood
of Germany's forc-
ing Central
European states to
use only German
railways and ports
for their exports.

There was one potential danger which he feared a great deal and that was something which he believed Germany was contemplating and might be expected to put into effect eventually, namely: that she would attempt to force the Central European countries to use only German railways and ports for exports of their goods abroad. From the Polish standpoint, this prospect presented an unhappy outlook, for such action would bring great hardship to ports like Gdynia.

He summed up his views of the situation by

stating

stating that through her economic victories, Germany was steadily gaining political sway, and although other countries were spending colossal sums for rearmament, they were doing little to combat the aforementioned economic victories. He was afraid that these other countries would be ready to take important steps in this line only when it would be too late to bring about effective action peaceably.

In evaluating a possible turn in future events, my informant remarked that the British Government's persistent desire for an agreement with Germany, might conceivably serve as a force in the cause of peace, for he was aware that the British Government, in return for its willingness to consider concessions to Germany in the colonial domain, would necessarily exact certain conditions. The British Government would have to gain something tangible to satisfy its public opinion. Hence, in addition to Britain's known desire for aerial disarmament, particularly in terms of bombers, Britain might reasonably be expected to impose a condition entailing Germany's participation in an economic conference consisting of all European countries at least. In such event, efforts would be made to shake Germany loose from her walled-in economic system which she was now employing so effectively as an instrument of penetration abroad. To his mind, success in such efforts would undoubtedly prove the quickest and most effective means of curbing Germany's economic-political penetration eastwards,

and to release those countries now in the path of German envisaged expansion from the iron shackles of the German political-economic orbit. Whereas he was not unduly optimistic over the prospects of getting Germany to sit in an economic conference envisaging Germany's dislodgment from her present system, Britain's conception and envisaged effort along these lines was constructive and admirable, and if and when put into motion, would justify the support of all countries practicing a liberal trade policy. After all, perhaps in terms of the long-pull, this might prove a more effective first stage approach towards reducing the Danubian States' dependence upon Germany than a temporary measure proposed and discussed during the recent Anglo-French conversations in London, i.e. an emergency scheme entailing the purchase of Danubian products and commodities.

In scanning the objectives on both sides of the gap separating Germany's "closed" economic system and the liberal trade policy of the Western world, I feel that the following, forms in effect, the basis of resistance which Berlin may be expected to offer in the event of a British invitation to sit around the European economic conference table. Accordingly, as I see it, Germany is fighting for a policy which to date she cannot support by reason of the lack of adequate raw material and food sources. Germany is therefore faced with the following two alternatives:

not complete either in volume or in quality of (a)

(a) To make a deal with Britain and France which would entail shaking the Nazi Government loose from its "closed" economic system. The liquidation of this system would in turn spell the loosening of the Nazi Government's grip on the people, not only within the Reich, but also in those countries which the Nazi Government has already succeeded in bringing under the clutches of her economic penetration, or,

(b) To gain control of the raw material and food sources of Eastern and Central Europe in order to strengthen Germany's hand towards meeting Britain and France on amore equal footing.

Observations here in relation to the economic-political developments in Eastern and Central Europe subsequent to the Anglo-French talks in London.

Of connected bearing, in my recent conversations with a veteran observer of affairs in this part of Europe (whom I have usually found to be objective in his point of view) he made in effect the following observation.

Regarding the Central European situation he remarked that neither he nor any one else in this part of Europe, who was willing to judge the reality of events had any serious belief in the scheme which the Quai d'Orsay had reportedly suggested for the opening up of new markets for the Danubian powers in Western Europe, in order to lessen the latter's economic dependence upon Germany. For such markets as could be perhaps artificially established for the benefit of those powers - except in regard to a few essential commodities such as oil - could not compete whether in volume or in matters of

long-term credits, or again in the domain of barter, with the facilities that Germany was offering and would continue to offer them. My informant described this "rehash" of old-time projects as a "pill for an earthquake". Not even Italy could compete with Germany in that field. The doubtful prospect of any genuine competitor with Germany down the Danubian Valley, would go a long way to persuade the Germans how mistaken would be a policy which might incur ultimate war risks for the sake of an objective envisaging economic penetration, and political hegemony, when that penetration could be realized by economic and diplomatic means without such risks. My informant's information through various channels was to the effect that Italian diplomacy was now setting to mobilize, against German penetration, every element of resistance in the various Danubian states, notably in Hungary, Rumania, and Yugoslavia, and Albania. But according to my informant, Italian diplomacy was doomed to failure in this respect, because it could not offer to the countries in question the advantages which Germany could offer. As a matter of fact, my informant took the view that not only would all these Italian activities fail to make any deep and lasting impression, but that, wriggle as he might, Mussolini remained the prisoner of the Rome-Berlin Axis. He fancied, therefore, a second Axis to play with; hence, the Anglo-Italo Agreement.

