

● PSF

state Dept.: Sumner Welles June-Dec. 1940

PSF: Waller  
/

June 1, 1940.

MEMORANDUM FOR

THE UNDER SECRETARY OF STATE

In reply to Bullitt's No. 963, Paris, May 31st, 9 A.M., I suggest the following:

"I regard suggestion for building destroyers here most inadvisable because it takes about two and a half years to complete them. Any exchange for American destroyers probably unacceptable because of enormous sea area which must be patrolled by us and would require Congressional action which might be very difficult to get. Our old destroyers cannot be sold as obsolete as is proved by fact. All of them are now in commission and in use or are in process of being commissioned for actual use.

Several American Republics have destroyers which they might be willing to sell and could sell under their laws."

F. D. R.

PSF: Welles

THE UNDER SECRETARY OF STATE  
WASHINGTON

June 1, 1940

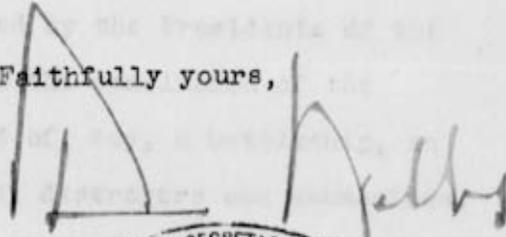
My dear Mr. President:

With reference to the attached telegram from our Minister in Montevideo, I realize that the specific suggestion made is impracticable. However, I do feel strongly that something more is required than a visit every ten days or so by one of our naval vessels. I still feel that if some way can be found by which at least three or four heavy cruisers and a reasonable number of destroyers can be kept on the East Coast this summer, the insurance value of such a step will be very great.

May I ask if it is not possible to let at least another two cruisers be sent to those waters, bringing them from Pearl Harbor for that purpose.

Believe me

Faithfully yours,



Enclosure:  
No. 90, May 31, 1940,  
from American Legation,  
Montevideo.

The President,  
The White House.

UNDER SECRETARY OF STATE  
JUN 3 - 1940  
A. H. WELLES

CK

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

Montevideo

Dated May 31, 1940

Rec'd 8:11 p.m.

Secretary of State

Washington

90, May 31, noon.

~~SECRET~~ CONFIDENTIAL FOR THE SECRETARY AND  
UNDER SECRETARY

Ambassador Armour, who is now here, and I are in accord in submitting the following suggestion for your consideration:

That if the situation in the Far East permits, a large United States naval force, forty or fifty vessels, should make a visit as soon as possible to the east coast of South America. During this visit the fleet would be reviewed by the Presidents of the countries in question. At the conclusion of the visits a squadron composed of, say, a battleship, an aircraft carrier, cruisers, destroyers and submarines, would be stationed for an indefinite period in these waters.

Our thought in making this proposal is the following: (a) the governments of these countries desire to oppose Nazism, but in some instances are

inclining

-2-#90, May 31, noon, from Montevideo.

inclining towards defeatism in view of German successes in Europe and of lack of confidence in the ability of the United States to give them effective assistance in case of aggression either from overseas or from subversive elements with Nazi support within their own countries. This lack of confidence has perhaps in part been due to the feeling that recent proposals for armament increases in the United States indicate that the United States will not for some time be in a position to lend effective aid; (b) a naval visit of the character described would strengthen the position of those who desire to combat Nazism, as well as restore the confidence of those who are now wavering; (c) the stationing of a squadron more or less permanently in these waters would be an added assurance that we were prepared to give effective and immediate assistance if required.

We of course do not know what the views of the governments of these countries would be to the foregoing proposal. It would seem, however, to be in their obvious interest to agree.

EMB

WILSON

THE WHITE HOUSE  
WASHINGTON

June 1, 1940.

MEMORANDUM FOR

ADMIRAL STARK

Will you be good enough  
to let me have a report on this  
by tomorrow evening when I get  
back?

F. D. R.

State Department dispatch  
from Minister Wilson in Montevideo  
suggesting that we send a large  
U. S. naval force, forty or fifty  
vessels, to make a visit to the  
east coast of South America etc.

THE WHITE HOUSE  
WASHINGTON

June 3, 1940.

MEMORANDUM FOR  
THE UNDER SECRETARY OF STATE

Please read enclosed from  
Admiral Stark, sent me last night,  
Sunday.

Stark is absolutely right  
and gives in paragraph #13 the  
only solutions possible.

F. D. R.

*Enc - June 2 - 1940 letter from  
Admiral Stark.*

OP10

NAVY DEPARTMENT  
OFFICE OF THE CHIEF OF NAVAL OPERATIONS  
WASHINGTON

(ws)

2 June, 1940.

Memorandum for The President:

1. This memorandum contains the report requested by you in your note of yesterday, June 1st, enclosing a despatch from Mr. Wilson and a memorandum from Mr. Wells.

2. In regard to the withdrawal of any of our forces in the Pacific, that is, the weakening of the fleet in Hawaii:

(a) This might and probably will be interpreted by Japan as an indication that we do not intend to oppose her in the East Indies; in other words, the deterrent effect on Japan will be weakened.

(b) Another, and certainly not an impossible interpretation of such a move, will be that we expect the Allies to lose and are making the first of a redistribution of our naval forces to that end.

(c) In weakening our fleet in the Pacific we are to a certain extent weakening the position of the Allies in the Pacific. Our presence there, in force, undoubtedly relieves their minds of concern over Pacific affairs, which in turn strengthens their effort in Europe.

3. The barometer of Nazism in South America may go up and down as the position of Germany in Europe grows stronger or deteriorates. The absence of any show of force by the United States might encourage subversive elements. On the other hand, the presence of some of our ships may have a deterrent effect on Nazi activities or may at least encourage the Army and Navy of an affected country to remain loyal to their government.

4. Just how much of a deterrent to a flare up of Nazism in South America the presence of some of our ships will be, is highly conjectural. The days of the old fashioned landing party and bluff such as occurred when I was a midshipman in Caribbean and South American waters are over. If a test should come and our ships should take no physical action, the ultimate effect might be unfavorable.

5. I would like to point out that Mr. Wilson's idea would seem to be that sending ships to South America is for the purpose of giving

"effective assistance in case of aggression either from overseas or from subversive elements with Nazi support within their own countries".

6. In regard to giving effective assistance to oppose

"subversive elements with Nazi support within these countries", I believe it would be dangerous to make any such commitment or to create any such impression in South American countries at this time. By the Monroe Doctrine we are committed to effective assistance in the case of aggression from overseas. It is believed that Squadron 40T(our light cruiser and two destroyers in Europe) and the Vincennes group enroute Europe, the Quincy in the South Atlantic, as well as the vessels of the Atlantic Squadron in our own waters contribute to accomplishing this obligation.

7. It seems to me that interference in the internal affairs of a temperamental and suspicious people may have the opposite effect to that which is desired; it may be likened to interfering in a family quarrel.

8. The movement of a large group of ships to South America is almost certain to be accorded Mr. Wilson's interpretation, that is, one ready to oppose actively a Nazi inspired subversive movement. This may raise the old cry of imperialism and should be very carefully considered at this time. Such a move might also affect the conversations we are just now initiating with South American governments through our Army and Navy Officers. Just what the effect would be is a matter of conjecture.

9. It appears then, that we must balance the probable weakening effect on stability in the Pacific against a possible strengthening of the situation in Latin America - In the last analysis our own hemisphere is of course the vital consideration.

10. Pending development immediately ahead in Europe it would seem well to hold on in the Pacific for the time being.

11. In addition to the Quincy now enroute to Rio de Janeiro we could send immediately one more heavy cruiser, namely the Wichita, Admiral Pickens' flagship. We can follow this with the Vincennes on completion of her present mission in Europe. The fourth ship of this division, the Tuscaloosa, is undergoing overhaul, and due for completion at the Navy Yard, New York on 30 June. The Vincennes is scheduled to go in the yard when the Tuscaloosa comes out, but her going to the yard could be delayed temporarily at least.

12. If the above were put into effect this would distribute our ships in the Atlantic as per attached sheet.

13. I offer the following solutions: -

- (a) Dispatch one additional 8" cruiser to South America.
- (b) Continue destroyer snakedown cruises to South America -
- (c) If desirable at a later date:- Reinforce the above by another heavy cruiser, and or a squadron (9DD) of destroyers.
- (d) For the present utilize ships now in the Atlantic, thus not weakening the fleet in the Pacific.

14. I have gone into the above at some length, because I want to give you my thoughts. Of course you know you have my cheerful Aye, Aye, to whatever you decide.

15. I should be glad to come and talk this over if you would like to have me.

*H R Stark.*

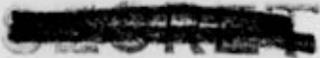


BATTLESHIPS, CRUISERS AND CARRIERS IN  
THE ATLANTIC OCEAN

<u>TYPES</u>	<u>SHIPS</u>	<u>REMARKS</u>
BB	New York ) Texas ) Arkansas ) * Wyoming }	Midshipmen's Practice Cruise in Caribbean and North Atlantic.
CA	Vincennes - Quincy - Wichita - Tuscaloosa -	Enroute Europe Enroute South America Norfolk and available Navy Yard overhaul - due completion 30 June.
CL	Trenton -  Omaha -  Helena - St Louis -	Lisbon - Scheduled to be relieved by Omaha in July - could be accomplished in June.  Navy Yard Norfolk. See above note on Trenton.  Due completion N.Y., 1 July " " " "
CV	Ranger -  Wasp -	Basing Norfolk  Due for shakedown cruise late in June - was scheduled to go to Callao and Valparaiso - This is questionable and we may hold her in the Atlantic - She has only half her planes on board.

\* Demilitarized.

WRS



THE WHITE HOUSE  
WASHINGTON

*file  
personal*

June 7, 1940.

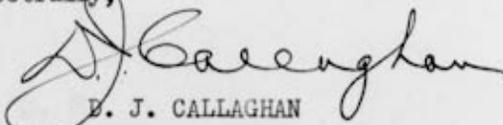
MEMORANDUM FOR

THE PRESIDENT

Admiral Stark asked me to return this to the President, with thanks.

The WICHITA, with Rear Admiral Pickens aboard, will sail for Rio de Janeiro today, Friday. Further orders will be issued her later as to other stops.

Respectfully,

  
E. J. CALLAGHAN

THE WHITE HOUSE  
WASHINGTON

June 5, 1940.

MEMORANDUM FOR

ADMIRAL STARK

Please read and return.  
Also please go ahead with sending  
the additional C.A. indicated in  
your paragraph #13; continue  
destroyer shakedown cruises; and  
prepare additional C.A. to go  
down in near future.

F. D. R.



MEMORANDUM FOR

ADMIRAL STARK

Please read and return.

Also please go ahead with sending the additional C.A. indicated in your paragraph #13; continue destroyer shakedown cruises; and prepare additional C.A. to go down in near future.

F. D. R.

*Enc - June 3, 1940 letter from  
Sumner Welles -*

THE UNDER SECRETARY OF STATE  
WASHINGTON

June 3, 1940

My dear Mr. President:

I have your memorandum of June 3 with which you were kind enough to enclose Admiral Stark's memorandum to you of June 2 commenting upon my letter to you of June 1.

I fully understand the reasons for your belief that the solutions outlined in paragraph 13 of Admiral Stark's memorandum are the only solutions possible.

I hope, however, that you will instruct the Navy Department to despatch promptly the additional 8-inch cruiser as indicated in Admiral Stark's paragraph 13; to continue the destroyer shakedown cruises; and to take steps now so that an additional heavy cruiser may be sent in any event in the near future.

As indicated in my letter to you, these steps will carry out the specific recommendations I made.

May I, however, comment upon paragraph 7 of Admiral Stark's memorandum in which he says, "It seems to me that interference in the internal affairs of a tempera-

The President,

The White House.

mental and suspicious people may have the opposite effect to that which is desired; it may be likened to interfering in a family quarrel." My own judgment, as you know, is that the real danger at this time lies in subversive movements, in those East Coast republics where German influence is very strong, financed by German money and instigated by German agents, although under the guise, so far as may be possible, of movements responsive to purely internal and domestic causes.

If a situation of this kind develops and the legitimate government is overthrown and asks for the help and support of the other American Republics, and sufficient evidence is obtained that the subversive elements are in fact responsive to Italian and German instigation, I feel very strongly indeed that the other American governments, including the United States, should at once be responsive to such request. I am sure you will agree that if we acquiesce in the creation, through the connivance of non-American powers, of governments in some of the American Republics subservient to Germany, the Monroe Doctrine would be rendered nonexistent and the majority of the American Republics would run helter-skelter to Hitler just as so many of the remaining small neutral nations of Europe are doing today.

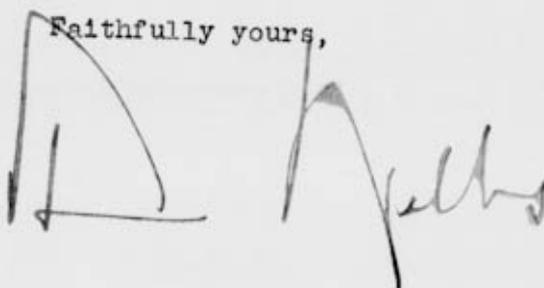
I agree that situations of the kind I envisage would

have to be handled with the utmost care and discretion.

But, if I understand Admiral Stark's paragraph 7 correctly, I cannot at all agree with his apparent recommendation that in such situations we should do nothing.

Believe me

Faithfully yours,

A handwritten signature in dark ink, appearing to read "D. Welles". The signature is written in a cursive style with a large, prominent initial "D" and a long, sweeping tail.

Enclosures:  
From Admiral Stark,  
June 2, 1940.  
From Mr. Welles,  
June 1, 1940.

PSF

June 3, 1940

**My dear Mr. President:**

I am enclosing a copy of a personal letter I have received today from Jeff Gaffery under date of May 27 which I believe will be of interest to you.

Believe me

Faithfully yours,

Sumner Welles

Enc.

**The President,  
The White House.**

*For original of this and enc of May 27th  
See: State folder - Drawer 1 - 1940*

PSF  
Wells

June 7, 1940

My dear Mr. President:

I am returning herewith Mr. David Gray's letter dated May 16, 1940, together with a draft reply to the longhand memorandum on the last page of his letter. You will recollect that you were consulted on May 21, 1940 regarding what reply should be made to Mr. Gray's telegram of May 18, 1940 concerning a proclamation covering the status quo of Ireland.

Faithfully yours,

SUMNER WELLES

Enclosures:

- 1. Minister Gray's letter of May 16, 1940 returned.
- 2. Draft.

The President,  
The White House.

See: Ireland - Drawer 4-1940 (FDR June 5th memo)

PSF

Welles  
1

June 8, 1940

My dear Mr. President:

I believe you will be interested in a personal letter I have received today from William Phillips under date of May 31, and of which I am enclosing a copy.

Believe me

Faithfully yours,

SUMNER WELLES

The President,  
The White House.

*For letter from Phillips  
See: Italy - Drawer 4-1940 -*

PSF

Wells  
1

June 10, 1940

My dear Mr. President:

In accordance with the request contained in your memorandum of June 10, I am transmitting a suggested reply for you to send to Ambassador Bowers.

Believe me

Faithfully yours,

Sumner Welles

Enc.

The President,  
The White House.

See: Chile - Drawer 4 - 1940 for correspondence



*file personal.*

*PS F: Welles*

THE UNDER SECRETARY OF STATE  
WASHINGTON

June 12, 1940

My dear Mr. President:

I believe you will be interested in the personal letter which I received from Norman Armour under date of June 4, and of which I enclose a copy.

The question of the exclusion by Argentina of submarines from her ports and territorial waters has already been taken up by the Brazilians and I sent independently a telegram to Norman Armour yesterday, suggesting that he make a similar approach.

Believe me

Faithfully yours,

Enclosure:

From Norman Armour,  
June 4, 1940.

The President  
The White House.

COPY

EMBASSY OF THE

UNITED STATES OF AMERICA

Buenos Aires, June 4, 1940.

Dear Sumner:

I feel that I have owed you a letter for some time to explain in a more informal and personal way than can be done by official despatch some of the events that have been happening during the past two to three weeks.

In the first place, your telegram forwarding Bullitt's message following a talk with Daladier reporting a somewhat alarmist situation as described by Peyrouton, the French Ambassador here, came in a day or so after I had lunched at the British Embassy when Peyrouton was present, at which certain of these matters were discussed. I reported on this luncheon fully in a despatch which crossed your telegram. Portions at least of this despatch and subsequent despatches on the local situation here have no doubt been brought to your attention by Larry Duggan.

