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Foreign
Relations
of the
United
States



1932

Volume I

GENERAL

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Papers relating to

Foreign Relations

of the United States

Diplomatic Papers

1932

(In Five Volumes)

1932
v. 1

Volume I
General



United States
Government Printing Office
Washington : 1948

JX 233

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Vol. 2

SSRR

DEPARTMENT OF STATE

PUBLICATION 3208

For sale by the
Superintendent of Documents, U. S. Government Printing Office
Washington 25, D. C. Price \$3.00 (Buckram)



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PREFACE

The *Foreign Relations* volumes have been compiled on an annual basis since the publication of diplomatic correspondence which accompanied President Lincoln's first annual message to Congress (December 3, 1861). Originally entitled *Papers Relating to Foreign Affairs Accompanying the Annual Message of the President*, the name of this series was changed in 1870 to *Papers Relating to the Foreign Relations of the United States*, and in 1947 to the present title.

Publication of these volumes, except for the year 1869, has been continuous. In addition to the annual volumes, supplements have also been published, among them the World War Supplements, the Lansing Papers, the special 1918-1919 Russia volumes, the Paris Peace Conference, 1919, series, and Japan, 1931-1941.

The principles which guide the compilation and editing of *Foreign Relations* have recently been restated in the Department of State Regulation 297.1 of October 27, 1947. The text of this regulation is printed below:

297.1 EDITING OF THE DOCUMENTARY RECORD OF THE FOREIGN RELATIONS OF THE UNITED STATES: (Effective 10-27-47)

I. Scope of Documentation. The publications entitled *Foreign Relations of the United States* constitute the official published record of United States foreign policy. These volumes include all papers relating to major policies and decisions of the Department in the matter of foreign relations, together with appropriate materials concerning the events and facts which contributed to the formulation of such decisions or policies.

II. Responsibility of the Division of Historical Policy Research (RE). The responsibility for editing the basic documentary record of American foreign policy in *Foreign Relations of the United States* is vested in RE.

III. Completeness of Record.

A. It is assumed that the documentation will be substantially complete as regards the files of the Department. Within these limits, certain omissions of documents or parts of documents are permissible:

1. To avoid publication of matters which would tend to impede current diplomatic negotiations or other business.
2. To condense the record and avoid repetition of needless details.
3. To preserve the confidence reposed in the Department by other governments and by individuals.

4. To avoid needless offense to other nationalities or individuals.
5. To eliminate personal opinions presented in despatches and not acted upon by the Department. To this there is one qualification—in connection with major decisions it is desirable, where possible, to show the alternatives presented to the Department when the decision was made.

B. No deletions shall be made without clearly indicating the place in the text where the deletion occurs.

IV. Clearance To Be Obtained by RE. In discharging its responsibility for selecting materials for publication in *Foreign Relations of the United States*, RE shall:

A. Refer to the appropriate policy offices such papers as would appear to require policy clearance.

B. Refer to the appropriate foreign governments requests for permission to print certain documents originating with them which it is desired to publish as part of the diplomatic correspondence of the United States. Without such permission the documents in question will not be used.

V. Responsibility of the Division of Publications (PB). The Division of Publications (PB) shall:

A. Proofread and edit the copy.

B. Prepare lists of papers and indexes.

C. Arrange for distribution of printed copies.

The increase of correspondence in the Department's files has been reflected in an increase in the number of annual volumes, five being required for 1932 as compared with two or three for previous years. As a consequence, it has been found advisable to rearrange the contents under certain new groupings. For 1932 the grouping of volumes is as follows: Volume I, General; Volume II, British Commonwealth, Europe, the Near East and Africa; Volumes III and IV, the Far East; Volume V, American Republics.

In the selection of papers the editors have attempted, in keeping with their directive, to give a substantially complete record of American foreign policy as contained in the files of the Department of State, together with as much background material as possible, while keeping the volumes within reasonable limits with respect to size and number. In the preparation of *Foreign Relations* for the decade preceding World War II special attention is given to the inclusion of documents of significance with respect to the origins of that conflict.

The research staff is guided in compiling the record by the principle of historical objectivity. It is the rule that there shall be no alteration of the text, no deletions without indicating the place in the text where the deletion is made, no omission of facts which

were of major importance in reaching a decision, and that nothing should be omitted with a view to concealing or glossing over what might be regarded by some as a defect of policy.

Mr. G. Bernard Noble, Chief of the Division of Historical Policy Research, and Mr. E. Wilder Spaulding, Chief of the Division of Publications, have contributed greatly in the forwarding of the *Foreign Relations* program. The basic research and selection of papers for the 1932 volumes was done by Mr. Gustave A. Nuermberger, Mr. Victor J. Farrar, Mr. John G. Reid, and Mr. William R. Willoughby. Miss Elizabeth A. Vary and the staff of the Foreign Relations Editing Branch of the Division of Publications have done painstaking work in editing of copy and in preparing the lists of papers and indexes.

E. R. PERKINS
Editor of Foreign Relations

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MESSAGES OF THE PRESIDENT OF THE UNITED STATES TO CONGRESS

MESSAGE OF DECEMBER 6, 1932

TO THE SENATE AND HOUSE OF REPRESENTATIVES:

In accord with my constitutional duty, I transmit herewith to the Congress information upon the state of the Union together with recommendation of measures for its consideration.

Our country is at peace. Our national defense has been maintained at a high state of effectiveness. All of the executive departments of the Government have been conducted during the year with a high devotion to public interest. There has been a far larger degree of freedom from industrial conflict than hitherto known. Education and science have made further advances. The public health is to-day at its highest known level. While we have recently engaged in the aggressive contest of a national election, its very tranquillity and the acceptance of its results furnish abundant proof of the strength of our institutions.

In the face of widespread hardship our people have demonstrated daily a magnificent sense of humanity, of individual and community responsibility for the welfare of the less fortunate. They have grown in their conceptions and organization for cooperative action for the common welfare.

In the provision against distress during this winter, the great private agencies of the country have been mobilized again; the generosity of our people has again come into evidence to a degree in which all America may take great pride. Likewise the local authorities and the States are engaged everywhere in supplemental measures of relief. The provisions made for loans from the Reconstruction Finance Corporation, to States that have exhausted their own resources, guarantee that there should be no hunger or suffering from cold in the country. The large majority of States are showing a sturdy cooperation in the spirit of the Federal aid.

The Surgeon General, in charge of the Public Health Service, furnishes me with the following information upon the state of public health:

MORTALITY RATE PER 1,000 OF POPULATION ON AN ANNUAL BASIS FROM REPRESENTATIVE STATES

	General	Infant
First 9 months of—		
1928.....	11.9	67.8
1929.....	12.0	65.8
1930.....	11.4	62.0
1931.....	11.2	60.0
1932.....	10.6	55.0

The sickness rates from data available show the same trends. These facts indicate the fine endeavor of the agencies which have been mobilized for care of those in distress.

ECONOMIC SITUATION

The unparalleled world-wide economic depression has continued through the year. Due to the European collapse, the situation developed during last fall and winter into a series of most acute crises. The unprecedented emergency measures enacted and policies adopted undoubtedly saved the country from economic disaster. After serving to defend the national security, these measures began in July to show their weight and influence toward improvement of conditions in many parts of the country. The following tables of current business indicators show the general economic movement during the past eleven months.

MONTHLY BUSINESS INDICES WITH SEASONAL VARIATIONS ELIMINATED
[Monthly average 1923-1925=100]

Year and month	Industrial production	Factory employment	Freight-car loadings	Department store sales, value	Exports, value	Imports, value	Building contracts, all types	Industrial electric power consumption
<i>1931</i>								
December	74	69.4	69	81	46	48	38	89.1
<i>1932</i>								
January	72	68.1	64	78	39	42	31	93.9
February	69	67.8	62	78	45	41	27	98.8
March	67	66.4	61	72	41	37	26	88.0
April	63	64.3	59	80	38	36	27	82.2
May	60	62.1	54	73	37	34	26	82.0
June	59	60.0	52	71	34	36	27	78.1
July	58	58.3	51	67	32	27	27	79.2
August	60	58.8	51	66	31	29	30	73.5
September	66	60.3	54	70	33	32	30	84.0
October	66	61.1	57	70	33	32	29	84.4

The measures and policies which have procured this turn toward recovery should be continued until the depression is passed, and then

the emergency agencies should be promptly liquidated. The expansion of credit facilities by the Federal Reserve System and the Reconstruction Finance Corporation has been of incalculable value. The loans of the latter for reproductive works, and to railways for the creation of employment; its support of the credit structure through loans to banks, insurance companies, railways, building and loan associations, and to agriculture has protected the savings and insurance policies of millions of our citizens and has relieved millions of borrowers from duress; they have enabled industry and business to function and expand. The assistance given to Farm Loan Banks, the establishment of the Home Loan Banks and Agricultural Credit Associations—all in their various ramifications have placed large sums of money at the disposal of the people in protection and aid. Beyond this, the extensive organization of the country in voluntary action has produced profound results.

The following table indicates direct expenditures of the Federal Government in aid to unemployment, agriculture, and financial relief over the past four years. The sums applied to financial relief multiply themselves many fold, being in considerable measure the initial capital supplied to the Reconstruction Finance Corporation, Farm Loan Banks, etc., which will be recovered to the Treasury.

	Public works ¹	Agricultural relief and financial loans
Fiscal year ending June 30—		
1930.....	\$410, 420, 000	\$156, 100, 000
1931.....	574, 870, 000	196, 700, 000
1932.....	655, 880, 000	772, 700, 000
1933.....	717, 260, 000	52, 000, 000
Total.....	2, 358, 430, 000	1, 177, 500, 000

¹ Public building, highways, rivers and harbors and their maintenance, naval and other vessels construction, hospitals, etc.

Continued constructive policies promoting the economic recovery of the country must be the paramount duty of the Government. The result of the agencies we have created and the policies we have pursued has been to buttress our whole domestic financial structure and greatly to restore credit facilities. But progress in recovery requires another element as well—that is fully restored confidence in the future. Institutions and men may have resources and credit but unless they have confidence progress is halting and insecure.

There are three definite directions in which action by the Government at once can contribute to strengthen further the forces of recovery by strengthening of confidence. They are the necessary

foundations to any other action, and their accomplishment would at once promote employment and increase prices.

The first of these directions of action is the continuing reduction of all Government expenditures, whether national, State, or local. The difficulties of the country demand undiminished efforts toward economy in government in every direction. Embraced in this problem is the unquestioned balancing of the Federal Budget. That is the first necessity of national stability and is the foundation of further recovery. It must be balanced in an absolutely safe and sure manner if full confidence is to be inspired.

The second direction for action is the complete reorganization at once of our banking system. The shocks to our economic life have undoubtedly been multiplied by the weakness of this system, and until they are remedied recovery will be greatly hampered.

The third direction for immediate action is vigorous and whole-souled cooperation with other governments in the economic field. That our major difficulties find their origins in the economic weakness of foreign nations requires no demonstration. The first need to-day is strengthening of commodity prices. That can not be permanently accomplished by artificialities. It must be accomplished by expansion in consumption of goods through the return of stability and confidence in the world at large and that in turn can not be fully accomplished without cooperation with other nations.

BALANCING THE BUDGET

I shall in due course present the Executive Budget to the Congress. It will show proposed reductions in appropriations below those enacted by the last session of the Congress by over \$830,000,000. In addition I shall present the necessary Executive orders under the recent act authorizing the reorganization of the Federal Government which, if permitted to go into force, will produce still further substantial economies. These sums in reduction of appropriations will, however, be partially offset by an increase of about \$250,000,000 in uncontrollable items such as increased debt services, etc.

In the Budget there is included only the completion of the Federal public works projects already undertaken or under contract. Speeding up of Federal public works during the past four years as an aid to employment has advanced many types of such improvements to the point where further expansion can not be justified in their usefulness to the Government or the people. As an aid to unemployment we should beyond the normal constructive programs substitute reproductive or so-called self-liquidating works. Loans for such

purposes have been provided for through the Reconstruction Finance Corporation. This change in character of projects directly relieves the taxpayer and is capable of expansion into a larger field than the direct Federal works. The reproductive works constitute an addition to national wealth and to future employment, whereas further undue expansion of Federal public works is but a burden upon the future.

The Federal construction program thus limited to commitments and work in progress under the proposed appropriations contemplates expenditures for the next fiscal year, including naval and other vessel construction, as well as other forms of public works and maintenance, of a total of \$442,769,000, as compared with \$717,262,000 for the present year.

The expenditure on such items over the four years ending June 30 next will amount to \$2,350,000,000, or an amount of construction work eight times as great as the cost of the Panama Canal and, except for completion of certain long-view projects, places the Nation in many directions well ahead of its requirements for some years to come. A normal program of about \$200,000,000 per annum should hereafter provide for the country's necessities and will permit substantial future reduction in Federal expenditures.

I recommend that the furlough system installed last year be continued not only because of the economy produced but because, being tantamount to the "5-day week," it sets an example which should be followed by the country and because it embraces within its workings the "spread work" principle and thus serves to maintain a number of public servants who would otherwise be deprived of all income. I feel, however, in view of the present economic situation and the decrease in the cost of living by over 20 per cent, that some further sacrifice should be made by salaried officials of the Government over and above the $8\frac{1}{3}$ per cent reduction under the furlough system. I will recommend that after exempting the first \$1,000 of salary there should be a temporary reduction for one year of 11 per cent of that part of all Government salaries in excess of the \$1,000 exemption, the result of which, combined with the furlough system, will average about 14.8 per cent reduction in pay to those earning more than \$1,000.

I will recommend measures to eliminate certain payments in the veterans' services. I conceive these outlays were entirely beyond the original intentions of Congress in building up veterans' allowances. Many abuses have grown up from ill-considered legislation. They should be eliminated. The Nation should not ask for a reduction in allowances to men and dependents whose disabilities rise out of

war service nor to those veterans with substantial service who have become totally disabled from non-war-connected causes and who are at the same time without other support. These latter veterans are a charge on the community at some point, and I feel that in view of their service to the Nation as a whole the responsibility should fall upon the Federal Government.

Many of the economies recommended in the Budget were presented at the last session of the Congress but failed of adoption. If the Economy and Appropriations Committees of the Congress in canvassing these proposed expenditures shall find further reductions which can be made without impairing essential Government services, it will be welcomed both by the country and by myself. But under no circumstances do I feel that the Congress should fail to uphold the total of reductions recommended.

Some of the older revenues and some of the revenues provided under the act passed during the last session of the Congress, particularly those generally referred to as the nuisance taxes, have not been as prolific of income as had been hoped. Further revenue is necessary in addition to the amount of reductions in expenditures recommended. Many of the manufacturers' excise taxes upon selected industries not only failed to produce satisfactory revenue, but they are in many ways unjust and discriminatory. The time has come when, if the Government is to have an adequate basis of revenue to assure a balanced Budget, this system of special manufacturers' excise taxes should be extended to cover practically all manufactures at a uniform rate, except necessary food and possibly some grades of clothing.

At the last session the Congress responded to my request for authority to reorganize the Government departments. The act provides for the grouping and consolidation of executive and administrative agencies according to major purpose, and thereby reducing the number and overlap and duplication of effort. Executive orders issued for these purposes are required to be transmitted to the Congress while in session and do not become effective until after the expiration of 60 calendar days after such transmission, unless the Congress shall sooner approve.

I shall issue such Executive orders within a few days grouping or consolidating over fifty executive and administrative agencies including a large number of commissions and "independent" agencies.

The second step, of course, remains that after these various bureaus and agencies are placed cheek by jowl into such groups, the administrative officers in charge of the groups shall eliminate their overlap and still further consolidate these activities. Therein lie large economies.

The Congress must be warned that a host of interested persons inside and outside the Government whose vision is concentrated on some particular function will at once protest against these proposals. These same sorts of activities have prevented reorganization of the Government for over a quarter of a century. They must be disregarded if the task is to be accomplished.

BANKING

The basis of every other and every further effort toward recovery is to reorganize at once our banking system. The shocks to our economic system have undoubtedly multiplied by the weakness of our financial system. I first called attention of the Congress in 1929 to this condition, and I have unceasingly recommended remedy since that time. The subject has been exhaustively investigated both by the committees of the Congress and the officers of the Federal Reserve System.

The banking and financial system is presumed to serve in furnishing the essential lubricant to the wheels of industry, agriculture, and commerce, that is, credit. Its diversion from proper use, its improper use, or its insufficiency instantly brings hardship and dislocation in economic life. As a system our banking has failed to meet this great emergency. It can be said without question of doubt that our losses and distress have been greatly augmented by its wholly inadequate organization. Its inability as a system to respond to our needs is to-day a constant drain upon progress toward recovery. In this statement I am not referring to individual banks or bankers. Thousands of them have shown distinguished courage and ability. On the contrary, I am referring to the system itself, which is so organized, or so lacking in organization, that in an emergency its very mechanism jeopardizes or paralyzes the action of sound banks and its instability is responsible for periodic dangers to our whole economic system.

Bank failures rose in 1931 to 10½ per cent of all the banks as compared to 1½ per cent of the failures of all other types of enterprise. Since January 1, 1930, we have had 4,665 banks suspend, with \$3,300,000,000 in deposits. Partly from fears and drains from abroad, partly from these failures themselves (which indeed often caused closing of sound banks), we have witnessed hoarding of currency to an enormous sum, rising during the height of the crisis to over \$1,600,000,000. The results from interreaction of cause and effect have expressed themselves in strangulation of credit which at times has almost stifled the Nation's business and agriculture. The

losses, suffering, and tragedies of our people are incalculable. Not alone do they lie in the losses of savings to millions of homes, injury by deprivation of working capital to thousands of small businesses, but also, in the frantic pressure to recall loans to meet pressures of hoarding and in liquidation of failed banks, millions of other people have suffered in the loss of their homes and farms, businesses have been ruined, unemployment increased, and farmers' prices diminished.

That this failure to function is unnecessary and is the fault of our particular system is plainly indicated by the fact that in Great Britain, where the economic mechanism has suffered far greater shocks than our own, there has not been a single bank failure during the depression. Again in Canada, where the situation has been in large degree identical with our own, there have not been substantial bank failures.

The creation of the Reconstruction Finance Corporation and the amendments to the Federal Reserve Act served to defend the Nation in a great crisis. They are not remedies; they are relief. It is inconceivable that the Reconstruction Corporation, which has extended aid to nearly 6,000 institutions and is manifestly but a temporary device, can go on indefinitely.

It is to-day a matter of satisfaction that the rate of bank failures, of hoarding, and the demands upon the Reconstruction Corporation have greatly lessened. The acute phases of the crisis have obviously passed and the time has now come when this national danger and this failure to respond to national necessities must be ended and the measures to end them can be safely undertaken. Methods of reform have been exhaustively examined. There is no reason now why solution should not be found at the present session of the Congress. Inflation of currency or governmental conduct of banking can have no part in these reforms. The Government must abide within the field of constructive organization, regulation, and the enforcement of safe practices only.

Parallel with reform in the banking laws must be changes in the Federal Farm Loan Banking system and in the Joint Stock Land Banks. Some of these changes should be directed to permanent improvement and some to emergency aid to our people where they wish to fight to save their farms and homes.

I wish again to emphasize this view—that these widespread banking reforms are a national necessity and are the first requisites for further recovery in agriculture and business. They should have immediate consideration as steps greatly needed to further recovery.

ECONOMIC COOPERATION WITH OTHER NATIONS

Our major difficulties during the past two years find their origins in the shocks from economic collapse abroad which in turn are the aftermath of the Great War. If we are to secure rapid and assured recovery and protection for the future we must cooperate with foreign nations in many measures.

We have actively engaged in a World Disarmament Conference where, with success, we should reduce our own tax burdens and the tax burdens of other major nations. We should increase political stability of the world. We should lessen the danger of war by increasing defensive powers and decreasing offensive powers of nations. We would thus open new vistas of economic expansion for the world.

We are participating in the formulation of a World Economic Conference, successful results from which would contribute much to advance in agricultural prices, employment, and business. Currency depreciation and correlated forces have contributed greatly to decrease in price levels. Moreover, from these origins rise most of the destructive trade barriers now stifling the commerce of the world. We could by successful action increase security and expand trade through stability in international exchange and monetary values. By such action world confidence could be restored. It would bring courage and stability, which will reflect into every home in our land.

The European governments, obligated to us in war debts, have requested that there should be suspension of payments due the United States on December 15 next, to be accompanied by exchange of views upon this debt question. Our Government has informed them that we do not approve of suspension of the December 15 payments. I have stated that I would recommend to the Congress methods to overcome temporary exchange difficulties in connection with this payment from nations where it may be necessary.

In the meantime I wish to reiterate that here are three great fields of international action which must be considered not in part but as a whole. They are of most vital interest to our people. Within them there are not only grave dangers if we fail in right action but there also lie immense opportunities for good if we shall succeed. Within success there lie major remedies for our economic distress and major progress in stability and security to every fire-side in our country.

The welfare of our people is dependent upon successful issue of the great causes of world peace, world disarmament, and organized world recovery. Nor is it too much to say that to-day as never

before the welfare of mankind and the preservation of civilization depend upon our solution of these questions. Such solutions can not be attained except by honest friendship, by adherence to agreements entered upon until mutually revised and by cooperation amongst nations in a determination to find solutions which will be mutually beneficial.

OTHER LEGISLATION

I have placed various legislative needs before the Congress in previous messages, and these views require no amplification on this occasion. I have urged the need for reform in our transportation and power regulation, in the antitrust laws as applied to our national resource industries, western range conservation, extension of Federal aid to child-health services, membership in the World Court, the ratification of the Great Lakes-St. Lawrence Seaway Treaty, revision of the bankruptcy acts, revision of Federal court procedure, and many other pressing problems.

These and other special subjects I shall where necessary deal with by special communications to the Congress.

The activities of our Government are so great, when combined with the emergency activities which have arisen out of the world crisis, that even the briefest review of them would render the annual message unduly long. I shall therefore avail myself of the fact that every detail of the Government is covered in the reports to the Congress by each of the departments and agencies of the Government.

CONCLUSION

It seems to me appropriate upon this occasion to make certain general observations upon the principles which must dominate the solution of problems now pressing upon the Nation. Legislation in response to national needs will be effective only if every such act conforms to a complete philosophy of the people's purposes and destiny. Ours is a distinctive government with a unique history and background, consciously dedicated to specific ideals of liberty and to a faith in the inviolable sanctity of the individual human spirit. Furthermore, the continued existence and adequate functioning of our government in preservation of ordered liberty and stimulation of progress depends upon the maintenance of State, local, institutional, and individual sense of responsibility. We have builded a system of individualism peculiarly our own which must not be forgotten in any governmental acts, for from it have grown greater accomplishments than those of any other nation.

On the social and economic sides, the background of our American system and the motivation of progress is essentially that we should allow free play of social and economic forces as far as will not limit equality of opportunity and as will at the same time stimulate the initiative and enterprise of our people. In the maintenance of this balance the Federal Government can permit of no privilege to any person or group. It should act as a regulatory agent and not as a participant in economic and social life. The moment the Government participates, it becomes a competitor with the people. As a competitor it becomes at once a tyranny in whatever direction it may touch. We have around us numerous such experiences, no one of which can be found to have justified itself except in cases where the people as a whole have met forces beyond their control, such as those of the Great War and this great depression, where the full powers of the Federal Government must be exerted to protect the people. But even these must be limited to an emergency sense and must be promptly ended when these dangers are overcome.

With the free development of science and the consequent multitude of inventions, some of which are absolutely revolutionary in our national life, the Government must not only stimulate the social and economic responsibility of individuals and private institutions but it must also give leadership to cooperative action amongst the people which will soften the effect of these revolutions and thus secure social transformations in an orderly manner. The highest form of self-government is the voluntary cooperation within our people for such purposes.

But I would emphasize again that social and economic solutions, as such, will not avail to satisfy the aspirations of the people unless they conform with the traditions of our race, deeply grooved in their sentiments through a century and a half of struggle for ideals of life that are rooted in religion and fed from purely spiritual springs.

HERBERT HOOVER

THE WHITE HOUSE, December 6, 1932.

800.51 W89/626½

MESSAGE OF DECEMBER 19, 1932

TO THE SENATE AND HOUSE OF REPRESENTATIVES:

I indicated in my message on the state of the Union of December 6 that I should communicate further information to the Congress. Accordingly, I wish now to communicate certain questions which have arisen during the past few days in connection with the war debts. These questions, however, can not be considered apart from the grave world economic situation as it affects the United States and the broader policies we should pursue in dealing with them. While it is difficult in any analysis of world economic forces to separate the cause from the effect or the symptom from the disease, or to separate one segment of a vicious cycle from another, we must begin somewhere by determination of our objectives.

It is certain that the most urgent economic effort still before the world is the restoration of price levels. The undue and continued fall in prices and trade obviously have many origins. One dangerous consequence, however, is visible enough in the increased difficulties which are arising between many debtors and creditors. The values behind a multitude of securities are lessened, the income of debtors is insufficient to meet their obligations, creditors are unable to undertake new commitments for fear of the safety of present undertakings.

It is not enough to say that the fall in prices is due to decreased consumption and thus the sole remedy is the adjustment by reduced production. That is in part true but decreased consumption is brought about by certain economic forces which, if overcome, would result in a great measure of recovery of consumption and thus recovery from the depression. Any competent study of the causes of continued abnormal levels of prices would at once establish the fact that the general price movement is world-wide in character and international influences therefore have a part in them. Further exploration in this field brings us at once to the fact that price levels have been seriously affected by abandonment of the gold standard by many countries and the consequent instability and depreciation of foreign currencies. These fluctuations in themselves, through the uncertainties they create, stifle trade, cause invasions of unnatural marketing territory, result in arbitrary trade restrictions and ultimate diminished consumption of goods, followed by a further fall in prices.

The origins of currency instability and depreciation reach back again to economic weaknesses rooted in the World War which

have culminated in many countries in anxieties in regard to their financial institutions, the flight of capital, denudation of gold reserves with its consequent jeopardy to currencies. These events have been followed by restrictions on the movement of gold and exchange in frantic attempts to protect their currencies and credit structures. Restrictions have not alone been put upon the movement of gold and exchange but they have been imposed upon imports of goods in endeavor to prevent the spending of undue sums abroad by their nationals as a further precaution to prevent the outflow of gold reserves and thus undermining of currency. These steps have again reduced consumption and diminished prices and are but parts of the vicious cycles which must be broken at some point if we are to assure economic recovery.

We have abundant proof of the effect of these forces within our own borders. The depreciation of foreign currencies lowers the cost of production abroad compared to our costs of production, thus undermining the effect of our protective tariffs. Prices of agricultural and other commodities in the United States are being seriously affected and thousands of our workers are to-day being thrown out of employment through the invasion of such goods.

I concur in the conclusions of many thoughtful persons that one of the first and most fundamental points of attack is to re-establish stability of currencies and foreign exchange, and thereby release an infinite number of barriers against the movement of commodities, the general effect of which would be to raise the price of commodities throughout the world. It must be realized, however, that many countries have been forced to permit their currencies to depreciate; it has not been a matter of choice.

I am well aware that many factors which bear upon the problem are purely domestic in many countries, but the time has come when concerted action between nations should be taken in an endeavor to meet these primary questions. While the gold standard has worked badly since the war, due to the huge economic dislocations of the war, yet it is still the only practicable basis of international settlements and monetary stability so far as the more advanced industrial nations are concerned. The larger use of silver as a supplementary currency would aid stability in many quarters of the world. In any event it is a certainty that trade and prices must be disorganized until some method of monetary and exchange stability is attained. It seems impossible to secure such result by the individual and separate action of different countries each striving for separate defense.

It is for the purpose of discussing these and other matters most vital to us and the rest of the world that we have joined in the

World Economic Conference where the means and measures for the turning of the tide of business and price levels through remedy to some of these destructive forces can be fully and effectively considered and if possible undertaken simultaneously between nations.

The reduction of world armament also has a bearing upon these questions. The stupendous increase in military expenditures since before the war is a large factor in world-wide unbalanced national budgets, with that consequent contribution to instable credit and currencies and to the loss of world confidence in political stability. While these questions are not a part of the work proposed for the Economic Conference, cognizance of its progress and possibilities must be ever in the minds of those dealing with the other questions.

The problem of the war debts to the United States has entered into this world situation. It is my belief that their importance, relative to the other world economic forces in action, is exaggerated. Nevertheless in times of deep depression some nations are unable to pay and in some cases payments do weigh heavily upon foreign exchange and currency stability. In dealing with an economically sick world many factors become distorted in their relative importance and the emotions of peoples must be taken into account.

As Congress is aware the principal debtor nations recently requested that the December payments on these debts should be postponed and that we should undertake an exchange of views upon possible revision in the light of altered world conditions.

We have declined to postpone this payment as we considered that such action (*a*) would amount to practical breakdown of the integrity of these agreements, (*b*) would impose an abandonment of the national policies of dealing with these obligations separately with each nation, (*c*) would create a situation where debts would have been regarded as being a counterpart of German reparations and indemnities and thus not only destroy their individual character and obligation but become an effective transfer of German reparations to the American taxpayer, (*d*) would be no real relief to the world situation without consideration of the destructive forces militating against economic recovery, (*e*) would not be a proper call upon the American people to further sacrifices unless there were definite compensations. It is essential in our national interest that we accept none of these implications and undertake no commitments before these economic and other problems are canvassed and so far as possible are solved.

Of the total of about \$125,500,000 due, Czechoslovakia, Finland, Great Britain, Italy, Latvia, and Lithuania have met payments amounting to \$98,685,910, despite the difficulties inherent in the times.

Austria, Belgium, Estonia, France, Greece, Hungary, and Poland have not made their payments. In the case of some of these countries such failure was unquestionably due to inability in the present situation to make the payments contemplated by the agreements.

Certain nations have specifically stated that they do not see their way clear to make payments under these agreements for the future. Thus our Government and our people are confronted with the realities of a situation in connection with the debts not heretofore contemplated.

It is not necessary for me at this time to enter upon the subject of the origins of these debts, the sacrifices already made by the American people, the respective capacities of other governments to pay, or to answer the arguments put forward which look toward cancellation of these obligations. I may, however, point out that except in one country the taxation required for the payments upon the debts owing to our Government does not exceed one-quarter of the amounts now being imposed to support their military establishments. As their maintained armaments call for a large increase in expenditures on our defensive forces beyond those before the war, the American people naturally feel that cancellation of these debts would give us no relief from arms but only free large sums for further military preparations abroad. Further, it is not amiss to note that the contention that payment of these debts is confined to direct shipment of goods or payment in gold is not a proper representation since in normal times triangular trade is a very large factor in world exchanges, nor is any presentation of the trade balance situation complete without taking into account services as for instance American tourist expenditure and emigrant remittances alone to most of the debtor countries exceed the amount of payments. I may also mention that our country made double the total sacrifice of any other nation in bringing about the moratorium which served to prevent the collapse of many nations of Europe with its reactions upon the world. This act of good will on our part must not now be made either the excuse or opportunity for demanding still larger sacrifices.

My views are well known; I will not entertain the thought of cancellation. I believe that whatever further sacrifices the American people might make by way of adjustment of cash payments must be compensated by definite benefits in markets and otherwise.

In any event in protection to our own vital interests, as good neighbors and in accord with our traditional duty as wise and fair creditors whether to individuals or nations, we must honor the

request for discussion of these questions by nations who have sought to maintain their obligations to us.

The decision heretofore reached to exclude debt questions from the coming World Economic Conference or from any collective conference with our debtors is wise as these are obligations subject only to discussion with individual nations and should not form part of a collective discussion or of discussion among many nations not affected, yet it seems clear that the successful outcome of the Economic Conference would be greatly furthered if the debt problem were explored in advance, even though final agreement might well be contingent on the satisfactory solution of economic and armament questions in which our country has direct interest.

Thus from this present complex situation certain definite conclusions are unavoidable:

1. A number of the most serious problems have now arisen and we are bound to recognize and deal with them.

2. It is of great importance that preparatory action should be taken at once, otherwise time will be lost while destructive forces are continuing against our agriculture, employment, and business.

3. Adequate and proper machinery for dealing with them must be created. It is clear that ordinary diplomatic agencies and facilities are not suitable for the conduct of negotiations which can best be carried on across the table by specially qualified representatives.

4. As I have pointed out, the discussion of debts is necessarily connected with the solution of major problems at the World Economic Conference and the Arms Conference. The ideal way would therefore seem to be that some of our representatives in these matters should be selected at once who can perform both these functions of preparing for the World Economic Conference, and should exchange views upon the debt questions with certain nations at once and to advise upon the course to be pursued as to others. It would be an advantage for some of them to be associated with the Arms Conference. Some part of the delegates appointed for this purpose could well be selected from the members of the Congress. On the side of the Executive this is no derogation of either Executive authority or independence; on the side of the Congress it is no commitment, but provides for the subsequent presentation to the Congress of the deliberations, intricacies, reasoning, and facts upon which recommendations have been based, and is of first importance in enabling the Congress to give adequate consideration to such conclusions.

5. Discussions in respect to both debt questions and the World Economic Conference can not be concluded during my administration, yet the economic situation in the world necessitates the preliminary work essential to its success. The undertaking of these preliminary questions should not be delayed until after March 4.

I propose, therefore, to seek the cooperation of President-elect Roosevelt in the organization of machinery for advancement of consideration of these problems.

A year ago I requested that the Congress should authorize the creation of a debt commission to deal with situations which were bound to arise. The Congress did not consider this wise. In the situation as it has developed it appears necessary for the executive to proceed. Obviously any conclusions would be subject to approval by the Congress.

On the other hand, should the Congress prefer to authorize by legislative enactment a commission set up along the lines above indicated it would meet my hearty approval.

I had occasion recently in connection with these grave problems to lay down certain basic principles:

If our civilization is to be perpetuated, the great causes of world peace, world disarmament, and world recovery must prevail. They can not prevail until a path to their attainment is built upon honest friendship, mutual confidence, and proper cooperation among the nations.

These immense objectives upon which the future and welfare of all mankind depend must be ever in our thought in dealing with immediate and difficult problems. The solution of each of these, upon the basis of an understanding reached after frank and fair discussion, in and of itself strengthens the foundation of the edifice of world progress we seek to erect; whereas our failure to approach difficulties and differences among nations in such a spirit serves but to undermine constructive effort.

Peace and honest friendship with all nations have been the cardinal principles by which we have ever guided our foreign relations. They are the stars by which the world must to-day guide its course—a world in which our country must assume its share of leadership and responsibility.

The situation is one of such urgency that we require national solidarity and national cooperation if we are to serve the welfare of the American people and, indeed, if we are to conquer the forces which to-day threaten the very foundations of civilization.

HERBERT HOOVER

THE WHITE HOUSE, December 19, 1932.

LIST OF PERSONS

(Identification of a person in this list is limited to circumstances under reference in volume I. Names of persons which appear only in document headings or signatures are not included.)

- AGHNIDES, Thanassis, Secretary, General Disarmament Conference; Director, Disarmament Section, League of Nations.
- AGUERO Y BETANCOURT, Aristides de, Cuban Delegate, General Disarmament Conference; Minister to Germany, Austria.
- ALA, Mirza Hussein Khan, Chief Persian Delegate, General Disarmament Conference; Minister to France.
- ALOISI, Baron Pompeo, Chief Italian Delegate, Bureau, General Disarmament Conference; Chef de Cabinet, Italian Foreign Office.
- ALPHAND, Charles, Chief of French Premier Herriot's Cabinet.
- AMBROZY, Count Ludwig, Hungarian Minister to Austria.
- APPONYI, Count Albert, Chief Hungarian Delegate, General Disarmament Conference; Representative, League of Nations Assembly.
- ARAS, Bay. (*See* Rüstü Bey, Tevfik.)
- ARGETOIANU, Constantine, Rumanian Minister of Finance.
- ARMOUB, Norman, Counselor of Embassy in France.
- ASHBY, Mrs. Margery Corbett, British Alternate Delegate, General Disarmament Conference.
- ATHERTON, Ray, Counselor of Embassy in Great Britain.
- AUBERT, Louis, French Delegate, General Disarmament Conference; in French Premier's Secretariat for National Defense.
- AVENOL, Joseph, Deputy Secretary General, League of Nations; French Delegate, Lausanne Conference.
- BALBO, General Italo, Italian Minister for Air; Chief Delegate, General Disarmament Conference, July 20.
- BALDWIN, Frederick W., Consul at Lausanne.
- BALDWIN, Stanley A., Parliamentary leader, British Conservative Party; Lord President of the Council.
- BALUTIS, Bronius Kasimir, Lithuanian Minister to United States.
- BARANSKI, Leon, Member at Large, Preparatory Committee of Experts, International Monetary and Economic Conference; Director, Bank of Poland.
- BECK, Joseph, Polish Minister for Foreign Affairs after November 2.
- BELLAIRS, Rear Admiral Roger Mowbray, British Representative, Permanent Advisory Commission on Military, Naval and Air Questions, League of Nations.
- BENEDEUCE, Alberto, Italian Representative, Preparatory Committee of Experts, International Monetary and Economic Conference.
- BENEŠ, Eduard, Czechoslovak Minister for Foreign Affairs; Chief Delegate, General Disarmament Conference.
- BÉBENGEB, Henry, French Ambassador to United States, 1925-26; Chairman, Committee of Finance, French Senate, 1922-25.
- BERNSTORFF, Count Albrecht von, Counselor of German Embassy in Great Britain.

- BERTHELOT, Philippe, Political Director, French Foreign Office.
- BIZOT, Jean Jacques, French Treasury Official.
- BLANCHETAI, Pierre Henri de la, First Secretary of French Embassy in United States.
- BLANCO, Juan Carlos, Uruguayan Minister for Foreign Affairs.
- BLUM, Léon, Leader, French Socialist Party.
- BOAL, Pierre de Lagarde, Chief, Division of Western European Affairs, Department of State.
- BORAH, William Edgar, U. S. Senator (Republican), Idaho; Chairman, Senate Committee on Foreign Relations.
- BOSCH, Ernesto, Chief Argentine Delegate, General Disarmament Conference.
- BOURQUIN, Maurice, Alternate Belgian Delegate, General Disarmament Conference.
- BROUCKÈRÉ, Louis de, Belgian Expert, General Disarmament Conference.
- BRUENING, Heinrich, German Chancellor, to May 30; Chief Delegate, General Disarmament Conference.
- BUEBO, Juan Enrique, Uruguayan Delegate, General Disarmament Conference; Minister to Belgium.
- BÜLOW, Bernhard Wilhelm von, Secretary of State, German Foreign Office; Delegate, General Disarmament Conference.
- BUNDY, Harvey H., Assistant Secretary of State.
- CADOGAN, Alexander, Secretary General, British Delegation, General Disarmament Conference; Adviser, League of Nations Affairs, British Foreign Office.
- CAILLAUX, Joseph, French Minister of Finance, 1925-26.
- CASTLE, William R., Jr., Under Secretary of State; Acting Secretary of State, April 8-May 14.
- CAVALLEBO, Count Ugo, Italian Delegate, General Disarmament Conference.
- CEBKAUSKAS, Juczias, Chief of Loan Division, Lithuanian Ministry of Finance.
- CHAMBERLAIN, Arthur Neville, British Chancellor of the Exchequer.
- CHAMBERLAIN, Joseph Austen; Leader, British Conservative Party.
- CHURCHILL, Winston, Member, House of Commons, British Conservative Party.
- CLAUDEL, Paul, French Ambassador to United States.
- COCHRAN, H. Merle, Adviser, U. S. Delegation, Preparatory Committee of Experts, International Monetary and Economic Conference; Consul at Basle; First Secretary of Embassy in France, November 23.
- COSIO, Pedro, Chief Uruguayan Delegate, General Disarmament Conference; Minister to Germany.
- COSTA DU REIS, Adolfo, Chief Bolivian Delegate, General Disarmament Conference.
- CRAIGIE, Robert Leslie, Counselor, British Foreign Office.
- DAVIS, Norman H., Delegate, General Disarmament Conference; Member, Organization Committee, International Monetary and Economic Conference.
- DAY, Edmund E., U. S. Representative, Preparatory Committee of Experts, International Monetary and Economic Conference; Director of Social Science, Rockefeller Foundation.
- DAYAS, Joseph Prosper Gabriel, Inspecteur des Finances, French Ministry of Finance.
- DELEUZE, Captain, French Naval Representative on Permanent Advisory Commission for Military, Naval, and Air Questions, General Disarmament Conference.
- DESCHAMPS, Enrique, Chief Dominican Delegate, General Disarmament Conference.

- DIECKHOFF, Hans Heinrich, Chief, Anglo-American and Near East Department, German Foreign Office.
- DOLBEARE, Frederic R., State Department Adviser, U. S. Delegation, General Disarmament Conference.
- DRUMMOND, Sir Eric, Secretary General, League of Nations.
- DULLES, Allen W., State Department Adviser, U. S. Delegation, General Disarmament Conference.
- DUNN, James Clement, Secretary General, U. S. Delegation, General Disarmament Conference.
- DVORACEK, Jan, Member at Large, Preparatory Committee of Experts, International Monetary and Economic Conference; Director, Zivnestenska Banka, Prague, Czechoslovakia.
- EDEN, Robert Anthony, British Delegate, Bureau, General Disarmament Conference; Parliamentary Under Secretary of State for Foreign Affairs.
- EDGE, Walter Evans, Ambassador to France.
- ELLIOT, Major Walter E., British Minister of Agriculture and Fisheries.
- ESCALANTE, Diógenes, Chief Venezuelan Delegate, General Disarmament Conference; Minister to Great Britain.
- EYRES-MONSELL, Sir Bolton Meredith, First Lord of the Admiralty.
- FEIS, Herbert, Economic Adviser, Department of State; Adviser, Preparatory Committee of Experts, International Monetary and Economic Conference.
- FILIPOWICZ, Tytus, Polish Ambassador to United States.
- FISHER, Sir Norman Fenwick Warren, Permanent Secretary of the British Treasury.
- FLANDIN, Pierre Etienne, French Minister of Finance, to June 4.
- FLEUBIAU, Aime Joseph de, French Ambassador to Great Britain.
- FOTICH, Konstantin, Yugoslav Vice Minister for Foreign Affairs.
- FRANÇOIS-PONCET, André, French Ambassador to Germany.
- FRANCQUI, Emile, Belgian Representative, Preparatory Committee of Experts, International Monetary and Economic Conference.
- FRASER, Leon, Representative of Bank for International Settlements, Preparatory Committee of Experts, International Monetary and Economic Conference.
- FRIEDBICH, Stephan, Hungarian Prime Minister, 1919; Minister of War, 1920; Member of United Christian Party.
- GAIFFIER D'HESTROY, Baron Edward de, Belgian Ambassador to France.
- GAMELIN, General Maurice Gustave, Chief, French General Staff; Adviser, General Disarmament Conference.
- GARRETT, John Work, Ambassador to Italy.
- GERMAIN-MARTIN, Louis, French Minister of Finance, June 7-December 14.
- GHICA, Prince Dimitri, Rumanian Minister for Foreign Affairs, to June; Minister to Italy.
- GIBSON, Hugh Simmons, Acting Chairman, U. S. Delegation, General Disarmament Conference; Ambassador to Belgium.
- GORDON, George Anderson, Counselor of Embassy in Germany.
- GRANDI, Dino, Italian Minister for Foreign Affairs; Chief Delegate, General Disarmament Conference; Ambassador to Great Britain, July.
- GRATZ, Gustave, Hungarian Minister of Foreign Affairs, 1921; Minister of Finance, 1917; economist and advocate of cooperation between Danube States.
- GREW, Joseph Clark, Ambassador to Japan.

- GROENER**, Wilhelm, German Delegate, General Disarmament Conference; Minister for Reichswehr, to May 30.
- GUANI**, Alberto, Uruguayan Minister to France.
- HACKWORTH**, Green Haywood, Legal Adviser, Department of State.
- HANKEY**, Sir Maurice, Secretary General, British Delegation, Lausanne Conference; Secretary, British Cabinet.
- HAILSHAM**, Viscount Douglas, British Delegate, General Disarmament Conference; Secretary of State for War.
- HELLAT**, Aleksander, Estonian Assistant Minister for Foreign Affairs.
- HENDERSON**, Arthur, President, General Disarmament Conference; Leader, British Labor Party.
- HENBY**, Jules, Counselor of French Embassy in United States.
- HEPBURN**, Rear Admiral Arthur Japy, Navy Department Adviser, U. S. Delegation, General Disarmament Conference.
- HERRIOT**, Edouard, President, French Council of Ministers (June 7–December 14); Minister for Foreign Affairs; Chief Delegate, General Disarmament Conference, June 7.
- HITLER**, Adolf, Chairman, National Socialist German Workers' Party.
- HOOPER**, Herbert, President of the United States, 1929–33.
- HOBNE**, Sir Robert Stevenson, Conservative Party Member, British Parliament.
- HOWELL**, Williamson S., Jr., First Secretary of Embassy in France.
- HUDSON**, Manley O., Bemis Professor of International Law, Harvard University.
- HUGENBERG**, Dr. Alfred, Chairman, German National Peoples' Party.
- HUBRONJE**, Snouck, Secretary General, Netherlands Foreign Office.
- HUBLEY**, Patrick J., Secretary of War.
- HYDE**, Charles Cheney, Solicitor, Department of State, 1923–25.
- HYMANS**, Paul, Belgian Minister for Foreign Affairs; Chief Delegate, General Disarmament Conference.
- INSKIP**, Sir Thomas, British Attorney General.
- JEIDELS**, (?), Member of German Committee for Foreign Debts.
- JOUHAUX**, Léon, French Delegate, Bureau, General Disarmament Conference; Secretary General, General Confederation of Labor (C. G. T.).
- JOUVENEL**, Henry de, French Delegate, General Disarmament Conference.
- JUNG**, Guido, Italian Minister of Finance, July.
- KALTENBORN**, Hans V., News Analyst, Columbia Broadcasting System.
- KASTL**, Ludwig, Director, Federation of German Industries; Member of German Committee for Foreign Debts.
- KAWAI**, Hiroyuki, Japanese Representative, Preparatory Committee of Experts, International Monetary and Economic Conference; Minister to Poland.
- KELLOGG**, Frank Billings, Secretary of State, 1925–29; Judge, Permanent Court of International Justice.
- KENNARD**, Sir Howard William, British Minister to Switzerland.
- KEUBEN**, Captain Alexander Hamilton Van, Naval Expert, U. S. Delegation, General Disarmament Conference.
- KINDERSLEY**, Sir Robert Molesworth, Director, Bank of England.
- KING**, William Henry, U. S. Senator (Democrat), Utah.
- KINKAID**, Commander Thomas C., Naval Expert, U. S. Delegation, General Disarmament Conference.
- KIBK**, Alexander C., Counselor of Embassy in Italy.
- KLOTS**, Allen T., Special Assistant to the Secretary of State.
- KOC**, Adam, Polish Vice Minister of Finance.
- KRAMER**, Albert, Yugoslav Acting Minister for Foreign Affairs.

- KROFTA**, Kamil, Czechoslovak Acting Minister for Foreign Affairs.
- LA BOULAYE**, André Lefebvre de, Deputy Director, Department of Political and Commercial Affairs, French Foreign Office.
- LABORDE**, Rear Admiral Eugène Marie Jean Maurice de, Member, General Staff, French Navy.
- LANGENHOVE**, Fernand van, Belgian Representative, Preparatory Committee of Experts, International Monetary and Economic Conference; Secretary General, Belgian Foreign Office.
- LABETEL**, Heinrich, Director, Political Department, Estonian Foreign Office.
- LAVAL**, Pierre, President, French Council of Ministers and Minister for Foreign Affairs, to February 16; Minister of Labor, February–May.
- LAYTON**, Sir Walter Thomas, British Representative, Preparatory Committee of Experts, International Monetary and Economic Conference; editor of the *Economist*.
- LEBBUN**, Albert, President of France, 1932–40.
- LÉGER**, Alexis, Vice Political Director, French Foreign Office.
- LEITH-ROSS**, Sir Frederick, British Representative, International Monetary and Economic Conference; Chief Economic Adviser to British Government.
- LEITNER**, Rudolf, Counselor of German Embassy in United States.
- LIMA E SILVA**, Rinaldo de, Brazilian Ambassador to United States.
- LINDSAY**, Sir Ronald Charles, British Ambassador to United States.
- LIPSKI**, Joseph, Chief, Western Division, Polish Foreign Office.
- LITVINOV**, Maxim, Soviet Commissar for Foreign Affairs; Chief Delegate, General Disarmament Conference.
- LLOYD GEORGE**, David, British Prime Minister, 1916–22.
- LONDONDEBRY**, Marquess of, British Delegate, General Disarmament Conference; Secretary of State for Air; Representative, League of Nations Council.
- LULE**, Arthur B., Latvian Consul General at New York.
- LUTHER**, Dr. Hans, President, German Reichsbank, 1930–33.
- MACARTHUR**, General Douglas, Chief of Staff, U. S. Army.
- MCDEERMOTT**, Michael James, Chief, Division of Current Information, Department of State.
- MACDONALD**, J. Ramsay, British Prime Minister; Chief Delegate, General Disarmament Conference; President, Lausanne Conference.
- MACDONALD**, Malcolm, son of Prime Minister MacDonald; Parliamentary Under Secretary of State for the Dominions.
- MACE DO SOARES**, José Carlos de, Chief Brazilian Delegate, General Disarmament Conference.
- MCGARRAH**, Gates W., President, Bank for International Settlements.
- MADARIAGA**, Salvador de, Spanish Delegate, General Disarmament Conference.
- MAREK**, Ferdinand, Austrian Minister to Czechoslovakia.
- MARIN**, Louis, Leader, Republican National Alliance, French Chamber of Deputies.
- MARINKOVITCH**, Voislav, Yugoslav Minister for Foreign Affairs; Chief Delegate, General Disarmament Conference.
- MARRNER**, James Theodore, State Department Adviser, U. S. Delegation, General Disarmament Conference; Counselor of Embassy in France.
- MARTINO**, Nobile Giacomo de, Italian Ambassador to United States.
- MARX**, Wilhelm, German Chancellor, 1923–24; 1926–28.
- MASSIGLI**, René, French Delegate, General Disarmament Conference; Representative, League of Nations Council and Assembly.

- MATSUDAIRA**, Tsunéo, Chief Japanese Delegate, General Disarmament Conference; First Delegate, League of Nations Special Assembly, March 3-April 14; Ambassador to Great Britain.
- MAY**, Paul, Belgian Ambassador to United States.
- MAYER**, Ferdinand, State Department Adviser, U. S. Delegation, General Disarmament Conference; Counselor of Embassy in Belgium.
- MELLON**, Andrew William, Ambassador to Great Britain.
- MIHALACHE**, Ion, Rumanian Minister of the Interior.
- MILLS**, Ogden L., Secretary of the Treasury.
- MITCHELL**, William D., U. S. Attorney General.
- MOFFAT**, Jay Pierrepont, Chief, Division of Western European Affairs, Department of State, July 15.
- MOONICK**, Emmanuel, Financial Attaché, French Embassy in United States.
- MOONEY**, Franklin D., Chairman, Committee of American Steamship Lines; President, New York and Cuba Mail Steamship Company.
- MOSCONI**, Dr. Antonio, Italian Minister of Finance, to July.
- MOTTA**, Giuseppe, Head, Swiss Political Federal Department; Chief Delegate, General Disarmament Conference; Representative, League of Nations Assembly.
- MOWBR**, Paul Scott, European Director, Chicago *Daily News* Foreign Service.
- MUNCH**, Peter, Danish Minister for Foreign Affairs; Chief Delegate, General Disarmament Conference.
- MUSSOLINI**, Benito, Italian Prime Minister (Il Duce), 1922-43.
- MUZY**, Jean, Member at Large, Preparatory Committee of Experts, International Monetary and Economic Conference; Chief, Swiss Federal Department of Finance and Customs.
- NADOLNY**, Rudolf, German Ambassador to Turkey; Acting Chief Delegate, General Disarmament Conference.
- NAGANO**, Osami, Vice Admiral, Japanese Navy.
- NAJERA**, Francisco Castillo, Chief Mexican Delegate, General Disarmament Conference; Minister to the Netherlands.
- NEUBATH**, Baron Constantin von, German Minister for Foreign Affairs, June 2; Delegate, General Disarmament Conference.
- NEWTON**, Basil Cochrane, Counselor of British Embassy in Germany.
- NICKL**, Alfred de, Member at Large, Preparatory Committee of Experts, International Monetary and Economic Conference; Director of Commercial Agreements, Hungarian Ministry for Foreign Affairs.
- NOËL**, Léon, Chef de Cabinet, French Ministry for Foreign Affairs.
- NORMAN**, Montagu, Governor, Bank of England.
- NOWAK**, Stanislas (?), Chief, Movement of Funds Section, Polish Ministry of Finance.
- OBLOWSKI**, Leon, Chief, Anglo-American Section, Polish Foreign Office.
- OSBORNE**, Francis D'Arcy Godolphin, Counselor of British Embassy in United States.
- PAGE**, Arthur W., Vice President, American Telephone and Telegraph Company.
- PAPEN**, Franz von, German Chancellor, June 12-November 17.
- PARMENTIER**, Jean, French Representative, Preparatory Committee of Experts, International Monetary and Economic Conference.
- PAUL-BONCOUE**, Joseph, French Delegate, General Disarmament Conference; Representative, League of Nations Council and Assembly; Minister for Foreign Affairs, December.

- PELL, Robert Thompson, Press Officer, U. S. Delegation, General Disarmament Conference.
- PEBTINAX (André Géraud), French political writer, *Écho de Paris*.
- PÉTAÏN, Marshal Henri Philippe, Member, French Higher Council of National Defense.
- PÏNSENT, Gerald Hume Savérie, Assistant Secretary, British Treasury; Financial Adviser, British Embassy in Germany, November 4.
- PÏTAMÏC, Dr. Leonide, Yugoslav Minister to United States.
- POLÏTIS, Nicolas, Chief Greek Delegate, General Disarmament Conference; Minister to France.
- PRATT, Admiral William Veazie, Chief of Naval Operations, U. S. Navy.
- PREBITSCH, Raul, Member at Large, Preparatory Committee of Experts, International Monetary and Economic Conference; National Bank of Argentina.
- PRÏTTWÏTZ UND GAFFRON, Friedrich W. von, German Ambassador to United States.
- PROCHNIK, Edgar L. G., Austrian Minister to United States.
- RADEFF, Simeon, Bulgarian Minister to United States.
- RAY, Marcel, Assistant Chef de Cabinet, French Foreign Office.
- REBER, Samuel, Jr., Secretary, U. S. Delegation, Bureau, General Disarmament Conference; Third Secretary of Embassy in Belgium.
- RECOULY, Raymond, French journalist and historian.
- REED, David Aiken, U. S. Senator (Republican), Pennsylvania.
- REGNIER, Eugene A., Special Assistant, U. S. Delegation, Conference of Ministers, 1931; Captain, U. S. Army.
- RENKÏN, Jules, Belgian Representative, Lausanne Conference.
- REQUÏN, General Edouard, Director, Military Bureau, French Ministry for War; Adviser, General Disarmament Conference.
- RESTREPO, Dr. Antonio José, Chief Colombian Delegate, General Disarmament Conference; Permanent Delegate to the League of Nations.
- RIESSER, Dr. H. E., Counselor of German Embassy in France.
- RÏST, Charles, French Representative, Preparatory Committee of Experts, International Monetary and Economic Conference.
- RÏTTEB, Dr. Karl, Chief, Economic Section, German Foreign Office.
- ROCCO, Guido, Italian Minister to Czechoslovakia.
- ROGERS, James Grafton, Assistant Secretary of State.
- ROMAN, Antoni, Economic Adviser, Polish Foreign Office.
- ROOSEVELT, Franklin Delano, President-elect of the United States; Governor, State of New York.
- ROSSO, Augusto, Secretary General, Italian Delegation, General Disarmament Conference; Representative, League of Nations Council and Assembly.
- RUMBOLD, Sir Horace George Montagu, British Ambassador to Germany.
- RUNCÏMAN, Walter, President, British Board of Trade.
- RÏSTÏ BEY, Tevîk, Turkish Minister for Foreign Affairs; Chief Delegate, General Disarmament Conference.
- RYÏI, Risto, Member at Large, Preparatory Committee of Experts, International Monetary and Economic Conference; Governor, Bank of Finland.
- SACKETT, Frederic Mosley, Ambassador to Germany; Member, Organization Committee, International Monetary and Economic Conference.
- SAMUEL, Sir Herbert, British Delegate, General Disarmament Conference; Secretary of State for Home Affairs.
- SANDLER, Rickard J., Swedish Delegate, General Disarmament Conference; Minister for Foreign Affairs, from September.

- SATO, Naotaké, Japanese Delegate, General Disarmament Conference; Representative, League of Nations Council; Ambassador to Belgium.
- SCHACHT, Hjalmar, President, German Reichsbank, 1924-30.
- SCHÄFFER, Hans, German Secretary of State for Finance, to May 30.
- SCHLEICHER, General Kurt von, German Minister for the Reichswehr, June 1; Delegate, General Disarmament Conference; Chancellor, December 2.
- SCHLIEFER, (?), Member of German Committee for Foreign Debts.
- SCHOBER, Johann, Austrian Minister for Foreign Affairs.
- SCHUBERT, Dr. Karl von, German Ambassador to Italy.
- SCHÜLLER, Richard, Chief Economic Adviser, Austrian Foreign Office.
- SCHWERIN VON KROSIGK, Count Ludwig, Chief, Budget Department, German Ministry of Finance.
- SIMON, Sir John, British Secretary of State for Foreign Affairs; Acting Chief Delegate, General Disarmament Conference; Representative, League of Nations Council and Assembly.
- SIMONDS, Brigadier General George S., Adviser, U. S. Delegation, General Disarmament Conference.
- SIMOPOULOS, Charalambos, Greek Minister to United States.
- SOARES. (*See* Macedo Soares.)
- STIMSON, Henry L., Secretary of State; Chairman, U. S. Delegation, General Disarmament Conference.
- STRESEMANN, Gustav, German Chancellor, 1923; Minister for Foreign Affairs, 1923-29.
- STRONG, Lieutenant Colonel George V., Adviser, U. S. Delegation, General Disarmament Conference.
- SUVICH, Fulvio, Italian Under Secretary of State for Foreign Affairs.
- SWANSON, Claude A., U. S. Senator (Democrat), Virginia; Delegate, General Disarmament Conference.
- SZÉCHÉNYI, Count László, Hungarian Minister to United States.
- TARDIEU, André, President, French Council of Ministers, February-June; Minister for Foreign Affairs; Chief Delegate, General Disarmament Conference; Representative, League of Nations Council.
- TASSINARI, Giuseppe, Italian Representative, Preparatory Committee of Experts, International Monetary and Economic Conference; President, Italian National Agriculture Association.
- TE WATER, Charles Theodore. (*See* Water, Charles Theodore *te.*)
- THEUNIS, Georges, Belgian Minister for National Defense.
- TITULESCO, Nicolas, Vice Chairman, Rumanian Delegation, General Disarmament Conference; Minister to Great Britain.
- TÖNNISSON, Jaan, Estonian Minister for Foreign Affairs.
- TRIP, Leonardus J. A., Chairman, Preparatory Committee of Experts, International Monetary and Economic Conference; President, Bank of the Netherlands.
- TSUSHIMA, Juichi, Japanese Representative, Preparatory Committee of Experts, International Monetary and Economic Conference; Financial Attaché, Japanese Embassy in Great Britain.
- TUBELIS, Juozas, Lithuanian Minister for Foreign Affairs.
- TUCK, Somerville Pinkney, First Secretary of Legation in Czechoslovakia.
- TURNER, Commander Richmond Kelly, Navy Department Aviation Expert, U. S. Delegation, General Disarmament Conference.
- TYRRELL, Lord William George, British Ambassador to France.

- VANSITTART, Sir Robert Gilbert, British Permanent Under Secretary of State for Foreign Affairs.
- VAYBECKA, Hugo, Czechoslovak Minister to Austria.
- VEVERKA, Ferdinand, Czechoslovak Minister to United States.
- VITETTI, Leonardo, Italian Foreign Office staff.
- VOCKE, Dr. Wilhelm, German Representative, Preparatory Committee of Experts, International Monetary and Economic Conference; Board Member, Reichsbank.
- VÖLCKERS, Dr. Hans Hermann, Member, German Delegation, Five-Power Conversations, Geneva, December 2-12, 1932; Consul General at Geneva.
- WALKO, Ludwig, Hungarian Minister for Foreign Affairs.
- WARMBOLD, Hermann, German Representative, Preparatory Committee of Experts, International Monetary and Economic Conference; Minister for National Economy.
- WATER, Charles Theodore de, Chief South African Delegate, General Disarmament Conference; High Commissioner for Union of South Africa in Great Britain.
- WEIZSÄCKER, Baron Ernst von, German Delegate, General Disarmament Conference; Minister to Norway.
- WEYGAND, Maxime, Vice President, French Superior Council of War; General Inspector, French Army.
- WIGGIN, Albert Henry, Chairman, Foreign Creditors Standstill Committee; Chairman, Governing Board, Chase National Bank, New York.
- WIGBAM, Ralph Follett, Member, British Delegation, Five-Power Conversations, Geneva, December 2-12, 1932; First Secretary of Embassy in France.
- WILEY, John Cooper, Counselor of Embassy in Germany.
- WILFORD, Sir Thomas Mason, Chief New Zealand Delegate, General Disarmament Conference; High Commissioner for New Zealand in Great Britain.
- WILLIAMS, John Henry, U. S. Representative, Preparatory Committee of Experts, International Monetary and Economic Conference; Professor of Economics, Harvard University.
- WILSON, Hugh Robert, Alternate Delegate, General Disarmament Conference; Minister to Switzerland.
- WILSON, Woodrow, President of the United States, 1913-21.
- WINSHIP, Major General Blanton, Judge Advocate General, U. S. Army.
- WOOLLEY, Dr. Mary Emma, Delegate, General Disarmament Conference; President, Mt. Holyoke College.
- WRIGHT, Joshua Butler, Minister to Uruguay.
- YEN, Dr. W. W. (Hui-ching), Chief Chinese Delegate, General Disarmament Conference; Minister to United States.
- ZALESKI, Auguste, Polish Minister for Foreign Affairs to November 2; Chief Delegate, General Disarmament Conference.
- ZARINS, Charles, Latvian Minister for Foreign Affairs.
- ZULUETA Y ESCOLANO, Luis de, Spanish Minister for Foreign Affairs; Chief Delegate, General Disarmament Conference.

LIST OF PAPERS

(Unless otherwise specified, the correspondence is *from* or *to* officials in the Department of State.)

PARTICIPATION OF THE UNITED STATES IN INTERNATIONAL NEGOTIATIONS FOR DISARMAMENT

I. THE CONFERENCE FOR THE REDUCTION AND LIMITATION OF ARMAMENTS, GENEVA, FEBRUARY 2-JULY 23, 1932

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III. DEMAND OF GERMANY FOR EQUALITY OF ARMAMENTS—continued

Date and number	Subject	Page
1932 Oct. 3 (394)	<i>From the American Delegate (tel.)</i> From Davis: Information that Simon is sending instructions to Vansittart to propose the London conversations as within the framework of the Disarmament Conference and as a continuance of the informal conversations previously carried on.	452
Oct. 3	<i>From the British Chargé</i> Message from Simon indicating that invitations to the London meeting have been sent out, and suggesting that Norman Davis be authorized to attend for the United States.	452
Oct. 3 (213)	<i>To the American Delegate (tel.)</i> For Davis: Information that Simon's invitation has been received, but the answer is being postponed until the Secretary can be assured that the plan will be acceptable to France and Germany and that all the participants are convinced that the conversations offer the best means of persuading Germany to continue her cooperation in disarmament; suggestion that the conversations be held within reach of Geneva.	453
Oct. 4 (399)	<i>From the American Delegate (tel.)</i> From Davis: Information that Simon and Herriot are meeting in Paris regarding the London conversations; initial French reaction seems unfavorable to meeting in London, although conversations in Geneva within the scope of the disarmament discussions would apparently be acceptable.	454
Oct. 5 (283)	<i>From the Ambassador in Great Britain (tel.)</i> Foreign Office statement (text printed) announcing possibility of the meeting in London.	455
Oct. 6 (582)	<i>From the Chargé in France (tel.)</i> From Davis: Receipt of information that Herriot was reluctant to refuse to attend the London meeting but thought the chances of failure were great.	456
Oct. 6 (583)	<i>From the Chargé in France (tel.)</i> From Davis: Further information that Herriot has expressed willingness to enter the proposed discussions but believes they should take place in Geneva.	457
Oct. 7 (585)	<i>From the Chargé in France (tel.)</i> Report of conversation between Davis and Herriot in which the latter elaborated on his attitude toward the proposed London conversations, and stated that at present he was studying a disarmament project forwarded to him by Paul-Boncour.	457
Oct. 8 (203)	<i>From the Chargé in Germany (tel.)</i> Summary of the German acceptance of the British invitation, and information that Germany preferred London as a meeting place but would not necessarily object to Geneva.	460

INTERNATIONAL NEGOTIATIONS FOR DISARMAMENT—Continued

III. DEMAND OF GERMANY FOR EQUALITY OF ARMAMENTS—continued

Date and number	Subject	Page
1932 Oct. 10 (288)	<i>From the Ambassador in Great Britain (tel.)</i> From Norman Davis: Account of long discussions with Simon regarding disarmament, in which Simon emphasized importance of U. S. participation in the proposed London meeting.	461
Oct. 14 (296)	<i>From the Ambassador in Great Britain (tel.)</i> From Norman Davis: Information that Herriot had reached an agreement with the British for conversations at Geneva, that Italy had accepted, but that Germany had refused to consider Geneva as a meeting place; that Von Neurath had suggested The Hague as a compromise or, as a last resort, Lausanne.	462
Oct. 15 (207)	<i>From the Chargé in Germany (tel.)</i> Conversation with Dieckhoff, of the Foreign Office, who explained Germany's change of position on the location of the disarmament discussions.	464
Oct. 17 (297)	<i>From the Ambassador in Great Britain (tel.)</i> From Norman Davis: Conviction that U. S. active collaboration is essential to the success of the Disarmament Conference and that the fate of the Conference will depend on the forthcoming conversations among the leading powers.	465
Oct. 20 (273)	<i>To the Ambassador in Great Britain (tel.)</i> For Norman Davis: Opinion that the preservation of the world's peace machinery is of more immediate concern than a limited agreement on disarmament; authorization for Davis' participation in preliminary discussions.	467
Oct. 21 (306)	<i>From the Ambassador in Great Britain (tel.)</i> From Norman Davis: Appreciation of guidance contained in the Secretary's telegram No. 273.	468
Oct. 22	<i>Memorandum by the Assistant Secretary of State</i> Conversation with the Italian Ambassador, who outlined Mussolini's disarmament plan, which included recognition of Germany's right to juridical equality.	469
Oct. 29 (849)	<i>From the Chargé in Czechoslovakia</i> Conversation with the Foreign Minister, whose impressions on recent developments in matters relating to disarmament were distinctly pessimistic.	470
Nov. 1 (427)	<i>From the American Delegate (tel.)</i> From Davis: Conversation with Secretary General of the League, who is convinced that Germany sincerely desires to reach an early agreement with France. Information that the new French plan (text on page 380) has been favorably received in Berlin.	472

INTERNATIONAL NEGOTIATIONS FOR DISARMAMENT—Continued

III. DEMAND OF GERMANY FOR EQUALITY OF ARMAMENTS—continued

Date and number	Subject	Page
1932 Nov. 22 (467)	<i>From the American Delegate (tel.)</i> From Davis: Conversation with Von Neurath during which he outlined Germany's meaning of "equality of rights," and Davis emphasized U. S. interest in general armament reduction and the fact that Germany and France have more to gain from the success of the Disarmament Conference and more to lose from its failure than any other country, to which Von Neurath agreed.	473
Nov. 25 (469)	<i>From the American Delegate (tel.)</i> From Davis: Information that 5-power conversations are expected to begin December 2 if Von Neurath, after consultation with Hindenburg, agrees; that Davis is leaving for Paris to secure French agreement for an early preliminary convention.	475
Nov. 28 (3117)	<i>From the Chargé in France</i> Transmittal of a memorandum (text printed) of a conversation between Davis and Herriot on various aspects of the disarmament problem.	476
Nov. 29 (3122)	<i>From the Chargé in France</i> Transmittal of a memorandum (text printed) of a conversation between Davis and Herriot covering certain aspects of the French plan, and the program to be followed in the 5-power conversations at Geneva; Davis' outline of the idea of a preliminary convention, which Herriot said he found immensely interesting and would discuss with Paul-Boncour.	481
Nov. 29 (679)	<i>From the Chargé in France (tel.)</i> From Norman Davis: Information that MacDonald and Simon are expected at Geneva, where the Prime Minister would like to discuss the situation in regard to the proposed world economic conference.	486
Nov. 30 (683)	<i>From the Chargé in France (tel.)</i> From Norman Davis: Information that Herriot and Paul-Boncour both stated they were convinced of the wisdom of formulating a preliminary convention, and that Simon's preliminary reaction was favorable.	487
Dec. 1 (685)	<i>From the Chargé in France (tel.)</i> From Norman Davis: Conversation with the British Ambassador, who recounted a conversation in which Herriot expressed apprehension that Germany would seek U. S. support in getting France to accede to her demands; Davis' reiteration of U. S. desire merely for the greatest measure of disarmament immediately possible.	488

INTERNATIONAL NEGOTIATIONS FOR DISARMAMENT—Continued

III. DEMAND OF GERMANY FOR EQUALITY OF ARMAMENTS—continued

Date and number	Subject	Page
1932 Undated	<p data-bbox="277 328 926 395"><i>Memorandum of the Five-Power Conversations at Geneva Regarding Disarmament and the Return of Germany to the Disarmament Conference, December 2-12, 1932</i></p> <p data-bbox="277 395 926 480">Record of preliminary conversations between the British, French, and Americans on draft preliminary convention, December 2-4; and of the formal conversations, December 5-12.</p> <p data-bbox="277 480 926 565">Annexes A-M (texts printed), including drafts of preliminary convention and of five-power declaration, memoranda circulated by the German representative, and final text of the Five-Power Declaration signed December 11.</p>	489

IV. CONVERSATIONS ON NAVAL QUESTIONS

1932 Sept. 9 (237)	<p data-bbox="277 683 732 708"><i>To the Ambassador in Great Britain (tel.)</i></p> <p data-bbox="277 708 926 817">For Sir John Simon from Norman Davis: Information that Davis will be prepared to discuss naval questions (as suggested earlier by Simon and MacDonald) with a view to resolving Anglo-American differences, if Simon still thinks such discussion would be desirable.</p>	528
Sept. 10 (260)	<p data-bbox="277 829 767 854"><i>From the Ambassador in Great Britain (tel.)</i></p> <p data-bbox="277 854 926 897">For Norman Davis: Information that Simon would be happy to discuss naval matters with Davis.</p>	529
Oct. 3 (397)	<p data-bbox="277 909 926 956"><i>From the American Delegate to the Bureau of the General Disarmament Conference (tel.)</i></p> <p data-bbox="277 956 926 994">From Davis: Information that Simon has invited Davis to London for naval conversations.</p>	529
Oct. 11 (292)	<p data-bbox="277 1010 759 1034"><i>From the Ambassador in Great Britain (tel.)</i></p> <p data-bbox="277 1034 926 1119">From Davis: Discussion of naval matters with the First Lord of the Admiralty, including questions of the need for reconciling U. S. and British proposals, of taking up technical matters, and of talking with the Japanese.</p>	529
Oct. 19 (301)	<p data-bbox="277 1135 753 1159"><i>From the Ambassador in Great Britain (tel.)</i></p> <p data-bbox="277 1159 926 1289">From Davis: Information that Hepburn and Dulles, of the American delegation, have been holding informal conversations with the Admiralty and Foreign Office on technical questions, and that a memorandum was prepared (text printed) upon which agreement might be reached. Comment by Hepburn and Dulles on various points of the memorandum.</p>	531
Oct. 19 (302)	<p data-bbox="277 1305 759 1329"><i>From the Ambassador in Great Britain (tel.)</i></p> <p data-bbox="277 1329 926 1449">From Davis: Request for Department's opinion on the importance of pressing the British to go further than the memorandum, and also as to whether the memorandum presents a possible basis for collaboration between the two Governments.</p>	534

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INTERNATIONAL NEGOTIATIONS FOR DISARMAMENT—Continued

IV. CONVERSATIONS ON NAVAL QUESTIONS—continued

Date and number	Subject	Page
1932 Oct. 20 (305)	<i>From the Ambassador in Great Britain (tel.)</i> From Davis: Information that U. S. representatives have stressed the need for further naval reduction and the inadequacy of British programs in this respect.	535
Oct. 25 (308)	<i>From the Ambassador in Great Britain (tel.)</i> From Davis: Conversation with MacDonald and other officials in which Davis emphasized the necessity of examining the possibility of further naval reductions along the lines of the Hoover proposal. Later conversations in which questions regarding the scrapping of battleships and the abolition of submarines were discussed.	536
Oct. 26 (309)	<i>From the Ambassador in Great Britain (tel.)</i> From Davis: Request for instructions as to the possibility of making further progress with the negotiations before leaving London, and for advice on several suggestions for further action.	539
Oct. 26 (277)	<i>To the Ambassador in Great Britain (tel.)</i> For Norman Davis: Information that due to unavoidable circumstances the guidance requested in cable No. 309 cannot be given at the present time; that the situation should be explained to MacDonald and Simon, and that Davis will be authorized to communicate with them later.	540
Oct. 27 (311)	<i>From the Ambassador in Great Britain (tel.)</i> From Davis: Information that the Prime Minister and others have been informed that a more detailed study of the naval questions is necessary than is possible before Davis' departure; suggestion that conversations might be continued at Geneva on the basis of instructions from the Department.	541
Oct. 28 (314)	<i>From the Ambassador in Great Britain (tel.)</i> From Davis: Information that the Japanese have formulated a naval plan which, according to Matsudaira, is a compromise between the American and British plans.	542
Oct. 28 (315)	<i>From the Ambassador in Great Britain (tel.)</i> From Davis: Transmittal of certain information gleaned by Hepburn in his talks with the Admiralty which he believes may prove useful in interpreting British attitude on technical points that may arise later.	542
Nov. 1 (175)	<i>From the Ambassador in Japan</i> Information that Japan is expecting a 5-power conference to develop from the naval discussions in London and has instructed Matsudaira accordingly. Comment that Japan's purpose might be to wreck the conference by rejecting the Hoover proposal, opposing the Baldwin plan on most points, and introducing a counterproposal which will be entirely unacceptable to the United States and Great Britain, resulting in an impasse.	543

INTERNATIONAL NEGOTIATIONS FOR DISARMAMENT—Continued

IV. CONVERSATIONS ON NAVAL QUESTIONS—continued

Date and number	Subject	Page
1932 Nov. 3 (431)	<i>From the American Delegate (tel.)</i> From Davis: Information that both Italy and France would welcome U. S. cooperation in effecting a naval agreement between the two countries; request for advice on accepting Mussolini's invitation to Rome.	545
Nov. 4 (231)	<i>To the American Delegate (tel.)</i> For Davis: Criticism of the memorandum transmitted in telegram No. 301 of October 19; instructions to regard the completion of the London Naval Treaty (by bringing in France and Italy) as an immediate and concrete objective; reply to the questions outlined in telegram No. 309 of October 26.	546
Nov. 8 (101)	<i>From the Chargé in Italy (tel.)</i> From Davis: Comments on the Secretary's criticism of the London memorandum and on his views on the general picture of the naval and diplomatic problems; disagreement on the relative importance of completing the London Naval Treaty.	548
Nov. 8	<i>From Mr. Norman H. Davis of the American Delegation</i> Transmittal of two memoranda (texts printed) covering conversations with Mussolini and Italian officials concerning the disarmament conversations and the prospects for France and Italy to reach an agreement on naval questions, including a general outline by the Italian representatives as to how the problem might be approached.	550
Nov. 9 (104)	<i>From the Chargé in Italy (tel.)</i> From Davis: Further comment on the Secretary's views on naval problems.	556
Nov. 12 (244)	<i>To the American Delegate (tel.)</i> For Davis: Opinion that efforts to conclude a long-term naval treaty might be unsuccessful now, but that completion of the London Treaty would facilitate subsequent negotiations and ensure the stabilization of the relative positions of all five powers before the convening of the 1935 conference.	558
Nov. 15 (457)	<i>From the American Delegate (tel.)</i> From Norman Davis: Information that Davis has told the British that, pending further progress toward bringing France and Italy into the London Treaty, the U. S. representatives prefer to postpone further conversations regarding joint U. S. and British naval problems.	559
Undated	<i>Memorandum Respecting Naval Conversations, October 7 to December 14, 1932</i> Relation of the London conversations to the subsequent negotiations respecting a Franco-Italian accord. Record of the Geneva conversations looking toward completion of the London Treaty: Proposal formulated by Italian naval experts; principles acceptable to the French experts; British position with respect to the French and Italian proposals; memorandum prepared by the British and Americans and presented to the French and Italians outlining basis for Franco-Italian settlement; analysis of the memorandum and of its probable reception.	560

THE PACT OF PARIS: THREE YEARS OF DEVELOPMENT

Date and number	Subject	Page
1932 Aug. 8	<p data-bbox="194 300 841 366"><i>Address Delivered by the Secretary of State Before the Council on Foreign Relations at New York on August 8, 1932</i></p> <p data-bbox="194 369 841 522">Appreciation of the Kellogg-Briand Pact, which has illegalized war, relies upon the sanction of public opinion to make it effective, represents a new world viewpoint as illustrated by the action of the United States and the Assembly of the League of Nations in refusing to recognize Japan's subjugation of Manchuria, and to which discussion and consultation are necessary and implied adjuncts.</p>	575

EFFORTS OF INTERESTED GOVERNMENTS TO ACHIEVE A READJUSTMENT OF WAR DEBT PAYMENTS TO THE UNITED STATES

I. NEGOTIATION OF AGREEMENTS LEGALIZING THE HOOVER MORATORIUM

1932 Feb. 26	<p data-bbox="194 703 620 727"><i>To the Ambassador in France (circ. tel.)</i></p> <p data-bbox="194 730 841 855">Instructions to inform the Government to which accredited that the Secretary of the Treasury is now prepared to proceed with negotiations toward postponing the payments due during the fiscal year beginning July 1, 1931, and requests that a representative duly authorized to confer with him at Washington be designated.</p> <p data-bbox="194 859 841 942">(To be repeated to diplomatic missions in Austria, Belgium, Czechoslovakia, Estonia, Finland, Germany, Great Britain, Greece, Hungary, Italy, Latvia, Lithuania, Poland, Rumania, and Yugoslavia.)</p>	584
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Austria

1932 May 9	<p data-bbox="194 1058 694 1083"><i>Memorandum by the Acting Secretary of State</i></p> <p data-bbox="194 1086 841 1145">Information that the Austrian Minister was given a copy of the moratorium agreement and that authorization to sign would be requested from his Government.</p>	585
May 23	<p data-bbox="194 1163 684 1187"><i>Memorandum by the Under Secretary of State</i></p> <p data-bbox="194 1190 841 1246">Conversation with the Austrian Minister, who indicated that he would report to the Treasury as soon as instructions from his Government had been received.</p>	585
June 29 (187)	<p data-bbox="194 1263 641 1288"><i>To the Ambassador in Great Britain (tel.)</i></p> <p data-bbox="194 1291 841 1376">Information that the Treasury is prepared to sign an agreement with Austria similar, <i>mutatis mutandis</i>, to the U. S.-British agreement of June 4, 1932; request for comment or suggestions from Leith-Ross or his assistant.</p>	586

READJUSTMENT OF WAR DEBT PAYMENTS—Continued

I. AGREEMENTS LEGALIZING THE HOOVER MORATORIUM—continued

Austria—Continued

Date and number	Subject	Page
1932 July 1 (188)	<i>From the Ambassador in Great Britain</i> Transmittal of comment (text printed) by Pinsent, British Treasury Assistant, on the debt postponement agreement between the United States and Austria.	586
Sept. 19 (189)	<i>To the Minister in Austria</i> Transmittal of a copy of the U. S.-Austrian agreement signed September 14.	588

Belgium

1932 Mar. 24	<i>Memorandum by the Under Secretary of State of a Conversation With the Belgian Ambassador</i> Belgian Ambassador's fear that the intransigent attitude of Congress might result in its maintaining its position whatever the situation might be; Under Secretary's reply that a nation literally unable to pay its debt would be treated in the usual broadminded, friendly American manner.	588
Apr. 21 (14)	<i>To the Chargé in Belgium (tel.)</i> Instructions to inquire into and report on the status of the draft moratorium agreement which was handed to the Belgian Ambassador some time ago.	589
Apr. 22 (34)	<i>From the Chargé in Belgium (tel.)</i> Information that the Treasury draft agreement is now under consideration by government officials.	589
May 12 (18)	<i>To the Chargé in Belgium (tel.)</i> Instructions to inform the Belgian Government that failure to put its acceptance of the President's proposal in legal form would have serious consequences.	590
May 14 (38)	<i>From the Chargé in Belgium (tel.)</i> Conversation with the Belgian Under Secretary of State, who stated that negotiation on the moratorium agreement had been placed in the hands of the British Government; that when Great Britain signs the agreement, or gives definite assurance of signing, Belgium will follow.	590
May 18 (40)	<i>From the Chargé in Belgium (tel.)</i> Information from the Belgian Under Secretary of State that the Cabinet crisis would delay action on the moratorium agreement.	591
May 23 (20)	<i>To the Chargé in Belgium (tel.)</i> For the Ambassador: Instructions to advise the Belgian Government of the intention of the British and Italian Governments to sign immediately; also of the increasing danger in the United States of misunderstanding and recriminations against those nations who accepted the debt postponement but have failed to put it into legal effect.	592

READJUSTMENT OF WAR DEBT PAYMENTS—Continued

I. AGREEMENTS LEGALIZING THE HOOVER MORATORIUM—continued

Belgium—Continued

Date and number	Subject	Page
1932 May 24 (42)	<i>From the Chargé in Belgium (tel.)</i> Information from the Under Secretary for Foreign Affairs that a new Cabinet is being organized and the debt postponement agreement will be the first question to come before it.	592
May 26 (43)	<i>From the Chargé in Belgium (tel.)</i> Information from the Foreign Office that full powers are being forwarded to the Belgian Ambassador to sign the agreement.	593
June 27 (610)	<i>To the Chargé in Belgium</i> Transmittal of a copy of the U. S.-Belgian agreement signed June 10.	593

Czechoslovakia

1932 Apr. 23 (15)	<i>To the Minister in Czechoslovakia (tel.)</i> Instructions to inquire into and report on the status of the draft moratorium agreement which was handed to the Czechoslovak Minister some time ago.	593
Apr. 25 (15)	<i>From the Minister in Czechoslovakia (tel.)</i> Czechoslovak Government's designation of the Minister at Washington as its representative in negotiating the moratorium agreement.	594
May 24 (19)	<i>To the Minister in Czechoslovakia (tel.)</i> Advice that the Czechoslovak Legation is still without authority to complete the moratorium agreement; instructions to inform the Czechoslovak Government that failure to sign will be regarded by the American people as a repudiation of the agreement.	594
May 28 (21)	<i>From the Chargé in Czechoslovakia (tel.)</i> Information from the Acting Minister for Foreign Affairs that the Government is disposed in principle to sign, but for reasons of internal politics prefers to wait until other powers have agreed.	595
June 27 (185)	<i>To the Chargé in Czechoslovakia</i> Transmittal of a copy of the U. S.-Czechoslovak agreement signed June 10.	595

Estonia, Latvia, and Lithuania

1932 May 16 (1)	<i>To the Chargé in Estonia (tel.)</i> Instructions to inquire into the status of the draft moratorium agreement which was handed to the Estonian Vice Consul in April, and to urge that action be expedited so that the agreement may be signed by May 25.	595
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READJUSTMENT OF WAR DEBT PAYMENTS—Continued