My informant then went on to say that he had serious doubts as to the permanent effectiveness of any attempt on the part of either Britain or France, or both, to step into the economic breach in Central Europe, and more particularly the Balkans; for in the first place, Germany was historically the chief market for the products of that region. Germany took commodities and goods from the States of that region which were not required by Britain and France, for in many cases, the latter had other markets to which for economic-political reasons they had to reserve their purchasing power; for example, Britain had her dominions markets and France her colonies. In addition they both had their regular-line outlets which they had in effect to compensate with purchases. In other words, the flow of commodities and manufactured goods between Germany, and especially the Balkans, was a natural and historical movement.

I suggested that the reopening of international trade channels which were profitable to all parties, would seem the only practical and fundamentally sound means whereby the international community could stiffen its front against the extraordinary social-economic conditions now confronting it. In this direction, I felt that my country had gone a long way toward blazing the trail, and leading the way along the path of sound treatment of the world-wide problem. Accordingly, the world would do well to devote a serious and objective study to the principles

principles underlying our trade liberalization policy, which represented in my opinion a constructive contribution toward the alleviation of the world's social-economic-political tension.

He agreed that this policy represented the one ray of hope, emerging from the present state of politico-economic confusion. He only hoped that our trade agreements program might be pressed forward with renewed vigor.

PSF: Poland

MY OBSERVATIONS ON VARIOUS
ASPECTS OF CURRENT TREND OF
GERMAN EASTWARD EXPANSION.

Bearing of Ger-
man political-
economic expan-
sion on Italian
interests.

Chafe at her fetters as she might, it was becoming steadily more apparent that unless "pulled out" by Britain and France, Italy might be expected to remain for some to come, an economic-political prisoner of the Berlin-Rome Axis. Whereas the Axis had so far served as an instrument of profit with little or no cost to the shareholders of the incorporated interests, in terms of the Axis' activities a-field, the question of comparative intra-Axis profits was steadily becoming a matter of grave consideration for Italian interests. The ^{was} staring fact that Italy was not only reaping the short end of the profits, but also faced the struggle to sustain her economic and political position in the Balkans against a German effort to elbow Italian interests out of that area. Indeed, statistics each month show that the position of Italian interests in that sphere was becoming steadily less tenable.

The German export surplus in trade with Italy may be expected to increase as a result of the recently concluded Italo-German trade agreement. Economists here are inclined to feel that recent speeches by prominent Italian statesmen proclaiming confidence that the already demonstrated Rome-Berlin solidarity

solidarity would be operative in the Balkans, was dimply another way of "whistling in the dark". Not only were the Balkans becoming more dependent upon Germany in terms of trade, but, according to statistics, even Italy herself was becoming more so.

Statistics as of 1937, moreover, show that about 24 percent of Italy's total imports come from Germany and Austria combined, and that about 23 percent of Italy's total exports go to Germany and Austria combined, which means that almost 25 percent of Italy's total foreign trade is with Greater Germany.

The fact that a cardinal point in Italy's foreign policy was the maintenance of Italian interests in the Balkans, indicated a growing clash of Rome-Berlin interests within that area. For example, a review of 1937 statistics disclosed that Italy's exports to Yugoslavia dwindled from 23 percent of Yugoslavia's total trade to 9 percent thereof. Moreover, imports from Yugoslavia to Italy dwindled from 13 percent to 8 percent.

On the other hand, glancing at the Axis picture from the Berlin end, statistics show that exports from Yugoslavia to Germany had increased to 35 percent, and German exports to Yugoslavia had increased to 45 percent.

Bearing of German
trade with Hungary
on Italian interests

In comparing Germany's and Italy's respective shares in Hungarian trade, available figures show that of Hungary's total exports, 53 percent went to Greater Germany against 15 percent to Italy.

According to my informant, Hungarian economists

hold that a 50 percent rise in the cost of living within Hungary was mainly attributable to the straight-jacketing effect of German trade.

About twenty percent of Greater Germany's total foreign trade is now tied up with southeastern and central Europe. Statistics indicate that Greater Germany's economic infiltration of southeastern and central Europe has taken on the form of a drive for a self-sufficient southeastern and central area under Greater Germany's political and economic domination. Moreover, statistics indicate that Italy is about five times more dependent economically upon Greater Germany than the latter is dependent upon Italy.

Nazidom's designs on Danube trade.