Briefly the situation is this: a disgruntled group of ultra-Conservatives, headed by Senator Sánchez Sorondo, General Pertine, ex-Minister of War in Justo's Cabinet and now President of the Club Militar, and some of the so-called Uriburistas who participated in the revolution of September 1930, have had it in for Ortiz ever since the President took his stand in setting aside the fraudulent elections in Catamarca and the Province of Buenos Aires and insisting upon the enforcement of the Saenz Peña law calling for clean elections, as a result of which the Radical Party in the recent national elections was able to secure a slight majority in the Chamber. This group, who are entirely anti-democratic in their feelings, incline quite naturally toward totalitarianism and have for some time made no attempt to disguise their pro-Nazi, pro-Fascist sympathies. The German groups here, headed by the Ambassador, von Thiermann, and General Niefenfur, head of the German military mission, who have been very active, have naturally found these disgruntled elements ripe material on which to work. As I pointed out, there was never any real threat of a Nazi putsch so-called, but rather a danger that these Conservative extremists counting on the support of the army, the large majority of the officers of which are pro-

Nazi

The Honorable  
Sumner Welles,  
Under Secretary of State.

Nazi and pro-Fascist in their sympathies, might be able to secure sufficient backing to oust Ortiz and put themselves in power. This would, of course, have fitted in entirely with the Nazi plans.

However, Ortiz appears now at least to be fully alive to the danger and the Government is taking, I believe strenuous and effective measures to deal with the situation.

There is no disguising the fact, however, that the continued German successes in Europe have won over many adherents to the Nazi side. As you know, convictions are not deeprooted in this country and recent weeks have found the band-wagon becoming increasingly crowded.

I am satisfied that Ortiz himself continues entirely pro-democratic and pro-Ally in his sympathies, which are shared by all members of the Cabinet including the Minister of War, with the exception of Admiral Scasso, the Minister of Marine, who is undoubtedly at least pro-Fascist in his sympathies.

Unfortunately Cantilo, with his utter lack of knowledge of political conditions in his own country and allowing his undoubted pro-Ally and particularly pro-French sympathies to get the better of him, tried to put across his ill-considered non-belligerency policy. When he saw that there was no hope of our agreeing to the proposal or anyone else for that matter and that the Guani proposal was to be the one accepted, prompted largely, I fear, by his personal vanity in wishing at least to let everyone know where he stood and what he had tried to do, he issued his unfortunate communique of May 12. This, of course, gave the opposition elements just the opening they needed. After all, it was difficult to attack Ortiz on the stand he had taken for clean elections which had tremendously increased his already strong position with the people generally, but the charge that Cantilo and the Ortiz administration was attempting to abandon neutrality for a step which might bring them into the war was quite another matter. Ortiz was forced to issue his own statement a few days later, backing down from the position outlined by Cantilo, and during the two weeks that followed the Government's position was a somewhat delicate one. However, as already stated, I think that Ortiz has the situation well in hand and for the present at least, barring unforeseen incidents, the danger is past. I am not, of course, attempting to discuss now what might be the situation in the event of a German victory which, however, we all hope and pray will not come.

So far as Cantilo is concerned, his attitude since the events mentioned above has become more and more vacillating

and

and defeatist. This was particularly brought out in connection with the suggestion to have officers come down here to discuss defense measures. In my telegrams and despatches I have only given you the high spots of some of our conversations but his analogy of the plight in which Poland and Norway found themselves in attempting to resist German aggression, counting on British and French assistance which was not forthcoming, to what might happen to Argentina if they were faced by a similar threat and counted on assistance from us is enough to show you the state of mind into which he appears to have worked himself. Unfortunately, Espil appears to have been feeding him every discouraging report he could find, describing the unprepared state of our army and navy including the testimony of Generals Marshall and Arnold before the Congressional committees, which has certainly not helped matters. I have done my best to explain to him that a lot of this testimony had of necessity to be somewhat "highly colored" to bring home to Congress the need for prompt action in granting the appropriations requested by the President and that with our country roused, as it now undoubtedly is, tremendous things can be accomplished in a comparatively short space of time: that if they will only put their own house in order, safeguard themselves from possible attack from within, we will I am sure be in a position to help them very materially in the event that aggression from abroad should threaten. I believe that Cantilo is feeling a little more encouraged now and certainly the sinking of the "Uruguay" has strengthened the position of him and the President vis-a-vis the pro-Nazi groups. However, anything that you can do through Espil or in any other way to bring home to the people here our determination and our ability to take a real part in defending this continent including all of South America, will help enormously. Taft's speech indicating that we intended only to extend our defense to the Canal and the Caribbean area had an unfortunate effect here and I believe also in Uruguay, but fortunately your own statement a few days later reassured them greatly. The Government here, has now, as you know, agreed to the visit of Captain Spears and I hope that we can use this opportunity to convince them that we mean business and that it is up to them to face the issue squarely and do their bit.

However, I still feel that some perhaps rather dramatic action on our part, such as sending a fleet into the South Atlantic along the lines suggested by Ed Wilson while I was over in Montevideo would, if feasible, have a splendid tonic effect in dissipating the defeatism that is becoming more and more apparent here and bringing the wavering ones back into the fold. The visit of the "Quincy" to Uruguay is certainly a step in the right direction and the "shakedown cruise" visit of the destroyer O'Brien will also have a good effect, but frankly something on a larger scale would be better if it could be done. I realize the difficulties and that very

probably

probably the suggestion of the fleet is an impracticable one but even a smaller group of ships would serve a useful purpose, particularly one of the big airplane carriers.

Another possibility you might consider would be to send down a few of our bombers to participate in the annual military review here on July 9. Of course, they have seen them on other occasions but particularly at this time the speed with which these planes can make the trip and the evidence of their power would certainly have an effect. Of course, the matter would have to be taken up with the Government here, but I am inclined to think that they would probably react favorably to the suggestion.

I am afraid you will feel that I am full of impractical ideas, but frankly the situation in this part of the world is one which seems to me to call for somewhat drastic measures.

Incidentally, the British Ambassador seems to be greatly worried over the possibility, if Italy enters the war, of Italian submarines coming down to the River Plate to prey on British shipping ( I mentioned this in my despatch reporting the conversation at the British Embassy luncheon). He has made every effort, thus far unsuccessfully, to induce the Argentine Government to take a similar position to the United States and Brazil in barring submarines from their territorial waters and is apparently considering a telegram to London, suggesting that Lord Lothian be instructed to request our Government's support. He realizes, of course, that this is a delicate matter for us as these people, in spite of their growing alarm and realization of their dependence on us for help, are still sensitive to suggestions. It occurs to me that perhaps Brazil might be the better one to undertake this mission if it is decided that the move would be a wise one. After all, Brazil could stress to the people here the need for a common policy in defending their respective coastlines and the danger to Brazilian shipping, let alone Uruguay and Argentina, if Italian submarines were able to take refuge in these waters. Perhaps this is a matter that will come up in the conversations during Spears' visit. If so, I shall feel my way carefully to see whether something can be done, but in the meantime perhaps you could advise me by telegraph what your ideas are on this question, particularly in the event that the British Ambassador raises it with you.

With all good wishes,

Ever sincerely yours,

NORMAN ARMOUR

PSF

Wells

June 12, 1940

My dear Mr. President:

You may not have seen the attached telegram sent by Caffery and reporting on the speech of President Vargas yesterday.

President Vargas certainly chose a singularly unfortunate moment for his speech but I think you will agree, after reading the text quoted by Caffery, that there is nothing whatever in the speech except one or two ill-chosen phrases which justify the onslaught being made upon President Vargas by the American press today. It was clearly a speech intended solely for domestic consumption and the last page of the telegram makes it thoroughly clear that in all of the references which he makes to political systems he is talking solely about the Brazilian Government and in no sense about the German or Italian dictators.

The criticisms of our own press will be reprinted in the German and Italian controlled papers in Brazil

The President,

The White House.

*For original of this and telegram from  
Caffery - June 11, 1940  
See: State Dept folder - Warrner 1 - 1940*

and will undoubtedly be used to advantage to stir up feeling against the United States.

If, at your press conference on Friday, you were to find it possible to say a few words of regard for President Vargas and for the exceedingly close and friendly relationship between the two governments, I believe it would have an admirable effect. I may remind you that at this very moment the secret military and naval conversations are going on in Rio between our officers and members of the Brazilian Government and that the Brazilian Government has offered us every possible form of cooperation in the realm of national defense. We have fortunately been able so far to avoid any publicity with regard to these conversations.

Believe me

Faithfully yours,

Sumner Welles

Enclosure:  
Telegram 267, June 11,  
from Rio de Janeiro.

THE WHITE HOUSE  
WASHINGTON

June 13, 1940.

MEMORANDUM FOR  
THE UNDER SECRETARY OF STATE

What are you doing  
about this?

F. D. R.

Dispatch from Ambassador  
Braden from Bogota reporting that  
reliance cannot be placed upon the  
Columbian Government either to  
keep itself informed or to report  
to us information it secures on  
the activities of non-American  
nationals which have increased in  
scope.

*File  
Personal  
+  
confidential* *BF  
Stat  
news*

DEPARTMENT OF STATE  
WASHINGTON

June 13, 1940

My dear Mr. President:

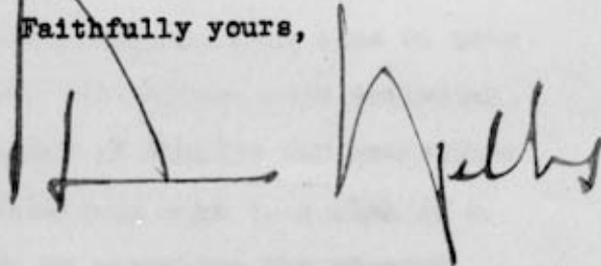
In response to your inquiry of me today as to what we are doing regarding the recommendation of Ambassador Braden and of our military and naval authorities in Colombia that we immediately establish and carry on intelligence work in Colombia because of increasing totalitarian activities there, Mr. J. Edgar Hoover has already been requested to give this his urgent attention and to submit a plan tomorrow. Mr. Hoover has been requested at the same time to make a recommendation regarding the request made yesterday by the Provisional President of Ecuador for assistance in uncovering what the President says is a plan of a totalitarian organization to overthrow the present government. As soon as Mr. Hoover's recommendations have been received and given our consideration, I shall immediately inform you of whatever plan is agreed upon for action in these two instances.

In

The President,  
The White House.

In the same telegram from Mr. Braden regarding the desirability of our carrying on intelligence work, there is also a recommendation that radio direction finders and receiving sets be installed in the Embassy at Bogotá and in one or two other spots in Colombia. This recommendation has already been the subject of consultation between the general boards of the War and Navy Departments and will be discussed further between General Marshall, Admiral Stark, and myself at a meeting of the Liaison Committee tomorrow. As in the case of the intelligence work in Colombia and Ecuador, the question is one of the most suitable mechanics for carrying out what seems essential and urgent. I shall inform you of the arrangements that are made.

Faithfully yours,

A handwritten signature in dark ink, appearing to read "H. H. H. Phelps". The signature is written in a cursive style with a large initial "H" and a long horizontal stroke.

*ASF State*  
*Wells*

THE WHITE HOUSE  
WASHINGTON

June 14, 1940.

MEMORANDUM FOR  
THE UNDER SECRETARY OF STATE

What is being done  
about this?

F. D. R.

Dispatch from Long, Quito, Ecuador, saying President had called on him and informed him in the strictest confidence that a totalitarian organization had financed a movement against the government etc.

THE UNDER SECRETARY OF STATE  
WASHINGTON

*file  
Confidential*

June 14, 1940

My dear Mr. President:

In reply to the inquiry contained in your memorandum of June 14, this matter was taken up by me at the Liaison Committee meeting this morning with General Marshall and with Admiral Stark. We agreed that the matter was one of the utmost urgency and that every step possible should be taken to comply with the request made by the Provisional President of Ecuador.

Mr. Hoover, who has been immediately consulted in the matter, has agreed to send down at once an agent to Ecuador to make a survey and at the same time an agent will be sent to Colombia to make a similar survey. Upon receipt of the reports of these two agents indicating what their belief is as to the scope of the work involved, arrangements will be made to send down the additional agents required.

Both General Marshall and Admiral Stark feel that the F.B.I. is the only appropriate service to deal with

The President,

The White House.

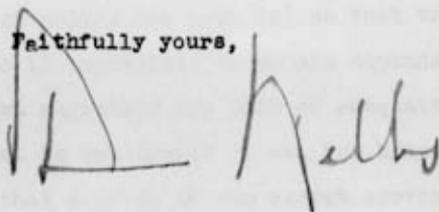
2025 J.P.  
MYPENHOLLO  
THE UNDER SECRETARY

questions of this character.

Because of the contingencies envisaged in the telegram under reference, I have been making every effort, as I think you well know, during the past months to strengthen the position of the present government. We arranged for the recent credit by the Export Import Bank with this in mind and we have sent down a considerable number of experts of all categories to work with the local authorities and attempt to improve the domestic economic situation which is the chief reason for the weakening of popular support of the present government. The practical result of the steps taken -- particularly the credits granted -- has already been seen. The situation described in this telegram would have been far worse if these measures of prevention had not been undertaken.

Believe me

Faithfully yours,



Enc.

CK  
This telegram must be  
closely paraphrased be-  
fore being communicated  
to anyone. (Br)

Quito

Dated June 12, 1940

Rec'd 11:25 p.m.

Secretary of State

Washington

100, June 12, 5 p.m.

STRICTLY ~~CONFIDENTIAL~~

Provisonal President just called here and informed me in the strictest confidence that a totalitarian organization had financed a movement against the government, and passed around among the more intelligent of soldiers a plan ostensibly to restore Velasco Ibarra to power, but if it succeeds he will be denied the Presidency and if he returns to Ecuador will be killed by organizers of the so-called nationalist movement which will then conduct program.

Ecuadoran secret police has been (?) so that the Government has found it impossible to obtain dependable information. Cordova regretted the lack of adequate organization and that he was forced to ask for help. President requests that a group of our secret service men speaking Spanish (and German if possible) be sent to uncover the plans of Nazis and cooperate with Ecuador in order to break up German and Italian disruptive activities; also assist in reorganization Ecuadoran secret service. (END OF SECTION ONE)

EMB

(Boyz) → LONG

MA

QUITO

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

Dated June 12, 1940

Rec'd 7:46 a.m.

Secretary of State

Washington

100, June 12, 5 p.m. (SECTION TWO)

The program of the Nationalist Government after its triumph, follows:

- (1) Decree martial law
- (2) The dissolution of all political parties and recognition of Nationalist Party as the only one in Ecuador
- (3) The formation from the battalions constitution, Bolivar, Manabi, and Maranon; of one body, to be called the iron guard
- (4) The complete reorganization of the Army, destitution of chiefs and officers who oppose
- (5) The expulsion from the country of all who belong to the Masonic Lodge within forty eight hours
- (6) Decree all capital both national and foreign to belong to the state; any effort to take capitals out of the country shall result in 75 % thereof being confiscated for the state. (END SECTION TWO).

LONG

DDM

CK  
This telegram must be  
closely paraphrased be-  
fore being communicated  
to anyone. (Br)

Quito

Dated June 12, 1940

Rec'd 11:30 p.m.

Secretary of State

Washington

100, June 12, 5 p.m. (SECTION THREE)

(7) A Banco Unico (single bank) will be established, the others will deliver to it their capital so that the single bank may establish factories of all classes with the capital so received. (8) The restriction on importation of articles produced in the country also automobiles. (9) Commercial and military alliances with Germany because this nation is the one at the head of the universe. (10) The subdivision of lands and providing agriculturists with what they need. (11) It (nationalist party) will contract German technicians from all industry, agricultural, factories and every thing the country needs. (12) It will suspend all contracts with American companies and replace them with German companies. (13) It will terminate in the shortest possible time a railway to Esmeraldas and construct a network of first class roads to the Oriente and the provinces.

I recommend this request be complied with for situation here seems indeed serious.

(END OF MESSAGE)

EMB

LONG

PSF: Welles  
1

FDR memo to Hull and Welles-----June 17, 1940

Re their reading the enclosed letter to FDR from Herbert Pell in re possibility of Spanish or Italian troops entering Portugal to prevent the landing of British reinforcements for the protection of Gibraltar and a demand for the use of the Azores. Hull's reply of June 18, 1940 attached.

See: State Dept folder-Drawer 1-1940 for corres

PSF: Welles  
1

COPY

June 18, 1940

My dear Mr. President:

In accordance with the request you made of me this morning, I am sending you herewith a suggested reply for you to send to Paul Reynaud when we know exactly where he is.

Believe me

Faithfully yours,

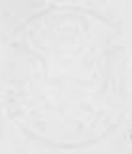
Sumner Welles

Enc

The President

The White House

*For FRK's reply and Reynaud's letter of June 17th  
See - France - Drawer 4-1940.*



*file  
confidential*

*PSF: Welles*

THE UNDER SECRETARY OF STATE  
WASHINGTON

June 19, 1940

My dear Mr. President:

You will remember our conversation some weeks ago with regard to the message I had had from Dr. Schacht suggesting that he come to this country.

I have today had a letter from our Chargé d'Affaires in Berlin of which I enclose a copy for your information. The "our friend" mentioned in the letter is, of course, Dr. Schacht.

Believe me

Faithfully yours,

Enc.

The President,  
The White House.