I. AGREEMENTS LEGALIZING THE HOOVER MORATORIUM—continued
Estonia, Latvia, and Lithuania—Continued

Date and number	Subject	Page
1932 May 20 (361)	<i>From the Minister in Latvia</i> Information that the Lithuanian Government has made no budgetary provision for payment of interest upon expiration of the moratorium inasmuch as it was hoped that an agreement might be reached for postponement of the December 15 interest payment.	596
May 24 (1)	<i>From the Chargé in Estonia (tel.)</i> Memorandum received from the Estonian Government (text printed) stating that the moratorium agreement signature would be delayed while the Government is investigating its ability to pay.	598
May 26 (2)	<i>To the Chargé in Estonia (tel.)</i> Instructions to reply to the Estonian memorandum that the agreement does not represent a new obligation but the method of paying an old one; that a refusal to put the terms of the postponement into legal form will be regarded as repudiation of the agreement.	598
May 28 (2)	<i>From the Chargé in Estonia (tel.)</i> Estonian counterproposal that the debt be distributed over a period of 52 years at 3½ percent interest rate to correspond with the terms of the original debt-funding agreement.	599
May 31 (3)	<i>To the Chargé in Estonia (tel.)</i> Instructions to reply to the Estonian counterproposal that there can be no deviation from the terms of the Joint Resolution of Congress of December 23, 1931.	599
June 2 (409)	<i>From the Minister in Latvia</i> Information that the moratorium agreement will probably be signed by Estonia and Latvia; observation that the signing of the agreement by the British Government removed the last vestiges of opposition.	600
June 3 (423)	<i>From the Minister in Latvia</i> Letter from the Chargé in Estonia (text printed) containing information that the Estonian budget for the current fiscal year does not provide for the making of normal payment on December 15; also that the Foreign Minister hopes the United States will agree to the reduction, if not the complete cancellation, of Estonia's debt.	601
June 6 (4)	<i>From the Chargé in Estonia (tel.)</i> Receipt of Foreign Office <i>note verbale</i> agreeing to sign the postponement agreement, preferably at Tallinn, and suggesting an exchange of notes assuring for Estonia the benefit of any preferential treatment which the United States might give to any other country; request for instructions.	604
June 7	<i>From the Secretary of the Treasury to the Acting Consul General of Estonia at New York, in Charge of Legation</i> Notice of amount due on debt payable June 15, 1932, since Estonia has not entered into the agreement authorized by the Joint Resolution of Congress.	604

READJUSTMENT OF WAR DEBT PAYMENTS—Continued

I. AGREEMENTS LEGALIZING THE HOOVER MORATORIUM—continued

Estonia, Latvia, and Lithuania—Continued

Date and number	Subject	Page
1932 June 7 (4)	<i>To the Chargé in Estonia (tel.)</i> U. S. desire that the signing take place at Washington, and instructions to request that full powers be sent to the Estonian Vice Consul at New York; instructions to inform the Foreign Minister that there can be no deviation from the terms of the Joint Resolution.	605
June 14 (7)	<i>To the Chargé in Lithuania</i> Transmittal of a copy of the U. S.-Lithuanian agreement signed June 9.	605
June 28 (8)	<i>To the Chargé in Estonia</i> Transmittal of a copy of the U. S.-Estonian agreement signed June 11.	606
June 28 (72)	<i>To the Chargé in Latvia</i> Transmittal of a copy of the U. S.-Latvian agreement signed June 11.	606

Finland

1932 May 4	<i>From the Finnish Minister</i> Request that the following information be forwarded to the Secretary of the Treasury: No Government of any foreign country is indebted to the Government of Finland in respect of war, relief, or reparation debts.	606
May 9	<i>To the Finnish Minister</i> Acknowledgment of Finnish Minister's note of May 4, a copy of which has been transmitted to the Secretary of the Treasury.	607
May 31 (90)	<i>To the Minister in Finland</i> Transmittal of a copy of the U. S.-Finnish agreement signed May 23.	607

France

1932 Mar. 26 (119)	<i>To the Ambassador in France (tel.)</i> Information that the Treasury draft of the moratorium agreement has been handed to the French Ambassador; instructions to inquire informally whether prompt action can be expected.	607
Apr. 19 (239)	<i>From the Ambassador in France (tel.)</i> Information that the French Government will take action on the draft agreement as soon as the German Government has replied to their note inquiring whether interest at the rate of 4 percent will be paid on the deferred reparations obligation.	608

READJUSTMENT OF WAR DEBT PAYMENTS—Continued

I. AGREEMENTS LEGALIZING THE HOOVER MORATORIUM—continued

France—Continued

Date and number	Subject	Page
1932 May 11 (311)	<i>From the Ambassador in France (tel.)</i> Conversation with French Minister of Finance, who stated that France was ready to sign the agreement as soon as advice was received that the 4 percent interest arrangement was acceptable to Germany.	608
May 23 (202)	<i>To the Ambassador in France (tel.)</i> Instructions to advise the French authorities of Italian and British plans to sign; and of the danger of misunderstanding and recriminations in the United States against those nations who accepted the Hoover agreement but have failed to put it into legal effect.	609
May 24 (329)	<i>From the Ambassador in France (tel.)</i> Information that Germany has accepted the 4 percent interest rate and that France is now prepared to sign the postponement agreement but desires first to know the method of calculation adopted for repayment.	609
May 26 (333)	<i>From the Ambassador in France (tel.)</i> Conversation with Minister of Finance, who indicated Ministry's willingness now to sign the agreement, but its opinion that paragraph 3 is unnecessary; Ambassador's explanation that the clause is customary and that failure to approve it might be misconstrued in the United States.	610
May 27 (205)	<i>To the Ambassador in France (tel.)</i> Information that paragraph 3 is included in all Hoover debt postponement agreements; that no new obligation is created; that war debt payments have been calculated on the London Conference actuarial method of computing annuities.	611
May 28 (209)	<i>To the Ambassador in France (tel.)</i> Instructions to see Tardieu, the Foreign Minister, and urge him to facilitate his successor's understanding of the matter, looking toward early conclusion of negotiations.	611
May 28 (339)	<i>From the Ambassador in France (tel.)</i> Conversation with Tardieu, who promised to see his successor as soon as the new Cabinet was formed and urge the conclusion of the agreement.	612
June 7 (213)	<i>To the Chargé in France (tel.)</i> Information that British and Italian representatives have signed the moratorium agreement, and that the French payment due June 15 must be requested unless France signs at once.	613
June 8 (365)	<i>From the Chargé in France (tel.)</i> Expectation that authorization to sign the agreement will be telegraphed to the French Ambassador before June 11.	614
June 27 (1180)	<i>To the Chargé in France</i> Transmittal of a copy of the U. S.-French agreement signed June 10.	614

READJUSTMENT OF WAR DEBT PAYMENTS—Continued

I. AGREEMENTS LEGALIZING THE HOOVER MORATORIUM—continued

Germany

Date and number	Subject	Page
1932 Mar. 19 (60)	<i>From the Ambassador in Germany (tel.)</i> <i>Aide-mémoire</i> from the German Foreign Office (text printed) requesting the postponement of the interest due the end of March, because of budgetary difficulties and because other countries would consider such a payment a breach of the Hoover moratorium.	614
Mar. 23 (31)	<i>To the Ambassador in Germany (tel.)</i> Instructions to inform the German Chancellor that German obligations to the United States are of two kinds: army of occupation payments which are postponed under the President's proposal, and the Mixed Claims Awards which cannot be suspended under that agreement; and to formally ask the German Government to take the necessary steps to sign the agreement and to pay the March 31 interest installment on the mixed claims in accordance with its formal undertaking of June 23, 1930.	615
Mar. 24 (62)	<i>From the Ambassador in Germany (tel.)</i> From Wiley: Presentation of memorandum in accordance with the Secretary's telegram of March 23.	618
Mar. 30 (66)	<i>From the Ambassador in Germany (tel.)</i> Information that Germany will pay the interest installment on the mixed claims, but attaches great importance to protracting negotiations dealing with army costs until after the general reparations conference.	618
Apr. 5 (36)	<i>To the Ambassador in Germany (tel.)</i> German Ambassador's assertion that his Government is prepared to discuss the agreement with the Treasury Department immediately and to sign promptly; that his Government indicated a reservation would be made analogous to that made regarding the report of the London Conference.	619
May 11 (50)	<i>To the Ambassador in Germany (tel.)</i> Instructions to inquire about Germany's attitude toward changing the interest rate in the postponement agreement with France and Italy from 3 to 4 percent, as the signing of the agreements with the United States is being delayed pending notification of Germany's compliance.	619
May 12 (95)	<i>From the Ambassador in Germany (tel.)</i> Opinion that the postponement agreement will be submitted to the Cabinet after the adjournment of the Reichstag, and that a favorable solution can be expected.	620
May 12 (52)	<i>To the Ambassador in Germany (tel.)</i> Request to clarify the meaning of the phrase "favorable solution" in telegram No. 95 of May 12.	620
May 18 (98)	<i>From the Ambassador in Germany (tel.)</i> German <i>aide-mémoire</i> (text printed) indicating willingness in principle, as soon as the agreements between the United States and Germany have been concluded, to increase the interest rate for France and Italy.	621

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I. AGREEMENTS LEGALIZING THE HOOVER MORATORIUM—continued

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May 26 (St. D.- A. 11)	<i>From the German Ambassador</i> German Government's declaration that, in signing the agreement with the Treasury, it expresses no opinion as to whether or not the obligations named therein, or similar obligations adjusted elsewhere, can actually be fulfilled.	623

Great Britain

1932 Mar. 26 (98)	<i>To the Ambassador in Great Britain (tel.)</i> Information that the Treasury draft of the moratorium agreement has been handed to the British Ambassador; instructions to inquire whether prompt action can be expected.	623
Mar. 29 (122)	<i>From the Chargé in Great Britain (tel.)</i> Advice that the British have delayed designating a representative because of the postponement of the Lausanne Conference; that negotiations would be easier if delayed until after the Conference.	623
Apr. 30 (133)	<i>To the Ambassador in Great Britain (tel.)</i> From Ogden Mills (Secretary of the Treasury): Opinion that failure of debtor countries to sign the Hoover agreement by May 20 will be regarded by the American people as repudiation of the agreement; that every effort should be made to make the British Government realize the importance of prompt legalization of the agreement.	624
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May 16 (144)	<i>To the Ambassador in Great Britain (tel.)</i> From Secretary Mills: Information that May 20 represents the date on which notice of payment due should be sent; understanding that other countries have left the matter in British hands as negotiator and spokesman; importance of prompt action.	625
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May 12	<i>From the Greek Minister</i> Greek reservation to the effect that if more favorable terms should be granted to other governments after Greece has signed the agreement, these should be extended also to the Greek Government.	626
May 18	<i>From the Secretary of the Treasury to the Greek Minister</i> Explanation that there can be no deviation from the terms of the Joint Resolution of Congress approved December 23, 1931.	626
May 31 (893)	<i>To the Chargé in Greece</i> Transmittal of a copy of the U. S.-Greek agreement signed May 24.	627

Hungary

1932 May 17 (243/ Res)	<i>From the Hungarian Minister</i> Receipt of authorization to sign the moratorium agreement with the reservation that if more favorable terms are granted to another debtor nation the same terms will be extended to Hungary.	627
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1932 Mar. 26 (25)	<i>To the Ambassador in Italy (tel.)</i> Information that the Treasury draft of the moratorium agreement has been handed to the Italian Ambassador; instructions to inquire whether prompt action can be expected.	629
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1932 Jan. 5 (4)	<i>From the Minister in Switzerland (tel.)</i> Information that the Reparations Conference will be held at Lausanne January 18 or 20; advice given to Baldwin, the Consul at Lausanne, to take no initiative to obtain information regarding the conference.	637
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Jan. 11	<i>Memorandum by the Secretary of State</i> Conversation with the German Ambassador, who explained Chancellor Bruening's statement to the effect that complete elimination of reparations would be to the best interest of everybody; Secretary's reply that no solution could be achieved by Germany's escaping all future reparations payments.	640
Jan. 12 (1397)	<i>From the Ambassador in Germany</i> Information that the domestic-political situation and German policy toward reparations have been developing along parallel lines; that German expectations seem to be that the Conference will serve as the stage for a German move for entire cancellation of reparations.	643

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II THE LAUSANNE CONFERENCE, JUNE 16—JULY 9—continued

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Jan. 18 (28)	<i>To the Ambassador in France (tel.)</i> Authorization to say to the Foreign Minister that the policy of the U. S. Government is that debts due to the United States remain individual questions between the United States and the debtors separately and are not to be dealt with otherwise.	649
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Jan. 21	<i>Memorandum by the Secretary of State</i> Conversation with the French Ambassador, who expressed opinion that the Hoover Moratorium had killed the Young Plan and that Germany would not now pay, and asked if the Secretary had heard of the proposal of German railway bonds as a form of settlement; Secretary's opinion that some form of commercialization would be the best solution.	654
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Jan. 25 (2214)	<i>From the Ambassador in France</i> Chronological résumé of events since the <i>aide-mémoire</i> of December 29. Impression that France is unwilling to contemplate the possibility of reparations cancellation, but that Great Britain appears willing to cancel them, leaving debt negotiations with the United States for future consideration.	656
Jan. 25 (1436)	<i>From the Ambassador in Germany</i> Information that (1) all political factions are convinced that Germany will not be able to resume reparations payments after the expiration of the Hoover Moratorium, and deny the French contention that Germany would then be in a more favorable position than other countries; (2) the Nazi and Nationalist groups may use the failure to obtain cancellation of reparations payments as proof that only a government dominated by Hitler and Hugenberg can hope to achieve foreign political results.	662
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Feb. 10	<i>Memorandum by the Counselor of Embassy in Germany, Temporarily on Duty in the Department</i> Endorsement of Ambassador's suggestion in his telegram No. 26 of February 8 that an unequivocal statement be made on America's strong financial position.	669
Feb. 13 (97)	<i>From the Chargé in France (tel.)</i> Communiqué from the French Government (text printed) embodying an agreement among the interested governments that the purpose of the Lausanne Conference should be to settle the reparations question and remedy other economic and financial questions. Information that the "other financial and economic question" with which the French Government is chiefly concerned is customs duties.	670
Feb. 17 (65)	<i>To the Chargé in France (tel.)</i> Inquiry as to what the French have in mind on the question of customs duties.	671

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June 1 (163)	<i>To the Ambassador in Great Britain (tel.)</i> Information that the Secretary sent for the British Ambassador and discussed with him (citing a statement by the French Finance Minister) the British Treasury's evident misrepresentation to France of American views on cancellation of German reparations, and explained to him the American viewpoint; instructions to convey these views to the British Treasury. (Footnote: Discussion on the same subject with the French Ambassador; copies of the memoranda of conversations sent to the Embassies in France, Germany, and Great Britain.)	673
June 3 (196)	<i>From the Ambassador in Great Britain (tel.)</i> Assertion by Sir Warren Fisher of the British Treasury that he knew of no basis for the French Finance Minister's writing such a note as that quoted in the Department's telegram No. 163 of June 1; Fisher's outline of certain aspects of Franco-British conversations.	675
June 4 (171)	<i>To the Ambassador in Great Britain (tel.)</i> Instructions to correct any misapprehension that Fisher may have that the quotation in Department's telegram of June 1 was from a formal note, as the statement was made orally.	677
June 15	<i>Memorandum by the Under Secretary of State</i> Conversation with the German Ambassador, who presented the German attitude that there are two matters before the conference at Lausanne: a negative one, how to bring about the cancellation of reparations, and a positive one, the discussion of world economic difficulties.	677
June 23	<i>From the Consul at Basel (tel.)</i> For Castle, Under Secretary of State: Information that little progress is being made at Lausanne; that various delegations are split. Outline of a relief pool plan recommended by the liberal French wing, whereby, after a limited moratorium, Germany would pay a certain balance into a general fund to help reconstruction in Eastern Europe.	678
June 27	<i>From the Consul at Basel (tel.)</i> For Castle: Report of British proposal that Germany pay 50 million dollars annually for 15 years beginning after a complete moratorium of 3 or 5 years. Elaboration of French relief pool plan, to which other European countries, as well as Germany, would contribute, and whose funds would be partitioned by B.I.S. for monetary reconstruction and debt liquidation; British disapproval of the plan.	679

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June 29	<p><i>Memorandum by the Under Secretary of State of a Conversation With the German Ambassador</i></p> <p>Ambassador's repetition of a statement made by Herriot to Von Papen to the effect that he could not agree to cancel German reparations because of the U. S. Government's declaration that there could be no rearrangement of Allied debts; the Secretary's reply that he knew of nothing on which Herriot could have based this statement; that the United States would not be ungenerous in the case of general liquidation, but was unwilling to assume the entire burden.</p>	682
June 30	<p><i>From the Consul at Basel (tel.)</i></p> <p>For Castle: Outline of a plan which the Finance Ministers have agreed to recommend to their Premiers that Germany be granted an absolute moratorium for from 3 to 5 years, final payment to be made through German bond issue.</p>	683
July 2	<p><i>From the Consul at Basel (tel.)</i></p> <p>For Castle: Information that the plan discussed in telegram of June 30 is progressing; that the B.I.S. has been invited to advise whether it would be willing to certify that German economy at the time of the prospective marketing would permit such a bond issue. Report of a proposal that a final reparations settlement now be reached, but that no parliament ratify it until U. S. attitude on war debt payments has been ascertained.</p>	684
July 6 (307)	<p><i>From the Acting Chairman of the American Delegation to the General Disarmament Conference (tel.)</i></p> <p>Conversations (1) with MacDonald, who said that an agreement at Lausanne would be difficult without some attempt to make it conditional upon a subsequent settlement of debts; (2) with Grandi, who stated that he had advocated a wiping clean of the slate in Europe without any reference to the debts to the United States but England had demurred; (3) with Herriot, who seemed hopeful about reaching a settlement at Lausanne.</p>	685
July 12 (217)	<p><i>From the Ambassador in Great Britain (tel.)</i></p> <p>Excerpt from a statement by Chamberlain on the Lausanne Conference.</p>	686
July 12 (323)	<p><i>From the Acting Chairman of the American Delegation to the General Disarmament Conference (tel.)</i></p> <p>Refutation of a statement in the Paris edition of the <i>New York Herald</i> to the effect that all delegations at Lausanne consider readjustment of war debts inevitable and imminent, since the British and French kept in close touch throughout negotiations with Washington through conferences with Davis and Gibson.</p>	687

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 II. THE LAUSANNE CONFERENCE, JUNE 16—JULY 9—continued

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July 18	<i>From the Consul at Basel</i> Comment on the Gentlemen's Agreement of July 8; information that the Lausanne Agreement is looked upon as a big move forward, and that the outlook for acceptance by Germany appears favorable.	688
July 14 (225)	<i>From the Ambassador in Great Britain (tel.)</i> Text of statement issued by the British Treasury to clear up a misunderstanding regarding Chamberlain's reference to conversations with U. S. representatives.	690
July 14	<i>From President Hoover to Senator William E. Borah</i> The President's explanation that the United States was not consulted regarding any of the agreements concluded at Lausanne and that it was not a party to, nor in any way committed to any such agreements.	691

III. THE ANGLO-FRENCH DECLARATION OF JULY 13, 1932

1932 July 13 (422)	<i>From the Chargé in France (tel.)</i> Information that an important statement is about to be issued by the Foreign Offices of London and Paris; that a British official said that any impression that this is in the nature of a Franco-British entente is to be avoided.	691
July 14	<i>Memorandum by the Secretary of State of a Conversation With the British Ambassador</i> Ambassador's presentation of a paper containing the Franco-British Agreement plus some additional declarations; his assurance that no combination between the French and the British against the United States was intended; the Secretary's reply that the difficulty was not with this agreement but with the "gentlemen's agreement," which seemed to be an attempt to compel the United States to give up the method of individual debt settlement.	692
July 14	<i>From the British Embassy</i> Text of Franco-British accord and additional declarations.	694
July 14 (329)	<i>From the Acting Chairman of the American Delegation to the General Disarmament Conference (tel.)</i> Conversation between Norman Davis and Sir John Simon during which the latter explained the accord with France, and Davis suggested that there was danger of its degenerating into a political combination; Davis mentioned Chamberlain's statement in the House of Commons which had been construed to imply that American representatives had acquiesced in the Lausanne Agreement. Information from Simon later that statements would be issued rectifying Chamberlain's comment and explaining more fully the true import of the Franco-British understanding.	695

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III. THE ANGLO-FRENCH DECLARATION OF JULY 13—continued

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1932 July 14	<p data-bbox="197 340 838 383"><i>From the Acting Chairman of the American Delegation to the General Disarmament Conference (tel.)</i></p> <p data-bbox="197 383 838 470">Letter from Simon (text printed) transmitting copies of two statements which were issued simultaneously in London and Geneva to correct any misunderstanding about the Anglo-French declaration and the "Gentlemen's Agreement."</p>	698
July 15 (219)	<p data-bbox="197 491 549 508"><i>From the Consul at Geneva (tel.)</i></p> <p data-bbox="197 508 838 621">Advice that at the convening of the League Council Simon read the text of the Franco-British accord and explained that it is not concerned with extra-European matters, that Italy and Belgium have signified their adherence, and that the invitation is addressed to any European state.</p>	698
July 22 (1496)	<p data-bbox="197 633 513 651"><i>From the Ambassador in Italy</i></p> <p data-bbox="197 651 838 772">Information that while Italian public opinion is favorable to the accord, it is rumored that high officials were displeased that it was announced from London and Paris almost simultaneously, indicating a certain disregard for Italy's importance in European affairs.</p>	699
Aug. 10 (1870)	<p data-bbox="197 784 561 802"><i>From the Ambassador in Germany</i></p> <p data-bbox="197 802 838 940">Foreign Minister's assertion that Germany found no difficulty in adhering to the declaration, since the disparity between the French and British conceptions of the scope and meaning of the pact and its unwieldiness resulting from the adherence of so many small powers had rendered it meaningless.</p>	700

IV. REQUESTS FOR SUSPENSION OF WAR DEBT PAYMENTS PENDING
A REVIEW OF THE QUESTION

Belgium

1932 Nov. 15	<p data-bbox="197 1098 481 1116"><i>From the Belgian Embassy</i></p> <p data-bbox="197 1116 838 1211">Request for extension of the debt moratorium for the period required for a reexamination of the intergovernmental debt problems in accordance with the principles adopted during the Lausanne Conference.</p>	700
Nov. 23	<p data-bbox="197 1223 492 1241"><i>To the Belgian Ambassador</i></p> <p data-bbox="197 1241 838 1466">Explanation of the American position on the debt question; opinion of the President that some agency similar to the World War Foreign Debt Commission should be created to consider the question individually with each government concerned. Information that the Executive has no authority to suspend the Belgian installment due December 15, and that no new facts have been presented for consideration by Congress; opinion that the prospects of a satisfactory approach to the whole question will be greatly increased if the payment is made when due.</p>	701
Dec. 6	<p data-bbox="197 1479 481 1496"><i>From the Belgian Embassy</i></p> <p data-bbox="197 1496 838 1548">Reasons why the Belgian Government believes an extension of the debt moratorium would be justifiable.</p>	704
Dec. 9 (86)	<p data-bbox="197 1560 614 1578"><i>From the Ambassador in Belgium (tel.)</i></p> <p data-bbox="197 1578 838 1630">Verification of Belgium's economic crisis; information that there are a few encouraging signs, however.</p>	707

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Dec. 13 (92)	<i>From the Ambassador in Belgium (tel.)</i> Conversation with the Foreign Minister, who explained the necessity for Belgium's default of its December 15 debt payment and declared that the new government proposed to study the financial problem with a view to getting back on a sound basis.	709
Dec. 14	<i>From the Belgian Embassy</i> Inability of Belgian Government to resume the payments suspended under the agreement of July 1931.	710
Dec. 21 (98)	<i>From the Ambassador in Belgium (tel.)</i> Information that the Belgian default was a result of the machinations of one man, the Minister of War, who because of it was left out of the new Cabinet.	711

Czechoslovakia

1932 Nov. 21	<i>From the Czechoslovak Legation</i> Request for the extension of the debt moratorium for the period required for the reconsideration of the intergovernmental debt problem.	711
Nov. 26	<i>To the Czechoslovak Minister</i> Information that the Executive has no authority to suspend the Czechoslovak installment due December 15, and that no new facts have been presented for consideration by Congress; opinion that the prospects of a satisfactory approach to the whole question will be greatly increased if the payment is made.	712
Dec. 5	<i>From the Czechoslovak Minister</i> Reasons why the Czechoslovak Government believes an extension of the debt moratorium would be justifiable.	714
Dec. 13	<i>To the Czechoslovak Minister</i> U. S. offer to cooperate in surveying the situation but unwillingness to postpone the payment due December 15.	717
Dec. 15	<i>From the Czechoslovak Minister</i> Czechoslovak decision to pay the December installment, and conviction that the present situation can be alleviated only if negotiations for reconsideration are entered into at the earliest possible date.	718
Undated	<i>Memorandum by the Under Secretary of State of a Conversation With the Czechoslovak Minister, December 29, 1932</i> Minister's inquiry concerning the debt situation and assertion that the French and Belgians appear to be in a better position than the countries who paid because they have a bargaining point; the Under Secretary's assurance that neither Congress nor the Executive would discuss the debt question with the nations who had defaulted.	718

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Nov. 28 (6-R)	<i>From the Estonian Minister for Foreign Affairs</i> Request that the United States enter into a friendly exchange of views with Estonia regarding the change in Estonia's capacity to pay, and agree in the first place to suspend the payment due December 15.	720
Dec. 15	<i>To the Acting Consul General of Estonia at New York, in Charge of Legation</i> U. S. offer to cooperate in surveying the situation but unwillingness to postpone the payment due December 15.	722
Dec. 15 (Nr. 844-W)	<i>From the Estonian Minister for Foreign Affairs to the American Chargé in Estonia</i> Transmittal of a memorandum (text printed) setting forth the circumstances preventing payment of the amount due December 15 and justifying the request for a friendly exchange of views.	723

France

1932 Nov. 10	<i>From the French Embassy</i> Request that, in accordance with the process followed at Lausanne, an extension of the debt moratorium be granted to the French Government in order that the study of the serious problems now under discussion may be continued and completed in the necessary atmosphere of mutual trust.	727
Nov. 11	<i>Memorandum by the Secretary of State of a Conversation With the French Ambassador</i> Ambassador's assertion that there was danger of a conflict between the French Parliament and the American Congress; his suggestion that disarmament might be legitimately connected with debts as a <i>quid pro quo</i> to be offered to Congress; also that a "lump sum" settlement would have a marked beneficial effect on the world.	728
Nov. 12 (647)	<i>From the Chargé in France (tel.)</i> Assertion by a French Treasury official that there had been complete exchange of information between the British and the French, and that Norman Davis had been <i>au courant</i> for some time of their intentions to request postponement of the December 15 payments.	730
Nov. 13 (37)	<i>From the American Delegate to the Bureau of the General Disarmament Conference (tel.)</i> From Norman Davis: Davis' comment that neither the British nor French intentions were known to him; that he had been under the impression that they would make the December 15 payments.	731

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IV. REQUESTS FOR SUSPENSION OF WAR DEBT PAYMENTS—continued

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Date and number	Subject	Page
1932 Nov. 13 (88)	<i>From the American Delegate (tel.)</i> From Norman Davis: Receipt of information as to the French decision; expression of surprise at the decision, since France had withdrawn in a few months enough gold from the United States to pay 10 annual installments.	731
Nov. 23	<i>To the French Ambassador</i> Information that the Executive has no authority to suspend the French installment due December 15, and that no new facts have been presented for consideration by Congress; opinion that the prospects of a satisfactory approach to the whole question will be greatly increased if the payment is made when due.	732
Dec. 1	<i>From the French Embassy</i> Explanation of the French Government's request for a re-examination of the problems arising from the intergovernmental debts and an extension of the moratorium.	734
Dec. 8	<i>To the French Ambassador</i> U. S. readiness to cooperate in surveying the situation but unwillingness to postpone the payment due December 15.	739
Dec. 9 (704)	<i>From the Ambassador in France (tel.)</i> Conversation with the British Ambassador who stated that Herriot has decided to wage a fight before Parliament for authorization to make the December 15 payment providing the debt situation is reviewed before another payment is required; that assurance of U. S. approval would be helpful; that Franco-British consultation should not be interpreted as collusion.	741
Dec. 13 (713)	<i>From the Ambassador in France (tel.)</i> Information that the fall of the Herriot government seems imminent; that informal assurances of the acceptability to the United States of a reservation to the effect that the December 15th installment would be the last before satisfactory reconsideration of the problem might be helpful. Request for instructions.	742
Dec. 13 (435)	<i>To the Ambassador in France (tel.)</i> Disapproval of any understanding or commitment, however informal, as to any statement or reservation by the French Government.	743
Dec. 13 (714)	<i>From the Ambassador in France (tel.)</i> Information that the Foreign Affairs Committee of the French Chamber of Deputies rejected a draft note to the United States (text printed) in which the French Government agreed to pay the installment due.	743
Dec. 14 (717)	<i>From the Ambassador in France (tel.)</i> Information that the Herriot government fell following adverse vote on the proposal to pay the December 15th debt installment; that the Chamber of Deputies passed a resolution (text printed) advocating a general conference connected with the World Economic Conference.	744

READJUSTMENT OF WAR DEBT PAYMENTS—Continued

IV. REQUESTS FOR SUSPENSION OF WAR DEBT PAYMENTS—continued

France—Continued

Date and number	Subject	Page
1932 Dec. 14	<i>From the Secretary of the Treasury</i> Report of events culminating in the transmission of a statement (text printed), approved by the Secretary of State and the President, to Herriot reaffirming the President's intention of examining the relationship of intergovernmental debts to world economy and the problem of recovery.	747
Dec. 14	<i>From the French Ambassador</i> Message from Herriot to the effect that as his government was overthrown he would be unable to continue the negotiations entered into with the U. S. Government.	748
Dec. 23 (745)	<i>From the Ambassador in France (tel.)</i> Conversation with Paul-Boncour, the new Foreign Minister, who expressed his desire to find a solution of the difficulties now facing the two countries. Opinion that it would be most desirable at this stage if some plan could be devised to help Boncour make a new presentation to the Chamber of Deputies.	749
Dec. 27 (455)	<i>To the Ambassador in France (tel.)</i> Information that letters have been informally exchanged between the French Ambassador and the Secretary on Herriot's suggestion that such a step might move the Chamber to reconsider its vote; that the President's message to Congress announced the disposition of the Administration to discuss debts with any of the nondefaulting debtors; that both the President and President-elect, although not in accord as to method, are ready to have discussions begin.	751

Great Britain

1932 Nov. 10 (354)	<i>From the British Ambassador</i> Suggestion that intergovernmental financial obligations be reviewed, discussions beginning in Washington; that meanwhile the payment due December 15 on the British war debt be suspended.	754
Nov. 23	<i>To the British Ambassador</i> Information that the Executive has no authority to suspend the installment due December 15, and that no new facts have been presented for consideration by Congress; opinion that the prospects of a satisfactory approach to the whole question will be greatly increased if the payment is made when due.	756
Dec. 1	<i>From the British Embassy</i> Reasons for British request to suspend the December installment; belief that a discussion of the whole intergovernmental debt situation might be helpful in reviving world prosperity.	758
Dec. 5 (531)	<i>From the Ambassador in Great Britain</i> Report of a telephone call to Washington informing the Secretary of the Treasury that inquiry had been made relative to a tentative suggestion by the British Government to meet its debt payment by 1-, 2-, and 3-year British Treasury notes; and of a second call notifying the Secretary of the Treasury that the British Government is unwilling to do so.	770

READJUSTMENT OF WAR DEBT PAYMENTS—Continued

IV. REQUESTS FOR SUSPENSION OF WAR DEBT PAYMENTS—CONTINUED

Great Britain—Continued

Date and number	Subject	Page
1932 Dec. 7 (337)	<i>From the Ambassador in Great Britain (tel.)</i> Information that the Chancellor of the Exchequer will explain to the French Government that should Great Britain pay the debt installment to the United States on December 15 the question of the French debt payment to Great Britain will not be reopened.	770
Dec. 7	<i>To the British Ambassador</i> Reply to the British note of December 1 disagreeing with certain statements but welcoming the suggestion for a reexamination of the subject of intergovernmental debts in preparation for the International Economic Conference; also indicating that Congress will be willing to consider any reasonable suggestion to facilitate payment of the December 15 installment.	771
Dec. 12	<i>Memorandum by the Secretary of State of a Conversation With the British Ambassador, December 11, 1932</i> Ambassador's presentation of a note (text <i>infra</i>) outlining certain conditions attached to the debt payment, and the Secretary's indication that it is impossible for the Secretary of the Treasury to accept a conditional payment.	775
Dec. 11	<i>From the British Embassy</i> Text of British note accompanying payment of the amount due December 15 stating that the payment is not to be considered a resumption of the annual payments contemplated in the existing agreement, but rather a capital payment of which account should be taken in any final settlement, and urging an exchange of views before June 15 in order to obviate a general breakdown of existing intergovernmental agreements.	776
Dec. 11	<i>To the British Ambassador</i> Explanation that the Secretary of the Treasury has no authority to accept payment except as provided under the terms of the funding agreement, therefore acceptance of the December 15 installment cannot constitute concurrence in any policy inconsistent with the terms of the agreement.	778
Dec. 12	<i>From the British Embassy</i> Explanation that note of December 11 accompanying the payment of December 15 relates to the British position only, and they reserve the right to recur to these considerations in the examination of the whole question to which the United States has agreed.	779
Dec. 13	<i>Memorandum of a Conversation Between President Hoover, Secretary Stimson, and Secretary Mills, Held at the White House, December 13, 1932, 11: 45 a. m.</i> Consideration of Chamberlain's speech clarifying the meaning of the British note accompanying the debt payment; decision that Secretary Stimson would make a verbal statement to the British Ambassador, and hand him an <i>aide-mémoire</i> of it, referring to the Chamberlain speech and saying that, in view thereof, Stimson is satisfied that acceptance of the payment by the Secretary of the Treasury cannot be interpreted as acceptance of an amendment to the debt funding agreement.	780

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IV. REQUESTS FOR SUSPENSION OF WAR DEBT PAYMENTS—continued

Hungary

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1932 Nov. 1	<p><i>From the Hungarian Legation</i> Explanation that the Hungarian Government does not have at its disposal the necessary foreign exchange and regrets its inability to make the payment due December 15.</p>	780

Italy

1932 Nov. 15 (108)	<p><i>From the Chargé in Italy (tel.)</i> Information that the Italian Government has decided to withhold payment of the December debt installment, but is waiting to learn what reception the United States accords to the British and French declarations. Opinion that the Foreign Office decision may be influenced by opinions or pronouncements from the United States.</p>	781
Dec. 15	<p><i>From the Italian Chargé</i> Advice that the Italian Ministry of Finance has remitted to the U. S. Treasury the amount due December 15.</p>	782

Latvia

1932 Sept. 14 (66)	<p><i>From the Chargé in Latvia (tel.)</i> Latvian Government's desire to postpone for 2 years the payment and, if possible, the interest due December 15 in accordance with the provision in article 2 of the 1925 debt agreement.</p>	782
Sept. 23 (34)	<p><i>To the Chargé in Latvia (tel.)</i> Instructions to inform the Latvian Government that the payment due on Bond No. 10 is being postponed, but that Bond No. 2-A does not come under the authority of the debt funding agreement and must be paid, with interest on entire debt, December 15.</p>	783
Nov. 23	<p><i>From the Latvian Consul General at New York</i> Renewal of the request of the Government of Latvia for the postponement of the principal and interest payable on December 15.</p>	783
Dec. 2 (947)	<p><i>From the Minister in Latvia</i> Report of a conversation during which the Latvian Foreign Minister stated that no reply had been received to the second request for postponement of the amount due December 15, and the Minister replied by showing him a newspaper copy of the reply to the French Government. Opinion that the payment will be made on the due date.</p>	785
Dec. 3	<p><i>From the Latvian Minister for Foreign Affairs to the American Minister in Latvia</i> Detailed explanation of the Latvian situation and reasons for renewed request for postponement of the payment due December 15.</p>	786

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IV. REQUESTS FOR SUSPENSION OF WAR DEBT PAYMENTS—continued

Latvia—Continued

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1932 Dec. 15 (R. 763.00- 25882)	<i>From the Latvian Minister for Foreign Affairs to the American Minister in Latvia</i> Latvian decision to make payment of the unpostponed amount of the Latvian debt; advice that this payment is not regarded as a resumption of the annual payments contemplated by the agreement of 1925, but is made because there has been insufficient time to discuss with and explain to the United States the financial and economic situation of Latvia.	788
Dec. 22	<i>To the Latvian Consul General at New York</i> Acknowledgment of the payment made by the Latvian Government, and explanation of U. S. policy with respect to the debt funding agreement; advice that the President is disposed, through whatever agency may seem appropriate, in cooperation with the Latvian Government, to survey the entire situation.	789

Lithuania

1932 Dec. 9	<i>From the Lithuanian Legation</i> Request that the United States consent to reexamine the question of Lithuania's indebtedness, and that the payment due December 15 be postponed or an adequate relief from strict compliance with the terms of the funding agreement be arranged.	790
Dec. 13 (22)	<i>From the Chargé in Lithuania (tel.)</i> Information that preparations for payment by Lithuania of interest due December 15 are being made despite the request for revision or postponement.	797
Dec. 15	<i>To the Lithuanian Minister</i> Reply to the Lithuanian note of December 9 expressing readiness to cooperate in surveying the situation but unwillingness to postpone the payment due December 15.	797
Dec. 15	<i>From the Lithuanian Minister</i> Lithuanian Government's decision to pay the installment due December 15, and hope that by making this payment it is not placing itself in a less favorable position than that which may result to any of the other countries from the eventual reconsideration of the general question of inter-governmental debts.	798

Poland

1932 Sept. 14 (537/32)	<i>From the Polish Chargé</i> Note postponing for 2 years the payment of principal falling due on December 15 in conformity with the provisions of paragraph 2 of the debt funding agreement of 1924.	799
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1932 Sept. 26	<i>To the Polish Chargé</i> Acknowledgment of the Polish Government's note, and notification that the principal of Bond No. 3-A and the semi-annual interest on the entire indebtedness will be due December 15.	799
Nov. 22	<i>From the Polish Embassy</i> Request for postponement of the payment due December 15, and suggestion that the Polish and U. S. Governments confer regarding the conditions of the postponement and the reconsideration of the agreement of 1924.	800
Nov. 26	<i>To the Polish Ambassador</i> Reply to the Polish proposal of November 22 explaining the American attitude and giving the opinion of the President regarding the creation of an agency to consider the question individually with each government concerned; information that the Executive has no authority to suspend the Polish installment due and that no new facts have been presented for consideration by the Congress; opinion that the prospects of a satisfactory approach to the whole question will be greatly increased if the payment is made when due.	800
Dec. 8	<i>From the Polish Embassy</i> Reasons prompting the Polish Government to request postponement of the installment due December 15.	801
Dec. 15	<i>To the Polish Ambassador</i> Reply to the Polish note of December 8 expressing readiness to cooperate in surveying the situation but unwillingness to postpone the payment due December 15.	806
Dec. 21	<i>From the Polish Embassy</i> Information that the Polish Government holds itself fully at the disposal of the U. S. Government for the survey of the problem of Poland's war debt to the United States with a view to safeguarding the general interests of both countries.	807
Dec. 22	<i>Memorandum by the Secretary of State</i> Comment to the Polish Ambassador, when he presented the note of December 21, that if the United States took any initiative toward discussion of the settlement of any nation's war debt, it would probably be with those nations which had met their December 15th installment.	807

PRELIMINARIES TO THE INTERNATIONAL MONETARY AND ECONOMIC CONFERENCE TO BE HELD AT LONDON IN 1933

1932 May 26 (154)	<i>To the Ambassador in Great Britain (tel.)</i> Information that the Department's views on the possibility of convoking an international monetary and economic conference were presented to the Prime Minister by telephone, and it was agreed that certain limitations be set for such a conference and that the silver question might be discussed. Instructions to discuss the matter with British officials.	808
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Date and number	Subject	Page
1932 May 31 (188)	<i>From the Ambassador in Great Britain (tel.)</i> Conversation with Sir John Simon, the Foreign Secretary, who said that he would welcome suggestions and emphasized the connection between the proposed conference and the Lausanne Conference, and suggested that the experts at Lausanne might be instructed to prepare data for later use at London.	811
May 31 (159)	<i>To the Ambassador in Great Britain (tel.)</i> Instructions to suggest to Simon, in view of misleading press reports from London, that he explain to the French and Italians that the British had merely inquired if the United States would participate in a conference; statement for the press (text printed).	812
June 1 (164)	<i>To the Ambassador in Great Britain (tel.)</i> U. S. agreement in general with Simon's suggestions for the conference; decision to defer suggestions for the agenda until after consideration by interested Government Departments.	813
July 13 (217)	<i>From the Consul at Geneva (tel.)</i> Information from the League Secretariat as to present plans on the organization, location, and title of the Conference.	814
July 14 (100)	<i>From the Minister in Switzerland (tel.)</i> Conversation with Drummond, Secretary General of the League, who pointed out that the Organizing Committee of the Conference is expected to invite the United States and Belgium to become members of the Committee, and that he would appreciate advice as to the more convenient course to pursue in issuing the invitation.	816
July 15 (218)	<i>From the Consul at Geneva (tel.)</i> Adoption by the League Council of resolution for the convoking of the Conference, which provides for Organizing Committee and the Preparatory Committee of Experts.	816
July 16 (99)	<i>To the Minister in Switzerland (tel.)</i> Instructions to inform Drummond that the United States requires assurance that the Conference will not consider questions of debts and reparations, or tariff rates, before it can accept participation in the Organizing Committee; also that the invitation should specifically state that the Conference will deal with "monetary matters, including silver".	817
July 25 (372)	<i>From the Acting Chairman of the American Delegation to the General Disarmament Conference (tel.)</i> Information that the U. S. conditions for participation in the Organizing Committee were made known to Simon, who promised to give the desired assurances before dispatching the invitation.	818
July 28 (238)	<i>From the British Chargé</i> Transmittal of two notes from British Government inviting the United States to be represented on the Organizing Committee, and to appoint two experts to sit on the committee charged with the preliminary examination of financial and economic questions.	818

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Aug. 13	<i>From the British Embassy</i> Request for U. S. approval of British proposed course of action in arranging for meeting of the Preparatory Committee of Experts.	819
Aug. 15 (220)	<i>To the Chargé in Great Britain (tel.)</i> Instructions to discuss informally and confidentially with Simon the possibility of appointing Sackett (U. S. Ambassador to Germany) as U. S. representative on the Organizing Committee and Norman Davis as an associate or alternate.	820
Aug. 15	<i>To the British Chargé</i> Approval of British proposal relative to the Preparatory Committee of Experts, and suggestion that the second half of September would be a suitable time for its first meeting.	821
Aug. 20 (245)	<i>From the Chargé in Great Britain (tel.)</i> Advice from Simon that nomination by the U. S. Government of a representative and an alternate or associate would be quite in order.	821
Sept. 2 (232)	<i>To the Ambassador in Great Britain (tel.)</i> For Atherton: U. S. preference for London as place of meeting for the Conference; preference also that the Conference not meet before November 15.	822
Sept. 10 (260)	<i>From the Ambassador in Great Britain (tel.)</i> For Norman Davis: Information that Simon is going to Geneva, and will attempt to have the Organizing Committee assemble October 3.	822
Sept. 12 (77)	<i>From the Minister in Switzerland (tel.)</i> Request of League Secretariat for U. S. opinion as to date for meeting of the Organizing Committee.	823
Sept. 14 (61)	<i>To the Minister in Switzerland (tel.)</i> Authorization to inform the Secretary General of the League that Sackett and Davis have been appointed as representatives on the Organizing Committee, and that the United States prefers that the first meeting of this Committee be held not before the first week of October.	823
Oct. 3 (16)	<i>To the American Representatives on the Organizing Committee for the International Monetary and Economic Conference (tel.)</i> Information that the title "Economic and Financial Conference", understood to have been adopted by the League Secretariat, might be embarrassing since appropriations were voted by Congress for a "monetary" conference. Instructions to explain to the Organizing Committee that it appears advisable to the Department to restore the word "monetary" to the title.	824

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1932 Oct. 3 (18)	<i>From the Minister in Switzerland (tel.)</i> From Sackett and Davis: Report of action taken by the Organizing Committee; information that Sackett is leaving for Washington immediately and will discuss with the Department the idea of leaving to the Experts Committee the entire work of preparing the agenda.	824
Oct. 5 (20)	<i>From the Minister in Switzerland (tel.)</i> From Davis: Information that the Conference title can be reconsidered by the Organizing Committee when it meets in November.	826
Oct. 6	<i>Memorandum by the Consul at Basel</i> Résumé of qualifications of various European experts on the Preparatory Committee; opinion that the American experts will be under certain handicaps, since many of the others have worked together at important conferences and understand one another's problems, history, and policies. Information on the attitudes of various powers.	827
Oct. 7 (152)	<i>To the Consul at Geneva (tel.)</i> Instructions to discuss the possible change of the Conference title with the Secretariat, as omission of "monetary" may cause embarrassing congressional criticism.	833
Oct. 10 (294)	<i>From the Consul at Geneva (tel.)</i> Secretariat's assurance that name "Monetary and Economic Conference" will immediately be resumed.	834
Oct. 12 (158)	<i>To the Consul at Geneva (tel.)</i> Instructions to inform the Secretary General that Edmund E. Day of the Rockefeller Foundation and John H. Williams of Harvard University have been appointed American representatives on the Preparatory Committee of Experts and will sail for Geneva October 18.	834
Oct. 18	<i>To the American Representatives on the Committee of Experts for the International Monetary and Economic Conference</i> Notification of appointment as American representatives on the Committee of Experts, and authorization to participate in an expert capacity in the discussions of the Committee but not to bind the Government in any way nor to act as spokesmen of definite official policy.	834
Oct. 29 (2750)	<i>From the Chargé in Switzerland</i> Transmittal of League's invitation to the United States to be represented at the proposed Monetary and Economic Conference to be held in London.	836
Nov. 15 (40)	<i>From the Minister in Switzerland (tel.)</i> From Davis: Request for instructions as to attitude to be taken regarding date of the Economic Conference; opinion that the Conference should not be held until April or May, as preparatory work has barely begun.	836
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Nov. 22 (47)	<i>From the Minister in Switzerland (tel.)</i> From Davis: Request for instructions on the most satisfactory date for meeting of the Preparatory Committee, and confirmation of American agreement on the inclusion of a Chinese expert.	838
Nov. 26 (418)	<i>To the Ambassador in France (tel.)</i> For Mr. Norman H. Davis: Advice that American experts agree to the inclusion of a Chinese member on the Preparatory Committee; and that they would prefer some delay in fixing actual date of next meeting.	838
Dec. 1	<i>From the American Representatives on the Preparatory Committee of Experts for the International Monetary and Economic Conference</i> Transmittal of report on work of the Committee.	839
Dec. 3 (54)	<i>From the Minister in Switzerland (tel.)</i> From Davis: Request for early advice as to convenient date for next meeting of Preparatory Committee of Experts.	840
Dec. 7 (46)	<i>To the American Representatives on the Organizing Committee for the International Monetary and Economic Conference</i> For Davis: Desirability that meeting of the Committee of Experts be held as late in January as is acceptable to the other members, since American policy has not been formulated.	841
Dec. 8 (60)	<i>From the Minister in Switzerland (tel.)</i> From Norman Davis: Information that notices calling the Preparatory Committee meeting for January 9 are being sent out; that this is the latest date which would permit the Committee to prepare the agenda for the Organizing Committee meeting.	841
Dec. 9 (47)	<i>To the American Representatives on the Organizing Committee for the International Monetary and Economic Conference</i> For Davis: Advice that the American representatives will be present at the Preparatory Committee meeting January 9.	842
Dec. 29 (456)	<i>To the Ambassador in France (tel.)</i> Understanding that the Chinese expert was appointed in a full and regular capacity; information that if this is confirmed, the American experts will consent to the addition of an Indian representative.	843

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1932 Dec. 29 (190)	<i>To the Consul at Geneva (tel.)</i> Instructions to ascertain whether the appointment of a Chinese expert in full capacity is settled, and, if so, to inform the League Secretariat that the American representatives have no objection to the appointment of an Indian representative.	843
Dec. 30 (372)	<i>From the Consul at Geneva (tel.)</i> Secretariat's understanding that the Chinese expert is entitled to full membership, although reversal of the British and Japanese reservations was never put in writing. Request for further instructions.	844
1933 Jan. 4 (2)	<i>To the Consul at Geneva (tel.)</i> Authorization to inform Secretariat that the Americans on the Organizing and Preparatory Committees are agreeable to inviting a representative of the Indian Government on the same terms as those extended to the Chinese representative.	845

PROPOSAL FOR AN ECONOMIC CONFEDERATION OF DANUBIAN STATES

1931 Oct. 21 (397)	<i>From the Minister in Austria</i> Report of conflicting statements by Austrian, Hungarian, and Czechoslovak officials relative to a rumored customs union.	846
1932 Jan. 27 (10)	<i>From the Minister in Austria (tel.)</i> Understanding that the British Ambassadors in Germany and Italy have inquired as to what the attitude of those countries would be toward an economic federation of Danube States. (Footnote: Information on distribution of this telegram to the interested missions.)	848
Feb. 11 (1264)	<i>From the Minister in Yugoslavia</i> Conversation with Acting Foreign Minister, who said that the Yugoslav Government hopes that an economic agreement between the six Danube States can be effected provided political entanglements can be avoided.	848
Mar. 9	<i>Memorandum by the Assistant Secretary of State of a Conversation With the Italian Ambassador</i> Ambassador's information that Italy reserved judgment on the plan for a federation of Danube States, being apprehensive of its effect on commercial relations with other states.	849
Mar. 14 (168)	<i>From the Ambassador in France (tel.)</i> Information that the Foreign Ministers of France and Great Britain conferred on the question of the economic position of Central Europe and the Danube region and agreed that the four powers, Great Britain, France, Italy, and Germany, should invite the five principal Danubian countries to participate in an economic conference in the near future.	850

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Apr. 4 (864)	<p><i>From the Minister in Rumania</i></p> <p>Indication that Rumania favors the Tardieu Plan for a Danube union but is doubtful as to what degree it can be carried out. Finance Minister's opinion that an agreement must be reached by the four great grain-consuming countries before negotiations can usefully begin between the Danubian countries.</p>	851
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Apr. 5	<p><i>Memorandum by the Under Secretary of State of a Conversation With the Polish Ambassador</i></p> <p>Ambassador's expression of fear that a Danube Confederation would create trade barriers; Under Secretary's reply that increased prosperity in the Danubian countries would result in stimulated trade with all outside nations.</p>	853
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Apr. 7	<p><i>Memorandum by the Secretary of State of a Conversation With the Austrian Minister</i></p> <p>The Secretary's summary, in reply to Minister's inquiries, of the American attitude toward the Danubian Union and U. S. policy on loans; Minister's opinion, with which the Secretary agreed, that the proposed 10 percent reciprocal concession was insufficient to offset the competition of powerful industries in larger outside nations.</p>	856

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Apr. 8	<p><i>From the Chief of the Division of Near Eastern Affairs to the Under Secretary of State</i></p> <p>Conversation with the Bulgarian Minister, who said that his Government was disappointed at Tardieu's exclusion of Bulgaria from the proposed Danubian Union.</p>	857
Apr. 8 (137)	<p><i>From the Ambassador in Great Britain (tel.)</i></p> <p>Information that the four-power Danube Conference ended without reaching an agreement, but each country is to address to the other three a statement of its views, which might result in further discussion.</p>	858
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Apr. 13 (721)	<p><i>From the Minister in Czechoslovakia</i></p> <p>Information that the collapse of the four-power Danube Conference caused no surprise in Prague; that some such economic federation is believed inevitable, but the success of later conferences cannot be expected until Germany changes its attitude.</p>	859
May 19	<p><i>Memorandum by the Secretary of State of a Conversation With the Rumanian Minister</i></p> <p>Minister's opinion that the inclusion of Germany in a customs union is important.</p>	860
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TENSION ARISING FROM GERMAN-POLISH RELATIONS WITH RESPECT TO THE POLISH CORRIDOR AND DANZIG

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June 7	<i>From the Polish Ambassador</i> Statement refuting German propaganda and explaining that the propaganda continues in spite of Polish representations to the German Government in March and April.	862
June 23	<i>Memorandum by the Under Secretary of State of a Conversation With the Polish Ambassador</i> Information that the German fleet is proceeding to Danzig without prior notification to Poland; that Polish marines have been fired on by men wearing the Hitler insignia.	863
Sept. 22	<i>Memorandum by the Secretary of State of a Conversation With the Polish Chargé</i> Chargé's report that the Danzig situation has improved, that apprehension has subsided but has not passed.	864

PARTICIPATION OF THE UNITED STATES IN THE INTERNATIONAL RADIOTELEGRAPH
CONFERENCE, MADRID, SEPTEMBER 3—DECEMBER 9, 1932

1932 Aug. 13	<i>To the Chairman of the American Délegation</i> Instructions to Eugene O. Sykes as chairman of the American delegation to the International Radio Conference and as chairman of the American representatives to participate in the International Telegraph Conference, both scheduled to convene at Madrid on September 3. (Footnote: Information that some sessions were joint meetings, others were separate.)	865
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Dec. 9	<i>Convention Between the United States of America and Other Powers</i> Text of International Telecommunication Convention, signed at Madrid.	873

DESIRE OF THE UNITED STATES FOR EARLY IMPLEMENTATION OF THE CONVENTION FOR LIMITING THE MANUFACTURE AND REGULATING THE DISTRIBUTION OF NARCOTIC DRUGS, CONCLUDED AT GENEVA, JULY 13, 1931

Date and number	Subject	Page
1932 Aug. 4	<p><i>To Certain Diplomatic Officers</i></p> <p>Instructions to urge the ratification of the Convention for Limiting the Manufacture and Regulating the Distribution of Narcotic Drugs by a date which will admit the deposit of the ratification before April 13, 1933, and to report the attitude of the Government to which accredited in regard to (a) ratification or accession by it, and (b) the possibility of its urging upon other Governments the desirability of ratification or accession by them.</p>	897
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Dec. 10	<p><i>To the Consul at Geneva</i></p> <p>Department's disapproval of the suggestion of certain League officials that the Consul's conversation with Drummond regarding U. S. position on the Narcotics Limitation Convention be made the subject of a League communiqué, since it would set a precedent and other Governments have already been informed through diplomatic channels.</p>	900

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Dec. 21	<p><i>To the French Ambassador</i></p> <p>Advice that the U. S. Government would raise no objection to the adherence of the Soviet Union to the Spitzbergen Treaty, provided it is clearly understood that the absence of such an objection should not be construed as constituting U. S. recognition of the Soviet regime.</p>	901
1932 Feb. 20	<p><i>From the French Ambassador</i></p> <p>Inquiry relative to the willingness of the United States to subscribe to an arrangement drawn up by all the signatory powers which would permit the U.S.S.R. to accede to the Treaty of February 9, 1920.</p> <p>(Note: No record of a reply to this note found in the files.)</p>	902

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Apr. 11	<i>From the British Ambassador</i> Transmittal of a memorandum (text printed) putting on record that the objections previously urged against H. R. 8874 apply with equal force to the redrafted bill H. R. 10674; and copy of a letter (text printed) summing up the conference between the shipping lines. (Footnote: Information that the Netherlands, Sweden, France, Germany, Canada, and Italy also lodged formal representations against H. R. 10674.)	934
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PARTICIPATION OF THE UNITED STATES IN INTERNATIONAL NEGOTIATIONS FOR DISARMAMENT

I. THE CONFERENCE FOR THE REDUCTION AND LIMITATION OF ARMAMENTS, GENEVA, FEBRUARY 2-JULY 23, 1932¹

(1) The Nine-Point Proposal of the American Delegation, February 9

500.A15A4/739

The Secretary of State to the Acting Chairman of the American Delegation (Gibson)

WASHINGTON, January 19, 1932.

DEAR MR. GIBSON: The President has appointed me Chairman of our Delegation to the General Disarmament Conference. As I am unable to leave Washington at this time, due to the pressure of many other international affairs, he desires you to assume charge of the Delegation as Acting Chairman. I know you will inform me when you think that my presence would contribute to the successful conclusion of the Conference.

For your guidance, I am setting forth my views on some of the questions which will come before the Conference. They are based on the series of conferences held in the Department by the members of the Delegation² and the representatives of the State, War and Navy Departments, on the principles and certain of the problems which will come before the Conference. These considerations are not in any way mandatory, and are merely destined for your guidance as I rely on the discretion of the acting head of the Delegation in all cases, and realise that changes in circumstances are sure to arise in the course of the Conference which may call for radical alterations in the points of view set forth here. I know that you will consult with me by telegraph when such occasions arise.

¹ For previous correspondence, see *Foreign Relations*, 1931, vol. I, pp. 471 ff.

The proceedings of the plenary sessions and of the several commissions are printed in League of Nations, Conference for the Reduction and Limitation of Armaments, Geneva, 1932: *Journal; Records of the Conference*, Series A, *Verbatim Records of Plenary Meetings*; Series B, *Minutes of the General Commission*, vol. I; Series C, *Minutes of the Bureau*, vol. I; Series D, vol. I, *Minutes of the Land Commission*; vol. II, *Minutes of the Naval Commission*; vol. III, *Minutes of the Air Commission*; vol. IV, *Minutes of the National Defence Expenditure Commission*; vol. V, *Minutes of the Political Commission*; and *Conference Documents*, vols. I-III.

² For the personnel of the American delegation, see *Foreign Relations*, 1931, vol. I, p. 534.

It is understood that the Draft Convention elaborated by the Preparatory Commission for the Disarmament Conference which met in Geneva from 1926 to 1930, inclusive, will serve as a basis for discussion.³ The Draft Convention represents the principles upon which the various governments have thus far been able to agree, and the methods of technical progress in definition and precision. It is a frame-work which contains no quantitative factors, and the task of the Conference will be to adjust these principles to reality and to give life to the convention by an agreement for limitation and reduction. It is not anticipated that the Draft Convention will survive without considerable alteration of form.

The general guiding principles for the American participation in the Conference may be set forth along the following lines:

The principal purpose of the Conference is to arrive at a general treaty limiting and, as far as possible, reducing all armaments, thus removing the menace of competition in arms and relieving the world of the heavy burden of unproductive expense. The practical universality of such a treaty implies new bases of relativity, and hence new conceptions of the essentials for defense. The basis for the whole Conference is the principle already generally accepted in the Kellogg-Briand Pact⁴ that the principal function of armaments other than the maintenance of internal order is defense. Therefore it is necessary to renounce plans and equipment destined to give aggression a probable chance of success. This country has always maintained the policy of a reasonable posture of defense, and it should be our purpose not to fall below that level in the new conditions created by generally accepted limitation. The very nature of the projected treaty should, however, preclude any nation retaining armaments likely to be used for successful aggression particularly initial surprise attacks and it will be the purpose of this Government to work against any such possibility.

It must be borne in mind that any world-wide limitation would in itself be a step in advance, since the determination of the relationship in armaments between one country and the others has been, to a great extent, dependent upon the fear of surprise which world-wide limita-

³ For correspondence on the work of the Preparatory Commission, see *Foreign Relations*, 1926, vol. I, pp. 40 ff.; *ibid.*, 1927, vol. I, pp. 159 ff.; *ibid.*, 1928, vol. I, pp. 235 ff.; *ibid.*, 1929, vol. I, pp. 65 ff.; and *ibid.*, 1930, vol. I, pp. 187 ff.

For text of the draft convention, see League of Nations, *Documents of the Preparatory Commission for the Disarmament Conference Entrusted With the Preparation for the Conference for the Reduction and Limitation of Armaments*, Series X, Annex 20 (C.P.D.292-2), pp. 597-620; Department of State Conference Series No. 7: *Report of the Preparatory Commission for the Disarmament Conference and Draft Convention* (Washington, Government Printing Office, 1931), pp. 71 ff.

⁴ Treaty for the Renunciation of War, *Foreign Relations*, 1928, vol. I, p. 153.

tion would remove. Limitation, if it does nothing else, paves the way for subsequent reduction.

It would seem that consonant with the obligations which the major portion of the world has assumed in the Kellogg-Briand Pact, the principle of an absolute minimum force should be admitted for the preservation of internal order and in addition some increment for defense, in which the principle of relative strength should apply, and in which stringent reductions be sought.

If, for example, the present German Army may be considered as containing the appropriate number necessary for the maintenance of internal order in that country, on the same basis the American Army of approximately 130,000 would be well under the minimum allowed by this method of calculation. Therefore, it would seem that an estimate of the armed forces in each country computed by a separation into the portion necessary for the maintenance of order and the additional contingent essential for defense would clearly bring out where reductions could be made since the defense contingent would necessarily be a relative matter. On the other hand the minimum army for internal order would be an absolute number not subject to reduction. Therefore, for example, if the conference should consider any projects for the reduction by a given percentage of the expenditure of land forces, the costs and maintenance of the personnel and the equipment of that portion of the army computed upon the basis of the amount necessary for internal order should not be included in such a percentage of reduction. It would seem rather that it should be computed separately as not bearing upon the similar quota of another nation.

In the Draft Convention, personnel on active duty is limited, but not trained reserves. This omission has been severely criticised by "liberal" publicists in this country. It is however effectively impossible quantitatively to limit the trained reserves of a country unless conscription is abolished. This Government has never accepted the idea of conscription for itself, except in time of war; and American public opinion has always viewed voluntary armies as essentially defensive. We recognize, however, that most Continental Powers, with equal conviction, believe that compulsory military service is a guarantee of a pacific policy and a logical development of democracy in that it imposes equal burdens on all, whereas a voluntary or professional army presents the dangers of a Pretorian guard. Five years of earnest discussion throughout the Preparatory Commission failed to bridge this basic difference of viewpoint.

With a view to breaking the deadlock on trained reserves, Mr. Gibson on April 26, 1929, made the following declaration :

"Allow me in a few words to recapitulate the attitude of the American delegation on this problem. We have always maintained that trained reserves should be included with peace time armaments since both actually exist in time of peace. In our eyes a nation which possesses an adequate and equipped trained reserve is in a position promptly to undertake offensive battle. Such a nation is therefore in a markedly more favorable position than one which must train its personnel and equip it. Untrained civilians cannot be turned into efficient fighting men without many months of training. Starting with these premises the American delegation reached the conclusion that logic and fairness called for trained reserves being included among peace time effectives in the Draft Convention.

"These principles for which we stood during the first session we still believe. Nevertheless, as I indicated the other day, I fully recognize that other delegations which hold opposing views believe their thesis with the same conviction. Therefore if we are to reach an agreement—if we are to be able to join in a common draft—it will be necessary for concessions to be made not only on the part of one but on the part of every delegation here present. With this in mind I am able to declare that the American Government as a practical matter is disposed to defer to the views of the majority of those countries whose land forces constitute their chief military interest and in the Draft Convention before us to accept their ideas in the matter of trained reserves."⁵

While the circumstances which led to this statement have somewhat altered, it would not seem opportune to press for the inclusion of trained reserves in the Convention unless there is any likelihood that the support of the United States could bring about a change of attitude on the part of the principal military powers.

It seems quite possible that within the field of limitation of expenditure resides the best hope of concrete achievement in the forthcoming Conference. We have previously been opposed to this form of limitation, believing that reduction in personnel and matériel is the most effective and direct method, since it does away with possibilities of surprise and uncertainty which are resident in limitation of expenditure without concomitant limitation of men and arms. Furthermore, the difference in costs, living conditions and wages in the various countries make comparisons of budgets between countries entirely misleading. However, since it has been made clear that limitation of expenditure is not designed to serve as a basis of comparison of expenditure between nations, but is designed to be a check on each nation's individual military development, and to serve as a basis of comparison of military development within any given country over a period of years, the problem has altered. Furthermore, emphasis is henceforth to be placed not on a limitation of

⁵ For complete text of declaration, see *Documents of the Preparatory Commission*, Series VIII, Minutes of the Sixth Session (First Part), p. 114.

credits but on a limitation of actual expenditures. If limitation of expenditure should be coupled with limitation and reduction of matériel, preferably by categories, it might be possible to agree on this as a complementary method. Any fair proposals on this basis, which, jointly with direct reductions, would bring about a just and proportionate reduction in expenditure, might well be acceptable.

Throughout the sessions of the Preparatory Disarmament Commission discussion centered on two methods of limiting land matériel: the direct, which consists in agreement not to exceed certain specified numerical items by categories, and the indirect, or limitation by expenditure. Only one-half the States represented at the Preparatory Disarmament Conference were willing to adopt the thesis of direct limitation; all the States represented, excepting the United States, were willing to accept indirect limitation in some form, either alone or as complementary to direct limitation.

There is reason to believe that if we should, at the outset of negotiations, let it be known that in return for some measure of direct limitation by categories, we would be willing to agree to some form of limitation by expenditure, and thus prevent a qualitative race in matériel once a quantitative race had been ruled out, it would be probable that the great majority of nations would go a considerable way to meet us.

Whether the discussion turn on direct or indirect limitation of land matériel, the following division into categories, suggested by the War Department, would seem logical, avoiding on the one hand such detail as would make application of treaty terms difficult, and on the other would appear to be all-inclusive.

1. Rifles.
2. Machine guns.
3. Trench Mortars, 37 mm and similar weapons.
4. Light Artillery.
5. Medium Artillery.
6. Heavy Artillery.
7. Tanks.
8. Armored Cars.

It is obvious that a limitation in expenditure should refer only to actual military activities, whether or not they appear in the budgets for the War and Navy Departments or in other sections of the national budget. Conversely, the non-military activities which form a part of every military budget, such as administration expenses, war graves service, engineering activities on behalf of the civil governments, et cetera, should be omitted. Similarly, non-recurring expenses (the details and definition of which must be left to the technical advisers) should receive special examination. Non-recurring

expenses such as permanent fortifications, which are essentially for defense and cannot serve any aggressive purpose, hospitals, et cetera, should receive special attention.

Limitations of matériel already in force among the five naval treaty powers and the consequent limitation of personnel have automatically limited the budgets of those powers for naval defense, and it is believed that there is little possibility of reduction of budget figures on navies during the terms of the present treaties. If, however, it is proved that by greatly increased expenditure it would be possible so to improve the efficiency of a ship already limited by tons as to result in a new form of competition in construction, the possibility of determining the cost of future construction per ton in the different categories on a proportionate basis to post-war building figures may be studied.

We have informed the British Government that in so far as the Parties to Part III of the London Naval Treaty⁶ are concerned the figures to be inserted in any disarmament convention should be kept within the limitations already agreed to at the Washington and London Naval Conferences.⁷ However, it does not seem that the time limit of any general convention which may come out of the forthcoming Geneva Conference should be limited to so brief a time as the period up to December 31, 1936. This Government feels since no treaty could possibly be signed until late in 1932, it could not obtain sufficient ratification to put it into force until late in 1933. This would mean a new general conference of all the nations in 1935, which would prepare the way for the termination of the treaty in 1936.

We would be willing, if the French and Italian Governments complete the Treaty of London by adhering to Part III, to consider favorably the prolongation of the Washington and London Treaties. If this is not feasible, it seems possible that some provisions should be inserted whereby the High Contracting Parties agree that if there were any changes of naval strength for the signatories of the Washington and London Naval Treaties resulting from the Conference provided for in Article 23 of the London Treaty, all High Contracting Parties which had entered naval figures in the proposed treaty for the categories limited by these treaties, should meet in accordance

⁶ Signed April 22, 1930, *Foreign Relations*, 1930, vol. I, pp. 107, 120.

⁷ See memorandum to the British Embassy, December 30, 1931, *ibid.*, 1931, vol. I, p. 535.

For correspondence concerning the Washington Conference on the Limitation of Armament, November 12, 1921–February 6, 1922, see *ibid.*, 1922, vol. I, pp. 1 ff.; the treaty for the limitation of naval armament, signed February 6, 1922, is printed on p. 247. For correspondence concerning the London Naval Conference, January 21–April 22, 1930, see *ibid.*, 1930, vol. I, pp. 1 ff.

with Article 58 of the Draft Convention to advise as to the revisions that might be necessary. Thus the naval provisions of the forthcoming General Convention would be coterminous for all practical purposes with the London and possibly the Washington Treaty; while on the other hand, should the provisions of either or both of these treaties be continued no changes in the General Disarmament Treaty would be required. In this way it would seem that a greater element of stability could be achieved for the General Disarmament Convention than would be possible should provisions for all armaments terminate in 1936.

The President in his message to Congress stated : ⁸

“Both our Army and Navy have been maintained in a high state of efficiency. The ability and devotion of both officers and men sustain the highest traditions of the service. Reductions and postponements in expenditure of these departments to meet the present emergency are being made without reducing existing personnel or impairing the morale of either establishment.

“The agreement between the leading naval powers for limitation of naval armaments and establishment of their relative strength and thus elimination of competitive building also implies for ourselves the gradual expansion of the deficient categories in our Navy to the parties provided in those treaties. However, none of the other nations, parties to these agreements, is today maintaining the full rate of construction which the treaty size of fleets would imply.

“Although these agreements secured the maximum reduction of fleets which it was at that time possible to attain, I am hopeful that the naval powers, party to these agreements, will realize that establishment of relative strength in itself offers opportunity for further reduction without injury to any of them. This would be the more possible if pending negotiations are successful between France and Italy. If the world is to regain its standards of life, it must further decrease both naval and other arms. The subject will come before the General Disarmament Conference which meets in Geneva on February 2 next.”

Therefore in accordance with this expression it would be our purpose to work for reductions within the limits of existing naval treaties maintaining the present ratios. Certain possibilities present themselves, namely, the general abolition of submarines and the consequent reductions which could then be made by all powers in the destroyer category, as well as marked proportionate reductions in the aircraft carrier category in which no nation is built up to its allowed limits.⁹

With respect to the problem of the size of battleships at present limited by the Washington Treaty at 35,000 tons, the question is

⁸ Message delivered December 8, 1931; for full text, see *Foreign Relations*, 1931, vol. I, p. IX.

⁹ The original bears a notation that the clause beginning “as well as . . .” was later excised. See footnote 31, p. 24.

purely academic at this time, since there are no battleship replacements to be completed before 1937. A conference is provided in 1935 for the consideration of this problem. What progress may be made in the technique of construction before that time it is impossible to say, although it is a general principle that large ships are necessary on account of their resistance and fuel carrying capacity. The naval advisers of the American delegation feel that this is particularly the case in respect to the United States, owing to the absence of naval bases. It cannot, however, be excluded that some reduction in size from the present tonnage may be possible in view of the advance of the art of construction. It is possible psychologically that the mere fixation at the present time of a lower figure for capital ships would act as an encouragement to further building, as soon as permitted, whereas, the maintenance of the present large and costly capital ships would act as a deterrent to their being replaced and in favor of their life being yet further prolonged.

The Draft Convention provides for the reduction and limitation of air armaments on the basis of two factors: (1) number of planes; (2) total horse power. The American experts are of the opinion that the second factor is misleading and that the direct limitation by numbers, with a possible concomitant limitation of expenditure, would produce every desired effect.

In view of the difficulties of measuring the air forces of those countries that maintain a separate establishment for air with those whose air services are component parts of the Army and Navy, it would seem desirable that every country be asked to enter figures in three columns: (1) airplanes allocated to service with the Army; (2) airplanes allocated to service with the Navy; (3) airplanes maintained in a separate establishment. Thus the United States, for example, would enter figures only in columns (1) and (2), while Great Britain, for example, would enter in all three columns thus aiding the commensurability and adding a factor of information which would give stability to the Treaty.

It seems certain that the total abolition of military aircraft is unlikely at this time, as this would give superiority in the air and the greatest potential threat of attack to countries having the largest civilian aircraft development. Just as merchant shipping affords no danger in face of naval vessels, so the experts point out that civil aircraft is powerless against military aircraft.

Notwithstanding the difficulty of dividing aircraft into categories, should it be found possible to define the characteristics of a heavy bomber, it would seem that in line with the general proposition that armaments should serve for defensive purposes only, a proposal

might be made or at least acquiesced in for its total abolition. The threat of injury to the civilian population at the outbreak of war would thus be greatly diminished. If this solution is not feasible, some modification of the rules of war which should be generally acceptable to prevent the bombing of civilian population by military planes or to restrict such activity to purely military objectives as in the case of the present rules of war governing bombardment on land or sea, would be desirable.

As at present drafted, the Convention contains an article dealing with chemical and bacteriological warfare.

The following text has been prepared by our military and naval advisers as the basis for discussion either as an article of the Convention or as a separate instrument:

“The High Contracting Parties undertake, as among themselves, to abstain from the use in war of asphyxiating or lethal gases, except within the boundaries, and in defense, of territory over which they exercised sovereignty or *de jure* control at the outbreak of war.”

The present provision regarding bacteriological warfare is satisfactory.

While it was generally admitted that some form of central body should be set up in connection with the Disarmament Treaty, the discussions in the Preparatory Disarmament Commission indicated a wide diversity of opinion as to its proper functions. The original continental conception of the Commission was that it should be equipped with power to make investigations within the territory of a state against which complaints were entered. This idea of supervision or control was of course repugnant to us and many others and was reluctantly abandoned by its sponsors. Later, an attempt was made to give the Commission judicial attributes, which might be termed a disguised form of control. This too, was rejected. There may be attempts by certain powers to reintroduce the idea of supervision and control in a direct or indirect manner. It is believed that any such provision in the treaty would find great difficulty of acceptance by the American Senate.

In our conception the Permanent Disarmament Commission should be a body set up for study and report, for the mobilization of public opinion and the coordination of information. Emphasis should be placed less on its negative duties, such as holding hearings on complaints, and reporting on the fulfillment of the Convention, than on its positive duties, which might well include a study of the technical development of armaments, as well as reports to the Governments as to possible new ways and means to accelerate the continuing process of disarmament.

The next question to arise is whether all signatories to the Treaty are to be represented on the Permanent Disarmament Commission or only a limited number of states. On practical grounds, the latter appears the more desirable, as experience has proved that a smaller body can work more expeditiously and effectively than a larger and more cumbersome group. Perhaps the best solution would be to give permanent right of nomination to the larger military and naval powers, while a system of rotation in office should be evolved for the other states.

An attempt to define in greater detail the rules of procedure of the Permanent Disarmament Commission would probably be a mistake. It is impossible to foresee at this juncture all possible circumstances that may arise, and any procedure laid down in the Convention, and consequently unalterable without a modification of the entire document, would in our opinion be too rigid to achieve the most effective results.

The article on derogation which was proposed by the American Delegation to the Preparatory Disarmament Commission, was originally phrased so as to follow the wording of Article 21 of the London Treaty which reads:

“If, during the term of the present Treaty, the requirements of the national security of any High Contracting Party in respect of vessels of war limited by Part III of the present Treaty are in the opinion of that Party materially affected by new construction of any Power other than those who have joined in Part III of this Treaty, that High Contracting Party will notify the other Parties to Part III as to the increase required to be made in its own tonnages within one or more of the categories of such vessels of war, specifying particularly the proposed increases and the reasons therefor, and shall be entitled to make such increase. Thereupon, the other Parties to Part III of this Treaty shall be entitled to make a proportionate increase in the category or categories specified; and the said other Parties shall promptly advise with each other through diplomatic channels as to the situation thus presented.”

The debates in the Preparatory Disarmament Commission made it clear that the phrase “thereupon the other High Contracting Parties will advise as to the situation thus presented” used in a treaty with fifty or more signatories, was of a wider scope than a similar phrase used in a three-Power Treaty and providing for a contingency created by the building program of any one of a very limited number of outside powers. In the General Disarmament Treaty it is hoped that there will be no non-signatory Powers, or at least that such Powers as do not sign will be of so little importance from a military point of view as not to affect, for practical purposes, the universality of the Treaty.

Now it was intended to include in this one general and simple undertaking to advise as to the situation arising from the suspension of the Treaty provisions, various contingencies. A state might have taken the serious step of suspending the Treaty in whole or in part, (a) as the result of a violation (or alleged violation) of the Treaty by another contracting party; (b) as the result of an altered circumstance arising from some action of a contracting party, that did not violate the Treaty; (c) as the result of some action taken by a non-contracting party, et cetera. Whichever the cause, it would seem that the derogating Power should have an opportunity to join in the deliberations of the other contracting parties: (1) to give information explaining or justifying the serious step it had taken in suspending part of the Convention; (2) to be on a footing of equality with the other state whose violation of the Treaty is alleged; and (3) to facilitate an adjustment of the difficulty and a consequent withdrawal of the temporary suspension. In the circumstances, the second paragraph of this article might be rephrased as follows:

“Thereupon the High Contracting Parties shall promptly advise as to the situation thus presented.”

This article bears enough superficial likeness to a “Consultative Pact” to merit careful explanation. The fundamental objection to a Consultative Pact is that many people regard it not as a promise to consult, but as an implied promise to take some further step usually to carry out the recommendations not unanimously agreed to of the consultative body. No opportunity should be lost to make it clear that an acceptance of this article does not carry with it any undertaking (1) to accept the conclusions of the deliberating High Contracting Parties; (2) to take action of a discriminatory nature against any other Power; or (3) to advise with the League of Nations or any organ thereof. The willingness “to advise” as to the situation presented is an undertaking assumed in all seriousness, voluntarily and not as a *quid pro quo* for concessions elsewhere, and upon the clear understanding of the delegates of other Powers that it means what it says and that it contains no hidden implications or commitments.

Furthermore no prescription should be made as to the method by which the powers should advise among themselves, and thus there is no implication that a conference is mandatory every time a suspension is claimed. There is every reason to presume that the purposes of this article would in most cases best and most speedily be carried out through diplomatic channels.

With respect to the many matters of detail not treated here, I shall rely on your judgment as head of the Delegation as to whether it

will be necessary to ask for instruction or to decide the question on the basis of the general principles with which you are familiar.

Sincerely yours,

HENRY L. STIMSON

500.A15A4/747 : Telegram

The Minister in Switzerland (Wilson) to the Secretary of State

BERNE, January 21, 1932—4 p. m.

[Received January 21—2:10 p. m.]

16. Your 15, January 19, 4 p. m.¹⁰ In conversation with Drummond I learn that it is anticipated that first session of General Disarmament Conference will be confined to general declarations in plenary sessions and that it is not anticipated that it will be of many weeks duration. It is not contemplated by the Secretariat that commissions will be set up until the general discussion is terminated, perhaps not at first session at all. It is expected that adjournment will then be made until early in May. It is therefore probable that the first session of the Conference will be devoted to expositions of views and the ascertaining of points of view and difficulties of the various delegations without much endeavor to reach definite results since it is probable that chief delegates of certain states will only remain for opening days.

In view of foregoing and after conversation with Gibson I have decided not to take advantage of authorization in your 14, January 14 [18], 6 p. m.¹⁰ to be present in Geneva during Council session since there will be ample time during the plenary session for ascertaining views of other delegations.

Delighted you are planning to come.

WILSON

500.A15A4/833

The British Ambassador (Lindsay) to the Secretary of State

WASHINGTON, 22 January, 1932.

MY DEAR MR. SECRETARY OF STATE: With reference to the memorandum containing the views of His Majesty's Government in the United Kingdom on the subject of the procedure to be followed with respect to naval disarmament at the forthcoming conference at Geneva, which I left with Mr. Castle on December 5th,¹¹ and to that

¹⁰ Not printed.

¹¹ *Foreign Relations*, 1931, vol. I, p. 532.

which Mr. Castle handed to Mr. Osborne on December 30th¹² containing the views of the United States Government, I now enclose a memorandum setting forth certain further important points. Sir John Simon earnestly hopes that our two governments will find that they are in general agreement on these points before any of the Powers concerned finds it necessary to define its attitude at the conference.

The Japanese Government are being similarly approached.

Believe me [etc.]

R. C. LINDSAY

[Enclosure]

The British Embassy to the Department of State

MEMORANDUM

His Majesty's Government in the United Kingdom are glad to note that the United States Government agree to part 3 of the London Naval Treaty being maintained until revised by the 1935 conference.

2. As regards the duration of any convention resulting from the conference, it is possible that the United States Government may have taken the observations contained in the memorandum handed to Mr. Castle on December 5th as referring to the disarmament convention as a whole, whereas in fact they were intended to refer only to the Naval clauses of any such convention. His Majesty's Government fully agree as to the desirability of the convention as a whole running for a longer period than that for which the London Naval Treaty is still valid.

3. His Majesty's Government understand the effect of the proposal which the United States Government now make in regard to the Naval clauses of the convention to be as follows:

A. That so far as the parties to the Washington and London naval treaties are concerned the provisions of these treaties (supplemented, it is hoped, by an agreement with France and Italy) should represent their contribution to the reduction of Naval armaments up to the end of 1936.

B. That an agreement for a longer term should be negotiated by the other naval powers and incorporated in the naval clauses of the convention.

C. That representatives of the Washington and London naval treaty powers should meet in conference in 1935 as already arranged in Article 23 of the latter treaty.

D. That if as a result of this conference any changes in the naval strength of the Washington and London naval treaty powers were contemplated, all the high contracting parties which have entered

¹² *Ibid.*, p. 535.

in the proposed convention naval figures for the categories limited by the Washington and London treaties should meet to advise as to any revision of their own figures that might be necessary.

4. His Majesty's Government for their part readily concur in these proposals except that, in regard to proposal (D), they consider that the proposed conference should not result automatically from any changes in the naval strength of the Washington and London naval treaties but should only be summoned if any of the parties concerned should consider their security to be affected as a result of such changes. His Majesty's Government in the United Kingdom also consider that any one of the Washington and London treaty powers should itself have the right to call a conference of all naval powers should an agreement reached at the 1935 conference for any changes in Washington or London limitations on the size or armament of types of ships render this desirable.

5. As regards the form in which the contribution of the parties to the Washington and London naval treaties should be expressed, His Majesty's Government in the United Kingdom are considering in consultation with the Dominions the course which they will advocate but the following arguments against the insertion in the naval clauses of the convention of the figures appearing in Part 3 of the London Naval Treaty appear to merit serious consideration.

6. In the first place, it is to be hoped that the smaller naval powers will be prepared to enter in the convention figures which they will not exceed for the whole term of the convention (subject only to revision in 1935 as proposed above) whereas the figures in Part 3 of the London Naval Treaty are agreed only up to December 1936 and represent in some cases tonnage levels which must be reached by that date but may be exceeded in the interval. Secondly, the negotiation of an agreement concerning construction by France and Italy up to 1935 or 1936 would be greatly impeded if figures had necessarily to be entered in the convention by the Washington and London naval treaty powers.

7. If this view were adopted it would seem to follow that in so far as those powers are concerned there would be in the convention a simple reference to the fact that their naval strength will be limited up to 1936 by those treaties and by any supplementary agreement in the nature of the bases of agreement of March 1, 1931,¹³ which may be reached with France and Italy. His Majesty's Government in the United Kingdom will communicate again with the United States Government on this point as soon as possible but they are anxious that the United States Government should be informed at once that they have the above considerations in mind.

¹³ *Foreign Relations*, 1931, vol. I, p. 380.

8. The enquiry which was addressed to the United States Government in the memorandum referred to in paragraph 2 above was simultaneously addressed to the Japanese Government. The latter replied that since the demands to be put forward by other countries such as France and Italy were unknown, it would be a mistake to regard the strength laid down at Washington and London as fixed. It was not desirable that a new treaty should have provisions characteristic of the London Treaty and therefore require the meeting of a further conference in 1935. In these circumstances the Japanese Government preferred to reserve their decision regarding the proposal of His Majesty's Government in the United Kingdom until the conference met.

9. While it is possible that the Japanese Government's view may have been based on a misunderstanding of what His Majesty's Government had proposed, it is also possible to interpret their communication as meaning that they are in favour of an attempt being made at the forthcoming conference to extend the term of validity of the London Naval Treaty and so to dispense with a conference in 1935. His Majesty's Government in the United Kingdom would see serious objections to any such proposal. The difficulties of the disarmament conference will be enormous, especially as it now appears that apart from the large number of smaller powers whose conflicting claims will have to be reconciled, there is no longer any prospect of a settlement of the Franco-Italian difficulty before the conference meets. From existing indications it is not clear by any means that His Majesty's Government will be able to avoid recourse to Article 21 of the London Naval Treaty owing to the action of European powers, and it is unnecessary to emphasize the importance of doing nothing which might increase the existing difficulties.

