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Box 11; Folder = Correspondence:Phillips, William, 1933

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THE UNDER SECRETARY OF STATE
WASHINGTON

July 5, 1933.

My dear Mr. President:

I enclose herewith a copy of the Department's telegram No. 65, June 24, 1:00 p.m., informing the delegation at London that you may wish to begin negotiations for tariff reciprocity within the limits of the draft bill prepared for you to send to Congress with Sweden, Portugal, Brazil and Colombia, and perhaps Chile. (These countries were selected because it is believed that negotiations with them will encounter less difficulty than will be the case with the majority of other countries.) The Department asked the advice of the Secretary in the premises. The Secretary replied on July second: "I approve the proposal to institute negotiations along the lines indicated."

The Argentine Ambassador has been twice in the Department recently to ask that you receive him at an early date. He has had a telegram recently from his Government reminding him that he had reported that you had said to him and to Ambassador Le Breton that you were desirous of beginning negotiations for a new commercial treaty with the Argentine Government. (Ambassador Espil understands of course that at that time you expected to secure from Congress authority to negotiate commercial agreements.)

The Ambassador stated that, in view of the fact that as the matter now stands with his

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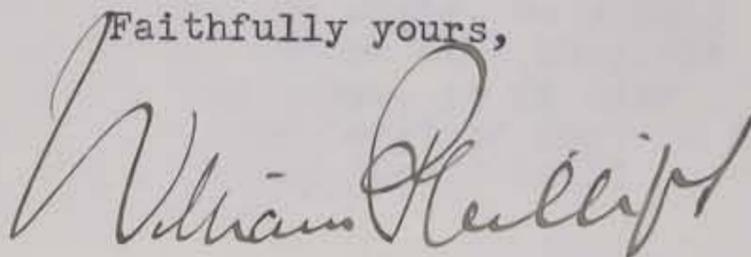
The President,
The White House.

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own Government, he has reported that you told him that you were desirous of beginning negotiations with his Government, he would like to see you again and hear from you what your present views are.

I suggest that it would be well for you to see Señor Espil. Possibly you might care to say to him that you are still desirous of beginning negotiations for a new commercial treaty with the Argentine Government, but that there may be a little delay in initiating these negotiations due to the fact that the Department of State feels that it will be better, in carrying out the program of negotiating new commercial agreements, to begin with a few countries with which it can be reasonably expected negotiations will be terminated in a brief period. You might also care to add that as it seems doubtful that the negotiations with the Argentine Government could be terminated as expeditiously as with certain other countries, it is believed better not to include the Argentine Government in the first group of these negotiations. Confidentially I may say that we in the Department feel convinced that, in view of the competitive character of the Argentine exports with American farm produce, we should have great difficulty in reaching a trade agreement with that country at the present time.

Faithfully yours,

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

THE UNDER SECRETARY OF STATE
WASHINGTON

July 5, 1933.

My dear Mr. President:

I enclose copies of two telegrams from Secretary Hull at London regarding a proposal made by the Cuban delegation for an agreement between the sugar producing and consuming countries. I enclose also copies of two telegrams which the Department sent you At Sea in regard to these two telegrams from the Secretary. As set out in the second paragraph of my telegram No. 28, Dr. Coulter stated that the Cuban proposal will not, in his opinion, conflict with the general purposes underlying the sugar negotiations now going on here. He believes, however, that a safeguard should be included to protect any agreements we might make with Cuba. Taussig is in agreement with Coulter in these opinions. I submitted this matter to you because I had been given to understand by Taussig that you had made the statement that sugar was not to be discussed at London; Taussig seemed to think that you had said this in view of the sugar situation as described by him at that time to you.

It occurred to me that, due to the fact that we have a fixed tariff rate for sugar, we should take into consideration the factor of a possible extensive rise in prices for sugar, as in case the price of sugar rose to even half of what it was, say ten years ago, our existing tariff would obviously be of little effect.

However,

The President,
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However, as the Secretary is asking urgently for instructions, I would suggest that you authorize him to give general support, in principle, to the Cuban proposal; adding confidentially that, in view of the fact that our sugar tariff is a fixed one and not an ad valorem one, it would appear to be desirable that some safeguard clause providing for the case of extreme price fluctuations be proposed in view of the prevailing currency uncertainties. I would also transmit Coulter's opinions.

Faithfully yours,

William Phillips