C  
O  
P  
Y

EMBASSY OF THE  
UNITED STATES OF AMERICA

Berlin, June 6, 1940

Personal and Confidential

Dear Mr. Welles:

Because of his absence from Berlin I was unable to communicate to our friend the message contained in your letter of May 1 until today. He remarked that the prospects for a negotiated peace on the basis of justice appeared dubious, to say the least, for the moment. Mussolini could no longer be counted on to act as a restraining influence since he had not opposed the present offensive and Italy itself would shortly be in the war.

While a war was never won or lost until it was over, it looked quite possible that in a short time, perhaps in a fortnight, France might be overrun as far as Bordeaux. In this connection, he remarked that the majority of the generals had been opposed to the Western offensive on the ground that there was little chance that a finally decisive victory could be achieved. So far they had been proved wrong and Hitler right. While our friend assumed the defeat of France, he was not quite so certain that an invasion of England would be successful, but, however, risky the enterprise, Hitler would have a try at it. Unless he had completely misread the indications he had from England, he was convinced that England would not accept the terms which Hitler might propose, and, if necessary, the British Government would withdraw to the Empire and carry on the war. If, with or without American collaboration, Britain continued sea warfare and a blockade of Europe, then eventually Germany would have to come to a negotiated peace because neither Germany nor Europe could

The Honorable  
Sumner Welles,  
Under Secretary of State,  
Washington.

indefinitely exist without tropical products. Germany could, of course, carry on for several years without them, meanwhile strengthening her autarchic production, but in the end the situation would become materially and psychologically intolerable and a negotiated peace would ensue.

Neither he nor anyone else knew what terms Hitler would propose if he succeeded in this campaign against France and England, but it was almost certain that he would attempt to dictate a peace, and a dictated peace could not last any more than Clemenceau's dictated treaty. He remarked that if the procedure had been one of consultation and cooperation Clemenceau might have obtained practically the same terms from Germany and obtained a substantial popular acceptance of it on the part of the German public. At least the moral basis, and moral considerations have not ceased to be important, would have been stronger.

Whatever the outcome of the war, there would remain basic economic and political problems which can only be solved on the basis of cooperation. In this connection, he returned to his original proposal that an invitation be addressed to him to address some private economic organization in the United States on some purely economic topic. He would not presume to suggest what organization would provide an appropriate forum for his address, but he thought of such organizations as the New York Academy of Political Science, the International Chamber of Commerce, or perhaps the Council of Foreign Relations, although he thought it was best that the society should only be devoted essentially to economic matters to which, he repeated, his address would be confined. He remarked that the Foreign Policy Association would definitely not do for his purpose, since in Germany it was considered as especially unfriendly to the Reich.

It was no longer necessary, he said, that the invitation carry an intimation that the President would be glad to receive his call. He had been discreetly working for permission to go to the United States among a limited circle of high officials and he thought that a straight invitation even without any hint that the American Government had been consulted would suffice, since it now would be taken for granted

here that no American organization would issue an invitation to him in times such as the present without having in some way discussed the matter in Washington.

Time was more than ever of the essence, in view of the present crisis. If the information he had received was correct, viz., that within two weeks or so France might be on the brink of defeat and the United States faced with the necessity of making an instant decision of whether or not to come immediately to the full assistance of the Western Powers, then the invitation should reach him within a fortnight at the very latest. He inquired whether the Clipper still stopped in Bermuda.

In conclusion he said that if it were decided to issue him an invitation it could be simply addressed "Reichsminister Dr. Schacht, Berlin," or, preferably, through the American Embassy. He said that he could well understand that the Government might object to having such an invitation sent through the Embassy, but argued that in this instance the Embassy would be purely a neutral intermediary availed of because of wartime difficulties of transmission.

In conclusion I inquired as to the truth of stories in the foreign press that he had been commissioned by his Government - Hitler, according to certain accounts - to draw up a plan for the economic reconstruction of Europe. He denied this emphatically, but said that on his own initiative he had been working out some ideas which he had discussed with certain officials, but he had not completed the studies nor had there been much progress towards their receiving official consideration.

Comment on our friend's project is difficult. Personally I would be tempted to let him come on private invitation to hear what he has to say and see what he tries to do. If upon his arrival he engaged in any Machiavellian duplicity, I should think he could be easily ousted. I have no illusions about his vanity, egotism, ambition, all of which keeps him from being highly reliable. At the same time I recognize his ability and fertility of imagination. While he probably exemplifies some of the domineering and perhaps even imperialistic traits which have characterized his Nation long before the previous regime, he certainly has a preference for

an orderly, if somewhat reactionary world, and has a conception of international cooperation.

I got a very distinct impression from his conversation that he is still in contact with certain people in the German Government. Just who they are I don't know. Probably the conservative crowd who were around Goering in the Four Year Plan. (For surprisingly enough that rather revolutionary organization is mainly directed by men of essentially conservative temper and background, who grumble at the unorthodox tasks and extreme government interference in business which they are called upon to administer.) Perhaps it is Goering himself.

I am glad you are one of the key pillars of Government these fateful days and I hope that the burden of your work will not be physically too great.

Yours sincerely,

DONALD R. HEATH

PSF

Wells  
1

June 20, 1940

My dear Mr. President:

In accordance with the request contained in your memorandum of June 19, I am returning herewith Ambassador Bowers' letter to you of June 12 which I have read with a great deal of interest.

Believe me

Faithfully yours,

Sumner Welles

Enc.

The President,  
The White House.

See: Chile folder = Drawer 4 - 1940  
for letter and memo -

PSF: Welles

THE UNDER SECRETARY OF STATE  
WASHINGTON

July 5, 1940

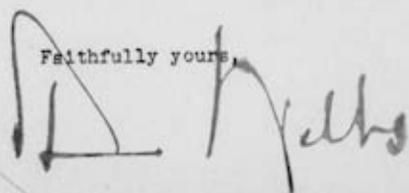
file  
Confidential  
Welles

My dear Mr. President:

You may remember that some weeks ago I gave you to read a message which I had received from Dr. Schacht through the First Secretary of our Embassy in Berlin. I have today received a further message, dated May 8, a copy of which I am enclosing herewith. I believe you will find it of interest.

Believe me

Faithfully yours,



Enc.

The President,  
The White House.

Strictly Confidential

Memorandum of Conversation of May 8, 1940: To Mr. Welles.

I saw our friend again today, who said he had no observations or suggestions to make beyond repeating his belief that if arrangements could be made for him to come to the States to deliver an address before some private organization, and that if he could have the privilege of an informal conversation with the President, the Secretary and you, the result would be that Hitler would be gradually drawn into peace negotiations which he could neither dominate nor escape from. Time, however, was more than ever of the essence, for the German Army was mighty and might be led into action involving terrible destruction which would render any efforts toward a constructive peace very difficult. He would not say that active war would make sane peace efforts impossible because it was necessary to avoid a hopeless attitude and in any case he could not conceive that this war would terminate with a decisive victory for either side. Even if such a result were possible a stable peace could not be contrived or dictated on the basis of military superiority. At best an uneasy truce could be established which would break<sup>out</sup> into a new war within the next twenty years. He could understand that governments of neutral states hesitated to have any connection or discussions

with individuals who were not the heads or in the ruling groups of the belligerent Powers, but it was frequently the case that the head of a warring government was least fitted to enter into constructive peace negotiations. In fact, whatever the other powers of a chief of state might be, the real powers for peace were usually behind the throne. He did not affect omniscience nor infallibility in his predictions, but his analysis of the situation and its dangers had so far been proved to be correct. If Chamberlain had followed his advice (just what advice he did not specify) the present catastrophe would not have occurred. He went on to say that if a cooperative Europe were to emerge from the present conflict it was absolutely necessary that America stay out of the war. Once in, President Roosevelt would find himself entirely unable to bring about a just and stable peace and thus the only power that could bring about such a result in Europe would disappear since the Pope, the only other alternative, would be helpless alone to exert constructive influence.

He avoided leads as to whether Germany was intending to wage an offensive or defensive war, remarking that there was a barrier which prevented him from telling what he did know about the military situation. He referred to the unpredictability of Hitler's actions, but remarked that

the situation was dangerous, for Hitler's experience had been that every time that he took the initiative he won, whereas when he followed a waiting or defensive policy the other side gained ground. With regard to the Norwegian campaign, while it had been a demonstration of German military ability and British unpreparedness, it was from the standpoint of high strategy essentially a defensive operation designed to secure Germany's northern flank. He remarked that he had heard over the radio of Dutch cancellation of military furloughs and other measures and asked, rather scornfully, what precise basis they had for this increase of alarm. He concluded by saying cryptically that he was going away for a few days, that he did not want to be in Berlin at this precise time.

---

My impression was that while he is far from being closely informed, he is acquainted with some of the alternative courses of action which have been considered and that he believes it likely that some sort of offensive with limited objectives is imminent.

Donald R. Heath  
First Secretary

101 Star 11

July 8, 1940

My dear Mr. President:

I am sending you a copy of a letter, dated June 26, which I have received today from Frank Gunther and which I believe will be of interest to you.

Believe me

Faithfully yours,

Enclosure:

Copy of letter from  
Mr. Gunther, June 26, 1940.

The President

The White House.

COPY

Legation of the

United States of America

Bucharest, June 26, 1940.

~~CONFIDENTIAL~~

Dear Sumner:

I did not think that the following was either authoritative or urgent enough to include in my telegram No. 299 of June 26, 11 a.m. Major Ratay, our Military Attaché, hobnobs constantly with a pretty important group of Germans in Bucharest, both military and civil, and, strangely enough, has got the impression from them that the Germans are "grooming" the Duke of Windsor for puppet King of England - just as Prince Ferdinand, son of the German ex-Crown Prince, is being "groomed" for active successor to Stalin after the expected successful Russian campaign. Prince Louis Ferdinand is well known to our Embassy at Berlin, is one-quarter Russian, and has a Russian wife. Major Ratay is quite impressed with all the above and says that the Germans plan to set up fair imitations of Nazi States in both England and Russia. It appears that they have no one in view as yet for the White House!

The above is an amazing tale, I admit, but strange things can happen, and now that I come to think of it I recall seeing in the press that the Duke of Windsor had abandoned his military assignment with the French Army and retired to the Riviera, and subsequently, with the collapsing of the French Army, had taken himself off to Madrid. I also recall that he was always very friendly disposed towards Germany; and that it was often said that the real quarrel with Baldwin was not only about Mrs. Simpson but over his pro-German leanings and proclivities.

With warmest regards, I am,

Yours most sincerely,

FRANKLIN MOTT GUNTHER

The Honorable  
Sumner Welles,  
Under Secretary of State,  
Department of State, Washington.

PSF *Wells*

THE WHITE HOUSE  
WASHINGTON

The President wrote on original  
in longhand - "S. W. - O.K. and  
ask our people in Scandinavia  
how many Americans will come."

July 10, 1940

My dear Mr. President:

You will remember that after you received the request of the Crown Prince of Norway that you assist in bringing the Crown Princess and her family from Norway to the United States, you decided to send a transport to Petsamo for the purpose of bringing the Crown Princess and her family to the United States, and also for the purpose of evacuating such stranded American citizens in Northern Europe who wanted to come to the United States and could not come any other way.

At your request I instructed our embassies in Berlin and in London to obtain assurances from the German and British Governments that the vessel would not be interfered with on its projected voyage. We have today received assurances in this sense from both Governments.

Do you wish me, as a first step, to have our Minister in Stockholm inquire of the Crown Princess whether she desires to come to the United States in the way proposed, and, in the event that the reply is in the affirmative,

do

The President

The White House.

do you wish me to get in touch with the War and Navy  
Departments in order to find out what arrangements can  
be made to send a transport to Petsamo for that purpose?

Believe me

Faithfully yours,

PF  
1/12

THE WHITE HOUSE  
WASHINGTON

July 11, 1940.

MEMORANDUM FOR

THE UNDER SECRETARY OF STATE

I thoroughly approve the thought that we should be able to get rid of dead wood in the Diplomatic Service when necessary.

For your information, there is an old Navy law by which an officer on the active list can be furloughed, in which case he draws only half pay. I am about to use this old law to compel the retirement of a number of officers. Obviously they will not stay long on furlough at half pay but will apply for voluntary retirement after thirty years service — in which case they get three-quarters pay for the rest of their lives.

F. D. R.

PSF: Welles

DEPARTMENT OF STATE  
WASHINGTON

July 8, 1940

My dear Mr. President:

I know your interest in the following subject matter, so I bring it to your attention in this manner.

There are quite a number of individuals in the Foreign Service who come under the general category of "dead wood". Under the present law they can be voluntarily retired after thirty years of service provided they have reached the age of sixty years. The law was amended to that effect in the Act of April 24, 1939. The catch at present is that they may retire after thirty years of service and before they reach sixty, but if they do their annuity is curtailed. Of course none of them want that.

Before the amendment of the law in 1939 they could be retired after thirty years of service at whatever their annuity was at that time and irrespective of age.

I know

The President,

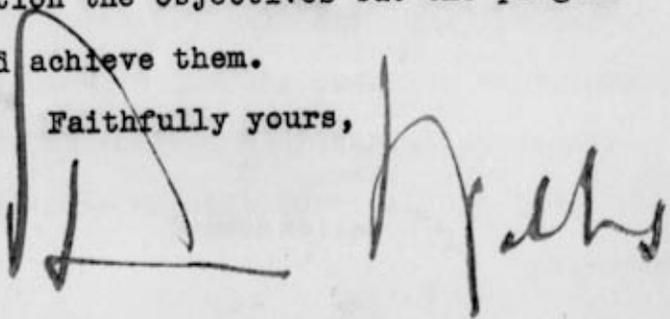
The White House.

I know you are very much interested in promoting the efficiency of the Foreign Service. It cannot be run at top speed with a number of officers in the high brackets who for varying reasons have lost their efficiency and who insist upon staying on until they can get the maximum retirement irrespective of the good of the Service. A lot of "dead wood" was got rid of in 1934 and 1935 as you will recall. It should be done again soon in the interests of the Service, but under the law as it exists it cannot be done because they insist on hanging on.

Realizing your interest in the general subject, I bring the matter to your attention in this way in the hope you will indicate whether you would favor a change in the law to make possible the objectives mentioned above. It will have to go to the Budget in the next few weeks if it is to be done. So I press it upon your attention now for that reason and for the additional reason that I do not care to proceed with it unless it should have your approval.

I am attaching a memorandum which is rather technical and which does not mention the objectives but the program outlined in which would achieve them.

Faithfully yours,



Enclosure:  
Memorandum.

MEMORANDUM FOR THE PRESIDENT

Under the provisions of the Foreign Service retirement law prior to its revision by the Act of April 24, 1939, voluntary retirements after thirty years of service, without restriction as to age, were authorized in the discretion of the Government. Officers whose strength and capacity to carry responsibility were declining, not infrequently availed themselves of this privilege, which was, of course, definitely in the interests of the efficiency of the Foreign Service as a whole. In the revision of this law (Act of April 24, 1939) it was felt that as a measure of economy it would be feasible to restrict thirty year voluntary retirements to officers who had reached a minimum of sixty years of age, or if officers should desire to retire before reaching that age, to require them to accept a materially reduced annuity.

After a period of administration under the new law, the personnel and administrative officials concerned are of the opinion that the provision explained above is not in the interest of the Government; and that it will result in the retention of some officers in the upper classes of the Foreign Service for several years after they have passed their maximum usefulness. If the international situation were more normal, the correction of this could doubtless appropriately wait for some further period, but the existing situation and the possible reorientation of some of the features of our foreign representation require at this time the best obtainable Foreign Service. It is

therefore

therefore believed that legislation to remedy this difficulty is sufficiently urgent to request a directive from the President as to whether he desires to procure such legislation during the present session of the Congress.

The following factors summarize very briefly the considerations involved:

1. A careful study indicates that it would not be necessary to reenact a provision authorizing thirty year voluntary retirements without restriction as to age (although such retirements are authorized by law in the discretion of the President with respect to officers of the Army and Navy and many large business organizations maintain such a policy). A part of the economies instituted by the Act of April 24, 1939, could be retained and the situation adequately met, if discretionary voluntary retirements after thirty years of service should be authorized only in the cases of officers who are fifty-five years of age or more. This would require no change in the present law except to substitute "fifty-five" for "sixty" wherever it occurs in Section 26(d) of the Act of April 24, 1939.

2. This proposal is regarded as primarily in the interest of the Government, although it would seem wholly justifiable to authorize retirements at age fifty-five of officers who have spent thirty years or more abroad in the service of the Government. The responsibilities resting on the Foreign Service

require

require that its officers, and particularly those in the upper grades having many years of experience, be wholly qualified to act as representatives of this Government in foreign countries. With some three hundred diplomatic and consular establishments to maintain in all parts of the world, it is in some cases impossible to utilize, in the best interests of the Government, the services of an officer who, because of declining health or advancing years, is no longer fully qualified to meet the representative responsibilities of the Service. Such officers have often rendered many years of excellent service and are not disabled to the extent that they could be retired or request retirement for total disability. The proposed legislation would make it possible to eliminate such officers without doing them serious injustice.