10. Furthermore, as the United States Government are aware, His Majesty's Government in the United Kingdom were only able to accept the existing level of limitation as part of the agreement as a whole, which was negotiated in London in 1930, including in particular a specific and limited duration. It would mean precipitating difficulties which need not arise until 1935 if an attempt had now to be made to find an acceptable limitation level for a period subsequent to 1936. It would also no doubt mean the renewal by Japan of a claim to a higher ratio (probably 70%) of United States and British naval strengths in all limitable categories.

11. If the parties to part 3 of the London Naval Treaty¹⁴ enter the Disarmament Conference in agreement amongst themselves, they will be in a strong position to influence the other powers to reduce

¹⁴ i. e., the United States, Great Britain, and Japan. France and Italy did not agree to part III of the Treaty.

their armaments in turn. If, on the other hand, these powers reopen the whole question between themselves they will be in no position to do this: their influence will be greatly reduced and with it the prospect of success in bringing about any reduction on the part of other powers.

WASHINGTON, 22 January, 1932.

500.A15A4/777 : Telegram

The Secretary of State to the Minister in Switzerland (Wilson)

WASHINGTON, January 26, 1932—6 p. m.

19. Your 16 January 21, 4 p. m. While I appreciate the advantages to be gained by holding a plenary session in February and then adjourning the political discussions until early in May, I am somewhat disturbed by your hint that the technical commissions may not be set up and function during the period of adjournment. Apart from the fact that there are many technical problems that can usefully be debated and decided, I fear the effect on public opinion, which is already somewhat sceptical as to the Conference, if after a general exchange of views, all negotiations, even of a preliminary technical character, should be suspended for two or three months. You may convey these considerations orally to Drummond. For your personal information, Congress passed the authorizing legislation after prolonged debate, and by a vote of approximately 3 to 2 only,¹⁵ and the actual appropriation bill has not yet been passed. One of the chief grounds of opposition has been a feeling that the European nations were not entering the Conference with an idea of serious work; if after the opening discussions our delegation should be left idle for months, this feeling would be seriously accentuated.

STIMSON

500.A15A4/794 : Telegram

The Acting Chairman of the American Delegation (Gibson) to the Secretary of State

GENEVA, January 31, 1932—11 p. m.

[Received January 31—10:07 p. m.¹⁶]

2. Your 23, January 29, 7 p. m.,¹⁷ to Berne. I today read to the delegates your suggested opening speech. They were exceedingly

¹⁵ *Congressional Record*, vol. 75, pt. 2, pp. 2197-2198; 47 Stat. 4, 35.

¹⁶ Telegram in two sections.

¹⁷ Not printed.

pleased with your approach to the problem. Following your suggestion we have put in some alterations in phraseology and two additional paragraphs and to avoid any confusion I am re-telegraphing the entire amended text as my number 3, January 31, 12 p. m.¹⁸

The first addition of substance is the introductory paragraph. This is inspired by a state of mind which is apparent on the Continent. Bruening's recent statement relative to reparations has brought about for the first time in 13 years real discussion as to the realities of the continental situation. There is general questioning even of such fundamental law as the peace treaties which it has previously been considered heretical even to question. In other words Bruening's statement plus the action of our Congress relative to debts¹⁹ has brought about a new standard of frankness in the discussion of pending problems. We think it advisable and helpful to encourage this state of mind. The paragraph also seems a logical introduction for the admirable exposition you have furnished us.

The other additional or anti-penultimate paragraph recites briefly the President's analysis of the forces required for the maintenance of internal order and those for defense. This would enable the delegation at a later date to refer to its opening speech when occasion comes to amplify it.

The other changes are of phraseology in the interest of clarity and more lucid translation.

As matters now stand it appears probable that there will be no appropriate occasion to deliver this address for several days but we should be glad to have your views as soon as convenient.

GIBSON

500.A15A4/795 : Telegram

The Acting Chairman of the American Delegation (Gibson) to the Secretary of State

[Extract²⁰]

GENEVA, January 31, 1932—midnight.

[Received February 1—12:30 p. m.²¹]

3. Opening. The past months have brought to the peoples of the world a realization that the time has come to scrutinize with eyes open and unafraid, the relations of the states to each other and the

¹⁸ Extract printed *infra*.

¹⁹ For correspondence relative to Congressional approval of the Hoover Moratorium, see *Foreign Relations*, 1931, vol. I, p. 240.

²⁰ Except for certain additions referred to in subsequent documents, the omitted portions of this document conform with the final text of the speech as delivered on February 9, p. 25.

²¹ Telegram in eight sections.

efficacy of the inter-state arrangements already existing. Events have been precipitated in the realm of international treaties and international cooperation which make it necessary to face facts with a sense of realism and with a willingness to discard the prejudices and possibly the processes of the past. With this in mind, the American delegation enters this work prepared to elucidate its position now and whenever it may become necessary, with the directness which the present situation requires.

GIBSON

500.A15A4/798 : Telegram

The Acting Chairman of the American Delegation (Gibson) to the Secretary of State

GENEVA, February 1, 1932—9 p. m.
[Received February 1—6:50 p. m.]

4. The immediate plans for the Conference as developed in conversations which I had today with Drummond and Henderson are for opening session tomorrow, Tuesday, 3:30 p. m., at which President will make opening declaration and will propose the setting up of three committees.

1. On credentials;
2. On rules and procedure;
3. On examination of petitions to the Conference;

The only one of importance being the last inasmuch as the committee will give hearings to the representatives of organizations from all countries now in Geneva and determine which of them are to be heard in plenary session. For this committee I suggested informally the name of Doctor Woolley and Mr. Henderson gladly acquiesced.

The next meeting will probably be held on Friday²³ to receive the reports of the three committees set up which will be working in the interval. A further plenary will be held on Saturday to receive petitions passed by the committee.

Both Drummond and Henderson readily understood the force of the argument used in your 19, January 26, 6 p. m., to Berne as to the necessity for continuing work without long adjournments and expressed themselves as in sympathy with this idea. We will take future occasion to impress this idea on leading members of the Conference. So far as Henderson and Drummond are able to foresee

²³ February 5.

they will try to keep work going either in plenary sessions or commissions until time for an Easter recess of 2 or 3 weeks after which work will be resumed in such form as may then be possible. Henderson understands that both French and German Governments desire that work should continue regardless of their impending elections.

It is now anticipated that the general discussion will begin on Monday of next week. MacDonald has expressed the desire to make the first statement and Bruening to speak on Tuesday. We have canvassed the question of the most propitious moment for our statement and have come to the conclusion that it would be wise for us to speak on Tuesday before Bruening. In this way what we have to say can be considered on its own merits whereas if we make the same declaration after the French and Germans have possibly precipitated a conflict the same statement might readily be construed as upholding the contentions of one side or the other, thereby lessening its effect.

Unless I hear from you to the contrary I shall make arrangements to this effect.

GIBSON

500.A15A4/816 : Telegram

The Secretary of State to the Acting Chairman of the American Delegation (Gibson)

WASHINGTON, February 3, 1932—6 p. m.

1. Your telegrams No. 2, January 31, 11 p. m., and No. 3, January 31, 12 p. m. In view of the events of the past few weeks I feel that it would be a mistake to retain the introductory paragraph you drafted, 1) because it countenances and generally accepts repudiation of obligations as a principle and 2) because it implies taking a position in relation to European disagreements which we ought to avoid at this stage at least. (See my telegram No. 102, September 10, 11 p. m., to Wilson²⁴). Please therefore begin the speech as originally cabled you.

In the sentence in paragraph 2 reading "our conference must not be diverted from achieving success on the vital questions by minor differences in the background" please substitute the words "of a technical nature" for the words "in the background."

Otherwise I approve all the changes you have suggested.

The Department will release the text to the press here on receipt of a flash from Geneva next Monday or Tuesday that you are ad-

²⁴ *Foreign Relations*, 1931, vol. I, p. 522.

dressing the Conference. Please arrange with the representative of the Associated Press to send flash "For McDermott State Department Shoot".

STIMSON

500.A15A4 Plenary Sessions/44

*Memorandum of Trans-Atlantic Telephone Conversation*²⁵

SECRETARY: Hello, is that you Hugh?

MR. GIBSON: Good-morning, Mr. Secretary. I wanted to report to you on the opening session today and make a proposal from the delegation. We have this morning a statement by Sir John Simon²⁶ and by M. Tardieu,²⁷ both of whom presented a rather complete program of definite proposals. We, independently in our delegation, came to the conclusion that we ought to make an addition to the speech we have prepared tomorrow and this afternoon we have given very careful study to the preparation of an addition which we would like to submit to you and recommend for insertion before the last two paragraphs.

SECRETARY: Just one minute, Hugh. I am familiar with the French proposition. You mean that was the one about the League police force and international armaments,²⁸ but I am not familiar with Sir John Simon's.

MR. GIBSON: His speech was on the basis of the proposal he made the other day. Sir John Simon had a number of different points which he brought out in his speech. He wanted to adopt the draft convention which we drew in the Preparatory Commission as the basis of the work. He supported the establishment of a permanent disarmament commission; he urged the abolition of gas and chemical warfare; the abolition of submarines. He touched upon construction, but said that was a controversial subject and generally drew attention to French prohibitions or limitations which will weaken the attack. He spoke about the reduction in the size of ships, their maximum gun calibre and the heavy guns above a certain calibre. That was about the substance of what he brought forth.

SECRETARY: Yes.

MR. GIBSON: As we open tomorrow morning, we feel that we ought to say something rather specific about what we are prepared to do,

²⁵ Between Mr. Gibson in Geneva and Mr. Stimson in Washington, February 8, 1932, 11:10 a.m.

²⁶ For text of the statement, see *Records of the Conference*, Series A, *Verbatim Records of the Plenary Meetings*, vol. 1, pp. 55-59.

²⁷ For text of the statement, see *ibid.*, pp. 59-64.

²⁸ League of Nations, Conference for the Reduction and Limitation of Armaments, 1932, *Conference Documents*, vol. 1, p. 113 (Official No: Conf. D. 56.)

and we have prepared a draft to be inserted before the last two paragraphs in the speech as you have approved it, and if you have a stenographer there I should like to dictate it. This is the way it reads:

The American Delegation has listened with interest to the speeches of Sir John Simon and M. Tardieu and has been interested to note that each of them has begun this general discussion by concrete proposals, setting forth at the very beginning of the Conference the contributions which their Governments can make to the cause for which we are assembled. These proposals and any others which they may put before the Conference will be examined with an open mind by my Government and we feel that the best road to success lies in a similar statement from every delegation that has something very positive to lay before us so that we may out of this discussion evolve something which it is felt possible to bring forward at the outset.

The American Delegation has not attempted to formulate or submit any comprehensive plan for overcoming all of the obstacles that exist in the way of achieving a general limitation and reduction in armaments. In the first place, we do not desire to raise new questions which will increase the points of difference and thus delay taking the forward step which could otherwise be taken. In the second place, we do not believe the human mind is capable of so projecting itself into the future as to devise a plan which will adequately provide for all future developments and contingencies.

As practically all the nations of the world have now pledged themselves not to wage aggressive war, we believe this conference should and can successfully devote itself to the abolition of those weapons which are devoted primarily to aggressive war and we are prepared to give earnest and sympathetic consideration to any plans or proposals which seem to furnish a practicable and sound basis upon which we may effect a general limitation and reduction of armaments and establish a more healthy and peaceful state of affairs. It is my purpose today to lay before you certain points which the American Delegation advocates. Let me say that this list is not explicit [*exclusive?*] and contains merely some of the thoughts which we feel will carry on some of the propositions of the Conference.

1. The American Government advocates consideration of the draft convention as containing the outlines of a convenient basis for discussion, while expressing its entire willingness to give full consideration to any supplementary proposals calculated to invoke the end we all seek.

2. We suggest the possibility of prolonging the existing naval agreements concluded at Washington and London, and we advocate

completing the latter as soon as possible by the adherence of France and Italy.

3. We advocate proportional reduction from the figures laid down in the Washington and London agreements on naval tonnage as soon as all parties to the Washington agreement have entered this frame work.

4. We advocate, as we long have done, the total abolition of submarines.

5. We advocate the prohibition of bombing of land objectives from the air except within the national territory and for its defense.

6. We advocate the total abolition of lethal gases, bacteriological warfare, or if this is impracticable, similar restrictions as those already stated for bombing, namely, the utilization solely within the national territory and for its defense.

7. We advocate, as I have already stated, the computation of the number of armed forces on the basis of the effectives necessary for the maintenance of internal order and an additional increment necessary for defense.

8. We agree in advocating special restrictions for tanks and heavy mobile guns, in other words, weapons of a military offensive character.

9. We are prepared to consider a limitation of expenditure on matériel as a complementary method to direct limitation, feeling that it may prove useful to prevent a qualitative race, if and when quantitative limitation has been effected.

As I have already said these nine points are in no sense explicit [*exclusive?*] but I mention them merely in order to focus attention upon the method in which we have the greatest hope of early practical realization. That is the end of the draft.

I want to say, under No. 8, Dr. Woolley wrote up a very sound objection to that and she feels in a way that it is a step backward from our signature of the draft protocol and Senator Swanson says that he feels entirely safe in assuming that we can get a total prohibition through the Senate.

SECRETARY: A total prohibition on heavy tanks and guns—what did the Senator say?

MR. GIBSON: The Senator says he is convinced that the total prohibition can be put through the Senate. We drafted this in such a way that we could either use the first phrase or go on with the qualifying phrase if you think it is wiser.

SECRETARY: Yes.

MR. GIBSON: There is only one other point that we want to call your attention to. Under Number 9 we drew very carefully a clause

about budgetary limitation, contingent upon a satisfactory expenditure for matériel direct limitation. We feel that we are adequately safeguarded by that and that it is the one thing calculated to save us from the position of being the obstructionists and, furthermore, it will give the most force to what we have to say.

SECRETARY: Have you submitted that to the Army and Navy?

MR. GIBSON: Everyone on the Delegation, but General Simonds says to remember your conversation with the Secretary of War.²⁹ He feels that it should be checked with the Secretary of War and that he would put in a reservation until that is done. Admiral Hepburn said in that case may be he should be consulted by telephone also, although he sees no objection to it as it stands.

SECRETARY: I don't remember that there is any objection to it.

MR. GIBSON: We put in the other matériel because we wanted to avoid the objection the Secretary of War had raised—that this was going to reduce our standard of living. It does avoid his objection as I understand it.

SECRETARY: It is pretty hard to understand his objection, but I guess you are right.

MR. GIBSON: The General was very reasonable about it, only he felt he ought to tell the Secretary of War in view of a doubt existing in his mind. We are slated to speak tomorrow morning at ten o'clock but we would be very grateful if you could let me have the earliest possible decision on this because we must arrange for our translations and all that.

SECRETARY: The only thing that will cause delay is that reference back to the War Department.

MR. GIBSON: Don't you think that could be done by telephone by somebody.

SECRETARY: Gibson, I am very pessimistic about my getting any affirmative assent to anything which involves budgetary limitation from the War Department unless I take it up with the President. The Secretary of War says that when this became a national matter, the Secretary would withdraw his objections.

MR. GIBSON: Don't you think the President's proposals would cover that fully. We all feel it is the essential part of the statement.

SECRETARY: All right, I will try to get it and telegraph you.

MR. GIBSON: I shall stay here and could you telephone back as soon as convenient?

SECRETARY: It is pretty hard. I shall try to call you as quickly as I can.

²⁹ Patrick J. Hurley.

500.A15A4 Plenary Sessions/64

*Memorandum of Trans-Atlantic Telephone Conversation*³⁰

CASTLE: We want to have correct to give out here what you are going to say. Do you hear me?

GIBSON: Yes. I have already telegraphed it in full as I read it to the Secretary.

CASTLE: All right that is fine. Let us take up your different points. No. one is all right.

GIBSON: Check.

CASTLE: No. two is all right.

GIBSON: Check.

CASTLE: No. three is all right. But in connection with that Hugh, the Secretary wants you to refer to page 13 of his letter of guidance to you. And in there it says, there is one possibility that might present itself to the Conference which was to seek a proportionate reduction in the aircraft carrier category because no nation is built up to its limit and what we want you to do is to strike out that clause.³¹

GIBSON: Strike out.

CASTLE: Strike out the clause that talks about proportionate reduction in aircraft carriers.

GIBSON: I haven't said that.

SECRETARY: That is in the instruction. I do not believe in giving up any of our spare tonnage in the aircraft carrier category. You have not said so yet but I have been alarmed you might get to it.

GIBSON: No I won't.

SECRETARY: I don't want to give it up. I should fight against it.

CASTLE: Point four is all right.

GIBSON: Check.

CASTLE: No. Point five we do not like. Will you take down this language: "We will join in formulating the most effective measures to protect civilian populations against aerial bombing." Now substitute that for what you have.

GIBSON: In place of five.

CASTLE: Yes, in place of five.

CASTLE: Now six. We stand with Miss Woolley on that.

GIBSON: Good, I am glad you do.

CASTLE: Stop after "bacteriological warfare." Now seven. You want to add at the end the following: "We advocate as I have already stated the computation of the number of armed forces on the

³⁰ Between Mr. Gibson in Geneva and Mr. Stimson and Mr. Castle in Washington, February 8, 1932, 2 p. m.

³¹ Reference is to p. 7, paragraph beginning "Therefore . . .", clause beginning "as well as . . ."

basis of the effectives necessary for the maintenance of internal order and additional increments necessary for defense." That is all right so far. Add to that Hugh as explaining it—"The former are obviously impossible of reduction. The latter is a question of relativity[?]. Number eight is all right.

GIBSON: Check.

CASTLE: No. nine is all right. We have consulted both the Chief of Staff³² and Chief of Naval Operations³³ and they say that is all right. That will calm your military people.

500.A15A4/837: Telegram

The Secretary of State to the Acting Chairman of the American Delegation (Gibson)

WASHINGTON, February 8, 1932—6 p. m.

6. On January 22 the British Ambassador left a memorandum,³⁴ the substance of which I understand has been sent you by Atherton, recommending that the signatories of Part III of the London Naval Treaty enter the forthcoming Conference in agreement amongst themselves with respect to naval problems and offering certain specific suggestions as to a basis for agreement.

In view of Points 2 and 3 of the nine points in your speech tomorrow, I am informing the British Ambassador that, inasmuch as it appears desirable not to risk confusion and possible misunderstanding by discussing the problem concurrently at Washington and Geneva and since our delegation has full authority to deal with the question raised in the British communication, I am referring the entire matter to you.

STIMSON

500.A15A4 Plenary Sessions/19

Address Delivered by Mr. Hugh S. Gibson, Acting Chairman of the American Delegation, at the General Disarmament Conference, Geneva, February 9, 1932

The United States enters the first world conference on the limitation and reduction of armaments with the determination to leave nothing undone to achieve substantial progress. It assumes that the same will predominate among all the nations represented in this conference. Nothing is contributed to our deliberations, indeed our

³² General Douglas MacArthur.

³³ Admiral William V. Pratt.

³⁴ *Ante*, p. 13.

efforts are only clouded with insincerity and pretense, if we fail to acknowledge the difficulties which just now surround the project before us. The part of statecraft is, however, neither to gloss over difficulties and thereby contribute to defeat, nor to invite despair by over-emphasis on the difficulties in the foreground. The situation demands calm consideration of the facts as they exist and courageous efforts to obtain a substantial solution. The impediments are familiar to the most elementary observer of international affairs of this kind. We meet with the necessity of coordinating motives and maturing agreement in a congress of nations larger than has ever before been assembled. We meet under the strain of economic distresses, international uncertainties and popular emotions which might easily engulf anything smaller in stature than the cause presented here. Our conference must not be diverted from achieving success on the vital questions by minor differences of a technical nature. The task before the nations of the world is not to minimize these problems but, fully mindful of them, to gather strength and determination from the conviction that the demand for a regime of international confidence, cooperation and peace will in the end have its way; that the men and nations of our own day who contribute to it will be counted in the end as enrolled in a victorious cause, and that in the long perspective of history those who are today reluctant and preoccupied with smaller interests will stand only as temporary impediments to a world-wide and inevitable movement.

The people of the United States have during the past generation played a useful and leading part in the movement for the limitation and reduction of arms. The Washington Conference of 1922³⁵ made the first concrete contribution in voluntary limitation. It met the then existing problem of armament at its most acute, its most threatening and its most conspicuous point, and by a restriction of naval armament among the powers who found themselves setting an unhappy example, made a long and decisive stride in the direction demanded by world opinion. Our people at that conference sacrificed, if not a real predominance, at least a potential predominance in weight and strength for warfare. The American people have been proud of the contribution which they made to that pact of temperate conduct and commonsense. In the London Naval Conference of 1930³⁶ the principle of limitation established for capital ships at the Washington meeting was enlarged to cover the whole field of equipment for warfare at sea by the three most heavily armed of the nations, and some progress was made toward including the two other

³⁵ See *Foreign Relations*, 1922, vol. I, pp. 1 ff.

³⁶ See *ibid.*, 1930, vol. I, pp. 1 ff.

powers most concerned. We enter the conference today with the practicability of the limitation upon arms established, with the demand for it augmented by general pride and satisfaction in the achievement already made, and with the United States again willing to play its appropriate part in further progress. The American delegation is prepared to consider any form of military limitation and reduction which promises real progress toward the feeling of international security, protection against surprise and restraint on the use of arms for purposes of aggression.

The burden and dangers of the gigantic machinery of warfare which are now being maintained in times of peace have reached a point where they threaten civilization itself. For two years past the people of every race have been confronted with an economic crisis from which no nation has been free. All the governments of the world have faced reduction of income, unsettled budgets, and dangers to the very stability of government itself. The United States while seriously affected by these difficulties has suffered somewhat less severely than many of the other nations. It is today able to maintain the burden of armaments as readily as any of the nations but it views that burden as unnecessary and inexcusable. No one will doubt the political instability of the world of which these arms are not alone the effect but also the cause. No one will doubt that they not only contribute to the economic debacle but that they threaten the peace of the world. Our American people look upon the statesmanship which permits the continuance of existing conditions as nothing less than failure. The time has gone by when the peoples of the world will long permit the continuance of this failure.

There is a feeling sometimes expressed that the convictions of the United States in this field, the faith of our people in an orderly and stable regime among the nations, and our conviction that the very existence of armaments unbalances the equilibrium, are a product of our geographical isolation and of our lack of experience of and exposure to the rivalries and strains of the European Continent. In answer, the American people point to the fact that the system of competitive armament, of alliances and cross alliances which has existed for centuries in Europe has failed to maintain peace and seems indeed to have been provocative of war, the results of which are such that victors and vanquished are victims alike. Furthermore, the altered conditions of international relationships, the development of communication and transport within the last generation to a point where the whole world is knit together by strands of commerce, finance and intimate contact, have today produced new international relationships which are utterly inconsistent with the older methods

and formulas. America is convinced that the world should not go on to new movements and new tasks hampered by the garments of an older regime, and that the problem is only how promptly and smoothly mankind will cast aside the weapons and traditions of the old.

In the past every nation has justified its level of armament however high by the claim such levels were necessary for its national defense. Let us not forget, however, that new international commitments of binding force have introduced a new conception of what is needed by a nation for the purpose of defense. Such treaties and commitments bear upon practically all the nations here represented. In view of this new situation calling for new methods and new formulas the lessons of the old strategy must be unlearned in order that we may advance. The new conception of national armaments has never been put into words in any of our commitments but it is so implicit in their terms that it can be reduced almost to a formula. Every nation has not only the right but the obligation to its own people to maintain internal order. This obviously calls for an adequate military force for internal police work. Beyond and above this there is the obligation of each Government to its people to maintain a sufficient increment of military strength to defend the national territory against aggression and invasion. We, therefore, have this formula dividing our military forces into two parts. Beyond this reasonable supplement to the police force we have taken an implicit obligation to restrict ourselves. Our problem is, therefore, to establish by honest scrutiny and agreement the margin that now exists beyond what is essential for the maintenance of internal order and defense of our territories. Controlled by prudence but not by fear let us then proceed in a practical way to reduce armaments to the level to which we are all committed.

The American Delegation has listened with interest to the speeches of Sir John Simon and M. Tardieu and has been interested to note that each of them has begun this general discussion by concrete proposals, setting forth at the very beginning of the Conference the contributions which their Governments can make to the cause for which we are assembled. These proposals and any others which may be put before the Conference will be examined with an open mind by my Government and we feel that the best road to success lies in a similar statement from every delegation that has something positive to lay before us so that we may set out upon our labors with the benefit of all the practical proposals which it is possible to bring forward at the outset.

The American Delegation has not attempted to formulate and submit any comprehensive plan for overcoming all of the obstacles

that exist in the way of achieving a general limitation and reduction in armaments. In the first place, we do not desire to raise new questions which will increase the points of difference and thus delay taking the forward steps which could otherwise be taken. In the second place, we do not believe the human mind is capable of so projecting itself into the future as to devise a plan which will adequately provide for all future developments and contingencies.

Since practically all the nations of the world have now pledged themselves not to wage aggressive war, we believe this conference should and can successfully devote itself to the abolition of weapons which are devoted primarily to aggressive war and we are prepared to give earnest and sympathetic consideration to any plans or proposals which seem to furnish a practicable and sound basis upon which we may effect a general limitation and reduction of armaments and establish a more healthy and peaceful state of affairs. It is my purpose today to lay before you certain points which the American Delegation advocates. Let me say that this list is not exclusive and contains merely some of the thoughts which we feel will carry on some of the purposes of the Conference.

1. The American Government advocates consideration of the draft convention ³⁷ as containing the outlines for a convenient basis for discussion, while expressing its entire willingness to give full consideration to any supplementary proposals calculated to advance the end we all seek.

2. We suggest the possibility of prolonging the existing naval agreements concluded at Washington and London, and we advocate completing the latter as soon as possible by the adherence of France and Italy.

3. We advocate proportional reduction from the figures laid down in the Washington and London agreements on naval tonnage as soon as all parties to the Washington agreement have entered this frame work.

4. We advocate, as we long have done, the total abolition of submarines.

5. We will join in formulating the most effective measures to protect civilian population against aerial bombing.

6. We advocate the total abolition of lethal gases and bacteriological warfare.

7. We advocate, as I have already stated, the computation of the number of armed forces on the basis of the effectives necessary for the maintenance of internal order plus some suitable contingent for defense. The former are obviously impossible of reduction; the latter is a question of relativity.

8. We agree in advocating special restrictions for tanks and heavy mobile guns, in other words, for those arms of a peculiarly offensive character.

³⁷ *Documents of the Preparatory Commission, Series X, Annex 20 (C.P.D. 292-2)*, pp. 597-620.

9. We are prepared to consider a limitation of expenditure on matériel as a complementary method to direct limitation, feeling that it may prove useful to prevent a qualitative race, if and when quantitative limitation has been effected.

I have already said these nine points are in no sense exclusive but I mention them merely in order to focus attention upon the methods in which we have the greatest hope of early practical realization.

The nations of the Western Hemisphere have long since prepared themselves for an international life in which the solution of difficulties will be sought by pacific means only. The problem of armaments is not of the Western Hemisphere. Of the five principal navies of the world only one belongs to an American nation and to this navy the principle of proportionate limitation and reduction has been comprehensively applied. Not a single American nation possesses an army which brings fear to its neighbors. For half a century no international war has occurred between the nations of our hemisphere. There is no surer evidence that self-restraint from overarmament safeguards peace. There is more security to be had in friendly cooperation between nations than in reliance on force. The best defense a nation can have is the goodwill of its neighbors. Nevertheless, and in spite of the fact that we ourselves have reduced the personnel of our land forces to a figure below the proportion reached by any great European power, we are here to cooperate to the utmost of our ability. We are prepared to discuss and to extend to other fields the principles of limitation and reduction of armaments already established and to examine and accept new principles if they contribute genuinely to the end defined. We join our sister nations with the deep conviction that the cause at issue must not be diverted by lack of frank discussion, by preoccupation with the difficulties in the foreground or by a weak surrender to the obvious impediments to progress. The Delegation of the United States is representing not only a government but a people and the mandate from both is in the same unmistakable terms, that decrease in arms is an essential not alone to economic recovery of the world but also to the preservation of the whole fabric of peace.

500.A15A4 Plenary Sessions/6 : Telegram

The Acting Chairman of the American Delegation (Gibson) to the Secretary of State

GENEVA, February 9, 1932—3 p. m.
[Received February 9—12:03 p. m.]

17. The comment on our speech has been favorable and in particular the members of the Conference were gratified that we offered

concrete and definite proposals which are very generally felt to be a real contribution to the work of the Conference.

Points Nos. 7 and 9 elicited the most attention and seem, in general, to have been well understood.

GIBSON

500.A15A4/838 : Telegram

The Acting Chairman of the American Delegation (Gibson) to the Secretary of State

GENEVA, February 9, 1932—6 p. m.
[Received February 9—1:55 p. m.]

18. At the invitation of the Uruguayan delegation the representatives of the American States including all those here represented from South and Central America ³⁸ as well as the United States, Mexico and Canada, met this afternoon to consider the possibility of a joint declaration indicating the solidarity of these countries in favor of the limitation and reduction of armaments and of the pacific settlement of international disputes.

Failing instructions from their Governments the question was put over until these could be consulted. Mr. Wilson stated in the meeting that it was his opinion that any declaration to be of value should be unanimous.

GIBSON

500.A15A5 Plenary Sessions/7 : Telegram

The Acting Chairman of the American Delegation (Gibson) to the Secretary of State

GENEVA, February 10, 1932—3 p. m.
[Received February 10—12:25 p. m.]

19. Signor Grandi who opened the general discussion today made a speech characterized by plain speaking and common sense. He restated the essential point of Italian diplomacy with respect to equality of rights between all states and equalization of armaments at the lowest levels. He likewise said that he was firmly convinced of the necessity for completing the London naval agreements and that his Government was willing to do all in its power to bring them to a successful conclusion at any time. He likewise felt that the draft convention drawn up by the Preparatory Commission formed a basis

³⁸ The following were represented by accredited representatives: Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Cuba, Dominican Republic (first represented by an accredited observer), Guatemala, Haiti, Honduras, Panama, Peru, and Venezuela.

for discussion although there is no reason not to examine other projects. With respect to French proposal he merely said that it raised juridical, political and technical problems affecting the very structure of the League Covenant and that it would be studied by the Italian delegation. He said his country would not hesitate to consider any problems tending to fortify the institutions of the League provided they would lead to an effective reduction of armaments. He said that his country was ready to accept an organic plan of limitation which would comprise:

In respect of naval armaments

- (1)—The simultaneous abolition of capital ships and submarines.
- (2)—The abolition of air craft carriers.

In respect of land armaments

- (1)—The abolition of heavy artillery of all kinds.
- (2)—The abolition of tanks of all kinds.

In respect of air armaments

- (1)—The abolition of bombing aircraft.

In general

- (1)—The abolition of all kinds of aggressive means of chemical and bacteriological warfare.
- (2)—The revision of the laws of war so as to ensure a more complete and effective protection of civilian populations.

Signor Grandi's speech was followed by Matsudaira who acquitted himself well in his very difficult position. Specifically he said that his nation favored the restriction of bombing and the application of rules for submarine warfare to all types of ship and favored the total abolition of the aircraft carrier as well as arrangements to prevent the carrying of airplanes on any other type of ship. He supported the limitations already in force in the Washington and London agreements and made no reference whatever to possible changes in ratio.

This speech was followed by a dry résumé by Zaleski of Poland giving the steps which Poland had contributed to the general problem of security and outlining their ideas on moral disarmament.

GIBSON

500.A15A4 Plenary Sessions/9 : Telegram

The Acting Chairman of the American Delegation (Gibson) to the Secretary of State

GENEVA, February 11, 1932—2 p.m.

[Received February 11—10:45 a. m.]

22. Litvinoff's speech this morning consisted of a plea for the support of the Russian proposal for total general disarmament but

added that his delegation had no illusions on the fate reserved for such a proposal and therefore it would be ready to discuss any proposal tending toward a reduction of armaments and he recalled that during the Preparatory Commission the Soviet delegation had proposed the absolute prohibition of the most aggressive categories of armament,³⁹ namely:

- (1)—tanks and heavy artillery
- (2)—naval vessels above 10,000 tons
- (3)—naval gun mountings above twelve inches
- (4)—airplane carriers
- (5)—military dirigibles
- (6)—airplane bombers as well as all stores of aviation bombs and other destructive agents carried in airplanes.
- (7)—all the apparatus of chemical, bacteriological and incendiary warfare.

He pointed out that all these proposals remained in full force and that he would be glad to go beyond them.

He likewise delivered a detailed criticism of the French plan which he said had been absolutely rejected 13 years ago at the time of the foundation of the League of Nations. He felt that the creation of a new army would only add complexity to the situation and would be ineffective to stop wars of aggression since it would merely mean that in the calculations of an aggressor state it would have to assume that the state which [it?] proposed to attack would have as an ally the League army, whose strength it could calculate from the undertakings necessary to put the French plan into effect.

GIBSON

500.A15A4/851: Telegram

The Secretary of State to the Acting Chairman of the American Delegation (Gibson)

WASHINGTON, February 11, 1932—4 p.m.

9. With reference to your speech of February 9, Point 9, the Secretary of the Navy and the Chief of Naval Operations have suggested that in appraising any proposed type of limitation of expenditure on matériel, the Delegation should take into account certain criteria. Specifically, any proposals of limitation by budgetary methods which would

(a) prevent our taking advantage of the total tonnage permitted by the Washington and London treaties

³⁹ For text of the draft convention submitted by the Soviet delegation, see Annex 5 to minutes of the fifth session (1928), League of Nations, *Documents of the Preparatory Commission*, Series VI (C.165.M.50.1928.IX), p. 347; for correspondence, see *Foreign Relations*, 1928, vol. 1, pp. 240-256 *passim*; *ibid.*, 1929, vol. 1, pp. 71-72 and 87.

- (b) prevent our building to the permitted size in types, viz: 10,000 in cruisers—35,000 in battleships, et cetera
- (c) limit the size of guns permitted by present treaties or fix costs so that ships could not be adequately provided with defensive qualities
- (d) prevent our taking advantage of the flying deck clause provided for by the London Treaty:

would be objectionable since these matters should be handled by the direct method as being more straightforward, less liable to misinterpretation and less apt to create bad feeling.

STIMSON

500.A15A4/10054

Memorandum by Mr. Norman H. Davis, Member of the American Delegation

GENEVA, February 12, 1932.

Monsieur Tardieu having told me that he wanted to have a long talk with me we arranged to meet in his room in Les Bergues at 3:30 P. M. this afternoon.

He began the conversation by stating that since we had gone through the Paris Peace Conference together and had been friends for years he thought it would be helpful to have an exchange of views with regard to the difficulties and possibilities of the Disarmament Conference. He then said he had completed a digest of the principal speeches made so far from which it was evident that each country had laid stress upon one point, namely the importance of curbing aggressive war by doing away with essentially aggressive instruments of war. While France as he had indicated, is sympathetic to this idea he thought it was very difficult to separate entirely offensive from defensive weapons and he did not think this was getting at the real root of the problem which was to establish a political foundation for peace from which disarmament would automatically follow.

I told him that while the world must ultimately be organized for peace, if war and preparations for war are to be eliminated it was in my opinion necessary to make progress in every possible direction. Whether security should precede or follow disarmament is somewhat academic. It would, of course, be desirable to get all political questions settled at once and to organize the world for peace but that is not possible. Any steps that can be taken, however, to relieve the tension that exists on account of the fears and resentments that are bred by inequality in armaments and even in security will foster good will, improve political relations and reduce the danger of armed conflict. Even agreements to stop competition and to eliminate the most aggressive weapons of war—to say nothing of actual reductions

—would contribute to the creation of a state of mind that would make it easier to clear the political atmosphere and establish a greater measure of goodwill and understanding which after all would be the best security.

Tardieu said that France was prepared to do everything in her power to bring about understandings which would make it possible and practicable to reduce the size and the burden of her military forces but that he was not clear as to what was going to be the attitude of the United States and the role which it would be willing to play in changing the world definitely from a war to a peace basis. For instance he said he had gotten the impression that we consider this Conference as of secondary importance to us and that we seem so satisfied with what had been accomplished at the Washington Disarmament Conference as to feel that we had done our part, when as a matter of fact his own opinion confidentially was that what was done there had been one of the chief causes of trouble ever since in that it placed France in a difficult position for arriving at agreements with both Italy and England.

I told him he was entirely wrong in thinking the United States considers this Conference of secondary importance; that I could assure him that not only are the President, the Secretary of State and the entire Delegation keenly interested and desirous of doing everything which seems wise and practicable to achieve success, but that there is a growing sentiment in the United States in favor of reducing the menace and the burden of armaments. I further said that the American Delegates were not only prepared to consider with an open mind every proposal submitted but that we were willing to do everything in our power to contribute to the success of the Conference; that while we are interested in the success of any efforts to remove the obstacles to political appeasements in Europe which would facilitate a general agreement for a limitation and a substantial reduction in armaments we were unable and in fact unwilling, as he must know, to make any commitment whatever to uphold any political settlements in Europe. He said he understood our attitude in that regard but that without the good offices of the United States and its cooperation in establishing a regime of peace it would be impossible to make any substantial progress. I told him that in my opinion it would depend largely upon just what would be involved in the establishment of a so-called regime of peace.

He then told me that with a view of making a constructive contribution towards a solution of the problem of disarmament they had after six months of earnest thought and effort prepared the plan⁴⁰

* *Conference Documents*, vol. I, p. 113 (Official No: Conf. D. 56).

which they had submitted and that he would like to know what I thought of it. I told him while the time might come when there would be an international police force it would be after all nations have reduced their military forces to a mere police force but that even if it were ever wise and possible to establish such a force the world is certainly not yet prepared for it; and furthermore, that I could not see how an international police force controlled by the League could serve the purpose which he seemed to have in mind since some of the principal powers of the world were not members of the League. He said he realized that such a plan could not be complete unless all principal nations were members of a League but he thought that a step might be taken in that direction and at least that it would be of value to get the world to thinking more about it. I told him that it raised many difficult questions but that just now it seemed to me that the Council of the League itself was probably doing more to destroy the French proposal than anyone else, because as long as the Council is unable even to pass a moral judgment on such a flagrant violation of the League Covenant as has happened in the Far East⁴¹ there was not much ground for believing that it would be easier for it to pass proper judgment with regard to the use of an international armed force.

He said that is one reason why he had suggested the necessity of strengthening the League. I told him that what was needed just now more than anything else was moral and not military strength. I also told him that I thought this question was a matter of considerable importance to France which has laid so much stress upon the sanctity of treaties because if France does not show her willingness to uphold the sanctity of the Covenant of the League, the Paris Peace Pact and the Nine Power Treaty there is apt to be an impression that she is only interested in the sanctity of treaties which directly effect her own security.

I then told him I thought the Far Eastern problem had a direct bearing upon the establishment of a regime of peace and upon the Disarmament Conference. He said he thought there was much in what I said and that France wished to be helpful in a solution of the Chino-Japanese controversy but he did not display any keen interest in the matter.

He then told me that so far France is the only power that has expressed a willingness to agree upon a definite limitation on armaments and expenditures for a specified number of years. I told him that we were a party to a Treaty that definitely limited our naval

⁴¹ For correspondence regarding the situation in the Far East, see vol. III, pp. 1 ff.

strength and that we were disposed to agree upon a general limitation. He then got out a chart to show that we had increased expenditures more than any other nation. I explained to him how this had happened with regard principally to the navy but that we had not even built up to the maximum limit to which we were entitled and, furthermore, that our navy was not looked upon as a menace and that it was not a disturbing political factor.

He then showed me on a chart that France had reduced her army somewhat below what it was in 1913 and asked if it would not be reasonable if they should agree not to exceed what they now have. I told him that in 1913 they were facing other nations in Europe, all armed to the hilt and plunging headlong into war, but that since the chief enemy, Germany, had since been disarmed it would seem to me that France could at least make a substantial reduction in her army without in any way endangering her security and by so doing she would even increase her security by reducing fear and resentment which breed war and that she would furthermore improve her own economic welfare and that of the rest of the world. He said that so long as they were facing a possibility of a combination between Italy and Germany the French people were afraid to make any reduction.

I then told him that if the Far Eastern situation were solved and France and Italy would settle their differences the Franco-German problem would become isolated and easier of settlement. He agreed with that and said that he was making every effort to reach an agreement with the Italians, that he had had several conversations with Grandi and that he was hopeful that with the good offices of England and perhaps ourselves it would be possible in the near future to bring about an agreement between France and Italy.

He said that they also had some questions to settle with England which was necessary in order to get her cooperation, that they had just reached an agreement with regard to reparations but had some commercial and other matters to settle which he and Sir John Simon had been discussing. He said that if they could just get together with England and Italy, which was not impossible, then he felt the way would be prepared for further progress towards a settlement with Germany that would clear the atmosphere.

I then asked him if he thought France and Germany could get together by themselves and he said no but that he thought that with the help of England and the United States it would be possible to do so once the road was cleared by an agreement with England and Italy. He said it had been very difficult for some time to deal with the British because they had somewhat lost their morale as a result of their financial difficulties but that in spite of that he was hopeful

they would iron out their differences. He did not indicate in any more detail just what those differences were.

He then said that one outstanding difficulty was the uncertainty as to what part the United States would play in upholding the peace of the world. I told him that I did not see how this uncertainty could be removed but that if there were some way to fit the United States into a framework for a reduction and limitation of armaments and the promotion of the peace of the world that would not go counter to what we deemed to be our interests and our duties and would not involve obligations which we were unwilling to assume we would be glad to give it every possible consideration. He then said that the United States could be so helpful in settling some of the problems which have such a direct bearing upon the political stability of Europe and upon disarmament. I told him that while the United States Government could not become involved in the political problems of Europe I was sure that the American Delegates would be glad to be of any possible assistance in bringing about a better feeling and understanding. He said that was what he had in mind and also the fact that if there were some way to regularize the cooperative efforts of the United States with the League in cases where we were directly interested it would be helpful. As to that I told him I did not know what more could be done than was being done but that if the League should deal courageously and effectively with the Far Eastern question, which was the first major political problem dealt with by the League in which the United States was directly concerned, it would no doubt have an influence upon American opinion.

He then asked what assurance there would be that the Senate would ratify whatever treaty we might sign here. I told him that while no assurance to that effect could be given the American Delegation would not sign a treaty which would not meet with the approval of the Administration and which it was believed would be rejected by the Senate. He said something about our failure to ratify the Treaty of Versailles and I told him that just because of that there would be, in my opinion, less probability of the Senate rejecting whatever treaty we might sign here.

In concluding our conversation he said that the talk with me had been very helpful and that once we could clearly understand his difficulties and limitations and he could understand ours we could probably find a basis for effective collaboration and that we must continue our talks and efforts. He said that by working hard and patiently, by taking our time and not attempting too quickly to reach agreements on everything we ought to be able to make genuine progress.

The net impression of my talk with Tardieu was that the French feel on the defensive, that they have about decided they cannot dominate Europe indefinitely, even by predominant military strength, and that they are genuinely desirous now of going as far as they dare in making a real peace, to be accompanied by or followed by a substantial reduction in armaments.

NORMAN H. DAVIS

500.A15A4 Plenary Sessions/16 : Telegram

*The Acting Chairman of the American Delegation (Gibson) to the
Secretary of State*

[Extract]

GENEVA, February 16, 1932—midnight [10 p. m.?
[Received February 17—9:40 a. m.]

29. The representatives of the Argentine, Persia, Switzerland, Yugoslavia and New Zealand addressed the plenary session this morning.

Bosch, Argentina, submitted the following four concrete points on behalf of his Delegation.

1. He accepted the draft convention as a basis of discussion.
2. He declared his support for the establishment of a permanent international supervision of armaments in application of any agreements concluded in Geneva provided that this supervision is accepted unanimously and without reservation and is carried on in a practical form and to the extent considered by the Conference to be compatible with the sovereign rights of each state.
3. He proposes that an undertaking should be entered into between countries which did not sign the Washington or London Naval Treaties not to build or acquire capital ships of more than 10,000 tons since these armaments have a definitely aggressive character.
4. He considered that there was one conception, that of contraband of war, of which this Conference should endeavor to lay down at least the essential principles if it is not possible to define it more fully. He then proposed on behalf of his delegation that an international agreement should be concluded under which the signatory states would agree never to regard as contraband of war certain food-stuffs to be mentioned specifically in the convention. He trusted that this proposal would receive the unanimous support of great and small powers and producing and consuming countries of those nations which passed through the war as well as those which although neutral

were not spared by the world conflagration. No country could be sure if it attempted to conquer its opponents by these means that the weapon would not be used against it. The spectre of blame would then arise; there would be the risk of blockade of essential roads which would finally result in unrestricted submarine warfare.

GIBSON

500.A15A4 Plenary Sessions/17 : Telegram

The Acting Chairman of the American Delegation (Gibson) to the Secretary of State

GENEVA, February 16, 1932—11 p. m.
[Received February 16—10:15 p. m.]

30. Reference Argentine proposal regarding contraband and free shipment of foodstuffs in my 29, February 16, 10 p. m. [*midnight?*].

I invite attention to the similarity between this proposal and the idea in the President's speech regarding "food ships"⁴² and request guidance as to the delegation's attitude in this connection.

GIBSON

500.A15A4 Air Armaments/14 : Telegram

The Acting Chairman of the American Delegation (Gibson) to the Secretary of State

GENEVA, February 16, 1932—12 p. m.
[Received February 16—10:30 p. m.]

31. General Simonds and Admiral Hepburn request that the following message be transmitted to War and Navy Departments as coming from them:

"Request studies be made as to effect on national defense of (1), abolition of bombardment aviation (2), prohibition of aerial bombing (3), internationalization of civil aviation. Conclusions of Department to be furnished by cable as soon as practicable and completed studies to arrive Geneva not later than April 20".

GIBSON

⁴² *Address of President Hoover at the Ceremonies on the Eleventh Anniversary of Armistice Day Under the Auspices of the American Legion, Washington Auditorium, Monday, November 11, 1929, at 8:30 p.m. (Washington, Government Printing Office, 1929), p. 5.*

500.A15A4 Plenary Sessions/25 : Telegram

The Secretary of State to the Acting Chairman of the American Delegation (Gibson)

WASHINGTON, February 17, 1932—6 p. m.

14. Your 30, February 16, 11 p. m. We do not consider the present time opportune for us formally to revive the President's "food ships" proposal, which was never officially submitted to any Government but merely put forth as a suggestion in the President's Armistice Day Address in 1929. While you may, if it becomes necessary, express approval in principle of the substance of the Argentine proposal,⁴³ we should prefer to continue the policy we held to during the London Naval Conference of not permitting the direct issues of naval limitation and reduction to become befogged as a result of the concurrent discussion of such complicating political issues as the freedom of the seas, contraband, et cetera.

STIMSON

500.A15A4 Plenary Sessions/21 : Telegram

The Acting Chairman of the American Delegation (Gibson) to the Secretary of State

GENEVA, February 17, 1932—8 p. m.
[Received February 17—4:25 p. m.]

36. We have given continued thought to how we could advantageously participate again in the debate of the plenary sessions with a view to utilizing the special qualifications of one or more of our delegates. It appears, however, that the plenary sessions will probably close within a few days and that no delegation will make a second speech with the exception of the German delegate who is depositing and explaining the project referred to by the Chancellor in his opening speech.

In a meeting of the delegation today we canvassed various subjects which might profitably be put forward in a second pronouncement by the American delegation but we are agreed that under the circumstances it would be wise to conform to the general practice and to reserve further statements for the public meetings of the general commission which will begin after the close of the plenary sessions. We feel that our opening statement has been well received and that it would be unwise to take the risk of detracting from the first impression by any further pronouncement at this time.

GIBSON

⁴³ See telegram No. 29, February 16, from the Acting Chairman of the American delegation, p. 39.

500.A15A4 Plenary Sessions/23 : Telegram

The Acting Chairman of the American Delegation (Gibson) to the Secretary of State

GENEVA, February 18, 1932—2 p. m.
[Received February 18—1:10 p. m.]

37. Nadolny, the acting head of the German delegation, today read before the Conference the German proposals and explanation of them in the most tactless speech yet made since it did little except irritate every sore point in the whole disarmament question while adding nothing to what was already known of Germany's attitude on the subject. He pointed out that Germany started from the fact that it and three other countries have already carried out disarmament under regulations set up by the powers which drafted article 8 of the Covenant and which had declared that the disarmament of the four countries was to be a first step toward general disarmament. He then proceeded to point out the defects in the draft convention as drawn up by the Preparatory Commission. Paragraph 1 provides insufficient limitation of land matériel; paragraph 2 air armament is allowed to exist in the draft. It excludes trained reserves and varied methods of recruitment from consideration under the personnel and furthermore departs in almost every decisive point the rules of disarmament imposed on Germany at the end of the war while expressly maintaining those very rules for Germany. Therefore, Germany submits proposals not intended to be exhaustive hoping to be of fundamental importance in regard to the prevention of aggression. The proposals are based on the theory that there can be one system of disarmament equally applicable to all countries.

The summary of the proposals is as follows:

1. Land forces.

(a) Personnel

- (1) Personnel of land forces shall be generally recruited only by means of voluntary enlistment.
- (2) If the system of recruitment is left to the countries themselves adequate allowances must be made for trained reserves and these included in general reduction.
- (3) The special circumstances of states with militia must be taken into consideration.
- (4) The number of officers should be fixed at the lowest figure for all countries alike of a percentage of the total effective strength.
- (5) Police forces, et cetera, must be limited to and excluded from use for military purposes.

(b) Matériel

(6) The following categories of arms shall be forbidden:

(a) All guns of more than 75 millimeters and howitzers of more than 105 millimeters except in fortresses and field works where guns shall not be of more than 150 millimeters and howitzers of more than 210 millimeters.

(b) Mortars and trench mortars above 150 millimeters.

(c) Tanks of all kinds.

(7) The arms permitted under the above definitions shall be fixed for each state with a uniform allowance for replacements.

(c) Fortifications

(8) The construction and maintenance of fortresses, field works and works which constitute a direct menace to neighboring countries at the frontier shall be prohibited.

2. Naval forces.**(a) Matériel**

(9) The maximum tonnage of the various types of vessel shall be reduced together with the proportional reduction of total tonnage. No vessel of war in the future shall exceed 10,000 tons nor carry guns above 280 millimeters.

(10) Aircraft carriers shall be abolished.

(11) Submarines shall be abolished.

(12) The following definitions shall apply to all vessels of war: capital ships—those which exceed 6,000 tons with a gun above 150 millimeters. Cruisers—above 800 tons with guns exceeding 105 millimeters. Destroyers—those with standard displacement under 800 tons and with guns under 105 millimeters.

(13) Non-floating matériel shall be fixed both as regards categories and quantities.

(b) Personnel

(14) Naval personnel shall be recruited only by voluntary enlistment.

(15) The number of officers and warrant officers shall be fixed as a percentage of the total strength.

(c) Fortifications

(16) Coast defense fortifications may be retained except those which control natural waterways between two open seas.

3. Air forces.

(17) Maintenance of air forces is forbidden.

(18) Dropping of bombs from aircraft and preparation therefor is forbidden.

(19) In order to enforce the prohibition of military aviation the following shall be forbidden:

(a) Instruction of any person in military aviation.

(b) Instruction of members of army in civil aviation.

- (c) Construction, maintenance or importation of aircraft, armoured, protected or constructed for mounting guns or dropping bombs.
 - (d) The maintenance of relations between the military or naval administrations and civil aviation corps for military purposes.
4. General clauses.
- (a) Chemical arms
 - (20) Prohibition of military use of asphyxiating, poisonous or similar gases and means of bacteriological war as well as preparation therefor.
 - (b) Traffic and manufacture of arms.
 - (21) Export and import of war armaments, ammunition and matériel shall be prohibited. Countries without manufacture shall be given the possibility of importing.
 - (22) Manufacture of war armaments and matériel can only be carried out in a limited number of private or state factories which shall be made public.
 - (23) There shall be full and frank exchange of information on the subject of the size of armaments and expenditure thereon.
- NOTE: The German Delegation does not feel that due to the differences in purchasing power limitation of expenditure is a useful guide and feels that direct disarmament would automatically be accompanied by decrease of the heavy financial burdens.
- (24) The execution of disarmament clauses should be secured by procedure of control equally applicable to all countries.

GIBSON

500.A15A4 Agenda/8 : Telegram

The Acting Chairman of the American Delegation (Gibson) to the Secretary of State

GENEVA, February 18, 1932—5 p. m.
[Received February 18—2:25 p. m.]

39. For War Department from Simonds.

“German proposals re matériel land armaments provide for prohibition of maintenance and utilization of following categories of arms:

- (a) Outside fortresses and field works: guns of more than 77 millimeters and howitzers of more than 105 millimeters.
- (b) In fortresses and field works: guns of more than 150 millimeters and howitzers of more than 210 millimeters.

Proposals for matériel naval forces provide for limitation of guns to 280 millimeters. Unless otherwise instructed I shall state that

policy of War Department is opposed to any limitation on calibre of guns in our coast defenses which cannot possibly be used for purposes other than defense of our important harbors, and as a last alternative that the maximum calibres of coast defense guns should equal calibre of naval armament that might be used against them. In regard to limitation of calibre of mobile artillery has War Department any objection to accepting a limitation on calibre which would be generally accepted by all other great powers for their field forces?"

GIBSON

500.A15A4 Plenary Sessions/92‡

*The Italian Minister for Foreign Affairs (Grandi) to the Secretary of State*⁴⁴

ROME, February 18, 1932.

MY DEAR STIMSON: Enclosed herewith I am sending you copy of the speech I made last Wednesday at the Disarmament Conference.⁴⁵ As you will note I am faithfully following the principles you are acquainted with and the ideas I have on several occasions expounded to you.

I have come to Geneva with the conviction that the Conference must reach concrete results, and with the firm intention of working towards this end. The beginning of the debates I consider has been rather encouraging inasmuch as the general atmosphere appears favorable and I have the impression that the delegates intend making a real effort to achieve disarmament.

We must not of course deceive ourselves. The results will be neither very great nor final. But, as you will note in my speech, I believe that a step forward must be made and although our ultimate goal is still distant, a continuity of our efforts is absolutely necessary.

I am indeed pleased to be able to tell you that in the general spirit I am in full agreement with the American and the British Delegations. I believe we can closely collaborate for the good cause. I am however extremely sorry you are not here and that I am deprived of the advantage of your advice and of your company. I trust that general conditions will allow you to come later on.

My wife joins me in sending to Mrs. Stimson the kindest regards and I beg you to believe me

Yours very sincerely,

GRANDI

⁴⁴ Transmitted to the Secretary of State by the Italian Ambassador under covering letter of March 5.

⁴⁵ For text, see *Records of the Conference, Series A: Verbatim Records of Plenary Meetings*, vol. I, pp. 71-74.

500.A15A4 Steering Committee/7 : Telegram

The Acting Chairman of the American Delegation (Gibson) to the Secretary of State

GENEVA, February 23, 1932—10 p. m.

[Received February 23—7:05 p. m.]

45. The Bureau (Steering Committee of the Conference) met this afternoon and decided to recommend to the plenary session that Easter recess of 2 weeks should commence on Saturday March 19th and continue to Monday April 4th.

The Secretary-General pointed out that the International Labor Conference desired to hold its meetings in Geneva from April 11th to May 5th and that while he could provide for the work of the committees during this time it would be extremely difficult to hold plenary sessions. However no account was taken of this in the setting of the recess.

Thereupon the chairman introduced a resolution the purpose of which was to throw the entire organization of future work, the examination of all proposals and the setting up of committees to deal with them, into the General Commission which consists of the chief delegates of all countries—in other words a resolution to emasculate the Bureau by handing over all its functions to the General Commission save those of a purely honorary character.

I definitely opposed this procedure on the ground that to send all existing proposals, 30 in number, to the General Commission was merely to invite endless general discussion and that it was idle to hope tedious methodical plan of work could be evolved out of a committee of fifty odd members meeting in public. Furthermore, I pointed out that it was my understanding that the Steering Committee existed chiefly for the purpose of preparing the work and making recommendations thereon to the General Commission and that if it were deprived of this function it would be reduced to making recommendations on official entertainments and the setting of dates of adjournment—its only achievements to date.

I then made the definite alternative proposal that the Bureau should, before the meeting of the General Commission, prepare a detailed agenda for the guidance of the Commission in order to ensure orderly and expeditious procedure. This caused quite a flutter, Beneš and Boncour expressing "serious constitutional scruples" and saying that the Bureau could not do this because it would involve deciding questions of substance which were of the competence of the General Commission. This was an obvious pretext as in previous conferences here the Steering Committee has always directed the work and have thereby materially contributed to expediting progress.

It was pointed out by the Secretary-General that the rules of procedure now existing provided for the setting up of committees by the Bureau. Nevertheless, the resolution advocated by Beneš and strongly supported by Paul-Boncour and Nadolny was adopted giving the General Commission the rights hitherto allocated to the Bureau both for the setting up of committees and for handling of procedure, this involving amendment of the rules of procedure.

I was the only one to oppose this and after I had again made very clear my reasons for insisting on some orderly method of procedure through the Bureau the resolution was adopted.

Immediately after the meeting [of?] the Bureau, the German and French press were informed by their delegations that the General Commission will tomorrow set up a committee to prepare the work and decide on committees and subcommittees and both delegations stated that they would have a majority in that committee for their point of view. This confirms my feeling that the opposition to my proposal was based solely on the desire to engineer more favorable combinations in the new committee than now exist in the Bureau.

We consider this of more importance than a mere point of procedure as experience has shown here that orderly progress can be achieved only by keeping to classic lines. It seems evident that there was a considerable element of failure to grasp the significance of the resolution at the meeting of the Bureau and that when the matter comes up in the General Commission there will be a better opportunity to bring procedure back on the rails.

GIBSON

500.A15A4 General Committee/4: Telegram

The Acting Chairman of the American Delegation (Gibson) to the Secretary of State

GENEVA, February 24, 1932—6 p. m.

[Received February 24—4:24 p. m.]

47. Drummond explained to me before the plenary session this morning that the reason for throwing the whole mass of material into the General Committee was that fight would be staged as to the consideration of the French and German proposals and whether they should be broken up into parts or considered as a whole. Any decision, he said, that was reached by the Bureau would naturally have been unsatisfactory to one of the other side and would have been appealed to the General Committee where ultimate decision lies and the whole matter have to be fought all over again. Thus that what seems bad procedure in this case is destined actually to facilitate the progress of the Conference by permitting only one discussion of this

subject and only one decision and that without appeal. I made very clear our position with regard to the surprise tactics and the non-circulation in advance of the resolutions for this purpose and stated that I was still firmly of the opinion that the Bureau contained the only possible method of making progress. Drummond said that there was no question but that it could be got back on to the rails and serve its purpose once the elementary decisions as to the order of work had been taken in the larger body. I have confirmed this understanding to Henderson in writing.

GIBSON

500.A15A4 Agenda/12: Telegram

*The Secretary of State to the Acting Chairman of the
American Delegation (Gibson)*

WASHINGTON, February 25, 1932—11 a. m.

23. Your No. 39, February 18, 5 p. m. For Simonds from War Department.

"Re inquiry on German proposals concerning calibers of artillery, the War Department is unalterably opposed to any limitation on calibers of guns on fixed mounts employed for seacoast defense. Such weapons are wholly divested of any aggressive character. Their replacement by smaller calibers would add nothing to a real effort for peace. To lower calibers would involve excessive cost of scrapping present defenses and installing lower calibers. This is unthinkable involving for us hundreds of millions of dollars. Your last alternative entirely unacceptable for above reasons. Every effort should be made to retain existing coast defense railway artillery for similar reasons. In regard to limitation of calibers of mobile artillery, the War Department is prepared to accept such limitations as would be generally agreed to by all other great powers for their field forces, having regard to existing approximate equivalents in units of measurement used by the United States Army, for instance, the bracket inclusive of calibers 105 mm must embrace our caliber 155 mm howitzer and gun. Be careful that no pitfalls permit scrapping of our elements because of slight difference of calibers from foreign services."

STIMSON

500.A15A4 General Committee/6: Telegram

*The Acting Chairman of the American Delegation (Gibson) to the
Secretary of State*

GENEVA, February 25, 1932—8 p. m.

[Received February 25—3:48 p. m.]

50. After a long and arduous debate the Soviet proposal that the Conference consider general and complete disarmament to the ex-

clusion of the present draft convention was rejected and the British proposal was adopted in the following terms:

“The General Commission request leave to carry on its discussions within the framework of the draft disarmament convention, full liberty being reserved to all delegations to develop their own proposals in subsequent debate and to move their amendments in the form of modifications, additions or omissions at the appropriate point”.

The Commission then determined to establish five committees, namely, land, naval, air, national expenditure, and political.

GIBSON

500.A15A4 Steering Committee/12: Telegram

The Acting Chairman of the American Delegation (Gibson) to the Secretary of State

GENEVA, February 26, 1932—11 p. m.
[Received February 26—10: 50 p. m.]

52. The Bureau met this morning and took up question of organizing the work of the Conference. Without discussion they reverted to the procedure I had advocated in the meeting of February 23 as reported in telegram No. 45.⁴⁶ It was decided without any initiative on my part that Beneš should draw up a synoptic analysis of the draft convention with all supplementary proposals inserted at the right places, to afford a basis for discussion by the General Commission and reference to the various committees organization in last sentence of my No. 50, February 25, 8 p. m., procedure seems thereby to have been brought back into normal channels.

The Chairman announced that the five committees would meet tomorrow morning to choose their chairmen and other officers. The analysis will be distributed Monday afternoon or Tuesday morning. The Bureau will meet to adopt it on Tuesday and it is hoped that the General Commission can meet on Wednesday.

The Bureau then passed to consideration of the Conference Document 75 embodying Spanish proposals for cooperation of women's international organizations.⁴⁷ Madariaga proposed the creation of an advisory body on which all women's organizations should have the right to sit as well as to have their representatives attend all public and private meetings as observers or experts. This was not directly commented on in the subsequent discussion. I said that some governments had considered that the most effective single step to utilize

⁴⁶ February 23, 10 p. m., p. 46.

⁴⁷ *Conference Documents*, vol. II, p. 344 (Official No: Conf. D. 75.)

women's interest in the work lay in the appointment of women delegates; that we had adopted this course with what we considered gratifying results; that we did not feel that this represented all that could be done along these lines but that we did not feel the document before us contained sufficient material on which to base a considered decision and that I thought we might after giving further thought to the matter eventually set up a small committee to consider how the great potential influence of women's organizations as well as other organizations could best be utilized to promote the success of our work; that I thought we would be unwise to look on this question of according "recognition" to organizations of any sort; that our sole interest should lie in finding practical methods of focusing influence where it would do the most good in promoting the ends we seek. Although no decision was taken I gather that this idea was generally agreed to.

In confirmation of my telephone conversation this afternoon I have notified the Secretariat that our representation on the five committees above referred to will be as follows:

Political committee, Gibson; naval, Senator Swanson; military, Wilson; air, Davis; expenditure, Dr. Woolley.

We are required to send in one name for each committee but there will of course be such use of our personnel as is necessary to secure adequate support for whoever is sitting on the various committees.

GIBSON

500.A15A4/896 : Telegram

The Acting Chairman of the American Delegation (Gibson) to the Secretary of State

GENEVA, March 2, 1932—9 p. m.
[Received March 2—6:15 p. m.]

54. It may be useful at this stage to give you certain views as to probable developments in the future.

Thus far progress through the general discussion and the setting up of Conference machinery has been normal in speed. For the moment we are unavoidably slowed up by the meeting of the Assembly which is occupying the major portion of the thought of the delegates. Further than this our confidential discussions disclose the fact that there is not only a general reluctance to come to immediate grips with the major problems but that both France and Germany are determined not to deal with essentials until they have disposed of their elections, this without prejudice to their desire to stage a public battle on certain carefully chosen questions for political pur-

poses in both countries. I think it important to realize that far from indicating any disheartening hostility these battles have been carefully worked out and localized in frank visibility [*discussion?*] between Tardieu and Nadolny and they both feel that the elite [*formal*] debate they propose to stage will not prejudice ultimate agreement.

In view of the foregoing and of the acquiescence of the other powers it is clear that, although committees will be put to work on problems of secondary importance in order to keep up the appearance of activity, there will be no definite progress until after the French and German elections, or at least until after the holidays which terminate on April 4th.

We have thus far refrained from trying to push other delegations into discussion of essential problems before they are ready for them and for the present, at least, we feel that that course should be continued. This is dictated to us by two considerations, first, that it seems highly improbable that we could induce the European powers to come to grips with the problem once they have made up their mind that the best hope of achievement lies in another direction, and in the second place, because if we press for immediate action they will almost inevitably counter with embarrassing conditions relating to America's part in security as the price of accepting any sacrifice. Strategically, therefore, we are convinced that acquiescence with their desires for the time being is essential, particularly as we feel that the principal powers are desirous of coming to some sort of agreement which will best be promoted by refraining from undue insistence as to times and methods. Furthermore, much private conversation and shaping of views on essential problems are going on day by day and are going on in an increasingly favorable atmosphere.

It is generally realized here that this protraction of the work of the Conference will cause criticism but it is felt that this is a reasonable price to pay for the opportunity to tackle the problems only after acute nationalistic feeling has been given a chance to die down with the elections.

GIBSON

500.A15A4/898 : Telegram

The Secretary of State to the Acting Chairman of the American Delegation (Gibson)

WASHINGTON, March 3, 1932—4 p. m.

27. Your 54, March 2, 9 p. m. The Department concurs in your conclusions as to method of procedure.

STIMSON

500.A15A4 Air Armaments/26 : Telegram

The Secretary of State to the Acting Chairman of the American Delegation (Gibson)

WASHINGTON, March 11, 1932—2 p. m.

33. Your 31, February 16, 12 p. m. Following from Navy Department for Admiral Hepburn:

“Navy Department takes following position relative to questions propounded. (1) Abolition of bombardment aviation is impracticable due to inability to delimit such a type, and even if it were practicable it would be detrimental to national defense. (2) Prohibition of aerial bombing is detrimental under existing international situation and status. (3) Internationalization of civil aviation is contrary to national policy and inimical to national defense.

Navy Department is of opinion that clear definition of objectives to which all weapons should be limited will prevent misuse of weapons more effectively than any one or all of these proposals and will be free from many if not all of the objections thereto.

Detailed study follows by letter.”

STIMSON

500.A15A4 Air Armaments/27 : Telegram

The Secretary of State to the Acting Chairman of the American Delegation (Gibson)

WASHINGTON, March 11, 1932—5 p. m.

34. Your 31, February 16, 12 p. m. Following from War Department for General Simonds:

“In response to your request the War Department has made a study as to the effect on national defense of (1) prohibition of aerial bombing, (2) abolition of bombardment aviation, (3) internationalization of civil aviation. All of these proposals are relatively detrimental to our national defense. None of them is effective as a measure for disarmament or sound as a basis for limitation of armaments. They serve only to shift the factors of air power from their present status to the advantage of certain nations and to the disadvantage of the United States. Our pacific attitude towards the world, our standard of national ethics and our inherent strength in aviation make total abolition of military and naval aviation, rigidly enforced, the most acceptable proposal, and the only one embodying true disarmament. The studies requested are being forwarded by mail.”

STIMSON

500.A15A4 Steering Committee/15 : Telegram

The Acting Chairman of the American Delegation (Gibson) to the Secretary of State

GENEVA, March 16, 1932—3 p. m.

[Received March 16—11:30 a. m.]

80. The Bureau of the Conference met this morning and decided:

(1) Not to start the discussions in the General Committee on article 1 of the draft convention until after the recess.

(2) To prolong the recess one week, that is to say until April 11th, this will take care of the German elections and the parliamentary necessities of several of the chief delegates who are Ministers of Foreign Office.

I took no part in this discussion at all and merely acquiesced in the generally expressed desire.

However, in the General Commission I took occasion to introduce a resolution⁴⁸ to the effect that when the General Commission reconvenes on April 11 that it or the Political Committee should sit continuously until they had arrived at sufficient decisions on principle to enable the technical committees to function usefully and that these commission meetings should not be interfered with by any meetings of the technical committees. This resolution was unanimously adopted with strong support from France, Italy, England, Germany and many others.

The Chairman of the Conference in a speech summarizing the work to the present, said that many delegations had submitted propositions which still remained unclarified and which they had not yet elaborated and therefore requested that during the period of the vacation all the memoranda possible should be submitted to the Secretariat tending to illustrate these proposals. With respect to the American delegation, the only one mentioned by name, he made particular reference to the proposal in our opening speech that the Conference could successfully devote itself to the abolition of weapons which are devoted primarily to aggressive war. Therefore this would indicate that it would be very desirable to introduce some time before the end of the vacation a memorandum defining what the American Government regards as weapons of this character and the reasons for the belief. I shall have a study of this proposition made here by our technical experts for submission to you as soon as possible in order that it may be transmitted to the Secretariat during the vacation.

⁴⁸ For text, see League of Nations, *Records of the Conference for the Reduction and Limitation of Armaments*, Series B: *Minutes of the General Commission*, vol. I, p. 32.

There are further meetings of technical committees and sub-committees for the remainder of the week.

GIBSON

(2) The American Proposal of April 11

500.A15A4/919 : Telegram

The Acting Chairman of the American Delegation (Gibson) to the Secretary of State

GENEVA, March 17, 1932—3 p. m.

[Received 4:48 p. m.⁴⁹]

85. At Tardieu's request I had a long talk with him this morning with a view to seeing if we could work together to expedite despatch of Conference business after the adjournment. As the atmosphere of the conversation seems essential to a clear understanding I am telegraphing you the whole text of the memorandum of my conversation. Tardieu began by asking just how we are going to hit it off when we got to discussing the various French plans. I said I saw no reason why we need bother him if he confined himself to realities but of course if through an insistence on a universal symmetrical scheme he pressed for world wide arrangements we obviously should have to oppose him on many points but that it seemed clear to me that his only real concern lay in some agreement for Europe. He at first took issue with this on the ground that his plans were for members of the League and that this obviously meant that to a certain extent at least he must know what non-members were going to do but after some further discussion he agreed that real concern was for the situation in Europe but prospectively as a matter of strategy he would start with proposals of a broader scope and more far reaching than he expected to secure acceptance for. I then said that our attitude in these discussions would be in a large measure dependent on his own ingenuity in affording us justification for remaining out of the discussion and said he would give serious thought during the adjournment to how he could handle matters so as to facilitate our abstention.

As regards the armed forces for the League he obviously anticipates that the French proposal will not be accepted because of British and other opposition but believes that insistence on it at the beginning would increase his chances of securing agreement on some scheme for more effective and expeditious methods of consultation and mobilization of public opinion.

He said that this had been his first experience at Geneva and that he had been shocked by his experience in the Council where the small

⁴⁹ Telegram in six sections.

powers with nothing at stake and no risks were insistent on sending the great naval powers into enterprises that might readily lead to war; that he felt that the powers that had to take the principal risks should have the say as to how their force was to be used; and that to this end he was considering the possibility of an amendment to the Covenant under which, when the time came for examination of such problems, they would be referred to a subcommittee of those powers who would be called upon to take the risks.

After this he expressed his real anxiety that some effective means be worked out for advising with us in the event of an emergency and said that after all, when they talked about security, what they had most in mind as regarding America was some expeditious way of setting up, or ready to work on the same problem⁵⁰ in the belief that usually such common or parallel work would insure our arriving at a common conception of the problem and how it was to be met. He said that of course if any way could be devised by which they would know that we would refrain from cutting across the course of action determined on by the League, that would be a maximum which could be hoped from America, but that he clearly recognized the difficulties of any such far reaching commitments and felt that the best course was to strive for an identity of treatment of the problem itself and leave the rest to work itself out in the Anglo-Saxon way. He said one great difficulty of America working with the League was the very widespread apprehension among the American people that when there was talk of consultation this was based on the desire of France to embroil America in European quarrels and extort from her commitments again to send American troops to Europe.

He is giving some thought to what he can do to make clear that France understands perfectly that there is no question of America using her forces in such a way or taking sides in European quarrels; that active participation by America in European affairs is to his mind fantastic and can be dismissed from consideration but that he feels very deep and genuine concern that something should be devised to enable them expeditiously to learn our mind on any problem of common concern where the interests of America and Europe are alike involved. Tardieu then said that he anticipated that at the opening of the next session he would be obliged to deal with the German contention set forth in Nadolny's speech of February 18⁵¹ and with the German draft convention submitted at the same time. He stipulated he had been under considerable criticism in France for

⁵⁰ Telegram is apparently garbled here.

⁵¹ For summary, see telegram No. 37, February 18, 2 p. m., from the Acting Chairman of the American delegation, p. 42.

not having answered Nadolny at once but that this had been rather difficult because he was at the time in Paris in the midst of a ministerial crisis and the opening of the next session afforded an opportunity to deal with the matter more calmly than if there had been an immediate reply.

He said that he proposed to deal with the German contention first of all from the legal and historical aspect especially as regards their contention that article 8 of the Covenant involves a bilateral obligation imposing upon the Allied Powers the obligation of disarming to German levels. In order to reply effectively he will address himself perhaps more to Count Apponyi, who spoke on February 13, than to the Germans as the Hungarian delegate went more thoroughly into the juridical aspect of the problem. He also desires to do this for the purpose of avoiding anything in the nature of an attack solely on Germany.

He proposes at the start to contest the German claim that part V of the Treaty of Versailles⁵² is a contract and further that that contract was voided by German admission as a member of the League of Nations. He brings out the fact that at the time of signing the Locarno [treaties?]⁵³ Germany exacted a special acknowledgment of her exemption from obligations under article 16 of the Covenant on the grounds that they were disarmed. In reply to the contention that the military clauses imposed on the defeated powers were the work of a moment of passion, he proposes to say that this was on the contrary the result of 7 years of careful thought on the part of responsible leaders and was designed to destroy the aggressive military machine just as at the Congress of Vienna similar measures were taken to destroy the aggressive power of the French military machine.

He may raise the question of the fulfillment of the military clauses by Germany by stating that a long period of faithful observance might create a definite claim to revision but that he is not in a position to say that there had been such fulfillment and that if it is desired to go into this matter it might be possible to create a committee to examine all the facts, et cetera.

I am rather disposed to think he will reconsider raising this question as it is his fundamental purpose to eliminate the German juridical arguments while at the same time maintaining a good atmosphere for negotiation along other lines. Furthermore, the idea might well recoil on him.

⁵² *Treaties, Conventions, etc., Between the United States of America and Other Powers, 1910-1923* (Washington, Government Printing Office, 1923), vol. III, pp. 3329, 3398.

⁵³ October 16, 1925. For texts of agreements, see League of Nations Treaty Series, vol. LIV, pp. 289-363.

He brought up the subject of "control" and said he hoped we could work out something more effective than the provisions in the draft convention for the Permanent Disarmament Commission.⁵⁴ I said that the very word "control" was obnoxious to us and anything which could properly bear that label was doomed so far as America was concerned. He made the obvious reply that a great deal of misunderstanding had arisen over the difficulty of translation of the similar French word but that he wanted us to understand that regardless of some of the enthusiasms in France and other countries he was no more prepared to tolerate snooping parties in France than we were in America. His only concern was to provide for the centralization and availability of exact and coordinated information in which we could have real confidence. He said he did not feel that the provisions of the draft convention were really effective but that they could readily be amended so as to make them effective. I said that we would be very glad to consider any suggestions the French delegation might be able to draft to that end and suggested that he give them to us as far in advance of their presentation as possible in order that we might have full time to scrutinize them.

Tardieu then brought up the question of the Danubian Confederation and said he was confident he would be able to achieve something positive; that he felt he had already persuaded the British that his scheme provided real measures for economic rehabilitation and was free from political and other objectionable features. He is going to receive the German delegate and some legal representatives of the Berlin Foreign Office this afternoon in an effort to persuade them that they can afford to acquiesce in the arrangement. As regards Italy, he feels that they can accept the plan when they understand what he has in mind. He added that he thought the plan would not only be free from objection from our point of view but that it was along the line of economic rehabilitation which we would approve.

I asked him what prospect there was of completing the London Treaty⁵⁵ and he said that while he had not had any negotiations on the subject since coming here he had been improving the general atmosphere between France and Italy and that he felt the situation was very encouraging. He thought he could bring about the agreement with England and Italy at some time in the fairly near future. He said quite frankly that he was in no particular hurry to do this as he pulled several irons in the fire with both England and Italy and that he had told the British that he was holding this out on

⁵⁴ *Documents of the Preparatory Commission for the Disarmament Conference, Series X, Annex 1 (C.P.D. 211.), p. 423.*

⁵⁵ Treaty for the Limitation and Reduction of Naval Armament, signed at London, April 22, 1930, *Foreign Relations, 1930, vol. I, p. 107.*

them expressly because if he completed the London Treaty now he was not at all sure that they would be of a mind to meet him on other subjects later on. I told him that as I had been involved in this more or less continuously from the beginning I felt justified in impressing on him the great importance that we attach to the completion of the London Treaty, not only because of the fact that it was essential to continuing the movement for naval limitation but because of the great impetus it would give to the work of this Conference. Tardieu said quite soberly that he agreed with this and that he fully intended to bring about the agreement while we were here and when I added that you would be deeply interested to know his views as to the prospects he said I might tell you in confidence that he was satisfied that the prospects and atmosphere were very good.

Tardieu then brought up the question of the Lausanne Conference⁵⁶ saying that that was "going to bring all the pots to a boil at the same time and pretty much on the same stove". He said the field of the Lausanne Conference was very broad and that he felt that he might bring in for concurrent discussion the next or perhaps final stage of the Danubian Agreement and wondered whether there was any hope of persuading the American Government of sending a representative or an observer. I said that so far as I knew there was none on the very reasonable ground that the purpose of calling the conference was to reach an agreement between Germany and her creditors and that if we sent a representative the inevitable tendency would be to pass the problem straight to us without any attempt to make satisfactory settlement among themselves. Tardieu said that was all very well but that it was of the utmost importance to have somebody with whom they could talk even if he were not there in the capacity of an observer; that he believed that the Financial Committee of the League would be so concerned with the Danubian question and perhaps others that it would be necessary to have it meet at Lausanne concurrently with the Reparations Conference and that one of the advantages of this from his point of view was that the American members of the Financial Committee (in this case Norman Davis) would be present in Lausanne.

He told me of a conversation he had recently had on war debts with Schuler; I informed him I knew nothing of the questions raised. I am merely forwarding Tardieu's comments to Edge for information.

The entire impression which I got from the conversation was that Tardieu was very much alive to the realities of the situation and to

⁵⁶ See pp. 636 ff.

the practical advantages to be derived from cooperation with our Government and avoiding positions that will require us to take an attitude of opposition.

GIBSON

500.A15A4/941 : Telegram

The Acting Chairman of the American Delegation (Gibson) to the Secretary of State

GENEVA, March 26, 1932—noon.

[Received 1:40 p. m.⁵⁷]

93. For consideration during Davis⁵⁸ visit. We have lately had a growing realization of the necessity for us to present some comprehensive and simple plan for the work of the Conference unless it is to peter out. Nobody seems to have any general conception for dealing with the problem of disarmament but rather a tendency to single out individual problems and deal with them separately. This is an ineffective method which cannot lead to comprehensive results. The President's plan⁵⁹ offers the key to the problem of effectives but if it is stated by itself we feel that while it would make a deep impression it is almost certain that after some friendly comment it will be relegated to subsequent consideration on the convenient ground that effectives cannot be dealt with unless and until some method has been devised for meeting the general demand for security. I think we all share a certain impatience with the assumption that America must supply the leadership and even the ideas which are to lead to agreement in Europe but however unjustifiable this assumption may be the fact remains that unless we, from our somewhat detached position, lay down some obviously fair and simple plan it is doubtful whether any other nation will have the moral courage and the prestige to do so and when the Conference reconvenes it will almost inevitably tend to flounder in discussion of the long series of questions of principle on the agenda which in themselves bring about no real solution.

We should like to submit for your consideration what seems to us a new conception of security which involves no commitment for America but which we are convinced brings more real security than the French plan or any other paper engagement. Moreover, it could

⁵⁷ Telegram in four sections.

⁵⁸ Norman H. Davis, of the American delegation, who had returned to the Department for consultation.

⁵⁹ Expressions of President Hoover's formula for the reduction of land effectives, which he developed during the summer of 1931, are contained in the letter of instruction by the Secretary of State to the Acting Chairman of the American Delegation, January 19, 1932, p. 1, and in point 7 of Mr. Gibson's speech at the General Disarmament Conference, February 9, p. 29.

not be considered as hostile to or exclusive of any other plan for local security. Our idea would be to deliver the draft speech⁶⁰ on the formula which Davis is bringing with any necessary changes and then continue that while we have indicated the margin where forces are relative and thereby subject to reduction by agreement we realize that many countries will still feel haunted by the fear of invasion and will be unable to act on our suggestion unless and until their fears are removed; that therefore the best course is to face the question of security and that we should like to state our conception of it. Obviously the whole demand for security arises from fear of invasion. Whatever the justification for that fear we feel that happily it can be removed. The solution may sound paradoxical but it is to make armies non-aggressive, to render them incapable of taking the offensive with any assurance of success and with the foreknowledge of such staggering losses as to make them renounce their aggressive designs. How can armies be thus made purely defensive? The answer lies in the fact that existing apprehensions are largely due to the existence of certain weapons which now make invasion possible—the great mobile guns which can speedily reduce the strongest fortifications, tanks which clear the way for infantry through trenches and barbed wire defenses once the forts have been reduced; bombing planes and guns which not only do great military damage but inspire terror in the civil population. If all these weapons had been abolished in 1914 it seems safe to say that the fortresses of Liège and Namur would have been sufficiently difficult to take to render a sudden invasion of Belgium and France practically impossible and certainly to have given time for the complete mobilization and the preparation of defensive positions by these two armies. Briefly it was the existence of large howitzers in the German Army that enabled them to crush these frontier defenses in a few days. In offensive weapons therefore we have the key to the question of security.

Through their abolition by universal agreement we could restore superiority to the defensive and enable a country by adequate frontier fortifications which threaten nobody, to be itself secure against invasion, the fears of civil populations would be minimized through the realization that they could put their trust in fortifications and thus there would not be the insistent demand for large armies in addition; we in the United States are so favorably situated geographically that we enjoy nearly a complete impregnability and we offer this conception of security in order that other states of the world may feel equally impregnable within their own frontiers.

⁶⁰ Not found in Department files.

If we could reach an agreement as to these offensive weapons the problem of limiting effectives would become as simple as it now seems difficult as there would be a popular demand for reduction of unnecessary expense. It is obvious that the picture as presented above applies more specifically to countries like France and Italy than it does to countries like Poland and Rumania. In the latter two countries with long contiguous frontiers with Russia mobile action is more possible. Nevertheless, the primary problem of the reduction of arms rests with France to retrench rather than with the other two countries mentioned. Furthermore, if such an agreement could be brought about there is no doubt that there would be a tremendous easing of the present tension between France, Germany and Italy.

In discussing this matter it must not be forgotten that there is a difficult corner to negotiate in the question of our own railway guns for coast defense. As a matter of fact ours are not heavy mobile guns in the European sense for they are designed to take the place of fortifications and are a cheap and effective way of affording coast defense. They are not designed for use against either of our land neighbors whereas in Europe the essential purpose of these guns is to clear the way for an invasion by land and then to follow the invading forces step by step to reduce such obstacles as may be encountered by invading armies. It should be possible to find some way of maintaining this reasonable distinction in a general agreement perhaps by securing the acquiescence publicly stated of our two land neighbors to our retention of American weapons. Furthermore, the caliber of our guns is determined by the caliber of naval guns which would be brought into action against them a point which, so far as we know, no European country has thus far provided against as regards mobile guns.