Nazi designs on gaining control of the Danubian trade, and Nazi hopes of turning the Danube into part of a Nazi-fied water route from the North to the Black sea, have not escaped the long-range concern of far-seeing statesmen and economists in this part of Europe. Indeed, they are aware that through Germany's annexation of Austria, Germany had gained control over more than 50 percent of the Danube's trade. According to these economists, Germany placed great importance upon this river's aiding German infiltration in the regions throughout which it flowed. Cheap water freight rates, in addition to the "clearings" and other restrictive factors of the German "closed" economic trading system, comprised a combination which were to be expected to serve Germany as an effective aid to her eastward drive.

Germany's restricted economic system has penetrated into Central and Southeastern Europe with almost unbelievable speed, during the past three or four years, economically subjugating a number of countries in those areas - a condition wherefrom they are increasingly finding it difficult to shake themselves loose. Moreover, Germany's system is tending to elbow-out trade with those powers which practice a liberal trade policy. It is only a question of time therefore, when Germany's competition in those areas may be expected to reflect itself unfavorably in the economic and industrial structure of such countries as Britain, Holland, France, Switzerland, and Scandinavia.

Figures of Germany's 1937 trade with Greece, and countries in the Danubian area.

A review of trade returns brings to light the fact that a sizable increase in the German share of the imports of Yugoslavia, Rumania, Greece, Bulgaria, and Turkey, has taken place over the past four years. In fact, Germany's and Austria's combined share in the imports of these countries shows a more rapid increase than their share in her exports - due in the main - to these countries' inability to liquidate their "frozen" accounts in Germany.

<u>Country</u>	<u>Exports to Germany.</u> <u>percentage of total</u> <u>exports.</u>	<u>Imports to Germany.</u> <u>percentage of total</u> <u>imports.</u>
Hungary	41	44.2
Rumania	26.9	38.
Yugoslavia	35.2	42.7
Bulgaria	47.1	58.2
Greece	29.6	32.2

As for Poland, Germany's relative position remained somewhat similar in the period 1934-36 in terms of Germany's percentage of total imports.

For the year 1937, statistics show Germany as the foremost supplier to these countries and that Germany's share in the exports of these countries is greater than any other nation.

German-Czech trade

It is interesting to note the decline of trade between Czechoslovakia and Greater Germany. Between the years 1929 - 37, Germany's share in Czechoslovakia's foreign trade was about halved. Trade returns show that although the shares of Britain and France and the United States, in Czechoslovakia's foreign trade increased, their increase did not balance the losses which Czechoslovakia suffered in her trade with Greater Germany.

Routing of Czech export traffic.

Having in mind that Gdynia's share of Czech export traffic this year amounted to about 2,000,000 tons, or an increase over last year of about 75

Question: of Gdynia's potential competition with German ports.

percent, I enquired of my informant whether he thought Poland might conceivably see her way clear to grant further traffic concessions on increased volume, to the ultimate mutual benefit of Poland and Czechoslovakia. In response, he stated that Poland would naturally welcome an increase in the flow of Czech traffic Gdynia-wards, and added that Poland would be willing to go far in terms of concessions to meet competition over the German rails and waterways. However, until the Czech's became fully conscious of a German attempt not to gain a strangle-hold over, but even to

stifle Czech exports through increased tariffs, Poland could not take the surveys of Czech tariff delegations more seriously than in the light of a gesture, on the one ^{hand} characterized by pressure on Germany for liberal tariff treatment, and on the other, an effort to ameliorate Polish-Czech relations by "caressing the Polish pocket nerve". Poland, indeed, was aware of the motives behind Czechoslovakia's recent gesture on this score, and before becoming excited over such a tempting prospect, Poland would await concrete evidence of Czech intentions.

I am aware that Poland has been able to meet the competition of German tariffs to the extent of 2,000,000 tons of Czech export business over the past year. However, in the event that Poland showed signs of trying to swing much more Czech traffic from the German routing, to Gdynia, I believe Germany's recognition thereof would give rise to another aspect; that is to say, the question would cease to be one between Germany and Czechoslovakia, and would inevitably become a conflict of interest between Germany and Poland. In this light, I should be inclined to look for German pressure against Poland all along the line.

*file
personal*

WARSAW, NOVEMBER 5, 1938.

My dear Mr. President:

Many signs point to the Munich Conference and its immediate sequel's having already had far reaching repercussions throughout the whole extent of the European continent. As in effect pointed out in my previous letter, in view of the apparent check suffered by the western powers, the smaller countries, such as those of the Oslo group, which had already decided upon neutrality and upon repudiation of the compulsory sanctions clauses of the League Covenant, are already congratulating themselves on their foresight and wisdom. Belgium, Holland, Switzerland, and the Scandinavians are more than ever determined not to be drawn into any conflict between the major powers.