3. The Foreign Service Act provides that the Treasury Department shall be responsible for actuarial work required for the Foreign Service retirement system and the Actuary of the Treasury has estimated that the change proposed above would eventually increase the cost of the retirement system by not to exceed \$50,000 to \$60,000 per annum. Although some officers of the State Department believe this contemplates more such retirements than would occur, it is felt that the value to the Government in increased efficiency of the Foreign Service would far exceed this estimated cost.

4. It is found that the capacities of some Foreign Service officers decline very definitely after age fifty-five, although this is not the case with many other officers. The Foreign Service is in many respects the most hazardous of the permanent commissioned services of this Government when this country is not actually engaged in war. Foreign Service officers and their families are, even when the United States is at peace, not only subject to unhealthful conditions and extremes of climate (often without having suitable medical facilities available), but they are also subject to all the dangers of foreign wars, of civil strife in foreign countries and of major catastrophes. As indicative of the effect of this particular type of responsibility and living (although it would hardly be desirable to publicize this statement), the first eleven years of operations of the Foreign Service group insurance, underwritten by the Equitable Life Assurance Society, shows the mortality of the group to be approximately 20 percent higher than groups in this country doing reasonably comparable types of work.

PSF:Welles

Copy

Letter to FDR from Sumner Welles-July 12, 1940

Re:telephone call and telegram from Joe Kennedy re his opinion that Col. Donovan cannot possibly get any information except thru our existing military and naval attaches and that his mission will simply result in creating confusion and misunderstanding on part of British.

The President sent original letter from Welles of July 12th and Kennedy's cable to Secretary Knox on July 13th, asking him to take it up with Hull and to try to straighten it out.

See:Frank Knox-Drawer 1-1940(July 13, 1940 memo)

*PSF: Welles*

THE WHITE HOUSE  
WASHINGTON

PRIVATE & CONFIDENTIAL

July 16, 1940.

MEMORANDUM FOR

THE UNDER SECRETARY OF STATE

TO READ AND RETURN

F. D. R.

Letter from Karl A. Bickel  
to Tom Corcoran in re Nazi  
activities etc. in South America.

THE UNDER SECRETARY OF STATE  
WASHINGTON

July 19, 1940

My dear Mr. President:

I have read with a great deal of interest the letter which you sent to me with your memorandum of July 16 and which I am returning herewith.

There is no doubt that Jim Miller of the United Press has long experience with and is an acute observer of inter-American affairs. I fully agree with his point of view that it would have been better for this Government to send a more imposing naval force to the South Atlantic than the two cruisers which are now there. As you know, I urgently recommended that a larger force be sent but after you had gone into the matter very fully with Admiral Stark, you reached the conclusion that this was the best we could do under present conditions. If and when the fleet is withdrawn from Hawaii, I still hope it may be possible to send a squadron down the east coast - not for a protracted stay but solely for a visit of demonstration.

The President,

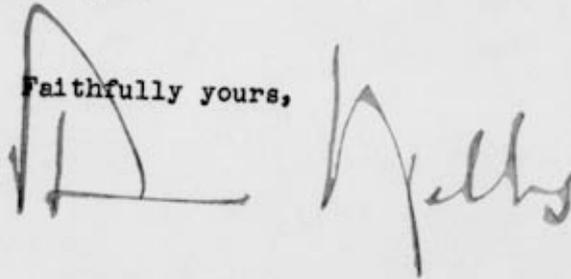
The White House.

*File  
personal  
confidential*

As you know, the confidential conversations between our military and naval officers and representatives of the armies and navies of the other American Republics have been singularly satisfactory and staff conversations are to commence the first week in August. In the long run these clear understandings between the military and naval establishments of the United States and the other American Republics will be more productive than mere demonstrations of naval strength.

Believe me

Faithfully yours,

A handwritten signature in cursive script, appearing to read "R. H. H. Kelly". The signature is written in dark ink and is positioned to the right of the typed phrase "Faithfully yours,".

Enc.

ONE WILLING TO BE SUASTY ALLY  
VS NON PUNA' 876 60019

KARL A. BICKEL

Sarasota, June 30th, 1940

My dear Tom Corcoran :- You will remember that in our various talks about the Latin-American situation I have mentioned Jim Miller. Jim has been in South American since 1915 and has been in charge of the United Press development in Sud America since 1916--in other words through all of it. He knows more important Latin-Americans in more Latin American countries than any other American on that continent, I believe, and he certainly has a most ~~widely~~ comprehensive understanding of the various influences and emotions that make Latin-Americans in the various countries think and act as they do. For reasons that I will not go into now he has a specially close contact with the Brazillian mind and he has contacts with the Nazi-Facist- despot-dictator movement in Brazil that are exceptional. As this is an entirely personal letter to me I hope that you will not let it outof your possession . Of course if you wish to show it to the White House or Mr. Hopkins or Noble that is entirely agreeable.

" As you know" he writes, " a great many of the Army officers in every army in the A.B.C. countires ~~are~~ pro Nazi . This is also true of Uruguay. In fact in the latter country, they are Nazi to an almost alarming degree. I am absolutely certain that in Brazil, Vargas would throw his luck in with the Nazi's in a minute if he could only be certain that they would leave him in power. In fact he has already planned to beat them to it by establishing an absolute totalitarian government in Brazil before the totalitarians arrive. It is my personal belief --at this time-- that a similar situation to a degree also exists in the Argentine and Chile.

" The trouble is, Karl, that none of these nations really appreciate the strenght of the United States. They are infinitely better informed about the United States today than they were , say in 1914 or 1920, due to their newspaper contacts with America but their politicians and soldiers , as a group, are still mighty limited in their international view point which, in the end, is also warped by what they deem their personal fortunes. Take Vargas for instance. He never reads anything but Portugese and his actual information as to what is going on is extremely limited to what his own limited circle tell him. The chief of police of Rio de Janerio is the son of a German--Phlinto Muller, who has a large control over the censorship and he actually keeps Vargas from reading a good deal of material that he does not think Vargas ought to read. That is also true to a degree to certain of the other ministers.

" For the purposes of the United States we should take the general attitude that none of these politicians can be trusted in the interests of democracy or the United States. Aranha is regarded as a friend of the United States but Aranha must do and will do what is required to keep him in power and has he does not have any definite knowledge as to what the United States will do in certain eventualities he will probably throw his luck in with the Facist. He may have too.

"Ortiz, the president of the Argentine, is a man of superior attainments and is the head of a government that roots far deeper in democratic soil than in certain other countries, but Mr. Ortiz has never been in the United States and his contacts with America, ~~whereas~~ either personal or thro reading must be via Spanish. A majority of the officers of the army and navy are believed to be pro Nazi. Ortiz is no dictator and he has no interest ~~if~~ being one but you can be sure that he will do every thing he must do to keep the Nazi's out of the Argentine and if it is necessary to adopt a new form of government to achieve this object I believe that he will take the step--regardless of how distasteful it might be to him personally. If Great Britian is defeated the effect in this country, which has always had very close British relations, will be prfound and almost anything might happen.

" Every American here is exceedingly hopeful that President Roosevelt will send at least six to ten cruisers and one of our biggest air craft carriers to Rio and B/A as soon as possible . Two or three cruisers won't do. These South Americans do NOT believe that we have strenght. They do NOT believe that we have a will to strenght. Nothing that any one says will amount to a whoop. They do not believe that the United States can do any more for them, ~~as~~ against the Nazi's, than the British did in their fumble over Norway. They feel that in event of a Nazi attack they would be the certain sufferers.

" The first thing that should be done--and we should not lose an hour in doing it and I mean just that-- is to send naval forces to Rio and B/A that will MEAN something. One or two cruisers only means weakness. It does not convey any idea of strenght. The South American reasons that one or two cruisers--they are'nt big or impressive looking as a rule--are all we can spare and that only confirms his belief that the United States is weak--and they have no time for weakness in these days. We must send a naval and an aviation force that will be truly impressive. Two hundred air planes over Guanabara and Rio will ~~wause~~ enough of an impression to stop a lot of wrong thinking--it will make every politician in Brazil to think a long twice.

" Air planes count with the populace down here any how. Naval vessels don't mean so much except as they are associated with planes. This is especially true in B/A where the boats lay so far out they cannot be well seen by the people. They see the planes.

" Remember the Latin-American nations have not seen an impressive display of American naval strenght since 1907 when Bob Evans came around here with the fleet. To send down a destroyer or cruiser or two now simply makes a bad situation worse. Talk about our spending five billion for arms does not have any effect on these people. They have heard all about big expenditures before. What they want to see is the arms.

" Barney writes me that some of the State Department people seem to feel that only the young men in the army are pro Nazi. Thats not true to any effective extent. A few of the older men who have traveled are impressed with the U.S. but most of the officers, old and important and young and impetuous , are pro Nazi.

" Vargas will play with us if the fact of our strenght is established

KARL A. BICKEL

But if in the mean time and before that is accomplished the British take a whipping or make a bad peace Vargas will be in the other camp before we can do anything about it. No one down here is going to believe that we can or we will protect them until we show them that we can. The idea that the United States can wait until Aranha gets himself in power is a distinct mistake because it assumes that Aranha can do that and that if he did he would obtain power under circumstances that would permit him to be pro democratic. Its taking a terrific risk on a very long chance.

"The German ambassador here has gone to the Foreign minister and threatened him with Germanic wrath unless he did certain things. He called to his embassy the director of one of the leading newspapers and told him that unless his newspaper gave the German slant to things he would be 'taken care of' and he got away with it. These people must have real backing to shove that sort of thing off.

"As a matter of fact, Karl, the Germans have a greater respect for our power than the Sud Americans. The Germans know what we did in the last war but all concerned in that war have been busy ever since explaining that we had nothing to do with the result and the Latin-Americans have come to believe them.

"Try and get the people in Washington to appreciate this:— that the situation down here will change over night if we make a real display of force. Send down at least, six to ten cruisers and a battle ship or two and, I hope, two air plane carriers with planes and get the planes into the air over these capitals on the east coast.

"In certain quarters there is a constantly voiced fear that we must not do something to annoy these people. I appreciate and understand that fear but its a mistake to let it go too far and that is what we are doing--and to all the people south of Peru that is now a sign of weakness.

"In my opinion if one or two German or Italian battle ships break thro the blockade--as they easily might now--and show up in Rio some morning, the government here might quickly come out 100% Nazi and we'd be in a very unfortunate position. If Brazil does this others down here will be sorely shaken in their position and the pressure to get them to do the same will be almost overwhelming. Basically the people are for us but with a ~~German angle~~ pro German air tight censorship, not a line gets thro that doesnot meet their views, so the people know very little!"

This is the gist of his letter. It is entirely confidential and personal and I must ask that it in no way get into any hands but your own (with the exceptions noted) as it must not ever react against Jim in South America and it easily could. Thats why I don't want any wandering diplomats to get hold of it or any unofficials. It seemed to present a picture that while, I am sure far from new to the White House, might give the President certain new details. In any event if its merely some more of what you already have plenty, destroy it. I was delighted to note we are sending 60 planes to Guatemala. Fine. I hope they stop at Mexico City.

Cordially, *K. A. Bickel*

PSF Welles

July 19, 1940

My dear Mr. President:

I am enclosing, together with an explanatory memorandum addressed to you by Dr. Berle, a suggested message to be sent by you to the Congress recommending the removal of restrictions on the lending power of the Export-Import Bank and the increase of the Bank's lending power by \$500,000,000.

It is my earnest hope that if the suggested message is satisfactory to you, it may be sent to the Congress on Monday, July 22, and be made public upon that date. If this were done, it would have a most helpful and constructive effect upon the deliberations of the Habana Consultative meeting.

Believe me

Faithfully yours,

SUMNER WELLES

Enclosures:  
Memorandum, July 15, 1940.  
Message to the Congress.

The President,  
The White House.

*For Memo from Dr. Berle & suggested message to Congress  
See: Berle folder - Wrammer 1 - 1940 (message sent on July 22nd)*

PSF

Welles

August 5, 1940

**My dear Mr. President:**

I am enclosing, as of possible interest, a copy of a despatch of July 23, 1940 from Ambassador Armour in Buenos Aires regarding Argentine press comment on your nomination by the Democratic National Convention at Chicago.

**Faithfully yours,**

Sumner Welles

**Enclosure:**

**From American Embassy,  
Buenos Aires, no. 998,  
dated July 23, 1940.**

**The President,  
The White House.**

*For original & Press Comment.  
See: So America folder - Drawer 4 - 1940*

PSF State  
miller  
1

Letter to FDR from Sumner Welles---August 8, 1940

Encloses copy of Lord Lothian's letter to him of August 8, 1940 with two memoranda--Lothian refers to Declaration by Churchill as to future of British Fleet made on June 4th:- attached is FDR's longhand notes re assurance on part of Prime Minister that in event of waters becoming untenable that ships be sent to other parts of Empire for defense of Empire etc; also makes stipulation re 99 yr lease for air bases to protect U.S.

See:Navy -Drawer 1-1940(corres on 50 destroyers)

PSF  
Welles  
1

THE WHITE HOUSE  
WASHINGTON

August 12, 1940.

MEMORANDUM FOR

THE UNDER SECRETARY OF STATE

Apparently the Army and Navy do not wish the Rear Admiral and the Brigadier General to supersede the present Naval and Military Attachés, as this would be regarded as a slap at the latter. Therefore, they want the Admiral and the General to be "attached to the Embassy" as special observers. That seems to be all right.

F. D. R.

Dispatch returned to Under Secretary Welles with memorandum.



DEPARTMENT OF STATE  
WASHINGTON

August 8, 1940

My dear Mr. President:

I feel I should bring the attached telegram from Joe Kennedy to your attention. I shall be grateful if you will let me know what reply you wish me to make.

I am somewhat perplexed because it had been my understanding, from what you told me, that the officers now sent to London were to be regarded as attachés of the Embassy.

Believe me

Faithfully yours,

A handwritten signature in dark ink, appearing to read "A. H. H. Phelps". The signature is written in a cursive style with a large initial "A" and a long horizontal stroke.

Enclosure

The President

The White House.

PSF  
Wells

August 19, 1940

My dear Mr. President:

In accordance with our telephone conversation of this morning, I am enclosing herewith the two drafts which I read to you over the telephone and which you approved.

Lothian has not yet returned to Washington, but I have sent word that I wish to see him urgently this afternoon and as soon as I can talk with him, I shall hand him these copies as we agreed.

Believe me

Faithfully yours,

Enclosures:  
Drafts A and B.

The President,  
The White House.

*For original of this and the drafts.  
See: - Navy - deamer 1 - 1940 (Cover on 50 destroyers)*

PSF

Welles

August 20, 1940

My dear Mr. President:

I am enclosing a copy of a memorandum which the Minister of Canada left with me this afternoon. I have submitted a copy of this memorandum to the Secretary of the Navy with the request that he indicate to me the nature of the reply which should be made.

Believe me

Faithfully yours,

Sumner Welles

Enclosure.  
Memorandum.

The President,  
The White House.

*For original of this and copy of memorandum  
See: - Navy - drawer 1 - 1940 (covers on 50 destroyers)*

PSF

Welles  
1

August 20, 1940

**My dear Mr. President:**

The Minister of Canada called upon me this afternoon and left with me a memorandum of which I enclose a copy.

I have submitted copies of this memorandum to the Secretary of War and to the Secretary of the Navy and have requested from them an indication of the reply which they believe should be made.

**Believe me**

**Faithfully yours,**

SUMNER WELLES

**Enclosure;  
Memorandum.**

**The President,  
The White House.**

*For original of this + copy of memorandum mentioned - See: - Canada - Drawer 4 - 1940*

PSF  
Welles  
1

August 21, 1940.

My dear Mr. President:

The Australian Minister gave me this afternoon a copy of a telegram dated August 19 which he has received from Mr. Bruce, the Australian High Commissioner in London. I am enclosing a copy herewith for your information.

The facts as set forth by Mr. Bruce would seem to show that the situation is more encouraging than we had even hoped. I am inclined to take these figures as accurate because, as you know, Mr. Bruce has been excessively pessimistic from the beginning of the war with regard to the British position.

Believe me

Faithfully yours,

Enclosure.

The President,

The White House.

*For original of this with Mr. Bruce's enc  
See: Australia folder - Wramer 4-1940*

PSF

10/11/40  
1

August 23, 1940

My dear Mr. President:

I am enclosing herewith a copy of a letter I have received today from Lord Lothian in which he sets forth the desire of the British Government for further materiel from the Government of the United States.

I have sent copies of this communication to the Secretary of War and to the Secretary of the Navy for their information.

Believe me

Faithfully yours,

Sumner Welles

Enclosure:  
From the British Ambassador,  
August 22, 1940.

The President,  
The White House.

*For original files and Lothian's letter  
See: Navy - drawer 1 - 1940.*

(came to file Aug 22 - 1940)

PSF S. Willis

File  
Personal

The Department of State is glad to announce that the American Legion has progressed en route to the United States to a point which is not less than 400 miles west of the coast of England and is now considered to be out of danger.