The foregoing is a skeleton of what we have in mind. If desired we can submit a draft of this portion of the proposed speech. There has been so little clear thinking thus far about land disarmament that if you approve this idea we feel it should be presented in the General Commission fully and simply in order that it may get popular consideration even in those countries where some of our ideas might be unpalatable to the Governments. At present the chief justification for failure to produce results in the Conference lies in the insistent propaganda which is being carried on in Europe as to the utter hopelessness of finding a beginning in this complex and baffling problem. If you approve the foregoing it would be our idea to present it in the General Commission at the earliest date after the reconvening of the Conference.

You may feel that a clear-cut statement of the sort indicated would satisfy once and for all as far as this Conference is concerned the demand for American "leadership" and "initiative" and that the burden would thereafter be on other shoulders. We have not been able to see any valid objection to it from our point of view for even if our plan were accepted, effectives would not be reduced to a point which would affect our own, and as for offensive weapons, they are of a minimum of use to a country like ours which does not entertain a thought of embarking on aggressive wars. At that we have more to gain than to lose, perceivably, [by?] universal renunciation of these arms.

GIBSON

500.A15A4/947½

*Memorandum of Conversation in the Office of the Assistant Secretary of State (Rogers)*⁶¹

[WASHINGTON,] March 30, 1932.⁶²

Mr. Davis stated that the Disarmament Conference was reaching a stage where all nations, pushed by economic necessity, the state of public opinion at home, the fear of social disorders and the like, were resolved to make a genuine effort to solve the problems now before the Geneva Disarmament Conference. With this in view, they would approach the problem not in terms of lip service and offering to give up only such arms as were useless to them, but in a constructive attempt to reach a fair compromise which would result in limitation and reduction of armaments.

Obviously there were certain underlying political problems between the European states, notably reparations, the Danubian Federation, et cetera, which individual nations were making strenuous efforts to settle by private conversations. The key to the situation was to be found in France and Mr. Davis explained that he believed that Tardieu had come to appreciate that the French policy of encircling Germany and dominating Europe by military force was no longer practicable and that in turn he wished to substitute a friendship with England and Italy which would permit him to reach a more satis-

⁶¹ Present: General Douglas MacArthur, the Chief of Staff; Admiral William Veazie Pratt, the Chief of Naval Operations; Mr. William R. Castle, Under Secretary of State; Mr. James Grafton Rogers, Assistant Secretary of State; Mr. Norman H. Davis, a member of the American Delegation to the General Disarmament Conference; Mr. Pierre de Lagarde Boal, Chief of the Division of Western European Affairs; Mr. Jay Pierrepont Moffat, of the Division of Western European Affairs.

⁶² Transmitted by the Acting Secretary of State to the Acting Chairman of the American Delegation under covering letter of April 7.

factory relationship with Germany, and incidentally to make very real economies by the reduction of arms. Various factors had contributed to this change of heart, but among the principal ones Mr. Davis mentioned the realization that a prostrate Germany was as dangerous to France as a militaristic Germany.

Coming down to disarmament problems, Mr. Davis began by explaining that England was emphatic in her desire to abolish submarines. Thus far the French have shown no inclination to give up this arm which they regard as a potential threat to England and are talking over the idea of building certain dreadnaughts which, however, they wish to reduce in size. Mr. Davis said that he had frequently pointed out to the British that they were making a mistake in advocating smaller battleships, as in the first place we could not consent to it and in the second, France would never actually build dreadnaughts while they remained in their present size, whereas she might readily do so if they were reduced in tonnage.

Joining France in her insistence on maintaining the submarine was Japan, and while the two stood shoulder to shoulder the problem was exceedingly difficult. Mr. Davis felt, however, that France might be induced to modify her stand as England would in all probability refuse to play ball with her on one or all of the following points: reparations, the Danubian Federation, financial deals, and a Franco-Italian *rapprochement*. If France should give way on submarines in order to obtain British support elsewhere, Mr. Davis felt that Japan would be isolated and that there was a reasonable chance of modifying her opposition.

Admiral Pratt said that he attached the greatest importance to the abolition of the submarine, that our Navy had studied the pros and the cons and was convinced that its relative position would be strengthened particularly in relation to Japan. The whole Japanese plan of campaign is believed to be based on the use of submarines based on their mandated islands of the Pacific, and which threaten our communications between Hawaii and the Far East. One of the islands offering a suitable base for submarines was within a thousand miles of Honolulu. As far as submarines themselves were concerned, the Admiral considered that their cost in relation to value was such as to make them the most expensive of all arms or, to put it in another way, gave the least fighting power for the outlay. If they could be abolished, it would mean that all powers could reduce somewhat their destroyer tonnage and the British would probably propose a further reduction in cruiser tonnage. The one category in which the United States could not consent to a reduction was that of the aircraft carriers. This led Admiral Pratt to explain that our superiority

in the air was our greatest naval asset; that we were way below treaty strength in ships, but that this was to some degree compensated for, particularly with reference to Japan, by our superiority in the air, not only numerically but in the quality of our machines and above all in our superior flying personnel. The Japanese having slower reactions make poor aviators, far inferior to the American.

Mr. Davis pointed out, however, the genuine fear of Europe of aerial bombardment and said that strong efforts were going to be made to reduce this menace. He explained at some length the European idea of abolishing military and naval aviation as such, coupling this with an internationalization of civil aviation and the attribution to the League of Nations of an air fleet of pursuit planes which could take the air against any European power which should violate these provisions and attack another nation by air. He said that obviously the internationalization of civil aviation applied to Europe only and, not being a member of the League of Nations, we would not be asked to contribute our quota to the League.

Admiral Pratt promptly replied that as long as the League held such a force we could not forego an aerial establishment. This was the more true as planes were the instrument most in use in ferreting out submarines and in destroying them by means of an aerial bombardment. He, therefore, felt that the United States could only consider altering its present air establishment if concurrently submarines were abolished. This would result in our removing a dangerous threat and hence acquiring an asset in return for giving up our present aerial superiority. He further pointed out that our entire naval strategy was based upon the use of observation planes and pursuit planes; that their existence enabled the fleet to do without many other scouting ships and was a source of actual safety to the fleet.

Here Mr. Davis pointed out that there had been many proposals toward limiting the use of bombardment air force to military objectives alone. This was not felt to meet the problem inasmuch as the definition of a military objective would be constantly open to dispute. Another proposal was to agree not to drop bombs from aircraft over land except on one's own territory against an invader. This, it was felt, would not suit the stress of circumstances, as in the case of a war, the invading army would in all probability not agree to withstand an aerial bombardment without retaliating in kind. The only remaining alternative was to agree not to drop any missiles from the air and concurrently to abolish the bombing plane.

All present agreed that this solution was only practicable if submarines were abolished and that the two must be considered as

forming part of an interlocking problem. Admiral Pratt cautioned Mr. Davis also that the period during which submarines must be scrapped should be a short one, preferably less than a year but in no case more than eighteen months. General MacArthur remarked that as far as the Army alone was concerned he would be satisfied with the complete abolition of military aviation but recognized that the needs of our national defense, from a Navy point of view, require the stand taken by Admiral Pratt.

The subject of offensive weapons was next raised. Mr. Davis recalled that we had indicated in our opening speech a willingness to reduce offensive weapons and that we had now been called upon to explain in further detail what we meant. Admiral Pratt interjected that the words "offensive weapons" were a misnomer inasmuch as the weapon itself was neither offensive nor defensive but the use to which it was put. Mr. Davis, however, explained that what he had in mind was to explain our purpose in terms of doing away with weapons that would primarily assist the aggressor, which in terms of land armaments he felt should include the tank and heavy mobile artillery. General MacArthur explained that the Army was entirely ready to give up tanks. As regards heavy artillery, he felt that we must insist on fixed mounted guns of large caliber for coast defense, but quite agreed to concur in the abolition of heavy mobile cannon. He explained that these large caliber guns were not only the most destructive to private property (their use thereby marking a retrograde step in the development of war which otherwise has shown a tendency to respect private property) but were at the same time the most expensive of implements of land warfare and did not in the last analysis decide the fate of battles. The question of our coast defense guns mounted on railway carriages was discussed. General MacArthur said that these were relatively few in number, that they had not proved very satisfactory in experience and that he did not consider their maintenance a vital point. What we should do if there were a prohibition of heavy mobile artillery would be to mount the guns on fixed emplacements thereby taking them out of the mobile classification. Mr. Rogers asked if this would complicate the problem of the defense of Panama. General MacArthur replied, no, that our fixed defenses there were sufficient, assuming that the United States Navy was in being, and if the Navy should be destroyed the value of the Canal to us would be unimportant. General MacArthur accordingly felt that the abolition of heavy mobile artillery of more than 6 inches in caliber would be one of the most effective steps that could be taken toward disarmament and was one which, in so far as he could see, would work no disproportionate hardship to any nation.

The next question to arise was the question of budgetary limitation. Mr. Davis explained the pressure that was being brought to introduce a certain percentage cut but appreciated that it could not well be applied to the Navy without destroying the present treaty ratios (which are all important to us) and without freezing us in our present situation of inferiority. He queried, however, whether it would not be possible to adopt some such scheme with relation to the Army. General MacArthur explained that to his way of thinking the principle of budgetary limitation was fallacious: (*a*) that it involved the question of our standard of living not immediately but ultimately as economies would eventually be sought in reducing the labor cost of all articles; (*b*) that the labor leaders were convincingly opposed and that it could not get political support; (*c*) that it was not an accurate yardstick of disarmament; and (*d*) that inasmuch as our armed establishments are virtually at a minimum, a proportionate budget cut, particularly if repeated, would destroy the very fabric of our defense, where it would not do so in the case of nations with larger establishments,—hence it would carry a permanent loss to us. If thought of in terms of reduction to our federal budget or to our national wealth, our military expenditures were way below those of virtually every European power. He challenged the good faith of those who sought to impose budgetary limitation as a method which would produce proportionate results to all nations and urged that it be not considered. Mr. Davis then asked whether it would not be possible to estimate the savings to be obtained by abolishing tanks, heavy mobile artillery, submarines and bombing planes and agree to reduce our budget by that amount provided the abolitions went into effect. This was agreed to and Admiral Pratt undertook to prepare an estimate of the amount of savings which the Navy Department would make by abolishing submarines and General MacArthur by the abolitions affecting the War Department.

With regard to gas, neither General MacArthur nor Admiral Pratt attached much importance to the various gradations of gas which were non-lethal and said that they were prepared to advocate the total abolition of gas in all its forms.

Before leaving, Admiral Pratt inquired as to the accuracy of rumors that Japan intended to resign from the League and inquired in that case what would become of the mandated islands. Mr. Davis replied that when some months ago Sato had threatened to Sir Eric Drummond to withdraw from the League, the latter had said that deplorable as that would be, he felt that it would be less deplorable than having the League fail to live up to its covenant. The lawyers

in Geneva had done some studying as to the status of the Japanese mandated islands which being C mandates give the mandated power the nearest approach to sovereignty possible. It was felt that the League could withdraw the mandate but would have no means of enforcing the withdrawal and that probably only moral persuasion over a period of years would succeed in forcing Japanese evacuation.

Admiral Pratt also inquired as to what progress had been made in settling the Franco-Italian naval controversy.^{62a} Mr. Davis replied that he was distinctly optimistic as to an eventual agreement but that the French did not wish to settle this problem until the political questions had been settled. In particular an effort was being made to find a colony for Italy and thus to relieve her expansion pressure; this would probably be found in one of the present Portuguese colonies, the other to be attributed to Germany. Portugal would be paid in cold cash for these acquisitions.

It was agreed that a telegram would be drafted from Mr. Davis to Mr. Gibson setting forth the results of this conversation and that a copy would be submitted to General MacArthur and Admiral Pratt for their concurrence before being despatched.

500.A15A4/951: Telegram

The Acting Chairman of the American Delegation (Gibson) to the Secretary of State

GENEVA, March 30, 1932—9 p. m.

[Received March 30—6:15 p. m.]

95. Dunn has returned today from Rome where Vitetti informed him confidentially that the Italian Government is anxious to have some measure of achievement to the credit of the Disarmament Conference before the meeting of the Lausanne Conference in June, assuming it would be disastrous to have this Conference making no appreciable progress when a second difficult conference begins. Grandi therefore intends to discuss with MacDonald in London on his trip during the coming week-end the possibility of a British initiative on the reconvening of the Conference looking toward early agreement on those subjects on which agreement is readily possible and particularly on the question of the abolition of certain types of aggressive arms. He feels that if this idea were to be suggested in the first instance by Italy it would arouse French opposition and that opposition is less likely if the proposal comes from Great Britain. His idea is that the great powers should be consulted and

^{62a} For previous correspondence concerning the Franco-Italian naval controversy, see *Foreign Relations*, 1931, vol. 1, pp. 358 ff.

their acquiescence secured before any public pronouncement in the Conference.

In this connection you will remember that Grandi in his opening speech advocated more far-reaching measures than we did as regards the abolition of aggressive weapons including in this category battle-ships as well as submarines. You may feel that the suggestion in my 93, March 26, noon, provides a more orderly and thoroughgoing presentation of the subject than has been evolved elsewhere and that the conception of the relation [between?] security and aggressive weapons might, moreover, facilitate acceptance of some agreement by the great powers and give needed impetus to the work of the Conference.

GIBSON

500.A15A4/953 : Telegram

The Acting Secretary of State to the Acting Chairman of the American Delegation (Gibson)

[Extract⁶³]

WASHINGTON, March 31, 1932—2 p. m.

48. For Gibson from Davis.

In view of time required to canvass situation and also of extension of time of recess to April 11, I have decided to sail on *Berengaria* April 6. Am going to New York today, returning here Monday morning. We then hope to give you final word on all the questions which are under discussion. Am making satisfactory progress regarding aggressive weapons. Question of budgetary reduction extremely difficult.

Suggestion in your 93⁶⁴ is looked upon most favorably by the President and the Secretary. The question of the proposed speech which I brought along citing actual figures and names requires some further consideration as to the time and method of presenting it but hope to supply you Monday with the details to fill out your 93.

Strictly confidential. The President is wondering if he should not seek an early opportunity to say something on the disarmament question for the effect of opinion at home as well as abroad. I have expressed the opinion that if he confined himself to elaborating the thesis of dividing the forces into the component parts of police and

⁶³ The portion omitted relates to routine personnel matters.

⁶⁴ March 26, noon, p. 59.

defense without going into details which I feel that you should do in Geneva, it might be all right. I will discuss this with him further Monday.

I suppose you have not yet traced the source of the Mowrer⁶⁵ indiscretion. At any rate repercussions here not serious as Department which knew nothing about it at the time fortunately was able to belittle it.

CASTLE

500.A15A4/954 : Telegram

The Acting Chairman of the American Delegation (Gibson) to the Secretary of State

GENEVA, April 1, 1932—10 p. m.

[Received April 1—8:11 p. m.]

99. For Norman Davis. Your 48, March 31, 2 p. m. Referring to the paragraph marked strictly confidential the President may desire to give consideration to the fact that the relative apathy among the American people regarding this Conference is rather advantageous in that it will render negotiations at this end much simpler than if their expectations were too high or their interest unduly stimulated at this time. It may well be that within a short time it will be most important for the President to give guidance to public opinion on certain phases of the subject, and although I realize that we are not fully aware of the situation at home, I am reluctant to see him use his great influence now, when it will undoubtedly be necessary at a fairly early date.

In any event I question the wisdom of giving part of the story of his formula, because it cannot be revealed to prove its effectiveness except by a full statement, which is obviously not the sort of pronouncement for the President to make. You will remember yourself how little impressed we all were with the idea until the production of the table which enabled us to see its real implications. This objection would be even more true of any general pronouncement made by the President because anything he says will be seized upon by all the amateur calculators who will get to work to give highly colored versions of the implications of the formula. As regards the statement that further consideration must be given as to the time and method for presenting the formula you will remember that it is already on the agenda for early consideration, in fact it is the fourth item and in

⁶⁵ Mowrer had reported upon a plan of the American delegation which he stated had been submitted to the Department for approval (500.A15A4/927, 928).

all probability will in normal course come up for consideration within the first week after the convening of the Conference.

We have thoroughly ventilated the whole subject of the Mowrer story. While there was some indiscretion on the part of a junior member of the delegation he had real grounds for misunderstanding the situation and inasmuch as the story was played down I have not thought it necessary to make any further reports to the Department. I am convinced that this episode has had one very useful effect in impressing the necessity for scrupulous discretion on all members of the delegation.

GIBSON

500.A15A4 Land Armaments/14: Telegram

The Acting Secretary of State to the Acting Chairman of the American Delegation (Gibson)

WASHINGTON, April 2, 1932—2 p.m.

52. Since arriving at Washington, Davis has conferred at length with the President, the Secretary of State, the Chief of Staff, and the Chief of Naval Operations, all of whom have concurred in the following principles:

1. We are prepared to advocate the total abolition of tanks and of all heavy mobile land artillery over 155 mm. in caliber. This would of course not include heavy artillery on fixed mounts whether in fortifications or in coast defenses. We would install on fixed mounts our present coast defense railway artillery if this proposal is generally accepted.

2. We are prepared to accept the abolition of the use of all toxic gases in war, not merely lethal gases as heretofore announced.

I shall telegraph you at a later date regarding aviation questions.

CASTLE

500.A15A4/965: Telegram

The Acting Secretary of State to the Acting Chairman of the American Delegation (Gibson)

WASHINGTON, April 2, 1932—3 p. m.

53. [From the Secretary.] In your 93, March 26, noon, you recommended that at the conclusion of the draft speech on the formula dealing with the computation of effectives which Davis brought home with him, you add a further section dealing with the development of security through the abolition of aggressive weapons.

2. In our conception these two thoughts are not closely related.

To combine them in one speech would run the danger of confusion in the public mind and would in any event subtract from the emphasis each would receive if delivered separately.

3. Our feeling is that more immediate and concrete gains may be expected from presenting and developing as a separate contribution the plan for abolishing aggressive weapons suggested in Sections 2 and 3 of your 93, confining yourself however to land weapons (that is, tanks and heavy mobile matériel) and not for the moment touching upon the question of bombardment planes or submarines.

4. Please submit, at your early convenience, a draft of this speech as you finally develop it. We have hopes that it may prove a real contribution to the success of the Conference.

5. It is my present idea that Gibson should make the speech on either April 11th or 12th before my arrival.

6. As to the formula for the computation of effectives we are inclined to the belief that it would be more effective to use the draft speech and the tables as a means of persuasion in technical committee rather than to advance it dramatically as an American plan in the General Commission. We have not reached a final decision on this point, but in any event I do not wish that speech made during the early days of the new session.

7. With relation to a possible speech by the President referred to in your 99,⁶⁶ it is at this moment not practicable to give you a final decision. Davis asks me to say that he entirely concurs in your arguments, which will be brought to the President's attention.

CASTLE

500.A15A4/966 : Telegram

The Acting Chairman of the American Delegation (Gibson) to the Secretary of State

GENEVA, April 4, 1932—1 p. m.

[Received April 4—11:55 a. m.]

102. From Wilson. I have consulted Gibson⁶⁷ concerning your 53, April 2, 3 p. m.

Points 1, 3, 4 and 7, no comment.

Concerning 2, our preoccupation had been that the formula for figures should not be presented before the formula for security. We agree that the two speeches could well be separated provided security comes first.

⁶⁶ April 1, 10 p. m., p. 69.

⁶⁷ Mr. Gibson had temporarily returned to his post as Ambassador in Belgium.

Point 5. We will do our utmost to get the speech presented on the dates suggested. It may not however be feasible on these particular dates since certain other states, notably France, have made earlier claims to the right to it at the beginning of the session. Nevertheless, I hope it can be done through Drummond and Henderson.

Point 6. We respectfully beg reconsideration of the question raised in this point. We have given it the most careful consideration in the light of the situation here and are convinced that the speech perceiving the formula for effectives should be produced with the fullest possible publicity and flying of banners in order that its contents may be brought to the attention of the peoples as well as the governments of the Continent. Under this formula the wasteful burden of the defense contingent will be plain to the man in the street if it is presented in such way as to reach him. We have had considerable difficulty in getting this item placed on the agenda of the General Commission and only did so over obstacles placed by the Czechoslovaks and French in the Bureau and Secretariat. It is clear that these states are apprehensive of publicity on the President's suggestion. We are considering submitting for your approval a draft resolution to be submitted with the speech to the General Commission in which the General Commission would straddle in attempting⁶⁸ principles suggested and request the Land Commission to work out the details and report back. We earnestly state that we are convinced that in the experience of procedure over here this is the proper policy to pursue in this matter.

Furthermore, it has been our experience that in any matter touching general principles the Technical Commission have invariably refused to investigate the suggestion until the General Commission has given a ruling on the principle involved. Therefore if the procedure which you suggest were followed the Land Commission would undoubtedly refer the matter back to the General Commission with a request for a ruling and thus we would lose the opportunity of presenting this case on our own basis and could only present it after it had been sniped in public and private, for some days.

Concerning the strictly confidential 52, April 2, 2 p. m., this welcome information will enormously strengthen our case. Please let me know regarding aviation at the earliest convenient moment since the text of the speech will of course in some degree be dependent upon your decision.

⁶⁸ Sentence is apparently garbled here.

We hope to put a draft speech on the wire Thursday evening from Geneva.

GIBSON

500.A15A4 Air Armaments/43 : Telegram

The Acting Secretary of State to the Acting Chairman of the American Delegation (Gibson)

WASHINGTON, April 4, 1932—7 p. m.

55. Continuing my 52, April 2, 2 p. m. Following agreement reached regarding position on aviation:

We regard the problems of aviation and submarines as interlocked, particularly as one of the chief uses of the bombing plane is the destruction of hostile submarines. If the abolition of submarines is agreed to, we would in turn be willing to abolish bombardment aviation. This could be effected by (a) the abolition of all bombing planes and (b) a general undertaking not to launch or drop bombs or missiles from the air. This does not include observation, attack, pursuit or similar planes, which may mount machine guns provided, however, that their use is limited by the rules already prescribed by international law for guns, and provided further that their use shall not invalidate the purpose of clauses (a) and (b) which in effect is to prevent the use of guns, missiles, bombs, or weapons from the air of any description against centers of civilization. We favor the basic principle of limiting all fighting from the air over land to armed objectives of the enemy.

CASTLE

500.A15A4/970 : Telegram

The Acting Secretary of State to the Acting Chairman of the American Delegation (Gibson)

WASHINGTON, April 5, 1932—4 p. m.

56. For Wilson from the Secretary. Your 102, April 4, 1 p. m.

I am carefully considering the arguments you adduce for presenting the proposed speech on the computation of effectives with the fullest possible publicity, and before reaching a final decision will discuss it further with the delegation on my arrival.

Meanwhile it is important to stress the speech emphasizing security through the abolition of heavy mobile land weapons and I feel that enough time should elapse for this thought to crystallize in the public mind before introducing a second idea which is both new and complicated.

CASTLE

500.A15A4/973 : Telegram

*The Acting Chairman of the American Delegation (Gibson) to the
Secretary of State*

GENEVA, April 7, 1932—8 p. m.

[Received April 7—4: 19 p. m.]

107. I am telegraphing under No. 108⁶⁹ the draft text of speech requested in the Department's 53, April 2, 3 p. m. The lack of emphasis placed on bombing planes and submarines is intentional. We feel that as matters now stand we can get a maximum of acceptance for those arms essentially used for destroying frontier defenses on land and that although the introduction of bombing planes and submarines would be a logical broadening of the presentation still the linking up of these two weapons would arouse a measure of hostility to the general plan which is not directed against its fundamental purpose but solely towards the retention of the submarine. If we can secure general acceptance of our plan as put forward in the draft speech we believe we can subsequently attack the second step of the bombing plane linked with the submarine with greater prospects of ultimate success.

I saw Henderson this afternoon. He feels that there has been time for the delegates to consult their governments during the adjournment and that they are returning with an increased knowledge of what can be undertaken. He therefore feels that it would be wise to open the session with a few days of general discussion and is anxious that the opening speech should be of a constructive and helpful character with a specific objective. Therefore, unless Tardieu is insistent upon making his speech in reply to the Germans (see my 102, April 4, 1 p. m.) which right he had reserved before the adjournment, Henderson proposes to call on me to initiate the debate on the ground that the new session is opening under the provisions of the resolution introduced by the American delegation (see my 80, March 16, 3 p. m.).⁷⁰ The first meeting will be Monday afternoon at 3: 30.⁷¹

GIBSON

⁶⁹ Not printed.

⁷⁰ *Ante*, p. 53.

⁷¹ April 11.

500.A15A4 Plenary Sessions/96 : Telegram

*The Acting Chairman of the American Delegation (Gibson) to the
Acting Secretary of State*

GENEVA, April 9, 1932—11 p. m.
[Received April 9—6: 35 p. m.]

111. The delivery of the speech of which draft was transmitted in my 108, April 7, 9 [8²] p. m.,⁷² with later amendments will doubtless bring forth the suggestion that all types of so-called aggressive arms should be dealt with at once. Not only will it be proposed to include bombing planes with which, through your instructions, we are adequately equipped to deal but some will also press for the inclusion of the capital ship.

We therefore feel that we should be in a position when this idea is advanced to deal with it on the spot and before repeated demands make it perhaps more embarrassing. We have therefore prepared an extemporaneous reply quoted at the end of this telegram which in our opinion deals adequately with this question and puts the burden where it belongs on the great land powers to make some effort towards reduction before they demand further sacrifices from us. Unless you have contrary views I propose to use this text on the first occasion when the inclusion of capital ships is urged.

I am not communicating this to the Secretary⁷³ but if the President approves the course suggested perhaps when you so inform me you will likewise inform the Secretary.

“If there is a feeling that the capital ship is an aggressive weapon I am glad the question has been raised for my Government has certain very definite views on the subject.

So far as the United States is concerned we have regarded these as defensive weapons, as floating fortresses, essential to carrying out obligations which the United States has accepted both unilaterally and under international agreement such as the maintenance of free traffic through the Panama Canal at all times.

Capital ships along with other forms of naval armament, are already strictly limited by international agreement among the great naval powers; they have been drastically reduced in number and their lives have been prolonged, thus obviating replacements and the danger of competition for a number of years to come.

In the interest of general agreement among the naval powers the United States at the Washington Conference sacrificed predominance in naval strength in its most powerful category, and since it has always maintained the smallest land force of any great power by so doing it agreed to forego a military predominance in its preferred arm, an act of self denial unprecedented in history.

The naval forces of the world have thus been limited and reduced.

⁷² Not printed; for text of speech as delivered, see p. 76.

⁷³ Mr. Stimson was en route to Geneva.

I am convinced, however, that my country would not refuse to deal still more drastically with the subject of capital ships whenever other nations whose primary reliance on armaments is placed on land forces have made the sacrifice of possible superiority over their neighbors which the United States made at the Washington Conference and when they have agreed upon a balance which would afford mutual security and world wide relief."

GIBSON

500.A15A4 Plenary Sessions/102: Telegram

The Acting Secretary of State to the Acting Chairman of the American Delegation (Gibson)

WASHINGTON, April 11, 1932—3 p. m.

66. Your 111, April 9, 11 p. m. I have discussed this matter with the President and we see very serious objections to your proposed statement. In return for scoring a point in debate, your speech risks being read as implying (a) that we would be able to extend the principle of the abolition of aggressive weapons to other fields than the army; and (b) that if our land proposals were accepted we might alter our position on capital ships. It is highly important for you not to give either of these impressions. It should be sufficient for you to stress (a) that our proposals must be considered on their own merits and without enlarging their application; and (b) that emphasis should be kept on land questions at least until the great land powers have made contributions to the cause of disarmament equivalent to those made by the naval powers. We attach particular importance to your being able to block any attempt to liken the treatment of naval and aerial aggressive weapons to that proposed for tanks and heavy mobile land guns, and urge you to bear this constantly in mind. If necessary you may say we are always ready to revise naval programs as a whole, but not in part and that naval revision must be a separate question.

CASTLE

500.A15A4 Plenary Sessions/104

Address Delivered by Mr. Hugh S. Gibson, Acting Chairman of the American Delegation, Before the General Commission of the Conference, Geneva, April 11, 1932

You will remember that on March 16th⁷⁴ I explained that it was my hope that we could immediately, on the resumption of our work,

⁷⁴ See telegram No. 80, March 16, 3 p. m., from the Acting Chairman of the American delegation, p. 53.

come to grips with the basic question before us. I quite realize as I then stated that a considerable amount of time was necessarily consumed in setting up and getting into motion the machinery of the biggest conference the world has ever seen. I realize that the weeks spent in listening to statements of the various delegations were well spent, but I believe that this preliminary phase of the Conference has been given ample time, that we have completed our survey of the problem, that we know what measure of agreement exists, and what are the problems which must receive our serious attention. Since the American Delegation had the honor of introducing the resolution as to the method of work to be adopted, it may be felt that it should give some indication of the type of concrete problem that we feel will be considered. We have undoubtedly done what the rest of the delegations have done. We have attempted to analyze the various proposals submitted to the Conference and we are struck by the fact that one preoccupation seems to dominate in all these proposals, namely, finding a method by which reduction and limitation can be achieved without incurring risk to national safety. I believe that there has been a certain confusion of thought on this subject through the rather loose definition of all these proposals as plans for security. In large measure, this preoccupation has been instinctive on the part of the various delegations, but it is an instinct with which every nation must have the greatest sympathy, and this instinctive endeavor should be turned by some means into a conscious and definite program which will transmute into terms of disarmament this universal need for security. We have heard a great deal in the Conference and outside about the need for security but the whole subject has been enshrouded in such contradictory proposals and contradictory conceptions that it seems to me our first task should be to reduce this problem to its elements and to state it in an A, B, C form. I will confess that for a long time the American public had little sympathy with this idea perhaps for the rather human reason that we ourselves, thanks to our geographical position and our friendly neighbors feel little concern for our national safety. However, it is our earnest desire to find some method by which other nations may through an increase of confidence share the same blessing.

Fundamentally, the demand for security arises from doubts on the part of a government and its people as to their ability successfully to withstand an invasion. As a primary duty of government is to afford adequate defense to its citizens and its territory, apprehension on this score strikes at the very root of national confidence, and under stimulus of fear governments and peoples instinctively demand ever greater armaments and more men for national defense. It is idle to speculate

as to whether such apprehension is well founded. Apprehension as to national safety is not to be dealt with by pure logic or peace established by argument alone. One reason it has been so hard for us to think clearly on this problem is that it is full of contradictions and thus devoid of logic. For instance it is clear that even some of the nations which maintain the highest level of armaments, adequate presumably to deal with any possible aggression, are among those most fearful for their national safety. This would seem to show conclusively that thought on the subject of security has not yet been made clear and definite. The solution is to remove the fear. Moreover, if we remove the fear, we also remove the incentive for the maintenance of the high level of armaments which today constitutes such a menace to our civilization, and such a burden on the economic structure of the world.

During the past few years, and especially at the opening session of this Conference, there have been submitted a variety of plans for achieving security. I do not propose to discuss these plans at this time. Fortunately, the plan I shall have the honor to submit to you, which stands by itself, is in no sense contradictory to or exclusive of any other reasonable plan for the achievement of security. Furthermore, the American Delegation has welcomed the introduction of all such plans even those that we could not accept.

Basically, the demand for security is founded on fear of invasion. It may well be asked why this feeling should be more acute today than in times past. I think the answer is rather simple. Before technical progress had reached its present proportions there was a certain inherent superiority in defense. A country that puts its faith in frontier fortifications was able to hold up armies of invasion at least until its defense forces could be mobilized and brought into action. Within the last generation, however, certain new weapons have been developed to a point where frontier defenses no longer constitute an adequate safeguard against invasion. At the beginning of the World War we saw the supposedly impregnable fortresses of Liège, Namur and Antwerp reduced in rapid succession by heavy artillery. I think we are justified in assuming that if the invading army had not had these guns these forts would have either acted as an effective deterrent of invasion or at least would have sufficed to delay the invasion until full defense forces of France, Belgium and Great Britain could have been mobilized and brought into action. Furthermore, since that time there has been a series of technical developments toward the mechanization of attack which will further reduce the value of frontier defenses. A new war would see frontier fortifications rapidly demolished by heavy mobile artillery. Trench

defenses with their barbed wire entanglements necessary for linking up the intervals between fortifications would be effectively demolished by tanks and possibly after a gas attack the invading infantry would be able to advance with relative ease. It seems clear that it is this knowledge that frontier defenses are powerless to resist any attack of the sort I have indicated which gives rise to the feeling of insecurity not only on the part of governments, but what is far more serious, on the part of the civil population. It is the feeling of inadequacy of the defensive force which gives rise to the insistent demand on the part of the peoples for the accumulation of military stores, the increase of armies and of military budgets; we might as well face the facts that unless and until this genuine apprehension can be allayed there is little hope of achievement here. I repeat the feeling of insecurity rests on fear of invasion. Fear of invasion is based on the existence of peculiarly aggressive weapons in land warfare, tanks, heavy mobile artillery and the use of gas. The feeling of security will not be restored until we restore to defense the superiority over aggression which it enjoyed in former times. The only way to restore such superiority is to do away with the weapons which I have just mentioned.

It is obvious that the abolition of these weapons can in no sense prejudice any other plan for achieving security. On the contrary, the very relaxing of tension which would ensue from a general agreement to do away with these weapons would in itself favor further agreements. The tension existing today would inevitably be eased by such action, for every country would be bound to realize that if its neighbors are willing to forego the use of such weapons they can not be entertaining designs of aggression. We would moreover be paving the way for a removal of that other great fear complex which grows out of the danger not of mass invasions which break through national boundaries and result in the overrunning of territory, but of aerial bombardments and their threat to the civilian population. By establishing a feeling of security we would facilitate the acceptance of further and more drastic measures of reduction with the result that the problem of reduction will become as easy as it now seems insoluble.

The advantage of the abolition of these weapons is not only that it would relieve existing fears but that it is in every way desirable, even from a strictly military point of view, in that the abolition of such weapons would restore the superiority of defense. With no existing cannon capable of reducing modern fortifications, with no tanks capable of destroying trench defenses, with no gas to terrorize armies, invasion would demand such staggering sacrifices in human life as to make it far too costly to contemplate.

Probably the first objection raised to this suggestion is that it is futile to hope that treaty engagements of this sort will be observed in time of war. I do not believe that this objection has sufficient force to impair the value of the suggestion, even if we admit the possibility that in a future war a nation would be guilty of the gross bad faith of repudiating the solemn engagement undertaken before the world for the abolition of these weapons. As a practical matter, it would require a period of months or years to produce these arms in sufficient quantities to have any decisive effect. And all advantage of surprise attack would thereby be lost. Furthermore, past violations of such undertakings have been of the most costly character to the wrongdoer. Could any of my colleagues who may be disposed to advance this objection point out a single instance where the violator has been the gainer in the end? Without being unduly optimistic, I believe that the passage of the years is building up an increasing sanction in world opinion to support any engagements taken here. We feel that we can put our faith in treaties of this character. We believe that such treaties will be observed and that any risk involved is less than the risk we now incur. The question is whether we are not prepared to accept an insignificant risk in the cause of peace, when it is certain that we may have all taken far greater chances in the cause of war; and if we are not ready to accept whatever risk may remain in order to bring about good understanding, we must realize that the alternative is to continue our constantly increasing armaments and ever increasing risks.

The past few years have demonstrated that no nation can maintain modern armed forces the equal of its neighbors without annually increasing expense for maintenance. Such increased expense is nearly all due to the increasing mechanization of forces. What we propose is to stop this mechanization in its most acute and expensive forms. With the abolition of tanks and heavy mobile artillery every one of us will be able to cut our budgets appreciably. These two items constitute the greatest single items of expense in connection with modern armies. It seems inconceivable to us that with the insistent demand for economy throughout the world we should fail to reach agreement to discard the most costly of our arms. In other words it seems incredible that the nations of the world could refuse to enter into an agreement that would at the same time increase defense and decrease expense and that is the purpose of my proposal.

To illustrate the drain which these weapons cause to the budgets of the world I need only state that the largest type of heavy mobile gun without its mounting costs approximately \$450,000 and that its life is not long. With respect to tanks the large armed type costs

in the neighborhood of \$45,000 each and their life is even shorter than that of the heavy guns and their number naturally far greater.

It may be objected that the suggestions I have put forward do not deal adequately with the whole subject of aggressive warfare. I anticipate and disarm this objection by agreeing with it, but in my opinion one of our great difficulties in the past has been that we have sought to deal with too many problems at a time when the greatest hope of success lies in isolating problems and dealing with them effectively in succession. For that reason I have purposely sought to focus our proposals on the most acute phase of the security problem as we see it, that involved in land warfare. When definite results have been achieved in this field, I shall take occasion at an appropriate time, to present the views of my government as to the best practical means of dealing with aggressive weapons in other fields, such as, for instance, bombing planes.

However it seems to me that if we can deal effectively and expeditiously with the proposal I have the honor to submit today, it will facilitate our task in dealing with the more complicated measures which must be taken in regard to other methods of warfare.

This plan obviously does not apply to heavy guns on fixed emplacement for defensive purposes. Nobody can charge aggression against guns so placed. Weapons of this character for the defense of frontiers can give legitimate concern to nobody. They are no more to be considered aggressive than the locks and bolts upon our doors.

I quite recognize that the suggestion that we do away with all these weapons may be rather shocking to many of my colleagues but I confess to you that before we reached the decision to make this proposal we have faced and accepted the idea of sacrifice of our important and costly existing technical equipment. It was not easy for us to forego the use of our heavy railway guns. It was not easy for us to envisage the abolition of the tank equipment of our modern forces which we have already developed to a high standard. We would not have reached the decision to make this proposal if it were not for the deeply rooted conviction that the urgency of this problem demands sacrifices on the part of all of us and that if we were all unwilling to acquiesce in any reduction save on the part of our neighbors we might as well acknowledge that a conference of this sort is a farce. Furthermore, if we fail to agree upon drastic measures of reduction and even abolition we must realize that the world will inevitably embark upon a race in armaments the disastrous results of which no man can foresee. Justification for failure to agree is hard to find, for if everybody does away with these weapons we shall all gain together.

I therefore have the honor to submit a resolution for consideration by the General Commission with the request that our Chairman appoint some suitable date, say within a week, for this body to discuss and vote upon it. The resolution is as follows:

Whereas all states of the world are animated with the same legitimate concern for the defense of their territory and peoples;

Whereas many states now feel that they exist under the menace of aggression from their neighbors;

Whereas that fear of aggression is primarily caused and intensified by the existence of weapons which can only break down national defenses such as fortifications, in other words, which give superiority to attack over defense;

Whereas the establishment of a constant superiority of defense over attack would promote in the peoples of all states a feeling of security;

And whereas the General Commission believes that the abolition of aggressive weapons would constitute a first and essential requisite not only for the reduction of armaments but for the establishment of security,

"The General Commission resolves:

1. (A). That the following weapons are of a peculiarly aggressive value against land defenses: tanks, heavy mobile guns and gases; and as such should be abolished; and

(B). To request the Land Commission to draw up and submit to the General Commission a plan for scrapping tanks and mobile guns exceeding 155 millimeters in calibre and for the abolition of the use of gases in war.

2. (A). That an undertaking by the states not to avail themselves of the aforementioned weapons in the event of war is equally essential; and

(B). To request the Political Commission to draw up and submit to the General Commission texts for these purposes.[""]

Mr. Chairman, without in any sense wishing to prejudice the full discussion of this subject which I hope the commission will undertake, I venture to express the hope that the simplicity of our proposals will commend them to the Conference and that it will be possible to refer the entire question to the necessary commissions with instructions to report back definite texts for our adoption. This hope is based on the profound conviction that in the abolition of aggressive weapons we have ready to our hand the key to the great problem of disarmament. No matter how long we may stay here and discuss principles and methods, we shall have accomplished nothing until we take this first decisive step. Most of my colleagues have already expressed in one way or another some conception of this necessity and I am confident that they will realize the value of taking this step immediately. Furthermore, I do not feel it is enlightening

for us to adopt these solutions in principle only. What we need is definite and final agreement at the earliest possible date. Mere agreement in principle will not facilitate in maximum degree the solution of other and more difficult problems, but if we can reassure the world and encourage ourselves by demonstrating the possibility of a general agreement on this phase of the problem, we will have provided a firm basis for progress on other more complex problems which will still lie before us. It is difficult for me to believe that we can fail to take this step which will perhaps justify the faith of the peoples in whose names we are here assembled.

500.A15A4/988½ : Telegram

*The Secretary of State to the Acting Chairman of the
American Delegation (Gibson)*

[Extract⁷⁶]

APRIL 11, 1932.⁷⁶

Your 108⁷⁷ containing proposed speech was handed to me on embarkation. Have not seen the suggestions which may have been sent you from the Department. In general I warmly approve of your thesis and I think that in singling out protection against invasion as the cardinal and chief feature of security you will be performing a very distinct service in the clarification of the main problem of the conference. Davis and I, however, both feel that there is tactical danger involved in the emphasis placed upon the American parentage of the plan to abolish these offensive weapons. Your speech several times repeats it as if it were a purely American proposal and we fear that will arouse unnecessary antagonism. The record of the conference negatives such a position and indicates that such proposals, at least in general, were made by a very large number of the nations. We think your proposal would go further if it were treated more as a product of the evolution of the work of disarmament to this point, i. e., as a specific practical proposal for applying the general principles which have been enunciated by many others. To illustrate what I mean I discussed this thesis last August with Prime Minister MacDonald and found that it had been one of the chief results of the 6 months study made prior to that time by the British Three-Party Parliamentary Commission. The Italians have also made

⁷⁶ The omitted portion of this telegram contains various textual changes suggested by Mr. Stimson.

⁷⁷ Apparently sent from on board the *Ile de France*. Telegram in two sections.

⁷⁸ Not printed.

similar concrete proposals. I therefore fear that it would have a very bad effect for us to give the very slightest impression of trying to appropriate it now.

If in submitting your proposals, credit is given to others, who have advanced more or less similar ideas, although in less elaborate form, you not only enlist their support but are less apt to make others, particularly France, feel prompted for strategic reasons to offer opposition. With slight alterations, eliminations and additions your draft speech could be made to conform to above suggestions.

STIMSON

500.A15A4 Plenary Sessions/100 : Telegram

*The Acting Chairman of the American Delegation (Gibson) to the
Acting Secretary of State*

GENEVA, April 11, 1932—9 p. m.
[Received April 11—8:55 p. m.]

114. The delivery of my speech was, from the indication which the members of the delegation received, well received and was immediately warmly supported by Motta and equally by Sir John Simon. Both of these speakers, however, dealt at far greater length on the necessity for some action on bombardment aviation noting that a reference had been made in my speech to future action thereon and stressing the necessity for it. Nadolny contented himself with saying that it was in accord with the spirit of the proposals which his Government had made and that he welcomed it on the understanding that it was merely a first step and not the complete achievement of the Conference since his Government could be content with nothing less than drastic reduction. The Italian delegate⁷⁸ likewise supported it saying it represented a part of the proposals which his Government had submitted and that he would be glad as a practical step to see action taken even on this part.

Although knowing the susceptibilities of the French and taking the precaution of explaining the plan in detail to Massigli and furnishing a copy of the speech in French to Mr. Tardieu, the latter completely lost his temper and in a tantrum threatened to get up and accuse us of having tried to leave France defenseless and that he would end his remarks by demanding that we sink our battleships. Before his turn came to speak, however, he had calmed down appreciably and limited himself to parliamentary language. He stated

⁷⁸ Count Ugo Cavallero.

that while France approved of the spirit in which the proposals were conceived France had always maintained the theory of the interdependence of armaments and he could not contemplate the singling out of certain arms alone for action as he felt that there were other arms notably planes and ships of war above 10,000 tons that were equally susceptible to the definition of aggressive. Furthermore, there were proposals which antedated the American proposals and they had a right to be discussed at the same time and not to be shelved for the benefit of the new proposals. He likewise said that action was apparently going forward on two bases, the first, that of the Hague Convention before the war, and the second, that of the French delegation based on the Covenant of the League of Nations and representing a consistent and complete conception.

The Chairman then suggested that as I had asked that a time be appointed for dealing with our resolution he would like to have the matter referred to the Bureau in order that he might have their advice as to the best manner of handling the question. I acquiesced and made clear that while we felt that our proposals were in the interest of simplicity and expedition we would not willingly give grounds for the feeling on the part of any delegation that we were seeking to prejudice proposals they had brought in before us and that as we all desired to achieve the same end I was satisfied that we would be able to work out agreement in the Bureau. Apparently the French press have been suitably stirred up so that a very bad reaction may be expected in tomorrow's papers although Paul Boncour remained after the meeting to tell me his regret that the matter had been referred to the Bureau instead of receiving immediate discussion in the General Commission which he felt it merited as the only practical conception thus far brought forward which gave us something to take hold of. He said that he could not in any way see that our proposals need be considered hostile to the French conception as it was quite conceivable that these arms might be scrapped and forbidden while a limited number might be retained for the use of the League of Nations if it was possible to reach agreement to establish such a force. He assured me he would use his best efforts to bring Tardieu around to that view.

GIBSON

500.A15A4 Plenary Sessions/101: Telegram

*The Acting Chairman of the American Delegation (Gibson) to the
Acting Secretary of State*

GENEVA, April 12, 1932—4 p. m.
[Received April 12—1:45 p. m.]

115. This morning's meeting was devoted to long reiteration by Litvinoff of the Soviet position followed by Tardieu who attacked the American proposals of yesterday.

His⁷⁹ speech was far below the level of the usual able French presentation and conception and was characterized on all sides as a lamentable exhibition. Unfortunately he showed some temper and used expressions distinctly offensive in this respect as regards our proposals, saying that they were "pas sérieux" hastily improvised and not studied. In an ironical phrase he referred to the omission of capital ships from my speech and that of Sir John Simon and at different times dwelt largely on this element of aggressive power. He contrasted the virtue of the French plan whereby these aggressive weapons are put at the disposition of the League of Nations.

I presume you will receive the essential portions of the text through the press. Inasmuch as we were informed confidentially by one of the French delegates that Tardieu's anger was chiefly aroused through the feeling that we had prepared this plan in consultation with the British and left him in the dark and as it has been emphasized to the French press that this was a surprise move you may care to explain to our press that Sir John Simon arrived in Geneva at 8 o'clock on Monday morning and Tardieu at 10:30; that Sir John Simon asked to see me and chose his own hour of noon; that as soon as I returned I got in touch with a member of the French delegation, explained the whole plan to him, and before the afternoon meeting gave Tardieu the French translation of my speech so that he was apprised of our intentions practically simultaneously with Simon. Furthermore, the similarity of the American and British views was fortuitous, each project having been worked out independently.

While you probably will not wish to prolong a press controversy if you should find it necessary to comment further you might think it well to point out that the only real conclusion to be drawn from Tardieu's speech is that we not only cannot hope for any results but that it would actually be regrettable if we effected any reduction because, on the one hand it would leave law abiding states at the mercy of the aggressor, and on the other hand any money which might be saved would inevitably be spent in some other and more

⁷⁹ i.e., Tardieu's.

pernicious manner such as in developing pocket cannon and pocket planes, apparently overlooking the fact that in our original proposals we had expressed our readiness to consider limitation of expenditure as a neutral method to prevent just this danger on matériel.

Almost all the delegations were much struck by the fact that he had argued so strongly that treaties for abolition were mere scraps of paper while at the same time basing his whole scheme on a treaty for the institution of an international force, namely, the Covenant and a supplementary obligation to set up such a force.

GIBSON

500.A15A4 Plenary Sessions/103 : Telegram

The Acting Chairman of the American Delegation (Gibson) to the Acting Secretary of State

[Extract]

GENEVA, April 12, 1932—6 p. m.

[Received April 12—5:04 p. m.⁸⁰]

116. Your 66, April 11, 3 p. m. I trust you will bear in mind that the statement which I made yesterday with your authority contained an explicit commitment to consider in due course the logical extension of the same idea to other categories of armaments. Furthermore, for us to make any effort to block the extension of discussion to air and sea unless and until complete agreement has been reached in regard to guns and tanks, is not within the power of a single delegation and as you will note all these questions were raised yesterday and again today as I anticipated they would be when I asked for my instructions. I repeat, no single delegation is in a position to dictate under what conditions extension can be given to a subject under consideration and while we can press for consideration of one phase of the matter as a first step, we are not in a position to impose our view on the other delegations. While I feel that we have considerable support for the simplification of the problem by breaking it up into its elements, I think the chances of success in that effort would be lessened if we should show ourselves intransigent concerning future consideration of further extension. The only hope of securing the adoption of our plan is to make it clear, as we have done, that this is a first step and that it is our purpose to consider eventually other phases of the problem.

With reference to your statement that you did not wish us to

⁸⁰ Telegram in two sections; section two not printed.

extend the principle of the abolition of aggressive weapons to other fields than the army you will recall that in my opening speech, February 9, paragraph [*point*] 4,⁸¹ I stated the readiness of the United States to abolish the submarine so that we are already committed on the question of abolition in one of the naval categories. Therefore, while we can refuse to agree to the abolition of another category we are not on solid ground if we try to rule out its consideration solely on the basis that revision of the fleet must be considered as a whole. Thus we must give other reasons than the interdependence of all naval categories for our position.

I certainly had no intention of giving any impression that we were ready to scrap capital ships and in the following text,⁸² which we have prepared in accordance with your telegram 66, April 11, 3 p. m., and telephone call, and which I shall use if pressed, I think you will find no such implication.

GIBSON

500.A15A4 Plenary Sessions/106 : Telegram

*The Acting Chairman of the American Delegation (Gibson) to the
Acting Secretary of State*

GENEVA, April 13, 1932—3 p. m.
[Received April 13—11:55 a. m.]

117. In this morning's session Grandi supported his own proposals for complete suppression of "all aggressive weapons" (a document number 106 was circulated last night which is being mailed immediately).⁸³ In his conception this includes tanks, mobile guns above 100 millimeters, capital ships, aircraft carriers, submarines, bombing, aviation and gas. He analyzed Tardieu's speech of yesterday much to its detriment pointing out in a devastating way its lack of logic. He expressed the greatest sympathy for the American proposals and said that he could adopt them although he hoped we could go still further along the lines of his proposals.

Brazil⁸⁴ gave enthusiastic support to our proposal mentioning that the great navies were already under severe restriction and that at the time when the principal armies had reached the same point of

⁸¹ *Ante*, p. 29.

⁸² Not printed.

⁸³ League of Nations, Conference for the Reduction and Limitation of Armaments, Geneva, 1932, *Conference Documents*, vol. I, pp. 181-185 (Official No.: Conf. D. 106.); not reprinted.

⁸⁴ The speech was delivered by José Carlos de Macedo Soares, head of the Brazilian delegation.

restriction a great step in advance in security would have been achieved. (You may wish to mention our appreciation to the Brazilian Ambassador).

Tevfik Rüstü, Turkey, argued in favor of his plan for a continuing reduction in forces tending to eventual equality. He gave support to the American proposal and hoped it would be brought out of the Bureau in such form that it could be dealt with effectively.

Cosio, Uruguay, surprised us by making a fervid plea for a League of Nations force along the lines of the French proposal. He dismissed the American plan with a word of faint praise.

Khan Alâ, Persia, urged the internationalization of the manufacture of arms as tending towards equality between the producing and non-producing countries.

Marinkovitch, Yugoslavia, supported the French thesis for a League armed force in an able presentation which was most depressing in the assumption that there was no good faith among nations, that abolitions would be disregarded by any statesman in case of necessity, and that international undertakings had value only in so far as they could be enforced by sanctions.

GIBSON

500.A15A4 Plenary Sessions/110: Telegram

The Acting Secretary of State to the Acting Chairman of the American Delegation (Gibson)

WASHINGTON, April 13, 1932—4 p. m.

68. Your 116, April 12, 6 p. m. Our recent interchange of telegrams has clearly given you the impression that we are trying to impose on the Delegation a preconceived plan of Conference strategy. This is not the case and we perfectly well appreciate that no one Delegation can dictate the conditions under which a given subject will be considered.

On the other hand, I fear that you may not fully have grasped our fundamental difficulties, and that you do not appreciate the extent to which American public opinion has been stiffening during the past 2 months.

I doubt if we attach as much importance as you to the value of retaining, through further initiative, the position of leadership you have recently assumed. This country would like to see some constructive leadership coming from the principal European nations. The Naval powers alone have thus far made contribution to disarmament and there is an insistent demand here for an equivalent contribution by the Land Powers as a gauge of their sincerity. Should

the Conference decide not to discuss your proposals without their prior extension to other categories of armaments, (with the attendant risk of an endless discussion as to just which weapons are aggressive) there is no reason for you to be a party thereto. In fact, the only course of action we feel you can take, at least until after the Secretary's arrival, is to refuse to be drawn further into agreeing to an extension of the principle, and to reserve your position on all other questions pending some affirmative action on the part of the Land Powers to the suggestions you have proposed.

As to the statement quoted in section 2 of your telegram under reference,⁸⁵ we like it but notice that the last sentence seems aimed specifically at France rather than the Land Powers in general. Would it not serve your purpose to substitute for the words "have made the sacrifice of possible superiority over their neighbors which the United States made at the Washington Conference", some more general clause?

CASTLE

500.A15A4 Plenary Sessions/108: Telegram

*The Acting Chairman of the American Delegation (Gibson) to the
Acting Secretary of State*

GENEVA, April 13, 1932—10 p. m.
[Received April 13—9:04 p. m.]

119. At this afternoon's meeting the Spanish, Polish, Japanese and Danish delegates continued the discussion: Madariaga, Spain, in a speech which again developed his plan for the organization of peace and supported by the French thesis criticized the Soviet proposal for automatic reduction of armaments as impractical since absolute figures are only of relative value. Such a method of reduction cannot be as effective as one which takes into consideration the special circumstances of each national. The best solution was one which considers it to be progressive disarmament effected through the continuous work of a commission.

The Spanish representative reminded the Commission that his delegation had submitted a plan similar to the American and Italian proposals and explained that he thought there was no real opposition between the views put forth by France and Italy, that is between abolition of aggressive weapons and the constitution of an international armed force as proposed by France. The latter is predicated on the former. He looked forward to a division of armaments into

⁸⁵ See footnote 80, p. 87.

four categories, (1) arms which were entirely abolished, (2) arms which are solely to be used in behalf of the League, (3) arms which remain national but are subject to the use of the League and, (4) arms which are reserved exclusively for national purposes. In the latter category he considered quantitative reduction possible.

He considered it difficult to determine the distinction between offensive and defensive weapons and the only method of preventing their use lies in the creation of an international organization.

Zaleski, Poland, whose speech was primarily directed against the danger with which Poland is faced in the East referred at some length to the Soviet proposal for automatic reduction which he considered entirely inadequate. He favored the Italian proposal and all other proposals which would tend to limit the use of certain arms but before accepting such propositions wished to be reassured as to whether their authors would accept a system of control which would guarantee his country against surprises. Would these protagonists he asked admit the international control of all industries capable of being utilized for military ends? Without such essential conditions he considered that too great an advantage would be given to those countries lacking in good faith. The committee should in his opinion consider all propositions relating to article 1 of the draft convention and take into special consideration the legitimate pre-occupation of each and every country.

Sato, Japan, while expressing sympathy with our proposal considered nevertheless that it would be more advantageous to consider qualitative disarmament from the point of view not only of land but also of air and naval armaments. In connection with the difficulty outlined by Tardieu with regard to distinguishing between the categories of armaments of a defensive or offensive character he stated that divergence of opinion might exist with regard to naval armaments which might be offensive or defensive in character according to the various geographical conditions in which they were to be used especially for countries having distinct naval bases. He also mentioned as particularly offensive weapons airplanes on aircraft carriers. Referring to our thesis that security can be realized by the superiority of defensive weapons over offensive ones and by the abolishing of aggressive weapons he stated that what menaced a country's security was the very existence of a great superiority of effectives or of a disquieting situation in a neighboring country, in other words that the existence of a formidable offensive force was more dangerous than the existence of so-called aggressive weapons. He therefore considered that if the superiority of defense were effectively to be established the first thing to do would be to adjust

the relative strengths of effectives in various countries. In affirming the desire of his delegation for maintaining the present wording of article 1 of the draft convention he reminded the committee that his country could not ignore existing realities which obliged it to proceed with caution and not to embark on the consideration of abstract international political conditions.

Munch, Denmark, whose speech was of considerable interest and a copy of which is being mailed referred at length to a memorandum submitted to the Conference by his delegation but not as yet circulated. He submitted the following draft resolution to the General Commission.

“The General Commission invites the special commissions to elaborate, each within its province, plans for the prohibition of those weapons especially designed to give a pronounced superiority to aggression; to determine the various categories of these arms, it being understood that this prohibition should extend to all manufacture, to all preparation and to all use of such arms.”

He expressed himself as generally favorable to our proposals and outlined the difficulties which were to be encountered in the French proposal for an international force.

GIBSON

500.A15A4/1028

The Minister in Uruguay (Wright) to the Acting Secretary of State

No. 259

MONTEVIDEO, April 15, 1932.

[Received May 12.]

SIR: In confirmation of my telegram of today's date to the Honorable Hugh S. Gibson, Acting Chairman of the American Delegation to the General Conference on Disarmament at Geneva, in reply to a telegram from him concerning the attitude of this Government, I have the honor to enclose herewith a copy of a memorandum of my conversation with the Minister for Foreign Affairs on the 14th instant—the original of which is being forwarded to Mr. Gibson, under covering letter, by official pouch.

Respectfully yours,

J. BUTLER WRIGHT

[Enclosure]

Memorandum by the Minister in Uruguay (Wright)

In a conversation with Dr. Juan Carlos Blanco, Minister for Foreign Affairs, this afternoon upon other subjects, I referred to

the recent discussions at Geneva (of course, making no reference whatsoever to Mr. Gibson's telegram).

Even before it was necessary to determine the best manner of referring to Cosio's speech⁸⁶—and, therefore, to his reported opposition to Mr. Gibson's proposal—Blanco brought the subject up himself by stating that the attitude of the Uruguayan delegation was actuated entirely by the devotion of this Government to the principles of the League of Nations and that the instructions given to the delegation were to support any proposal that might strengthen the League of Nations—in so far as practicable. Blanco further volunteered the information that the press reports of Cosio's speech, which had come by way of Buenos Aires, had probably been exaggerated, and he laid stress upon the fact that neither Cosio nor the Uruguayan delegation should be considered as "in opposition" to the proposals of Mr. Gibson.

As this opening afforded me an opportunity to discuss the point in more detail, I asked him whether he believed that the proposal of Mr. Gibson or that of M. Tardieu represented the prevailing sentiment in South America. He said that it would be difficult to give an opinion on so broad a question, because he had observed from the very beginning of the League of Nations, since which time he had spent at least three years in Geneva or in London in connection with committees of the League—that South America was always incoherent on subjects pertaining to the League—especially disarmament proposals, and he cited the "unfortunate" observation of the Mexican delegate which "temporarily diverted" the proposal of the Uruguayan delegation,⁸⁷ supported by our delegation, that an expression of Pan American sentiment be recorded.

I then asked him, more specifically, if he had formed an opinion as to whether South America in general would be inclined to approve strengthening the Covenant of the League by putting teeth into Article 16, or whether a proposal to do away with certain arms of offense, as proposed by Mr. Gibson, would be more efficacious from the standpoint of defense as well as of economy. He said that he could not answer that question either, citing as an example the fact that even when the question of disarmament among the A B C countries was broached at Santiago, at the time of the V International Conference of American States, in 1923,⁸⁸ the attitude of these

⁸⁶ See telegram No. 117, April 13, 3 p. m., from the Acting Chairman of the American delegation, p. 88; also Pedro Cosio, *L'Uruguay à la Conférence du Désarmement* (Montevideo, 1936), pp. 53-70.

⁸⁷ See telegram No. 18, February 9, 6 p. m., from the Acting Chairman of the American delegation, p. 31.

⁸⁸ See *Foreign Relations*, 1923, vol. 1, pp. 286 ff., especially p. 294.

three countries on the question of disarmament,⁸⁹ and the value of offensive vessels, could not be determined—chiefly on account of the fact that Brazil considered battleships as part of her system of protection of an extensive coastline. Furthermore, he observed that he thought the question whether Article 16 of the League would be of any value whatsoever if offensive arms of the kind mentioned were discarded by mutual consent, was at least open to discussion. In fact, his whole argument impinged upon support of the League.

He reiterated what he had said to me before: that the League, without the participation of Russia and the United States, was greatly lacking in authority—but he apparently desired me to draw the inference that Uruguay would continue to support it as long as there was sufficient breath in it to justify support (Here must be recalled the almost fanatical support of the League by Juan Antonio Buero).

Turning then to the question of any apparent difference of viewpoint between Señor Cosío and Mr. Gibson, Dr. Blanco—again upon his own initiative—said to me that “‘opposition’ by the Uruguayan delegation to the point of view of the United States is impossible,” for any member of the delegation taking such attitude would be immediately disavowed by this Government. In this connection he again referred to the attitude of his Government in reprimanding Señor Guani when the latter, in Paris, at the time of the VI Pan American Conference at Habana in 1928,⁹⁰ took it upon himself to express opposition to the relations of the United States with Cuba by virtue of the Platt Amendment.⁹¹

He voluntarily alluded to the cordial relations between the Uruguayan and American delegations, referred again to the action of the American delegation in endeavoring to support the Uruguayan proposal for a common expression on behalf of the American States toward the realization of the objects of the Conference, and once more expressed appreciation of the graceful act of Mr. Hugh Wilson in nominating Juan Enrique Buero as Chairman of the Land Armament Committee.

He further said that he believed the exact proposals, as well as the exact replies of the delegates, could only be studied intelligently upon receipt of the actual texts—and he would therefore await their

⁸⁹ For statements on subject of disarmament by the delegates of Argentina, Brazil, and Chile, see International American Conference, 5th, Santiago de Chile, 1923, *Verbatim Record of the Plenary Sessions of the Fifth International Conference of American States*, vol. I, (Santiago de Chile, 1923), pp. 665-694.

⁹⁰ See *Foreign Relations*, 1928, vol. I, pp. 527 ff.

⁹¹ See the President's message to Congress, March 27, 1902, *ibid.*, 1902, p. 320; also treaty between the United States and Cuba, May 22, 1903, *ibid.*, 1904, p. 243.

receipt from Geneva. In view of the fact, he added, that the Uruguayan delegation was not "opposed to" the point of view expressed by Mr. Gibson and, further, that it had instructions to examine from all points the feasibility of such proposals as that of M. Tardieu, he would be obliged if I would inform my Government that the Uruguayan Government was entirely open-minded in this question (subject to the aforementioned condition that it was desirous of supporting the League whenever possible), that a true decision could only be reached after the subject had been fully discussed from all angles. I observed that I had immediately read between the lines of the press reports of Cosio's remarks the fact that Uruguay was actuated by this motive more than anything else: he said that this assumption was correct.

In short, it may be said that while Cosio's general attitude in support of Tardieu's proposals was in conformity with his general instructions, his action is not necessarily the last word of this Government; that the desire of the Uruguayan Government is that its delegation should keep on terms of close accord with ours—not at any price, but certainly to the point of being open-minded in discussions: and that no attitude of "opposition to" any proposal of the United States will be tolerated.

I believe the situation, therefore, to be susceptible of further modulation by discreet action at Geneva—and, possibly, at this end.

J. BUTLER WRIGHT

MONTEVIDEO, April 14, 1932.

500.A15A4 General Committee/32: Telegram

The Acting Chairman of the American Delegation (Gibson) to the Acting Secretary of State

GENEVA, April 20, 1932—2 p. m.
[Received April 20—10:55 a. m.]

131. This morning when the American proposal No. 7 was reached on the agenda we decided to pass it over for the present as the Secretary is having certain conversations with the French and these will be followed by others with various delegations in order to give possible chance of a favorable reception to the idea.

Therefore I spoke to the following effect. I stated that when in my opening speech I had made the proposal with regard to the computation of armed forces on the basis of those necessary for police purposes and those for defense I had hoped that the Conference would have arrived at a point where further analysis of this subject

would be useful. In view, however, of the fact that the studies by our delegation had not been completed and as there had been no time as yet for discussion with other delegations it would appear wiser to postpone this discussion. I further expressed the view that as this type of analysis of armed forces was germane to any discussions of the problem of effectives I hoped that the Conference would be glad to hear our views. These would be presented when they have been perfected by consideration of the special circumstances and obligations which affected many of the states represented with regard to the relation which their respective armed forces bore one to another. I concluded by saying that in yielding the place occupied by our proposal on the agenda I felt I was acting in a spirit compounded of desire to make every suggestion helpful at the time of its introduction and to be sure that it would be worked out on the broadest possible basis.

The Commission accepted my proposal unanimously.

GIBSON

500.A15A4 General Committee/33 : Telegram

The Acting Chairman of the American Delegation (Gibson) to the Acting Secretary of State

GENEVA, April 20, 1932—3 p. m.
[Received April 20—11 : 20 a. m.]

132. The meeting of the General Commission opened this morning with the acceptance with one contrary vote (Soviet Russia) of the draft resolution adopted by the Drafting Committee which reads as follows:

“In view of the proposals submitted by various delegations concerning the criteria for the limitation and reduction of armaments, The General Commission declares that, in determining these criteria, the provisions of article No. 8 of the Covenant of the League of Nations shall be applied and that in consequence armaments must be reduced to the lowest point consistent with national safety and the enforcement by common action of international obligations.

It will be necessary further to take account of the geographical situation and special circumstances of each state.

The General Commission decides that the application of these criteria and the methods by which the reduction and limitation of armaments must be effected shall be immediately examined from a practical standpoint.”

Litvinoff (Soviet Russia) maintained his opposition to the inclusion of any reference to Article 8 of the Covenant in any resolution of the Conference.

This resolution disposed of paragraphs A and B point 2 of the agenda (Conference Document 103⁹²). And after my statement summarized in telegram No. 131, April 20, 2 p. m., the Commission heard Sir John Simon who spoke most effectively in further development of the principle of qualitative limitation. He passed in brief review the numerous statements made by various delegations in support of this thesis and introduced a resolution which read as follows:

“Without prejudice to other proposals which fall to be discussed under later heads of the agenda, the Conference declares its approval of the principle of qualitative disarmament, that is, the selection of certain classes or descriptions of weapons with a view to prohibiting by international convention their possession or use by any state.”

He concluded with a strong appeal for consideration of this principle before that of quantitative limitation.

In seconding Sir John's proposal Nadolny urged that the time had come for the Conference to proceed to the adoption of this important contribution to disarmament and added that in the opinion of the German delegation the prohibitions thus envisaged should go beyond merely the use of such weapons.

He was followed by the Yugoslav representative who proceeded to a justification of the draft resolution submitted by his delegation this morning. This resolution embodies:

(1) the abolition of all warships of all categories including submarines of a large cruising radius, vessels required for defense or policing purposes excepted.

(2) a limitation to the present level by all signatory states of heavy artillery and tanks, these latter to be under the permanent and direct control of the League of Nations; and finally the prohibition of aerial bombardment, chemical and bacteriological warfare, and all preparation for the same even in case of legitimate defense.

Both Grandi (Italy) and Wilford (New Zealand) warmly supported the British resolution. The former stated that the problem now before the Commission was not the method of application of the principle but the principle itself which should easily be adopted.

The Secretary did not attend this morning's meeting.

GIBSON

⁹² *Conference Documents*, vol. I, p. 175.

500.A15A4 General Committee/35 : Telegram

*The Acting Chairman of the American Delegation (Gibson) to the
Acting Secretary of State*

GENEVA, April 21, 1932—4 p. m.

[Received 5:20 p. m.]

138. My number 132, April 20, 3 p. m. In supporting British resolution this morning I reviewed the arguments which were presented again today by Boncour against the American proposals and spoke to the following effect:

I stated I should like to review very briefly the discussion which had thus far taken place on our proposal. Briefly, the arguments against this proposal were, I explained, as follows: aggression or offensive weapons cannot be abolished because

1. They can not be defined.
2. All weapons are interdependent.
3. Lack of good faith in the execution of treaties would nullify the effects of abolition and
4. These weapons might easily be manufactured thus giving advantage to industrial states.

We find that these are not considered insurmountable obstacles for even in the speeches of those who raise them we find that gas should be abolished; regardless whether a completely satisfactory definite plan of its lethal qualities can be made; regardless of its later dependence upon other forms of warfare; regardless of a possibility that a treaty for its abolition might be disregarded; and, regardless of the fact that it is regularly manufactured in the course of commercial chemical industry.

The suggestion which I had brought before the General Commission embodied the items on which there had been the largest amount of agreement up to the present and I had felt that the concessions to general opinion indicated by the enlargement of our previous position should serve as an incentive for a similar liberalization by others. Thus I explained that my proposal was neither a startling innovation nor was it intended as an exclusively American plan but rather a résumé of similar proposals already presented. In stating that the purpose of my Government was to strengthen defense by weakening the possibilities of aggression I said we had had no intention of precluding any other means which could add to this sense of security or any arrangements between states in given regions that would further bulwark their feeling of mutual safety. Nor did we feel that the thesis of those who stressed the interdependence of armaments was prejudged by a proposal to deal immediately with certain land weapons.

I briefly referred to the progress made with respect to limitation and reduction of navies and said was it not logical that we should endeavor now to make similar progress respecting limitation of land armaments.

Whether or not the Commission accepts the first step in dealing with aggressive weapons, I explained, we felt that the discussion on this problem had demonstrated a full agreement on purpose and even more of an agreement on the method of attacking the problem than we might have hoped before the discussion began.

The position of the United States, where chief reliance is not placed on land armaments, had seemed to guarantee the impartiality of the American delegation in setting forth this proposal; and the suggestion that action be taken on items where fundamental agreement had already been obtained had been made for the sole purpose of encouraging further agreements and stimulating mutual concessions.

I said that I desired warmly to support the resolution introduced by Sir John Simon for it seemed that the passage of such resolution would do much to quiet apprehension which might have been aroused, that references to article 8 which does not mention qualitative limitation might possibly rule such limitation out of the treaty. In supporting the resolution I did so, I explained, with the understanding that it was in no wise exclusive of any other means to achieve the end which we seek and stressed that in offering or supporting any proposals we wished to preserve this principle of future liberty of action in search of solutions as only in this spirit could we hope to achieve generally acceptable results. With this understanding in mind it was not we thought necessary in every resolution to attempt to guard and reserve every and all points which have a relation with one another. Thus I considered that the Commission would do far better to adopt the simple form of resolution proposed by the British delegation than any of the more complex drafts already presented.

GIBSON

500.A15A4 General Committee/34 : Telegram

*The Acting Chairman of the American Delegation (Gibson) to the
Acting Secretary of State*

GENEVA, April 21, 1932—5 p. m.

[Received April 21—2 p. m.]

139. Considerable interest is attached to the meeting of the General Commission this morning owing to the presence of MacDonald and Bruening.

The former took occasion during a translation to make a personal appeal to Paul-Boncour in an informal conversation urging him to abandon his opposition to the British resolution telling him that the world was weary with the bickerings at Geneva over words and that he thought that it might help restore the confidence that was nearly lost in the proceedings here if the French would join in the support of a resolution for which there seemed to be such general agreement.

Paul-Boncour felt, however, that he was unable to respond to MacDonald's reasoning.

GIBSON

500.A15A4 General Committee/36 : Telegram

The Acting Chairman of the American Delegation (Gibson) to the Acting Secretary of State

GENEVA, April 21, 1932—6 p. m.

[Received April 21—5 p. m.]

140. The discussion continued in the General Commission this morning on the British resolution qualitative limitation. The following delegations took part in the debate: Canada, Norway, France, Ireland, South Africa, India, Japan, Australia, Portugal, China, Sweden, Switzerland, Rumania, Soviet Russia and the United States of America.

A summary of the remarks in support of the British resolution is contained in the delegation's telegram 138.⁹³

An overwhelming number of delegations expressed themselves as strongly adhering to the British resolution.

The Chinese representative, in reaffirming his adherence to the British proposal, reminded the Commission that his delegation had recommended the abolition of air-craft carriers, battleships and submarines. The Japanese representative expressed the opinion that the technical committees should be charged with the duty of defining aggressive weapons and in favoring the British resolution suggested that the word "prohibiting" in that resolution should be followed by the words "or limiting".

Motta of Switzerland, while supporting the British resolution maintained that it in no way prejudiced the French thesis and considered that qualitative limitation opened the way to quantitative disarmament. The British resolution, he considered, expressed a principle while reserving the methods of application.

The only note of direct opposition to the British resolution was voiced by Paul-Boncour, France, who in more parliamentary terms

⁹³ April 21, 4 p. m., p. 98.

reiterated Tardieu's speech of last week. He advanced much the same arguments against other abolition of aggressive weapons as increasing means of defense and appealed for their maintenance by the League as giving it a means for enforcing peace through an international organization and armed force.

It was more than probable that the French delegation had been aware of the support which would be found in the General Commission for the British resolution and had laid its plans accordingly. This appeared evident when Titulesco, Rumania, arose just prior to the close of the session and announced that he would submit a draft resolution on the part of 14 countries which he did not name and for which he was the spokesman to the following effect. He stated that three conclusions had emerged from the debate:

1. That there was unanimity in regard to the qualitative principle;
2. That different methods were proposed for its application; namely, by prohibition or internationalization. There was, however, no question of choosing between these two methods and the question remained reserved for future discussion.
3. That practical work had to be accomplished. A vote of principle therefore was no longer sufficient. It would have to be accompanied by a reference to the competent technical commission.

Briefly, the draft resolution he submitted may be summarized as follows: that the technical commissions should study:

1. To what arms qualitative limitation should be applied.
2. To what methods should be applied each of these arms.

Furthermore, that the General Commission when examining point 4—reduction subject to measures to be taken in regard to the organization of peace, Conference Document 103—should reserve the discussion as to whether security can be obtained solely by technical measures.

He concluded by suggesting that the British proposal and that of the 14 states should be referred to a drafting committee in order that the desired unanimity should pass from theory to the practical stage.

It is learned from a reliable source that the following 13 of the 14 countries supported the resolution: Yugoslavia, Roumania, Czechoslovakia, Poland, Persia, Bolivia, Chile, Colombia, Cuba, Guatemala, Peru, Uruguay and Venezuela. It is almost certain that the fourteenth country was either Belgium or Spain.

Litvinoff supported the British resolution claiming that the Titulesco draft resolution was more an evidence of irresolution than a resolution.

500.A15A4 General Committee/37: Telegram

*The Acting Chairman of the American Delegation (Gibson) to the
Acting Secretary of State*

GENEVA, April 22, 1932—5 p. m.
[Received April 22—12: 30 p. m.]

145. The draft resolution submitted by the British delegation and quoted textually in the delegation's telegram 132, April 20, 3 p. m., passed the General Commission unanimously this morning in the following amended form:

"Without prejudice to the other proposals which fall to be discussed under later heads of the agenda, the Conference declares its approval of the principle of qualitative disarmament, that is, the selection of certain classes or descriptions of weapons, the possession or the use of which should be absolutely prohibited to all states, or internationalized by international convention".

Titulesco (Rumania) withdrew his proposal (referred to in the delegation's telegram 140, April 21, 6 p. m.) declaring his satisfaction with the amended form of the British text. Bolivia and Cuba as supporters of the Titulesco resolution likewise declared their satisfaction. Tardieu in accepting the amended text of the British resolution declared that it gave full satisfaction to his delegation and concluded with an appeal to the press for a more optimistic point of view in considering temporary setbacks which must inevitably occur in the work of the General Commission.

Nadolny (Germany) in offering his adherence to the British text stated that qualitative disarmament could not be achieved by internationalization but rather by actual destruction of weapons. He suggested that Germany had set an example in those classes of weapons to be destroyed which might afford the Commission a useful example.

The President then stated as the principle of qualitative disarmament had been accepted by the General Commission there remained several draft resolutions for consideration, notably the Danish, Italian and American resolutions which dealt primarily with the method of achieving it. He therefore suggested that the General Commission determine upon a method of procedure. To carry out this suggestion Sir John Simon offered a draft resolution which I supported with a slight amendment to include the idea of relation to national defense. It was subsequently incorporated by a hastily composed drafting committee and was unanimously adopted in the following form:

"In seeking to apply the principle of qualitative disarmament as defined in the previous resolution (Conference Document CG-26

(1) the Conference is of the opinion that the range of land, sea and air armaments should be examined by the competent special commissions with a view to selecting those weapons whose character is the most specifically offensive or those most efficacious against national defense or those most threatening to civilians”.

In support of this resolution he maintained that the Conference should not limit itself to the consideration of one branch of warfare but should consider the whole range of weapons in land, sea and air armaments. In this connection he referred to the American resolution which was limited to land armaments and added that he understood from Mr. Gibson's speech that he was ready to consider other arms in due course.

The Commission then adjourned until Monday in a happier frame of mind than has been evident in its discussions of the last few days and the President expressed the hope that the technical commissions would take occasion to meet not later than Monday morning. He announced an important meeting of the Bureau of the Conference tomorrow.

The Secretary did not attend the meeting of the Commission.

GIBSON

500. A15A4 Steering Committee/19 : Telegram

*The Acting Chairman of the American Delegation (Gibson) to the
Acting Secretary of State*

GENEVA, April 24, 1932—5 p. m.
[Received April 25—12:40 p. m.]

150. At meeting of Bureau this morning it was decided to recommend tomorrow to the General Commission that the latter should not meet until the land, sea and air commissions have reported in accordance with the resolution approved at the last meeting. See my telegram 145, April 22. The land, sea and air commissions will be called immediately to work on these problems.

In view of the French elections and the Whitsuntide holidays the Conference will adjourn from the evening of the 28[th] until the morning of the 3rd of May.

GIBSON

(3) Secretary Stimson's Visit to Geneva and the First Phase of
Private Conversations, April-June

500.A15A4/988: Telegram

*The Acting Chairman of the American Delegation (Gibson) to the
Acting Secretary of State*GENEVA, April 19, 1932—3 p. m.
[Received April 19—11:20 a. m.]

129. From the Secretary.⁹⁴ I have already had conferences with Tardieu, Laval and Berthelot in Paris and with Simon, Walter Layton, Bruening, Matsudaira, Tefvik, Motta and Drummond here. Have discussed disarmament questions, also the Far East, with most of them. On latter subject had particularly satisfactory talks with Berthelot, Simon and Layton. No one raised the question of reparations. Today shall see Grandi, Bruening, te Water and Wilford. MacDonald and Hailsham will arrive Thursday morning. Contrary to my previous information it is now very evident that French cannot do anything definite until after elections May 1st. Tardieu, however, is coming down this week end to see me and am not without hope that we may make progress towards some ultimate solution. Was very conciliatory in Paris although it was evident that his main preoccupation was his campaign which is very intense. Morale of American delegation high and all working hard. [Stimson.]

GIBSON

500.A15A4/992: Telegram

*The Acting Chairman of the American Delegation (Gibson) to the
Acting Secretary of State*GENEVA, April 21, 1932—2 p. m.
[Received April 21—12:05 p. m.]

136. From the Secretary. Your 73, April 20, 2 [1] p. m.⁹⁵ I shall, of course, endeavor to keep you informed as to my activities here. As far as disarmament is concerned in view of the fact that the French are the key to the situation and Tardieu did not arrive until this morning there is little [to] report to date except to educate myself on the various elements of the situation. Conversations which I have had on the Far East, however, I believe have resulted in

⁹⁴ Mr. Stimson had sailed from New York on the *Ile de France*, April 8; he arrived at Havre, April 15; and at the Villa Bessinge, Geneva, April 16. He left Geneva, May 1; arrived at New York aboard the *Vulcania*, May 14. During this period Mr. Castle was Acting Secretary of State.

⁹⁵ Not printed.

definite progress and have been effective with both the British and French in strengthening their determination to cooperate with the United States and I have found general sympathy with my view as to the seriousness of the problem and the necessity for a determined and united attitude.

I attended the session of the General Commission on Tuesday morning. The discussion revolved about resolutions on general principles of which you have been informed. I do not intend to make it a practice to attend these sessions since I believe my time can be much more profitably occupied in outside interviews and unless some particular occasion arises, which I do not now foresee, where my presence at a meeting might be useful.

My interviews, since my 129, April 19, 3 p. m., have been as follows: Grandi lunched with me on Tuesday followed by a long discussion on disarmament and other problems. For your confidential information I found that Italy did not intend to stand in the way of the Danubian customs plan but Grandi stated that Italy would like to give special customs consideration to the group as a whole and asked if the United States would have any objection to this. Such consideration was to be unilateral; it involved no counter-consideration on the part of the group toward Italy. I did not indicate our attitude since among other things I was not at the moment familiar with our commercial treaty relationships, if any, with Italy. In the afternoon I saw de Water of South Africa and Wilford of New Zealand at their request. I found them naturally very strongly sympathetic toward cooperation in the Far East situation and disturbed at the lack of determination in the British attitude which has heretofore occasionally been manifested. I learned later that they had gone immediately from the interview with me to see Simon. I then called on Bruening and had another talk with him but largely of a social nature.

Yesterday, April 20, I talked with Doctor Yen in the morning followed by a long talk with Aubert on the disarmament problem. Simon lunched with me. In the afternoon I received a call from Motta.

Today both Tardieu and MacDonald have arrived. Tardieu, in view of his preoccupation with his election campaign, is only remaining for 1 day but I understand MacDonald expects to be here for about 10 days. I understand that Tardieu has come especially for the purpose of talking with me. I have paid a short call on him this morning and I am having a further conference with him later in the morning and a conference with MacDonald. This evening

Tardieu, Grandi and possibly other members of their delegations are dining with me.

The crux of the problem in the Disarmament Conference is the old French demand for security. They seem determined to agree to no step in reduction or limitation until their demand is met in some way or another. I think, however, that they are thoroughly conscious of our own limitations in this respect and I do not expect even any importunities on their part for any serious contribution from the United States. The real question is how far the British will go with them. I am confident that no public progress at the Conference itself can be made but Tardieu and MacDonald have both agreed with me to see how far we can go in private explorations to find a basis of subsequent public agreement. I hope within the next few days to be able to form a clearer judgment on the prospects of ultimate accomplishment and of determining in what direction the best hope for a common agreement lies.

I am endeavoring to get on a basis of frankness and understanding of our respective positions with the French and to convince them that the role which the American delegation desires to play is solely that of helpfulness in the solution of problems which fundamentally belong to others and that we have no preconceived formulae on which we insist or which we desire to impose upon the Conference.

You must appreciate that the atmosphere of the Conference at the present moment is very pessimistic. There is a definite feeling of discouragement and confusion. On the other hand all of the nations represented seem to be impressed with a genuine desire not to permit a complete failure. There is also a clear understanding on the part of all delegations that were the Conference to break up and the onus be placed on any one nation or group of nations it would be a long step backwards from the goal sought by all. [Stimson.]

GIBSON

500.A15A4/1003‡ : Telegram

The Acting Chairman of the American Delegation (Gibson) to the Acting Secretary of State

GENEVA, April 25, 1932—6 p. m.

[Received April 25—4 : 39 p. m.⁹⁶]

151. For Castle and the President from the Secretary. . . .

1. On my arrival here it was evident that nothing could be accomplished pending the French elections and that the debate which was going on was productive of dangerous issues likely to be used in the

⁹⁶ Telegram in two sections.

campaign to provoke national feeling. The whole atmosphere of the Conference was very depressed and confused. I have directed my efforts towards stopping these controversies and towards getting on personal good terms with the delegates of the leading powers and to arrive at an amicable understanding on subjects which might hereafter provoke issues if not thrashed out now and finally toward getting the general discussion put over until after the French elections.

2. On his arrival MacDonald has heartily joined in this program and we have worked together in perfect harmony. Tardieu has also cooled down on his earlier issue with the American aggressive weapon proposal and has agreed that all controversial matter should go over.

3. The Conference today agreed to adjourn ostensibly to enable the technical committees to report but in reality until after the French elections leaving only the technical committees, and probably all the chief delegates will leave by Friday.

4. Among the issues which I think was [*have?*] probably backfired so as to minimize further trouble are

(a) Capital ships. When I arrived the French and others were seeking to attack capital ships as an aggressive weapon in their fight against our proposal to abolish heavy artillery and tanks. In this they would probably have had support from the Italians and British to a certain extent. After very frank discussions with all three on this subject centering around the stabilizing influence of our own capital ships in the Pacific today Tardieu, MacDonald and Grandi have all expressed their approval of my opinion. If any of them raises the issue hereafter I believe most of its sting will be gone for none of them really believes in it.