States east and southeast of Berlin, though rapidly falling in line with Berlin's orientation in an economic sense, are in many cases, still groping for some "out" (a) from eventual German political hegemony, and (b) from becoming the potential victims of "peaceful settlements" between the major powers. Poland is in this category.

The Chanceries of eastern and central Europe are now apparently practicing a "balancing policy", characterized by a search for the orientation whereby they may be the safest (at least temporarily so) and wherefrom they may acquire the most benefits.

Having

The President

The White House

Having interpreted recent events to mean Britain's and France's "evacuation" of eastern and central Europe, certain states, such as Poland, Yugoslavia and Hungary, have recently been evidencing an inclination to look to Rome in their pursuance of a post-Munich course of "balance diplomacy" between Berlin and Rome. Due to Italy's politico-economic position in central Europe, these smaller states looked for Italy to adopt measures towards preventing German penetration and domination in a region which Italy had hitherto regarded as her natural and legitimate sphere of interest. Moreover, the smaller states felt Italy might be tempted by the prospect of acquiring for herself in these parts, the leadership which France had apparently abandoned.

For the second time however, since the Anschluss, and in this instance, at the recent Italo-German arbitration conference in Vienna, Mussolini succumbed to Hitler, and this blasted the hopes of statesmen of the smaller countries to Berlin's east for Italian support.

Though Italy may desire to resist the German drive down the Danube valley by diplomatic and economic means, and by domestic intrigues, she would not at this date, in my opinion, dare to challenge Germany by force of arms. Indeed, I find it difficult to believe either in the will or ability of Italy (unbacked by the western powers) to stand up to Germany.

I find it equally difficult at this writing to foresee any development which in final resort will not imply a variable degree of German hegemony over the various individual states east and southeast of Berlin - a hegemony which certain economic and political arrangements between these states may mitigate, but not prevent. Moreover, as Germany's trade offensive effectively advances, the states in its path can hardly afford to quarrel with their best customer, from a trade standpoint.

As regards Germany's post-Munich position, it is interesting to note that as Germany emerges from the "have not" to the "have" category, Nazi inner circles are manifesting ^{concern} over the renewed vigor with which the western posers are arming.

Signs

Signs at the moment point to Germany's planning on the one hand, a period of territorial reconsolidation and digestion, and continuance of her eastward trade offensive, on the other. Funks recent southeastern tour brought to light Germany's new form of approach to the various trade goals envisaged in Berlin's program. In brief, these bilateral negotiations may be characterized as an approach to meet the special circumstances prevailing in each country with which Berlin aims to do business. In cases where states are under-industrialized and thus unable to participate in the exchange of items of the character suitable to German requirements, Germany proposes to take in hand the organizing of an industrial structure within such states, providing them with technicians and materials - receiving in return food commodities and other products.

In connection with this eastward drive, Berlin's present mood was characterized in effect, by the following statement recently imparted to me by an experienced observer who enjoys close contact with inner Nazi circles: Germany was not building a ramshackle road, such as that which Napoleon built. The road which present-day Germany was constructing would not tumble. While Napoleon was a great General, he had lacked the opportunity to learn many things present-day Germany had learned, and which only the modern world understood - such as, economics and the regularized expansion of population. I interpret this to mean that an almost "power drunk" and super-confident Germany intends to have no unsympathetic or undigested portions along the way towards its eastward goal.

My informant furthermore stated that inner Nazi circles were now looking to Mr. Chamberlain to see what he would propose. Accordingly, they expect great efforts to bring about European appeasement and understandings to characterize the next three to six months. Moreover, these circles did not anticipate at the moment a Four-Power Pact, rather they looked for conferences of several or more powers directly interested in any particular settlement.

As for Poland's current position in light of Germany's eastward politico-economic ascendancy, I am aware that
while

while Poland has already given evidence of "playing ball" with Germany economically, as a temporary expedient, she realizes it is a risky game at the best, and is seriously apprehensive in terms of the long-range political outlook. Indeed, Warsaw deeply regrets increasing evidences of Britain's and France's eastern and central European evacuation - for, although Warsaw has for long ceased to expect British and French military intervention in affairs of this section of Europe, nevertheless, Warsaw regarded evidences of their active interest in the light of a healthy balance.

As regards near future policies of the present British and French Governments, current signs indicate that France, like Britain, will exert efforts towards making peace with the dictators, and that France will try to secure from Hitler a statement of peaceful intentions somewhat along the lines of that which he made to Mr. Chamberlain.

Just how far the demands of Hitler and his Nazi "colony-mongers" will impede understandings of durable character between Germany, Britain and France respectively, remains to be seen.

With every good wish, I am

Yours faithfully,

Tony Biddle