The decision to route the American Legion on the course she followed was made at a conference between Admiral Stark of the Navy, responsible <sup>General</sup> officers of the Army and responsible officers of the Department of State. The decision was made on the advice of the Naval authorities.

Frequent telegraphic and telephonic communication between the Department of State and its Embassies in London and Berlin and more frequent telegraphic correspondence between the Department and those offices was had during the past 5 or 6 days. The Department of State considered the course of the vessel a question of Naval operation. The vessel was considered under the management of the War Department, to which Department she belongs.

On August 9 the Department of State notified each of the belligerent governments the course the vessel would follow and that she would sail from Petsamo on that course August 16.

Each of the belligerent governments accepted the notice and gave their assent.

Subsequently at 5:45 (Berlin time) the afternoon of

of August 14 the German Government orally advised the American Embassy in Berlin that the German Air Force had pointed out that the proposed course of the American Legion, passing between North Rona and Cape Wrath, would bring the vessel into the field of dangerous air operations. It was stated that the air force had been fully advised of the course of the vessel but that the possibility had to be reckoned with that in foggy weather or other circumstances the American Legion might be mistakenly attacked in the belief that it was a belligerent vessel and in view of this fact the German Government urgently suggested an alternate course which would take the vessel on a more northerly course between Iceland and the Faroe Islands.

The responsible British naval authorities advised the American Embassy in London that that more northerly route was a much more perilous course than the one which the American Government had adopted and that not only was it unsafe but was highly dangerous because of mine fields. The British authorities advised the American Embassy in London that there were no passages through those mine fields along which the American Legion could be piloted with safety.

No mention was made in the correspondence between the American Government and the German Government of  
mines

mines strewn by the German Government along the route the vessel followed.

The American Legion followed precisely the course originally agreed to by all the belligerents and has fortunately safely passed through the danger zone.

MEMO FOR THE P. S.

Missy, the President suggests  
we show this correspondence to Hall.

*file  
personal.*





DEPARTMENT OF STATE  
WASHINGTON

August 23, 1940

*PSF  
State  
Welles*

Personal and  
~~Strictly Confidential~~

Dear Miss LeHand:

I think you should have the following facts available for the President's information. I hesitate to trouble him myself with regard to them at a time when he is under so great a strain. In the event, however, that there are any further developments in this matter, I feel that the information attached should be available to him through you.

About two weeks ago Hall Roosevelt called me up on the telephone and told me that a contractor, a Mr. E. J. Duffy, was interested in the construction of new air fields in Cuba which were to be financed in part by this Government. He added that Mr. Duffy was well known to the President and asked whether I would arrange for Colonel Batista to receive Mr. Duffy if the latter went to Habana. I replied that I could not undertake to make any appointment of that character, but that if Mr. Duffy

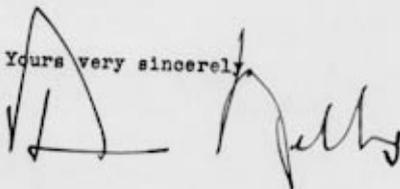
Miss Marguerite A. LeHand,  
Private Secretary to the President,  
The White House.

desired to go to Habana I would ask Ambassador Messeremith to talk with him.

That is all I know of the case personally, but since Mr. Duffy's visit to Habana, Ambassador Messeremith has written me several letters on the subject and the information I wish to bring to your attention is contained in the last of these letters, namely, one dated August 21, together with the enclosures thereto.

Believe me

Yours very sincerely

A handwritten signature in dark ink, appearing to read "A. Messeremith", written over the typed phrase "Yours very sincerely". The signature is fluid and cursive.

Enclosure:  
From Ambassador Messeremith,  
Habana, August 21, 1940.

AIR MAIL

Personal and  
Confidential

Habana, Cuba,  
Aug. 21, 1940.

Dear Sumner:

I am referring further to your letter of August 8th and mine of August 9th and 16th with regard to the visit here of Mr. E.J. Duffy. You will recall that Mr. Duffy saw me here the morning after the day of his arrival in Habana and, as a result of our conversation, he stated that he was returning to the United States immediately without seeing anyone here and that he would inform his principals and associates that his visit here at this time in connection with probable airport and airfield facilities was premature and inopportune.

Yesterday, the Naval Attaché, Major Boyden, informed me that Mr. McGovern had asked him whether he knew anything of the visit here of a Mr. Duffy in connection with the probable construction of airports and airfields, which our Government would finance through the Import-Export Bank. Major Boyden told Mr. McGovern that this was a matter on which he thought he had better see me and made no further comment. Mr. McGovern came in to see me this morning and he told me that Mr. Herold, of his company in New York, had telephoned him - he believed that it was on August 8th - to say that Mr. Duffy was in his office. Mr. Duffy, he said, was interested in the construction of a new type of hangar. He had heard that our Government was planning the construction of airfields in Cuba. Ostensibly the work was to be done by the Cuban Government, and the airfields were to remain under the control of the Cuban Government and Army, but in effect we would really be carrying through the construction and the airfields were for our use. The money for this purpose would be advanced to the Cuban Government through the Import-Export Bank. Mr. Duffy was interested in getting contracts and was proceeding to Cuba. Mr. Hall Roosevelt was interested in the project and in the success of Mr. Duffy's mission. Mr. Herold did not know whether there would be much electrical work involved in the construction of such hangars, but Mr. Duffy had said that if he got any contracts he would want Mr. Herold's company to do that part of the work. Mr. McGovern was asked by Mr. Herold to assist Mr. Duffy in any way possible. Mr. McGovern said that he had made inquiry

from the

The Honorable  
Sumner Welles,  
Acting Secretary of State,  
Department of State,  
Washington, D.C.

from the Naval Attaché as he had been informed by Mr. Herold that Mr. Duffy would arrive in Habana on August 15th and that, as he had not heard from him, he wished to learn whether Mr. Duffy was in town.

As you so well know, Mr. McGovern is a very responsible citizen, and I therefore told him that if there were any plans with respect to airfields, etc., in which our Government was interested, I could not talk of it at this time. I said to him that Mr. Duffy had been here, had seen me, and that I had advised him that I thought his visit was premature and not particularly opportune. Mr. Duffy had indicated that he was returning to the United States immediately and, so far as I knew, had done so. Mr. McGovern indicated that this was sufficient information for him to have and that he would keep confidential even the little which I had said to him. He said that he could thoroughly appreciate how inopportune the visit of Mr. Duffy had been.

I did say to Mr. McGovern that Mr. Duffy had made the error, probably in all good faith, of getting in touch immediately on his arrival here with an adventurer who was interested in all kinds of shady transactions, but that Mr. Duffy had indicated that he would not see any more of this man and had had no knowledge of his improper transactions.

I am mentioning the foregoing to you because it is increasingly obvious that Mr. Duffy had been entertaining the idea of improperly using the name of Mr. Hall Roosevelt and, at least by implication, giving the impression that the White House was interested in the success of Mr. Duffy's intended mission here. You will recall that in my letter of August 16th I spoke of the visa applicant who, at our Habana Consulate General, had shown letters to Consul Hukill in which the writers mentioned the close relations which Mr. Duffy had with someone particularly close to the White House, etc. I asked the Consul, Mr. du Bois, to get me further information on this point, and I transmit herewith two memoranda from him dated August 16th and August 19th. You will note that in the memorandum of August 16th that this visa applicant presented letters speaking of the good relations which Mr. Duffy had with the State Department in Washington whose support they had in this matter, mentioning also a friendship between Mr. Duffy and the President. These letters further said that if Mr. Alexander required credentials in order to reach Colonel Batista, a letter of introduction from President Roosevelt could be obtained for him. The letters also stated that if the project in which Mr. Duffy was interested could not be financed in Cuba, funds could be obtained from American (apparently Government) sources. Unfortunately Mr. Hukill did not have copies of these letters made and had only a brief opportunity of looking at them. The visa applicant who presented these letters of support of his claim was a young Cuban who had a "Special" passport, and he said he was going on business to the United States for the Cuban Government the nature of which he could not disclose. The Mr. Alexander who

supported

supported the visa application of this young man is a most unsavory character, and the one Cuban who, according to Mr. Duffy, he saw here in Habana before his conversation with me.

Mr. Duffy did not make an altogether bad impression on me; he has Mr. Duffy written all over himself and he struck me as being the Irish contractor type, of fair intelligence, and a good deal of push, but that he had not done any work outside the United States. He, on the basis of what I had said to him without any argument, immediately said that he would return to the United States without seeing anyone.

I confess that the rather good impression he left on me has been a good deal modified by information which has developed since his conversation with me. At the time I had this conversation with him I had only oral information from the Consulate General of a very sketchy character with respect to the information contained in the appended memoranda of August 16th and August 19th. These memoranda seem to clearly show that Mr. Duffy has been in touch in the United States with these unsavory characters there who are associated with Mr. Juan Alexander here. It seems that these persons in the United States have been not only most unwise in the statements they have made, but they have also made statements having no foundation whatever. It would seem too, that Mr. Duffy has been, to say the least, unwise and indiscreet in making statements to people in the United States with regard to his relationships with Mr. Hall Roosevelt. The circumstances are such that I have had to recite them to you in this confidential way, and you will use your own discretion, of course, in what you will say to Mr. Hall Roosevelt.

As I need not tell you, this incident could have had very serious repercussions in many ways. If Mr. Duffy had reached Colonel Batista, or certain persons here, they would have received a very false impression and a very dangerous one. We have emphasized here the importance of keeping absolutely confidential the conversations with regard to airfields, etc. Colonel Batista could only have got the impression from Mr. Duffy's visit, and from what Mr. Duffy would almost certainly have said to him, that he had had the opportunity to contact with persons in our Government to get information which others did not have. Mr. Duffy's contact with Mr. Alexander could not have been altogether accidental and innocent, as the appended memoranda, and the letters referred to therein, show. At a time when we are more than ever anxious that public monies should be spent here honestly, and are ~~incidents~~ upon the settlement of the Public Works Obligations without graft, Colonel Batista would have drawn all sorts of inferences which it would have been impossible to remove.

I think I told you once that in a letter which Colonel Batista wrote to Butler Wright, protesting against an article which had appeared in the American press concerning him, he said that he did not think that politics and politicians were much worse or better

better here than in any other country. This shows how little Batista knows about our country, and I have tried to disabuse him of some of the ideas which he has. I do not know whether he still believes it, but I know that Colonel Batista did believe that members of Congress in the United States and politicians were just as venal as he and members of Congress have been here. All in all, if Duffy had seen Colonel Batista, it would have been most unfortunate. Certainly if Duffy comes here again he ought to come entirely on his own, keep away entirely from unsavory characters here, and present any proposition that he has purely on its merits, and not on the basis that he is a friend of this person or that.

I thought I should write to you frankly about this matter. There are certain steps which you may wish to take under the circumstances.

With all good wishes,

Cordially and faithfully yours,

GEORGE S. MESSERSMITH

AMERICAN CONSULATE GENERAL  
Habana, Cuba, August 19, 1940

MEMORANDUM FOR THE EMBASSY

re John E. Alexander and his associates.

In accordance with the Ambassador's instructions I asked Mr. Hukill if he could elaborate in any way the information in the second and third paragraphs in my memorandum of August 16 regarding the correspondence that Alexander exhibited implicating Forrest J. Johnston, Edward J. Duffy, and William E. Arthur. Mr. Hukill said he was able only to glance casually over the letters which Mr. Alexander showed him personally and which he seemed anxious to have back right away.

In this connection I find that in January, 1939, Forrest J. Johnston together with Albert A. Charbonneau were in Cuba and got into a jam in connection with the passing of rubber checks. Johnston and Charbonneau were in Principe prison during practically all of the 72 hour period allowed for an investigation of an alleged crime. At that time Johnston said that that was the sixth time he had been in Cuba in six months, that he lives at 22 East 78th Street, New York and has an office in the Graybar Building. He appears to be a promoter and claims to have arranged Colonel Batista's visit to West Point. Said that his business here was in connection with arranging the sale of scrap iron by the Cuban government to an English syndicate. Charbonneau was not his partner, but was to receive a commission if the scrap iron deal went through. Johnston gave as his references the Chase National Bank in Habana, Robert Swalm, Curtiss Wright Export Company, New York City, Walter Vinacke, 111 Broadway, who he said was the law partner of the Honorable Ham Fish, and Horatio B. Hackett, president of Thompson Starett Company, 444 Madison Avenue.

Coert du Bois  
American Consul General

Enclosure to despatch No. \_\_\_\_\_ of August 1940,  
from the Embassy at Habana.

COPY

AMERICAN CONSULATE GENERAL  
Habana, Cuba, August 16, 1940

MEMORANDUM FOR THE EMBASSY

Attention of Mr. Beaulac re John E. Alexander,  
alleged representative in Habana for Curtiss  
Wright Corporation.

During interviews with John Alexander and others in connection with an application of Alexander's secretary, Luis Silvestre Hernandez y Cabrera, a Cuban youth of twenty-one, for a visa to spend a month in Miami partly for pleasure and partly for business on behalf of Alexander, a lot of correspondence was exhibited from one or more of this group:

Forrest J. Johnston  
Edward J. Duffy  
William E. Arthur

In this personal correspondence Alexander was urged to act quickly, get on the job and contact the proper persons in putting over the deal for a proposed airport in Cuba. He was advised that through prompt action with Colonel Batista there was an opportunity for easy profits in considerable amount; that if he delayed the matter would soon be in the hands of the officials and the opportunity would be lost.

The writers of these letters speak of their good relations with the State Department in Washington whose support they have in this matter. They also mention the friendship between Duffy and the President, and say that if Alexander requires credentials in order to reach Batista a letter of introduction from President Roosevelt can be obtained for him. It is also stated that if this project can not be financed in Cuba funds can be obtained from American (apparently government) sources.

The statement made by young Hernandez that there had been recent telephone conversations between Undersecretary Welles and Colonel Batista relative to this project proved to be incorrect and was retracted the following day.

With regard to the visa application Alexander was told that we did not consider it advisable from the standpoint of the United States for his business representative to go to the United States now. He swallowed it without argument and said he would release the boy from his job so that he could go on his honeymoon. We agreed to give him a visa as a vacationist if he would present an ordinary passport not describing him as going to the United States in the interests of Cuban-American commerce and a letter from Alexander stating definitely that Hernandez was permanently separated from the firm and was not authorized to act for it in any way.

C du B.

Coert du Bois  
American Consul General.

PSF *to Allen*

September 14, 1940

My dear Mr. President:

With regard to your communication of September 5, 1940 and its enclosure relating to the present position of the former Polish Minister, Jozef Beck, a report has reached the Department to the effect that Beck has been able to leave Rumania. A telegram has been sent to the Legation in Bucharest requesting information regarding this report. As soon as a reply can be received I shall immediately inform you.

Faithfully yours,

SUMNER WELLES

Enclosure:  
Letter from Ambassador  
Biddle, August 20, 1940.

The President,  
The White House.

*For original  
of these and FPK's memo of Sept 5th and enc from  
Tony Biddle 8/12/40 and FPK memo to Welles  
of Sept 19, 1940 re getting Beck out of  
Rumania - see State - Bremer 1-1940 (April 15-1940 letter)*

September 17, 1940.

My dear Mr. President:

With regard to my note of September 14, 1940  
Minister Gunther at Bucharest telegraphs that he has  
been assured by the Polish Ambassador there that the  
former Polish Foreign Minister, Jozef Beck, is still  
at the Villa which he occupies at Snagoz near Bucharest  
and is very well.

Faithfully yours,

Sumner Welles

The President,  
The White House.

ASF:Welles  
1

Letter to FDR from Welles-Sept 16, 1940  
enclosing prepared reply for President's  
signature to Minister Pell in reply to  
Pell's of Aug 17th, also one for Wm Miller Collier

See:State Dept-Drawer 1-1940(Sept 16th )

(Mr. Collier's letter of Aug 23, 1940 with  
preparation of reply from Sumner Welles did  
not come to file)

61  
62  
Welles  
State  
PSF

THE UNDER SECRETARY OF STATE  
WASHINGTON

September 16, 1940

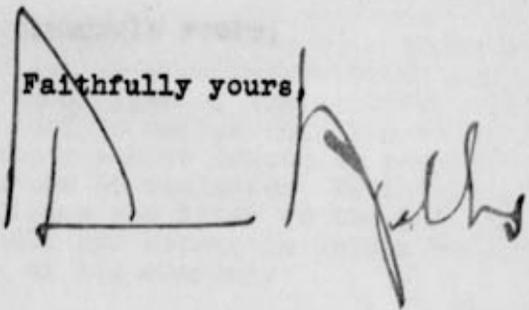
My dear Mr. President:

During my recent absence from Washington on a brief vacation your two memoranda of August 24 and August 27 were received, requesting me to prepare replies for your signature to letters which you had received from Minister Pell under date of August 17 and from Mr. William Miller Collier under date of August 23, respectively.

I am now enclosing the suggested replies you requested.

Believe me

Faithfully yours,



The President,  
The White House.