(b) The old consultative pact issue. This was beginning to show itself again in journalistic circles, was somewhat taken up by the French in suggesting that we were really to blame for the British refusal to give more security to the French. I had a show-down with MacDonald in the presence of Simon, Gibson and Davis, in which the British explicitly and clearly stated:

(a), that they had never suggested to the French that our opposition was an obstacle to their giving the French further security;

(b), that present British conformity would not permit them to make any additional commitments of security to the French strength; no covenants on our part to consult would alter the situation in the slightest;

(c), that as a matter of fact they regarded the precedent of our cooperation with the League during the Sino-Japanese controversy quite as good assurance as any formal covenant even if such covenant were made.

5. I can make no prophecies as to the ultimate outcome of the Conference. The British but of course are strong for an agreement. I believe that Tardieu wishes to do something and would fear the effect of a futile ending of the Conference. He has admitted to me frankly that he expects to get no additional security from the British and under these circumstances he probably will concede little in reduction but with patient effort something useful may be eventually accomplished.

6. The Germans are at least as difficult to deal with as the French at present and I am inclined to think the major fault at the moment rests on them. They are trying to drag the subject of reparations into the negotiations with Tardieu. MacDonald and I are trying to arrange for a conference between Bruening and Tardieu in our presence tomorrow or Wednesday. This may give additional light.

7. On the Sino-American [*Sino-Japanese?*] situation the atmosphere has been cleared by a very full discussion with Simon and MacDonald the latter of whom was previously quite ignorant of what had happened during his illness. I feel that I have done substantially all that can be done in assuring future cooperation. Lord Hailsham, the British War Minister, is to dine with me tonight and I shall discuss the same subject with him. He is a strong conservative. Thus far there has been no indication of any dissent on the part of the British from the necessity of absolute cooperation with us on all steps with respect to the new Manchurian state.

8. In view of the long adjournment of all important discussions for at least 2 weeks and the departure of the leaders I am planning to come home at once. I have been badly handicapped by illness since I arrived which has much reduced my efficiency and in an effort to recuperate I am planning to return by the southern route probably sailing on the *Roma* from Cannes Friday. [Stimson.]

GIBSON

500.A15A4/1033½

*Memorandum of Conversation Among Members of the American,
British, and German Delegations*

GENEVA, April 26, 1932.

Mr. MacDonald, the British Prime Minister, having suggested to Secretary Stimson that it would be advisable to get Dr. Bruening and M. Tardieu together in a conference with a view of having a frank discussion of some of the problems having a bearing upon the Disarmament Conference it was decided to have such a meeting on the morning of April 26th, at which time M. Tardieu had planned

to be back in Geneva. After having invited Chancellor Bruening it was learned that M. Tardieu could not be here but it was decided to go ahead and have the three cornered meeting, which took place at Bessinge⁹⁷ at 10:30 A. M.

Besides Mr. MacDonald, Dr. Bruening and Secretary Stimson the others present were Lord Londonderry, Dr. von Buelow, Hugh Gibson and Norman Davis.

Mr. MacDonald began the conversation by stating in effect that he understood there were two chief questions which Germany considered of vital importance. One was an alteration in the military clauses of the Treaty of Versailles and the other the problem of regaining her position of equality as a nation. He continued to say that while he was sympathetic with Germany's desire to be freed from certain conditions which had been imposed upon her he would greatly deplore and in fact would be opposed to having Germany start up again a competitive race in armaments which could only have a most disturbing influence.

Chancellor Bruening stated that Germany had no desire whatever to enter such a race or in fact to increase her armaments or military forces but that there should be a reduction in the military forces of her neighbors which were so vastly superior to hers and which had a disquieting effect on the German people and placed Germany at a considerable disadvantage. In substance he said that this was required not only as a matter of justice but in the interests of peace and goodwill in Europe.

Dr. von Buelow stressed the fact that what Germany was interested in was equality of treatment, which was a juridical matter, and that one of the great difficulties of getting on with the discussions was that every time a German bespoke equality of treatment the entire French press came out with the statement that what the Germans were demanding was equality of armaments, which was a wholly different thing.

Dr. Bruening said then that he did not expect France to be reduced to the basis of German arms or to establish equality but that he felt that substantial steps should be taken in that direction.

It was then suggested that perhaps the most logical and practical way of getting rid of the obligations of the Treaty of Versailles which is permanent would be in effect to lift out of that Treaty part five by incorporating in the Convention of the Arms Conference the limitations to be placed upon the German military forces, which would last for the life of the Convention, say ten years. In this way part five of the Treaty of Versailles would in effect be amended by a new

⁹⁷ The villa which Mr. Stimson occupied during his visit at Geneva.

enactment. Chancellor Bruening indicated his acquiescence in this. Mr. MacDonald said, however, that France would unquestionably raise the point as to whether or not at the termination of that Convention Germany would be free of any obligation and might refuse to enter a new treaty placing proper limitation upon her military force. There was some discussion as to the possibility of finding a formula that would obviate any inconsistencies with respect to this but the consensus of opinion was that it might be wiser to settle things for ten years in the hope that at the end of that period it would be easier to deal further with such a problem.

Dr. von Buelow then stated that Germany would be perfectly willing to limit her forces, in the Arms Convention, to what they are with a stipulation, however, in a footnote that she had freely agreed to this limitation, and that the forces entered in the treaty for Germany were disproportionately small for that country. He said that this might appear to be self-evident, but that they attached importance to having such a foot-note to the treaty to use as a leverage when the time came for revision at the end of the ten years, in the hope that it might help to bring the French down to still lower levels; that if the Versailles treaty figures were entered without any comment the French might later maintain that these had been recognized as equitable and that the question was not open to discussion. He went on to say that they would like certain adjustments, as the rigidity of the existing system was very irksome. He did, however, raise the point of removing some of the irritating conditions which have been imposed upon Germany. This would not in any way increase her armed strength. For instance, at present they are unable to have their munitions all manufactured in one place. One portion is made in one place and the rest in another which makes it very expensive. In substance he said that some of the conditions had been imposed with a view of making Germany realize her impotence and that relief from such conditions would not in any way endanger France and would merely create better feeling in Germany.

The Chancellor said that another irksome condition which should be modified was that requiring twelve-year enlistments for all the Reichswehr. He said he quite recognized that this had been meant to be an onerous condition, but that it really worked undue hardship, for it made it almost impossible to get an adequate supply of men fitted by character for the work imposed on them. The period was so long as to appear something in the nature of a prison sentence, and one evidence of this lay in the fact that they had an average of 100 suicides a year among men in the later stages of their enlistment. He said that they would like some relief from this; that he quite

realized that if he were to suggest that the period of enlistment be limited to two or three years, the French might reasonably reply that this was opening the door to rapid training of German effectives, but that he had no intention of asking any such sweeping change; that what he would like would be to have a certain portion of the existing forces exempted from the twelve-year period, and reduced to a six or eight year period. He said that eight years marked the beginning of the danger zone in demoralization, and that he felt something reasonable could be worked out on that basis. He said he did not ask that this reduction be applied to the entire force, because there was a type of volunteer who was quite capable of going through a twelve-year period without demoralization, and that he would not ask exemption for these.

The question was raised as to the use of the Green Police, and the French contention that they more than doubled Germany's forces. The Chancellor replied that this was not strictly accurate, that they had 150,000 police, but that 50,000 of these were not trained in the use of arms, but detectives, secret service men, book-keepers, typists, door-keepers, clerks, etc. He said it was true that about 97,000 or 98,000 men had been trained to the use of arms, but that this had been imposed on Germany by circumstances, as she was forbidden by treaty to use the Reichswehr in the demilitarized zones and that she had to have a military force of some sort to deal with communists and other uprisings; this had been clearly shown by experience. He said that even with this additional force it had been touch and go whether the Government would be able to maintain order if there had been uprisings in widely separated parts of Germany simultaneously.

The Germans did not indicate any desire to dictate how much reduction there should be in the armed forces of France but seemed to be more interested in having the power of attack and invasion reduced by the abolition or the restriction upon the use of particularly aggressive weapons. Dr. von Buelow seemed to think they had been making some progress in their discussions with the French but that as yet they had not been able to understand in detail just how far the French wished to go with their so-called plan. They were not quite sure whether their so-called plan for an international force or for the lodging with the League of certain material was with a view of actually building up a permanent international force under the League or with a view of having a period of transformation with the ultimate object of abolishing the more aggressive weapons. He seemed to think that the French might possibly be interested in finding a way to reduce without too much strain upon the sensitive-

ness of French public opinion. He inferred that this might be a way of reconciling the divergent views of Germany and France.

It was remarked that perhaps France might be satisfied with creating an international air force under the League with a view of abolishing or greatly reducing national military aviation. Dr. von Buelow said that in that case he thought it would be necessary to remove the danger of civil aviation being developed for military purposes and that Germany would be willing to internationalize civil aviation.

There was then some discussion about further matters and it was agreed that if M. Tardieu could be in Geneva on Friday the 29th as had been indicated Messrs. MacDonald and Stimson might first have a talk with him and then bring Chancellor Bruening into a four-cornered conference.

500.A15A4/1009‡ : Telegram

The Acting Chairman of the American Delegation (Gibson) to the Acting Secretary of State

GENEVA, April 29, 1932—9 p. m.
[Received April 29—7:12 p. m.⁹⁸]

161 bis. For Castle and the President from the Secretary. See my 151, April 25, 6 p. m. Since sending my 151 MacDonald and I endeavored, as foreshadowed in my point 6, to bring Tardieu and Bruening together.

On April 26 MacDonald and I met Bruening in preliminary conference and found him more conciliatory towards making a reasonable compromise with the French on their fundamental issues than we had anticipated. Tardieu who had been absent on his political campaign then agreed to return to Geneva and meet Bruening with us to continue this conference on Friday, April 29. MacDonald and I became hopeful that with the more reasonable attitude which had been developed on both the French and German sides in conversation with us we were on the way towards immediately clearing away some of the fundamental obstacles towards ultimate agreement. Accordingly I postponed my return passage on the *Roma* to be present at this conference. Unfortunately MacDonald [*Tardieu*] on Wednesday, April 27th, suffered a serious physical collapse and was unable either to continue his campaign or come to our Friday meeting. It will now be impossible to get him and Bruening together in these personal preliminary conferences until the second election, this might

⁹⁸ Telegram in two sections.

be adjourned until May 13. Both MacDonald and I feel, however, that a real start has been made on direct conversations and we now have reason to believe that both the French and the Germans are disposed to attack these problems in the only fruitful way, namely, by direct private discussions. You will remember that when I was first approached by France and Britain on the subject of the Disarmament Conference nearly a year and a half ago I then urged upon those countries the absolute necessity of this preliminary groundwork as the only way to secure the success of the Conference.⁹⁹

I find now, however, that nothing of the sort has been done until this effort of MacDonald and myself. The whole problem is now to keep them at it. The first 3 months of the Conference have been practically wasted on public discussion which has accomplished nothing. MacDonald, who has not attended the Conference hitherto owing to his illness, is thoroughly aroused and I told him and the delegates of the other principal powers that unless the matter is urged forward without further delay so that real progress will be visible to the world by steady conference and work immediately after the French elections, our Congress will probably be indisposed to make appropriations for the continuance of the American delegation in the Conference.

With these arguments we succeeded in defeating today a movement which was taking shape among many of the delegates to adjourn the Conference for a considerable period probably until the new French Government could get a vote of confidence in the Chamber about June 10. To do this I called in conference this afternoon the representatives of Britain, France, Germany and Italy. I was accompanied by Gibson, Davis and Wilson. After a thorough discussion of the question and under MacDonald's and my insistence it was finally decided that these direct conferences between the heads of the delegations of the leading powers should be resumed in Geneva within a fortnight the exact date to be fixed probably tomorrow after consultation by telephone with Tardieu and Bruening. The technical committees will of course in the meantime push their work. MacDonald said most emphatically that when these conferences were resumed all parties must be prepared and he would be prepared to carry the thing through and to determine then and there whether they could accomplish any real disarmament agreement or not. I feel that this surely will give a very needed impetus to the Conference and that it is a hopeful sign that the responsible men in these European states are ready now to attack their problems seriously.

⁹⁹ See memorandum of conversation with the British Ambassador, January 6, 1931; and telegram No. 8, January 19, 1931, to the Minister in Switzerland, *Foreign Relations*, 1931, vol. 1, pp. 478 and 485.

We are planning to sail from Cannes on the *Vulcania* on Wednesday May 4 feeling that I have done all that I can accomplish without prolonging my stay for at least a month more which would be quite out of the question. I am leaving Geneva Sunday May 1 due in New York May 14. [Stimson.]

GIBSON

500.A15A4/1011½ : Telegram

The Acting Secretary of State to the Acting Chairman of the American Delegation (Gibson)

WASHINGTON, April 30, 1932—3 p. m.

93. For the Secretary. I have read your telegram No. 161 to the President, who is at the Rapidan. He says that there is nothing at present here which demands your immediate return and feels that if there is "the remotest chance that your presence in Geneva at the time of the conversations might assist in bringing a solution you would be wise to remain". The President, of course, leaves the decision to you, but feels that an agreement in Geneva is so important that you may prefer to remain, knowing that there is no question here which demands your attention.

CASTLE

500.A15A4/1013½ : Telegram

The Acting Chairman of the American Delegation (Gibson) to the Acting Secretary of State

GENEVA, May 1, 1932—2 p. m.

[Received May 1—12:50 p. m.]

165. For Castle and the President from the Secretary. Your 93, April 30, 3 p. m., naturally has laid upon me a heavy responsibility of decision but after careful consideration I am clear that it would be unwise to remain. It is true that the effect produced by my first appearance in Geneva coinciding as it did with that of MacDonald was influential and our joint efforts have I believe succeeded in producing a real new start in negotiations. But on the other hand such influence cannot be counted on to continue at the same high tension. These direct negotiations relate to questions which are peculiarly European and political. I was of help in getting them started by pushing behind MacDonald but I would be out of place in trying to conduct them after they are under way. They will not begin before May 17 at earliest. Their opening will possibly be somewhat delayed

and their continuance will undoubtedly be protracted. MacDonald is fully determined to push them and to see them through. That is an appropriate task for him and his country but there will be immediately involved questions which would be inappropriate for me and my country. Moreover, the spectacle of the American Secretary of State hanging around during these inevitable delays will tend to gradually diminish the influence of our country. At best there will be no important decisions arrived at for a very considerable time and the delay will be somewhat indefinite. It would be more effective for me even to return later in the year if a period of crisis should again arise than for me to remain with an indefinite mission. The first contingency is the state of MacDonald's health but he has determined to go through with it and his advisers think he can. If he should be knocked out my presence could not possibly be a substitute for him owing to the European character of the questions involved. I therefore have decided that it is better for me to adhere to my plans and return at once. [Stimson.]

GIBSON

500.A15A4 Military Effectives/8 : Telegram

The Acting Chairman of the American Delegation (Gibson) to the Acting Secretary of State

GENEVA, undated [May 7, 1932—1 p. m.?¹].

[Received May 7—10:25 a. m.]

176. Under instructions from the Secretary we have carefully explained in confidence the formula for effectives¹ to the civilian and military representatives of France and then after waiting about a week to those of Great Britain, Germany, Italy and Japan.

The French delegation brought General Gamelin Chief of Staff and General Requin to Geneva and they made an exhaustive study with the military members of our delegation. They offered certain obvious objections in which we were quite ready to acquiesce, such as that the factors taken were arbitrary and that the figures which we had used as the basis of our illustrations (*Armaments Year Book*) would have to be put on a comparable basis before anything more definite could be done. However, they expressed themselves as considering the plan very interesting and as offering a possible approach to the question of effectives. They have put the matter up to the Council

¹ For a general outline of the formula, see point 7 of Mr. Gibson's speech on February 9, p. 29; also League of Nations, Conference for the Reduction and Limitation of Armaments, Geneva, 1932, *Conference Documents*, vol. I, p. 139 (Official No: Conf. D. 85.).

of National Defence and are expecting an answer at any time. They state they have no idea as to whether or not the answer will be favorable but I gather that they have themselves made favorable recommendations.

The military representatives of the other delegations are now engaged in going into details with our technical advisers, and their civilian representatives at least have expressed themselves as favorably disposed toward discussion of the formula and agreed that the basic figures should be synchronized and for this purpose we are endeavoring to have a small committee set up to prepare a set of comparable figures.

As a result of certain injudicious talk an impression has got about here that the "American plan" consists in a set of figures by which we seek to prescribe the number of effectives "that each country may have". While we have dispelled this idea from the minds of those with whom we have talked it still persists in the minds of others as we obviously cannot go into details with all the 54 delegations.

As matters now stand I feel that we should not much longer delay the presentation of the formula and that as soon as the General Commission reconvenes we should seek an occasion to make it public. Our decision may, however, be affected by the attitude adopted by the French as well as by arrangements for the conversations.

In order to dispel any false impressions as to the real significance of the plan it would probably be desirable to redraft the speech of explanation (latest text of which together with tables the Secretary is bringing with him) in such a way as to bring out more clearly at the start that what we seek to present is a plan which will be helpful in facilitating negotiations between neighbors and that there is no thought of prescribing the actual number of troops to be retained by different countries. The General Commission will probably not meet except for routine matters before the 22nd and I should be glad to have any guidance you may care to give as to the presentation of this plan. If we succeed in getting the acquiescence or approval of the great powers would the President be willing to have the authorship of this idea attributed to him?

Repeated to *Vulcania*.

GIBSON

500.A15A4/1020 : Telegram

The Acting Chairman of the American Delegation (Gibson) to the Acting Secretary of State

GENEVA, May 7, 1932—6 p. m.
[Received May 7—2:20 p. m.]

177. In accordance with the Secretary's direction, Norman Davis and I are leaving Paris tomorrow for London to discuss informally in both capitals the situation presented by MacDonal'd's illness and the possibilities of resuming early conversations between the great powers.

While no attempt will be made at concealment of our movements we are replying to questions here that we are taking advantage of the present lull in disarmament activities to make a brief visit to London and Paris and to meet Mrs. Davis who is arriving from America and my wife who is coming from Belgium and to accompany them back to Geneva.

In order to obviate changing arrangement with the telegraph company telegrams will continue to be signed Gibson.

GIBSON

500.A15A4/1021 : Telegram

The Ambassador in Great Britain (Mellon) to the Acting Secretary of State

LONDON, May 10, 1932—2 p. m.
[Received May 10—1:39 p. m.]

165. From Gibson. Davis and I met Mr. Baldwin yesterday at lunch at the Embassy and in the course of conversation impressed upon him our interest in devising some method of carrying out the plan for Franco-German direct conversations under Anglo-American auspices agreed upon at Bessinge. We gave him a rather full picture of the reasons for considering that this constituted the best hope of getting some results from the Conference. While he was obviously not prepared to express himself on the subject he was very receptive to what we had to say.

The conversation then turned to the Far Eastern situation from which it developed that his [opinion?] was that Japan would only be influenced by military force and that England was not prepared to go that far. It was clear that he had not fully grasped our general conception of moral joint pressure as a means of upholding our rights and avoiding the necessity for using military force. After explaining fully our Government's policy, which he apparently had

not understood, he seemed to be impressed and stated categorically that in any event all parties here were in agreement that the United States and England should stand together in dealing with that problem.

At 4 o'clock Davis and I called upon Sir John Simon at the House of Commons at his request. Lord Tyrrell was present and Baldwin came in later.

We told Sir John that we were anxious to ascertain his views as to what could be done to carry out the plan agreed upon at Bessinge for Franco-German conversations. He seemed to think at first that there was not much purpose in going on for the present because of the fact that a complete turn-over in the French Government was imminent and that Tardieu would hardly care to embark upon conversations of this sort while his successor obviously could not be brought in until he had actually taken office and secured a vote of confidence. Tyrrell did not altogether agree and felt that the French might well find some way this week whereby they might join in the conversations as soon as the other parties could be brought to Geneva.

Simon then said that he would like to have a more ample opportunity to talk this matter over with us in the presence of Mr. Baldwin and examine the various questions we should have to face, with a view to determining how far we were in agreement as to methods of approach and solution. Davis and I said that while we should of course be very glad to have this opportunity for an exchange of views we had not come here with the idea of agreeing upon possible solutions for Franco-German problems but only to ascertain the possibility of continuing the conversations already agreed upon. Simon was however insistent that we should both try to jot down ideas as to how the problems to be encountered in the Franco-German conversations could be dealt with. Our attitude was that we felt our greatest usefulness lay in not producing solutions but as acting as a lubricant in the first direct attempt of the French and Germans to work out their problem. We did feel that distinct progress might be made in proceeding along the lines of the discussions which took place at Bessinge.

We are to have another conversation with Baldwin and Simon on Thursday afternoon. Toward the end of the conversation Mr. Baldwin opened up on the subject of disarmament and said he felt very glum about the prospects of achieving results at Geneva but that he was deeply interested, particularly in the question of aviation; that he had gone into the subject pretty thoroughly, and that the more he studied it the more he was convinced that the only course, and one that we should have to adopt ultimately, was to do away

with all forms of military aviation on land and sea, and at the same time abolish all forms of subsidy to civil aviation. He was very much in earnest and said that we should all have to deal with this subject sooner or later and that if we did not deal with it adequately there was serious risk that we should be destroyed by this form of warfare. Simon then said that there was some possibility that later in the conference he would be obliged to outline a program of this sort and propose that a special and separate conference be called for the purpose of dealing with the whole subject of aviation.

Will Department please repeat to the Secretary if considered of sufficient interest. [Gibson.]

MELLON

500.A15A4/1023 : Telegram

*The Ambassador in Great Britain (Mellon) to the Acting
Secretary of State*

LONDON, May 10, 1932—6 p. m.
[Received May 10—3:05 p. m.]

166. From Gibson. At Embassy's suggestion I called informally upon Vansittart this morning and talked to him about the resumption of conversations referred to in Embassy's telegram 165, May 10, 2 p. m. I told him that the more I reflected on our conversation of yesterday with Simon the more I was convinced that there was nothing to be gained by working out possible solutions of the Franco-German problem in advance of the conversations, that our greatest usefulness lay in being present in a friendly capacity and facilitating the approach to these difficult problems, and that it might be definitely harmful if it were thought we had any preconceived ideas as to how these problems could be solved. He expressed himself as agreeing with this point of view and said that he would talk the matter over with Simon before our meeting on Thursday.

Vansittart said that he was rather discouraged as to the prospects of success in Geneva and felt that one difficulty lay in the fact that the program was too all-inclusive and that perhaps the best hope now lay in setting a limited objective for the Conference, such as some achievement on qualitative disarmament, if that proved practicable, possibly some regional agreements on effective[s?] and finally some small percentage cut in budgets on the basis of, say, the last 5 years. This budget cut he felt ought not to be difficult as most governments had already made such a cut or would be obliged to do so under stress of economic necessity, but that em-

bodying such a cut in the treaty would have a much better effect on public opinion than if it were omitted.

Will Department please repeat to the Secretary if considered of sufficient interest. [Gibson.]

MELLON

500.A15A4/1022 : Telegram

The Ambassador in Great Britain (Mellon) to the Acting Secretary of State

LONDON, May 10, 1932—7 p. m.

[Received May 10—2:45 p. m.]

167. From Gibson. Embassy's telegram 166, May 10, 6 p. m. This afternoon I had a conversation with Malcolm MacDonald in order that the Prime Minister might be informed as to the purpose of our visit in conformity with the Secretary's instructions. He said that he would have an opportunity to talk to his father tomorrow, would tell him of our conversations thus far and let me know if there was anything the Prime Minister had to suggest. Malcolm MacDonald said [he] was sufficiently familiar with his father's views on this subject to feel sure he would be in favor of pressing the conversations forward as soon as some responsible French representative could participate. It does not now seem probable that the Prime Minister will be in a position to deal with disarmament questions until after the Lausanne Conference² so that arrangements would have to be made for someone else to represent this country.

Please repeat to the Secretary. [Gibson.]

MELLON

500.A15A4 Land Armaments/21 : Telegram

The Acting Chairman of the American Delegation (Gibson) to the Acting Secretary of State

GENEVA, May 10, 1932—midnight.

[Received May 10—8 p. m.]

182. My 180, May 10, 7 p. m.³ In your 52, April 2,⁴ you authorize us to agree to abolition of the use of toxic gases. Special Committee of Chemical Warfare will undoubtedly seriously consider question of prohibition of peace time preparation by governments for use of all means of chemical warfare. Sentiment among the delegations in

² See pp. 636 ff.

³ Not printed.

⁴ *Ante*, p. 70.

favor of some such action is widespread and we are inclined to believe that such a step would give to the public confidence in the reality of the abolition of chemical warfare.

We will be faced with certain decisions and think you may desire to instruct us after consultation with War and Navy Departments on following points:

1. May we accept an understanding whereby our Government is bound to refrain from all peace time preparation or manufacture of toxic gases—means of launching gases—and from training of personnel therefor.

2. May we agree on behalf of our Government to dispose of or destroy all of its stocks on hand of weapons mentioned point 1?

3. What is our Government's attitude towards question of refraining from peace time preparation of means of defense against use of chemical warfare by others such as peace time production and storage of gas masks, et cetera.

4. We assume delegation should oppose any attempt to interfere with civilian industry.

5. We assume that any obligation in regard to chemical warfare must be of a reciprocal nature.

6. In light of your answers to foregoing what should be delegation's attitude in regard to retention or abolition of chemical warfare service.

Request early reply as subcommittee will probably meet not later than 17th.

GIBSON

500.A15A4/1030 : Telegram

*The Ambassador in Great Britain (Mellon) to the Acting
Secretary of State*

LONDON, May 13, 1932—4 p. m.

[Received 4:19 p. m.⁵]

169. From Gibson. At half-past five yesterday afternoon Davis and I called upon Mr. Baldwin and Sir John Simon at the former's room in the House of Commons. Simon opened the conversation by asking us our conception of the solutions which might be put forward for the various problems which would inevitably come up in Franco-German conversations.

We replied that in our previous conversation we had expressed doubts as to the feasibility of that approach to the matter but that in pursuance of his request we had given thought to possible solutions, with the result that we were more than ever convinced that we

⁵ Telegram in four sections.

would not get anywhere along those lines; that it was easy to produce a fair and reasonable solution for almost any problem which would come up before the Conference, but that it was quite another matter to secure acceptance of such a solution and that we felt very strongly that the most useful role we could play in the conversations was that of a lubricant facilitating direct conversation between the interested parties, disengaging them from lobbyists and now and then suggesting way through or around the obstacles encountered. We went on to say that it was premature for us to try to formulate solutions until we had a more accurate idea of just what problems were created by the French and German proposals as both of these appeared to have been materially modified since the beginning of the Conference, and that it seemed to us the immediate task was to secure as definite an idea as possible as to what these modified theses are.

To take the French plan first, it was clear from the conversations we had all had with various French representatives that they did not expect to secure the integral adoption of their plan but that there was some doubt as to whether they themselves had finally made up their minds as to how much of the plan was essential to giving them satisfaction; that we thought the first step was to get as far forward as possible in discussion with the French, with a view to determining exactly what their plan is at present; what part of that they would be in a position to discard, and what part would be acceptable to us.

The next step would be to consider our position in the debates upon the subject. Sir John had felt that he must attack the French plan and that he would be able to riddle it as impracticable. We said we were not disposed to join in this method of approach and to think it would be better for both of us to pursue as far as possible the course of letting the French put forward their ideas and see how far they could get in securing agreement upon them; that if they succeeded it would then be time to determine how far these were objectionable and called for opposition; that if without opposition from us, they failed to secure agreement they at least would not be in a position to say that they had failed only because of our attitude and were therefore entitled to some sort of substitute from us. Mr. Baldwin agreed with this point of view and Sir John said nothing further about pressing his attack although he did not definitely say he had changed his mind.

Sir John asked, in the case that we were going to adopt a benevolent attitude towards the French in endeavoring to secure some sort of European agreement, if we could tell him just what sort of agreement we had in mind. We answered that we certainly did not pro-

pose to put forward any American conception as to what would constitute security in Europe; that as we considered it a European problem we thought it was up to European Governments to say what they could agree upon and that our attitude was merely to wish them well in reaching agreement among themselves in the hope that we should be able to adapt ourselves to the situation created by such agreements; that we had always advocated regional agreements and that there was nothing new in this attitude on our part.

Mr. Baldwin then said very definitely that Great Britain was not going to take on fresh commitments of any character and he and Sir John developed this idea along lines which are familiar to you, that in honoring its signature England had paid heavily in coming to the help of Belgium and that this made British governments extremely careful about any further undertakings; that in the Locarno agreements⁶ there had been a precise and limited liability, and that this had been recognized by the French as the liquidation of the security problem; that now the French were talking about a "Mediterranean Locarno" as they did at the London Naval Conference but the British Government considered this a totally different matter as the obligations would be much broader in scope and more difficult to specify and that they were both convinced that nothing along the line of a "Mediterranean Locarno" or other European agreement could be undertaken by Great Britain; whereas they would have the greatest sympathy toward any efforts among the various groups of powers on the Continent to organize peace among themselves.

Mr. Baldwin then said that one question which would always come up in connection with any security agreement would be the possible course of the American Government as regards trade with an aggressor. He felt that provisions for economic sanctions and blockade were the greatest defect in the League Covenant and that agitation for recourse to these measures made him impatient; that he felt that sanctions of this sort were practically equivalent to war, and in talking of blockade we were not talking of realities, as blockade was really a thing of the past. However, in conversation the question came up as to whether the fundamental purpose might not be achieved by prohibition of imports which coupled with prohibition of export of arms and munitions, would have a tendency to shut off trade entirely without need for a navy to enforce it. Mr. Baldwin said it was a matter of indifference how our cooperation was achieved but that American cooperation was essential to any general movement for the long term peace.

⁶ Signed October 16, 1925, League of Nations Treaty Series, vol. LIV, pp. 289-363.

Mr. Baldwin then said that he was going to be thoroughly indiscreet in confidence; that he had given a great deal of thought to the whole subject of disarmament, as he felt the course we were now following was straight toward the destruction of our civilization and that something radical had to be done about it unless we were all going down together; that he did not believe there was anything to be accomplished by "pecking at the problem" as the Conference was doing, and that we ought at least to try to agree upon some comprehensive and drastic measures fair to everybody, and then make a definite united drive to secure their adoption. He said that the plan he had in mind after hearing all the arguments for and against, was:

- (1) the total abolition of military aviation including pursuit and observation planes;
- (2) some agreement to put a stop to subsidies for civil aviation enterprises;
- (3) abolition of the capital ship;
- (4) abolition of the aircraft carrier, which would follow automatically from item 1;
- (6) [*sic*] drastic reduction of land effectives;
- (7) abolition of aggressive weapons such as heavy mobile guns and tanks.

He said that he realized that this was a revolutionary proposal but that whenever these items were attacked separately they were either opposed *in toto* or their acceptance made contingent on drastic dealing with some other item and that under this method we might go on for years without getting anywhere; whereas the world situation called for action now. He said that he realized the abolition of the capital ship would be shocking to us as it was to many people in this country, but that he felt the continued possession of these vessels by the great naval powers was an insurmountable obstacle to securing action in regard to other categories which we all desired, and that he hoped we would give careful thought to this proposal which he put forward in his own name but with a real belief that it contained the only method by which we could hope to rise to the situation. He said that he hoped we would consider this plan bearing in mind that while some of its features were very distasteful to us they constituted the price we should have to pay for any real relief. He felt the prohibitive cost of replacing these vessels doomed them to early disappearance and that as all our governments were under tremendous pressure to reduce expenditures it would be the part of wisdom to secure the strategic advantage which would come from their present abolition in order to force a general reduction. He repeated that he felt the only hope lay in a united and determined front on the part of our two countries to put over a comprehensive

program. If we were successful it would be a long step toward world recovery and if we failed we should have to go back "to scratching at the surface of the problem" as we were now doing, but at least we should have demonstrated our honesty. He spoke with great emphasis and obvious sincerity. He said he quite realized that we could not express an opinion on a proposal of this sort but hoped that we would send it [home] and bespeak consideration for it. [Gibson.]

MELLON

500.A15A4/1032 : Telegram

*The Ambassador in Great Britain (Mellon) to the Acting
Secretary of State*

LONDON, May 13, 1932—5 p. m.
[Received May 13—3:05 p. m.]

170. From Gibson. Yesterday afternoon at 4 o'clock the Prime Minister asked us to come and see him in his nursing home. We were the first visitors he had received.

He said that he had been giving much thought to what could be done toward accepting part at least of the program for conversations; that obviously the political upheaval in France rendered the realization of the complete program impracticable for some time to come as he envisaged the possibility of a Left government doomed to early overthrow, and not disposed to tackle any vital question; that it was a pure matter of conjecture but he doubted whether there would be any possibility of settling fundamentals until after the Lausanne Conference. He said that in view of the urgency of the problem he felt the courageous thing on the part of the French Government would be to say that while they could give no guarantees as to ratification of commitments entered into at this time, however they were prepared to go whole-heartedly into discussion of existing problems, and that they bound themselves to use their utmost endeavors—to secure approval for what they agreed to tentatively. He added that he did not believe they had the courage to do this, and that if we found that they were not disposed to enter into discussion of fundamentals the best thing would be to tell them quite frankly that we felt we should be getting on with the work and carry it as fast as possible pending the time when they could come in and make agreement complete, and for that reason we proposed to carry on informal conversations with the Germans, Italians and other interested powers, keeping the French fully informed, in the hope that

this might smooth the way when the time arrived for direct Franco-German conversations.

The Prime Minister repeated that he felt the best hope for accomplishment lay in our going ahead in full understanding and that he was most appreciative of our having been sent over to confer as to future steps.

He said that he felt the time had come when Great Britain had to take a positive stand as regards reparations, telling both France and Germany what would be a sane settlement; that he felt it imperative that Great Britain should not embarrass the United States; that Great Britain had already made it very clear to the French Government that they would refuse to form part of a united front against the United States on this subject or even join in a united request to us for reexamination of the subject. He felt that the time had passed for allowing the subject of reparations to drift in the hope of Franco-German agreement and that it would probably be necessary for the British Government to lay before the Lausanne Conference its conception of how the reparations question should be settled, and then try to secure action along those lines. [Gibson.]

MELLON

500.A15A4 Land Armaments/52: Telegram

The Acting Secretary of State to the Acting Chairman of the American Delegation (Gibson)

WASHINGTON, May 14, 1932—3 p. m.

103. Your 182, May 10, midnight. We held a joint meeting yesterday afternoon with the Chief of Staff⁷ and the Chief of Naval Operations⁸ and after careful study of the points raised in your telegram, all agreed upon the following answer.

The main preoccupation of the Delegation in relation to gas warfare should be the formulation of an agreement that is universal in scope. A treaty which is not universal and only binds certain powers as between themselves would not basically solve the problem, as until all powers have agreed to do away with gas warfare it is difficult to create a requisite sense of security.

In our opinion, should such a universal agreement to outlaw the use of gas as a weapon of international conflict be brought into effect, the experiences of the following few years would more readily convince the public of the reality of the abolition of gas warfare than a treaty of fewer signatories extended by the measures you propose.

⁷ General Douglas MacArthur.

⁸ Admiral William V. Pratt.

In the last analysis any international agreement depends upon the integrity of its signers. This applies to conventions that are to obtain in time of war as well as in time of peace. The more such an agreement is hedged with further conditions, the greater the temptation first to suspicion, then to evasion, and finally to a demand for international control. This being the case, an undertaking on the part of governments to refrain from peace time preparation or manufacture of toxic gas would seem in essence to weaken and not to strengthen a ban upon its use in time of war. Further it would seem of little concrete value in view of the impracticability of interfering with legitimate but equivalent civilian industry.

Under the present circumstances, our answer to your points 1, 2, and 3 must accordingly be no. You are correct in 4 and 5 and in 6 some service department must be retained until experience shows that abolition of gas warfare is an accomplishment.

CASTLE

500.A15A4/1033: Telegram

The Ambassador in France (Edge) to the Secretary of State

PARIS, May 14, 1932—6 p. m.

[Received—8:23 p. m.]

319. From Gibson. Davis and I accompanied by Aubert, had a talk with Tardieu this morning. We told him of our visit to London and of our hope to find a way of continuing useful work in spite of recent set backs; he appeared distinctly pessimistic as to the prospects of early progress in disarmament. In the first place he said that the French political situation was extremely confused and that it would be impossible to set up a working government before June 10th or 15th; [Herriot's?] difficulty was that if he went to the Left to build a majority his Government could not last; on the other hand, while Herriot is more nearly in agreement with Tardieu's views he can hardly, after denouncing him for the past year as the cause of France's difficulties, turn at once and ask his collaboration as a necessary element of sound government. He feels that Herriot will eventually be obliged to seek his collaboration but that this may be a matter of 2 or 3 months. Until some working government is set up he says he sees no prospect of dealing effectively with fundamentals.

We threw out a suggestion as to the possibility that some ground might be cleared if the French Government would express its readiness to continue informal conversations without binding future governments but with the understanding that an effort would be made

* The second Ministry of Edouard Herriot was formed on June 4.

effectively to carry out any tentative agreements made. He said that he had just talked to Boncour who told him that the word [*work?*] of the technical committees could be carried on for about 2 weeks longer after which no further progress could be made until the new government is formed. He told us, however, that he would have Boncour, Aubert and Massigli keep in touch with us and perhaps by May 25 he could form an estimate as to what course we should pursue. Our inference is that his allusion to this date is based on the assumption that by that time he will know what will be the complexion of the new government and whether or not it is possible for him to make a combination with Herriot.

He then went on to discuss new developments in the German situation. He was disturbed by Bruening's speech in the Reichstag of Wednesday which he said was a striking contrast to the moderate language he had used in Geneva. He attaches grave importance to the dismissal of Groener at the instance of two of his subordinates in the Reichswehr which he says shows that the Hitlerites dominate the army. He went on to say that in view of the irresponsible attitude of the Hitlerites the French Government was seriously concerned lest there be some form of armed aggression either through an attack on the corridor or the seizure of Danzig.

He expressed indignation over the recent Stresemann documents published here in *L'Illustration*¹⁰ which he said demonstrate clearly that the one German who had won French confidence was completely false; this publication was such a shock to French public opinion as to constitute a set back to any move for good understanding.

He stressed the fact that he had gone over the foregoing to show us that the German situation constituted a genuine problem for France. However, he felt that there were signs that the British Government was coming around to a more reasonable attitude on reparations and if this were found to be true he felt there was reasonable hope that an agreement could be reached at Lausanne and with the help of [Great Britain?] and the United States as conciliators that we could hope to achieve something substantial at the Disarmament Conference.

Boncour, Aubert and Massigli will be in Geneva this coming week and if occasion requires Tardieu can come any time before June 1st when his mandate expires.

EDGE

¹⁰ After being printed serially in *L'Illustration* these documents were published in book form under the title, *Les Papiers de Stresemann*, II (Locarno et Genève), Paris, 1932.

500.A15A4/1036 : Telegram

*The Secretary of State to the Acting Chairman of the
American Delegation (Gibson)*

WASHINGTON, May 16, 1932—4 p. m.

104. Special for Gibson and Davis. Your 169, May 13, 4 p. m., from London.

When Mr. Baldwin made suggestion as to capital ships contained in your Section 4, did either of you inform him (a) as to the position taken by the American Delegation at London in 1930,¹¹ (b) as to my recent statements on the subject in Geneva or (c) as to the functions capital ships are now performing in respect to the Far East? Please immediately send full details and his reply if any.

Did you gather that Mr. Baldwin's failure to include submarines in his list of weapons to be abolished was an over-sight or intentional; if intentional, did he give any explanation therefor?

STIMSON

500.A15A4 Land Armaments/55 : Telegram

*The Acting Chairman of the American Delegation (Gibson) to
the Secretary of State*

GENEVA, May 16, 1932—11 p. m.

[Received May 16—8:03 p. m.]

188. Your 103, May 14, 3 p. m. I fear that the phraseology of point 5 in No. 182, May 10, midnight, gave rise to a certain misconception of our meaning. What we had envisaged was a treaty of universal application and the use of the word "reciprocal" was under the circumstances unfortunate.

In view of this clarification you may desire to reconsider your decision. It is pertinent to this decision that since receipt of your 103 I have again discussed this matter with Senator Swanson who assures me that if an undertaking of universal application is accepted against the use of toxic gases in time of war there will be the greatest difficulty in these depressed times in persuading Congress to vote appropriation for the preparation of such warfare in time of peace or for the maintenance of a chemical warfare service under these conditions where we have agreed not to use such weapons in time of war and under which we would be prohibited from doing so except as reprisal. He points out that in default of agreement to the contrary other governments may be able to get appropriations for such

¹¹ See telegram No. 35, February 4, from the Chairman of the American delegation, *Foreign Relations*, 1930, vol. 1, p. 13; and telegram No. 212, April 10, from the Chairman of the American delegation, *ibid.*, p. 106.

service in times of peace and such governments would have the United States at a great disadvantage. He added that we have every interest in getting other governments to agree to this prohibition of preparation since in all probability such prohibition would be imposed on us in any event by lack of funds. In addition he continues our refusal to agree to refrain from preparations in time of peace would put us in the attitude of showing mistrust for international agreements—agreements which furnish the only foundation for any success here and the sanctity of which we have repeatedly preached. In his opinion we would be in an inconsistent and undesirable position if we agreed not to use these weapons in time of war and at the same time refused to agree to refrain from their preparation and to get rid of them in time of peace. Our readiness not to prepare is proof of the *bona fides* of our first undertaking not to use such weapons. This is not any intention on our part to accept any document which would interfere with our civilian industry.

It would seem that the acceptance [by?] all governments of an undertaking not to make preparation in time of peace would leave the United States with its well developed chemical industry in a relatively stronger position in regard to the rest of the world in case of violation by any party to the treaty.

Any provision of this character would presumably be subject to the general provisions which the treaty will contain for accountability to the Permanent Disarmament Commission or other body set up by the treaty in case of violation. Please instruct.

GIBSON

500.A15A4/1037: Telegram

*The Acting Chairman of the American Delegation (Gibson)
to the Secretary of State*

GENEVA, May 17, 1932—1 p. m.
[Received May 17—11:05 a. m.]

189. Our 169, May 13, 4 p. m., from London was necessarily dictated hurriedly as we were leaving for Paris and questions raised in your 104 are due to imperfections in our message.

We informed Mr. Baldwin fully as regards the three points in your telegram but omitted reporting our part of the conversation in the interest of brevity and because we felt your chief concern would be in what Baldwin and Simon had to say.

In formulating his plan Baldwin was under no misapprehension as to your position on capital ships. He prefaced his remarks with the statement that the idea of abolishing the capital ship would be

shocking to us as it would be to many people in Great Britain. After this we again clearly brought out your position on the subject. He replied that he thoroughly understood these and other arguments in favor of retaining the capital ship. He did not endeavor to contest the soundness of your position but said that in spite of all the arguments he still felt that we must be prepared to make this contribution if we were to get other people to make corresponding sacrifices and, while he recognized that with the present situation in the Far East no immediate change should be made, he was thinking more of the exaction and laying stress upon the fact that any changes were to be relative and proportional.

Mr. Baldwin did very definitely include submarines in his program immediately after the abolition of the capital ship and our failure to include them was due to an oversight either in dictation or copying. In fact his first argument for the abolition of the capital ship was that this, and this alone, might be expected to overcome the opposition of other states to the abolition of the submarine as other naval powers have consistently maintained that so long as the great naval powers continue to possess these "formidable weapons" they would not agree to forego the use of the submarine. Furthermore, he was very insistent on the fact that the program was to be accepted or rejected as a whole.

Another point which was not brought out with sufficient clarity in our 169 is the status of Baldwin's program. He did not describe it to us as a program adopted by the Government. He said it was a plan he had himself worked out; that he had just discussed it in the Cabinet and before laying it before us he requested Simon's acquiescence in so doing. Simon was present through the interview and while he maintained silence he did not dissent from any of the views expressed. Baldwin did not tell us what reception his idea had met in the Cabinet but we gathered that it had not been before that body long enough to have received full discussion. As you will remember Baldwin said to us that the whole plan was so revolutionary that he did not expect us even to express an opinion but merely wanted to describe it to us so that we could pass it along to you so that you might have time to consider it. He did, however, express the firm belief that if our two Governments could agree upon a comprehensive plan along these lines our joint influence would be so formidable as to make it possible for us to render a great service toward world recovery.

GIBSON

500.A15A4/1047 : Telegram

*The Acting Chairman of the American Delegation (Gibson)
to the Secretary of State*

GENEVA, May 21, 1932—11 a. m.

[Received May 21—7:15 a. m.]

193. From Norman Davis. A mutual friend informed me that Herriot had expressed a desire to have a confidential talk with me on disarmament and requested him to approach me on the subject suggesting that since he would be in Lyon this coming Sunday he would appreciate it if I would motor over and meet him there and that there need be no publicity about it. I informed the friend that if I could arrange to do so I would but that I felt I must inform Tardieu who is still Prime Minister of France to ascertain if he had any objections. After talking the matter over with Gibson and Wilson and after receiving a message from Tardieu to the effect that he thought it was a perfectly natural thing to do, that he had no objections whatever, and thought it might be very useful, I sent word to Herriot that I could meet him for lunch tomorrow in Lyon and I am asking Wilson to go with me. We are naturally giving this no publicity although Tardieu said he saw no objection to it but I wish to let you know in case anything should be published.

Have informed Edge through Armour who thought it an advisable thing to do because whatever form the new government in France takes Herriot will be a predominant factor. [Davis.]

GIBSON

500.A15A4/1149

*Memorandum by Mr. Norman H. Davis of a Conversation With
M. Edouard Herriot*¹²

[GENEVA,] May 22, 1932.

M. Herriot received us in the Restaurant Carrillon at Lyons today for lunch.

Concerning Internal Politics he said that he could not tell yet what the basis would be for his Cabinet, because that was still dependent on whether the Socialists formulated or reiterated certain demands which they now seemed to be making upon him as a price

¹² Hugh Wilson, another member of the American delegation, was also present.

Transmitted to the Secretary of State under cover of a memorandum by the Chief of the Division of Western European Affairs (Boal), June 8. A telegraphic report was sent to the Department in telegram No. 198, May 23, 8 p. m. (not printed).

of their participation. M. Herriot might be willing to make large foreign concessions, but he would not pledge himself in advance to a twenty-five per cent reduction in the military budget until he had examined the thing and was satisfied that that was practical and safe. He had tried working with the Socialists in 1924 and felt that sometimes the price to be paid for their participation was too high.

M. Herriot raised the question that has so often been put by prominent French politicians—"What is the cause of the hostility in the American press towards France?" Mr. Davis replied that when the first struggle in 1919 became evident between President Wilson and M. Clemenceau, the French press began to slam Mr. Wilson. The American press retaliated. Then followed the battle for the ratification of the Versailles Treaty and the Presidential election, in which all those who were against the Treaty poured oil on the fire of reproaches against the French. Then rose the question of the debts and France's failure to give any evidence of an appreciation of what we had done and her apparent reluctance to pay her obligations. Then came the attitude of France towards coupling debts and reparations together, as if they were on the same basis and the failure to receive payment from Germany warranted France in disregarding her obligation towards the United States. Then there was the general impression that France had been an obstacle to nearly every endeavor to reestablish normal conditions in Europe, that it was militaristic and insisted upon a dominating place on the Continent. Mr. Davis explained that many reasonable and thoughtful people realized that not all of these charges were grounded, but M. Herriot had asked for a frank statement and this was his view.

M. Herriot replied at length in seriatim. He said that foreigners were often misled by the Parisian press into thinking that that press reflected the attitude of France. This was not so, as the recent elections had shown. "Mr. Wilson remains an infinitely greater figure in the eyes of the common people of France than M. Clemenceau; indeed, the municipality of Lyons has just erected a beautiful new bridge called the 'Wilson Bridge,' while not even a street is named after Clemenceau."

Concerning *debts*, he stated that he had voted against the ratification of the debt agreement with the United States unless it was accompanied by a safe-guard clause providing for its nonfulfilment in case Germany defaulted; nevertheless, the agreement was ratified without the safe-guard clause and was the law of France. When, therefore, people told him that if Germany defaulted France would have to default to us, Herriot has always replied that that is not

true, that the two obligations are separate and distinct and that France as an honorable debtor is morally bound to the United States under its contract. He will continue to preach this doctrine, and has always deplored the contrary one.

Concerning *reparations* he believed the German contention that they would not pay further reparations was an unmoral one; that she did not recognize the sanctity of the obligation they had repeatedly undertaken; that France had a just and righteous claim for the restoration of her devastated regions. He (M. Herriot) from his own personal opinion, would be willing to have the question examined by neutrals as to whether what Germany had paid covered the devastated regions. What he could not admit, however, was the iniquity of Germany signing a series of documents and then coolly repudiating them.

I shall group under one paragraph a subject which repeatedly came up in this conversation, namely, that Herriot was deeply under the impression of the *Stresemann letters* recently published in the *Illustration*. He used such phrases as "Briand's body is not yet cold before they lay on his tomb the Stresemann insults!" He went at length into his own experience with Stresemann in London. He told us how, when arrangements had been made for Chancellor Marx and himself to meet, Stresemann attended the conference instead of Marx, and that he (Herriot) had not been at all responsive because of this. He had never liked the man, but had said nothing of his feeling because he had judged that he was really and sincerely working with Briand for the restoration of better conditions. This led us into a discussion of an appreciation of German character. Mr. Davis offered the view that the French would have to study with the utmost care what concessions they could make to persuade the mass of German people, who after all desire to live in peace, that France is disposed to treat them fairly, and at the same time avoid offering concessions that would make the Germans think they had France on the run and could ask for anything. M. Herriot said that the German always regarded the man he was dealing with either as a master or servant; that they still thought in public affairs along the lines of the Bismarck school; that it is extraordinarily difficult to deal with people in whom you could not have confidence. He pointed out that they had evacuated the Ruhr, that they had evacuated the Rhineland, that they had agreed to the Dawes plan¹³ and the Young plan,¹⁴ and he was convinced that the Germans on signing the Armistice said, "Now let's wipe all this out as soon as pos-

¹³ See *Foreign Relations*, 1924, vol. II, pp. 1-139.

¹⁴ See *ibid.*, 1929, vol. II, pp. 1025-1083.

sible and get rid of them one by one["]; as soon as reparations are settled the Germans will then turn to the Polish corridor, thence to Danzig, and then to the colonies, etc. M. Herriot informed Mr. Davis confidentially that he had reached a month ago the conclusion that the Germans intended to pay no more, because they were backed by the British in their desire to sponge off the account; he had even heard that the British were saying that such was the desire of America. Mr. Davis said that he, having been informed that the British Government favored cancellation of reparations partly on the ground that this would be pleasing to the United States, had reported this to Mr. Stimson who had subsequently seen Mr. MacDonald and told him that while this was not a question in which the United States could have an official view, that his own opinion was that there was no reason why Germany should be entirely released from her obligations, and that Germany as well as the rest of the world must contribute towards the restoration of normal conditions. Mr. MacDonald had subsequently informed Mr. Davis that he thought this view was reasonable, but Mr. Davis issued the caution that English financial interests took the contrary view and it must not be supposed that Mr. MacDonald would necessarily hold to this conviction.

M. Herriot said that neither debts nor reparations were in his opinion the fundamental difficulty, that those were matters of material fact and could be dealt with and negotiated as could any other material fact; the fundamental difficulty was how could an arrangement be drawn with a country in which you could not place trust. Mr. Davis agreed that it was extremely difficult, but pointed out that the apparently insurmountable nature of the difficulties with which we were confronted made it the more imperative to attack them with determination and sincerity; that just because these difficulties were so threatening the world had lost confidence; that the restoration of confidence was the most essential thing at the present moment; that any achievement towards the settlement of the reparations problem or in disarmament, even though partial, would bring about increased confidence and thus release credits and start the normal flow of trade. For all these results, in spite of the overwhelming nature of the difficulties, we all had to dedicate ourselves to the accomplishment of something real and tangible in the way of bringing peace to this continent and to the world.

Herriot said that he believed himself to be a man of liberal conceptions. He did not consider that a *status quo* was a rigid and fixed thing. He could even envisage the necessity for change in any treaties, including the Treaty of Versailles, provided such changes came about by peaceful and legitimate means. He could also envisage a change

in the Covenant of the League of Nations, especially in the direction of a more democratic interpretation to that document, perhaps by re-writing Article 19, but all such changes presuppose the existence of a court to which appeal can be made. Just as in civil life contracts may legally under certain circumstances be voided, entered into and terminated, only because a court is in existence to which appeal can be made in case of injustice, so in international life must there be a court to which similar appeal can be made in case an injustice is claimed or contemplated.

M. Herriot said that there were really only three nations in the world which could sit down and talk to each other as we were now talking, namely, the United States, England and France, because they had mutual trust and respect, and this made it essential that these three nations should consult frequently and frankly and work together for restoration. In *disarmament*, for instance, nothing was more clear to him or seemed more vital to him, than that these three nations should stand shoulder to shoulder for real accomplishment. Both Davis and Wilson assured M. Herriot that no wish was dearer to them, and that indeed for the past months we had taken few steps, indeed no steps of any importance, without collaboration of the most intimate kind with the French Delegation. Wilson then added that as the Navies were important in our considerations, and as the failure of the French and Italians to complete their agreements had paralyzed all further efforts along the lines of the Navy, it was very much to be hoped that the accord could be completed so that this point (not to us of the highest importance directly) should be eliminated and there would be nothing left to prevent our working in the closest harmony of purpose. Wilson added that it had always seemed easy to win the friendship of Italy, that he made this statement with some diffidence, as it was not strictly speaking his affair, but that it did seem that France had very little in the way of concessions to make to turn Italy from an extremely doubtful neighbor to a friendly one. M. Herriot laughed and said "the trouble is you will find Italy on the opposite side in war from that which she takes in peace." He went on to say that Italy was like a somewhat difficult woman—you might gain her good will for a short period by giving her a gown or a jewel. He did not know how negotiations had progressed between France and Italy. Both Davis and Wilson stated that it was their understanding that very little stood between them, and that indeed it looked as if the item of the interdependence of armaments was the one thing which had prevented the concluding of an accord before this time. M. Herriot said he would bear this matter in mind.

Continuing the subject of disarmament, he asked for views as to the state of affairs and what might be done. We then sketched briefly certain things that might be possible of immediate achievement, such as an agreement to abolish big movable guns, to cut effectives, and agreement to abolish bombing planes and submarines—at least large ones, one on gas, tanks, all of which should be reflected in reduction of expenditure. We asked M. Herriot what would be his view as to the advisability of bending all energy on the achievement of limited objectives such as these, writing a treaty during the summer on this basis in order to give an immediate spur to world confidence, and leave the balance of the disarmament question for discussion some months later, after tangible proof had been given that a measure of disarmament was possible. M. Herriot replied that he must make all reserve on the question until he had studied the matter more thoroughly, as he did not yet know what was possible, nevertheless the idea was sympathetic to him.

Mr. Davis then told M. Herriot that work had been continuing for some time with the French General Staff on the matter of the effectives, and asked whether M. Herriot would have any objection to our continuing such work, and indeed whether it might not be possible in the near future, and even before M. Herriot took over, to discuss in General Commission certain technical problems with which the General Staff had expressed already a certain sympathy. M. Herriot replied that in confidence he had been requested to proceed to Paris on Tuesday next, the 24th of May, and at that time he would go over some questions with Tardieu and while he had no constitutional power Tardieu would perform the acts with his acquiescence, which ought to enable us to proceed along the lines suggested.

Mr. Davis then told about the *conversations at Bessinge*, that he had subsequently gone with Gibson to London, that they had returned and seen Tardieu in Paris and that the latter had stated that he thought M. Herriot would perhaps form a Left Government, but that nevertheless M. Herriot and he were not so far apart on foreign affairs and he believed they could proceed shoulder to shoulder on these questions.

Mr. Davis then spoke of the tremendous responsibility which confronted M. Herriot, and the great opportunity which he had of giving a decisive turn for the better to world affairs, stating that he was thankful that two such men as MacDonald and Herriot, both knowing and appreciating each other, could now work together in this sense. M. Herriot replied that it was indeed a heavy responsibility, and that he counted on the closest co-operation between the British,

French and ourselves; that he hoped we would deal with him in all frankness, criticise him when necessary, and that he himself would take the same line with us; that we must have repeated conversations of this nature and keep in the closest contact.

Mr. Davis then asked M. Herriot if he might raise a suggestion, and perhaps if M. Herriot thought well of it, convey the suggestion to Mr. MacDonald, namely, that those two should come to Geneva for a few days before the Lausanne Conference to give the necessary impetus to the work of the Disarmament Conference, since it was vital that this definite spur be given in the near future. M. Herriot replied that the only difficulty was the calendar. He doubted whether he could get a vote of confidence before the 10th or 12th of June, that after that if things went well he would be entirely disposed to come to Geneva for this purpose, and indeed recognized the importance of doing so. He further said it might be well to contemplate the adjournment of the Lausanne Conference for a few days if necessary to render this possible. We both expressed great gratification at this decision.

I neglected to state above that Mr. Davis informed M. Herriot of the conversations with Mr. Bruening, in which Mr. MacDonald was emphatic on the question that no new German competition in armaments could be envisaged and that equality of armament could not now be considered. In the same conversation the idea was proposed and discussed sympathetically by Bruening of writing the disarmament clauses of the Treaty of Versailles in the new disarmament treaty with a foot-note to the effect that Germany voluntarily accepted this obligation.

Mr. Davis, returning to the subject of the Far East, said that the American public some time ago had had the impression that the French Government was sympathetic to Japan in the Sino-Japanese dispute, and that there existed some secret agreement between France and Japan which gave the latter a free hand in this matter, and indeed a certain reluctance on the part of France to take determined steps in the early part of the proceedings gave color to this belief. Herriot interrupted to state that such had never been the desire of the parties of the Left, and that no agreement existed. Mr. Davis continued by stating that we in Geneva who had followed the matter closely, realized that to a large extent this impression in America was erroneous, and we knew that Mr. Paul-Boncour had been trying earnestly to get something done. He continued that the hope of getting a satisfactory solution of this matter lay in united action on the part of Great Britain, England [*sic*] and France, and that such unity of purpose was indispensable. It was essential for the

preservation of the entire structure of peace which had been so laboriously worked since the war, that no one nation should destroy any portion of this structure. It was even important to the preservation of the Covenant and the peace structure of Europe that no precedent of violation should be admitted in the Far East. Mr. Herriot was entirely of this opinion and assured us that such was his conviction.

Summarizing, I received certain definite impressions :

(1) Herriot is convinced that Great Britain, France and ourselves must work together in the frankest and friendliest way;

(2) That he himself is really determined and has the real intention of trying to perform some tangible piece of work in the near future;

(3) That he is deeply under the impression of the Stresemann letters, and is in the depth of disillusionment in regard to Germany;

(4) That in this state of mind any accord with Germany will have to be worked out with a great deal of Anglo-Saxon help.

500.A15A4/1087 : Telegram

The Acting Chairman of the American Delegation (Gibson) to the Secretary of State

GENEVA, May 23, 1932—9 p. m.

[Received 9:06 p. m.]

199. Supplementing my 198, May 23, 8 p. m.,¹⁵ particularly that part dealing with the possibility of having Herriot and MacDonald here before the beginning of the Lausanne Conference.

We have been considering how Bruening could be informed as to the situation which makes it so imperative for him to complete the group at that time and how we could convey to him the unhappy effect created by the Stresemann letters upon the French statesmen so that he may be prepared to do his utmost to counteract it.

There are various possible methods of approach. One is that Davis and I might go to Berlin on the ground that we have already been to Paris and London. However our own judgment is against this. Our London mission was of a much more general explorative character whereas this is of a limited scope for the purpose of conveying certain information. In addition if we now went to Berlin the question might arise as to our going to Rome. We have thus far escaped any publicity whereas our appearance in Berlin would almost inevitably lead to undesirable press reports.

Another method would be to send Dolbear fully informed on the subject to see the Chancellor. His usefulness is enhanced by his

¹⁵ Not printed; see footnote 12, p. 132.

fluent German. We fear however that the Chancellor might feel or be induced to feel that the message should have been brought to him by somebody of higher rank especially in view of our trip to London and Paris.

However it seems to us that we obviate serious difficulties by embodying what we have to say in a letter addressed to our Ambassador at Berlin¹⁶ to be taken to him by Dolbeare. This letter would be accompanied by another explaining why we are taking this course suggesting that Sackett read our first letter to Bruening and that we hope he will take Dolbeare with him in order to answer any questions the Chancellor may be disposed to ask and in order to bring back a direct report to us.

Unless you prefer some other course we plan to send Dolbeare Thursday afternoon.

GIBSON

500.A15A4 Military Effectives/14 : Telegram

The Acting Chairman of the American Delegation (Gibson) to the Secretary of State

GENEVA, May 24, 1932—2 p. m.
[Received May 24—9:20 a. m.]

202. Our 176, May 7, 1 p. m. French military representatives have informed us that they are willing to have our formula put forward in the General Commission for discussion making only obvious reservations as to the computations. We are hopeful that they can be persuaded to stress their acquiescence as to the principle and subordinate their reservation to a perfunctory allusion to the present lack of comparable figures. We hope to hear within a day or two that Herriot and Tardieu have reached an agreement which will permit the convening of the General Commission to discuss the general subject of effectives and that it will then be possible to bring forward our formula. It will be necessary to rewrite the speech which you took home in order to bring out more fully the measure of consultation and cooperation which has preceded its presentation and we are now working on a redraft which will be telegraphed for your approval as soon as we hear definitely from the French. In preparing this we should like to have a reply to the question in the last paragraph of our 176, as to whether the President is willing to have the authorship of the idea attributed to him.

GIBSON

¹⁶Frederic Mosley Sackett.

500.A15A4 Land Armaments/84 : Telegram

*The Secretary of State to the Acting Chairman of the
American Delegation (Gibson)*

WASHINGTON, May 24, 1932—6 p. m.

109. The Chief of Staff, with whom we have consulted as to the points raised in your 188 May 16, 11 p. m., continues to feel that we should maintain unchanged our original position as expressed in telegram No. 103 May 14, 3 p. m. The following memorandum sets forth his view in some detail:

“With respect to the possibilities of lack of appropriations for maintenance of the agencies pertaining to gas warfare, there appears no tendency in Congress at present to diminish appropriations for the Chemical Warfare Service, in fact no reduction was made in this item in the appropriation bill now under consideration, but on the contrary references were made on the floor of the House to the necessity for increases. It is our belief that the greater disadvantage to the United States would lie in the scrapping of our existent agencies and materials. The United States will suffer the severest of any nation by a policy of scrapping, a thesis that will doubtless be advocated strongly by those nations with little or nothing to forego. No evidence of good faith by the United States in the nature of scrapping agencies or materials seems necessary if we become a signatory to a treaty in accordance with our enunciated position on gas warfare.

“It is patent that no interference with civilian chemical industry is to be countenanced. If the agreement on gas warfare should contain provisos for regulating experimentation, manufacture, storage, et cetera, of chemical warfare materials, the agreement to be equitable in effect must necessarily affect the civilian chemical industry. For example, if a nation which has government owned and operated chemical warfare agencies is called upon to scrap those agencies, then another nation without government agencies must be called upon to restrict the civilian chemical industry that engages in similar work. Note further that existent government chemical agencies are largely engaged in experimentation with and manufacture of non-toxic gases and of various gases and appliances for uses in peace. Another aspect of the problem that cannot be overlooked is provision for use of chemical agents in reprisal. Furthermore, regardless of treaty provisions the peace-time experimentation by civilian agencies will be difficult to discover and control, and may lead to evasions and suspicions, as pointed out in my No. 103, May 14th.”

The principal argument of a political nature in support of these views is the danger that an extension of the treaty along the lines you suggest would be detrimental to its adoption. To come into effect the treaty must not only be universally signed but universally ratified, and experience has shown that in a multilateral treaty, the simpler the principle involved, the easier is its final adoption.

If, following the debates in the Special Committee when the attitude of other powers on these points has been clarified, the Delegation still feels the principle to be one which from an international point of view transcends the domestic considerations above set forth, I should be glad to have you refer the matter to me again.

STIMSON

500.A15A4/1070 : Telegram

*The Secretary of State to the Acting Chairman of the
American Delegation (Gibson)*

WASHINGTON, May 24, 1932—8 p. m.

*110. For Gibson and Davis. I am very grateful for the valuable information regarding Herriot's views contained in the Delegation's 198,¹⁷ and feel that a meeting with MacDonald, Herriot and Bruening before the Lausanne Conference should prove most helpful. I leave to your discretion the manner of informing Bruening of the situation and will approve whatever decision you may make. Do you anticipate any reluctance on Bruening's part to come? Would not a conversation between Sackett and Bruening be sufficient? Is there not a danger that to the public at least such a meeting immediately before the Lausanne Conference is likely to become confused with the reparations issue and consequently the impression be created that the Delegation was acting as an intermediary on that subject as well as disarmament? Is there any likelihood that Dolbeare's previous banking connection in Berlin might handicap him there or revive publicity here on that subject? Might it be advisable to await MacDonald's answer and then have Rumbold and Sackett see Bruening, thus carrying out the idea of staging Franco-German conversations on disarmament under the joint auspices of Great Britain and the United States? I ask these questions merely by way of suggestion.

STIMSON

500.A15A4/1065½

*Mr. Norman H. Davis of the American Delegation to the
Secretary of State*

[Extract]

[GENEVA,] May 24, 1932.

MY DEAR MR. SECRETARY: I cabled you yesterday the substance of the interesting and rather promising conference with Monsieur

¹⁷ Not printed; see footnote 12, p. 132.

Herriot at Lyon on Sunday. Just to what extent he will pursue the course indicated after the formation of the new Government will no doubt depend upon circumstances. He impressed me, however, as being a good man who wishes to do the right thing but who does not feel quite certain of his grasp of certain problems and their relation to others. I feel, however, that we have established a contact that may be most valuable.

Our trip to London was, I think, as successful as could have been expected. It was somewhat surprising to have Mr. Baldwin advocate such far reaching steps for a reduction in armaments. We did explain to him fully that with the situation that now exists in the Far East you would not consider any weakening of the naval force, and left him in no doubt as to your attitude about the abolition of capital ships. He did not argue against it except to say that it was all a question of relativity, intimating that it was something that could not be brought about immediately but which might be forced by financial conditions. I think what is influencing him more than anything else is a feeling that Great Britain has just, as the result of a very great effort, succeeded in balancing her budget in the face of a depreciated currency but that if conditions do not improve and Government income falls off still further, which is probable, they will be faced with the necessity of reducing expenditures since they feel that they have practically exhausted all of their power for further taxation.

He did not intimate that they would go so far as to propose such a plan for reduction unless we were in accord with them. Nevertheless, it might be wise for us to consider some proposals which would give enough measure of relief to satisfy them and prevent the possibility of their making a proposal which might prove really embarrassing.

We are concerned about the position the Delegation is now in for lack of a coherent and inclusive plan, and because of the restrictions placed upon us after we have publicly advanced along certain lines with our Government's authorization. We are discussing the matter here with a view to laying our problems before you and it may be that a telegram will reach you before this letter, but in essence it boils down to this—the President has said we can't have too much reduction for him; you have said the sky is the limit. If, therefore, the British Government or anybody else come out with a comprehensive and not unfair plan which leaves relative strength unimpaired and which is calculated to break the jam we are now in and promote world recovery, what position is the American Delegation in if acting on present instructions it cannot heartily approve?

You will remember that when you were here Gibson and Wilson talked with you about conversations which they had had with Tevfik Rüstü Bey, the Turkish Minister of Foreign Affairs, and his intention to make a declaration in the line of your policy of non-recognition of rights acquired by violence and in opposition to treaties. When Rüstü Bey was talking this thing over with Gibson he said that when an appropriate opportunity arose he intended to take such action himself and to try the possibility of inducing the Soviets to take the same course. There is a possibility, however, that the Russians might want to hold off from this until they feel there is some chance of establishing a contact with the United States. Nevertheless if you think it would be well for Russia and Turkey to make a declaration endorsing the doctrine enunciated in the Borah letter¹⁸ please let us know so that we may be guided accordingly.

I hope you had a pleasant and restful trip home and that you are now entirely recovered from the flu. Please convey my respects to Mrs. Stimson and give my warm regards to Klots and Regnier.

As ever,

Faithfully yours,

NORMAN H. DAVIS

500.A15A4/1071: Telegram

The Acting Chairman of the American Delegation (Gibson) to the Secretary of State

GENEVA, May 25, 1932—1 p. m.
[Received May 25—10:20 a. m.]

208. Department's 110, May 24, 8 p. m. We do not anticipate any reluctance on Bruening's part to coming but on account of Germany's internal situation there may be certain difficulties and we feel he will be more disposed to overcome them if he realizes the seriousness of the work to be achieved here in removing French apprehensions and of finding measures for insuring the effective continuance of the disarmament work during the Lausanne Conference.

We cannot see how such a meeting prior to the Lausanne Conference would give the impression of tying the two problems together; on the contrary it would give the impression that disarmament is not being subordinated to reparations. Furthermore, we cannot see how the impression could be created that our delegation was acting as an intermediary on reparations as well as disarmament inasmuch as we have thus far avoided all publicity regarding our activities both in London and Paris as well as in Lyon.

¹⁸ Dated February 23, 1932; quoted in telegram No. 50, February 24, 2 p. m., to the Consul General at Shanghai, *Foreign Relations, Japan, 1931-1941*, vol. I, p. 83.

Taking account of your suggestions we propose to embody what we have to say in a letter to Sackett sending Dolbeare as courier in order that he may afford Sackett all necessary background and place himself at Sackett's disposal. We anticipate no difficulties as a result of Dolbeare's banking connections and have no reason to believe that his presence in Berlin will even be remarked.

We feel that to have Rumbold and Sackett see Bruening on this subject would entirely [change?] its aspect from one of unofficial helpfulness to a formal and official communication which might well give Bruening [apparent omission]. If for any reason this does not have the desired effect upon Bruening we could then go back to your suggestion after having consulted MacDonald.

GIBSON

500.A15A4 Military Effectives/16 : Telegram

The Acting Chairman of the American Delegation (Gibson) to the Secretary of State

GENEVA, May 28, 1932—1 p. m.
[Received May 28—10:16 a. m.]

219. When I saw Henderson yesterday he told me that he had made an absolute agreement with Paul-Boncour not to allow any discussion beyond the reports of technical committees before the French should have their Cabinet formed and a vote of confidence. This entirely prevents any possibility of presenting the formula before the 12th of June although the Committee on Effectives is continuing its work. Therefore I am sending by mail a text of the latest revised version of the speech¹⁹ with numbered paragraphs in order that you may be able to comment on it by paragraph in good time for any possible use.

GIBSON

500.A15A4/1083 : Telegram

The Acting Chairman of the American Delegation (Gibson) to the Secretary of State

GENEVA, May 28, 1932—2 p. m.
[Received May 28—2 p. m.²⁰]

220. You will readily recall from your own experience that the necessary atmosphere of compromise and concession in an inter-

¹⁹ Not printed. Following the announcement of President Hoover's disarmament plan on June 22, discussion upon a formula for effectives was subordinated to conversations relating to the plan as a whole.

²⁰ Telegram in five sections.

national gathering can only be after it has reached the point of despair and stalemate. It seems that the situation in Geneva has touched bottom this week. However, it is like a log jam with no telling when it may be broken. It is quite possible that the conversations in 2 weeks may accomplish this all at once and in particular should MacDonald put into discussion a broad program such as that outlined by Baldwin the whole picture would change.

In order to prepare for any such conversations which would be held before the Lausanne Conference it seems necessary to take account of stock. Our present authority is as follows:

We were authorized to make the nine proposals contained in the opening speech,²¹ three of which indicated an advance over our previous position namely those which referred to the possibility of limitation of expenditure as a complementary method to direct limitation, that which suggested a new method for the computation of effectives which we have not as yet had an opportunity to present, and the suggestion that we advocate special restrictions for tanks and heavy mobile guns of peculiarly aggressive character. Only the first of these showed any modification of our previously announced principles and this is made conditional.

Encouraged by the many tangible proposals made by other governments we elaborated and were authorized to bring forward the proposals on the subject of the abolition of tanks and heavy mobile guns which called for concession on our part. On these three subjects we have not gone as far as a majority [of?] the delegations here present including certain of the great powers.

With respect to naval limitation we have expressed a willingness to extend existing treaties while maintaining the ratios established at Washington and London and maintain our attitude on the abolition of submarines. The majority of the great naval powers desire to go further.

With respect to air we have made no tangible proposals and expressed no opinion except the announcement of our initial proposal to participate in measures to protect the civilian population against aerial bombing. With respect to this arm our attitude is definitely way behind the majority of the delegations here including the great powers among whom there is an increasing tendency to feel that abolition of military aviation on land and sea is the only possible way of combating the menace it affords to the feeling of security. Thus far our only instruction on the subject has been that of coupling the abolition of bombing aviation with abolition of the submarine.

In view of the statements by the President that the United States is willing to [go?] as far as others in relative reductions and your

²¹ February 9, p. 25.

own statements along similar lines it seems essential that we have the benefit of your instructions before we are suddenly faced with any possible coincidence of views among the leaders who will presumably meet here about the 12th as it would be a great pity to lose the advantage of any agreement among them through the cooling off that might take place and the doubts that might arise which [*while?*] we are seeking instructions on the points as they come up.

It does not seem likely as long as the administration is working for any form of limitation of armament that it will be able to obtain, by compromise and reservations on concessions support from big army and navy groups. Only the liberal minded people in the United States can be expected to support any measure of disarmament and organizations representing these, according to the indications we receive here, are thoroughly discontented with the situation and intend to express their dissatisfaction with the policy very vigorously at Chicago when the two convention platforms are being drawn up (see my 212, May 26, 8 p. m.).²²

We are not advocating any specific plan of a comprehensive nature, neither are we convinced that initiative in such a matter should come from us—it might well be that initiative by a European Power would be more effective or that the best course would be a joint plan put forward by several powers which we might or might not join. However, we feel that we must be in a position to take immediate advantage of any unexpected events of this kind and avert any possibility that the United States should be held up as the obstacle in the way of realization of drastic and definite steps in disarmament. Therefore, we feel that our Government ought to examine with the greatest care what real concessions the United States might be willing to share with other countries in order to bring about an easing of the political and economic tension of the world.

To make clear our present preoccupation let us assume that Macdonald brings forward here in the Conference or in the conversations either Baldwin's plan²³ or something approximating it and asks us how far we can go with him. According to the President's statement we would be expected to agree to any measure of reduction provided the relative naval ratios are maintained but under our present directives we should be obliged to say that on land we can join him on tanks, heavy mobile artillery, gas (without foregoing the right to prepare in time of peace which we very much fear might be considered as an evidence of either bad faith on our part or lack of

²² Not printed.

²³ See telegram No. 169, May 13, 4 p. m., from the Ambassador in Great Britain, p. 121.

faith in international agreements). Concerning the air we could not accompany him in general abolition of military aviation and would have to state that we are ready to abolish bombing planes providing submarines were also abolished. On the sea we could join him in the abolition of submarines but not in the abolition of aircraft carriers. With respect to the reduction of effectives, while it is understood that no form of reduction would affect the minimum army which we maintain, it would assuredly be necessary in order to maintain reductions from others for us to assume an undertaking not to increase our present forces. Are we authorized to agree to this? On limitation of expenditure we would reply that we can limit our expenditure on land material only if and when other powers have accepted direct limitation of this material. In other words, as things now stand we could express no opinion as to the general scheme but could only take it piecemeal which in view of its presentation as a general scheme is equivalent to a refusal and would be so considered. Therefore we are in urgent need of precise indications how far we can go. For example, what shall be done if the proposition is made by Great Britain to abolish battleships entirely? Shall we accept that or offer a counter proposition? If so what counter proposition? Do you desire us to make an offer as to numbers of capital ships? What are we authorized to agree to on 8-inch gun cruisers; 6-inch gun cruisers; aircraft carriers; submarines; destroyers; and military aviation?

We have no knowledge that the Baldwin program will be brought forward and feel sure that it would not be launched as a surprise. Nevertheless in view of the situation in England and in the world at this time and the acute financial stringency, the possibility must be taken into account. Furthermore we have reason to believe that the new French Government will soon realize the urgent necessity to reduce expenditure which will face them and with this realistic incentive and the knowledge that there is no possibility of obtaining further mutual guarantees it may be easier for Herriot to feel free to join England in the leadership of a great world movement for disarmament. Should the United States be able to go along, it seems that a Left French Government would almost surely be well disposed to such an initiative.

There has been developing recently a strong feeling that something substantial and effective must be done to restore confidence and turn the tide of depression, otherwise all governments will sooner or later be forced to make substantial reductions in expenditures to offset a continuing decline in income in order to balance their budgets and avoid bankruptcy; that the most far reaching and least harmful

reductions could be made in military expenditures particularly aviation; that nothing else would give such a measure of financial relief or contribute so much towards reducing political tension, restoring confidence and promoting recovery and that unless this is now done by agreement it may be done of necessity without the revivifying effect that would follow concerted action.

In other words it is believed that advantage should be taken of the opportunity and necessity that exist in order to achieve by general agreement a universal and relative reduction of armaments to the great advantage and perhaps salvation of the world which if not done by agreement may very well be brought by force of circumstances and in a manner disastrous to the world.

Naturally we fully realize that any agreement would have to be absolutely complete and general and that there could be no liberty to pick and choose items in it.

We hesitate to express any specific ideas as to how far we should go in naval matters because we cannot in Geneva estimate how any such measures would affect our relative strength with Japan. We cannot foresee how Japan would react to any drastic proposals of this sort but even if her opposition made acceptance impossible you may feel that a unity of front of the civilized western powers toward drastic reductions would be a further evidence of that unity of purpose between them for which you have been working.

These views represent the opinions of the whole delegation and this telegram has their unanimous and whole-hearted approval, stating as it does very frankly the situation as it presents itself at this moment and represents an urgent plea for the taking of stock so that in case a great opportunity arose we should not miss it.

I want to make very clear that we are not taking exception to the attitude of our Government on different points. Obviously when these different items are treated separately on the agenda of the conference each must be dealt with as if it stood alone. In the course of the past few weeks the discussions in the technical committees have brought us to the conclusion that we shall never get anywhere along these lines because there is so much opposition in dealing with each individual item to prevent progress at any point and we are more and more convinced that the only hope of achievement lies in some general scheme in which everybody gets something he wants by giving up something he wants. This does not mean that we are advocating Baldwin's scheme specifically, but we submit that we feel you should be considering what general conception we could accept in the interest of agreement.

Naturally we recall from the discussions while you were here that the instructions we have on these various points do not necessarily

represent the last word of our Government on the whole subject and that in the face of any general movement for real disarmament the United States would not hold back but we feel with the possibility of this new situation arising very soon that we now need the benefit of your guidance based on consideration of the whole problem and all its component parts.

GIBSON

500.A15A4 Air Armaments/87 : Telegram

The Acting Chairman of the American Delegation (Gibson) to the Secretary of State

GENEVA, May 31, 1932—10 p. m.

[Received May 31—9:05 p. m.]

224. In connection with the work of the Air Commission it is quite likely that proposals will be presented respecting adoption of rules to control aerial warfare. In view of this we would appreciate learning from Department whether report of the Commission of Jurists which met at The Hague in 1923²⁴ constitutes a satisfactory basis for elaboration of such rules and if so would appreciate by mail any detailed suggestions with respect to this report.

GIBSON

500.A15A4 Land Armaments/91 : Telegram

The Acting Chairman of the American Delegation (Gibson) to the Secretary of State

GENEVA, May 31, 1932—11 p. m.

[Received May 31—8:50 p. m.]

225. In a meeting this afternoon the Land Commission discussed a reply from the Technical Committee to the questionnaire (see my 210, May 25, 6 p. m.²⁵) which had been submitted to them by the Land Commission. The reply was verbose, indeterminate and inconclusive and in particular had failed to make any workable distinction between tanks and armored cars, grouping them together in such a way that any treatment applied to one must necessarily apply to the other. Colonel Strong, who sat in the Technical Committee, reports that the failure to reach technical agreement on definitions of tanks and armored cars was caused by the political preoccupations of the

²⁴ *Foreign Relations*, 1923, vol. I, p. 67.

²⁵ Not printed.

technical representatives; in the case of the defeated powers by the desire to insist on the abolition of all arms of which they are deprived by the peace commission treaties; in the case of France a disinclination to accept any restriction upon the development or use of any form of mechanized means of warfare; in the case of Great Britain a fear of the application of restrictions to combatant mechanized means below a certain tonnage and a fear of restriction in the use of non-combatant mechanized instruments such as supply and ammunition vehicles; in the case of Poland and Bulgaria a fear of the deprivation of means of defense against possible Soviet aggression.

In the apprehension that the coupling of tanks and armored cars may render more difficult any efficacious action by the General Commission towards the abolition of tanks Wilson spoke early in the debate and criticized vigorously the failure of the Technical Committee to make technical replies to the question submitted and expressed the belief that the attitude of the technical men had been influenced by political considerations rather than by recognized technical facts. He stated that in the event that the Land Commission made a report to General Commission which did not provide specific definitions for tanks and armored cars the American delegation would add a reservation in its own words such a definition for the purpose of making effective whatever steps might be taken toward qualitative disarmament.

The British delegation proposed that the Land Commission report that all armed and armored vehicles of over 25 tons should be considered as specifically offensive and falling within the terms of the General Commission resolution of April 22nd. The French delegation declined to agree to the foregoing thesis and stated that inasmuch as tanks of about 70 tons were the only ones which could be used against permanent fortifications only such tanks could be considered as falling within the resolution of April 22nd (Aubert's remarks seem to have been at variance with what we know of the French thesis, namely that medium size tanks may be considered offensive but that very heavy tanks can be considered only as defensive because of their small radius of action).

The Belgian, Brazilian and German delegations specifically supported what Wilson had stated while the French and Spanish delegations maintained the impossibility of differentiation between tanks and armored cars.

500.A15A4 Air Armaments/72: Telegram

*The Secretary of State to the Acting Chairman of the
American Delegation (Gibson)*

WASHINGTON, June 1, 1932—6 p. m.

119. Your 224, May 31, 10 p. m. This Government has in the past years made several efforts to persuade other nations to conclude a convention which would put into effect the rules contained in the Report of the Commission of Jurists drawn up at The Hague in 1923. Inasmuch as their primary purpose is to restrict aerial warfare as far as possible to military objectives, you may regard these rules as a satisfactory basis for elaboration. You may find it possible so to extend the rules as to protect civilian populations yet more effectively (see Point 5, your speech of February 9²⁶). We are asking the War and Navy Departments if they are prepared to furnish us with detailed suggestions along this line.

STIMSON

500.A15A4/1093: Telegram

*The Acting Chairman of the American Delegation (Gibson) to the
Secretary of State*

GENEVA, June 5, 1932—7 p. m.
[Received June 5—6: 50 p. m.]

231. Many thanks for your 121, June 4, 2 p. m.²⁷ The only change in the situation since sending our 220, May 28, 2 p. m., is the change of government in Germany.²⁸

In the course of the conversations with members of the various delegations here, the general impression has been one of regret at the disappearance of the personality of Bruening from the picture, but a kind of belief that through German clumsiness in handling the situation they have gone a long way toward reuniting opinion as to the necessity of maintaining a rigid regime and attitude until it is seen what line Germany is going to take. While there has been some unthinking comment to the effect that these events have rendered impossible any hope of achievement in disarmament, the more intelligent view appears to be that on the contrary this should render achievement easier because of the drawing together of opinion in France, Great Britain and the United States; this will tend to promote agreement among them and thus lead to results. It is

²⁶ *Ante*, p. 29.

²⁷ Not printed.

²⁸ The Ministry of Heinrich Bruening was succeeded by that of Franz von Papen on June 1, 1932.

felt that in a sense the situation is simplified by the fact that the German Government and its need for face-saving need no longer be taken into account to the same extent as was the case when the other powers had an interest in keeping Bruening Government in power. If progress can be achieved among the other powers they can speak with one voice in telling Germany she must take what she can get as a first step toward equality.

Thus, while it is possible that the conversations which it is hoped may take place before Lausanne may have to be changed in character and be conducted in part without the German representative, nevertheless, we have not thus far seen any serious inclination to recommend that they be abandoned.

GIBSON

500.A15A4/1103 : Telegram

*The Secretary of State to the Acting Chairman of the
American Delegation (Gibson)*

WASHINGTON, June 7, 1932—noon.

122. To the Delegation. Your 220, May 28, 2 p. m.

1. I am wholly sympathetic with your desire to be so prepared that it will be unnecessary for you to discourage the cause of disarmament by holding back in case a situation for a real measure of success should arise. This does not, however, require that you should be prepared in such detail as if our delegation was under the burden of the initiative itself to carry through a complete program. The real strength of America's position in the movement for peace today does not depend upon her taking the initiative in this Conference. On the contrary you are facing what is primarily an European peace conference. America is anxious to aid that and in no way thwart it, but at this very moment our navy is maintaining the stability of peace in the Far East, not only for ourselves but for Britain, France and the other large powers interested in that locality. The world today is divided into two hemispheres in respect to the problems of peace and disarmament. One hemisphere contains the pressing disarmament problems of the European nations who are sitting at Geneva, the other the even more burning problem of preventing the spread of war in Asia. America sits between those two hemispheres, and her position at Geneva is in some respects limited by her responsibility on the Pacific. Our fleet today is so far below the London Treaty limits that the greatest care must be taken lest even apparently minor changes disqualify it from continuing to perform the peace duty which it is now performing.

Furthermore the armament burdens which trouble Europe are primarily land armaments. The only naval power which bears upon these European land armaments is the British naval power in the Mediterranean which conflicts with the French ferriage problem to North Africa. No matter how much we might reduce our navy, Britain would never relinquish her superiority in the Mediterranean which is based on Malta and Gibraltar and protects her route to India. Thus our naval power really has no influence in preventing European land disarmament.

2. In the face of this situation Baldwin's proposition²⁹ that we should abolish battleships completely is an impossible one. The British Government must know that we cannot agree to it, and I feel sure that neither they nor France nor Italy will press it to our embarrassment. In the United States today such a proposition would be frankly impossible politically and rightly so.

3. Nor do I think there is reason to anticipate alarming dissatisfaction from peace groups at Chicago. We are in touch with the groups who are preparing the plank to be presented at the conventions,³⁰ and their attitude and their plank is moderate in tone. We have asked them directly whether there was dissatisfaction with our policy at Geneva, and they have told us that it was confined to a very small and unimportant group.

4. The drawback to setting out a program of concessions prematurely is that no matter how carefully it may be guarded by the condition that it is to be treated as a whole and not in part, nevertheless this precaution will not avail to prevent other powers from picking it to pieces and using our concessions while rejecting our conditions. Such concessions may return after many years to plague us. Therefore my own view of the safest tactics for America in this conference has always been to stand firmly on the unchallengeable position that in 1922 and 1930 the naval powers made the only effective sacrifice in disarmament that has ever been made, limiting their peculiar weapon the navies, and that until a similar earnest of progress shall be made by the land powers, it is not up to us to offer further concessions. There is considerable danger that this Conference is drifting away from this fundamental point, namely, the necessity of finding a solution for the burdens and dangers of the land powers of Europe. Without offering any substantial concession themselves, spokesmen for the land powers have spent much energy in trying to drive us to further concessions which are really irrelevant to the real problem.

²⁹ See telegram No. 169, May 13, 4 p. m., from the Ambassador in Great Britain, p. 121.

³⁰ The national conventions of the Republican and Democratic Parties were held in Chicago in June-July, 1932.

5. I therefore think you should be most cautious before you disclose our ultimate possibility of concession and that it should not be done unless there is a genuine proposal of general disarmament, including a disarmament of the land powers proportionately equivalent to what we have given and are giving up on the sea and that the proposal is practically certain of adoption by the major powers on these points. On these points I must be first consulted. Frankly I am skeptical of such a proposition being actually made. I am practically certain that Japan would not join in her present temper. It is not consonant with our present duties in the Pacific for America to lift to the world an unsupported torch on this subject.

6. Under these conditions I think the limit to which I can go in outlining to you the possibility of naval concessions is to tell you how our minds are working here now, in order that you may have the means of comparing in your own minds the feasibility of proposals which other nations may discuss with you, but without giving you the authority to put our proposals out until I am assured that the possibility of a real disarmament has crystallized far more than is in sight at the present. Therefore what we now give you must be held for the present strictly confidential within the members of the delegation.

7. Battleships: Under no condition can they be abolished. Conceivably the tonnage of the five powers might be reduced by a 33 per cent cut, we thus having 10 ships to Japan's 6, the limitation of individual vessel size remaining as at present. In this connection remember that an American proposal at London, in 1930, for a similar reduction of 20 per cent in tonnage was rejected by both Great Britain and Japan.

8. Airplanes and carriers: We might abolish all military aviation as a part of land armament in time of peace and prohibit all bombing from the air both on land and sea. We are unwilling to abolish airplanes for reconnaissance and guidance of fire at sea or the carriers necessary for this purpose. We might consent to a cut of 20 per cent in the total tonnage of such carriers.

9. Cruisers: We might consent to a 20 per cent cut in the total London Treaty tonnage; the 8-inch cruiser tonnage, however, to remain as at present, namely, 180,000 for us, 146,800 for Britain, 108,400 for Japan. We might make a similar 20 per cent reduction in total destroyer tonnage. France and Italy of course present a peculiar problem owing to their not being parties to Part Three of the London Naval Treaty, but it is not insuperable. Both nations have, at various stages in the negotiations, suggested quotas of each auxiliary category with which they professed to be satisfied. It should be possible, therefore, to fix by agreement for the purpose of this general program a

basis from which to make a proportionate cut. In any event, they must be a party to the agreement and make a sacrifice which is commensurate with that made by the three larger naval powers.

10. All of these suggested reductions in naval strength would be not only conditioned on mutual proportionate cuts in the same categories of treaty strength of the other powers, but they are especially contingent upon a cut of 33 per cent being made in submarine tonnage, and especially upon there being accepted a reduction of the size of individual submarines to 250 tons. This individual reduction is the chief key to the suggestion and represents a concession from what has hitherto been our position of demanding the total abolition of submarines.

11. Land forces: As I have already stated such naval concession must be also contingent upon a real reduction of the forces of the land powers genuinely commensurate with what the naval powers have done since 1921. We feel that it is necessary to maintain in the world the general balance between military power on the sea with that on the land. As a matter of fact, for over a hundred years the sea power of the two English-speaking nations, which are the two leading naval powers today, has been in general exercised for stability and peace in the world. That is its characteristic today. For that reason alone this sea power should not be so diminished as to give military power on land, which is capable of more permanent aggression than sea power, a disproportionate weight. The large land forces of Japan require special attention, because unlike other land powers, she has a most powerful navy, almost equalling the strength of the other two naval powers, who on their part have practically no land strength. We feel that the minimum reduction for the land forces of the land powers should be at least a 33½ per cent cut of their respective defense contingents, calculated upon the basis of our formula for land effectives. In other words, they must accept our formula based upon some agreed method of calculating the two classes of effectives and then consent to a cut of at least one-third in the defense contingents.

12. Answering your specific question, whether we will undertake not to increase our present army, the extent of our commitment should be not to increase it beyond the appropriate increment necessary for police or domestic order. Should our proposal as to effectives be adopted in any form, the American army today is probably much below the standard which will be chosen as necessary for such police or domestic order. It is very likely considerably below the size which we ourselves may hereafter find necessary in case of domestic disorder.

13. Our proposal already made as to tanks, heavy mobile artillery and gas should, of course, be a part of any such general plan.³¹

14. The foregoing includes what I consider to be at present an irreducible minimum in the reduction of the naval strength of this country under any conditions which I can conceive as arising. As I have already emphasized, it should not be put forward even to friendly powers until we are assured of a strong probability of success. In several respects strenuous effort should be made to better it even when proposed, as for example, in the case of the abolition of submarines. We here must reserve the right to be consulted as to the hopefulness of any situation in which it is to be disclosed.

15. I am sending this message after conference with the President, the Chief of [Naval] Operations, and the Chief of Staff. While it represents our most careful effort, it is not intended to shut you off from comment thereon, which I shall always welcome.

STIMSON

500.A15A4/1098 : Telegram

*The Acting Chairman of the American Delegation (Gibson)
to the Secretary of State*

GENEVA, June 7, 1932—1 p. m.
[Received June 7—8:10 a. m.]

233. For the Secretary and the President. Informed in strict confidence by member of the British delegation that they understand Sir John Simon has come out whole-heartedly for Baldwin's plan reported in our 169, May 13, 4 p. m., from London; that the Cabinet was to meet to consider the plan last night and will meet again tomorrow, Wednesday morning, and that it is hoped that the plan will be accepted as a whole for presentation at Geneva. Our informant was not aware of the details of the plan merely knowing that it was of a general character.

GIBSON

500.A15A4/1105 : Telegram

*The Secretary of State to the Ambassador in Great Britain
(Mellon)*

WASHINGTON, June 7, 1932—2 p. m.

172. Your 169, May 13, 4 p. m. Gibson telegraphs from Geneva that he has been informed in strict confidence that the British Dele-

³¹ See Mr. Gibson's speech of April 11, p. 76.

gation understands that Sir John Simon has come out wholeheartedly for Baldwin's plan; that the Cabinet was to meet to consider the plan last night and will meet again tomorrow, Wednesday, when it is hoped that the plan will be accepted as a whole for presentation at Geneva.

In view of the short time involved, I am particularly anxious to get a message to Baldwin and Simon before tomorrow's Cabinet meeting and feel that as Baldwin's message came to me in an informal and personal manner, the best means of answering would be for you to see him and Simon urgently and explain to them orally the following considerations.

We are anxious to aid and in no way thwart the success of the Conference but the extent of our ability to join in Baldwin's proposed measures of actual reduction is limited by our responsibility on the Pacific. At this very moment our Navy is maintaining the stability of peace in the Far East, not only for ourselves, but for Britain, France and other powers interested in that locality.

This emergent situation only confirms our long standing national policy as to capital ships. It is simply impossible for this Government to consider a total abolition of them. We feel that a mere proposal to that effect by the British would seriously handicap us in our present responsibility on the Pacific and would also tend to drive a cleavage between the policies of our two nations at a time when harmony between us is most important.

Although we feel that in view of the great initiative in sacrifice which has been taken since 1921 by the naval powers renders it now appropriate that a similar initiative should be shown first by the powers having dominant land forces, we are prepared to join in a general movement for real disarmament, provided such movement is conditioned upon real and commensurate sacrifices by both classes of powers. Our delegation has already been instructed accordingly, but it cannot include the abolition suggested.

STIMSON

500.A15A4/1106 : Telegram

*The Ambassador in Great Britain (Mellon) to the
Secretary of State*

LONDON, June 8, 1932—5 p. m.
[Received June 8—2:10 p. m.]

198. By early arrangement I made appointment to discuss your 172, June 7, 2 p. m., with Simon and Baldwin before Cabinet meeting this afternoon when disarmament conversations are scheduled.

When I had finished giving a summary of your views Baldwin, after asking Simon's permission to speak first, stated in substance as follows:

"When Norman Davis and Gibson were here I had one or two informal discussions with them as man to man but Simon and I had no idea that anything we said was considered as more than a personal discussion of phases of disarmament phraseology, certainly no one there was believed to be speaking for his Government. Indeed, Davis and Gibson had no authority to speak for their Government. If I was advancing any views other than strictly personal thoughts as the conversation developed I should have insisted that they be present. If I may say so, disarmament deliberation results in Geneva so far really have amounted to little more than 'fle', and it was on the basis of what possibilities lay in disarmament that would really put tang into Geneva that the four of us (Davis, Gibson, Simon and myself) developed personal suggestions in the course of an hour's conversation along one another's trains of thought. No record was kept of the conversation by Simon and myself, and I am as much surprised that a summary ever reached Colonel Stimson as I was when I learned the Ambassador had asked to see me today."

I replied that Mr. Baldwin need have no misapprehensions since Secretary Stimson expressly stated that the résumé of the Gibson-Davis conversation had reached him in an informal and personal manner. Sir John Simon stated he was relieved by my assurance because he would not like to think the British Navy or, above all, anyone connected with the American Navy should have any suspicions that the question of abolition of capital ships had been put forward by the British Government to Davis and Gibson. On getting up to go Baldwin stated he felt it important that you had a clear idea of his remarks, the substance of which I have quoted above. Upon his departure, Sir John Simon said that he took the object of your telegram under discussion was merely for purpose of safeguarding, but he did want to make clear what Baldwin had said that no record of the conversation existed, and it was understood by both himself and Mr. Baldwin that the conversation with Gibson and Davis was purely an expression of personal thoughts on disarmament matters. Both Baldwin and Simon assured me that if they had any proposals for Geneva which they regarded in any way seriously affecting the point of view of the United States they certainly would officially consult the American Government in private conversations beforehand rather than risk divergence of views between the two Governments in open discussion, when harmony, as you state, was most essential. Sir John Simon added that in his memory of the conversation the point of view expressed regarding capital ships to which his mind clung was the financial advantage accruing if the

World adopted a gradual policy not for the abolition of capital ships but for a World acceptance of limitation of size of capital ships. In other words, navies and capital ships in particular should be reduced "as though seen through the wrong end of a telescope".

As I was about to leave Sir John Simon informed me that he and the Prime Minister were leaving Saturday morning for Paris where they would spend Sunday discussing various pending subjects with Herriot who was "exultant" upon the vote of confidence received in the Chamber. On Monday morning Simon and the Prime Minister will leave for Geneva arriving there Monday evening. They will spend all Tuesday in Geneva and Wednesday morning leave for Lausanne.

Copy to Geneva.

MELLON

500.A15A4/1108 : Telegram

*The Ambassador in Great Britain (Mellon) to the
Secretary of State*

LONDON, June 9, 1932—4 p. m.

[Received June 9—12:55 p. m.]

203. Since my telegram 198, June 8, 5 p. m., I have been able to assure myself from an informal Foreign Office conversation, and I have also advised Gibson by telephone in Geneva, that the purpose of my conversation of yesterday with Baldwin and Simon was thoroughly understood, and that Baldwin expressly emphasized his remarks in reply as set forth in my telegram not through any sense of irritation but that it might be a matter of record in the Department, (first), that no proposals had been advanced by a member of the British Government in the personal and useful exchange of ideas with Gibson and Davis, and, (secondly), that if and when the Cabinet reached any decision on disarmament proposals for formal presentation at Geneva which in any way affected the interests of the United States the British Government would officially though confidentially consult the United States Government beforehand.

I also learned that the Cabinet is discussing phases of the Disarmament Conference but no decision has been reached and indeed no agreement may even be arrived at before the Prime Minister and Simon leave on Saturday.

On Monday evening when the Prime Minister and Simon reach Geneva after the Herriot conversations in Paris, they plan to see Gibson and Davis that same evening should MacDonald's health permit; otherwise they will hope to see them the first thing Tuesday

morning. I was further assured that the Foreign Office had interpreted my seeing Baldwin and Simon as merely for purposes of safeguarding and appreciated and shared fully your desire to assure the fullest harmony.

Copy to Geneva.

MELLON

500.A15A4/1111 : Telegram

*The Secretary of State to the Acting Chairman of the
American Delegation (Gibson)*

WASHINGTON, June 9, 1932—4 p. m.

125. London's cable 198, June 8, 5 p. m., a copy of which has been sent to you puts an entirely new aspect upon the situation which has arisen out of your interview with Baldwin and Simon. Evidently no comprehensive proposal has been agreed upon by the British Government and none will be made which contains the radical features reported to me from your interview in London. Under these circumstances it is doubly important not only that we should not put out any counter-proposal but that you should be doubly cautious not to permit any of the elements of my 122, June 7, noon, to become known without further authority from here. Please be extremely careful in these respects.

STIMSON

500.A15A4 Military Effectives/23 : Telegram

*The Secretary of State to the Acting Chairman of the
American Delegation (Gibson)*

WASHINGTON, June 10, 1932—3 p. m.

127. I have received your personal letter of May 30³² enclosing proposed speech on effectives, which I have read. I have given careful thought to the situation. I feel that the presentation of this subject may be the key to securing a real reduction in land forces provided it is presented in a way to preserve and increase the good-feeling which you have secured in your initial conferences with the French General Staff and others. At all events it seems to be the best chance for such reduction now at hand. I am, therefore, anxious that every precaution should be taken to make it effective by wise and tactful management.

My suggestions are as follows: (1) As to methods and tactics, I attach great importance to the suggestion contained on page 3 of your

³² Not printed.

letter of May 30 that by far the best way of presenting the proposal is to obtain the consent of several of the large European land powers to join in sponsoring the basic principle underlying the proposal. In this connection the President has assured me that you should feel under no obligation to present this as exclusively an American proposal. I believe, however, that a reference to Mr. Hoover as the original suggestor of the principle can and should be made in the course of presentation by its sponsors and that the other nations who may join in sponsoring the principle will be entirely willing to accept or even to cooperate in such a reference.

If you are unable to obtain actual joint sponsorship but if the important European land powers have agreed that there is merit in the basic idea which deserves consideration and are willing to treat it sympathetically, I see no objection to your proceeding with the speech provided it is submitted beforehand to say the French, British, Italians and Germans and you are given an opportunity to see their replies thus assuring that the debate will follow a prearranged and non-controversial course.

(2) I have read your speech and it seems to me to be friendly and conciliatory in tone and adapted to the course I am discussing. I am cabling you certain specific suggestions in a separate telegram. I now merely suggest certain changes in form and arrangement which I think might help the ideas I have in mind. When on your request I talked with General Requin at Geneva, I made a sharp distinction between the general principle of Mr. Hoover's proposal on the one hand and the formula to be found in the shape of figures for applying the principle. I said we believed that the principle of dividing land forces into two components, one for protection of internal order and the other for defense against outside attack was of far-reaching importance and, in my opinion, might offer the long-sought key to securing a successful reduction of land forces. On the other hand, I conceded that the formula or figures by which this principle should be applied was necessarily difficult; would be appropriately a matter for joint conference and effort among the various nations; and that the formula and figures which we had adopted thus far were a mere try-out; and that we did not seek to impose them in any sense upon the other nations, although we believed that our attempt was intelligent and useful. You have made the same distinction in your speech, but as I read it, I felt that by accentuating it and placing the sharp distinction between the principle and the tentative formula in the beginning rather than at the end of the speech, it would make it clearer to the hearers to whom it was addressed for the first time. I should take pains

to accentuate in the very beginning the tentative nature of our figures and formula, and that while we have done our best, we make no claim that they cannot be improved.

This is a rough statement of my views. I feel that this proposal as to land effectives offers a real and important opportunity to the Conference, and I hope that with careful and considerate treatment it may become very fruitful.

STIMSON

500.A15A4/1112: Telegram

The Acting Chairman of the American Delegation (Gibson) to the Secretary of State

GENEVA, June 10, 1932—8 p. m.
[Received June 10—6:51 p. m.³³]

239. The delegates desire to send you the following personal message.

If we have given the impression that we are desirous of making one-sided concessions or in any way impairing the efficacy of American national defense our telegrams have been badly expressed. We are thoroughly mindful of features of advancing only in step with other nations and you may be sure that we are just as determined as anyone to get a fair bargain for our country.

We confess that on the basis of the information in our possession we do not understand your recent telegrams which leave the impression in our minds that you feel we have misled you. We fear that we may be working at cross purposes because of our lack of knowledge of developments in Washington.

The following telegram is an attempt to analyze the situation on the basis of the information in our possession in order that we may have a careful check before the arrival of MacDonald, Simon and Herriot:

1. The delegation has at no time reported that any comprehensive proposal had "been agreed upon" by the British Government (your 125, June 9, 4 p. m.). I reported to you accurately the statements made to Davis and me by Baldwin which he at least considered of sufficient importance to place before the Cabinet. Later statements were made to us here by Mrs. Corbett Ashby, British delegate (whose words were repeated exactly in our 233, June 7, 1 p. m.) also by Drummond, Secretary-General of the League, and by Cado-gan of the Foreign Office (reported to you over the telephone by

³³ Telegram in five sections.

Davis on June 7th)³⁴ as to the fact that a general scheme was at that time under consideration by the Cabinet. As you were informed by telephone, Drummond told us that Simon had told him definitely in London last week that he would not return to Geneva unless authorized by the Cabinet to put forward a "real program" calculated to accomplish something worth while. That same afternoon Cadogan came in to say that he had been called home for conference; that he understood the Cabinet which was now considering disarmament was about to make a "bigish decision" and asked if there was any word or information which he might carry back to London for the guidance of his Government. Drummond said that the only definite information Simon had given him was that he was in favor of the total abolition of military aviation. Cadogan confirmed this, adding that he did not know what it was proposed to do in the general scheme about reductions in the navy. Since our last telegrams to you Drummond informed Davis and me yesterday that he had talked with Simon by telephone the night before and that the question was still under discussion by the British Cabinet but he hoped they would reach a decision before MacDonald and Simon leave for Geneva. In conversation with me yesterday Henderson indicated his knowledge of a general plan now under discussion. We have at no time sought to give you a detailed estimate of the plan under discussion but have felt obliged to inform you of the various reports of this character which have reached us.

2. As to the possibility that the abolition of capital ships may have been omitted from any plan now before the Cabinet, we are inclined to believe that this is so and that this may have been due in part at least to the very definite views which Davis and I immediately expressed to Baldwin on the attitude of our Government.

3. As to your repeated warnings to refrain from divulging the elements of your instructions, I am asked to say by all the delegates that none of us have at any time advocated or contemplated volunteering in a one-sided way a statement of the concessions we were prepared to make. If you will reread our 220³⁵ you will see that we were prompted neither by any desire to take the lead, that we were not even advocating that we should join in the presentation of an acceptable general scheme brought forward by others. We do not advocate or expect you to agree to such a far reaching plan as that outlined by Baldwin. The fundamental purpose of our 220 was to elicit for our guidance and information a conception of what our

³⁴ Memorandum of telephone conversation not printed.

³⁵ May 28, 2 p. m., p. 145.

Government could envisage as a general scheme along the lines you have since indicated in your 122, of June 7, noon. We merely wanted to know where we stood and what position we should take in the event some scheme was proposed. In the second place we wanted to see what possibilities there were of meeting the British in certain respects, in the belief that they would rather adopt any reasonable plan acceptable to us which would give them a substantial measure of financial relief together with the advantage of American support, rather than press for their own plan without such support.

4. Davis and I wish to make it very clear that Baldwin did definitely include the total abolition of capital ships as point 3 of his personal scheme and the conversation followed the lines exactly as reported to you in London's 169, May 13, 4 p. m., and our 189, May 17, 1 p. m. Although Baldwin stated that the views advanced by him were the result of his own personal thought and that he was not speaking for the British Government, he expressed them in the presence of the Foreign Secretary who did not dissent. You will observe that Simon does not deny that the abolition of capital ships was brought forward but merely states (as reported in 198, June 8, 5 p. m., from London) that such a point of view regarding capital ships "to which his mind clung" was the financial advantage in reduction in maximum unit size. Simon did bring forward this, and as British proposal, and we replied with the usual arguments. It had nothing to do, however, with Baldwin's idea which was for total abolition.

5. Baldwin's expression of surprise that his purely personal outline of a plan should have been communicated to you must be considered in the light of the circumstances. As a matter of fact he specifically expressed the hope that our Government would give earnest consideration to his plan, as reported in the last sentence of 169, May 13, 4 p. m., from London and the last paragraph of our 189, May 17, 1 p. m. However, he was obviously taken aback by having the subject matter of our conversation made the subject of official representations by the American Ambassador especially as the subject thereby became a matter of record which he realized might in the event of questions in the House of Commons be embarrassing. His only course, therefore, was to make a clear record that no proposal for abolition of capital ships had emanated from the British Government.

6. While we have no idea of the character of the proposals which the British may bring forward, we feel it would be most unfortunate if you were to conclude from what was said or not said to Mr. Mellon that all plans have been washed out. The fact that Baldwin or Simon did not inform Mr. Mellon of the adoption of any plan was presum-

ably due, first, to the fact that the Cabinet had not acted upon it and, second, that their final and definite proposals would be in some measure contingent upon consultation with Herriot in Paris and ourselves here.

7. We feel that the private, personal and unofficial conversations which we have had under way offer the greatest hope of collaboration but we fear that our usefulness will be somewhat impaired and our ability to elicit frank expressions from other delegations will be lessened if the substance of such conversations is made the subject of official diplomatic representations through other channels.

In conclusion the delegates wish me to submit the following:

Throughout our work here in informing you of plans for the future of the Conference and in all other steps we have taken, we have been moved solely by a desire to conform to your policies and those of the President and to provide you with the information on the situation as it appears to us here which may be essential to the formation of such policy.

GIBSON

500.A15A4/1114 : Telegram

The Secretary of State to the American Delegation

WASHINGTON, June 11, 1932—2 p. m.

131. First. I do not feel that you have misled me. I have had no fear as to your loyal desire to conform to the policies of the President, as expressed by myself, or your zeal and ability in carrying them out. I am inexpressably grieved that you should have had misgivings to the contrary. Please dismiss all such thoughts.

Second. Your 169^{35a} reporting your talk with Baldwin and Simon necessarily, however, raised a major emergency for me to confront and decide in the face of which all minor matters of communication and form became of comparative insignificance. Mr. Baldwin proposed a program which he himself termed "revolutionary" and "shocking"; which he said was to be accepted or rejected as a whole, and in which he included the abolishing of the capital ship as an essential center. He informed you that he had already discussed it in the British Cabinet and he specifically asked the consideration of my Government of this plan. Later, in your 125 [233],³⁶ you informed me confidentially but on the direct authority of a member of the British delegation that the British Foreign Minister had "come out wholeheartedly for Baldwin's plan"; that it was under direct con-

^{35a} May 13, 4 p. m., from the Ambassador in Great Britain, p. 121.

³⁶ June 7, 1 p. m., p. 157.

sideration by the Cabinet and "that it was hoped that the plan would be accepted as a whole for presentation at Geneva." Such news not only indicated the coming of a major crisis in the work of the Conference which might at once reveal a fundamental cleavage between the policies of Britain and America but it no less surely aimed a blow at the most delicate foreign situation which this Government was then handling, namely, our entente with Britain in the crisis in the Far East. Neither you nor he could expect me to stand on form or ceremony in the presence of such an imminent issue and the sending to him of an informal message, through Mr. Mellon, conveying the result of the consideration which he had himself bespoken as to this feature of his plan was a very natural way to forestall such a contretemps. So far as Baldwin is concerned, I have since heard in a second message from Mellon that the purpose of my message was thoroughly understood by both Baldwin and Simon and that Baldwin emphasized his remarks set forth in London's 198³⁷ not through any sense of irritation but to make a record in the Foreign Office that no such proposals had been officially advanced by any member of the British Government. So far as the essential relations of the two Governments are concerned, which after all are the matters upon which my attention must be primarily concentrated, the effect of my warning has been to lift, temporarily at least, a dangerous cloud from the situation both here and in the Far East, and to assure us here and you in Geneva that this revolutionary proposal will probably not be put forth at all by the British and certainly not as a surprise to us. If there is any divergence indicated by Baldwin's statement to Mellon from the statement he made to Gibson and Davis, I think it is quite clear that it is not due to any inaccurate reporting by the two latter gentlemen but to a probable and beneficent change in the British policy produced now by the frank disclosure of our own.

Third. The reason why I repeated my caution against any revelation of the total elements of our plan contained in my 122³⁸ was because unless I am mistaken it has now become evident that the British will not put out a "comprehensive" plan like that of Mr. Baldwin's suggestion, but a much more moderate one. If I am right in this, it would only be an embarrassment to us for them to learn that we had ever considered such a program as I outlined in my 122.

Fourth. I hope that the foregoing will entirely relieve any anxiety as to my feeling. I am grateful for the patience and loyalty that you have shown through long and disappointing months and I am anxious to back you as efficiently as possible in obtaining the eventual success

³⁷ June 8, 5 p. m., p. 158.

³⁸ June 7, noon, p. 153.

which I confidently hope will come. On my part, I only ask you to realize that since my return I have been plunged into an atmosphere of tension and pessimism in America, beside which even the April atmosphere at Geneva seems a balmy Elysium.

STIMSON

500.A15A4/1116 : Telegram

The Acting Chairman of the American Delegation (Gibson) to the Secretary of State

GENEVA, June 11, 1932—7 p. m.

[Received June 11—3:05 p. m.]

242. Cadogan called this afternoon on his return from London and said that the Prime Minister and Sir John Simon who will arrive here Monday night, will on Tuesday communicate to us their views as to how the future work of the Conference should be handled. He said he was not in a position to give us "chapter and verse" but that he was encouraged by the progress his Government had made toward a general conception of the problem.

He said that their thoughts were not even yet entirely definite and were subject to possible modifications after talking with Herriot in Paris and with us here and that this was "all that he could now usefully tell us". He was familiar with Mr. Mellon's interview with Baldwin and Simon and felt that Baldwin was startled and in his desire that his previous conversation with Davis to [*sic*] my cablegrams should not be considered official "perhaps went too far towards disclaiming any project on the part of the British Government."

We raised the question of a drastic cut in land armaments as a condition for considering any further efforts on our part and he said his Government was in thorough accord with that point of view. No detailed discussion took place and we of course made no endeavor to urge his confidence and volunteered nothing as to the line in which our thoughts were running.

GIBSON

500.A15A4/1115 : Telegram

The Acting Chairman of the American Delegation (Gibson) to the Secretary of State

GENEVA, June 12, 1932—6 p. m.

[Received June 12—2:15 p. m.]

243. Your 131, June 11, 2 p. m., is greatly appreciated by all the delegates, who ask me to tell you that they are immensely relieved to

find that you entertain no misgivings and that in spite of the demands upon your time and strength, you have made time to clarify this whole situation with so much understanding.

GIBSON

500.A15A4/1124 : Telegram

The Acting Chairman of the American Delegation (Gibson) to the Secretary of State

GENEVA, June 14, 1932—7 p. m.
[Received June 14—3:45 p. m.]

244. MacDonald and Simon lunched with me today. Davis and Wilson were present.

MacDonald said that the atmosphere in Paris was excellent; that Herriot was as friendly as could be, and that until their conference here in Geneva this morning, where they got down to specific questions on disarmament, he had been very hopeful but that he was rather discouraged by his inability this morning to elicit anything more than the same generalities he had heard before. MacDonald therefore thinks that we have got to go back again over the same ground with the new French and German Governments that you and he covered with Bruening and Tardieu in the hope of arriving at the same starting point. He was struck by Herriot's statement that he could not discuss with Germany questions arising out of the Treaty of Versailles as that would imply recognition of Germany as an equal. MacDonald stated that they had tried to [get?] the French to examine with them certain specific possibilities but that Herriot and in particular Paul-Boncour had insisted on dragging in such matters as the international force, internationalization of aviation and other controversial questions as necessarily preceding any discussion as to suppression or limitation of arms. MacDonald said that he was willing to join a group which would not include Germany to discuss the problem of specific qualitative limitation as he thought we would be justified in leaving Germany out of the discussion in matters where she was already limited by treaty and could so explain to her. When it came to questions of a more general nature, however, he was not willing to debate them without the presence of the delegates as he felt that would not only be wrong but would be playing directly into the hands of those Germans who were opposed to agreement since they would be justified in saying that agreement had been reached behind Germany's back and without consultation with her.

No mention was made of any comprehensive British plan for disarmament and of course we did not broach it. It is our impression

from the tone of their conversation that they had submitted specific proposals to the French and that these had met with such a discouraging response that they did not consider it worth going any further with us for the moment.

After the general conversation MacDonald called Davis aside and said that he wanted some time to talk very privately with him about Lausanne;³⁹ that the situation had changed radically since his talk with you and subsequently with us in London; that the City is now more insistent than ever on a complete wiping out of reparations and that he was in an embarrassing position and was afraid you might feel that he had let you down. The stand which our Government had taken, he said, is quite understandable, had rather increased the pressure from the City. It may be that if the British are pressing the French for total cancellation of reparations the latter may be holding back on disarmament for the moment which in turn might readily account for MacDonald's failure to elaborate his [statement?] to us. We hope to check up on this from the French this afternoon.

We discussed various possible courses of procedure but felt that no decision could be taken as to the wisest course until after conversations which are still to take place with Grandi and Nadolny this afternoon.

Simon felt that it was very important that we agree upon some definite basis of work for next week in Geneva. He suggested that there should be a definite objective in the talks with the French and Germans and envisaged the possibility of trying to persuade both of them to accept in the new treaty the inclusion of the military clauses of the Treaty of Versailles as applying to Germany, leaving Germany free at the termination of the treaty to negotiate a further treaty as an equal, but preventing her by some provision from denouncing the treaty during its life and thus freeing herself in this manner from the restrictions of the Versailles Treaty. He further proposed that Germany might give some sort of undertaking that during the life of the treaty she would conduct her foreign affairs in such manner as to avoid bringing up controversial political questions. We replied that we would be glad to collaborate with them in examining the possibility of reducing to writing for the clarification of our minds the first points indicated but we felt it would be unwise for us to try to deal with the question of a "political truce" particularly before his conversations had proven that such a thing would be possible.

GIBSON

³⁹ For correspondence relating to the Lausanne Conference, see pp. 636 ff.

500.A15A4 Steering Committee/22: Telegram

The Acting Chairman of the American Delegation (Gibson) to the Secretary of State

GENEVA, June 14, 1932—10 p. m.

[Received June 14—6:28 p. m.]

247. The Bureau of the Conference met this afternoon for consideration of the reports of the special commissions on qualitative disarmament. In view of the divergence of opinions and the lack of unanimity expressed in them the Bureau decided after considerable discussion to defer their consideration in accordance with Mr. Henderson's proposal until after the private conversations which were "understood to be on the point of beginning" could reach some measure of accord on political questions. Among the objections to considering any phase of these reports even those upon which unanimity had been reached was a German resolution to be put forward at the first meeting of the General Commission which would entail considerable discussion.

The German proposal if adopted would amount to a decision by the General Commission that all arms prohibited to Germany under the peace treaties are aggressive and should therefore be abolished.

In addition the Bureau decided that the Soviet proposal on private manufacture should take its appropriate place in the existing agenda and that a small committee should be appointed consisting of an American representative, De Brouckere, and Beneš to discuss, in consultation with the interested delegations, the terms of the resolution setting up the effectives commission and to determine whether the terms of reference might not be modified in the light of the observations made during the course of the Commissions' discussions.

GIBSON

500.A15A4 Military Effectives/27: Telegram

The Acting Chairman of the American Delegation (Gibson) to the Secretary of State

GENEVA, June 15, 1932—10 p. m.

[Received June 15—9:20 p. m.]

248. In the course of conversation with Herriot referred to in my 249, June 15, 11 p. m.,⁴⁰ I told him that we attached real importance to our idea for dealing with effectives and that we hoped after the long period which had been afforded the French delegation for examining it that it would be possible for them to join us in some way

⁴⁰ *Infra.*

in its presentation. He did not commit himself but said that he would do his best.

Sir John Simon tells me that he has gone over the matter with his advisers and that the British delegation will support us in any way we desire.

Grandi told me this afternoon that he was very anxious to cooperate with us and had in fact given instructions to his military advisers to find some way of rendering the project acceptable so that Italy should not be in the position of having to oppose anything put forward by us. He raised several points which gave him concern but I believe we were able to explain these to his satisfaction and I think that the idea is fundamentally acceptable to him now. His only real objection was that he felt that if the plan were brought forward precisely at [this] moment there was a real danger that it might be used as a curtain behind which all activity on the more pressing questions of qualitative abolition and limitation would be dropped. He said that of course a limitation of effectives was important but that it must be supplementary to limitation of armament and stocks in that he considered the latter a more real limitation to the aggressive power of a nation than the mere reduction of the numbers of trained men. He said that experience has shown that in about 3 months in case of necessity you can create an army of almost indefinite force whereas the same was not true as regards stocks particularly for a country not highly industrialized.

GIBSON

500.A15A4 Military Effectives/28 : Telegram

The Acting Chairman of the American Delegation (Gibson) to the Secretary of State

GENEVA, June 15, 1932—11 p. m.

[Received June 15—10:18 p. m.]

249. Department's 132, June 14, 6 p. m.⁴¹ Yesterday morning Wilson and I called upon Herriot and placed in his hands the revised text of our statement on effectives together with a French translation. We explained to him our desire to have him read this and give us the benefit of any suggestions in the hope that it might be presented in such a way as to merit his support. He said that he would give it his careful attention and as soon as convenient he would inform us as to his views.

⁴¹ Not printed.

Yesterday evening at 5 o'clock Pertinax stopped Pell in the street and outlined to him the substance of our text quoting certain items from the French translation. Several representatives of the American press called on Wilson last night and stated that the French at their evening press conference had spoken of a memorandum left with Herriot "which provided for the reduction of the French Army by about 100,000 men". Wilson denied that any such proposal for reduction had been made. This morning's French papers contained various criticisms of the plan, referred to its inanity and absurdity and expressing the view that it should be brought out and disposed of as soon as possible. Pertinax's article referring particularly to the tentative nature of our document was unobjectionable. Mowrer's story was secured from French sources. There are various inaccuracies in Mowrer's despatch. The memorandum was not given to the Yugoslav, Czechoslovak or Polish delegations and has been given in confidence to Herriot, Simon and Grandi so far.

I sent for Massigli who it appears is very much trusted by Herriot and expressed with some vehemence our discouragement at the fact that every time we have discussed confidential matters with the French delegation the French press has come out with attacks even before we have been afforded an official reaction. Massigli was obviously distressed and said that he feared this was based on the desire of certain elements in the French delegation to embarrass Herriot. Shortly thereafter Herriot came to see me accompanied by Marcel Ray, his *Chef de Cabinet*, a former journalist who accompanied Laval to America. Herriot was greatly agitated and assured me that under no circumstances could this document have come [into the?] hands of people who could have committed it to the press. I told him that a press conference had been held by someone in his delegation and told him what had been said. He said he was deeply disturbed that he would deal with this matter in no uncertain way. He appeared to be very genuine in all this and said he appreciated our act of friendship in telling him what had happened.

GIBSON

500.A15A4/1126 : Telegram

The Acting Chairman of the American Delegation (Gibson) to the Secretary of State

GENEVA, June 15, 1932—midnight.

[Received June 15—11:05 p. m.]

250. Our 244, June 14, 7 p. m. Massigli asked to see me this afternoon and said he was perplexed by the reports that the British were discouraged as the result of yesterday's conversation and that he thought perhaps the best way of making clear to us what happened was to read us his notes which he took at the time since he was interpreting for his delegation. These he read from paper bearing the heading of the British delegation.

MacDonald proposed that the five nations Great Britain, France, United States, Italy, Japan should hold conversations to attempt to get specific results in qualitative disarmament. Paul-Boncour and Herriot replied that they had no objection, but that they did not feel that the conversations could be rigidly limited to this point since limitation of expenditure for example was corollary to qualitative disarmament; some form of control had to be envisaged such as perhaps was contemplated in the draft of the preparatory convention, the measure of abolition of certain arms was dependent on whether a reserve of arms was kept under the control of the League of Nations.

MacDonald and Simon raised the question of how to go about discussing the German claim for equality of treatment without the presence of the Germans. Herriot replied in a statement which Massigli took down verbatim to the effect that France could not accept the demand of the Germans to discuss a political question on the threshold of a disarmament conference, that they would not exclude the possibility of such discussion after they had seen what was to be accomplished in real measures of disarmament. He said that if the Germans were to insist on starting the discussion with a political demand for equality he would under the circumstances be obliged to reply to the political refusal [*demand?*] taking the ground that up to the present the terms of the Versailles Treaty has not been modified. (We explored this more deeply with Massigli, who restated the position thus, that nothing has yet impaired the validity of the Treaty of Versailles, that the specific results of subsequent discussions in the Disarmament Conference might constitute some modification. After it has been discovered whether or not this has been done they are willing to discuss the political question but not to prejudge the Conference labors by discussing it first.)

Massigli said that the erroneous impression which had been given us as to the character of the conversation prompted him to ask us

whether we had indeed expressed a disinclination to participate in conversations between the French and British. Yesterday morning he said that on the train coming down from Paris on Monday it had been agreed that at 11 o'clock yesterday morning there was to be a three-party discussion and Simon had agreed to request us to attend, that on the following morning Simon's secretary had telephoned the French delegation to say that "the Americans have expressed a preference not to participate in this conversation between the French and English". This is not the fact as we were not consulted.

AS suggested in my 244 there seems to be a poker game between the British and French regarding reparations and disarmament and in this game the British may have considered our presence embarrassing. This may account for their reluctance to show their hand.

GIBSON

500.A15A4/1127 : Telegram

The Acting Chairman of the American Delegation (Gibson) to the Secretary of State

GENEVA, June 15, 1932—midnight.

[Received June 15—11:42 p. m.]

253. In conversation today Boncour gave Davis his ideas as to future procedure of Conference and matters susceptible of being immediately considered.

As to procedure he agreed that informal conversations be resumed on Monday⁴⁴ on his return from Paris between the British, French and American delegations and broadened as soon as possible to include Germany and Italy.

He indicated readiness to consider the suppression of certain aggressive weapons mentioning heavy artillery and heavy tanks. Suppression of heavy artillery he indicated might necessitate some provision with respect to large guns on battleships. Further he suggested that heavy bombardment planes might be abolished but opposed the idea of abolition of aerial bombardment directed against purely military objectives, he advocated total abolition of gas and bacteriological warfare.

Foregoing restrictions on certain types of arms should be supplemented by corresponding limitation of expenditure.

He suggested that certain suppressions might be gradually effected by allowing existing material to become obsolete rather than by immediate destruction, since existing army formations were organized with certain material and its destruction would necessitate costly army equipment.

⁴⁴ June 20.

While admitting this possibility of suppressing certain aggressive arms, he stated that France still considered that her thesis of placing these arms at the disposition of the League was the proper solution, and that they proposed to advance and support this position. However, if it was rejected they would not close the door to certain measures of suppression. Davis made it entirely clear that we were disinterested as to any plan with respect to internationalization or the formation of an international armed force which the members of the League might agree upon as among themselves and Boncour said that he quite understood our position.

Regarding effectives Boncour stated that as Minister of War he could not today assume the responsibility for accepting a reduction in the French Army. He emphasized, however, that this did not preclude action after the question had been studied in further detail. His objection was not to our proposed formula for effectives; it was due to the fact that a reduction in effectives would require a reorganization of the French Army which would take time. He stressed the fact that France since 1921 had reduced the period of service from 3 to 1 year thereby reducing the conscript effectives maintained under arms to 220,000. Any further reduction would presumably be effected through further cutting the period of service. He stressed that soldiers called to the colors were only of real value after their first 6 months of training and that hence the effective size of the French conscript army apart from its permanent and colonial forces was only around 110,000 men and that as Minister of War he could not now assume the responsibility of further reductions. He said that he was endeavoring to find some method for filling the gaps which would be caused in a few years due to the low birth rate during the war. Davis stressed the fact that failure to bring about any reduction in effectives would have most unfortunate effect upon public opinion; that Boncour's own statement showed that the number of effectives which would be available for the coming years would be substantially less than the present contingent and that if the treaty only gave effect to these inevitable reductions the popular reaction would be very different. He further pointed out that the elimination of certain so-called aggressive arms would seem [*mean?*] that countries like the United States and Great Britain, which had already accepted far reaching naval limitation, would be called upon to bear a disproportionate share of the reductions and that it was only through some contribution by the land powers with respect to their effectives that political appeasement in Europe could be hastened.

Boncour, with evident earnestness, stated his difficulty was that he could not say today or even within a few weeks exactly what he could

do with respect to effectives; possibly within 6 months he could do so. His idea was that, after drawing up as promptly as possible a treaty covering certain arms budgetary limitation, et cetera, as suggested above, the Conference should adjourn and a committee could be set up to consider the means of bringing about the limitation of effectives.

Davis suggested as one of the important results which should come from the Conference, the completion of the London agreement⁴⁵ by France and Italy, to which Boncour raised no specific objection but was rather noncommittal.

GIBSON

500.A15A4/1125 : Telegram

The Acting Chairman of the American Delegation (Gibson) to the Secretary of State

GENEVA, June 15, 1932—midnight.

[Received June 16—2:02 a. m.]

251. Davis had conversation this morning with MacDonald. Simon was present. MacDonald had just been talking with Herriot and Paul-Boncour and was more hopeful than after his conversation of yesterday. It was apparent from the conversation that MacDonald is anxious to keep some touch with disarmament problems and is willing to return from time to time to Geneva when occasion demands.⁴⁶ Davis intimated that after the visit which he and I had made to London and the talks we had had there and from subsequent information we had expected that the British would have a more general program to discuss with us. Simon replied that he had this very much on his mind. He wished to see whether we had any suggestions to make. Davis replied that we had no suggestion to make ourselves but that we were ready to sit down with them and consider any suggestions they might have to make. Simon replied that he would plan to return to Geneva on Friday⁴⁷ and to devote the week-end to consultation with us and such other consultations as might be necessary. Simon rather vaguely sketched the possibility of a holiday on building certain material such as big guns and certain categories of ships. He brought up again the reduction in unit size of battleships. Davis stated that it would be better to confine the discussion to something on which there was possibility of agreement and that we might both consider the prolongation of the period in which

⁴⁵ *Foreign Relations*, 1930, vol. I, p. 107.

⁴⁶ The British Prime Minister was President of the Lausanne Conference which met from June 16 to July 9, 1932.

⁴⁷ June 17.

we would not construct any more of these ships and that at some time during that period we might consult as to what should be done at its end. Simon acquiesced in this thought. He stated in addition that he had ideas on the handling of military aviation but that this could be reserved for subsequent discussion.

GIBSON

500.A15A4/1128: Telegram

The Acting Chairman of the American Delegation (Gibson) to the Secretary of State

GENEVA, June 18, 1932—4 p. m.
[Received June 18—2:45 p. m.]

254. Davis, Wilson and I had 6-hour conference with Simon, Londonderry, Samuel and Cadogan. We defined our common position rather exhaustively on land armament but in the air and navy the discussion was inconclusive. The British and ourselves are meeting the French tomorrow afternoon where a good deal of the same ground must be covered after which we will report in greater detail but in the meantime do not believe that there are any points in which we need specific instruction at the moment.

GIBSON

500.A15A4 Air Armaments/108: Telegram

The Acting Chairman of the American Delegation (Gibson) to the Secretary of State

GENEVA, June 20, 1932—midnight.
[Received June 20—9:51 p. m.]

263. At meetings held here between members of the French, British and American delegations both morning and afternoon today the results of the conversations which treated aviation and chemical warfare will be seen from two strictly confidential informal memoranda quoted below. Please bear in mind that the representatives of the other delegations were not aware of the contents of your 136, June 18, 11 p. m.,⁴⁸ and that the American delegation, therefore, had to be very guarded. Full reservation was made, nevertheless, of our right to bring up more far reaching plans in the future as will be seen from the first paragraph of memorandum on aviation.

Aviation. "The United States, United Kingdom, and French delegations after an exchange of views and without prejudice to any

⁴⁸ *Post*, p. 186.

more far reaching proposals which they may wish to consider, record that they have already reached agreement on the following points:

1. The unladen weight of all military and naval airplanes shall be limited with a view to limiting their range of action.

2. The numbers of military and naval aeroplanes possessed by each country shall be limited by international agreement.

3. All kinds of aerial bombardment shall be prohibited at a distance of more than X kilometers from the front except in the case of air bases and long range gun emplacements.

4. The application of principles 1 and 2 is closely connected with the institution of a system of international control of the large civil machines which could suitably replace the military and naval machines prohibited under 1. It is recognized that this system need only be applicable to Europe.

Note 1. A decision is required on limitation of dirigibles.

Note 2. The United States delegation desires to have further consultation with their Government on point 1.

Note 3. The question of restricting bombardment by naval aircraft should be discussed."

Would appreciate indication from Army and Navy as to maximum unladen weight which would be acceptable, assuming we agreed to any criteria along the lines of point 1. French confidentially and informally indicate to us a maximum unladen weight around 2500 to 3000 kilos. President's plan contemplates the elimination of all bombers. Our only other planes above any unladen weight which might be agreed upon, which we might wish to retain, would be our flying boats and possibly these could be taken care of by a special numerical exception in connection with point 2. Assuming eventual adoption of President's plan eliminating all bombers, we direct your attention to type of plane which is not eliminated by the President's plan but which might be eliminated by any unladen weight restriction under 1. With reference to Note 3, question will be debated tomorrow. You will recognize our difficulty in carrying on three-cornered conversations pending announcement of President's program but it seems important to keep you fully advised of these conversations and of points which have arisen, many of which may find their own solution as soon as program is announced.

Memorandum on chemical and bacteriological warfare follows:

"The American, United Kingdom and French delegations record their agreement on the following points relating to chemical and bacteriological warfare:

1. They approve the report of the Commission on Chemical and Bacteriological Warfare and agree to support its conclusions at the Conference.

2. They recognize that it is necessary to render as effective as possible the prohibition of chemical and bacteriological warfare and

that this must be particularly borne in mind when they examine part 6 of the draft convention.

3. They agree that it is necessary to consider especially the consequences which would result from a violation of the prohibition. They reserve for the moment the discussion of this question."

GIBSON

(4) **President Hoover's Plan of Disarmament, June 22**

500.A15A4/10744

President Hoover to the Secretary of State

WASHINGTON, May 24, 1932.

MY DEAR MR. SECRETARY: Please find enclosed herewith copy of the memorandum I read at Cabinet this morning. I am putting this forward only for your consideration.

Yours faithfully,

HERBERT HOOVER

[Enclosure]

MEMORANDUM

MAY 24, 1932.

In view of the continued economic degeneration of the world and of the ineffectiveness of accomplishment at the disarmament Conference, it may be desirable to consider a change in American policies in relation to this conference. It has been the well considered policy of the United States not to take the leadership of the conference because the problems are so essentially European, but to endeavor as a friend of all parties to secure that the governments primarily concerned should accept their real responsibilities and confine American activities to encouragement. The divisions and dissensions amongst them, the inability to get together on any constructive program; the economic situation in the world has become so much more acute, the need of the American people and the world generally for some lift in spirit. If it could be properly formulated some bolder constructive suggestion might help pull the world from this morass.

1. The world is spending \$5,000,000,000 a year on armament, a large part of which is unnecessary for the maintenance of internal order. The balance is expended upon fears of invasion. I presume 2/3 of this sum would be totally unnecessary if the military forces of the world could be reduced to the minimum necessary for police forces. If such a thing could be brought about the governmental debt of the world could be discharged in 20 years from these savings alone.

2. Although we have made every human effort to curtail naval forces, we must recognize that the continuing naval strength of the leading powers is solely a relative matter and that it does bear some relation to the land armament (a solely European problem).

3. We have already suggested that statistically and for visualization purposes the police component of armies should be separated from the defense components. Standards have been set up by the disarmament conference which enables these calculations to be made in respect to each country using the standard set for Germany in the Treaty of Versailles as a basis of the police component. We have denominated the "defense component" as a matter of relativity. If we assume that any progress has been made through the Kellogg Pact⁴⁹ and the League we can assume that the need for the defense component has diminished relatively among the governments possessing such components.

4. We have suggested that the world by agreement is now armed only for defense and as the dangers to the world are offensive action, therefore all major offensive weapons should be abolished which will render smaller defense components necessary and increase the potency of defense. It would also increase the importance of the Pact and the League processes of peace.

5. The question of naval relations to this problem has been raised. Our American Navy is about \$1,000,000,000 in capital expenditure below parity with necessary early replacements. If we could secure a reduction of naval arms we could save this entire expenditure and make large savings in operation of forces at present maintained. If we were willing to take this step it is possible the British would also be willing. With ourselves and the British willing it is possible the Japanese might also join. Any step of this sort would of course involve a requirement that France and Italy should take part and such steps might in turn relieve demands upon France for large land forces and in turn relieve Italy for her forces in defense against France, etc.

6. As a result of these premises I am suggesting consideration of some proposal as follows:

1. Reduce by one-third the battleship strength of the world as now settled in the Washington and London naval treaties.⁵⁰

2. Abolish all aircraft carriers.

3. Reduce cruiser strength provided for the three signatories of the London Treaty by one-third and require that France and Italy undertake no further construction of this category.

⁴⁹ Treaty for the Renunciation of War, *Foreign Relations*, 1928, vol. I, p. 153.

⁵⁰ For text of the Washington treaty, see *ibid.*, 1922, vol. I, p. 247; for text of the London treaty, see *ibid.*, 1930, vol. I, p. 107.

4. Reduce destroyer strength provided for the three signatories of the London Treaty by one-third and require that France and Italy make no increase in tonnage above present construction.
5. Abolish all submarines.
6. Abolish all military aviation except for scouting purposes.
7. Abolish all mobile land guns of more than 6-inch calibre.
8. Abolish all tanks.
9. Abolish poison gas.
10. Reduce defense component of all armies by one-third.

If such a program were announced with sincerity today it might give new hope and a new lift to the entire spirit of the world. For the Disarmament Conference to dissolve with a mere minor agreement will be a calamity. Civilization is seriously jeopardized by continuation of its present arms.

I recognize that armament is both a cause and effect of political instability and that while there are many points of political friction that need cure, yet they cannot be cured by any political agreements that the world is prepared to accept. But one of the contributions to cure is the dissolution of fear which haunts the world as a result of its massed armaments.

500.A15A4/1078‡

Memorandum by the Secretary of State

[WASHINGTON,] May 25, 1932.

I find it difficult to write this memorandum because I have so much sympathy with the purpose of that of the President, but I feel so strongly that the method proposed by the President's memorandum will defeat his own purpose that I feel it is necessary to enumerate my reasons for that feeling.

1. The opening paragraph is, in part at least, based on the assumption that it is possible to so dramatize a proposal that we can stimulate into action the European nations chiefly now struggling with the problems at Geneva. I am obliged entirely to disagree with this assumption. First, in the present situation, both here and in Europe, I think it is impossible to dramatize the problems of the Conference so as to project the compelling influence of a proposal across the frontiers of Europe and produce action there. Even in this country the people are so much more interested in other troubles at present that I doubt very much whether this Conference could be dramatized so as to hold their interest. This was the very strong opinion of Arthur W. Page when I consulted him on my return from Europe. It was the key-point of his analysis of the situation.

2. Apart from very few circles of organized pacifists, I do not believe that a reduction of our Navy will be popular per se. They naturally want to get a good navy as cheaply as possible, but they want a good navy.

3. A proposal to further sacrifice our Navy would not, even indirectly, affect the problems of Germany, France and Italy. It is true our Navy affects the British Navy and it is true that the British Navy affects France, but this proposal would not change the British Navy so as to relieve France. France's tender spot is the ferriage from Africa to Marseille. This spot is now controlled by the British Navy and under any possible reduction will continue to be controlled by the British Navy. Britain still absolutely insists upon the two to one power ratio in respect to the Mediterranean. So long as she does that and retains Malta and Gibraltar, the British Navy will control France's tender spot and nothing that we can do will affect France. In no other point does our armament touch or affect that of Europe at all and experience has unfortunately shown that the mere moral effect of a fine example by America will not lead European nations, immersed in their own political rivalries, to disarm.

4. The President says "for the Disarmament Conference to dissolve with a mere minor agreement will be a calamity." If by this he means universal agreement of limitation, even those accompanied by only slight reductions, I do not agree. Experience has shown that by such partial steps only can nations progress towards disarmament and the principal one of such partial steps is a complete restriction of competition in armament which would be accomplished by such a general agreement. Experience has also shown that each such step leads to another and that the removal of the suspicion and rivalry, which is attendant upon competition, is one of the most effective steps toward further progress.

5. I believe the present Conference is now working towards such a general agreement of limitation and that it will eventually accomplish it. My visit to Geneva convinced me that the best method of promoting that progress was by helpful private discussion and not by dramatization or publicity. The quiet pressure of poverty is producing a gradual movement in that direction and I think the thing to do is to quietly help and stimulate rather than to try to drive it. The report of Norman Davis of the conference with Herriot⁵¹ contained literally astonishing instances indicating hopeful possibilities. MacDonal is on better terms with Herriot than he was with Tardieu which will greatly help the process.

⁵¹ Memorandum by Mr. Norman H. Davis of a conversation with M. Edouard Herriot, May 22, p. 132.

On the other hand, it would be comparatively easy by the other method to provoke violent reactions by the corrupt and controlled French press. This would tend to set the process backward.

6. Of all the possible things that we could do, the one that I believe would most effectually help the gradual process towards an agreement now going on, would be the announcement I have already suggested to the President in respect to the Kellogg Pact and our action in case of a struggle between a combined Europe and an aggressor nation. Such an announcement may not be a political possibility but, after experience in two European disarmament conferences, I have no doubt or question as to the effect it would have. If nothing more, it would give certain proud, stubborn nations an opportunity to back down without losing their face. I append an itemized summary of comment as to the ten concrete proposals of the President.

H[ENRY] L. S[TIMSON]

[Annex]

MAY 25, 1932.

Proposal One. It would not be accepted either by Great Britain or Japan. It would be regarded as a mere gesture. It would reduce our own Navy beyond Admiral Pratt's minimum, which was twelve battleships. If we made it, it would return at awkward moments hereafter to plague us.

Proposal Two. This aggravates the one distinct superiority which the technique of our Navy has obtained over all others and the one in which our Navy now places the most confidence.

Proposal Three. I see some real possibilities in this proposal so far as our own Navy is concerned, but I fear it would not be accepted by any of the European Navies, from Great Britain down.

Proposal Four. Action under this is directly dependent upon proposal five, which is quite impossible.

Proposal Five. Japan and France have already absolutely vetoed this and in that action are supported by all poorer or smaller powers.

Proposal Six. This excludes observation of gunfire which is the art in which our own Navy is most proficient.

Proposals Seven, Eight and Nine. These proposals have already been made by the American Delegation.

Proposal Ten. We have put forward the President's proposal as a formula telling the French and the other nations that it was done in a spirit of helpfulness to provide a method by which they could reduce to the extent which hereafter they may find themselves able to agree. By so doing, we avoided an appearance of dictation which had already shown its explosive possibilities. As a result of the way

in which we put this forward, the French General Staff has examined it sympathetically and has notified us of their substantial approval. I fear that to even suggest an actual ratio of reduction will lose this benefit. They feel that the suggestion should come from them and I think we will more surely get it by giving them a chance to make it.

H[ENRY] L. S[TIMSON]

500.A15A4/10754

The Under Secretary of State (Castle) to the Secretary of State

[WASHINGTON,] May 25, 1932.

MR. SECRETARY: You asked me to think over and tell you what I thought of the proposal you told me yesterday the President was anxious to make in regard to naval reduction. In the light of all that is going on in Geneva, I must say that I can see certain advantages in it. There must, of course, be no question of sacrifices on our part which are not equally shared by others. Any suggestion, therefore, of a 30% reduction in navies, proportional in the cruiser as well as the battleship class, would have to be contingent on drastic reductions in land armament on the part of the non-naval nations. You will have noted that the French and British did not support our delegation on the aircraft carrier resolution of Japan.⁵² They merely abstained from voting and negative action of this kind will not prevent the Conference from lopping off here and there arms which we consider necessary, leaving us at the end opposed to any treaty which may be drawn up. Furthermore, we have always professed our willingness further to reduce our navy provided that ratios throughout are maintained. If we oppose, as we must, piecemeal action of the kind now going on, since it weakens our relative position should we not, unless we have a positive proposal to make, stand in the light of being merely obstructionists?

It is quite true that such a proposal would stand little chance of getting anywhere, but would it not be better to leave the onus on Japan rather than on the United States? In the Washington Conference we made success inevitable by showing our own willingness

⁵² On February 22, the Japanese delegation suggested the total abolition of aircraft carriers provided the fitting of aircraft landing platforms or decks on other naval vessels was also prohibited. In the meeting of the Naval Commission on April 27, Hiroshi Saito of the Japanese delegation proposed the selection of these vessels as aggressive weapons. (League of Nations, Conference for the Reduction and Limitation of Armaments, Geneva, 1932, *Conference Documents*, vol. I, p. 143 (Official No: Conf. D. 94.); *Records*. . . Series D, vol. II (*Minutes of the Naval Commission*), pp. 29 ff.)

to make sacrifices, conditional always on proportional sacrifices from others. (I always felt that we took rather more than our share) and I think that it might well be better for us to take a similar attitude now, insisting however on equal cuts by the others in naval and/or land armament, than to be maneuvered into the position of refusing what the others may have agreed to.

There may be nothing in Baldwin's suggestion of doing away with battleships⁵³ as he may not have known of your talk with MacDonald. On the other hand, the abolition of the battleship, which would again make Great Britain mistress of the seas, would be a popular Tory policy. Furthermore, Baldwin, if he had learned from MacDonald that it was our navy which had protected Britain in the Far East, would hardly have suggested the sinking of our battle fleet unless he was willing to do his own protecting by sending British ships to the Far East. But again this would be a popular Tory policy. As long as MacDonald is at the helm we shall probably have no more of Baldwin's ideas, but if anything happens to MacDonald we might have a counter plan in mind so that we shall not be alone with Japan in opposing reduction.

Personally, of course, I should prefer to have naval discussions put off until 1935, when we may have a better bargaining point—if Congress does not lie down on us altogether. Of course, what the President wants also is something which will clearly show a real reduction in expenses here as well as elsewhere. Is not that something which simply must be accomplished?

W. R. CASTLE, JR.

500.A15A4/1130: Telegram

*The Secretary of State to the Acting Chairman of the
American Delegation (Gibson)*

WASHINGTON, June 18, 1932—11 p. m.

136. I am sending you a rough draft of a public statement which the President is considering making in the immediate future. He desires to talk with you about it on the telephone tomorrow Sunday after you have received it, in order, if possible, not to embarrass the delegation in the conferences which are proceeding in Geneva. He thinks some strong leadership immediately necessary, principally to forestall the danger that participants in the Lausanne Conference⁵⁴

⁵³ See telegram No. 169, May 13, 4 p. m., from the Ambassador in Great Britain, p. 121.

⁵⁴ For correspondence relative to the Lausanne Conference, see pp. 636 ff.

may put up to this country a demand for relief from debts which is not really defensible in the light of Europe's armament expenditure.

Please wire me immediately when this is received and hold yourself and Davis in readiness to discuss the matter with the President when called on the telephone.

The statement is as follows:

"The time has come when we should cut through the brush and adopt some concrete method of reducing the overwhelming burden of armament which now lies upon the toilers of the world. Not only does economic recuperation depend upon meeting this problem positively but the state of international fear and friction which contributes to the loss of confidence throughout the world must have remedy. I believe it practicable to cut the expenditure of the world for arms by at least ten billions of dollars during the next ten years.

"I have therefore instructed the American delegation at the Geneva Conference on Disarmament to lay the following proposal before the Conference in the name of the United States. This program has been approved by the members of the American delegation to the conference. It has been approved by the Secretaries of State, War and the Navy, by the Chief of Staff of the Army and the Chief of Operations of the Navy.

"If the Kellogg-Briand Pact means anything it means that nations have agreed that they will use their arms only for defensive purposes. The purpose of this proposal is therefore to reduce the armament of the world to a defensive basis. The armaments of the world are relative to each other and we propose to maintain that relativity.

"*Land Armament.* The land armaments of the world have two purposes: One is the maintenance of internal order as a supplement to police forces. This portion may be called the police component. The other is the military strength necessary for defense against external enemies which may be defined as the defense component.

"Under the Treaty of Versailles the German army was reduced to an army denominated as the force required for the maintenance of internal order.⁵⁵ Under its terms Germany was assigned 100,000 troops for a population of approximately 65,000,000 people. I propose therefore that we should accept a force of soldiers proportionate to that allowed Germany under the Treaty of Versailles as being sufficient for the police component of each nation, with such variations as may be necessary for preservation of order in colonial possessions, or to equalize the relative weight of different types of troops. The excess number of troops now maintained by each nation in the world after deducting a police component thus calculated, will be the defense component of each. Having denominated these two components in this fashion I propose that there should be a reduction of 33 1/3 per cent in the strength of all land armies over and above

⁵⁵ See art. 160 of the treaty, *Treaties, Conventions, etc., Between the United States of America and Other Powers, 1910-1923* (Washington, Government Printing Office, 1923), vol. III, pp. 3329, 3399.

the police component. The numerical strength of the American army is already less than this police component. In order, however, to reduce the offensive character of all armies I propose that there should be adopted the proposals already made at the Geneva conference: that is to say, for the abolition of all tanks, all chemical warfare, and all mobile guns of over 6-in. calibre. This proposal would not limit the establishment of fixed fortifications of any character on frontiers and seacoasts. It would give increased relative strength to such defenses. The American army will make these sacrifices along with the other nations of the world.

Aviation. All military aviation except observation planes at sea to be abolished. This will do away with bombing and other types of planes capable of offensive action and attacks upon civil populations. Such reduction in aerial arms can not be accomplished without reduction of submarines to a defensive basis in respect to size and numbers.

Naval Arms. The relative strength of naval arms in battleships and aircraft carriers, as between the five leading naval powers was fixed by the Treaty of Washington. The relative strength in cruisers, destroyers and submarines was fixed as between the United States, Great Britain and Japan by the Treaty of London. At the time of the Treaty of London a discussion was conducted as to the Italian and French Governments who found themselves unable to agree as to their relative strength in these arms. For present purposes, I suggest that the naval strength of France and Italy be calculated at the figures as proposed in London.

I propose that battleships, aircraft carriers, etc. should be reduced by one third; that cruisers and destroyers be reduced by 20 per cent; that submarines shall be reduced proportionately in total tonnage and each submarine limited to 250 tons in size, thus rendering them a completely defensive weapon.

"In the category of cruisers it is proposed that the different nations shall have the option to retain their 80 per cent tonnage strength in any subcategory which they may select.

"The effect of this will be to save tremendous construction in replacement expense upon all nations. It will greatly reduce offensive strength and relatively increase defensive strength of all nations.

General. These proposals are simple and direct. They call upon all nations to sacrifice something. The sacrifices will be relative. I know of nothing that would give more hope for humanity today than the adoption of such a program with such minor changes as might be necessary. It is folly for the world to go on breaking its back over military expenditure and the United States is willing to take its share of responsibility by making definite proposals that will relieve the world."

STIMSON

500.A15A4/1140½

*Memorandum by the Secretary of State*⁵⁶

Mr. Gibson was first on the telephone without Mr. Davis. He had received the proposed speech by cable and said that the entire delegation was delighted with the proposition. He said, however, that they had several suggestions to make as to the form of the speech which they would send in a cable. They are merely corrections or suggestions as to language. He then said that the delegation thought it was important to find a common method of approach to this proposition by consultation with the British and the French and recommended that they consult MacDonald personally. He felt that MacDonald would react favorably to it. Then he went on to say that the proposition would even get Herriot's attention, particularly if it were made by a personal message from the President to Herriot; that the French were sensitive about being isolated because the Tardieu Government had been criticised for allowing itself to be isolated. Gibson went on to suggest that a public presentation in the United States might arouse antagonism in the conference and he suggested that, simultaneously with the President's statement at Washington, the delegation should be authorized to present the proposition directly to the conference as a suggestion from the President, which the President said he would take it into consideration.

Mr. Davis having now come on to the telephone, the President brought up the relation of the Lausanne Conference to the Geneva Conference. He stated that it looked as if the Lausanne situation was likely to be left in a position where, after the adjournment at Lausanne, it would at once begin to arouse public pressure on the part of the cancellations here in America upon the American Government as to an eventual cancellation of the debt. This would come from public pressure outside regardless of what the conference did. It would excite great resentment in the United States against such pressure, and he suggested that Davis warn MacDonald against this situation. The President then suggested that if the proposal which we cabled could be brought up before the Disarmament Conference and the Conference could take some action upon it, such as approval in principle, and then adjourn for the ostensible purpose of examination or study, this would tend to prevent the resentment in this country which would otherwise be aroused. Furthermore, the two subjects could be kept parallel as was the President's proposal.

⁵⁶ Of a trans-Atlantic telephone conversation between Mr. Gibson and Mr. Davis in Geneva and President Hoover and Mr. Stimson in Washington, June 19, 1932, 10:20 a. m.

Davis then said that he had just been talking with MacDonald who was very anxious that something big and definite should be done by the Geneva Conference and was very much impressed by the evident decline of its condition. Davis therefore thought that MacDonald might like the United States to propose this plan. Secretary Stimson then asked what hope Mr. Davis had of the French having any favorable reaction to this plan, particularly if it began with the proposal to cut land effectives thirty-three per cent. Mr. Davis said that the French were talking much more favorably about land forces now than they had been. The Secretary then said that he desired to emphasize the necessity of perfect frankness with MacDonald—that he had been building up relations with the British Government through MacDonald for three years, and he wanted to be sure that in view of his own conversations with them in Geneva and the conversations of Davis and Gibson with Baldwin in London, there should be no danger of their thinking that we had sprung a surprise on them contrary to the spirit of the conference.

The President confirmed this and said that a policy of cooperation with the British was the constant aim of his Government. The President said that he thought that adjournment for the preparation of further research might be an advantage to everybody and if it came from him, the President, it might help the other parties to accept it. Davis expressed his impression that that would be so. He said that twice—he did this quite strongly.

The President then said that he had no fixed mind as to details. Gibson and Davis said they would send a cable as promptly as possible as to the form of this document. The Secretary pointed out that we wanted to know frankly their criticism as to anything that the plan might contain because it might be possible to be adjusted so as to avoid that if they thought that anything would provoke unnecessary resentment or opposition.

The President, however, pointed out that the British had gone ahead at Lausanne without waiting to get our consent, although they had notified us of their position.

Davis then said that MacDonald told him that he was much embarrassed towards us by what had just happened at Lausanne and still wanted to work out a solution which would help the situation. The President said that if the British were to associate themselves with the French on Lausanne and nothing would be done in Geneva to help disarmament, Heaven help the British and the French when they come to America about their debts next December. Davis laughed and said he agreed. The President pointed out that the only way for them to prevent that was to treat this in a friendly manner.

After some conversation as to the whereabouts of the various parties, it was agreed that Gibson and Davis would see MacDonald tonight and let us know, probably tonight, the result. Herriot is coming back from Paris to Lausanne tomorrow morning, and after discussion we agreed that it was best for Gibson and Davis to go over to Lausanne, even at the risk of creating comment, than to lose that day and to see Herriot over there. The Secretary cautioned them in regard to the difference between those two nations as to their reliability against leaks, saying that he had had many conferences with MacDonald and there was no leak, whereas that had not been true with regard to the French, and the Secretary told them that in this plan which began with the land effectives the danger of a leak was very great. He therefore cautioned Gibson and Davis as to approaching MacDonald and Herriot with a different degree of fullness in discussions. They said they fully appreciated that. The President emphasized the importance of time but said that there was no fixed time limit. He said he wanted to get the thing done as quickly as possible on account of danger of leaks but that they might have one, two or three days, if necessary.

500.A15A4/1134: Telegram

*The Secretary of State to the Acting Chairman of the
American Delegation (Gibson)*

WASHINGTON, June 19, 1932—noon.

138. Referring to my 136, June 18, 11 p.m. paragraph headed *Aviation*, first sentence which now reads "All military aviation except observation planes at sea to be abolished" should be changed to read "All military aviation except for intelligence and scouting purposes to be abolished". This is a variation from instructions previously sent you but is made because the President feels that sentiment of the country demands the retention of military aviation for these purposes even on land. Please note correction.

STIMSON

500.A15A4/1135: Telegram

*The Acting Chairman of the American Delegation (Gibson) to the
Secretary of State*

GENEVA, June 19, 1932—9 p.m.
[Received June 19—8:18 p.m.]

257. Your 136, June 18, 11 p.m. The delegation is delighted with the broad program which you have suggested and feels confident

that its presentation at this time will revivify the Conference, and that after the first difficulties due to its radical nature a large portion of it may possibly be achieved. The suggestions which we are making below are intended to make it more acceptable here.

1. The President's plan envisages taking Treaty of Versailles alone as the basis for computation of police forces. Our present figures had been prepared and the plan explained on a combination of coefficients of Germany, Austria, Hungary and Bulgaria. We could of course take the coefficient of Germany alone if the President considers this desirable as we already have studies worked out on this basis. For strategic reasons, as it produces a result more likely to be accepted by most Continental Powers, we had considered the other basis preferable. We suggest the following phraseology:

"Under Treaty of Versailles and other treaties, concluded shortly thereafter, the armies of Germany, Austria, Hungary and Bulgaria were reduced to armies denominated as forces required for the maintenance of internal order, Germany being assigned 100,000 troops for a population of approximately 65,000,000 people. I propose therefore, that we should accept a basic police component of soldiers proportionate to that allowed Germany and these other states as being sufficient for the maintenance of order in the home territory with such additions as may be necessary for the preservation of order in colonial possessions or to equalize the relative weight of different types of troops." Continue as in your cable June 18, 11 p.m.

2. Aviation. Your 138, June 19, noon, just received and alteration noted. We suggest after word "population" in second sentence to add "and this should be coupled with the total abolition of all bombardment from the air".

3. French-Italian naval agreement. Your statement under navies regarding possible basis for French-Italian naval problem is not clear. Would you envisage urging them to enter the framework of the London Treaty on "basis of accord" of March 1, 1931?⁵⁷

4. Cruisers. Referring your suggested 20 percent cut in cruiser category, we invite attention to the facts that in your suggested form this will be highly unpalatable to the British. What it amounts to is reserving for ourselves the right to build our full complement of 8-inch gun cruisers while we ask them to reduce the numbers of their cruisers when they already feel strongly that their numbers of existing cruisers are below their requirements. With the assumption that we could gain acceptance of French and Italians would you be willing to contemplate a 33 1/3 percent cut in cruiser tonnage which would save us all further building but would mean relinquish-

⁵⁷ *Foreign Relations*, 1931, vol. I, p. 380.

ing construction of last three 8-inch cruisers. While this would require a still further reduction of British numbers, I believe it would be more palatable to make a greater proportionate reduction if the question of the three additional 8-inch cruisers is eliminated. If you envisage a 33 1/3 percent cut in capital ships and cruisers we suggest the same for destroyers.

5. Regarding submarines your phrase "shall be reduced proportionately" is not entirely clear, would you envisage the following possibility: a cut of 33 1/3 percent on submarine tonnages, with agreement that any further construction for replacement on the remaining 66 percent should be in a limited number and of a unit size not exceeding 250 tons. The simplicity of a straight one-third cut in all naval categories should tremendously help in getting the popular support to put over this idea.

6. In your paragraph regarding naval reductions, believe reference should be to reduction of "tonnage fixed for the above mentioned treaty powers" to obviate any misapprehension that reduction is on the basis of existing tonnage.

7. We suggest deletion of paragraph regarding retention of remaining cruiser tonnage in any sub-category. We see nothing in proposal to negative this idea and we will have full opportunity at a later date to make our position clear on this point. Retention of paragraph would only increase British difficulties in going along with us.

8. Limitation of expenditure. Your proposal does not mention limitation of expenditure. Under present financial conditions limitation of expenditures is the one thought regarding disarmament which is universally popular on the Continent. Could you not couple to your proposal an offer that the savings thereby effected "should be reflected in a limitation of expenditure for the future?"

9. In case you should approve of the suggestions in this cable we would propose the addition of the following sentence before your paragraph marked "general": "to summarize I propose the total abolition of many of the most aggressive and costly weapons of war, a one-third cut in all naval arms and in the defense contingent of armies; together with a limitation of expenditure to insure the effectiveness of these measures".

10. Reference your concluding general paragraph, in order to prevent any attempt at piecemeal acceptance suggest insertion "as a whole" after "program".

GIBSON

500.A15A4/1136 : Telegram

The Acting Chairman of the American Delegation (Gibson) to the Secretary of State

GENEVA, June 20, 1932—10 a. m.
[Received June 20—6:30 a. m.]

258. Department 136, June 18, 11 p. m. Davis and I talked with MacDonald at my home until midnight last night. We outlined in strict confidence and for his personal information the President's conception of how the present situation should be treated and read him the substance of the draft statement. He said that it was an admirable conception.

As regards land and air armaments, British delegation in full accord. When he came to naval armaments class he expressed concern about trying to modify the London agreements which he said were such a delicate adjustment and had been arrived at with so much difficulty that any change might have far-reaching consequences; and that furthermore, with the situation as it is in the Far East, he questioned the wisdom of further reductions in the cruiser category. He did not exclude the possibility of dealing with cruisers but felt that this offered very serious difficulties for them to which he would have to give further consideration.

We feel that he grasped the significance of such a project to be advanced by the President and supported by the British and recognized that the time element is vital.

GIBSON

500.A15A4 Naval Armaments/102 : Telegram

The Acting Chairman of the American Delegation (Gibson) to the Secretary of State

GENEVA, June 20, 1932—9 p. m.
[Received June 20—5:53 p. m.]

262. In accordance with the question which you raised over the telephone of what the British might be able to accept in the cruiser category and the various observations between us in accordance with your talk, I submit for your consideration a phraseology:

"The limitation placed by the London Naval [Treaty?] upon the cruiser class represented a drastic reduction in actual tonnage or in the projected programs of the signatory powers. However, if corresponding reductions are accepted by other naval powers and the program here proposed is carried into effect, the United States is prepared to accept a further blank per cent cut in its treaty cruiser tonnage as soon as the adjustments can be made which will permit

the other treaty powers to make corresponding reductions. Hence, I propose that we proceed to further reductions in the cruiser class to bring it into harmony with the reductions here proposed for other naval categories at the time of the revision of the London Treaty in 1935 or earlier if possible".

GIBSON

500.A15A4/1141 : Telegram

*The Secretary of State to the Acting Chairman of the
American Delegation (Gibson)*

[Extract]

WASHINGTON, June 20, 1932—11 p. m.

141. Following my telephone conversation with you this evening ⁵⁸ I am sending you herewith the text of the latest revision of the President's proposed statement to be made here.

It contemplates that when you present to the Conference the proposal contained in this statement you should make at least the following explanation in detail.

As to cruiser strength—the 25 per cent reduction of the total tonnage of the United States and Great Britain shall be based upon the present total London treaty tonnage of Great Britain, namely, 339,000 tons. The total tonnage of 8-inch cruisers shall be limited to 150,000 tons each for the United States and Great Britain and 90,000 tons for Japan. For your information this cruiser proposal restores absolute parity between Great Britain and the United States while it preserves strictly the ratio between those powers and Japan.

In case this foregoing requirement which is approved by the Chief of Naval Operations should be facilitated in case of British objection by the use of the suggestions in your 262, June 20, 9 P. M., I see no objection at present to using your suggestion in connection therewith.

In addition to this change from the draft heretofore sent you as to cruisers you will note there is also a change in the limitation in the size of individual submarines from 250 to 1200 tons; also that France and Italy like the three London Treaty Powers are limited to an eventual submarine tonnage of 35,000 tons.

I have conveyed to the President your strong recommendations for further time. He points out that your interview with Herriot ⁵⁹ and the likelihood of French attempts to backfire his proposal virtually makes any substantial delay impossible if the proposal is to be made

⁵⁸ Memorandum of conversation not printed.

⁵⁹ See telegrams Nos. 248 and 249, June 15, from the Acting Chairman of the American delegation, pp. 171 and 172.

at all. He is still inclined to proceed tomorrow, Tuesday evening. If you consider the situation to be so changed since your talk with the President as to make any proposal whatever inadvisable, you should inform me with the utmost promptness. You will be informed of the President's final decision as early as possible. You should in any event lose no time in acquainting MacDonald of anything you deem necessary in the interest of fairness to him. This proposal was drawn upon the assumption that the method which you suggested yesterday of having it presented formally to the Conference by the American Delegation almost simultaneously with its publication here would be followed. I was unable to understand from our telephone conversation the nature of the new considerations which cause you now to feel that this presentation should not be made by you. I still feel that if the proposal is to be made at all official propriety requires that it be conveyed to the Conference by you and I fail to see how it could properly be made over your head from Washington. I will of course consider carefully any recommendation you may make as to the form, method, and time in which you will propose it to the Conference.

If you use the President's statement in making your proposal to the Conference you should of course omit the last nine sentences beginning "for the information of our own countrymen."⁶⁰

STIMSON

500.A15A4/1143 : Telegram

The Acting Chairman of the American Delegation (Gibson) to the Secretary of State

GENEVA, June 21, 1932—1 p. m.
[Received June 21—8:45 a. m.]

265. Your 141, June 20, 11 p. m. just deciphered at 12:30.

Davis and I are seeing MacDonald at 3 in Lausanne and will call you by telephone immediately on our return. Simon, who is most anxious to have MacDonald come here to give unqualified support to presentation of plan, asks most urgently for 24 hours to prepare that support. It will be impossible to arrange for a General Commission meeting before tomorrow, Wednesday afternoon, at 4:30 Geneva time which would accord with Simon's request for time. We feel that advantage will accrue from this brief delay and strongly urge that action be withheld in order to give more time to prepare

⁶⁰ For the final text of this section, see footnote 82, p. 215.

ground here. We are all enthusiastic about the statement in its present form and heartily in accord with the idea of presenting it to the Conference at a General Commission meeting.

GIBSON

500.A15A4/1144 : Telegram

*The Secretary of State to the Acting Chairman of the
American Delegation (Gibson)*

WASHINGTON, June 21, 1932—11 a. m.

142. Your 265, June 21, 1 p. m. The President and I are greatly relieved. We approve your suggestion to postpone presentation until Wednesday afternoon and shall arrange for simultaneous publication of statement here in Washington. Further details as to arrangements will be cabled to you.

STIMSON

500.A15A4/1145‡

Memorandum of Trans-Atlantic Telephone Conversation ⁶¹

MR. GIBSON: Hello, Mr. Secretary.

SECRETARY: Hello, Hugh.

MR. GIBSON: We have just come back from Lausanne where we had a talk with MacDonald and Simon. MacDonald is very much concerned about the situation, because his heart is entirely in our plan and he would like to go along whole-heartedly in support of it, but in view of the far reaching implications of the naval part he feels that he can not come out on his own responsibility without consulting the Cabinet and the Admiralty. He was very insistent that they be given enough time to send Simon to London by airplane to consult the Cabinet and secure their assent. That is the message that we have brought back. We couldn't get their whole-hearted support. MacDonald does not feel that he can do it all on his own responsibility, and he wanted you to take that into account in connection with his plea for more time.

PRESIDENT: Well now, the President speaking, we are under a difficulty here as usual in a backfire of despatches from Lausanne. A purported indirect discussion with Herriot said that we have offered in effect to trade reparations against disarmament.

⁶¹ Between Mr. Gibson and Mr. Davis in Geneva and President Hoover and Mr. Stimson in Washington, June 21, 1932, 12 noon.

MR. GIBSON: That story started from the press here. They have even passed around purported notices from this delegation to say the same thing.

PRESIDENT: That puts us under a great deal of pressure to make that statement at once. I am wondering what harm it would do to make the statement here and to leave it to you to present it a little later in the conference.

MR. GIBSON: I think if we present it at all we should do it simultaneously because there would be no point in presenting it later. Everybody will know it.

PRESIDENT: In the meantime the entire plan will have leaked out through antagonistic publicity and its value will have been destroyed in this country.

MR. GIBSON: What we might do is to make the statement and arrange with the president of the conference to stop publicity and say that the President is very much in favor of presenting it later.

SECRETARY: That is, to make the statement tomorrow as you proposed?

MR. GIBSON: Yes. What time was the President planning to make it?

SECRETARY: We got your telegram saying that you could make it at the first moment in the conference at 4:30 tomorrow, which was 10:30 time here, and we were assuming that you would do so. Maybe we can do it before but we hadn't made definite arrangements until we had the President's desires. We were assuming that you could do it and the last time the President and I talked he thought it was very important for him to make his statement as soon as possible—either tonight or the first thing tomorrow morning.

GIBSON: I hope it won't be until tomorrow morning because we will lose out on that end of it.

PRESIDENT: We can probably hold it over until tomorrow morning but there is one thing I would like to know at once. These despatches from Lausanne purport to the effect that we would not cancel the debt unless it was traded for disarmament.

MR. GIBSON: It is a pure fabrication.