September 16, 1940

Dear Bertie:

I received your letter of August 17 and I greatly appreciate the very interesting suggestions contained in it. They have been very helpful to me.

I wish it were possible for me to approve of the suggestion that the State Department order you home for consultation so that you could be here during the campaign period. Unfortunately, I feel that in these critical times your services are of even greater value in Lisbon which as a listening post is increasing in importance as the days pass. We all of us greatly value the reports you are sending back, and I fear that I must ask you to stay there at least for the time being.

Believe me

Very sincerely yours,

The Honorable  
Herbert Claiborne Pell,  
American Minister,  
Lisbon.



LEGATION OF THE  
UNITED STATES OF AMERICA

Lisbon, August 17, 1940

My dear Mr. President:

I believe that the campaign this year will be close and hard. I have discussed it with a certain number of people here, conspicuously John Cudahy, who I believe spoke to you about my ideas.

The press will be almost solidly against us. I believe we should request all newspapers to give the Democratic organization at least one column a week until October, and two during October; the same space of course to be given to the Republicans. The first reaction of the press will be against this, but I believe that by the use of the radio many papers can be forced to grant our request. Radio speakers could point out that this request had been made, and any paper refusing it would be marking itself as a purely partisan sheet, unwilling to have both sides fairly presented. A little of this would go a long way toward getting our result.

A debate of this kind, conducted mainly in Republican papers must be handled with something very different from the ordinary "claim everything" campaign documents. There must be statistics, facts, certain confessions of mistakes, and the utmost respect for the point of view of the doubtful voters and for those who are inclined to oppose us. The "Willkie Miracle" of the business man's choice forced on recalcitrant and hostile politicians should be analyzed. We should get the list of Wall Street Republicans who wrote to the National Committee saying that they would not subscribe unless Willkie were nominated, and an analysis of his company.

Another thing which could be used later on would be extracts from German papers enthusiastically supporting Willkie. This should not be allowed to break, as the German press could turn over night and would do so if our use of its extracts became known too soon.

A tentative program would be: the "Willkie Miracle", the third term, labor, agriculture, power, finance, foreign affairs, frequent replies to Republican arguments. We should

LEGATION OF THE  
UNITED STATES OF AMERICA



begin by writing to county chairmen asking what they find to be the most effective Republican arguments. I suggest Professor Corwin of Princeton for constitutional questions, Dan Tobin for labor; we could ask Jesse Jones for a literate banker, I would do foreign affairs.

This is my own idea, and I am rather proud of it, and I believe I could handle it as well as anybody. If you agree with me I should be much obliged if I were ordered back for the last two months of the campaign plus two weeks for organization. During the three years I have been here I have never been ordered home, and almost everyone else has been at least once. I am ready, of course, to do anything else, but I believe this scheme would be effective, and I would not offer my services if I did not believe I could do the job. I am glad to add that I will not ask any promotion as a reward for my activities. I am more than satisfied with the place in which you have put me.

Olive sends her love.

I am,

Respectfully,

Herbert Pell,  
American Minister.

The President  
The White House  
Washington, D. C.



THE WHITE HOUSE  
WASHINGTON

PSF  
Welles

September 24, 1940.

MEMORANDUM FOR  
THE UNDER SECRETARY OF STATE

Will you please read  
and return, confidentially, to  
me?

F. D. R.

Report from Miss Mary E.  
Winslow, Representative of the  
United States Inter-American  
Commission of Women, on her two  
months trip through South America.

1  
Coyne  
THE WHITE HOUSE  
WASHINGTON

September 28, 1940.

MEMORANDUM FOR

THE UNDER SECRETARY OF STATE

In view of Gunther's cable, I do not think we should press this matter further except that instead of referring to the release of Beck, Gunther might very properly express the civilized opinion of the United States that Colonel Beck should not under any circumstances be allowed to come to an untimely end.

F. D. R.

Subj: ...  
MUNICIPAL ...  
THE WHITE HOUSE

PSF  
Welles folder - 1940

THE UNDER SECRETARY OF STATE  
WASHINGTON

September 26, 1940

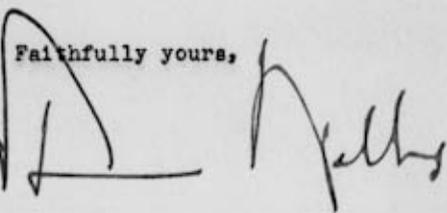
My dear Mr. President:

Upon receipt of your recent memorandum regarding Colonel Beck I sent a telegram to Frank Gunther requesting his opinion as to the results which would be obtained if this Government now intimated to the Rumanian Government its hope that Colonel Beck would be permitted to leave Rumania and would be given a visa to come to the United States.

I have this morning received a reply from Frank Gunther of which I enclose a copy for your information.

In view of the opinion expressed by Frank Gunther, do you consider it desirable for the Department to press the matter further at this time?

Believe me

Faithfully yours,  


Enc.  
Telegram 560,  
Bucharest.

The President,  
The White House.

PSF: Welles

Welles  
1

THE WHITE HOUSE  
WASHINGTON

September 28, 1940

CONFIDENTIAL MEMORANDUM FOR  
HON. SUMNER WELLES

Will you please talk with me about the possibility of a loan -- or gift -- from my special fund to Mexico in return for certain naval rights in places like Magdalena Bay, Salina Cruz and possibly something near the northeast corner of Yucatan?

F. D. R.

PS F Welles  
1

October 4, 1940

**My dear Mr. President:**

I am enclosing herewith a telegram just received from Ambassador Weddell regarding the message you sent to General Franco with regard to Mr. Paderewski.

The nature of this message seems to me to indicate that the decision we reached this morning with regard to Red Cross relief to civilians in Spain might be productive of good results.

Believe me

Faithfully yours,

Sumner Welles

**Enclosure:  
From Madrid, No. 530,  
October 3, 1940, 9 p.m.**

**The President,  
The White House.**

*For original of this and Weddell's message  
See: State Dept - Drawer 1 - 1940*

PSF *Welles*

October 8, 1940

My dear Mr. President:

I am transmitting herewith a telegram sent from Bucharest by Frank Gunther under date of October 7 with regard to Colonel Beck. Is there anything further that you wish me to telegraph Gunther in this regard?

Believe me

Faithfully yours,

*Franklin D. Roosevelt*

Enc.  
Telegram 581,  
Bucharest.

The President,  
The White House.

*See :- State Dept folder for Beck covers  
Drawer 1 - 1940*

PSF Welles  
1

October 11, 1940

**My dear Mr. President:**

It is believed that you will be interested in an excerpt from a report of September 7, 1940, received by mail from the American Consulate at Rangoon, as follows:

"The Burma-Yunnan highway has been in much better condition during the rainy season this year than it was last year. Although the surface of the road is very rough, and landslides and washouts have caused temporary delays, the road has remained open throughout the rainy season, and it is understood that the highway has been open to traffic from Lashio all the way to Yunnanfu."

**Faithfully yours,**

Sumner Welles

**The President,**

**The White House.**

THE UNDER SECRETARY OF STATE  
WASHINGTON

October 16, 1940

PSF  
File  
Personal letter

My dear Mr. President:

In the belief that it will be of interest to you, I quote below the text of a despatch dated October 4 which the Department has received from the American Embassy in Rio de Janeiro.

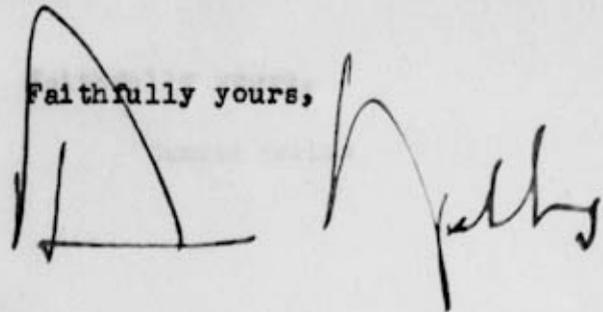
"I have the honor to report the following incident which occurred recently at the Brazilian Military Academy during the showing of German war films of mechanized units in action.

"The German Embassy, through the Minister of War, offered to show these films to the cadets, as of interest in connection with their motorization courses. A showing of the films was arranged at the Military Academy, and members of the German Embassy staff were present. The presentation was proceeding normally until Hitler was flashed on the screen. Pandemonium then broke loose; cat-calls and shouts of "Take him away! Take him away!" by the students ensued, and the showing was immediately suspended.

"The Director of the Military Academy, Colonel Fiuza de Castro, reprimanded the cadets, and all leave was suspended for a week."

Believe me

Faithfully yours,



The President,

The White House.

RSF Miller

October 21, 1940

My dear Mr. President:

In the pressure of business which you are under during these days, telegrams Nos. 621 and 623 of October 18 from our Legation in Bucharest may not have been brought to your personal attention. I am consequently enclosing copies herewith since I believe No. 623 may be of interest to you. The rumor contained therein seems too fantastic to be possible, but I am nevertheless bringing it to your attention for what it may be worth.

Believe me

Faithfully yours,

SECRET 101188

Encs.  
Telegrams 621 and  
623, Bucharest.

The President,

The White House.

See State Dept folder for original of the above letter and attached telegrams - Drawer 1-1940

PSF; Miller

Oct 26, 1940

Letter to Sumner Welles from Claude Bowers 10/26/40

Re: his health not permitting him to come home to make campaign  
speech --encloses letter which they might use which is addressed  
to Frank Oliver  
See: Chile folder-Drawer 4-1940

PSF Welles  
1

Memo to Marvin McIntyre from Sumner Welles Oct 29, 1940

re invitation having been sent to President-elect Manuel Avila Camacho to visit U. S. --attached is letter from George Creel to McIntyre 10/22/40 suggesting that invitation be sent to Camacho.

See:Mexico folder-Drawer 4-1940

PSF: Welles *welles*

November 1, 1940

Letter from Sumner Welles to FDR

Re: Mrs. Roosevelt's request for facts re scrap iron and oil shipments to Japan. FDR's memo of Nov 13th to Mrs. R. explaining about the shipments attached.

See: Mrs. Roosevelt folder-Drawer 3-1940 (Nov 13th memo)

PSF: Welles

November 4, 1940

Letter to FDR from Sumner Welles attaching for President's signature draft of reply to Ambassador Bowers letter of Oct 19, 1940 re situation of Azana---FDR signed letter and it was dated Nov 9, 1940.

See: Chile-Drawer 4-1940

PSF: Welles

November 5, 1940

Letter to Mr. Early from Sumner Welles

Enclosing draft of reply for FDR to Archie MacLeish re some of material he sent FDR on Oct 9th which the Library had rec'd from Miss Jose Meyer in Paris.

See: MacLeish-Gen corres-Drawer 2-1940

PSF: Welles

COPY

November 11, 1940.

My dear Mr. President:

The British Charge dAffaires left with me this morning the attached letter addressed to you. This letter contains the text of the message addressed to you by Mr. Churchill also contained in the telegram received from the American Embassy in London last night.

An instruction is being sent by telegraph to the American Charge dAffaires in Vichy indicating the direct interest of this Government in the reported transfer of these French men of war. A Copy of this telegram will be transmitted to you as soon as it is despatched, together with a suggested reply for you to send to Mr. Churchill.

Believe me

Faithfully yours,

Sumner Welles

Enclosure.

The President,

The White House.

For text of message referred to  
See: Great Britain folder-Drawer 4-1940 (Nov 11-1940)

PSF Miller

November 13, 1940

My dear Mr. President:

I am enclosing herewith in accordance with your request the suggested letter to General Pershing, the suggested message to Admiral Leahy, and the letter which you desired to send to Arthur Sulzberger.

Believe me

Faithfully yours,

Sumner Miller

Enclosures:  
Three.

The President,  
The White House.

For letter to Pershing - See: Pershing - Gen. Corres. Drawer 2 - 1940  
" " " Adm Leahy - See: Interior - Drawer 1 - 1940

PSF Welles

November 14, 1940

My dear Mr. President:

As you will see, Ambassador Bowers has suggested that the information contained in his letter to me of November 9, of which I am transmitting a copy herewith, would be of interest to you.

Believe me

Faithfully yours,

SUMNER WELLES

Enclosure:  
From Claude G. Bowers,  
November 9, 1940.

The President,  
The White House.

PSF Welles

November 16, 1940

My dear Mr. President:

At the request of the Ambassador of Peru, I am enclosing a copy of a communication that has been received from him providing the text of a resolution passed by the Peruvian House of Representatives, indicating the gratification of that body on the occasion of your reelection. There is also enclosed a copy of the note sent to the Ambassador of Peru requesting, on your behalf, that he transmit an expression of your appreciation to the Peruvian House of Representatives.

Faithfully yours,

Sumner Welles

Enclosures:

1. From the Ambassador of Peru, November 12, 1940.
2. To the Ambassador of Peru.

The President,

The White House.

For original of this and communication from Amb of Peru & Welles reply  
See: State Dept - Bureau 1 - 1940

THE WHITE HOUSE  
WASHINGTON

*Welles*  
*1-40*  
*PSF*

November 19, 1940.

MEMORANDUM FOR

THE UNDER SECRETARY OF STATE

In view of this No. 942, November 12th, from Vichy, would it not be a good idea to tell Matthews to tell the Marshal, in confidence, that Rene de Chambrun saw the President on his first trip to Washington -- just after the retreat from Belgium -- but that on his next visit with his wife, he has not been received by the President, nor has he come to the White House, nor has he been in any position to keep his Government well informed of what goes on in the United States?

F. D. R.

PSF State

Welles

November 22, 1940

My dear Mr. President:

Since I know of your deep interest in the matter of the activities in this country of foreign agents, I am bringing particularly to your attention the attached telegram of November 5, 1940 from Mr. Steinhardt. You will note from this telegram that Mr. Steinhardt is of the opinion that the Soviet Government is endeavoring to enlist as its agents in the United States persons immigrating to the United States from territory under Soviet control, and that it follows the practice of extracting promises to engage in espionage from such persons before granting them permits to depart. This is the first information which the Department has received that places under suspicion all persons immigrating from the Soviet Union to this country. Heretofore the Department has endeavored to prevent the issuance of visas to persons suspected of intending to come to this country to act as  
espionage

The President,

The White House.

For original of this and Steinhardt's Nov 5<sup>th</sup> telegram  
See: Russia - drawer 4 - 1940

espionage agents, and if discovered after entry, to place them under investigation. In view of the instant communication from Mr. Steinhardt the Department will transmit to the appropriate agencies of this Government such information as it may succeed in obtaining which would cause any group of immigrants to fall under suspicion of coming to this country to act as Soviet agents.

Faithfully yours,

Enclosure:

Telegram from Moscow,  
no. 1487, November 5,  
1940.

PSF

Welles

November 22, 1940

**My dear Mr. President:**

At the request of the Ambassador of Peru, I am enclosing a copy of a communication that has been received from him providing the text of a resolution passed by the Peruvian Senate, indicating the gratification of that body on the occasion of your reelection. There is also enclosed a copy of the note sent to the Ambassador of Peru requesting, on your behalf, that he transmit an expression of your appreciation to the Peruvian Senate.

**Faithfully yours,**

Sumner Welles

**Enclosures:**

1. From the Ambassador of Peru, November 16, 1940.
2. To the Ambassador of Peru.

**The President,**

**The White House.**

*For original of this with copy of resolution and  
Welles reply -  
See: State Dept folder - Danner 1 - 1140*

PSF  
Hull  
1

November 26, 1940

**My dear Mr. President:**

Secretary Hull and I have read the letter sent to you under date of November 19 by Douglas Fairbanks, Jr., and which you transmitted to us with your memorandum of November 25.

In accordance with your request, I am returning the letter to you herewith.

**Believe me**

**Faithfully yours,**

Sumner Welles

**Enclosure.**

**The President,**

**The White House.**

For-FDR's mem of Nov 25th and Fairbanks letter of Nov 19th and FDR's reply to him of Nov 25th  
See:Fairbanks-Gen corres-Drawer 2-1940

COPY

PSF Miller

November 28, 1940

My dear Mr. President:

You will remember that I transmitted to the Crown Prince of Norway your message of November 22 through our Embassy in London. I have just now received the attached reply to your message. Do you wish me to arrange confidentially with Juan Trippe, of the Pan American Airways, for the accommodations desired by the Crown Prince so that there will be less chance of publicity?

Believe me

Faithfully yours,

*(Sumner Welles)*

Enc.

The President

The White House

For FDR's message of Nov 22nd to Olav and reply of Nov 28th from him.  
See: Norway folder-D<sup>awer</sup> 4-1940

COPY:Eu:EMD)  
(COMPARED )

*PS = State: Weller attached to  
Weller to FDR 1-25-41*

FEDERAL BUREAU OF INVESTIGATION  
UNITED STATES DEPARTMENT OF JUSTICE  
WASHINGTON, D. C.

December 17, 1940

Honorable Adolf A. Berle, Jr.  
Assistant Secretary of State  
Department of State  
Washington, D. C.