PRESIDENT: Did you have any discussion at all that might give ground for it?

MR. GIBSON: The provisional effects of that on all countries, but nothing that would give any possible inference that there was an ultimatum on one side or promise on the other.

SECRETARY: How much of the President's plan did you give to Herriot?

MR. GIBSON: We gave him no details.

SECRETARY: You mean you didn't give him the fractions at all?

MR. GIBSON: We talked to him about all the categories of armaments without giving specific figures.

SECRETARY: Did you say anything about the percentage of reduction?

MR. GIBSON: We told him there would be no drastic reduction, but in view of the presence of newspaper men there we did not feel that we could in safety give anything specific to him.

SECRETARY: So they have no details of your plan at all and you have no reason to suppose that they may be informed of it in some other way. Who have you told, nobody but MacDonald and Simon?

MR. GIBSON: It was only today when we discussed it with Simon that the conference was in on it here. He said he was in favor with the general conception and wanted to fit in with it.

PRESIDENT: If he goes to London they will undoubtedly want to make changes in it, and that would embarrass us a great deal because it would destroy the general conception of the plan and the details would come out in discussion. We would rather do that after we have put out the plan.

SECRETARY: Well now, Gibson, I understood you to say that you might arrange to have the plan presented by you tomorrow and then shut off discussions while it is being considered for a while or while the President is making up his mind. I think that would be preferable. Don't you think so Mr. President?

PRESIDENT: Yes, by all means. I think that would be the only way we could do it under the circumstances.

MR. GIBSON: We might get them to accord to the general idea. It would lessen their lagging behind but without committing them on the whole in supporting the general idea.

PRESIDENT: I think that is the solution—that if they would say that they were in favor of taking a large and strong action.

MR. GIBSON: I think that we can do that. Of course they couldn't commit themselves on details but they could approve the general idea.

PRESIDENT: Yes, if they do that, that is enough. I think that is the best way to handle it because the French with their indirect publicity are going to destroy the whole thing, in American minds.

MR. DAVIS: Now, there is one thing I can see in not waiting. On the other hand, I just wanted to point out that MacDonald because of the other members (there are three parties in this Cabinet) feels that he has got to consult them, but we expect no opposition from them.

SECRETARY: I think it is quite clear the President has got to go ahead now. The only way is to hold off and let Gibson make the proposal tomorrow and let him make it to MacDonald if he will.

MR. DAVIS: He is taking this as the means of working out the adjournment, perhaps even going so far as to get a resolution from the conference to appoint a committee to draft a treaty embodying these various proposals and meeting back here in six months to consider the treaty. It would mean you would have to wait several days because it would take them all this week because Simon would arrive in London tomorrow and he wouldn't get back here until Saturday.

PRESIDENT: Well, in the meantime it would leak out from London.

MR. DAVIS: Now of course they would like very much to go along with us. In the meantime of course if Lausanne reaches an agreement you might feel that you ought to have gone ahead and I really do believe that this question of a united front is getting very much away from us because I don't believe they are as anxious to do that as they were. I just wanted to put that up to you.

PRESIDENT: Now it does seem to me that we ought to go ahead to protect ourselves, and they could say that they look favorably on our proposal and were prepared to favor it sympathetically.

MR. DAVIS: Simon is coming over to see Hugh and me in a few minutes to see whether to go to London or not, and I think we can get him to do that. The point he made was that while we are sticking together on so many things, the Far East and everything else, he feels it is very important for us to show that we are sticking together now.

SECRETARY: Well now Davis, that can be easily arranged. That is just a matter of a little tact. Just listen a minute. We have absolutely got to do it tomorrow now, having it presented tomorrow and then having merely a general expression of approval made and having them have a short adjournment to express it later. I should think that could be arranged, and that would be the only way it could be done.

PRESIDENT: All that the British need to do is to say that they look on any large action with sympathy and that they are glad to have such a proposal made and give it their honest and favorable consideration. They don't have to commit themselves to anything in detail.

MR. DAVIS: Yes, I think they will do that. We will put it right up to Simon, and unless he raises some very great opposition which we think is important to communicate to you, we better just go ahead.

PRESIDENT: I think so.

MR. DAVIS: Just a minute, Hugh Gibson wants to speak to you before you get off.

MR. GIBSON: Mr. Secretary, there is one thing which was brought forward by our naval people as an insert in the naval section of the statement which they think will tend to bring into account other naval powers.

SECRETARY: Of their proposal? Well you better be careful how you read it on the telephone. Why can't you telegraph me?

MR. GIBSON: It is only four lines long. It is just an idea. "In view of the sacrifices here proposed it seems evident that the naval powers not already bound by treaty should make corresponding reductions on at least the cruiser class of naval armaments, of a percentage to be determined." That is so that they can't raise the difficulties if they go down to these low levels proposed.

SECRETARY: You mean other than the five powers.

MR. GIBSON: Yes.

SECRETARY: I see no objection to your making that as a part of your proposition. That is a wholly different thing from what the President says, but I don't want him to destroy the single and direct force of what he says.

MR. GIBSON: We will put it on the wire to you.

SECRETARY: Yes.

MR. GIBSON: We feel that our suggestion about cruisers should be inserted if you approve.

SECRETARY: You think you will put it that way rather than the other way? Remember that the other way is the way that is approved here.

MR. GIBSON: Have you received our telegram No. 266?⁶³

SECRETARY: Yes, I just got it this moment. The President has not yet seen it.

MR. GIBSON: Should we make arrangements to have a meeting at 4:30 tomorrow?

SECRETARY: Yes, you see, your statement can be a little more full in the matter of these details than would be proper in the case of the President's statement, and I will try to get you decisions on all of these matters that you brought up.

MR. GIBSON: I will put these on the wire at once to you so that you can see the text of what we have here, and if you don't approve, the best thing to do is to call on the telephone so that we can get it in shape.

⁶³ *Infra.*

500.A15A4/1145 : Telegram

The Acting Chairman of the American Delegation (Gibson) to the Secretary of State

GENEVA, June 21, 1932—2 p. m.

[Received June 21—11 a. m.]

266. We feel that the addition of a paragraph setting forth the American policy as it has been developed in the Far Eastern crisis and set forth in other ways with respect to our willingness to consult in case of threat of violation of the Kellogg Pact or to prevent the recognition of rights acquired through the violation of treaties would immensely aid in the reception of your statement here and therefore we are suggesting the following paragraph with our urgent recommendation that something along these lines be incorporated therein.

“The character of our participation in this Conference is evidence of our willingness to collaborate with other states in the great task of organizing peace. We welcome the idea of a permanent disarmament commission whose task would be to follow the fulfillment of a disarmament treaty. The Government of the United States has only recently given evidence of its attitude that the violation of treaties should not permit the acquisition of new rights by the violation. This Government has also shown its willingness to confer in the case of any threat of disregard of the obligations especially the Kellogg Pact which we have assumed in concert with most of the other nations of the world to have recourse only to pacific means of settlement of all international disputes. This is the policy of the Government of the United States as it is upon the faithful observance of such obligations that the hope of peace must rest.”

We venture to invite again your attention to paragraph No. 8 relating to expenditure in our 257, June 19, 9 p. m. We consider that some such reference will make proposal much more palatable here.

GIBSON

500.A15A4/1146½

*Memorandum of Trans-Atlantic Telephone Conversation*⁶⁴

DAVIS: Hello, Mr. Stimson.

SECRETARY: Hello, Davis, the President is on the wire now.

DAVIS: All right. Gibson wanted me to call you up. He is just about all exhausted but he wanted me to tell you about our talk with Sir John.

SECRETARY: Well, do it quickly because the connection is not very clear.

⁶⁴ Between Mr. Davis in Geneva and President Hoover and Mr. Stimson in Washington, June 21, 1932, 2:10 p. m.

DAVIS: Well, Simon is extremely upset. He says that he is satisfied but this will very greatly embarrass the Prime Minister officially, particularly as he is away from the seat of Government, attending two very difficult conferences,⁶⁵ and is unable to consult his Cabinet because of the shortness of time. We said we hoped they could get up and make a statement later endorsing in general the dealing with the problem in this way, and saying they would give it further consideration. Sir John said they would try to do the best they could but they felt that this upsets the whole spirit of their work here. He said we have been holding private conversations and making tremendous headway—more than ever before—and particularly yesterday we got quite far on the question of Air, and he said now we would have to stop the conversations, and if the conversations stop that breaks up the whole thing. We did all we could to explain to him and he said, “Well, it seems to me that for any disadvantage that might result from any break from France—after all they have not got much out of it—we would be wholly compensated by efforts here on a real comprehensive program.” He feels confident that they could come along on this whole thing and, if not, make some suggestions that would help rather than let down. I told him that, of course, the last thing in the world the President would want to do would be to embarrass MacDonald and that he had not looked at it from that standpoint at all; that he felt that it might help our work to give in to the conversations. Simon said he couldn’t see it that way because it would be worked on with the other countries and he said he supposed a lot of talk has been going on of these conversations and it would embarrass him with the Italians, and with the Germans whom they have been holding off, and for MacDonald who is not well at all to come over here to accept and pass upon such a far-reaching question as that, without being able to consult his Cabinet, would be terribly embarrassing, particularly, as MacDonald has been making such a point and every effort to cooperate with us. Well, I felt, and we all felt that we should call you up and I asked Simon if it would be of any help to hold it off for twenty-four hours or forty-eight hours and he said he did not know himself—he was so upset he did not know what to say. Hugh Gibson went to see Henderson to ask for permission for a general session and Henderson refused to do it unless England and France would say that it was all right with them, but Sir John says that he can’t assume any responsibility in that; that it might be of some help but he couldn’t assume responsibility. Then we asked him if it would be less embarrassing to them if the President should give that statement out as his own in Washington

⁶⁵ The Disarmament and the Lausanne Conferences.

and not have us give it out here. Simon said it seemed to him that this would be less objectionable but it would still be embarrassing to the Prime Minister as there has been so much talk about our working out something together and we were making headway. If we had completely fallen down it would be different. I never saw anyone more upset over it than Simon was. He was terribly upset and almost takes it as an insult.

PRESIDENT: Well now, Davis, don't you think some of this attitude is connected with what is going on at the other conference?⁶⁶

DAVIS: That is what I am trying to see. There might be a little something in that. Sir John is not working there but the point was, of course, that MacDonald was quite upset about that because he is not very well and I think and I really feel now that, in view of the incident he is making of it and also the fact that we might not get hearty support if it were presented here, if we put it off on the ground—I mean if we told the President that it was embarrassing to the Prime Minister it would make it a little more convenient to play with them, than to try to do it quickly.

PRESIDENT: Don't you think they are bound to come back with very serious alterations to this program?

DAVIS: I told him if they came back with changes to whittle this thing down, then it would be a flat tire. He said, "I assure you that it is my desire to increase it, if possible." Simon said MacDonald asked him if he would please ask the President if he remembers their talk about the question of how many cruisers the United States has got and how many they have got for all of their territories to do the work.⁶⁷ He said that was why he was afraid of trouble—not because of what we have got.

PRESIDENT: Well, you see if they came back with a proposal to decrease the cruiser cut and to increase the battleship cut, if they came back with plans like this, we would be ruined before the American people unless we previously got out our plan.

DAVIS: Yes, I see that.

PRESIDENT: If we hold this back until they have had a chance to take a crack at it, we are never going to get it out. The question is whether it would be of international interest to hold it up and if we hold it up for days, it has gone by the board as far as we are concerned over here. They want to hold it up not because they don't believe in it but because they want to change it.

⁶⁶ i. e., the Lausanne Conference, June 16–July 9.

⁶⁷ This took place upon the occasion of the Prime Minister's visit to the United States, October 4–10, 1929; see *Foreign Relations*, 1929, vol. III, pp. 25–30.

DAVIS: I don't believe they do want to change it. They seem quite satisfied with that motion and clause about cruisers and Mac-Donald said it was all right for him but the only thing that they might want to do is to go further on submarines, that is, to propose their total abolition and they don't understand why you put their tonnage in the 1200 pound. Is that correct?

SECRETARY: Yes, that is right.

PRESIDENT: Well, I don't think that is so important. They have no hesitation on that side of putting out from their various governments various plans. The French put out a plan for international police and other plans have been put out by their governments without respect to the conference at all, so I can't for the life of me see why our government is not free to put out a suggestion free from criticism on their side.

DAVIS: It would be all right at any other time, except right now in the middle of serious conversations which have been going on for three days.

PRESIDENT: In other words, they want to delay it on account of this other conference.

DAVIS: The discussions are continuing here on disarmament and are supposed to be ironed out at least by tomorrow and we really are making some headway, whether we are getting anywhere, I don't know, only any other time, even last week, would have been all right to do this but to do it right now is the thing that Simon brought up and, frankly, I couldn't find an answer to it because, as he said, when we have a meeting in the morning at ten-thirty or eleven, what are you going to say there? He said it would be very embarrassing to us and it meant that it would break up these conversations. Unquestionably you have a right to do it at any time, but it just happens at this peculiar time.

PRESIDENT: If I delay it for forty-eight hours, I have got to delay it for at least a month. It is not fair to the Democrats to put this out during their convention.⁶⁸ It is entirely non-partisan.

DAVIS: Yes, you have got to wait. Well, you could do it next Monday,⁶⁹ couldn't you?

PRESIDENT: No, I can't, because the Democrats are holding their convention then. I have got to put it out when the atmosphere is clear. I could not take it up while the Republican Convention⁷⁰ was in session—I did not want any political medicine made of it.

DAVIS: If we can say to him that we have put it off because we

⁶⁸ Held at Chicago, June 27–July 2.

⁶⁹ June 27.

⁷⁰ Held at Chicago, June 14–16.

thought we would embarrass him, I think that would put us in a good position now.

PRESIDENT: Well, I am not prepared to agree with you at the moment. I can shove it into the air from here and say I have asked you to discuss it with the other governments.

DAVIS: That is the only way to do it now. It wouldn't do, under the circumstances, for us to come out with it now but we might later deal with it here as a message from the President to the conference and this would let the conversations continue and, if we call a meeting of the general commission tomorrow, that means we will have to call off these conversations and that would be embarrassing.

PRESIDENT: Suppose we put it out to you as a direction in the conversations you are now carrying on.

DAVIS: That is the way I put it to him. He said that would be better but it is going to be quite embarrassing to the Prime Minister. Simon came back here with us and now is on his way to Lausanne to report to the Prime Minister and will call me later tonight at nine-thirty here.

PRESIDENT: What time is it there now?

DAVIS: Eight-thirty. I expect to hear from him in an hour and a half.

PRESIDENT: You might call us up.

DAVIS: If you can wait a little while until I get the reaction of the Prime Minister I will call you up. I think it ought to be judged by that. He might say it might be all right as he will have enough to worry him without this. Simon said that the Prime Minister had the impression that Gibson and I had told him specifically that he would have a chance to answer and to comment before anything went out. I told him that I was very sorry if the Prime Minister did have that impression because we did not say anything of the kind. We distinctly told him that this was something you were thinking of doing, with the idea of drawing up something concrete for this conference to work on.

PRESIDENT: Well, now, you are engaged in a series of consultations preliminary to the formation of a strong program. That is the object of the present consultations. Supposing I give you instructions as to matters which you are to raise in those preliminary conversations, isn't that in perfect accord with what is going on?

DAVIS: I tried my best to explain it that way to him but he seemed so upset that we were afraid he did not get it.

PRESIDENT: You had better explain it to him again and you can take it that this has gone before the board unless we do it within the next twenty-four hours.

DAVIS: If you do it, you can wait an hour and a half, can't you?

PRESIDENT: Yes.

DAVIS: All right, I will call you back.

500.A15A4/1149½

*Memorandum of Trans-Atlantic Telephone Conversation*⁷¹

MR. GIBSON: Hello, Mr. Secretary, since talking to you last Norman Davis has had a talk with the Prime Minister, and in order that you can get it first hand I think he had better tell you exactly what the Prime Minister said.

SECRETARY: All right.

MR. DAVIS: Hello, Mr. Secretary. Sir John had told me he was leaving here at 8:30 and would get to Lausanne at 9:30 and would call me just as soon as he saw the Prime Minister, so we waited until quarter to ten and then called the Prime Minister. He did not want to give a categorical answer, but he didn't seem quite so upset as Sir John had been. In fact, he did say, "Of course, this will be awkward to me because the papers will land me right off to know what we think of it. The right wing in England will jump on us for not saying at once that we didn't consider modifying the London Treaty; on the other hand the other wing will feel that we ought to do this ourselves and that we should have supported it immediately and not being there to consult with the Cabinet it does make it awkward. On the other hand I don't want to interfere with you. Tell the President that I don't want to be unreasonable in any way. I don't know just what his problem is and I will do my best to support him as soon as I can, but of course it is very difficult for me to give a definite answer until I talk to Simon. He will be here at 10:30 and I will just have to stay up now under the circumstances." I told MacDonald that we had felt that if this were turned around and given out as the statement of our position; that if he was not called upon now that it ought not to embarrass him and we hoped very much that it wouldn't, and that is the way I left it. He said that as soon as he talked to Simon he and Simon would call me later tonight, but I felt that we shouldn't hold off any longer. I think by handling it this way it makes it much less objectionable and if it is done with a little change it ought to enable us to continue with these conversations. We therefore had written out something to suggest that the President might put in as the preamble to his statement, and I will read it to you.

⁷¹ Between Mr. Gibson and Mr. Davis in Geneva and President Hoover and Mr. Stimson in Washington, June 21, 1932, 5 p. m.

"I propose to do something unusual. I propose to reveal the communication embodying the instructions which I have given the American Delegation to the World Disarmament Conference. The substance of these instructions was designed to guide the delegation in the intimate conversations on which they were about to embark and which are now occupying them. Such conversations will undoubtedly continue between the American and other delegations at the conference in an ever increasing growth of power. I am heartened by the progress already made in these conversations and give these instructions out in the hope that they will give an emphasis to real achievement by the conference."

We think it would help if something like that would be accepted by the President. You would have to make a few changes, of course, in the body of the statement, maybe the reading of one or two sentences.

SECRETARY: All right. Do you hear that, Mr. President?

PRESIDENT: Yes. I had already written out this introduction.

"The delegations at the World Conference on Disarmament at Geneva have been engaged for some days in discussions as to methods by which a more comprehensive movement can be made towards disarmament. The President has communicated the following instructions to the American delegation for their guidance in these discussions." Now they want to go a little further.

MR. DAVIS: I see our minds have been working along the same way. That is the main thing. If you feel like giving anything, that is all right.

PRESIDENT: Yes, in order to prevent garbled accounts being misinterpreted.

MR. DAVIS: Yes, I had thought too that we might put something in to the effect that the President feels the American people ought to know what he is proposing that we shall do—something like "This is given for the information of the American People". We all rather feel that doing it this way, while it may embarrass them a little bit and they would rather have us not do it, at the same time as the President says, if we wait a week we've got to wait two or three more weeks and probably it would go by the board, and the advantage of a real-ringing clear-cut statement is worth considering, so we figure it is best to go ahead and shoot.

PRESIDENT: Do you think we ought to wait until we hear from MacDonald again?

MR. DAVIS: He will call within the next thirty minutes, and if you don't hear from us within an hour, just go ahead because unless they raise quite a lot of objection which I don't think they will, we won't call. I think in a way that it is fortunate that Simon hadn't talked

to MacDonald when I called Lausanne because he took it better than Simon did. Now, one thing more, Mr. Secretary. We think it is very important to keep to the hour that has been fixed of giving it out there at 10:30 in the morning.

SECRETARY: That is in Washington. Giving it out here at 10:30 our time.

MR. DAVIS: Yes, and then we will circulate it here at 4:30. We will get it out in the afternoon at the proper time, just for the information. But otherwise if you give it out tonight it will be in the morning papers in London before we can get it circulated.

SECRETARY: All right, we can do that.

MR. DAVIS: We would also like to have you telegraph the final text, including any additions you may make.

SECRETARY: There will be quite a change so I think we will telegraph the whole thing so you can know what we do.

MR. DAVIS: We have tried our best we want both you and the President to know.

PRESIDENT: That 266,⁷² is that the one about the consultative pact? That will raise a great political issue here right away.

MR. DAVIS: A spirit of cooperation is of the utmost importance so unless MacDonald or Simon has something further to say that is pretty upsetting we will not call you any more, unless you would prefer to hear what they have to say.

SECRETARY: Now just let me get one thing straight. There have been two proposals about cruisers. The one that represents our views, you remember what it was, and then you sent a counter proposal.

MR. DAVIS: About the cruisers?

SECRETARY: Yes, designed to make it a lot easier for your people over there. For the President's purposes our suggestion is a little better, but there would be no objection whatever for you to circulate it there as a technical explanation.

PRESIDENT: They can add whatever technical explanations they like there.

SECRETARY: I think it would be better for the President to put in his own suggestion which we have reduced down to pretty short language and then you can put in the suggestion that you made, as a technical explanation that can be made as an alternative if there are objections to this. Do you see that?

MR. DAVIS: Yes, I think that is good. We agree to that.

SECRETARY: There are quite a number of changes like that which

⁷² Telegram No. 266, June 21, 2 p. m., from the Acting Chairman of the American delegation, p. 202.

we have now made again in this proposed set of instructions which are for the purpose of making it carry better when the President makes it as a statement here. Now you are perfectly free to supplement it with any of the suggestions that you have sent to me and which have not been disapproved. The only one that has been disapproved that I remember now is the last one, your 266, and the budgetary one.⁷³ The consultative pact and the budgetary suggestions are not in this, and they would make great trouble here in two different directions. The budgetary suggestion would make great trouble to our services who have never agreed to it and the other would make trouble politically. It is very hard to do that.

MR. DAVIS: I hope we won't have to call you again.

SECRETARY: All right. Thank you very much for all the trouble you have taken.

PRESIDENT: Let me add to that that you are doing very well.

MR. DAVIS: Thank you. All the delegation sends its regards to both of you.

PRESIDENT: Thank you.

SECRETARY: Thank you.

500.A15A4/1201

Memorandum by the Under Secretary of State

[WASHINGTON,] June 21, 1932.

The Italian Ambassador ⁷⁴ came largely to ask me whether this Government, through Mr. Gibson, had definitely offered reduction or cancellation of debts in case the European debtor nations would undertake some real measure of reduction in armaments. I told the Ambassador that on this matter the papers were, as usual, merely guessing; I told him that we were not linking debts with disarmament any more now than we had in the past; he said he had always understood that the United States would be more likely to reduce debts if the European nations were spending less on armament; I told him that this, of course, was correct only in that the American people would never be brought to see that the debts could not be paid when they at the same time saw European Governments spending annually infinitely more on useless armament than they had to pay to this country; I reminded him also that this had not been made the position of the American Government and that there never had been

⁷³ See telegram No. 257, June 19, 9 p. m., from the Acting Chairman of the American delegation, p. 191.

⁷⁴ Nobile Giacomo de Martino.

or could be any agreement that reduction of armament would lead to reduction of the debts. The Ambassador said that he understood the matter, but that he would be very grateful if he could be told exactly what Mr. Gibson had said on the subject. I told him with some vigor that Mr. Gibson had not made any such proposition and that he would make a great mistake if he passed on to his Government as facts the gossip of the newspapers. The Ambassador said that he thought that, if Mr. Gibson had said nothing, it might well be French propaganda, that the French were always trying to make trouble all along the line, that France, of course, was against anything in the way of real settlement of the reparation question and was, of course, against disarmament. I made no comment on this.

W. R. CASTLE, JR.

500.A15A4/1142 : Telegram

*The Secretary of State to the Acting Chairman of the
American Delegation (Gibson)*

WASHINGTON, June 21, 1932—11 p. m.

145. I am sending you herewith the final text of the statement which the President will give to the press tomorrow morning for release at 10:30 a. m., Washington time. This text, however, does not contain the portion beginning "for the information of our own countrymen"⁷⁵ which was cabled to you in our 141, June 20, 11 p. m. This latter portion is not to be circulated or used by you but it will be included in the President's statement tomorrow substantially unchanged.

I now understand that you intend to present the proposals included in this statement at the meeting of the General Commission at 4:30, Geneva time, tomorrow.

You will note that the second paragraph under "Naval Forces" refers to "various technical considerations" which will be presented by the delegation at Geneva. The important technical considerations referred to are:

- (1) The conditions as to cruiser reduction as set forth in our 141, June 20, 11 p. m., paragraph 3, beginning "As to cruiser strength"; and
- (2) As to submarines no nation whether a treaty power or not, shall retain a tonnage greater than 35,000 tons or retain a greater number than 40 submarines of which no vessel shall exceed 1,200 tons.

The manner for explaining these conditions is left to your discretion. You should bear in mind, however, that they are an integral

⁷⁵ See footnote 82, p. 215.

part of our proposals and should be so explained in an amplification of the President's proposals at the time you present the latter. Otherwise there may be occasion for misunderstanding.

While the President's proposal is subject to the conditions as to cruisers contained in our 141, June 20, 11 p. m., if it would help MacDonald to know that we would undoubtedly be willing to accept eventually the procedure suggested in your 262,⁷⁶ you may so inform him. Again while the limitations mentioned above in respect to submarines are also an integral part of our plan and I am not authorized to change them, I am personally inclined to believe that possibly if it would make it more easy of acceptance by MacDonald, our Navy Department might eventually accept a lower individual limit on the size of submarines.

As stated over the telephone, the two suggestions contained in your 266, June 21, 2 p. m. have not been adopted.

Immediately after your speech tomorrow afternoon, please telegraph the text of the amplifications you may have made of the President's proposals.

The final text of the President's statement is as follows:

"The delegations at the World Conference on Disarmament at Geneva are engaged in discussions as to methods by which more comprehensive efforts can be made toward disarmament.

The following is the substance of instructions which have been given by the President to the American delegation for guidance in the discussions which are now occupying them. They are published in order that the American people may be fully and accurately informed.⁷⁷

"The time has come when we should cut through the brush and adopt some broad and definite method of reducing the overwhelming burden of armament which now lies upon the toilers of the world. This would be the most important world step that could be taken to expedite economic recovery. We must make headway against the mutual fear and friction arising out of war armament which kill human confidence throughout the world. We can still remain practical in maintaining an adequate self-defense among all nations; we can add to the assurances of peace and yet save the people of the world from ten to fifteen billions of wasted dollars during the next ten years.

I propose that the following principles should be our guide:

First: The Kellogg-Briand Pact, to which we are all signatories, can only mean that the nations of the world have agreed that they will use their arms solely for defense.

Second: This reduction should be carried out not only by broad general cuts in armaments but by increasing the compara-

⁷⁶ June 20, 9 p. m., p. 194.

⁷⁷ This sentence was omitted from the press release issued by the White House on June 22.

tive power of defense through decreases in the power of the attack.

Third: The armaments of the world have grown up in general mutual relation to each other. And, speaking generally, such relativity should be preserved in making reductions.

Fourth: The reductions must be real and positive. They must effect economic relief.

Fifth: There are three problems to deal with—land forces, air forces and naval forces. They are all interconnected. No part of the proposals which I make can be disassociated one from the other.

Based on these principles, I propose that the arms of the world should be reduced by nearly one-third.

Land forces. In order to reduce the offensive character of all land forces as distinguished from their defensive character, I propose the adoption of the presentation already made at the Geneva conference for the abolition of all tanks, all chemical warfare and all large mobile guns. This would not prevent the establishment or increase of fixed fortifications of any character for the defense of frontiers and seacoasts. It would give an increased relative strength to such defenses as compared with the attack.

I propose furthermore that there should be a reduction of one third in strength of all land armies over and above the so-called police component.

The land armaments of many nations are considered to have two functions. One is the maintenance of internal order in connection with the regular peace forces of the country. The strength required for this purpose has been called the "police component". The other function is defense against foreign attack. The additional strength required for this purpose has been called the "defense component". While it is not suggested that these different components should be separated, it is necessary to consider this contention as to functions in proposing a practical plan of reduction in land forces. Under the Treaty of Versailles and the other peace treaties, the armies of Germany, Austria, Hungary and Bulgaria were reduced to a size deemed appropriate for the maintenance of internal order, Germany being assigned 100,000 troops for a population of approximately 65,000,000 people.⁷⁸ I propose that we should accept for all nations a basic police component of soldiers proportionate to the average which was thus allowed Germany and these other states. This formula, with necessary corrections for powers having colonial possessions, should be sufficient to provide for the maintenance of internal order by the nations of the world. Having analyzed these two components in this fashion, I propose as stated above that there should be a reduction of one third in the strength of all land armies over and above the police component.

Air forces. All bombing planes to be abolished. This will do away with the military possession of types of planes capable of attacks

⁷⁸ See art. 160 of the Treaty of Versailles, *Treaties, Conventions, etc.*, 1910-1923, vol. III, pp. 3329, 3399.

upon civil populations and should be coupled with the total prohibition of all bombardment from the air.

Naval forces. I propose that the treaty number and tonnage of battleships shall be reduced by one-third; that the treaty tonnage of aircraft carriers, cruisers and destroyers shall be reduced by one-fourth; that the treaty tonnage of submarines shall be reduced by one-third, and that no nation shall retain a submarine tonnage greater than 35,000.

The relative strength of naval arms in battleships and aircraft carriers, as between the five leading naval powers, was fixed by the Treaty of Washington.⁷⁹ The relative strength in cruisers, destroyers and submarines was fixed, as between the United States, Great Britain and Japan, by the Treaty of London.⁸⁰ For the purposes of this proposal, it is suggested that the French and Italian strength in cruisers and destroyers be calculated as though they had joined in the Treaty of London on a basis approximating the so-called accord of March 1, 1931.⁸¹

There are various technical considerations connected with these naval reductions which will be presented by the delegation at Geneva.

General. The effect of this plan would be to effect an enormous saving in cost of new construction and replacements of naval vessels. It would also save large amounts in the operating expense in all nations of land, sea and air forces. It would greatly reduce offensive strength compared to defensive strength in all nations.

These proposals are simple and direct. They call upon all nations to contribute something. The contribution here proposed will be relative and mutual. I know of nothing that would give more hope for humanity today than the acceptance of such a program with such minor changes as might be necessary. It is folly for the world to go on breaking its back over military expenditure and the United States is willing to take its share of responsibility by making definite proposals that will relieve the world.' ”

STIMSON

500.A15A4/1152: Telegram

*The Secretary of State to the Acting Chairman of the
American Delegation (Gibson)*

WASHINGTON, June 22, 1932—11 a. m.

146. My 145, June 21, 11 p. m. The President issued this morning the public statement as telegraphed you last night omitting the final section entitled “for the information of our own countrymen” which

⁷⁹ *Foreign Relations*, 1922, vol. I, p. 247.

⁸⁰ *Ibid.*, 1930, vol. I, p. 107.

⁸¹ *Ibid.*, 1931, vol. I, p. 380.

was cabled you in our 141, June 20, 11 p. m.⁸² He did, however, make use of the substance of that section as background for the information of the correspondents and not for quotation in any way. He likewise included but only for background the following sentences: "Disarmament has never been considered in connection with debt questions. It has no relation to them whatever either directly or indirectly. No such suggestion has ever been made by any American official. It would be offensive to the dignity of European peoples to even consider such a course, much less suggest it."

STIMSON

500.A15A4/11614

*Memorandum of Trans-Atlantic Telephone Conversation*⁸³

GIBSON: Hello, Mr. Secretary, this is Gibson. I wanted to tell you about this afternoon's speeches. It has been without a doubt the biggest day we have ever had in Geneva. It has been a really splendid day. The President's statement has had a tremendous effect and apart from the speeches which I shall tell you about, we have been warmly congratulated by a large number of delegates representing the most substantial and respectable countries. We all are very much encouraged. Now to tell you about the speeches one by one.

Simon made a long speech, rather guarded. He really is in favor of the plan and he expressed himself very definitely to me after the

⁸² The final text of this section read as follows:

"The program announced this morning has been approved by the Secretaries of State, War and the Navy, by the Chief of Staff of the Army, the Chief of Operations of the Navy and the American Delegation at Geneva.

"It is not proposed that the United States should act alone, but only upon the acceptance of all the other governments.

"Our army, including the national guard and all other reserves, has already been reduced much below the European standard 'police component.' It therefore would not be further decreased in strength but we would join in the abolition of tanks, bombing planes, chemical warfare and large mobile land guns.

"Our Navy is not yet built up to the parity and strength provided for it in the treaties. This proposal, while relieving other nations of great costs of maintenance, would also relieve us of a large part of the building program under discussion in Congress designed to enable us to reach our treaty strength.

"It would not interfere with present construction and in the ordinary course would not result in reduction of personnel for two or three years. It therefore has no effect on unemployment by discharge of men. By aid to economic recovery it would help employment.

"The savings in expenditure to the United States in construction and operation are computed at a total of about two billions of dollars during the next ten years.

"It would leave us more secure in defense than we are today. We have no desire for offensive armament." (500.A15A4/11584.)

⁸³ Between Mr. Gibson and Mr. Davis in Geneva and President Hoover and Mr. Stimson in Washington, June 22, 1932, 3:30 p. m.

meeting to the effect that we could get together and try to make the thing succeed.

Then came Boncour, the French delegate. He made a guarded speech in which he put in the forefront the usual French reservations and objections. However, he made a movement to show such friendliness to our plan as he dared to do in the light of French public opinion and the short time he had for consultation with his colleagues. I think he really made a good effort. I told you this in detail because I think our press will carry stories that both of these men threw cold water on the plan. That is very much overstated. In my opinion, and in our opinion, Boncour went as far towards meeting us as any public Frenchman could have done.

SECRETARY: That is good.

GIBSON: He stated that the reduction in the President's plan is the reduction that he had advocated to go into effect and he will do all he can to make this a success, providing he can get some way of getting a measure of security. The Press thought that Simon was unfriendly. I think the impression arose from the fact that Simon's speech was much too long and travelled round and round. In substance he said that his attitude was very friendly that he would work to make the plan a success; so I think you would be able to correct any press stories of a defeatist character as far as those two men are concerned.

SECRETARY: Was MacDonald there?

GIBSON: No, sir, he could not come. Now, I will tell you the substance of the rest of the speeches as they were made by Litvinoff, Madariaga and [Nadolny]. He⁸⁴ missed the train by making a long speech. The German showed a certain amount of tact, not overdoing the thing and made one very important contribution. He said that if such a plan were adopted it would go a long way towards satisfying the German demands for equality.

Matsudaira made a speech and it went over big. He went into this thing very fully and made a very brief and courteous speech. This morning he said he would have to oppose proportionate naval reductions but by this afternoon he had toned that down materially and merely intimated that there might be difficulties but that he hoped they might be examined and solved in a friendly conversation and hoped for success of the President's plan.

Then the real star of the day was Grandi. You can take off your hat to him. Before the meeting I went over the entire plan with him. He then asked me if he could ask for authority from Mussolini to come out in full adoption of the plan. Mussolini gave him this authority and Grandi made a brief and grand speech in which he

⁸⁴ i. e., Litvinoff.

stated that Italy accepted the plan in its entirety and in its details, not only in principle but also in its application. He recapitulated the President's proposal point by point and said that he adopted it full heartedly for the Italian Government. His speech was greeted with uproarious applause which we have never heard at a League meeting and he referred to the fact that America had taken the lead in great enterprises; that the President has started towards the solution of financial troubles by his moratorium proposal and now by this and Italy has, without hesitation, followed him on both occasions. The enthusiastic reception he got made it encouraging for some of the delegates not yet heard from. That ended the day's session. For the moment conversations will continue. As we have said in our speech, the delegates would want time to examine our proposals, we did not press for an immediate reconvening for the general commission but I think that will be provoked by others as soon as they are ready to make their speeches.

Now, there is one thing more—the reaction of the French representative. After the meeting, he said that if the President had only embodied in his statement the references in the Republican platform plank to cooperation and consultation,⁸⁵ it would have been easy for the French to accept the plan and for the French press to back it. Now you may wish to bear this in mind for a thought as to how some pronouncement might be made in due time to bring their attitude within the range of the conference. In general, the speakers, while acquiescing in the President's plan, expressed that it should be augmented by limitation of expenditure.

May I make one suggestion? I think it would be very much appreciated if you would telegraph to me for transmission messages to Simon, Boncour, Matsudaira and Grandi. As you are the chief of our delegation, I am sure they would immensely appreciate direct word from you saying you appreciate what they have done. I will transmit the messages to them. May I also suggest that in view of Mussolini's instant and wholehearted acceptance, you may wish to send him a direct message through our Ambassador in Rome.

SECRETARY: All right, I am very much obliged.

GIBSON: How did it go over at home?

SECRETARY: We haven't got the reaction yet.

PRESIDENT: This is the President speaking. Could you ask Davis and Swanson or Swanson and Davis if they could get the Democratic

⁸⁵ On this subject the Republican platform stated: "We favor enactment by Congress of a measure that will authorize our Government to call or participate in an international conference in case of any threat of nonfulfillment of article 2 of the treaty of Paris, Kellogg-Briand pact." (*Congressional Record*, vol. 75, pt. 13, p. 14117.)

people to put a similar plank on consultation and conference in their platform next week?⁸⁶

GIBSON: Just a moment. I will put Davis on the wire.

DAVIS: That would be great if they could do it. It would take this whole thing out of politics.

PRESIDENT: If he could do that it would take it out of politics and we would get ahead.

DAVIS: I will try to get hold of Swanson and it would be a great thing.

PRESIDENT: Swanson might be able to get all of the Democratic leaders in Washington to back this plan and follow through on that. It would get the whole thing out of politics.

DAVIS: We will get to work on that.

PRESIDENT: I want to congratulate you on a good day's work.

DAVIS: I must [*just*] want to tell you that this has been a grand day really. We are all dead. We feel like going out and celebrating. We haven't had any dinner yet.

SECRETARY: I want to join my own congratulations to you and Gibson.

DAVIS: We have had to hold Simon and Boncour by the hand to get them up to it, but really they were much better than we had a right to expect. I really think I see something coming out of it in a few days. I think now in a few days we can get this to where we can take up the question of adjourning on this if it is necessary. You don't know how the statement took there yet?

PRESIDENT: No. Give my affection and compliments to Swanson and tell him there is a chance for him to do a great job there.

DAVIS: I will do that. It is a fine suggestion.

PRESIDENT: Well, good luck!

SECRETARY: Good-by and good luck!

500.A15A4/1154: Telegram

*The Secretary of State to the Acting Chairman of the
American Delegation (Gibson)*

WASHINGTON, June 22, 1932—6 p. m.

147. Please take occasion to see Sir John Simon, M. Paul-Boncour, Mr. Matsudaira and Mr. Grandi and deliver to each personally a message from me.

⁸⁶ As adopted on June 2, 1932, the plank in the Democratic platform stated: "We advocate a firm foreign policy . . . the pact of Paris abolishing war as an instrument of national policy, to be made effective by provisions for consultation and conference in case of threatened violations of treaties." (*Congressional Record*, vol. 75, pt. 13, pp. 14735-14736.)

To Sir John Simon: "I have just heard from Mr. Gibson of your speech this afternoon concerning the President's proposals. I wish to thank you most earnestly for the spirit of sympathetic consideration in which you discussed them, and to trust that our two delegations will be able, working jointly, to contribute to their fulfilment. My appreciation is all the greater in view of the shortness of time in which circumstances have necessitated your consideration of these most important questions."

To M. Paul-Boncour: "Mr. Gibson has just telephoned me of your courteous speech this afternoon in response to the President's proposals, and I wish to lose no time in sending you a word of thanks and in telling you how earnestly I am looking forward to the joint efforts of our two delegations in contributing to a successful solution of the labors of the Conference."

To Mr. Matsudaira: "Mr. Gibson has just telephoned me of your courteous speech this afternoon with reference to the President's proposals, and I wish to thank you cordially for the cooperation you promised in endeavoring to work out a harmonious solution of the great work in which our two countries are so deeply interested."

To Signor Grandi: "I have just heard from Mr. Gibson of the eloquent and wholehearted support you gave to the President's proposals this afternoon, and I wish to assure you not only of my genuine appreciation of Italian cooperation but to add a personal message of pleasure that our two delegations are striving side by side to bring about a real reduction in armaments along these lines. I am also telegraphing to the Chief of the Government in Rome through Mr. Garrett."

STIMSON

500.A15A4/1155 : Telegram

The Secretary of State to the Ambassador in Italy (Garrett)

WASHINGTON, June 22, 1932—6 p. m.

48. Please take occasion to deliver the following message from me to the Chief of the Government:

"I am asking our Ambassador to tell you how deeply I appreciate the whole-hearted support Italy gave this afternoon at Geneva to the President's proposals and which was expressed with such eloquence and conviction by Signor Grandi. May I add a personal line of thanks to you and tell you what great pleasure it gives me to see our two Governments working side by side toward a successful solution of the problem of disarmament."

STIMSON

500.A15A4/1148 : Telegram

*The Acting Chairman of the American Delegation (Gibson) to the
Secretary of State*

GENEVA, June 22, 1932—9 p. m.

[Received June 22—8:20 p. m.]

268. Following is text of my remarks at the General Commission today:

I am desired by the President of the United States to communicate to the Conference the text of a statement which he is giving out at this moment. It is his hope that the public statement of such a program will fire the imagination of the world and lead all nations to consider deeply and state openly how much they can contribute to a great general program (here was inserted text of President's statement).

The significance of the President's statement will be apparent to all. It is clear, self-contained and comprehensive. I am well aware that every one here will wish to study it in detail. There are, however, certain clarifications and explanations which I can make at once in order to clear up one or two points.

With reference to cruiser strength it is proposed that the 25 per cent reduction of the total tonnage of the United States and Great Britain should be calculated on the present total London Treaty tonnage of Great Britain, namely: 339,000 tons. Furthermore, the total tonnage allowed under that treaty for 8-inch gun cruisers shall be limited to 150,000 tons each for the United States and Great Britain and the proportionate 90,000 tonnage for Japan.

I also feel that there should be a clarification on the subject of submarines. In order to make the acceptance of such a sweeping reduction possible, the President's communication must be examined on the basis that no nation whether or not a party to existing naval treaties shall retain a tonnage in submarines greater than 35,000 tons or more than 40 submarine units of which no single vessel shall exceed 1200 tons.

In view of the reductions suggested for the five leading naval powers under the President's plans it seems evident that the other powers should here agree to corresponding sacrifices through the reduction or limitation of their naval armaments.

I have not labored here all these months with my colleagues present today without becoming convinced of their earnestness of purpose and their desire to see the greatest possible accomplishment in disarmament. Therefore, I am sure that the principle of maximum accomplishment to which each nation makes substantial contributions, as my country is doing by the provisions of the text which I have just read, will appeal to them.

In our most powerful arm, the Navy, we are prepared as a part of this program to scrap over 300,000 tons of existing ships and to forego the right to build over 50,000 tons. In land material our proposal would affect over a thousand heavy mobile guns and approximately 900 tanks, and in aviation about 300 bombardment airplanes.

The American delegation is at your disposal for further explanations and clarification as they may become necessary, and these points will no doubt be forthcoming as the conversations in which we are now engaged progress. These very real sacrifices of strength which the United States is willing to make in a predominant arm as part of a world scheme cannot fail, I am convinced, to find equally generous response.

GIBSON

500.A15A4/1284

The Ambassador in Italy (Garrett) to the Secretary of State

ROME, June 24, 1932.

[Received July 8.]

DEAR MR. SECRETARY: AS I telegraphed you yesterday,⁸⁷ I read your telegram of June 22nd to the Chief of the Government, who said he would answer it through the Italian Embassy at Washington. In the course of the brief conversation afterward, he asked me whether the President intended to hold to his statement, and I unhesitatingly replied that without a doubt he did. He may have had in the back of his mind, although I could not get him to say so, a query as to whether the President would contemplate any modifications in his proposal. He asked me whether I had heard from Gibson of the prospects of agreement by England and France. I told him that I had only heard from Gibson of how magnificent in its brevity and simplicity he considered Grandi's speech and how it had received an ovation such as he, Gibson, had never seen in any international gathering. He expressed much pleasure at this. He would not say what he thought the prospects of agreement at Geneva were but he did let out some very caustic comment as to the general and particular attitude of France. He said France would soon have nothing but enemies in the world. She had the Kellogg Pact and Locarno, what more security did she want? Was France to be the only one to have security? More by his vehement actions and the expression of his face than by his actual words he showed his apprehension that France would block the proposal, which, he added, if carried out in good faith would do more than any other thing to calm the critical conditions in the world and allay fear. He said that Italy was whole heartedly for peace and that he had had no hesitation when Grandi telephoned him from Geneva in assenting at once to the President's proposal. He made no reference of any kind to debts or reparations.

⁸⁷ Telegram not printed.

I am sending you to-day a telegram⁸⁸ in which I have attempted to give the gist of the newspaper comments on the President's proposal and Italy's immediate acceptance of it, and I shall continue to send pertinent comments both to you and to Gibson.

Very sincerely yours,

JOHN W. GARRETT

500.A15A4/1175 : Telegram

*The Acting Chairman of the American Delegation (Gibson)
to the Secretary of State*

GENEVA, June 25, 1932—1 p. m.
[Received June 25—8:55 a. m.]

275. Your message for Sir John Simon contained in the Department's 147, June 22, 6 p. m., was forwarded by me in a note to Sir John as he had already left for London. I have just received through Cadogan of the British Delegation here the following text of a reply:

"I am delighted to receive your cordial message which I am communicating to my colleagues. I heartily reciprocate your wish for continued cooperation in our work at Geneva. Only by the cooperation of all the states represented there can we lift the burden of excessive armaments from the shoulders of the world. The spirit and purpose of President Hoover's declaration are deeply appreciated in Britain and we shall do our utmost by seeking the largest possible measure of agreement amongst all the states represented at the Disarmament Conference, to promote the acceptance of concrete proposals covering the whole field".

Sir John Simon requests that if you agree both of these messages should be released for tomorrow's press, that is the release should be made at 8 p. m. this evening London time. In other words it will be 3 p. m. today Washington. If you should agree and the delegation sees no reason why not, although you might care to release the other messages at the same time, please telephone Atherton in London whom I am advising so he will be available.

GIBSON

500.A15A4/1178 : Telegram

The Chargé in France (Armour) to the Secretary of State

PARIS, June 25, 1932—9 p. m.
[Received June 25—8 p. m.]

394. After the Council of Ministers which discussed today the negotiations at Lausanne and Geneva, the text of the Secretary's tele-

⁸⁸ Not printed.

gram of the 23rd [22nd] to Paul-Boncour was given to the press and has appeared in all the papers.

Herriot then made a statement to the press regarding President Hoover's communiqué. A translation follows:

"When I was informed that the American Government proposed to send a message I was worried about the effect on the procedure which had already been decided upon. I said as much to the American delegates. However, the message of President Hoover arrived. What is the attitude of the French Government with regard to it?

It has the greatest consideration for everything that comes from President Hoover. I have read and re-read the message and I will read it over again. I have not failed to notice that certain of its terms have obviously been inserted out of regard for France. That is the case with regard to the paragraph of the message relative to fortifications. It is also the case with the recognition of the principle which we have always defended of the interdependence of land, air and naval forces.

On the other hand however I wonder whether certain terms of the message have not been changed in its transmission. For example, that part of the document where the forces of Germany are evaluated at 100,000 men.

I wonder also whether the American program has taken into account the coalitions which are possible. Let's admit that the nations A, B, C be given certain military forces. Has it been taken into account that A and B might unite against C? It is for that reason that we French have always wished and still wish for an international organization and control.

I wish to hope that the negotiations engaged in at Geneva will continue and for my part I will not cease to study the Hoover message most seriously".

ARMOUR

500.A15A4/1283

Memorandum by the Assistant Secretary of State (Rogers) of a Conversation With the Italian Ambassador (De Martino), June 28, 1932

[WASHINGTON, undated.]

The Ambassador obviously came in to sound me out about things in general. We exchanged some general cross congratulations on the President's peace proposal and the Italian support of it. He seemed hopeful about some measure of French cooperation, saying that Herriot was liberal minded and he thought firm in his political seat. I said that his disposition appeared to us friendly to some measure of disarmament at least but that he had to face a great deal of fire from the nationalistic right and while we were hopeful, we could see his difficulties.

The Ambassador remarked that there had been some resentment in the diplomatic corps about their being deprived of information about the developments here so that they came as a surprise. I said the thing had moved so fast, developing as it did within a few days, that we had been so anxious to avoid publicity and that we were so much in touch with the other governments directly at Geneva that communications with the Ambassadors and Ministers here had been impossible or practically so.⁸⁹ It would have been impossible to have communicated here without a wide distribution and while it had troubled us a little, we felt that none of the other governments could legitimately complain when their chiefs were being informed in advance in Geneva. He said that he personally did not feel upset by it and he had cited to the others in the diplomatic corps the example of the Italian one-year Armistice proposition which had not been communicated to any of the foreign representatives in Rome before its offering at Geneva. I gathered that Claudel was the one who had been disappointed in his lack of information.

The Ambassador said they had all been besieged by newspaper correspondents who had tried to find out what was going on during the excitement. I said this illustrated the dangers that we were facing and I could assure him that no distinction had been made between the foreign representatives here. He asked if it was true that Sir Ronald Lindsay had sent down a colored messenger to get the news. I laughed and said I did not know. He said he himself had guessed very nearly what was going on and had informed his government that some important move from us was likely.

He handed me a copy of the *New York Times* saying that we were insistent that disarmament was a separate topic from debts and that we were not prepared to trade the recognition of Manchuria or any other desires of foreign governments for acceptance of the disarmament proposal. I said this was correct and the official attitude. He said the *Times* also reported that we were not prepared to make a consultative pact but that the administration might find a route for progress along the lines of the Republican platform plank on a policy of conference whenever the international peace was threatened. I said this was substantially our attitude; that we had already shown the willingness and capacity to move with the other nations when international peace was threatened as illustrated by the Russo-Chinese and Sino-Japanese emergencies, but that a formal engagement of that sort was altogether another problem for us. I said

⁸⁹ On June 23, in conversations with the representatives of France, Germany, Great Britain, Greece, Italy, Japan, Norway, and Poland, the Secretary of State and the Under Secretary had briefly explained the history of President Hoover's statement.

public opinion in the United States was gradually less critical of America's participation in problems of peace and order, and that progress in this direction seemed more possible if we proceeded without formal engagements, kept control of our own policy and did not provoke an issue.

The Ambassador asked what we knew about Lausanne and I said we knew nothing except what was on the surface in the press. I said we were keeping out of the discussions and not in any way entering into them. It was very desirable that the critical problems in Europe should not become topics in the political campaign in this country and we thought that the ultimate solution of them would be better off if they were not agitated. I had no doubt that the real leaders of public opinion nearly all felt that to be the case whatever their politics might be, but that the result could not be assured. He spoke vigorously of the inexcusable helplessness of the European countries to make progress in settling the international problems which were just now so critical. He said it reminded him of the blindness and helplessness in 1914. I sympathized with the lack of constructive boldness but said that in 1914 public opinion was hardly operative while now it was the critical factor in Germany, France and the United States, and that I did not feel that the blindness of the statesmen which he had spoken of in 1914 was the real problem now so much as the emotions of the masses of the people. The results were likely to be highly different. He asked if we saw any hope and I said yes, much. I saw, at least in America, much more understanding of international problems than had ever existed before and while there was some emotion, on the whole there had been a real improvement. I suspected the same thing was true abroad.

J[AMES] G[RAFTON] R[OGERS]

(5) **The Second Phase of Private Conversations Leading to the Resolution of Adjournment, July 23**

500.A15A4/1174: Telegram

The Acting Chairman of the American Delegation (Gibson) to the Secretary of State

GENEVA, June 24, 1932—4 p. m.

[Received 4:18 p. m.]

272. The private conversations between the French, British and Americans have adjourned until Monday⁹⁰ on account of the return to London of Sir John Simon. The delegation has reported in other

⁹⁰ June 27.

telegrams regarding the details of these conversations. It now remains to summarize the general situation. This is especially necessary as the production of the President's plan has brought us to the crossroads.

We could probably write a treaty of limited objectives. In entering these conversations Paul-Boncour stated that he waived for the time being all questions of security and was willing to negotiate with us as to what he could do with security in its present state. In general, our conversations show the possibility of drawing an immediate treaty along the following lines: limitation of effectives with possibly very slight reduction; limitation and some reduction of expenditure both global and material in accordance with the draft convention;⁹¹ an engagement not to build guns above a specified caliber, perhaps 220 millimeters or possibly even 155 millimeters; an engagement of the same nature for tanks not to exceed perhaps 30 tons; an abolition of airplanes above a specified weight with certain exceptions; bombing limited to the battlefield and to the same naval objectives permitted to navies; and the abolition of chemical and bacteriological warfare. The fleets have not been discussed. Part 6 of the draft convention to remain practically as it exists.

The French and so far the British have seemed anxious to push ahead and to unite in presenting to the Conference agreements along the foregoing bases. What the thoughts of the British will be on Simon's return after consulting his Cabinet and the Teuton on the Allies' plan, we do not know. We also know that Paul-Boncour is studying the President's proposal and we do not know how far this proposal may alter the views of both the French and British as to the objectives we can obtain by conversation. But in fairness to them we should leave them under no misapprehension as to our position.

We submit that such a plan as sketched above would in all probability be rejected by Germany unless it were understood that it was merely the first practical steps in a larger plan and to bring Germany to accept it would take the united pressure of all of us, if indeed could be done at all.

We therefore feel that having given out the President's plan it would be ridiculous for us to join in urging on the Conference the adoption of a minimum program. Moreover, in loyalty to those who supported us it would not be fair to use our influence for a result so far removed from what we have given grounds to hope for. We believe that the least we can do is to explain frankly to the French and British our position and state that we are willing to unite with them

⁹¹ For text of draft convention, see League of Nations, *Documents of the Preparatory Commission for the Disarmament Conference*, Series X; Annex 1 (C.P.D. 211), p. 423.

after the other great powers have been consulted in informing the Conference of the results of our exploration. This would be for the information of the Conference only and would be coupled with the right of each one of the powers to press for broader solutions.

An expression of your views is urgently requested. In this connection see delegation's 273.⁹²

GIBSON

500.A15A4/1168 : Telegram

The Acting Chairman of the American Delegation (Gibson) to the Secretary of State

GENEVA, June 24, 1932—5 p. m.

[Received June 24—1:30 p. m.]

273. Paul-Boncour told Davis yesterday that since it would be difficult if not impossible for France to go so far as the President's plan without further agreements for security in the form of mutual assistance pacts among European powers, and since it would also take some time to reorganize the French military service in order to make the reduction in effectives provided for therein, he would like to know if we would not be willing to reach an early agreement to sign a treaty with the limited program such as outlined in the delegation's No. 272⁹³ and then adjourn in order to have more time in which to consider the President's plan. Davis told him that he did not see how we could agree to that now that the President's plan is announced without having a discussion and an expression from the Conference on that plan; that this is something furthermore about which he would wish to confer with his colleagues. His personal opinion was that if a resolution could be adopted by the General Commission accepting in principle the President's plan and appointing a committee which should be directed to work out details and draft a treaty in accordance with the plan for submission to the Conference to be reconvened in say 6 months it might be possible to consider an agreement of limited objectives for immediate adoption as outlined by Boncour in order to bring some immediate relief to the world.

Boncour felt this was an interesting suggestion which he would think over but felt that it would depend largely upon the wording of the resolution.

It is our opinion that no treaty of limited objectives should under any circumstances be urged on the Conference by the American delegation unless and until a resolution such as that suggested above has been passed by the Conference or the General Commission. It would

⁹² *Infra.*

⁹³ *Supra.*

be possible then that the immediate adoption of all agreed upon elements in the program of disarmament might encourage the world as a first step in the greater program.

The conclusion of a treaty of limited scope which might take months to devise, years for general ratification, might furnish an excuse for the long delay in considering the broader program suggested by the President. Possibly this difficulty could be avoided by having limited program set forth in declaration of present basis for agreement not requiring ratification.

As these are the critical days of the Conference we would appreciate your views as soon as possible.

GIBSON

500.A15A4/1173 : Telegram

*The Acting Chairman of the American Delegation (Gibson)
to the Secretary of State*

GENEVA, June 24, 1932—6 p. m.
[Received June 24—3:15 p. m.⁹⁴]

274. The private conversations between American, British and French delegations have been continuing. For description of conversations of the June 20 see our 263, June 20, noon [*midnight*].⁹⁵ In view of press of other matters in connection with President's plan have not reported in detail our conversations of the 21st, 22nd and 23rd but this cable will cover all important points raised by these meetings.

We would be glad to have Department's views since these questions will arise in the pending private conversations in connection consideration of the President's plan.

(1) Has Department any comments to make on the recommendations of the Committee on Chemical and Bacteriological warfare (see Conference Document 120⁹⁶). As you will see from our 263 this report was approved at private meeting of June 20 in which we concurred as we found the report acceptable.

(2) Can we accept any maximum limit of unladen weight for airplanes? See our 218, May 27, 9 p. m.⁹⁷ In connection with such determination the following hypotheses might be considered:

(a). If bombardment aviation is eliminated and we had a numerical limitation permitting us to retain approximately 250 transport

⁹⁴ Telegram in four sections.

⁹⁵ *Ante*, p. 178.

⁹⁶ *Conference Documents*, vol. I, p. 210.

⁹⁷ Not printed.

and flying boat types a maximum limit of unladen weight around 1800 kilograms might be accepted without affecting plans for planes other than bombers.

(b). If it proved impossible to obtain total abolition of aerial bombardment we would presumably desire a much higher limit for unladen weight than suggested under (a). The British and French have tentatively suggested maximum unladen weight of 3 tons provided that exceptions are made in particular to allow of maintenance of troop carrying transports and flying boats. Further, if total abolition not accepted would Department consider acceptance following formula tentatively discussed in our meeting:

“All kinds of aerial bombardment shall be prohibited at a distance of more than (blank) kilometers from the front except in the case of air bases and long range gun emplacements, such prohibition to be applicable as between the high contracting parties. The front should be defined as the line where the two military forces are in contact in time of war. The following provision should apply to bombing by naval air craft: ‘Prohibition aerial bombardment on the coast inland of a zone (blank) kilometers wide, except in the case of air bases and batteries of artillery, aerial bombardment within this zone of (blank) kilometers being subject to the provisions concerning bombardment by naval forces contained in convention 9 of The Hague.⁹⁸ Extension to the air arm of the conventions governing the conduct of naval forces in regard to hospital ships and neutral or enemy merchant vessels (conversations [*conventions*] 10⁹⁹ and 11¹ of The Hague)’”. (This definition of naval bombardment proposed by the French not yet accepted by the British).

(3) What basis for numerical restriction of aircraft would be approved? This question obviously presents great difficulties since Great Britain will refuse to accept any limit lower than that of France and we would naturally refuse to [accept?] inferiority in this branch vis-à-vis Great Britain. Attitude of Japan in this regard must also be considered.

Concerning artillery, the French have presented a memorandum stating that they cannot place confidence in making a distinction between fixed and mobile artillery inasmuch as fixed artillery can be rendered mobile. They are willing to fix a maximum calibre of artillery to be used in the formation of field forces. Below this limit they will consider no limitation other than that of expenditure. They

⁹⁸ Convention respecting bombardment by naval forces in time of war, signed at The Hague, October 18, 1907, *Foreign Relations*, 1907, pt. II, p. 1225.

⁹⁹ Convention for adaptation to naval war of the principles of the Geneva Convention (1906), signed at The Hague, October 18, 1907, *ibid.*, p. 1229.

¹ Convention relative to certain restrictions with regard to the exercise of the right of capture in naval war, signed at The Hague, October 18, 1907, *ibid.*, p. 1236.

will accept a limitation above this figure and scrap any guns which exceed in calibre the maximum set for naval forces. Between the minimum thus set and the maximum (equal to naval maximum) they will accept numerical limitation holding such material subject to special regulations notably with relation to fixed emplacement as well as supervision by the League and availability to the League. They add that as far as numbers are concerned they will accept limitation at their existing numbers.

Concerning tanks, they have suggested a limit around 30 tons but have not made clear as to whether they will scrap tanks of superior tonnage or treat them as they propose to treat big guns above the minimum limit.

On the morning of June 22nd the subject of limitation of expenditures was discussed and the discussion finished on the morning of the 23rd. It was decided to agree upon the matters that must be discussed although these subjects have not been considered or approved by any of the three governments and the position of the United States that it considered limitation of expenditure as complementary to direct limitation of material was made abundantly clear. It was taken for granted that any limits of expenditure should be based upon the figures to be determined according to the rules which are framed by the budgetary committee of the Preparatory Commission, rules destined to prevent the concealment of items of military expenditure under different budget headings. It was likewise taken for granted that any limitation should apply to army, navy and air expenditure as a whole and most important of all that it should apply to the figures of present expenditure (that is to say, the expenditure of the present fiscal year). This was intended to cover the situation presented by the fact that practically all governments are making stringent reductions in their next budget. It was proposed that the reduction should be a specified percentage from the expenditure of the present year, this figure to be fixed at a later stage when the various reductions of armaments to be effected by the convention could be envisaged as a whole. The following exceptions were listed:

(a)—Nations which could show to the satisfaction of the Permanent Disarmament Commission that they had within the last 5 years effected reductions in expenditure might be entitled to count these reductions toward the required percentage.

(b)—Any expenditure for new construction necessitated to reach the ratios of naval powers as provided by the London and Washington Treaties² should not be subject to the required reduction.

² For text of the Washington treaty, see *Foreign Relations*, 1922, vol. I, p. 247; for text of the London treaty, see *ibid.*, 1930, vol. I, p. 107.

(c)—Expenditure upon permanent fortifications not including their artillery shall not be subject to reduction.

(d)—Provision shall be drawn to cover unforeseen emergencies in something of the form proposed by article 50 of the draft convention, and a further provision shall be prepared to meet the contingency of great changes in price due to the fluctuations in the purchasing power of money in accordance with the proposals of the budgetary committee. It should likewise be matter for consideration how the provisions of article 10 of the draft convention relating to special reduction in expenditure upon land material should be taken up.

We insisted that article 10 of the draft convention was highly important to us and indeed indispensable to our acceptance of any form of limitation of expenditure.

The question on which we would like your views is whether under these conditions and foreseeing the need for expenditure to reach treaty levels you are willing to envisage a global budgetary limitation under conditions set forth above. It is clear from our conversations here that nearly all the nations of the world will desire and press for a global limitation of expenditure and it appears to us that if our naval requirements are adequately taken care of we should agree. Furthermore the reduction which the United States is making in the coming year would probably more than cover any percentage that could possibly be agreed on.

On the afternoon of June 23rd the three powers discussed part 6 of the draft convention. In general this part proved acceptable to all. Senator Swanson raised the point that the competence of the Permanent Disarmament Commission should be enlarged to study and present plans for future disarmament conferences. It was agreed that provision for such studies should be made.

The only exception taken to the provisions of this article was that of the French who were vigorously insistent that they had accepted part 6 when they believed that limitation and reduction would take place under the terms of the draft convention. Now however that qualitative disarmament has been injected into the discussions they felt it would be imperative to add to the provisions of this section some method of local investigation. The French were most insistent that without such provisions there could be absolutely no qualitative disarmament. Their idea is that each state should have the right to bring a complaint under article 52 of the draft convention and that the Disarmament Commission should decide whether the complaint is justifiable and if so order, if it deems best, investigation on the spot. We expressed very vigorously our difficulties and it was finally left that the French should draft a text on this subject bearing in mind the difficulties of the public opinion in America and Great Britain.

During this discussion the French also raised the point that they are very anxious to obtain a convention on the private manufacture of arms and said that there might be a possibility of a system similar to that provided in the narcotic treaty.³

GIBSON

500.A15A4/1176 : Telegram

The Chargé in France (Armour) to the Secretary of State

PARIS, June 25, 1932—11 a. m.
[Received June 25—8:40 a. m.]

391. Paris edition *New York Herald* this morning gives front page publicity to United Press telegram dated London yesterday to the effect that:

“Great Britain and the United States, it was learned from a reliable source here tonight, have reached an unwritten gentlemen’s agreement that both will follow the same disarmament policy and that reparations must cease. It was agreed, however, that both these points of the accord will become effective only in the event of failure of the Lausanne and Geneva Conferences. The agreement provides that the United States grant Great Britain special debt reductions or a moratorium to be announced after the American Presidential elections and provide[d] Hoover is reelected.”

The article concludes by stating that:

“The significance of the accord is that if a general agreement to abolish reparations and reduce armaments is not reached, Great Britain presumably will undertake to abandon reparations even if other European nations decline to do so. This together with the united Anglo-American disarmament front, it is reported, is one of the conditions on which the United States is prepared to re-negotiate Great Britain’s war debt separately”.

After talking with the Embassy at London, at the latter’s suggestion, I am informing the Foreign Office here that the report, so far as our London Embassy is concerned, is untrue as evidenced by the fact that Mr. Mellon has not seen any member of the British Government this week.

It may be that you will wish to have some form of official denial issued in Washington,⁴ however, as of course such a report if republished here in the French press may have an unfortunate effect.

ARMOUR

³ Convention for limiting the manufacture and regulating the distribution of narcotic drugs, signed at Geneva, July 13, 1931, *Foreign Relations*, 1931, vol. 1, p. 675.

⁴ See Department of State, *Press Releases*, June 25, 1932, pp. 592-593.

500.A15A4/1192 : Telegram

*The Secretary of State to the Acting Chairman of the
American Delegation (Gibson)*

WASHINGTON, June 25, 1932—2 p. m.

151. Your 272, June 24, 4 p. m. and 273, June 24, 5 p. m. The primary purpose of the delegation during the present phase of the Conference should be to prevent any steps being taken which would sidetrack the President's program. We regard it as important that the Conference should in some form or other commit itself on the plan as a whole and we hope that it will be possible to obtain an approval in principle. If this is done and a small standing committee is created to prepare a draft for subsequent consideration by the Conference, we would see no objection and considerable advantage to an adjournment of say 6 months for further study of the plan by the governments concerned. The appointment of a small committee to sit during the recess seems to us of importance in that (a) it will keep the proposals constantly before the attention of the various governments; (b) it will preserve the continuity of the Conference and (c) it will lessen the risk of any power blocking its reassembling.

As to the conclusion in the near future of a treaty of limited scope, we do not wish to throw cold water on any scheme that might mark a real advance, but the more we examine it the greater appear to be its disadvantages. Many of these you have pointed out: it would take much time for negotiation and drafting, not to mention ratification; it would require affirmative action; in which it would be difficult for us to join, to induce Germany to accept it; it might put us in a position of seeming to desert powers who have been supporting us in our position of leadership. But above all the conclusion of such a treaty would detract emphasis from the President's plan and might impair or even destroy the chances of its eventual realization. These considerations would still hold true, though to a lesser degree in the case you suggested of a declaration so drawn up as not to require ratification.

In the circumstances, we feel it only fair that you should quite frankly inform the French and British of our views, and offer them no encouragement along the line of a limited treaty unless and until these objections have been removed. I see no disadvantages to your joining with them in informing the Conference of the results of your informal explorations with them during the past week or so, but you should clearly indicate that you are not urging a settlement along these lines and that you will continue to press for broader solutions.

The technical questions you submitted in your 274 June 24, 6 p. m. are being studied and I hope to be able to send you an answer early next week.

Thank you for the message contained in your 271 June 23, 3 p. m.⁵ I fully realize the strain you all underwent during the few days prior to the publication of the President's plan, and want to express my deep personal gratification and admiration for your work. Will you share this message with all the members of the delegation?

STIMSON

500.A15A4/1180 : Telegram

*The Acting Chairman of the American Delegation (Gibson) to
the Secretary of State*

GENEVA, June 25, 1932—2 p. m.

[Received June 25—12:35 p. m.]

276. Last night Davis discussed with de Jouvenel present attitude of French delegation towards Hoover plan. In absence of Boncour who has gone to Paris for today's Cabinet meetings Jouvenel is head of French delegation here.

Jouvenel stated that now that Prime Minister had exploded they were all taking the position they should make the best of the situation and see what could be worked out. He had just come from meeting with French correspondents where he had told them that they could criticise as much as they wanted the way in which the plan had been launched but urged them not to criticise the substantive points of the plan.

Regarding the plan Jouvenel said that they were giving the most careful consideration to see what could be worked out. He did not think that the air proposals presented any serious difficulty. Turning to the Navy he felt something could be achieved along the line of the President's plan if existing tonnage figures were taken for France and Italy rather than treaty figures. Regarding land forces he considered it only fair to take into account not only the army allowed Germany under the Treaty of Versailles but also *Schutz Politzei* and other semi-military, semi-police units which would bring their total police force up to around 300,000. Of course France would include all similar organizations in computing her own police force. He also thought some adjustment of the coefficient for the colonial force should be permitted (he was referring to the figure given in our draft speech⁶ confidentially handed to Herriot some days ago). Jou-

⁵ Not printed.

⁶ Relative to military effectives; see footnote 19, p. 145.

venel cited these points as showing the serious study that they were giving to the President's plan and he expressed his personal hope that the Cabinet at its meeting today might be able to take some friendly action with regard to it.

The question of security having been raised Davis asked Jouvenel to outline specifically what France meant by security frankly stating that in its search for security France seemed to be following a will-of-the-wisp which it never attained and that if they secured further European treaties they would probably consider them inadequate just as they now apparently considered Locarno inadequate. Jouvenel stated that they were considering the possibility of continental European pacts of mutual assistance and hoped that if such agreements were negotiated we would at least be willing to consult if there was a clear violation of the Kellogg Pact. Davis said that in his personal opinion they were going at the question in the wrong way. Their real apprehension was Germany and their greatest security, in his opinion, lay in a General Disarmament Treaty to which Germany would be a party and which would contain provisions along the line of the military clauses of the Versailles Treaty. If the conference broke up without any real achievement it would only be a matter of time before Germany denounced the military clauses of the Versailles Treaty and in this she would have a good deal of sympathy from public opinion in the United States and Great Britain. If, however, France cooperated with the other nations in a real reduction of armaments subject to Germany's remaining substantially disarmed public opinion would be with France.

Davis then stated that the French were always insisting that they could not give up any of their present armaments without having a corresponding amount of security in some other direction particularly through political agreements. This position more or less implied that they were satisfied with their present security. Was this the case? Jouvenel frankly admitted that they were far from satisfied with their present position particularly in view of their apprehension that Italy, Germany and Russia were getting together. He said that they were still living in a nightmare of apprehension of hostile alliances. Davis then emphasized that if they were not satisfied with their present security why not try to get satisfaction, not along the lines of piling up treaties of mutual assistance but by cooperating to do away with the dangerous political tension caused by present scale of armaments, by reducing the power of attack of all states and by keeping Germany disarmed under a general treaty for period of years which would permit the creation of a new spirit between the nations of Europe. Davis frankly told Jouvenel that unless

conditions soon begin to improve the European allies of France will become too bankrupt to maintain their present scale of armaments and that nothing would contribute more to prevent this bankruptcy than a real all reduction in armaments.

During the discussion Jouvenel indicated that anything in the nature of a consultative pact would be of tremendous assistance to the Herriot Government in dealing with disarmament and asked frankly whether anything of this kind was practicable. Davis stated that the term "consultative pact" had become something of a political football with us as attempts had been made to read into proposals for such a pact obligations which far exceed the idea of consultation; for example, that if such a pact were a part of a disarmament treaty whereby other nations renounced a part of their armaments there might be some exact obligation not only to consult but to supply some material aid equivalent to that which other parties to the treaty might have renounced. Davis stated that while such an implication might not be perpetuated it had nevertheless become politically an obstacle to a consultative pact as such. He referred Jouvenel to recent precedents and to the Republican platform plank and stated that it was hoped that this whole question would be taken out of party politics with us and that sufficient assurance of our willingness to consult under certain circumstances might be given without embodying it in a disarmament treaty. In this connection Davis told Jouvenel that part 6 of the draft convention providing for a disarmament commission furnished the idea of consultation in a form which was less open to political criticism in the United States and that he thought the French delegation had not given the attention to this section of the draft convention which it really merited. Finally, Davis stressed his personal view that in dealing with the President's proposal France was at the crossroads in its policy. This plan is an opportunity for France to collaborate with the United States in the work of disarmament and that such collaboration in itself would mean more for the security of France because of the working of world public opinion than European treaties of mutual assistance, that it should mean a great deal to France to have the signature of the United States and of Great Britain to a disarmament treaty which would fix their mutual armaments and those of Germany and provide through the Disarmament Commission for some measure of supervision and consultation. Jouvenel seemed impressed with these arguments and said he would advise Boncour and Herriot in Paris.

500.A15A4/1179 : Telegram

The Acting Chairman of the American Delegation (Gibson) to the Secretary of State

GENEVA, June 25, 1932—3 p. m.
[Received June 25—12: 05 p. m.]

277. Wilson and I have had two conversations with Matsudaira and Sato in the last few days. They fear that their Government will feel that the worst reduction of fleets bears more heavily on the weaker than on the stronger powers in spite of the unchanged mathematical ratio.

They had been under the misapprehension that the President's proposal covered the abolition of land bombardment aviation only and were greatly relieved and interested to learn from us that the prohibition on air bombardment and the abolition of bombers applied equally to naval forces.

You may feel it wise to apprise the Ambassador in Tokio of this misapprehension as it may be mentioned to him.

GIBSON

500.A15A4/1185 : Telegram

The Acting Chairman of the American Delegation (Gibson) to the Secretary of State

GENEVA, June 26, 1932—6 p. m.
[Received 7:55 p. m.]

278. For the President and Secretary. MacDonald sent word yesterday through his secretary that he was anxious to have a talk with Davis and me today and he suggested we meet elsewhere than at Lausanne as he wished to avoid public knowledge of our meeting. It was accordingly arranged for him to come alone to lunch at my house today with Davis and me. [He] particularly requested that no mention be made of this meeting.

MacDonald began by saying that he was greatly troubled by the present situation and wanted our advice as to the course the British Government should pursue as to the next step to be taken in regard to the President's proposal and what he should do about it.

He said that Simon had gone back to London informing him that "he had been called by duties in the Foreign Office" and it was only after his return to London that the American plan was brought up at a meeting of the Cabinet called on Friday to discuss Indian questions. No agreement was reached and a special meeting was called for tomorrow, Monday, to discuss the American proposals. He was

troubled at having this meeting take place in his absence and had advised Baldwin that had he known that this was to be dealt with by the Cabinet he would have flown back to London for a meeting yesterday and returned by air today to resume his work in Lausanne tomorrow.

Simon had told me he felt it was essential that the British Government should make some statement of its position immediately or at the latest before the General Commission by Wednesday next with a simultaneous and identic statement in the House of Commons. MacDonald wanted our opinion as to whether from the American point of view it was essential that there be a further British statement at this time. We told him that in view of Simon's first speech and the subsequent exchange of telegrams with the Secretary we could see no necessity for a further British statement until a number of other delegations had expressed their views in the General Commission. MacDonald had not heard of the exchange of telegrams between Simon and the Secretary and expressed some surprise that these should have been released to the press without his being informed by Simon.

He then said he was concerned about having momentous decisions taken by the Cabinet in his absence and that he had written Baldwin of his views in detail.

He was troubled by the warm feeling that had been aroused against the naval section of the President's plan; there was considerable adverse sentiment in the House of Commons "the Admiralty was wild" and if the matter was pressed to a conclusion in the Cabinet at this time there would be a majority against him; curiously enough the most acute antagonism was found among the Liberals and if he pressed for an immediate decision of the sort he would like, it would probably provoke resignations. Before Simon left the Prime Minister told him in very definite terms that "nothing must be done to jeopardize his working in good understanding with the United States" and that if the present good understanding was impaired "his (MacDonald's) usefulness would be ended".

He then brought up anew the three-power conversations and expressed dissatisfaction with the way these had been handled in that they had not been broadened as he and Mr. Stimson had anticipated to include Germany and Italy; in the second place that they had not been directed to the big political problems that lay athwart the work of the Conference; and in the third place that the detailed examinations of points on the agenda had been reported to other delegations as "agreements" which would be brought into the General Commission. We were in full agreement on these points and agreed that the

discussions if continued should be broadened to include at least the other two powers. We raised the question of a minimum program of accomplishment and gave him the substance of the second and third paragraphs of your 151.⁷ He expressed entire agreement and recognized that now the President's plan is before the Conference it should not be set aside. He said that if the conversations continued they should be directed to bringing the French and Germans together in an effort to reach an agreement between them as to how the military clauses of the Versailles Treaty could be transferred to the new treaty and to bringing the French and Italians together on the naval question.

He said he was particularly anxious to have our views as to what he should do next. We said that so far as the American standpoint was concerned we could see no necessity for an immediate further statement of the British position but that he might feel that it was wise to ask for the views of the Cabinet for his own guidance and withhold final decision and further statements until he and the other six Cabinet ministers, who will be here, have a chance to talk with us and then take the matter up with the Cabinet on his return to London. He said that was exactly the way his mind was working and was what he would try to do. As it seems evident that Simon's personal feeling was largely based on the secondary part he had been called on to play we felt it essential to see that MacDonald understood the reasons which had obliged the President to make his statement when he did and he said he quite understood. Furthermore, we told him that matters might have been in a different position if we had been told more clearly where they stood in regard to their general plan; that as he knew we had been confidentially but officially informed that they were coming here with a comprehensive plan and that we would be fully informed on their arrival; that we had repeatedly broached the subject to Simon but had not succeeded in eliciting his confidence and that the only conclusion we were able to reach was that the idea of a general plan had been abandoned by the British Cabinet; for that reason there remained nothing to cause the President to withhold independent action. We gather that this had not been made clear to him by Simon.

In summing up he said that he knew no difficulty as to those portions of the President's plan relating to land and air and that even as regards naval affairs he was sure we could reach a satisfactory solution with time and patience; that in some respects they were prepared to go further than the President had suggested and that in others it might be found possible to reach adjustments which would

⁷ June 25, 2 p. m., p. 233.

enable us to attain approximately the same results though not in exactly the same way, that in any event he needed some time to bring the Admiralty into line and that as nobody knew better the complexity of these problems than the President and himself he was confident the President would recognize the difficulties of his position.

In discussing further procedure he stated on leaving that he was hopeful of winding up in Lausanne this week that he now had the Germans and French negotiating directly (although the chief difficulty now seemed to be more between Herriot and his Minister of Finance⁸ than between Herriot and the Germans) and that once he had this problem off his hands he would like to come to Geneva and devote himself to finding some way of making a go of this Conference.

GIBSON

500.A15A4/1186 : Telegram

*The Acting Chairman of the American Delegation (Gibson) to
the Secretary of State*

GENEVA, June 27, 1932—11 a. m.

[Received June 27—5:43 a. m.]

279. My telegram No. 278, June 26, 6 p. m. Correspondents at Lausanne were informed from British sources yesterday afternoon of my meeting with MacDonald though no details were revealed.

GIBSON

500.A15A4/1189 : Telegram

*The Secretary of State to the Acting Chairman of the
American Delegation (Gibson)*

WASHINGTON, June 27, 1932—4 p. m.

152. For Gibson and Davis. Your 278, June 26, 6:00 p. m. I appreciate MacDonald's frank confidence as revealed in his conference with you. I am glad that you made clear to him the reasons which had actuated the making of the President's statement. I concur with your position in respect to the next steps to be taken by the British. Their attitude is important as to the success of the President's proposal, but it is even more important that we preserve our good working understanding with them as to policies in general. Personally I am impressed with the fact that under the continuing and increasing pressure of the economic crisis, almost anything may

⁸ Louis Germain-Martin.

happen this summer in which such cooperation with them will be vital.

I desire that at your convenience you should let MacDonald know how much I appreciate his attitude; also that both you and he should carry in mind that there is no change whatever in our concern as to our special naval relation with the Far East. For that reason, while we have made the offer of a drastic cut in naval power, it is vital that our naval ratios of actual strength with Japan be strictly preserved; and we can consider no alternatives which modify that. It is that feature which you will keep in mind at the first moment when the British present any alternative proposition. For example, I have always doubted the feasibility in this respect of a change in battleship size. Any structural change is likely to produce a demand for greater equality by Japan; and the period of transition between two systems would be necessarily a period of danger during which our more careless government might neglect to live up to treaty size and provisions in the interests of economy.

Your 276, June 25th, 2:00 p. m. is also carefully in my mind.

STIMSON

500.A15A4/1187 : Telegram

*The Acting Chairman of the American Delegation (Gibson) to
the Secretary of State*

GENEVA, June 28, 1932—1 p. m.
[Received June 28—9:27 a. m.]

281. Mr. Kellogg is in Paris. He has given some thought to paying a very brief visit to Geneva but feels it indelicate to do so unless you approve.

We feel that his presence here for a short visit now would be highly useful as he is enthusiastic about the President's proposal and his prestige would carry his comments to a wide public especially in Europe. We think a useful purpose would be served in his coming provided you can see no danger attached thereto.

Will you please instruct as urgently as possible so that we may inform Mr. Kellogg in Paris advisedly if possible.

GIBSON

500.A15A4/1196 : Telegram

The Secretary of State to the Acting Chairman of the American Delegation (Gibson)

WASHINGTON, June 28, 1932—1 p. m.

154. Your 281. I think a short visit by Mr. Kellogg to Geneva might prove extremely useful and count on you to post him as to the situation in respect to the Conference.

STIMSON

500.A15A4/1190 : Telegram

The Acting Chairman of the American Delegation (Gibson) to the Secretary of State

GENEVA, June 28, 1932—9 p. m.

[Received June 28—7:55 p. m.]

282. Your 152, June 27, 4 p. m., was just what we needed.

As Simon was returning from London today by air to report to the Prime Minister this evening we considered it urgent to get your message to the latter and accordingly decided that the best course was for me to go to Lausanne and see him this afternoon.

I communicated your message to him and when I had completed what I had to say he said he was greatly relieved, that quite frankly he had been "very much worried" and that this message removed all misgivings from his mind and strengthened his hand for the next steps.

He then said that he could give me some further information of a rather more hopeful character; that last night he had received a draft text of a further British statement which it is my understanding had been prepared by Simon with certain other Ministers for consideration by the Cabinet. The Prime Minister said that he had gone over this once with Chamberlain and Runciman and that after one reading they had "without hesitation" put a "firm veto" on its adoption. He said that the substance of the statement was really good but that it was "full of barbs" and unsuitable for the purpose. He said he had sent word to Baldwin that he would be very glad to have this whole matter considered by the Cabinet for the purpose of submitting their views to him, but that when he heard Simon's report he would be ready to decide whether a further statement was necessary or whether it was desirable to defer action until he could return to London and confer with the Cabinet himself.

The Prime Minister said that he had got the French and Germans together this morning to discuss reparations but that at the end of

the meeting things were rather worse than at the start; that he was having another meeting with them when I left but that he really did not know how matters were going to turn out. He said he could not say which of the two was more unreasonable. He seemed distinctly distressed.

I asked him what the prospects were of his being able to come to Geneva himself in view of what he had said last Sunday. He said this presented great difficulties as he must as soon as possible get back to London to give 3 or 4 days to preparing the delegates who were leaving for Ottawa⁹ on July 14th and that this rendered it difficult for him to find any time for Geneva. Even if this difficulty were surmounted we have confirmation from other sources of what the Prime Minister told us on Sunday that he would be embarrassed in coming to Geneva by Simon's resentment of his dealing with disarmament problems.

In conclusion he said he was confident we should be able to work out something which might not acquiesce in the identic terms of the President's proposal but would be in full harmony with its spirit and would achieve its purpose with which he was in entire sympathy.

As I was leaving I met Herriot who stopped me to ask whether the statement he had made in Paris¹⁰ had been a source of embarrassment to us. I said it had not but that I felt that when he had had fuller opportunity to study the President's proposal he would revise some of the views he had expressed. He said that he had already given such study to the President's plan as had been possible in view of the other pressing matters with which he had to deal and that he liked the plan better than he had at first; that he proposed to go into it very thoroughly as soon as he could; that nobody wanted more than he did to achieve its fundamental purpose and that we could be sure he would devote his best efforts to that end.

GIBSON

500.A15A4/1191 : Telegram

The Acting Chairman of the American Delegation (Gibson) to the Secretary of State

GENEVA, June 29, 1932—1 p. m.
[Received June 29—8:45 a. m.]

283. Davis has just seen de Jouvenel who states that entire French delegation including interested Cabinet ministers are now conferring

⁹ The Ottawa Imperial Economic Conference, July 21–August 20, 1932.