PERSONAL AND CONFIDENTIAL  
SPECIAL MESSENGER

My dear Mr. Berle:

Reference is made to your letter dated May 24, 1940, in which you set out information concerning Hedmcna Kollimar, your reference Eu 800.20211 Kollmar, Herman A/1.

For your information concerning this individual I am transmitting herewith one copy of the report of Special Agent Joseph A. Sizoo dated December 4, 1940, at New York, New York, in the case entitled "Herman Adolf Kollmar, with aliases Hermann Kollmar and H. A. Kollmar; Espionage - G."

Sincerely yours,

J. E. HOOVER

Enclosure

800.20211 Kollinar, Hedmcna/4

(COPY:Eu:EMD)  
(COMPARED )

FEDERAL BUREAU OF INVESTIGATION

This case originated at NEW YORK, NEW YORK File No. 65-2576 JKB

Report made at	Date when made	Period for which made	Report made by
NEW YORK, NEW YORK	12/4/40	7/18 & 11/23,25/40	JOSEPH A. SIZOO

Title	Character of case
HERMAN ADOLF KOLLMAR, Hermann Kollmar, and H. A. Kollmar.	Espionage - G

Synopsis of Facts: Subject, who is German-born, came to the United States in 1923; declared intention to become U.S. citizen 1/11/24; was admitted 3/22/30. He is head of the Legal Division of Chemical Bank & Trust Company of New York and has made several trips to Europe in the past year, where he has been in close contact with Holland banking officials. He is thought to be German Intelligence Agent. No record Credit Bureau. Mail cover results set out. Subject and wife paid large sums by German Government for assistance in purchase of certain German bonds.

- P -

REFERENCE: Bureau letter, dated June 3, 1940.

DETAILS: The investigation set forth in this case is predicated on information received from the Bureau with reference letter, which information had been transmitted to the Bureau by the State Department and which is set out as follows:

"Herman A. Kollmar appears to have been born at Heilbronn, Germany, on March 1, 1901. He emigrated to the United States in March 1923 and has resided in the United States since that time at New York City, his present address being 404 Gifford's Lane, Great Kills, Staten Island, New York. His father, Christian Kollmar, was born in Germany and is still residing in Germany. Herman A. Kollmar was naturalized in April 1929 before the United States Supreme Court of Richmond County at Staten Island.

"Mr. Kollmar

"Mr. Kollmar has been connected for many years with the Foreign Department of the Chemical Bank and Trust Company, 165 Broadway, New York City. In this capacity of Assistant Manager of that Department, he has made frequent trips to various European countries, principally Germany, since 1933. His first American passport was obtained in July 1933 for the purpose of going to Germany, Austria, and Hungary for the Chemical Bank and Trust Company. On that passport he resided continuously at Berlin, Germany, from August 1933 to July 1935, in behalf of the Chemical Bank and Trust Company, New York, whose German interests he was looking after. In this period he made one trip to the United States in 1934. That passport was renewed at Berlin, Germany in July 1935 and on the document he remained in Berlin until October 1936 at which time he returned to the United States. He departed for Hamburg, Germany, on May 22, 1937 again in behalf of the Chemical Bank and Trust Company and remained in Germany on this visit until October 1937. He returned to Germany in August 1938 and remained there until November 1938. He again returned to Germany in April 1939 and resided in Germany, in Rotterdam, and in London until March 28, 1940. On May 9, 1940 Mr. Kollmar was issued American passport no. 684586 for the purpose of proceeding to Portugal, Spain, Italy, Switzerland, Germany, and Holland in behalf of the Chemical Bank and Trust Company and he stated that he intended to depart from the United States at the port of New York on May 15, 1940 on the steamship Rex.

"Mr. Kollmar is five feet eight inches tall with brown hair and blue eyes and has a scar on his forehead. Photostatic copies of his photograph are enclosed.

"It appears that Mr. Kollmar, who is the Assistant Manager of the Foreign Department of the Chemical Bank and Trust Company, 165 Broadway, New York City, has been a salaried employee of that institution since about 1930 and that his principal duty has been in connection with the supervision of the bank's European credits, especially those in Germany. That supervision appears mainly to have been to liquidate outstanding credits granted by the institution and to salvage, if possible, the outstanding credits in Germany, especially, which as you know, has been operating under blocked exchange for many years.

It

It is understood that one of Mr. Kollmar's duties in recent years has been to attempt to negotiate a settlement in behalf of the Erie Railroad and the Chemical Bank and Trust Company of credits granted by them to the Red Star and Bernstein Lines in the extent of \$4,000,000 which was held against Arnold Bernstein who was arrested in January 1937 by the German authorities for violation of the foreign exchange laws and whose lines were subsequently taken over by that Government."

The writer contacted Miss GLADYS O'NEIL, of the CREDIT BUREAU OF GREATER NEW YORK, 55 Fifth Avenue, for any available information concerning the Subject, but with negative results. The only information contained in the credit records was to the effect that member No. 1780, which was ascertained to be the DOWNTOWN ATHLETIC CLUB at 19 West Street, had made an inquiry concerning the credit rating of HERMAN KOLLMAR.

The writer checked the files of the Bureau of Immigration and Naturalization, 641 Washington Street, and located file No. 2321-7689 pertaining to Subject. The file contained an application for Certificate of Arrival and a preliminary petition for citizenship, dated September 16, 1929, under the name of HERMAN ADOLF KOLLMAR, 11 Cubberly Place, New Dorp, Staten Island, New York. This petition was filed in the Supreme Court of New York and indicated that he had arrived in the United States on April 18, 1923, on the SS BREMEN, second class, as HERMANN KOLLMAR. According to the petition, his mother's maiden name was CAROLINA POMMER, and he was born March 1, 1901 at Heilbronn, Germany. He indicated that he was coming to the United States to see HERMAN L. KOLLMAR, New York City; that he made a trip to Germany from May, 1925 to July, 1925, for business reasons. He listed his residences, as follows:

New York, N. Y.	April, 1923 to May, 1923
San Francisco, Calif.	May, 1923 to Sept., 1923
New York, N. Y.	Sept. 1923 to Oct., 1927
Staten Island, N. Y.	Oct., 1927 to present time.

His employers, immediately prior to the petition, were as follows: NEW YORK HANSEATIC CORPORATION, 37 Wall St., New York City, and C. B. RICHARD & COMPANY, 29 Broadway, New York City. He listed his occupation as "Manager."

He

He declared his intention to become a United States citizen on January 11, 1924, in the Supreme Court of New York. He indicated that he had married EMMA F. KOLLMAR on Feb. 11, 1927, at Quebec, Canada, and that she was born on September 6, 1907, at Great Kills, Staten Island, New York. His witnesses were EMMA F. KOLLMAR, housewife, New Dorp, Staten Island, New York, and WILLIAM FELDMAN, Clerk, Ramsey, New Jersey. In response to the question concerning trips outside of the United States, he indicated that he had worked his way to Europe on the SS PRESIDENT ROOSEVELT in May, 1927, and returned on the same ship in July of 1927, and that he was in Canada about ten days at the time of his marriage.

According to the file, he was admitted to citizenship on March 22, 1930. The file in this office also contains a memorandum dated June 28, 1940, written by Special Agent C. F. RISLER, which is set out as follows:

"

RE: HERMAN ADOLF KOLLMAR  
Espionage

Mr. Fritz Stern, 136 Northampton St., Easton, Pennsylvania, who is in business under the name of STERN & STERN, Textile Importers, 1359 Broadway, New York City, called at the New York Division office on June 25, 1940. Mr. STERN states that he is of French descent and has about five relatives in the French Army. He stated that in the year 1939 he was in Rotterdam where he met HERMAN KOLLMAR who stated that he was Foreign Manager of the Berlin office of the Chemical Bank & Trust Company. KOLLMAR told him that after the other World War he was 'shanghaied' to the United States where he met Mr. BOWERS of the Chemical Bank & Trust Company who took an interest in him. While in Rotterdam KOLLMAR made frequent calls to Berlin and seemed to have more money than would probably be paid to him by the Chemical Bank and Trust Co. STERN said that on September 22, 1939, he and KOLLMAR left Rotterdam on the steamship Nieuw Amsterdam and came to this country.

"KOLLMAR is said to have been born in Germany, is about forty years of age and to own a farm in West Portal, N. J. KOLLMAR is said to be a friend of ALBAIN ROSS, Foreign Editor of the San Francisco Chronicle. He is very pro-Nazi in his opinions and ideas. STERN stated that while

there

there was nothing specific in his complaint concerning KOLMAR he is of the opinion that KOLMAR is of the type that could be working as a spy in the services of Germany."

The file also contains a memorandum, dated July 13, 1940, by Special Agent J. A. GENAU, which is set out as follows:

"On July 9, 1940, B. B. RALSTON, head of the Legal Division of the Chemical Bank and Trust Company of New York, 165 Broadway, New York City, advised the writer that he thought it might be well for the New York Office to investigate HERMAN ADOLPH KOLLMAR, an assistant manager of the Foreign Department of the Chemical Bank and Trust Company of New York, for the reason that several years ago KOLLMAR was practically penniless; and recently he has paid up the mortgage on his home and appears to be without financial trouble; that the manager of the Foreign Department feels suspicious of KOLLMAR for the reason that he believes KOLLMAR is pro-German.

"Mr. RALSTON stated that KOLLMAR resides at 404 Giffords Land, Great Kills, Staten Island, New York; is married and has one child; and that his salary at the Bank is approximately \$3500 per annum; that KOLLMAR first became connected with the Chemical Bank and Trust Company of New York in 1931, and that his previous employment was with the DUISBURG NATIONAL BANK, K. A. A., Duisburg, Germany. He stated that KOLLMAR resigned from this bank to come to the United States where he was employed by the C. B. RICHARD COMPANY, of New York City, the NEW YORK HANSEATIC CORPORATION of New York City, and subsequent thereto was employed as an Acceptance Trader with the Bank of the United States, New York City; that subsequent to the closing of the Bank of the United States in 1930, KOLLMAR was employed with the Chemical Bank and Trust Company of New York.

"Mr. RALSTON stated that the records of the Bank indicate that KOLLMAR was born on March 1, 1901, in Duisburg, Germany, and that he was educated in the Public School of Heillronn, Germany, and the Curtiss High School Evening Division, Staten Island, New York; that KOLLMAR's mother is deceased and that his father is retired and living in Heillronn, Germany; that KOLLMAR carries an account with

the

the National City Bank of New York, which account he, RALSTON, believes should be checked to ascertain if any foreign moneys are credited thereto.

"Mr. RALSTON stated that KOLLMAR represented the Chemical Bank and Trust Company in Berlin relative to several million dollars in stand-still credits, and that KOLLMAR made several visits to Berlin. He stated that KOLLMAR is a good friend of L. L. KERR, Jewish, of the Red Star Line, 17 Battery Place, New York City, and is also a friend of Captain THOR ECKERT, a Swedish and Norwegian Jew; that KOLLMAR also went to Germany in connection with the release of HAROLD BERNSTEIN, a German-Jew, who was formerly a steamship operator in Germany, and who is now engaged in New York City as a ship broker, probably having offices with L. L. KERR at 17 Battery Place, New York City.

"On July 31, 1940, B. B. RALSTON, head of the legal division of the Chemical Bank and Trust Company, advised Special Agent (A) A. K. Bowles that HERMAN KOLLMAR is sailing on August 1, 1940, on the SS Exeter for Lisbon, Portugal; that KOLLMAR will fly from Lisbon to Rome and then to Berlin; that KOLLMAR was around the bank saying goodbye to everybody today (July 31, 1940).

"On August 2, 1940, Mr. Ralston telephonically contacted Special Agent (A) J. A. Genau and advised that KOLLMAR has gone to Berlin on business for the Chemical Bank and Trust Company; that KOLLMAR is an outspoken Nazi and has stated that England would be overcome by September 15, 1940."

On November 15, 1940 FRANK E. RASMUSSEN, Assistant Comptroller of The National City Bank of New York, 55 Wall Street, New York City, informed Agent GENAU that Mrs. Emma F. KOLLMAR had advised ROBERT ESSELBORN, Chief Clerk of the Stapleton Branch of The National City Bank at Staten Island, New York, that her husband would arrive in New York or leave Germany on November 21, 1940; that Mr. ESSELBORN believed that KOLLMAR would arrive on the 21st, instead of leaving Germany, although he was not sure from his conversation with Mrs. KOLLMAR.

It was ascertained from the NEW YORK HERALD TRIBUNE for November 20, 1940, that the SS EXCALIBUR would arrive at Jersey City at noon on November 21, 1940. In view of

this

this fact, arrangements were made to have Special Agents B. D. O'NEAL and J. L. BRENNAN meet the SS EXCALIBUR on its arrival at Jersey City and to begin a surveillance of the activities of KOLLMAR, in the event he arrived in the United States aboard this ship. The following investigation is reported by Special Agents O'NEAL and BRENNAN:

"Appropriate arrangements were made with Chief Inspector of Immigration JOHN MONTGOMERY, barge office, for Special Agent O'Neal to accompany immigration inspectors aboard the S. S. EXCALIBUR, American Export Lines, upon its arrival in New York harbor from Lisbon, Portugal, in order to ascertain whether subject KOLLMAR was arriving on that ship.

"Agent O'Neal accompanied Inspector T. C. GIBNEY and other Inspectors of Immigration aboard the coast guard cutter which met the ship, and upon boarding the ship after it had left the quarantine station, Inspector T. C. GIBNEY and reporting Agent examined all manifests of passengers aboard this ship, and it was ascertained that no person by the name of KOLLMAR or any similar name was listed thereon.

"Special Agent Brennan was stationed at Pier F in Jersey City, New Jersey at the time of the arrival of the ship at that pier for the purpose of assisting Agent O'Neal in conducting a surveillance of KOLLMAR, should he arrive."

On November 23, 1940, Mr. B. B. RALSTON, head of the Legal Division of the Chemical Bank and Trust Company, 165 Broadway, New York City, telephonically contacted Special Agent J. A. GENAU, advising that Mr. KOLLMAR is expected to arrive on December 8, 1940.

On June 18, 1940, a letter was addressed to Mr. CHARLES S. PALLISTA, Postmaster, United States Post Office, St. George, Staten Island, New York, requesting a 30-day mail cover on mail addressed to HERMAN A. KOLLMAR, 404 Giffords Lane, Great Kills, Staten Island, New York. As a result of the mail cover, the following mail tracings were received:

POSTMARK

<u>POSTMARK</u>	<u>FROM</u>	<u>TO</u>
New York, N. Y. 6/29/40	Chemical Bank & Trust Co., Bank Window, Church St. Sta., New York, N.Y.	HERMAN A. KOLLMAR Box 156 Great Kills, S.I., N.Y.
Staten Island, N. Y., 7/1/40 12:30 P.M.	Post Office Box 724 Church St. Annex New York, N.Y.	MR. H.A. KOLLMAR &-or MRS. E.F. KOLLMAR 404 Gifford Land Great Kills, S.I., N.Y.
New York, N.Y. 7/1/40 8:30 P.M.	H. Cassel & Co. 61 Broadway New York, N.Y.	MR. H. A. KOLLMAR Great Kills, S.I., N.Y.
New York, N.Y. 6/21/40 8:30 P.M.	H. Cassel & Co. 61 Broadway New York, N.Y.	MR. H.A. KOLLMAR Box 156 Great Kills, S.I., N.Y.
New York, N.Y. 6/29/40 8:30 P.M.	H. Cassel & Co. 61 Broadway New York, N.Y.	H. A. KOLLMAR Box 156 Great Kills, S.I., N.Y.
New York, N.Y. 6/27/40 2:30 P.M.	Stephen C. Kollmar Counsellor at Law 500 Fifth Ave. New York, N.Y.	MR. HERMAN KOLLMAR 404 Giffords Land Great Kills, Staten Island, New York
States Island, New Dorp St. 7/2/40 12 M	No return address	MRS. HERMAN KOLLMAR 404 Giffords Lane Great Kills, S.I.
New York, N.Y. 7/2/40	The Mortgage Corp. of New York 42 Broadway New York, N.Y.	MRS. EMMA F. KOLLMAR Box 156 Great Kills, S.I., N.Y.
New York, N.Y. 7/6/40	H. Cassel & Co. 61 Broadway New York, N.Y.	MR. H. A. KOLLMAR Box 156 Great Kill Staten Island, N.Y.
New York, N.Y. 7/5/40 9:00 P.M.	H. Cassel & Co. 61 Broadway New York, N.Y.	H.A. KOLLMAR Box 156 Great Kills, S.I., N.Y.

New York, N.Y.

New York, N.Y. 7/10/40 10 a.m.	RCA Communications, Inc. 64 Broad Street New York, N.Y.	H. A. KOLLMAR 404 Giffords Lane Great Kills Staten Island, N.Y.
New York, N.Y. 7/10/40 10 a.m.	RCA Communications, Inc. 64 Broad St. New York, N.Y.	H. A. KOLLMAR 404 Giffords Lane Great Kills, S.I.
New York, N.Y. 7/9/40 7 p.m.	H. Cassel & Co. 60 Broadway New York, N.Y.	MR. H. A. KOLLMAR Box 156 Great Kills, Staten Island, N.Y.
(No postmark)	National City Bank P.O. Box 724 Church St. Annex New York, N.Y.	MR. H. A. KOLLMAR 404 Giffords Lane Great Kills, S.I.
New York, N.Y. 7/15/40 7 p.m.	H. Cassel Co. 61 Broadway New York, N.Y.	H. A. KOLLMAR Box 156 Great Kills, S.I.,N.Y.
(No postmark)	H. Cassel & Co. 61 Broadway New York, N.Y.	H. A. KOLLMAR Box 156 Great Kill_,S.I.,N.Y.
New York, N.Y. 7/13/40 12:30 p.m.	RCA Communications, Inc. 64 Broad Street New York, N.Y.	H. A. KOLLMAR 404 Giffords Lane Great Kills,S.I.,N.Y.
(No postmark)	New Worlds of En- gineering Chrysler Corpora- tion Detroit, Michigan	H. A. KOLLMAR Box 156 Great Kill_,S.I.,N.Y.
New York, N.Y. 7/16/40 7:30 a.m.	RCA Communications, Inc. 64 Broad St. New York, N.Y.	H. A. KOLLMAR 404 Giffords Lane Great Kills Staten Island, N.Y.
New York, N.Y. 7/16/40 11:30 a.m.	RCA Communications, Inc. 64 Broad St. New York, N.Y.	H. A. KOLLMAR 404 Giffords Lane Great Kills Staten Island, N.Y.

In connection with the investigation of the case entitled, "GERMAN FUNDS; MISCELLANEOUS-INFORMATION CONCERNING," which bears New York file No. 65-1529, as indicated in the report of Special Agent J. A. GENAU, dated November 19, 1940, copies of which have been placed in instant file, Mr. and Mrs. KOLLMAR figured very conspicuously. For the purpose of clarification, the investigation with reference to KOLLMAR's connection with the GERMAN FUNDS case is being reported in detail in that case. Suffice it to state in this matter that Mr. and Mrs. KOLLMAR both received large sums of money from the German Government to assist in the purchase of 2,500 Siemens & Halske bonds.

UNDEVELOPED LEADS

THE NEW YORK FIELD DIVISION

AT NEW YORK, NEW YORK

Will determine what ship arrives in New York from Lisbon on December 8, 1940, and consider the advisability of maintaining a surveillance on Subject's activities after his arrival in New York.

Will conduct appropriate investigation concerning the business activities of H. CASSEL & COMPANY, 61 Broadway, New York City, and at RCA COMMUNICATIONS, INC., 64 Broad Street, will conduct appropriate investigation to determine the nature of the correspondence between that company and the SUBJECT in this case.

- P E N D I N G -

January 25, 1941

My dear Mr. President:

You will recall speaking to me last May with regard to an investigation of one "Hedmona Kollimar", an executive of the Chemical Bank and Trust Company, 165 Broadway, New York, who was the subject of a telegram dated May 21, 1940 from our Embassy at London, a copy of which is attached hereto.

"Kollimar" was identified in this Department as Mr. Herman Kollmar. As the German firm Wodan of Rotterdam had already figured in a number of cases in Europe showing it to be an espionage instrument for Germany, this Department became interested in Mr. Kollmar's activities. In a letter dated May 24, 1940, this Department communicated all relevant information which it had been successful in obtaining regarding Mr. Kollmar to  
the

The President,

The White House.

the Federal Bureau of Investigation. This letter concluded as follows:

"This Department considers the accusations made as of the utmost gravity and it would appreciate a discreet investigation being undertaken immediately."

A reply dated December 17, 1940 has been received from the Federal Bureau of Investigation embodying the results of its investigation of Mr. Kollmar up to November 26, 1940. That reply, a copy of which is enclosed, includes the text of a summary submitted by this Department on May 24.

There are also enclosed pages 1104 to 1108, inclusive, from Appendix Part II released by the House of Representatives Special Committee on Un-American Activities showing copies of studies found in the files of Dr. Ferdinand A. Kertess, head of the Chemical Marketing Company, 10 East Fortieth Street, New York. These studies show that certain persons sympathetic with the present regime in Germany were planning the organization of commercial organizations which was to act as a channel for all trade from this country with Germany in the event Germany wins the present war. Mr. Kollmar, it appears, was to play a prominent role in those organizations.

In

In the light of the known espionage activities by agents of the firm of Wodan, with one of whom Mr. Kollmar was in communication, and in view of the fact that Mr. Kollmar is closely associated with other persons in New York suspected of being German agents, the Department is requesting that a more intensive investigation be made of Mr. Kollmar.

Faithfully yours,

Sumner Welles

Enclosures:

1. Copy of telegram from Embassy, London, dated May 21, 1940.
2. From F.B.I., dated December 17, 1940.
3. Pages 1104-1108 from Appendix Part II.

PSK  
Welles  
Sumner  
70

THE WHITE HOUSE  
WASHINGTON

December 18, 1940

MEMORANDUM FOR

HON. SUMNER WELLES

Dear Sumner:

Thanks for your formality  
of December thirteenth.

Back at you: Keep up  
the good work just where you are.

F. D. R./tmb

THE UNDER SECRETARY OF STATE  
WASHINGTON

December 13, 1940

My dear Mr. President:

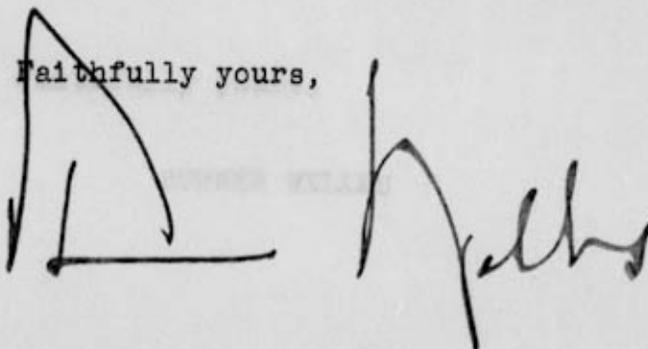
Now that your second Administration is drawing to a close, I feel that I should tender to you my resignation as Under Secretary of State.

I have, therefore, the honor to submit to you my resignation of that office to take effect at your pleasure.

I know it is not necessary for me to tell you how grateful I am for the opportunity you have given me during these past years of serving in your Administration.

Believe me

Faithfully yours,

A handwritten signature in dark ink, appearing to be 'A. H. H. H.', written over the typed words 'Faithfully yours,'.

The President

The White House.

file  
personal

Wells  
1-40

THE UNDER SECRETARY OF STATE  
WASHINGTON

Dear Mr. President -

I very fond wish to  
thank and to you for a  
very merry Christmas and the  
best possible of New Years.

I give thanks daily  
that you remain at the head  
of this Government during these  
dark days - I wish you the

strength necessary to guide our  
people safely during these next  
critical months, and when the  
time comes that a real Peace  
can be found I trust that  
your wisdom and your courage  
may determine what its nature  
shall be - This country has no  
other leader who can carry out  
this task successfully -

Believe me always

Faithfully yours  
R. Nelson

PSF: Welles

file  
personal

THE UNDER SECRETARY OF STATE  
WASHINGTON

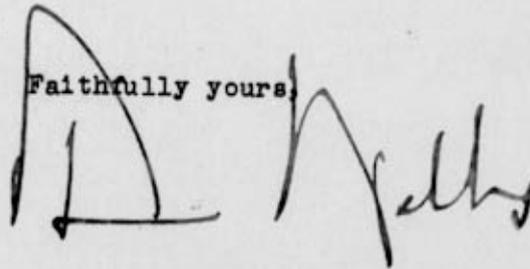
December 30, 1940

My dear Mr. President:

I have received today a further letter from the First Secretary of our Embassy in Berlin under date of November 19 reporting a further conversation he had had with Dr. Schacht. In the belief that the report of this conversation will be of some interest to you, I am transmitting a copy herewith.

Believe me

Faithfully yours,



Enc.

The President,  
The White House.

C  
O  
P  
Y

EMBASSY OF THE  
UNITED STATES OF AMERICA

Berlin, November 19, 1940

Personal and Confidential

Dear Mr. Welles:

Shortly after your telegram of November 13 an opportunity arose, which I will describe in another letter, for a call on our friend.

He appeared gratified at the interest in maintaining periodical contact with him but looked rather disappointed when I told him, in response to his inquiry, that there was no reaction to his project of visiting the States. He made no further reference to the project during the course of our conversation.

He observed that according to his information the war was inevitably approaching a situation of stalemate and that sooner or later there must occur a negotiated peace between the two powers. The campaign against Greece and losses sustained by the Italian fleet at Taranto had shown the extreme military weakness of Italy. Hitler's mistake had been an underestimation of British strength and a belief that he could inaugurate arbitrary political changes in Europe without consultation with England.

In view of the terrible and nearly irreparable destruction of material, spiritual, cultural and political values by the war it was essential that no opportunity be neglected to attempt to bring about as quickly as possible the peace by negotiation which eventually would be inevitable. It was a tragic mistake to take the line that there could be no peace discussions with Hitler in the belief that the continuance of the war would develop a successful revolutionary effort against the National Socialist regime.

The Honorable  
Sumner Welles,  
Under Secretary of State,  
Department of State,  
Washington.

There was no revolutionary movement at present forming against the regime and the terror was too effectively organized to permit any effective opposition to develop in time of war. Hitler wanted to make peace and our friend believed that in spite of the apparent military trumps that Germany held at the present time that the terms the Führer would offer Great Britain would be surprisingly moderate. The original terms which might be proposed, however, were not so important. The essential thing was to start negotiations, news of which, despite all censorship, would spread throughout Germany, activate the deep desire for peace of the German people and eventually force Hitler to a settlement which would be on reasonable and durable lines.

He stated that he expected to see Hitler in the very near future and that he also expected to make an address within the next few weeks in the course of which he hoped to be able to say something constructive. If he were not allowed some measure of independence in expressing his ideas he would not make the speech. Of course, in war time he would not be allowed to talk without making some attacks on the British. It was a sacrifice to which he would have to consent in order to be able to get any publicity for constructive ideas. He hoped that his friends outside of Germany would understand his position and make allowances for this necessity.

In conclusion he asked, as he had on many other occasions, that his observations be transmitted by mail, asserting that the contents of every code telegram sent from this Embassy were sooner or later known to the German Government no matter whether the telegram was sent from Berlin, Switzerland or Portugal.

I forbear comment on our friend's views at this time beyond saying that they are quite similar to those he expressed in previous conversations.

With best wishes,

Sincerely yours,

DONALD R. HEATH

The President,

The White House.

THE WHITE HOUSE  
WASHINGTON

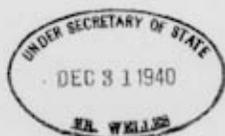
*file  
confidential*

December 31, 1940

MEMORANDUM FOR SUMNER WELLES:

To speak to me about.

F.D.R.



November 13, 1940.

PSE  
State  
Welles

Dear Boss : I sent some telegrams of the Churchill- Irish Ports situation that might be of help and in this pouch goes some correspondence and a memorandum of a conversation with Joe Walshe, the Premier's permanent secretary . I may be on the track of something, for this is the first time that I feel I have drawn this bird into candid speech . I wouldn't bother to go through it, for the Department will get it and digest it. The gist of it is this: In view of the extraordinary sensitiveness this Government displays toward American Newspaper criticism I have told them that the worst is probably yet to come unless they can make some sort of a case to meet the charge of strong anti-British bias to their neutrality. If we could smoke them ~~out~~ out in this way it would make things easier all round but I don't ~~exp~~ expect much success since even if DeValera gets over his fear of German victory he cannot renounce his one sure political issue, antagonism <sup>to</sup> and suspicion of England . I've got a friendly U.P. man here whom I might steer into an important statement from the premier but <sup>Premier</sup> he <sup>is</sup> afraid to tell the German <sup>especially</sup> and his own people all the cooperative friendly things he is doing with the British . Through Walshe I hope soon to get the Premier's views as to a formula for an Irish position in a regrouping of Democracies which would satisfy him . As my dispatch and annexed papers show Walshe insists on some such a scheme being achieved and guarantees to Ireland undertaken BEFORE , in the case we should be attacked and forced into the war Ere could lease us the ~~port~~

ports and airfields which we might need. We are going to have a talk soon with Mr. DeValera on both these subjects .

Your speech on community giving has been a great help. I used it last night in stirring the St. Vincent de Saint Paul Society to <sup>some</sup> generous giving. <sup>(It cost me 10 quid)</sup> Write ~~xx~~ more . I would like to continue but I am going to lunch with the directors of Guinness's brewery and the time has come. I shall return full of extra special Stout and be sick for a week. Maude calls to me to send you much love and take care of your self.

Aff

Dad,

**THE WHITE HOUSE  
WASHINGTON**

December 31, 1940

MEMORANDUM FOR SUMNER WELLES:

To speak to me about.

F.D.R.

THE UNDER SECRETARY OF STATE  
WASHINGTON

December 2, 1940

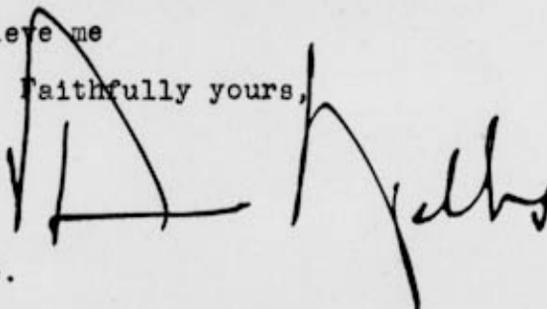
My dear Mr. President:

I have read with interest Mr. Gray's letter of October 6 which you sent to me with your memorandum of December 2.

In accordance with your desire, I am arranging for you to see the Irish Minister as soon as you return.

Believe me

Faithfully yours,

A handwritten signature in dark ink, appearing to be 'W. H. H. H.', written over the typed name 'Faithfully yours,'.

Enclosure.

The President,  
The White House.

October 6, 1940.

Dear Franklin : The gentlemanly announcer on the B.B.C. this morning at eight o'clock began. " Roosevelt is in. " His voice betrayed relief and some exultation . Maude and I were were listening in one bed in matrimonial amity. She has been confident right along. I have been the victim of a <sup>Recent</sup> hunch that the natural opposition that piles up in eight years plus the huge slush funds that an angry and desperate ~~plus~~ industrial plutocracy were throwing into the contest plus the very energetic Mr. Wilkie were going to do you in. We have both felt that as far as you personally were concerned there would be compensations in defeat, but for this unhappy world over here it would have meant tragedy. The delays and uncertainties inevitable to a change, even granting a capable and honest incoming administration would have been bad medicine. I shall probably be sending you a telegram in a day or two on the reaction here to Churchill's speech and his reference to Irish bases. If submarine conditions make it a life or death matter the probable and reasonable course would be, as I think I have already suggested, to review the circumstances of the surrender of the ports, to publish Mr. Chamberlain's impression that in giving them up without a recapture clause he was morally assured that England in a crisis would not suffer because of his action, and to appeal to the Irish Government to contribute its help by allowing their use . This should all be <sup>done</sup> done with reference to American opinion. Sir John Maffey coincides with this view. (The British Representative here)

2.

The publication would give the Opposition a chance to debate it if they chose to. The <sup>Cosgrave</sup> leaders were favorable to such a proposal a year ago but the leadership of the DeValera party and the subversive Fifth Column activities of the new I.R.A. ~~has~~ <sup>have</sup> made it impossible to support such a course without political suicide. Of course if we should be attacked and forced into the war it would be easier for the Irish Government to give us port and air facilities and it probably could be managed without great difficulty, but even so some sort of a formula <sup>probably</sup> would have to be found to save DeValera's face. What is in my mind in a very nebulous form, would be for you to ~~xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx~~ ask DeValera, probably through his Washington Mission for suggestions for uniting <sup>neutral</sup> ~~xxxxxx~~ Democratic nations in a effort to hasten the victorious end of the war by united efforts short of war. He is very oagy but also very vain and very fertile in intellectual theorizing. I see objections to almost every suggestion I could make, except the fundamental one that the best way to get the ports would be to enable him to invent it himself and save face. He has led his public opinion so <sup>near</sup> ~~xxxxxx~~ to an anti-British neutrality that he cannot reverse himself easily even if he wanted to do so, which I don't think he does. I shall see him in a day or two and feel him out. Your re-election will give us a starting point. Take care of yourself. If you want to throw me out remember we are terribly grateful for what we have had.

Aff

*D. M. J.*  
Tonight in white tie and tails I am ~~proposing~~ <sup>proposing</sup> the motion "That the Best thanks of the College Historical Society (Founded 1770 from an older debating association where Burke often spoke) are due the Auditor for his address on "Obstacles to Clear Thinking." I am for the obstacles

PSP, Miller

Sumner Welles Reports of his Special Mission to Europe, 1940

SEE: Foreign Relations of the United States, 1940, Vol. I, General  
pages 21-117

RLJ, 11/5/59