¹⁰ See telegram No. 394, June 25, 9 p. m., from the Chargé in France, p. 222.

here in the hope of finding a way to accept the President's plan in principle. Jouvenel saw Herriot yesterday and told Davis that Herriot had been greatly impressed by point of view presented by Davis as reported our 276, June 25, 2 p. m., and was very sympathetic. Difficulties at Lausanne where he needed British cooperation complicated Herriot's position regarding disarmament but Jouvenel was hopeful of a prompt and favorable decision. He said that they would need some adjustments here and there in the President's plan but he hoped to let us know their decision tonight or tomorrow morning.

If you concur in substance with Davis' remarks as reported in our 276 we suggest you consider advisability of talking with Claudel today along these general lines with the request that Herriot be informed directly as it might have real influence on French decision.

We are endeavoring to get French to realize what a unique opportunity they have to promote good will and understanding with the two chief creditor nations and to render a genuine service to world recovery and peace by coming out boldly for the President's plan.

Jouvenel inquired whether there was any truth in newspaper reports that President considering proposing consultative pact. Davis replied that he considered this unlikely particularly as part of disarmament treaty and reiterated views set forth in 276.

Jouvenel is obviously sincere but it must be remembered that he belongs to Left wing of the French delegation and that his estimates of the situation may be colored by his desire to avail of this opportunity.

GIBSON

500.A15A4/1211 : Telegram

*The Secretary of State to the Acting Chairman of the
American Delegation (Gibson)*

WASHINGTON, June 29, 1932—5 p. m.

158. For Gibson and Davis. Your 276, June 25, 2 p. m., 283, June 29, 1 p. m.

First: These cables have been carefully considered and discussed. I think there would be a real danger of ultimate misunderstanding between the two nations if we should encourage the French to enter a disarmament treaty in reliance upon any form of agreement for consultation. The situation in many respects is quite similar to that which we confronted in London in 1930. Then as now the French had publicly announced their unwillingness to disarm without fur-

ther material security; the British, from whom they really desired it, had refused to give it and an agreement to consult was being suggested as a substitute. I feel now as I felt then that if we should persuade them to disarm on the faith of any substitute agreement whatever its form, we might very possibly sow the seeds for future trouble. So long as there is a bilateral agreement, it is susceptible of misunderstanding or misinterpretation between the parties at either end. Under all these circumstances I am inclined to feel that the only safe protection against such misunderstanding is that the United States should retain entire control over its own readiness to consult. If it is to give any assurance of future consultation, it must retain the right to interpret and condition this obligation. This was the advantage of the suggestion made by Senator Swanson last February [*March*]; it would be the advantage of an assurance to be given in a unilateral statement by the Executive of this country, if the time should ever become ripe for such a step; it would be in line with the precedent of past action taken by our Government in similar cases.

Second: the scope of the consultation provided for in Part 6 of the draft Convention is in my opinion narrowly limited by the context both in Article 50 and 52. If it were not so it might be seriously objectionable. And if we should stress its importance to the French as a substitute for the security which they have been seeking, we might lead them into making a broader interpretation of its meaning and thus lay the groundwork for future misunderstanding.

Third: The question is greatly complicated by the existing political situation. While we should be very glad to have it taken out of party politics, that is very far from being the case yet. Irrespective of what the Democratic platform may contain, it would probably require also some assurance for joint action by the candidates to accomplish this end. In the present bitter and critical attitude by men of both parties against any further steps in foreign relations, no lesser assurance would seem to avail against any step of this sort being grossly misrepresented before Elections.

Fourth: For the present, therefore, I think our only safe argument with France is to urge, as Davis did, the increased strength of defense given to France by the fact of disarmament and the increased power of weapons of defense as against any covenants for assistance. I realize very clearly the strain under which you must be put by the pressure of Jouvenel and the desire which you must have to give him encouragement, but I feel that both in the interest of avoiding all future misunderstanding and also of avoiding the raising of an issue which may prevent the ratification of a treaty by this country,

we must be doubly careful what we say to them. For the same reason, I do not see how I can at present lend any assistance through Claudel.

STIMSON

500.A15A4/1208 : Telegram

The Acting Chairman of the American Delegation (Gibson) to the Secretary of State

GENEVA, June 29, 1932—8 p. m.

[Received 8:40 p. m.]

284. Since the presentation of the President's plan the Conference has been doing the type of work which it should have started in February. Various groups with special interests have been negotiating to see how far they can accept the plan and what suggestions they must bring for possible alteration. Representatives of these various groups have kept us continually in touch with their activities. The groups may be roughly divided in three:

1. The Central European states who are disarmed under the military clauses of the peace treaties.
2. The Baltic states.
3. A group including Spain, Sweden, Netherlands, Switzerland, Czechoslovakia and certain others usually referred to as the "eight-power group".

In general we are happy to state that all of them are enthusiastically in favor of the broad principle of radical reductions along general lines as proposed by the President but they have certain additions and suggestions that they are all working on.

A representative of group number 1 called to inquire specifically how we envisaged the problem of "equality of treatment", the obligations of article 8 of the covenant and the position of the vanquished states, in other words how we foresaw that these questions would be treated under our plan. We replied that inasmuch as we were not parties to the covenant and since these problems were primarily European it would not have been fitting for us to propose a solution but speaking informally and personally we discussed that solution with which you are familiar of including the military clauses of the peace treaties in the treaty which we are writing. Without entering into any details it is suggested that they consider this problem and perhaps get in touch with their neighbors if they thought it offered possibilities.

Representatives of group number 2 are mainly concerned as to the formula for effectives. They point out that their armies are so small

showing defense contingents of some 10,000 to 25,000 men that it would be a very serious dislocation of their national organization to cut these contingents. They ask whether we can contemplate an amendment exempting from the scope of the contemplated reduction those armies whose defense contingents are less than 25,000 men. Our military experts are now working on this problem. Representatives of group 3 have told us that they are not primarily concerned with working on naval problems since they recognize that this must be done in the first instance by the naval powers themselves. They have hope of uniting on the President's proposal regarding air and are studying seriously the effectives problem. On this they have asked numerous questions and discussed certain amendments in detail with us. Generally speaking we believe that they will find it possible to accept the project. On heavy mobile artillery they are willing to draw the line at 155 millimeters and we believe the problem of tanks offers no particular difficulty.

The foregoing of course concerns only groups of small states. The situation as regards the great powers is far from being so clear and we may not be able to report more definitely for several days.

We will keep the Department informed as to developments from time to time but submit the foregoing as of interest in showing the trend of affairs.

GIBSON

500.A15A4/1209 : Telegram

The Acting Chairman of the American Delegation (Gibson) to the Secretary of State

GENEVA, June 29, 1932—9 p. m.
[Received June 29—8:30 p. m.]

285. My 274, June 24, 6 p. m. The French have given to the British and ourselves the proposed text of an amendment to article 52 of the draft convention foreseeing investigation on the spot in the case of certain complaints.

Our translation follows:

“Insert between the second and third paragraphs a new paragraph conceived as follows: ‘For the purpose of drawing up its report, the Commission shall decide by a two-thirds majority, excluding the parties to the difference, whether the inquiry into the complaint shall be carried on solely through the examination of official documents communicated to it or whether the nature of the alleged facts necessitates local investigation.

In the latter case the high contracting parties agree to furnish the investigators designated to act within their territory all facilities for the accomplishment of their mission.’”

In handing this memorandum to Wilson, Massigli explained that the insertion of some such clause was to them of capital importance inasmuch as in private conversations with the Germans, the Germans had insisted on the elimination from the Treaty of Versailles clauses of the right of inspection in Germany under the terms of those clauses. In order to maintain this right in regard to Germany, which the French consider essential, they must insist on the insertion of some such clause in the treaty. Massigli added that would certainly seem as if any honest state would welcome such investigation in case of complaint.

I learn that the Italian delegation has instructions in this connection to the effect that they may admit such a right of inspection in the event that they get a treaty of real reduction. They are unwilling to admit such a right for any treaty of mediocre achievement. Their former thesis had been that they could not admit right of local inspection under any conditions.

You may feel that the Italian position is logical and that to facilitate real achievement we might be able to admit the possibility on which the French are insistent. We realize that our past attitude like the Italian has been to oppose any such provision and that it could only be justified if necessary to final agreement upon substantial reductions. We are studying possible modification to make this provision more acceptable to us and would appreciate your views.

GIBSON

500.A15A4/1225 : Telegram

*The Secretary of State to the Acting Chairman of the
American Delegation (Gibson)*

WASHINGTON, June 30, 1932—1 p. m.

160. For Gibson and Davis. Department's 158, June 29, 5 p. m. In addition to the arguments set forth in paragraph fourth in telegram under reference which I believe may be safely used with the French, it seems to me that Davis's argument described at the end of your 276, June 25, 2 p. m. to the effect that it should mean a great deal to France to have the signature of the United States and Great Britain to a disarmament treaty which fixes the armaments of all nations, the inviolability of which treaty it will naturally be to the interests of the United States to see maintained, is a legitimate and forceful argument and can be safely used provided the idea of consultation is not stressed or extended.

STIMSON

500.A15A4/1223 : Telegram

*The Secretary of State to the Acting Chairman of the
American Delegation (Gibson)*

WASHINGTON, June 30, 1932—7 p. m.

163. Your 285, June 29, 9 p. m. If it seems possible to conclude a treaty of real reduction I am prepared to accept the right of inspection along the general line of the French proposed amendment to Article 52, which you quote.

This would involve a complete reversal of the position taken by the American Delegation throughout the Preparatory Disarmament Commission and as such you will undoubtedly be able to use it as a trading point of high value with the French. Our observance of treaty provisions is so scrupulous that we should have nothing to fear in the event of inspection; in fact I feel that any honest nation would not only accept but welcome open inspection to disprove vague and unsubstantiated charges against her of violating the treaty and maintaining armaments in excess of her undertakings.

I leave to your discretion not only possible drafting modifications to improve the form in which the French proposal is cast, but the larger question of tactics by which you may obtain the most useful results from this change of position.

STIMSON

500.A15A4/1231

Memorandum by the Secretary of State

[WASHINGTON,] June 30, 1932.

Finding that the French Ambassador was in New York, I sent for the Chargé, Mr. Henry. I told him that I had felt very badly when Mr. Claudel called upon me the last time, just when the preliminaries of the Hoover proposal at Geneva were under way, not to be able to tell him frankly what it was about. I said that that matter was being handled through the delegation at Geneva; that I had told no other representatives about it and I was afraid if I did so I might cross some wires which would make trouble. Mr. Henry said he understood that and would tell the Ambassador. I told the Chargé that I was now very anxious to keep the French Embassy posted on the developments and I recalled to him how grateful I had always been for their cooperation in a similar way with me all through last winter over the information which they received concerning the Far East. I then took our telegrams from Geneva, Nos. 283 and 282,¹¹

¹¹ *Ante*, pp. 243 and 242.

and read to him the passages which had been marked by Mr. Castle and Mr. Moffat, and which related to Davis' talks with Jouvenel and Gibson's talks with Herriot. However, I did not mention Jouvenel's name. I summed up the situation to the effect that matters were going on more favorably than I had expected, and that the President's plan was under very careful and friendly scrutiny by the French. I summarized for Henry the situation leading up to the President's proposal—how we had sat silent for five months because we considered it a European peace conference, where the essential problems were those of Europe into which we could not enter, and that it was only after the conference seemed to be sinking into a failure that the President had insisted on going forward and making an American proposal out of the plan which we had already worked out and which was already in the hands of the delegation for use when others had broken the ice. I ended by telling Henry of the problem of the consultative pact. I described first, my attitude towards the Kellogg Pact¹² from the first month after it was ratified and my efforts to make it a real and effective treaty instead of a mere concurrent expression of a pious intention by the different signatories. I told him that before I left office I hoped that there would be an expression of policy by this country of its intention to confer when any major emergency arose involving a breach of the Kellogg treaty.¹³ But I pointed out that in the situation now at Geneva, just as had been the case in London in 1930, there was almost a certainty of misunderstanding between the people of France and the people of America if France should be persuaded to disarm in reliance upon a consultative pact. In both cases, France had announced publicly her position that she would not disarm unless she received a security pact; that the British to whom this was addressed had replied in both cases that they would not give such a pact, and that now outside people were suggesting as a substitute for the security pact a consultative pact by us. I pointed out that it was inevitable in such a situation that the French people would be led to believe that a consultative pact involved a promise of armed assistance and that would make future trouble between the two nations. Mr. Henry replied that he understood my position perfectly and recalled a talk he had with me along the same lines in 1930, in which he had advocated a unilateral expression of executive opinion. I told him that the only safe solution I could see in this situation was by way of executive statement, in which we retained the right to interpret our

¹² *Foreign Relations*, 1928, vol. 1, p. 153.

¹³ See address entitled "The Pact of Paris: Three Years of Development" delivered by Mr. Stimson on August 8, pp. 575 ff.

own policy and statement thereof or by way of precedent from actual conduct in a similar situation. Henry broke in by saying, "which latter you have already donè," meaning the Sino-Japanese situation. I said, "Yes." Mr. Henry said he understood perfectly and would tell Mr. Claudel, and that I need not worry about Mr. Claudel's feelings on the situation.

H[ENRY] L. S[TIMSON]

500.A15A4/1221 : Telegram

The Acting Chairman of the American Delegation (Gibson) to the Secretary of State

GENEVA, July 1, 1932—5 p. m.

[Received July 1—12:40 p. m.]

293. Department's 141, June 20, 11 p. m.,¹⁴ reference President's statements on effectives proposal.

We have had several questions as to whether the President's [garbled group] calculation to armies means that it is desired to eliminate German naval effectives from the calculations. In this case it will be necessary not only materially to modify the draft speech¹⁵ which you approved in your 127, June 10, 3 p. m.,¹⁶ but also the quantitative chart accompanying that speech would have to be entirely done over.

As the figures on this basis have been widely circulated and discussed among the delegations at Geneva it is urgent that we have your instructions as to whether the speech should be redrafted with these basic changes. The principle result of such a change would of course be to give Great Britain and the United States much larger minus signs in the defense contingent and slightly to lower the police components of all other countries with a slight increase in the cuts demanded.

GIBSON

500.A15A4/1234 : Telegram

The Secretary of State to the Acting Chairman of the American Delegation (Gibson)

WASHINGTON, July 1, 1932—6 p. m.

165. Your 293, July 1, 5 p. m. The point you have raised seems to be one of detail suitable for adjustment in Geneva. It would not

¹⁴ *Ante*, p. 195.

¹⁵ Not printed.

¹⁶ *Ante*, p. 161.

seem necessary to modify your draft speech or re-calculate the quantitative chart, unless you should perceive positive advantages in so doing.

STIMSON

500.A15A4/1222 : Telegram

The Acting Chairman of the American Delegation (Gibson) to the Secretary of State

GENEVA, July 1, 1932—6 p. m.

[Received 8:11 p. m.]

294. We have had indication from different sources that the British, who said they were not yet ready to discuss matters with us, have had long talks with the Japanese and that they are seeking to get the Japanese lined up with them against the naval portion of the President's proposal.

While Simon has put us off from day to day on the ground that he was not yet ready to talk naval matters with us he has today suggested a meeting of the five powers on Monday to discuss "naval question".

We are bearing constantly in mind, and have so informed the British, the necessity for working in good understanding in order to preserve intact our general handling of Far Eastern problems. We have told them we consider it essential that we iron out our difficulties in private and avoid any public divergence of views.

We are convinced that this is primarily Simon's personal activity.

We do not feel that this reflects any change in the point of view of the Prime Minister but find difficulty in approaching him while Simon is at Geneva in charge of disarmament matters.

GIBSON

500.A15A4/1248

Memorandum by Jay Pierrepont Moffat of the Division of Western European Affairs

[WASHINGTON,] July 1, 1932.

I had lunch today with Jules Henry of the French Embassy who expressed great appreciation of the frank way in which the Secretary had spoken to him yesterday concerning proposals at Geneva.

He said that Herriot's political position in France was at the moment extremely precarious and that it was entirely possible that his Cabinet might fall in the very near future. If this were the

case, he had had various indications that he would be succeeded by Caillaux who was rapidly becoming the real leader of the Radical Socialist group. Caillaux declined to join the present government on the ground that as president of the Finance Commission in the Senate he could more effectively support the present cabinet.

Henry reviewed then rather briefly Caillaux's career pointing out how he had always been a protagonist of Franco-German *rapprochement*. If something could be done along this line, particularly with the German conservatives who have the same idea, France's need for armaments would considerably diminish. He then referred to François-Poncet's reports from Berlin which he said were masterly. In brief, François-Poncet has told his Government that nearly all the German conservative leaders are making a real effort to reach an agreement with France; they recognize the international situation in Germany is so involved that for ten years at least they will be entirely preoccupied with domestic adjustments rather than pursuing an active foreign policy; that meantime if France could help them to obtain some agreement with Poland on her eastern frontier, the way would be open for plain sailing. Some suggestions had even been made that a possible solution for the problem would be an exchange of population modeled on that between Greece and Turkey following the war of 1922.

P[IERREPONT] M[OFFAT]

500.A15A4/1232 : Telegram

The Acting Chairman of the American Delegation (Gibson) to the Secretary of State

GENEVA, July 2, 1932—10 a. m.

[Received July 2—9:40 a. m.¹⁷]

295. Simon returned from London on Tuesday but we have not yet elicited any indication from him as to the British attitude towards the President's proposal. The French on the other hand have had rather thorough discussions with us and their attitude on the whole has been much more reasonable than we had anticipated. We have no further indication from the Japanese since the conversation reported in my 277.¹⁸

There are various indications of a move in which Simon is concerned to sidetrack the President's proposal either by breaking it up into its component parts and scattering these through the agenda of the Conference or by giving some measure of approval to its gen-

¹⁷ Telegram in two sections.

¹⁸ June 25, 3 p. m., p. 237.

eral purpose and consigning it to a committee to make a report "when the Conference reconvenes". Simon has discussed with various people including the President of the Conference¹⁹ the idea of winding up the present session with a resolution setting forth the measure of agreement already attained [on?] aviation, heavy mobile guns, tanks and chemical warfare "both in scope and thus far in detail an extremely attenuated result" and accepting this as the achievement of the Conference.

We feel that it is totally unacceptable for the Conference to content itself with such a limited objective when greater achievement is possible and it is to be borne in mind that any such ending of this Conference would probably mean that the Germans would express complete dissatisfaction and would not return. Their views on this subject would be shared by many other delegations.

A meeting of the Bureau is called for Monday or Tuesday²⁰ to decide on the future work of the Conference and an effort will probably be made at that time to sidetrack the President's proposal in one way or another. It therefore becomes essential for us to have our course of action clearly mapped out. It seems to us that perhaps the most effective method would be for us to have a draft resolution ready for presentation either in the Bureau or preferably at the conclusion of the consideration of the President's plan in the General Commission setting forth the results which we consider practicable at this time. We are telegraphing a draft text under our number 296²¹ and should be glad to have your views as to whether this method of treatment has your approval although we are not sanguine as to its acceptance unchanged.

It seems to us that there are two courses of action open to us:

(1) To insist upon unqualified adoption of the President's plan and press for its acceptance or rejection at this time. We feel that this would lead to failure to adopt the President's proposal, in that many of the delegations which approve its purpose feel real difficulties in binding themselves at this time to acceptance of agreements which will have to be worked out in greater detail and of which they cannot foresee the consequences. For instance, Paul-Boncour, French Minister of War, tells us that, while he is quite prepared to go into this matter thoroughly and sympathetically he would be in an impossible position if he accepted now a definite percentage cut in effectives and was then called upon in the Chamber of Deputies for explanations as to how it would work out as regards France and her neighbors.

(2) The other course would be to offer a resolution, as advocated in my 296 to be adopted by the Conference.

¹⁹ Arthur Henderson.

²⁰ July 4 or 5.

²¹ *Infra*.

While we realize that there may be criticism if we do not fight for a vote on the President's plan, we feel that this course would almost inevitably lead to rejection. On the other hand, the second course seems to us to offer a better prospect of achieving substantial results and that time is working for us in various countries. The evolution towards acceptance of the President's general conception will be accelerated when it is realized that other countries find it afforded time to satisfy themselves as to how our proposal would work out for them.

If the Conference adjourns on the basis of such a resolution as we are submitting it will be apparent our Government has not only rescued it from hopeless floundering but stimulated immediate agreements on a variety of points and brought about a declaration of principle on reductions so that the work which will be going on during the recess would be toward the realization of the President's program.

GIBSON

500.A15A4/1229 : Telegram

*The Acting Chairman of the American Delegation (Gibson) to the
Secretary of State*

GENEVA, July 2, 1932—11 a. m.

[Received July 2—9:10 a. m.]

296. Following is the text of draft resolution referred to in my 295.

“The Conference for the Limitation and Reduction of Armaments:

Being profoundly convinced that substantial measures of disarmament on land, sea and in the air are necessary to promote the organization of peace, to remove the incentive as well as to reduce the power to wage aggressive war, and to hasten economic recovery.

Recognizing that such disarmament is a natural consequence of the obligations which the states of the world have assumed under the Briand-Kellogg Pact and the Covenant of the League of Nations.

Recognizing further that in view of the inter-relationship of land, air and naval forces, measures of disarmament should be applicable to all types of armaments and that the relative security of all nations of the world would be increased by proportional reductions by the nations of the world which now possess substantial armaments; and

Having taken cognizance of the proposals submitted by the President of the United States of America which are based upon the foregoing principles and having examined the reports and resolutions submitted by the various commissions of the Conference

Has agreed upon the following declaration in order to affirm certain principles and methods of procedure which have been unanimously accepted:

1. The Conference considers that the first decisive step for the reduction of armaments to the lowest possible levels should be taken along the lines of the proposal of the President of the United States of America, which contemplates that all types of arms should be subject to strict limitation and to a reduction of approximately one third.

2. The Conference records that agreement has already been reached upon many important points which should be included in the disarmament treaty in accordance with the guiding principles approved by the Conference and set forth in the plan of the President of the United States of America. These points of agreement are as follows:

(a) The prohibition of all bombardment from the air.

(b) The abolition of all bombardment aviation and, to insure the carrying out of the prohibition against bombardment, the limitation, with such exceptions as may be agreed upon, of the size of airplanes to a maximum unladen weight of (blank), together with a limitation of numbers of airplanes as follows:

(c) The abolition of all chemical, bacteriological and incendiary warfare.

(d) The abolition of heavy mobile land artillery above (blank) millimeters.

(e) The abolition of tanks.

(f) The limitation of governmental expenditure to reflect direct measures of disarmament.

(g) The constitution of a permanent disarmament commission as outlined in part 6 of the draft convention.

3. In order to permit the direct consultations between governments which are necessary for the concrete realization of the principles of disarmament set forth in the program of the President of the United States of America, the General Commission and its several commissions, with the exceptions hereafter noted, shall be adjourned to reconvene on November 15, 1932.

4. During the adjournment of the General Commission, in order to insure the continuity of the work at the Conference there is hereby constituted a coordinating and a drafting committee whose task it shall be:

(a) In the case of the drafting committee to prepare appropriate treaty texts to give effect to the points of agreement listed in paragraph 2 above; and

(b) In the case of the coordinating committee to receive from time to time from the governments who may be consulting with respect to the plan presented by the President of the United States of America or with respect to other phases of the work of the Conference, any bases of agreement which may be reached and to coordinate and then to refer such bases to the drafting committee for the preparation of appropriate treaty texts for submission to the Conference.

5. In order to facilitate the work of the coordinating, the powers particularly concerned agree to take the following steps:

(a) The powers parties to Naval Treaties of Washington and London will consider together the naval proposals of the President of the United States with a view to an early decision as to the nature and character of the naval reductions to be effected within the general scope of these proposals.

(b) The naval powers other than the powers parties to the above treaties agree to consider the limitations and reductions which they may be able to accept assuming that the treaty naval powers accept limitations or reductions along the lines of the plan of the President of the United States of America.

(c) Finally it is agreed that such other regional conversations shall be undertaken between the powers whose armaments bear particular relations to each other within particular geographical areas in order to facilitate thereby the conclusion of a general agreement.

6. The principle of a 33 1/3 percent reduction in the defense component of effectives of landing forces as proposed in the plan of the President of the United States of America should be worked out on the basis of comparable figures for effectives. Hence the coordinating committee shall consult with the necessary technical experts with a view to enabling the drafting committee to prepare the treaty clauses which will embody the figures necessary for carrying out this principle.

7. In order to insure that pending the reconvening of the Conference and during the time of its work no steps shall be taken by any power which might prejudice the broad and comprehensive program of disarmament hereby initiated, the Conference agrees that the truce provided for by the resolution of the Assembly of the League of Nations of September 29, 1931, shall be extended for (blank) months from its expiration November 1, 1932.²²

8. To evidence their acceptance of the principles set forth in this declaration the duly accredited representatives of all the powers represented at the Conference have this (blank) day of (blank) initialed the foregoing declaration".

Statement of points of agreement in paragraph 2 goes beyond what has yet been accepted but we felt our resolution should not suggest any recessions from President's plan.

GIBSON

²² For correspondence concerning the armaments truce, see *Foreign Relations*, 1931, vol. 1, pp. 440 ff.; for text of the resolution of September 29, 1931, see telegram No. 171, September 29, 1931, from the Minister in Switzerland, *ibid.*, pp. 464, 467.

500.A15A4/1236 : Telegram

The Acting Secretary of State to the Acting Chairman of the American Delegation (Gibson)

WASHINGTON, July 2, 1932—1 p. m.

166. Your telephone conversation of yesterday and your 294, July 1, 6 p. m. We have been giving considerable thought to the problem you put up to us by telephone yesterday, namely whether you should force an early discussion of the President's proposal.

The essential thing to remember is that we must avoid at the present moment any action that might eliminate the President's plan from its position as the focus of public opinion in all nations. This elimination might be brought about (*a*) by an adverse vote on the principle of the plan, (*b*) by a weakening of its provisions by the introduction or passage of new and controversial features, (*c*) by the segregation of the naval problem or (*d*) by a discussion which would provoke or reveal such divergence of sentiment that the plan would appear to be unrealistic. We are also anxious to avoid any situation which might result in an adverse vote or expression on our proposals by the principal European powers, as this would probably result in a more uncompromising public opinion here.

Therefore you should not risk precipitating a general discussion if you feel that any of these results might follow. In any event, you should previously assure yourself of the attitude that Great Britain and France will take, in order that you can thus foresee in large measure the course and outcome of the debate. The question of whether any resolution you may present will require unanimous vote or only the vote of the majority may be the critical element in determining your policy. On this point your own knowledge of the situation must control.

CASTLE

500.A15A4/1228 : Telegram

The Acting Chairman of the American Delegation (Gibson) to the Secretary of State

GENEVA, July 2, 1932—3 p. m.

[Received July 2—9 a. m.]

300. We find that the proposal for one-third cut of the defense contingent in effectives works decided hardship on certain small countries in dislocating their organization. We have studied the problem with our military advisers and are of the opinion that we could readily admit the exemption from the application of the

President's plan of those states whose total effectives are less than 40,000. Please note that this includes Austria, Bulgaria, Hungary all of which although bound by the peace treaties would show plus figures under our calculations. It also includes such countries as Estonia, Finland, Norway, Sweden and Switzerland none of which cause concern to their neighbors. The nearest figure in Europe is Portugal with approximately 66,902.

In South America the sole difficulty is Argentina with 44,212. If she would reduce to 40,000 she would gain as compared with the formula which would reduce her to approximately 37,000. Brazil and Chile both have minus figures. Urgent reply requested.

GIBSON

500.A15A4/1238 : Telegram

*The Acting Secretary of State to the Chairman of the
American Delegation (Gibson)*

WASHINGTON, July 2, 1932—9 p. m.

168. Your 295 July 2, 10 a. m. and 296 July 2, 11 a. m. Our 166 July 2, 1 p. m. which was drafted and despatched before the receipt of your two telegrams under reference, shows that the Department views the problem in essentially the same terms as the Delegation. If you can obtain in advance British and French support for your resolution (we can, I suppose, assume Italian and German approval), you will have gone a long way toward avoiding the dangers to which we called your attention this morning. The resolution submitted in your 296 is well-conceived and in general accords with our views, but before making use of it in even a preliminary way, we must ask you to make two important modifications.

Section II, point B should be abbreviated so as merely to read "The abolition of all bombardment aviation." The references to the limitation of maximum unladen weight and to numbers of airplanes should be omitted.

It has been found impossible thus far to reach a meeting of minds with the War and Navy Departments on these points, concerning which you also asked for instructions in your 297 July 2, 12 noon.²³

As to the maximum limit of unladen weight of airplanes:

(A) the Navy Department cannot recommend a limitation of size. If, however, (1) aerial bombing can be definitely prohibited and (2) if proper provision can be made for an adequate supply for naval purposes of planes of a large size, a general limitation in size might prove acceptable to the Navy Department. Such general limitation

²³ Not printed.

should be fixed at not lower than 6,000 pounds unladen weight. For transport and flying boat types, Navy Department opposes a limit of less than 20,000 pounds, the weight which it considers necessary for a flying boat capable of making aerial passages to the island possessions of the United States.

(B) The War Department remains firmly opposed to fixing maximum limit of unladen weights for airplanes which it feels should receive no consideration as a compromise for universal abolition of bombardment aviation. It holds that rapid technical development unquestionably would negative in a short period any attempt to limit the offensive character of aircraft and that the needs of the several nations as to the characteristics even of peculiarly defensive aircraft, vary so widely that the fixing of unladen weight limits could only result in grossly unequal effects.

As to the numerical restriction of aircraft:

(A) The Navy Department advocates the basis of limitation as the "full needs of naval armament agreed upon by treaty, including the essential auxiliary services under naval administration." In no case, should the naval aircraft strength allotted to the United States be less than that allotted to the British Empire and in a ratio to that of Japan equivalent to the Washington ratio of 5 to 3. Navy Department continues "Under the present treaty navy allowed the United States, there are needed a total of 1847 airplanes under 6,000 pounds and 218 over 6,000 pounds. Abolition of bombing would not affect these totals as the bombers removed would be replaced by planes of other types. Reduction of the treaty navy would cause a proportionate reduction of the planes carried on board vessels under 6,000 pounds but would not affect the number required of heavier types. It is evident that the 250 planes of the transport and flying boat types suggested in the Delegation's despatch are barely adequate to cover naval needs, irrespective of the needs of the Army for these types."

(B) The War Department feels that no decision on this point should be made until the question of the abolishing of bombardment aviation has been disposed of.

The differences of viewpoint quoted above graphically illustrate the difficulties that you will undoubtedly run into if you try to include in your resolution anything but the broadest generalities. This is the type of problem that can be handled far more effectively in a small committee.

Section II, point F. We fear it will be necessary to omit this reference to limitation of expenditures, which was not included in the President's proposal, and which goes far beyond anything we have agreed to or authorized. In view of your numerous recommendations we have given special and sympathetic consideration to this question but still believe that an acceptance of the principle would be impossible.

Before finally agreeing to an extension of the armaments truce it would be necessary for us to know and approve the period of extension.

We appreciate that the fate of the Conference will probably depend in large measure on the events of the next 2 or 3 days, and look forward to your handling of a most difficult situation with complete confidence.

CASTLE

500.A15A4/1237 : Telegram

*The Acting Secretary of State to the Acting Chairman of the
American Delegation (Gibson)*

WASHINGTON, July 3, 1932—4 p. m.

169. Your 300, July 2, 3 p. m.

1. We agree with your view that an all around one-third cut of every defense component would work a decided hardship on certain smaller countries and make it difficult for them to accept. Certain modifications of the present formula to meet the special situation of the small armies therefore would be unobjectionable provided they remain within the spirit of the President's proposal and provided they do not give other nations an excuse to claim consideration for their own peculiar circumstances and thus open the door to an endless series of special claims which would so whittle away the essential features of our plan as to leave little more than an empty shell.

2. If we correctly understand your proposal, it would mean that (a) states having total effectives of less than 40,000 would be permitted to maintain their present *status quo*; they would not be required to make any reductions but would simply enter into the treaty their present strength which would thus become their treaty strength; (b) states having effectives in excess of 40,000 but whose defense component is such is [as] that a 1/3 reduction would reduce the total below 40,000, will be granted a total treaty strength of 40,000 without regard to percentages of reduction; (c) all other states would cut their defense component by 1/3.

3. From the point of view of paragraph 1 above, we see the following serious objections to this suggestion:

(a) It would exempt from the application of the President's plan 34 states, or considerably more than one-half the total of 59 states listed in your last table. Fourteen of these have total effectives in excess of 10,000 and eight in excess of 20,000. Nine have defense components in excess of 10,000, and two in excess of 20,000. To place in a special category and exempt from all reduction such a large

number of states and such large defense components seems to us to result in an inadmissible restriction of the scope of our plan which must be world-wide if it is to be truly effective.

(b) We feel that, with the exception of those states which have relatively few or no defense components, all should be required to make some sacrifice, even if on a reduced scale. It must be borne in mind that the small countries stand to gain relatively most by the abolition of aggressive weapons; they should in turn be prepared to make some contribution in the way of reduced defense components.

(c) Are you sure that your suggestion would be acceptable to certain Powers with effectives in excess of 40,000 who are bordered by a chain of states which would be exempt from any cut although possessing relatively the largest defense components of all?

4. It does not seem impossible to work out some formula which, while meeting half-way the difficulties of the smaller armies, would nevertheless draw a larger number of states within the scope of our plan and call upon the majority to make a contribution commensurate with their status.

5. Thus we feel that the aims you desire to achieve by the plan suggested in your 300 might be arrived at by a formula which would exempt from reduction the first 10,000 of every defense component, regardless of total effectives. Since our whole position is based on the theory that for purposes of comparison and international reduction, only that portion of the total effectives constituting the defense component should be taken into account, it would seem more logical to base any derogation from the principle of all-round percentage reduction on defense contingents alone. This would also emphasize the point of view, inherent in our formula, that even an army which is small in actual numbers may be disproportionately large in comparison to population. Under the suggestion contained in your 300, the President's plan as regards effectives, would apply to less than one-half of the nations of the world. Our proposal, outlined above, while achieving roughly similar results in practice, would apply the principle of a division into police and defense components to all states and would thus maintain the universality and uniformity of application which we consider essential.

6. So far as the actual size of the exemption is concerned, we do not insist on the figure 10,000, although we believe that this amount should prove acceptable to the states concerned. It would require each country to reduce by one-third that part of its defense component which exceeds 10,000. Leaving out of account those countries having no actual defense components, there are 12 states which have defense components of 10,000 or less and would thus be exempt from reduction. Nine of the 34 countries covered by the proposal in your 300 (namely, Albania, Bulgaria, Esthonia, Finland, Hungary, Latvia,

Lithuania, Sweden and Australia) would be required to make certain cuts on a greatly reduced scale. Hungary, for instance, would have to cut 1,616 from a total of 34,993, instead of 4,949. Since the principal land powers have defense components in excess of 100,000, such an exemption would amount to less than 10 per cent of their defense components and would constitute a still smaller percentage of their total effectives.

7. If you find a different figure for the exemption would have a greater chance of adoption you may, if necessary, modify it up to a total of not more than 15,000. This latter figure would exempt from reduction every state covered by the proposal in your 300, with the exception of Bulgaria, Finland, Latvia and Sweden. Of course, the smaller the exemption the better from our point of view.

8. These are merely thoughts for your consideration, but they will indicate how our minds are running and what are the limits of modification we are prepared to agree to. Within these limits you are free to work out a detailed formula most adapted to the needs as you meet them on the spot.

9. The President wishes you clearly to understand, however, that you should make no change in his original plan unless you have assured yourself that a modification will bring about a material increase in general support of the plan and in the likelihood of its ultimate adoption.

CASTLE

500.A15A4/1240

*Memorandum of Trans-Atlantic Telephone Conversation*²⁴

SECRETARY: Hello, Mr. Gibson.

DAVIS: Mr. Secretary, this is Norman Davis.

SECRETARY: Yes, now I recognize your voice.

DAVIS: We thought we ought to tell you about a conversation I had with the person mentioned in our 303.²⁵ This gentleman told me in the strictest confidence that the British Cabinet actually adopted about a month ago this far-reaching plan on disarmament, but for various reasons they had not wished to launch it. I gather from what he said that the delay was due to a desire to consult with the Dominions and various factions and also some preoccupation as to its effect upon us. They were therefore embarrassed because the President got ready to act before they did and also annoyed at their

²⁴ Between Mr. Davis in Geneva and Mr. Stimson in Washington, July 5, 1932, 10:05 a. m.

²⁵ Not printed.

own failure in not taking the initiative in presenting what they believed to be a better plan. They were discussing quite strenuously the advisability of announcing that plan, particularly on account of the pressure of public opinion and treatment of that position by Parliament and they hesitated for fear of giving the impression of marked differences of opinion between our two countries and they also feared that such a procedure might not constitute a subsequent agreement. I told him that, under the circumstances, it seemed to me that it would be better for us to sit down together now to try to reach a common denominator; not to air any differences in public since we were both desirous of accomplishing the same end. He concurred in that. He said he felt that MacDonalld and perhaps the entire Cabinet would concur in this issue. While he did not tell me what the plan is, it did not involve any reduction in cruisers but did provide for the abolition of military aviation and of submarines and for a greater reduction in total tonnage than that proposed by the President.

He told me also that the British Admiralty was considerably concerned over the President's proposal, particularly with regard to cruisers and submarines. They could not understand why we, knowing their need for cruisers, would propose a reduction and also, they could not understand why we did not propose the abolition of submarines but, on the contrary, fixed for submarines such a large tonnage as that of 10 or 12 hundred tons. I told him we had repeatedly stated that we were in favor of the abolition of submarines but I assumed the President's proposal was not simply submitted with a view of getting just what we wanted but of getting an agreement and that while I had no definite plans on the subject, my guess was that our Navy felt that if we could not abolish submarines they would still want to have submarines which would meet their particular needs.

We then discussed a future program for the conference and I told this gentleman in confidence what we were considering as a resolution as indicated in our 296.²⁶ He thought it would be possible to get such a program through.

SECRETARY: A resolution as to effectives?

DAVIS: A resolution upon accepting in principle the President's proposal and outlining certain points of agreement. I think we could probably get that through and have Simon introduce it. Since our report, Simon came to see Gibson.

SECRETARY: When was this?

DAVIS: Today. This afternoon right after Gibson put in this

²⁶ July 2, 11 a. m., p. 255.

call. Now, he first told us that the P. M.²⁷ would appreciate it if we would come to Lausanne tomorrow because he wants to talk over the procedure with regard to the action of the British Government with regard to the President's proposal. Baldwin tells him that the pressure on him is so great that he has got to say something soon because at the Commons someone introduced a resolution which will be embarrassing if he doesn't do something. He said Sir John had been insisting on holding off and not saying anything more because he was very much opposed to any proposal of a rival plan and he was satisfied now that they would not do that, but that they would have to speak more concretely than heretofore what their views were. We still discussed what we should do in the Bureau this afternoon and he outlined to us his views as to it.

SECRETARY: What were his views?

DAVIS: As to whether we should have a General Commission for full discussion or whether we should try to deal with this question in the Bureau itself. He thought—we all agreed—that we should postpone the discussion for a day or two and perhaps we would avoid any public discussion and we would agree upon a comprehensive resolution under which we would adjourn and he outlined to us his own views as to what we might do which were substantially in accord with what is contained in our cable to you, 296, and he is going to work on that tonight and we are to get together tomorrow, but the thing that the Prime Minister wants to talk to us about was just how Baldwin would present this matter in Parliament because they were anxious, while taking their own position, not to oppose the President's plan and in fact give it a more hearty approval in principle than they had heretofore.

SECRETARY: He wants Simon to present their views?

DAVIS: Whether we want a General Commission. Simon to make another statement and simultaneously to his Baldwin would make a statement in the House of Commons, that is what they want to talk over with us tomorrow, just exactly how it should be done and what the subject would be so that it would be entirely acceptable to us. It does look as if the spirit now is very greatly improved and the General Commission in that case would probably meet on Thursday.²⁸

SECRETARY: Your plan is to see if you can work out with them an agreement on the resolution which would lay the foundation for an adjournment afterwards and, in the meanwhile, Baldwin will make a statement in the House of Commons.

²⁷ Prime Minister Ramsay MacDonald.

²⁸ July 7.

DAVIS: That is right. But not before Thursday and not until after we have had a talk with the Prime Minister as to the way it should be done.

SECRETARY: I see. That sounds all right to me.

DAVIS: What do you think about our getting Simon to present the resolution here which would be the one involving its adjournment?

SECRETARY: After you had agreed to it.

DAVIS: Yes, after we had agreed to it because we couldn't very well get up and present it.

SECRETARY: I see no reason against that, and I see a good many reasons for it.

DAVIS: That is what we did. That is good.

SECRETARY: Of course, he will present the resolution only after you know what it is.

DAVIS: Yes, after we have agreed on every word of it. I am more concerned about his speech and I think that is what the Prime Minister wants to talk to us about tomorrow.

SECRETARY: You had better be pretty careful about that.

DAVIS: Yes, I know it.

SECRETARY: I think if you get that arrangement carried out you will have gotten through a difficult situation much better than I thought you would at one time. Congratulations.

DAVIS: You can't tell how the weather will change tomorrow.

SECRETARY: Yes, I know. Are you going to have a meeting today?

DAVIS: Right now, in about ten minutes.

SECRETARY: With the P. M. or Simon?

DAVIS: No, with the Bureau.

SECRETARY: And at that meeting you will probably be working on that resolution.

DAVIS: Yes, that is right.

SECRETARY: Thank you very much, I think I understand now. Good-by.

500.A15A4 Steering Committee/23 : Telegram

The Acting Chairman of the American Delegation (Gibson) to the Secretary of State

GENEVA, July 5, 1932—10 p. m.

[Received 10:30 p. m.]

304. At the meeting of the Bureau this afternoon it was decided on Henderson's proposal that a meeting of the General Commission would take place on the afternoon of July 7th at 4 o'clock for the

purpose of permitting those states which have not as yet had the opportunity of expressing their views with regard to the Hoover proposals to do so. The President announced that three states have already signified their desire to speak in this connection and that he anticipated more. The President then stated that in his opinion it was advisable to approach the plenary session with a definite objective in view, to take stock of what had actually been accomplished in the work of the Conference up to this point and to bring this phase of our work to a conclusion. At this juncture Sir John Simon suggested that at the close of the declarations concerning the President's proposals a possible resolution might be introduced in the General Commission which would contain the following three points:

1. A welcome by the Conference to the Hoover proposals which have stimulated the Conference and indicated the path of a broad approach to the problem.
2. A survey of the results actually accomplished by the Conference up to this point.
3. The consideration of the future work of the Conference.

I gave Sir John Simon's suggestion my support and Paul-Boncour declared himself likewise in full agreement.

Motta made an eloquent plea to the larger powers to unite their efforts on as large a measure of agreement as possible which effort he felt would be acceptable to the smaller states and an encouragement to the world. Madariaga then spoke of results which had not been obtained by the Conference up to this point and advocated negotiation and continued endeavor at Geneva to find common accord. The President asked Sir John Simon to get in touch with as many other delegations as were interested and to prepare a draft resolution along the lines which Sir John has suggested.

The meeting proceeded along lines which seem entirely satisfactory to us. In particular I was not obliged to take any part in the debate beyond acquiescence in Simon's statement. Various speakers brought out one by one spontaneously practically all the points and suggestions that we would have covered. It now remains to draft the formula in appropriate phraseology.

GIBSON

500.A15A4/1241 : Telegram

*The Acting Chairman of the American Delegation (Gibson) to the
Secretary of State*

GENEVA, July 5, 1932—midnight.

[Received July 5—8:55 p. m.]

305. Your 168, July 2, 9 p. m., section 2, point F. While no mention of limitation of expenditure was made in the President's plan it was included in my opening statement as point 9 of our proposals as follows:

"9. We are prepared to consider a limitation of expenditure on material [*matériel*] as a complementary method to direct limitation, feeling [that] it may prove useful to prevent a qualitative race if and when quantitative limitation has been made effective".²⁹

In meeting of the Bureau this afternoon (see my 304, July 5, 10 p. m.) British, French and other speakers referred to a limitation of expenditure as one of the accomplishments of a Conference. From all our conversations we are convinced that some form of global expenditure limitation will be one of the points on which other states can unite and which other states will insist on including in any resolution such as outlined in our 296. For example: The French tell us they favor a 10 percent global expenditure reduction.

In private conversations we have ascertained that it is generally considered that a reduction on expenditure is envisaged as applying to budgets of past years or of the past year, in other words, that the reduction to be agreed upon should reflect the reductions already made in most budgets for the coming year due to the force of circumstances. Furthermore in our discussions with the British and French they both understood and individualize Senator Swanson's position that exception must be made for the right of a state to build up to that level which is accorded that state by international treaty.

In view of this situation and in order to avoid putting the United States in the position of vetoing a measure of arms limitation in which the rest of the world can acquiesce we most respectfully request that you will give further consideration to your decision.

We submit below a possible text of a paragraph for the proposed resolution upon which we might take our stand:

"The Conference is in agreement that the savings effected by the reductions in, or abolitions of, various types of armament material should be reflected in reduced expenditure on the part of the various

²⁹ This is quoted from Mr. Gibson's speech of February 9, p. 25.

powers in order to prevent qualitative competition when reductions have been effected.”

Urgent reply requested since discussion of the draft resolution will begin tomorrow.

GIBSON

500.A15A4/1246 : Telegram

The Secretary of State to the Acting Chairman of the American Delegation (Gibson)

WASHINGTON, July 6, 1932—11 a. m.

170. Your 305, July 5, midnight. There seems to be some confusion in your telegram between “Limitation of expenditure on matériel as a complementary method to direct limitation” as mentioned in your first paragraph, and “Global expenditure limitation” referred to in the second. The first we can accept; the second we cannot accept even as a principle.

The text you proposed for inclusion in the proposed resolution of adjournment is satisfactory to us in that it refers only to savings in matériel, but this is the ultimate limit to which we can go. In so far as we can estimate the domestic situation, anything further involving global expenditure limitation would in all probability result in a refusal to ratify the treaty.

STIMSON

500.A15A4/1255 : Telegram

The Secretary of State to the Acting Chairman of the American Delegation (Gibson)

WASHINGTON, July 6, 1932—noon.

171. The views of the War and Navy Departments with respect to the points raised in your 274, June 24, 6 p. m.,⁸⁰ may be summarized as follows. The Department will forward by the next pouch the letters setting forth their views in detail.

1. Chemical and Bacteriological Warfare.

(a) Navy Department considers resolutions of special committee on chemical warfare acceptable except for its proscription of “appliances, devices or projectiles specially constructed for the utilization of gas warfare” because of the presumed requirement of refraining from peace time preparations of chemicals which it might be necessary to use in domestic disturbances, in defense or retaliation against a treaty breaking state, or for commercial and agricultural purposes.

⁸⁰ *Ante*, p. 228.

(b) War Department opposes any restrictions whereby the United States would refrain from all peace time preparation or manufacture of gases, means of launching gas or defensive gas matériel; it opposes any provision that will require the disposal or destruction of any existing installation of our Chemical Warfare Service or of any stocks of chemical war matériel. It desires to maintain the existence of a war department agency engaged in experimentation and manufacture of chemical warfare matériels and in training for unforeseen contingencies.

2. Maximum limit of unladen weight of airplanes. See telegram No. 168, July 2, 10 [9] p. m.

3. Modified prohibition of aerial bombardment.

(a) Navy Department has no comment to offer except that the factory as giving rise to controversies over bombing attacks adjacent to the line of limitation. It feels the more satisfactory method of protection of civilian population would be the limitation of bombing to strictly military objectives.

(b) War Department considers suggestion of restricting air bombing operations to X kilometers from the front as entirely impracticable.

4. Numerical restriction of aircraft. See telegram No. 168, July 2, 10 [9] p. m.

5. Budgetary Limitation.

(a and b) Navy Department and War Department remain unalterably opposed to the principle of limitation of expenditures.

6. Artillery.

(a) Navy Department has no comment to offer except that the proposed scrapping of artillery of greater caliber than naval guns should not because of a desire to effect a maximum reduction be permitted to lead to a decrease in the caliber now permitted naval guns under the Washington Treaty.

(b) War Department opposes the French position against making a distinction between fixed and mobile artillery. Agreement by the United States to the French position of fixing a maximum caliber to be used with field forces might easily result in scrapping of our 16 inch and other major caliber seacoast defense guns, a situation that it could not countenance.

7. Private Manufacture of Arms.

(a) Navy Department considers any restriction of the private manufacture of arms as detrimental to the interests of the United States.

The foregoing views of the Army and Navy Departments should be before you. Inasmuch, however, as your queries were predicated on the possibility of concluding a treaty of limited scope and as our present plan is to persuade the Conference to commit itself in principle on the President's proposal as a whole, it has not seemed necessary or advisable to call a conference with the Army and Navy and to reach a meeting of minds on the points under discussion. The De-

partment, therefore, refrains from giving you specific instructions on these points until such time as circumstances require a final decision of policy.

STIMSON

500.A15A4/1247 : Telegram

The Acting Chairman of the American Delegation (Gibson) to the Secretary of State

GENEVA, July 6, 1932—5 p. m.

[Received July 6—1 p. m.]

306. MacDonald telephoned this morning asking that Davis and I go to see him at Lausanne at 10 o'clock. He received us with Simon and we went over some of the ground Davis touched on in his telephone conversation yesterday afternoon to the effect that the British Government was under serious criticism in the House for failure to make clear its position in regard to the President's proposal, that Baldwin was insistent on the necessity for making a full statement not later than tomorrow (Thursday) afternoon, that he and Simon had been in constant contact with the Cabinet in the formulation of a statement which they hoped would not complicate the situation but would on the contrary relieve feeling in England and make it possible for them to go ahead with us. He said he could not yet go into details with us because the Cabinet had not yet taken a decision on various points submitted by MacDonald and Simon, that Cabinet was meeting this morning and that its decision would probably reach him some time in the afternoon, that we would be put in possession of all the facts as soon as they were available. He said he wanted it very clearly understood that they were not putting forth anything in the nature of a rival plan and that their observations would have to do only with alternative methods of dealing with parts of the plan especially reduction in part but that they expected to give a whole-hearted indorsement in principles and general conception of the President's plan.

MacDonald said they had given a good deal of thought to the question of a statement in the General Commission at the same time that Baldwin was speaking in the House of Commons, that while they would be guided by our wishes in this matter they felt that this might lead to a series of second speeches by the delegations which had already spoken in regard to the President's plan and might even be interpreted as an attempt to start criticism, that for that reason they felt it was better if possible to avoid any further statement by the British delegation in the General Commission and to confine them-

selves to transmitting a copy of Baldwin's statement to the President of the Conference for his information and such disposal as he deemed wise. We concurred in this procedure as calculated to expedite the work. Simon went over with us a very rough draft of a resolution which he prepared as a result of our talk with him yesterday. It embodies practically all that we had in our draft and in some respects is more downright in expressing approval of the President's plan. He is coming to Geneva today to work with other delegates and is very hopeful of being able to wind up this session with the adoption of the resolution next week. In view of the precarious situation of the Herriot Government this seems particularly urgent as it would be most unfortunate if there were another French Cabinet crisis which prevented us from adopting such a resolution as a preliminary to adjournment.

GIBSON

500.A15A4/12484

The Secretary of State to President Hoover

WASHINGTON, July 6, 1932.

DEAR MR. PRESIDENT: I am sending you herewith a stenographic record of my talk yesterday with Norman Davis,³¹ which I summarized to you at Cabinet Meeting. It is so interesting that I thought you would like to read it in full. As you will see, there is still a possibility of something unpleasant coming out either in the House of Commons or in Simon's speech; but in general what was a very awkward matter is smoothing down into pretty good shape.

Faithfully yours,

HENRY L. STIMSON

500.A15A4/1266

*Memorandum of Trans-Atlantic Telephone Conversation*³²

GIBSON: Hello, Mr. Secretary, this is Gibson. For the last three days we have been told of this statement that Baldwin is telling today in the House of Commons and, after putting us off on one pretext or another, we have just been handed a copy of it.³³ It begins with a good deal of very friendly comment on the plan in general. The land part is all right. The part on air armaments is unsatisfactory

³¹ See memorandum of conversation, p. 263.

³² Between Mr. Stimson in Washington and Mr. Gibson and Mr. Davis in Geneva, July 7, 1932, 9:40 a. m.

³³ For text, see Great Britain, Cmd. 4122, Miscellaneous No. 6 (1932): *Declaration of British Disarmament Policy*.

but it is not sufficiently important to bother you with now. Now we come to the naval business which is really dreadful. That proposes for immediate adoption by international agreement the following proposal relating to the Navy [1] to reduce the maximum size of any future capital ship to 22 thousand tons and maximum caliber of guns to 11 inches; (2) to reduce maximum tonnage of cruisers hereafter constructed to 7 thousand tons and maximum caliber of guns to 6.1 inches; (3) if international agreement on point (2) cannot be secured, the Government of the United Kingdom would still urge that the maximum size of capital ships be reduced to 25 thousand tons and the guns to 12 inches as a maximum; (4) reduces the maximum for aircraft carriers to 22 thousand tons with 6.1 inch guns. (5) abolishes submarines; (6) reduces destroyer tonnage by approximately one-third depending on the abolition of submarines; (7) if submarines cannot be completely abolished, their maximum is 250 tons with a strict limitation both of total tonnage and also the number of units. Now we had considerable argument on that. The most striking thing is that their plan is a greater tonnage reduction than that suggested by the President because it will completely rebuild the fleets of the world. That is going to be released at four o'clock here, that is in a few minutes.

Norman Davis called up Simon on the telephone and told him we were very unhappy about this as it showed that there was no express desire to get together with us merely a counter-plan—a rival plan to that of the President without any expression of desire to sit down with us and reach an agreement. He said that this would seem pretty well to nullify the value of the resolution we are working on together but it is too late to change the thing now but Simon in transmitting a copy of it says he will put in his letter a statement that this is a statement of his views, but of course they want to sit down with all powers and work out an agreement but that is all they have been able to do about it so far.

Now, Mr. Secretary, what line do you want us to take with the press. Do you want us to try to deal with the argument or minimize the significance of this and express confidence in trying to get together.

SECRETARY: I should think something of the latter point. I should take the latter course as far as possible. Of course this proposition is, on its face, quite impossible at once. You see what I mean?

GIBSON: There is no immediate relief in it at all.

SECRETARY: No, it involves an enormous expense.

GIBSON: It means completely rebuilding all existing fleets.

SECRETARY: Yes, and that means that it cannot take place for a

great many years anyhow. Therefore, it cannot be understood as an immediate practical proposition.

GIBSON: Exactly.

SECRETARY: Nobody is going to rebuild their fleet at this stage of the world. They are going to hang on to their fleets as long as possible.

GIBSON: I think we can take a line based on that but, in the meantime, we hope to press for some immediate relief.

SECRETARY: Yes. Now let me ask you a question. They do not make any cut in the number of the battleship unit?

GIBSON: No, they don't suggest any reduction in the numbers anywhere.

SECRETARY: What do they do with gross tonnage?

GIBSON: They don't mention it. By rebuilding everything, they will effect a total tonnage reduction similar to that suggested by the President. That is rather humbug.

SECRETARY: Of course, that is really not practical at all. Well, I think you have got as good an idea of how to handle it as we could suggest to you. Treat it in a friendly way so far as possible, but of course do not prevent any newspaper people from knowing its limitations.

GIBSON: We will express confidence in our ability to work together for some more immediate relief and give some consideration to the fact that we are not ready to comment on the British proposal for later relief.

SECRETARY: After all, we must remember that they have a right to their own views about a navy as much as we have. We put out our views without consulting them and they are doing the same thing by putting their views out now.

GIBSON: In responsible quarters in England there are a great many people who are getting together on the basis of the President's plan and there has been a great deal of attack on this general British conception of reducing unit size, but I think they will have to moderate that very shortly.

SECRETARY: We will find that out.

GIBSON: Do you wish me to give any message to the Prime Minister?

SECRETARY: No, except that you can say to him that he knows my views already about the necessities of our American Navy so well that it is unnecessary for me to restate them to him.

GIBSON: How would it do to suggest to him also that you hope very much that he will avoid having any position taken which will prevent our sitting down and ironing out our different points of views?

SECRETARY: In my opinion, it would be quite impossible for us to undertake to do this properly at any time, certainly now.

GIBSON: Yes, I agree with you.

SECRETARY: In so far as ultimate battleship size, it is not impossible that we might come down somewhat, as you know, but not as far as even their second suggestion.

GIBSON: We haven't got our minds closed on the whole subject. I think that is a good deal to give them.

SECRETARY: We feel in frankness, it is necessary to point out that on the cruiser radius which they necessarily impose, they strike right at the heart of American policy.

GIBSON: Norman Davis has just returned from talking to Simon on the telephone and I will have him report to you about it.

SECRETARY: All right.

DAVIS: I told him that it seemed to me, personally, an unsatisfactory way to approach it and he said that made him quite upset because that was the last thing in the world that he wanted to do. He said it was too late to change that statement, in fact he couldn't do it. He said that the Minister for Foreign Affairs can make a statement in his letter to Henderson circulating this statement from Mr. Baldwin and he is prepared to put in his letter the following, written by us:

"The document which I am circulating contains the views of my Government on various types of armaments and on the points in which it represents a divergence from the proposals of the American Government. We are, nevertheless, prepared to discuss in friendly fashion the methods of reconciling these differences and obtaining our common purposes of effecting a further substantial reduction in armaments."

SECRETARY: Well, that is all right, I guess that is as good as you can do.

DAVIS: What he just said to me is this:

"Now look here, it hasn't occurred to us that Mr. Baldwin did not bring out clearly the fact that while this was the British point of view, the way in which they would like to approach this problem was to reconcile the views between the two Governments and they feel satisfied that by the proper spirit and good-will which prevails between the two Governments, they could do so."

But it appears to me now that this is decidedly the spirit of the whole Cabinet and he thinks it would be unfortunate if the impression should be given to our newspapers that this is anything except a friendly action on their part because it might make it more difficult and he is very anxious for us not to allow the wrong impression to get over because they are quite disturbed now about it, just as we are,

and they say they have given us every assurance that this is no rival plan and that the object is that we will get together. That is about all.

SECRETARY: Yes, I see. All right, I think you have the right line of handling it there. We will have a little more difficulty here.

DAVIS: Yes, I am afraid you will. I think you are going to have more trouble in our own country from all we can hear. It is not going to help them. I think it is going to make our plan stand out in wonderful relief.

SECRETARY: I think a good deal of *background* talk may come out from over here because every newspaper man now knows enough to work out the impossibilities of their plan as a practical proposition.

DAVIS: Of course, there is no immediate relief in their plan and we are not happy over it at all.

SECRETARY: What I mean is, this is so impractical that it is going to assume the appearance of an entirely future and theoretical proposition rather than a practical one and, therefore, it may not look quite as bad as if it had been put out as an immediate counter-plan to ours.

DAVIS: That is perfectly true. It is an excellent point. There is one answer he gave me, when I said it looked to me as if they were upholding the Japanese point of view instead of ours; he said, "we don't mean that at all, because as a matter of fact, we are not proposing to do anything right now."

SECRETARY: I don't quite follow you there, but this plan of the British will be looked at just as an aspiration rather than an immediate proposal.

DAVIS: That is right; that is an excellent point. I think that is the way to deal with this. He said it does not conflict with ours because ours is for something now and their plan is for the future. But what he really had been intending to say is that the British would have preferred to approach this from our point of view but, as our proposal was out, they naturally had to recognize that and tried to fit in with it in some way. If the wrong impression got out to the press, he said we could depend upon him and MacDonald to do everything possible because it is their most earnest desire to go right along with us.

SECRETARY: All right. I am glad to know he feels so but it does not make it any easier.

Davis, I said to Gibson and I am not sure that he heard me, this fact: the British proposal both in battleships and in cruisers strikes at the heart of our naval needs because it, in both cases, limits the cruising radius.

DAVIS: I understand and quite agree with you.

SECRETARY: That is the whole trouble and it is particularly important now in the present situation in the Pacific.

DAVIS: That is right. I told him that in effect, but he said, "Goodness, we are not doing anything right now, it is something for the future."

SECRETARY: That is what I say. It is merely a British aspiration.

DAVIS: They have been embarrassed and they are trying to run to cover and I am afraid they are going to be more embarrassed than ever as a result.

SECRETARY: I will have to reflect over that. That is enough for one morning.

DAVIS: We are going up to the meeting of the General Commission now. Good-by.

SECRETARY: Good-by.

500.A15A4/1267

*Memorandum of Trans-Atlantic Telephone Conversation*³⁴

GIBSON: Hello, Mr. Secretary. I want to tell you about this afternoon's meeting and some other things. At this afternoon's meeting we had speeches from eleven delegations. Belgium, Brazil, Turkey, Cuba, Austria, Norway, the Dominican Republic, Finland, Hungary and [Canada and Denmark]. All except Finland supported the President's program and accepted it either completely or in principle. The Finnish Delegate accepted the portion relative to the abolition of aggressive weapons but repeated the old arguments for special consideration to be given to the unprotected states who cannot reduce their armament without political guarantees of assistance. Belgium's speech is significant in that they give a wholehearted acceptance of the President's plan—the first time they have come out quite independently of the French. At the beginning Simon sent in a letter which was read by the Chairman explaining the statement made by Baldwin. It included the suggestions which we added to it, stating their readiness to discuss existing differences with regard to the President's program. Copies of this statement were circulated to the delegates during the meeting so that they could spend their time reading that instead of listening to the speeches, and Simon had a press conference and sent the press away. That is with regard to the afternoon meeting.

³⁴ Between Mr. Gibson in Geneva and Mr. Stimson in Washington, July 7, 1932, 3:35 p. m.

We also want to consult with you as to speeches. We get some rather confidential indications that this statement is aimed in part at complicating the situation of the gentleman who is now in Lausanne and we want to be very careful not to facilitate any maneuvers that may be directed against him. We feel we want to be careful not to promote this by any ill-advised statement. He is extremely ill; he has gone to bed and his eyes have gone back on him again so we haven't been able to see him and he is not in a condition to take an active part in the discussions. We feel that tomorrow morning we ought to have a rather frank talk with Simon, letting him know that whatever his intentions were, this has complicated the situation very much and has facilitated the backing out of the French and possibly Japanese, and that it might be turned to advantage in a sense if we handle it right. If we impress upon him that in order to correct any possible misapprehension he must now make the resolution and be frank with us for the adoption of a stronger resolution in support of the President's plan. What do you think of that talk?

SECRETARY: Well, what I think is this: that you want to get through your resolution and get the conference wound up as quickly as you can.

GIBSON: Yes, that is our view. We think we must impress upon him now that he must make it stronger in support of the resolution in order to correct any impression that has been created in the minds of other delegations that we are at odds.

SECRETARY: Yes, and then have the motion to adjourn for the study passed as quickly as you can.

GIBSON: That is our view. Mr. Kellogg has been here today and has been extremely helpful. He talked with Sir John after the meeting and told him in extremely plain language that they were in danger of getting back to the atmosphere of the 1927 conference;³⁵ that they had to be very careful to maintain the correct impression that they were working with us and not against us. So I think he has been extremely useful to us, saying things that we could hardly have said without offense. He thinks that we ought to have a frank and free talk as to the necessity of driving ahead at full speed a comprehensive and very definite adoption in principle of the President's plan before adjournment.

SECRETARY: Yes, I agree.

GIBSON: There are about fifteen more people going to speak tomorrow and so far as we know all of them are going to adopt the President's plan. It has been a very impressive performance today

³⁵ Conference for the Limitation of Naval Armament, June 20–August 4, 1927; see *Foreign Relations, 1927*, vol. I, pp. 1 ff.

and will doubtless be the same tomorrow and, in the meantime, I think the British are going to feel a good deal of pressure from home telling them very definitely the fact that they are working with us.

SECRETARY: Well, I hope so, but you go ahead and try to finish the thing up as quickly as you can.

GIBSON: We are fully alive to the needs of that; we are working against time. We will let you know anything that happens.

SECRETARY: Well, I am very much obliged.

500.A15A4/1268‡

*Memorandum of Trans-Atlantic Telephone Conversation*³⁶

GIBSON: Hello, Mr. Castle, this is Gibson.

CASTLE: Hello Hugh.

GIBSON: I think we better tell you about today's meeting first. We had two sessions today, morning and afternoon, and nineteen delegations spoke on the President's proposal. They were almost all very strong in their acceptance. The most striking speech was that by the President who accepted unconditionally to go along with it. Other countries, substantial countries like Sweden and Holland also accepted very wholeheartedly. Some other very striking speeches of the day were the speeches of the South American countries: Mexico, Colombia, and Venezuela, who not only accepted in full but were complimentary in their general comments on the attitude of the United States of America. It was one of the finest performances I have ever seen. The Venezuelan delegate made a very significant statement in which he said that they were wholeheartedly in favor of the President's plan and intimated that their acceptance of the British Naval proposal could be reconciled to the . . .³⁷ Although it was an extremely strong sentiment throughout the day.

CASTLE: I hope the press will have it all in the morning.

GIBSON: Yugoslavia, Rumania and Portugal made compliments on the plan but made general reservations. They were all enthusiastic. It comes out now that we have had thirty-three states come out very strongly for this plan. Six of them have not spoken, including several of the Dominions; Poland; Czechoslovakia and Spain, and as the Spanish delegate occupies an official position as Vice President he couldn't properly speak but they have made clear that they are

³⁶ Between Mr. Gibson and Mr. Davis in Geneva and Under Secretary of State Castle in Washington, July 8, 1932, 4 p. m.

³⁷ Apparently a break in telephone connection at this point.

enthusiastic in their support. So that has wound up the general debate and at the end of it the President announced that probably tomorrow the draft resolution would be circulated and that a meeting would be called on Monday or Tuesday ^{37a} for its adoption. Now, the next thing is, this morning we got a telephone call that MacDonald wanted to have a talk with Davis and me at Lausanne, and with Simon, at twelve-thirty. As all the speeches in the meeting were more or less addressed to the American delegation, I felt that I had to be in my place, so Davis went alone and spent the day with MacDonald and Simon and I think he ought to tell you about that. As he is a modest violet he probably won't tell you this—that he has done a very monumental job in clearing away misunderstanding and getting things back on the track.

CASTLE: Hello, Norman, don't be a violet.

DAVIS: Hugh is getting quite complimentary.

CASTLE: Yes he is, and lets see whether he ought to be.

DAVIS: Well, it was very worth while. Of course they had learned by the time I got there that there were things about their action which had not had a good effect. First, MacDonald took me off alone and I told him that their proposal had had a very adverse effect and that I was afraid that in spite of all our efforts here and your efforts that they were going to get a very bad press report and he said he was quite disturbed over that, but, of course, he has been so tied up at Lausanne, and yesterday he was in bed all day and couldn't do anything, that he really didn't know what had happened and he wanted me to tell him. When I told him, he certainly was surprised to learn that they had submitted a rival plan and just then Simon came in and I told him that in view of the fact that he and the P. M. had both told Hugh and me that they were not going to submit a rival plan, that we were quite surprised, and MacDonald said he didn't understand that they were going to submit a rival plan and Simon said it was not intended as such and would not have presented it that way. He was evidently embarrassed. I learned in another way afterward that what really happened was that the British Admiralty sent the naval portion of this memorandum to the Cabinet and asked the Cabinet to accept, and they just took this bodily and incorporated it in the statement and it was overlooked and the people here were as astonished as we were. After I explained that, MacDonald said, "Well, we have got to clear this thing up, but what can we do?" I said that of course I did not come to discuss navy as much as our own relations, as the navy was trivial compared to our going together step by step. They both agreed to that and then he said, "Well, what

^{37a} July 11 or 12.

can we do?" Well, I said that of course one thing is to avoid the impression getting over that you would in any event or under any circumstances be striking at the heart of our navy. He said that was the last thing they would want to do; that their navy was really somewhat upset at our proposal and he said of course this was embarrassing because he had what he thought was a gentlemen's understanding with the President, that no proposal would be submitted by either one of us for an alteration of the Naval Treaty until 1935. I said I thought there must be some misunderstanding about that, because I didn't know anything about it, but when we came over here we had no intention of the kind and I don't suppose anything would have been done if it had not been provoked first by the British in London. He said he understood that and it explained all those details of how it came about and gave him a different picture from what he had before. I said, "How could you expect us, with what Baldwin said to us in the presence of Simon really asking us to think it over and get our Government to think it over³⁸—he is at least the head of the predominant political party and next to you,—not to take it seriously. We got all worked up over it. He said, "How are we going to rectify it because that is the important thing." He said we have got to do things together and he was evidently quite disturbed. I said, "Well, the main thing is, we have first got to stand together at Geneva and let the other powers know that we are going to insist upon a substantial measure of disarmament and to particularly support the President's plan and insist on Europe reducing its Army and the effectives." He said, "I am quite with you on that and we will do it." I said that we will have to make that resolution a little stronger than we had anticipated—much stronger—and that will wipe out any erroneous impression that may have resulted from this unfortunate move on your part. "Well," he said, "I don't know anything about that resolution, I haven't even seen Simon's draft, but you and Simon sit down together and work out that." Then he said, "You ought to be able to wind up in Geneva with a bang next week because we are going to as we have had tremendous success here in Lausanne today.³⁹ We have just finally reached a complete agreement. We may really do something remarkably for the people of the world and, after we adjourn, if you will come over to London—I have got to go back tomorrow night—we will sit down together and reach an agreement on the navy." After that, I went off and got Allen Dulles and we sat down with Simon and went over the

³⁸ See telegram No. 169, May 13, 4 p. m., from the Acting Chairman of the American delegation, p. 121.

³⁹ For correspondence relative to the Lausanne Conference, see pp. 636 ff.

draft which Simon had prepared after the discussion he had with Hugh and me yesterday. He has done quite a good job on that and we are going to cable that to you tonight so you will get it in the morning. We are going to send the original draft, together with the suggested changes which he accepted today, but I think we better send the original to you because there have got to be many changes yet. You have got to bring in the other people, and we hope you will give us instructions as fast as you can as to its acceptability so we will know how to proceed.

CASTLE: All right, we will right off.

DAVIS: I think this resolution, Bill, if we can get it through, will render a huge success.

CASTLE: That is magnificent. What do the French think about it, do you know?

DAVIS: They are not really very greatly opposed. They want a few little things, but Simon told me he went over it with Boncour yesterday and he is quite hopeful and we will see him again in the morning and, so far as we can gather, the French Cabinet right now are in favor of accepting in whole the President's plan. It is perfectly remarkable what is happening there with Herriot.

CASTLE: You better put it through quickly before Herriot falls.

DAVIS: The only trouble is that Boncour has got to be in Paris Tuesday and Wednesday because that is the big fight in the Chamber over the Economy program but we are going to try to get him to agree to this resolution before he goes. We are going to try to get it over Monday.

CASTLE: We will send an answer to that telegram to you, tomorrow. I think you have done very well. I think you are a sunflower instead of a violet.

DAVIS: The main thing is to get an adjournment. Neville Chamberlain and I had lunch with MacDonald and Simon and they all recognized the importance of the French being with us.

CASTLE: That is fine.

DAVIS: They are running on one cylinder in London now with six Cabinet members away, three of whom are in Geneva and three in Lausanne and it is very confusing.

CASTLE: Norman, they have really reached a settlement at Lausanne, haven't they?

DAVIS: Yes.

CASTLE: We had it all in the newspapers but we wanted to be sure it was correct.

DAVIS: MacDonald told me that Simon and Herriot sat up until three o'clock last night and Herriot held out both hands and said,

"This marks the end of reparations and also marks the beginning of a new era in which we recognize the interdependence of nations," and really it was quite astonishing. Of course, I haven't seen the wording yet, and I understand that there is some little clause in it that this agreement shall not be ratified until there is a general settlement.

CASTLE: I am sorry that was in but we can't help it.

DAVIS: I was hoping that would not be in but I understand it is in there in an unobjectionable way.

CASTLE: It doesn't mention the United States specifically?

DAVIS: That statement by the President . . .⁴⁰ to get something straightened out.

CASTLE: I wish something of that sort could be done. I don't know.

DAVIS: They have got to have political appeasement. That is the thing to lay stress on. They are going to have political appeasement and it is going to be work[ed] out here.

CASTLE: That is fine. That is the main thing. All right, Norman, we will answer your telegram PDQ tomorrow. Have a good Sunday. Good-by.

500.A15A4/1268 : Telegram

The Acting Chairman of the American Delegation (Gibson) to the Secretary of State

GENEVA, July 8, 1932—9 p. m.

[Received July 8—8:20 p. m.]

314. Today's morning and afternoon sessions of the General Commission were again devoted to the expressions of views on the part of those delegations who had not previously spoken on the subject of the President's proposals. Nineteen delegates today expressed themselves generally in favor of the proposals and rendered homage to the President's initiative in formulating them.

Mexico, Colombia, Sweden, the Netherlands and Switzerland gave the proposals their full and sympathetic support. In an unusual speech the Colombian delegate, Señor Restrepo, expressed the desire of his Government to work in harmony with the American Government and recalled in this connection the American Constitution and the Monroe Doctrine which constituted true guarantees for the sovereignty of the small American states.

The Baltic states of Estonia, Latvia and Lithuania gave full adhesion while mentioning the difficulties of the proposal for effectives

* Apparently a break in telephone connection at this point.

in small states. Rumania and Yugoslavia while doing lip service to spirit of the plan merely promised to give it deep study. Venezuela, Afghanistan, Portugal and Persia while expressing accord with the general principles called attention to their particular geographical situations and spoke of the necessity of applying the President's proposals in the spirit of article No. 8 of the Covenant. In addition Bulgaria stated that the President's proposals offer no obstacle to the realization of its claim for equality of treatment.

Argentina, Bolivia and China expressed their entire agreement with the proposals.

The most constructive contribution to the debate came from the representative of Switzerland, President Motta, who in accepting the proposals without reserve affirmed his Government's willingness to go even further. He strongly advocated measures for the control of the manufacture and traffic in arms and advocated the establishment of a permanent commission of control. In accepting the peace treaties as a basis for determining the formula of reduction he suggested that instead of taking the average ratio it would be well to determine the ratio of each of these individual countries and apply to all other states the most appropriate of the ratios so determined. In other words the police forces of the greater nations should be determined upon the geographical ratio; for the smaller nations upon the basis of the ratio for the smaller central powers. In conclusion he referred to the British declaration as a contribution on the part of that Government in an effort to find an acceptable solution.

The President then announced that private negotiations were continuing with a view to the framing of a resolution acceptable to the Conference. The President then suspended the sessions but hoped to reconvene the Bureau and then the General Commission in the early part of next week for discussion of the resolution.

GIBSON

500.A15A4/1269 : Telegram

The Acting Chairman of the American Delegation (Gibson) to the Secretary of State

GENEVA, July 8, 1932—midnight.

[Received July 8—11:37 p. m.]

315. Following is text of projected resolution as drafted by Simon last night, July 7:

“I

The Conference for the Reduction and Limitation of Armaments. Being firm in its determination to achieve a substantial measure of disarmament, which should be sought along the lines of article

No. 8 of the Covenant of the League of Nations expected to make and which would be the natural consequence of the undertaking given by the states of the world in signing the Briand-Kellogg Pact;

Welcoming heartily the initiative taken by the President of the United States in formulating concrete proposals;

Bearing in mind also the Draft Convention of the Preparatory Committee, the statements made to the Conference by a number of delegations and the reports and resolutions of the various commissions of the Conference;

Declares that it accepts forthwith and unanimously the underlying principles of President Hoover's declaration:

First, That the present Conference should decide on a substantial reduction of armaments;

Second, That this reduction should apply to all three arms—land, sea and air;

Third, That a primary objective should be the weakening of methods of attack so as to strengthen defense.

II

The Conference notes that a sufficient measure of agreement has been reached upon a number of important points to enable it to record already at this stage a considerable advance toward the goal which it is seeking to reach. It is now able to declare that, without prejudice to more far reaching proposals that have been made or may be put forward by different delegations, there is agreement on the following propositions:

AIR ARMAMENTS

1. The chapter of the disarmament convention dealing with air armaments shall contain provisions to secure the civil population against air attack.

2. With this object in view the high contracting parties should accept and observe provisions defining strictly the area, if any, within which bombardment from the air may be practiced in the event of hostilities between them.

3. It should further go as far as possible towards the elimination of types of aircraft specially suited for bombardment by providing for the limitation to (blank) tons of the unladen weight of any individual airplane, capable of use in war, in commission and in immediate reserve in the land, sea and air armed forces of each of the high contracting parties. A limited number of exceptions may have to be made to meet special circumstances.

4. In addition the maximum number and total tonnage of airplanes, capable of use in war, in commission and in immediate reserve in the land, sea and air armed forces of each of the high contracting parties shall be limited.

5. Airplanes above the specified weight, devoted to civil aviation, should be subject to a special international regime.

LAND ARMAMENTS

6. In order to reduce the offensive character of all land forces as distinguished from their defensive character the chapter of the dis-

armament convention dealing with land armaments shall contain a provision prohibiting the possession by any high contracting party of any tank exceeding (blank) tons in weight. Any tank exceeding this limit of weight shall be destroyed within (blank) months of the coming into force of the convention.

7. The number and calibre of heavy land artillery shall be limited.

8. The chapter of the disarmament convention dealing with chemical, bacteriological and incendiary weapons shall contain the provisions recommended by the special committee on such weapons as summarized in the annex to this resolution (the annex seems unnecessary to cable).

SUPERVISION

9. The disarmament convention shall provide for the establishment of a permanent disarmament commission with the constitution, rights and duties generally as outlined in part 6 of the draft disarmament convention submitted by the Preparatory Commission for the Disarmament Conference.

10. It is for consideration whether and under what conditions the Permanent Disarmament Commission shall be given rights of local investigations of complaints.

III

11. The Conference decides to invite the Bureau to meet during the adjournment of the Conference, with a view to making agreed recommendations for giving detailed effect to points 1, 2, 3, 5, 6, 7 and 10 above in so far as these have not been settled by the present declaration.

The Bureau shall endeavor to find a rule or standard whereby the numbers and total tonnage of airplanes referred to in point 4 can be determined.

In each case where an agreed recommendation is secured, the Bureau shall draft—with the assistance if need be of a special drafting committee—articles giving effect to the recommendation, for insertion in the convention.

Certain other points raised in President Hoover's declaration, in the draft disarmament convention and by various delegations in the course of the present session call for further detailed examination before concrete propositions can be furnished.

The Conference requests the Bureau to examine, with the assistance of such other delegations as it may decide to be necessary, the proposal made by President Hoover and other proposals with regard to effectives and to consider the various proposals that have been made for the limitation of the caliber of mobile land guns.

In any case this committee shall furnish a report on the results of its deliberations, with the text of any articles that may have been drafted in time for circulation to the delegations to the Conference one month before the opening of the next session.

The Subcommittee of the National Defense Expenditure Commission shall continue and complete its work as soon as possible in order that the Conference on its resumption may be in a position to decide whether a system of budgetary limitation or publicity can be accepted.

As regards the proposals made by President Hoover and other proposals concerning naval armament the Conference invites the powers parties to the naval treaties of Washington and London to confer together and to report to the Conference, if possible, before the resumption of its work the conditions which they have been able to reach. It is recognized that the limitations and reductions to be accepted by the naval powers other than the powers parties to the above treaties will be dependent on the nature of these conclusions."

GIBSON

500.A15A4/1270 : Telegram

The Acting Chairman of the American Delegation (Gibson) to the Secretary of State

GENEVA, July 9, 1932—1 a. m.
[Received July 9—12: 32 a. m.]

316. Simon's draft quoted in our 315⁴¹ was received this morning shortly before Davis left for Lausanne and his suggestions summarized below were based on our preliminary study and we shall smooth out drafting points tomorrow.

Davis told Simon that he thought the draft resolution was in the main excellent but that there were several changes and additions which he felt should be considered to strengthen the document.

In addition to acceptance of the underlying principles of the President's declaration Davis suggested a statement be added that the Conference would proceed promptly to give practical effect to the general measures of disarmament outlined in the proposal and further that the resolution should contain a very definite statement that the principle of reduction in effectives was accepted.

Turning to the particular drafting changes Davis suggested that a paragraph be added in the preamble as follows:

"Being profoundly convinced that the time has arrived when the nations of the world must adopt substantial measures of disarmament on land, sea and in the air in order to lighten financial burdens and promote peace."

Sir John was entirely agreeable to this change. Davis then proposed that reduction in armaments referred to in the last paragraph of preamble should be carried out "along the lines of the President's declaration which aims to reduce the burden of world armaments approximately one-third"; Simon obviously balked at citing the one-third reduction. He said that this presented very serious complications for them and would probably be unacceptable to French.

⁴¹ *Supra.*

After some discussion Simon suggested that by a slight change in his draft the idea we had in mind could be included. His idea was that the resolution should state "that the Conference decides on a reduction of armaments on the substantial scale indicated" in the proposal of the President.

Simon agreed to the redrafting of the first paragraph of section 2 in order to make it more precise. He also agreed to changes in paragraphs 1 and 2 under air armaments so as to emphasize positive accomplishment in the prohibition as far as possible of all air bombardment and in any event the complete protection of civil populations.

After demurring somewhat Simon agreed tentatively to cut out the section of paragraph 3 following "bombardment" which provided for the limitation of aircraft by unladen weight. Davis pointed out that this would only provoke endless debate since there was no vestige of agreement among the various states as to where that limit should be fixed. Simon concurred that paragraph 5 regarding the special international regime for civil aviation should be restricted in its application to European countries.

Under paragraph 8 Mr. Davis proposed that a long annex describing the limitation of chemical warfare should be omitted from the resolution as giving undue emphasis to this point.

With regard to the paragraphs relating to supervision Simon noted our suggestion that paragraph 10 be eliminated and replaced by an addition to paragraph 9 to permit certain changes in part VI of the draft convention if found necessary to increase the usefulness of the Commission. (We have not as yet deemed it wise to make any use of the authority contained in your 163, June 30, 7 p. m.)

Regarding the work of the Bureau during the adjournment of the Conference (paragraph 11) Simon seemed to feel that our suggested language namely "that the Bureau be charged with carrying on the work of the Conference" went a little too far but he was prepared to accept some modifications of his draft along this line.

Davis said that we felt it essential to include in the draft resolution a statement of acceptance in principle of a reduction of the defense component of effectives, that if this was not done the French would feel that they would be relieved from doing anything on this score and that it was now or never. Sir John agreed in principle and we gave him a tentative suggestion as follows:

"The Conference accepts the principle of reduction in the defense component of land forces, and recognizing that the declaration of President Hoover furnishes a basis for achieving this end, requests the Bureau to submit concrete proposals to give effect to the declaration of the President".

Davis raised the question of the date of reconvening the Conference and read a proposed modification of Simon's draft to the effect that the opening of the next session should be "at the discretion of the Bureau but at least within 6 months of the present adjournment["]].

In conclusion Davis said that he felt it was important to include in the resolution something more concrete as to the course of the naval discussions particularly as between the United States and Great Britain. He felt that if a proposed procedure was described in the draft resolution, possibly on the basis of a statement made to the Conference by the British and American representatives, it would tend to give impetus to this and other negotiations between various states for example France and Italy which had particular problems to be worked out between themselves. Davis then read Simon the following as a tentative and personal suggestion :

"In view of the fact that the declarations made by the President of the United States and the British Government aim at a reduction of naval armaments and in view of the fact that the purposes of those declarations are in no way incompatible the Conference notes with pleasure that Great Britain and the United States agree to endeavor to reconcile their proposals and to confer with the other powers parties to the naval treaties of Washington and London."

Davis said that some such statement might help allay any feeling that the two Governments were working at cross purposes.

Simon replied that he would talk the matter over with the Prime Minister, that he saw the usefulness of such a statement and of course the form would have to be worked out with great care and after consultation.

Simon's original draft quoted in our 315 has already been circulated to French, Italians, Japanese and Germans and to Beneš, Politis and Madariaga. Hence all of foregoing will be working on original basis rather than on basis as amended following Davis' above talk with Simon. Dulles and Marriner will get in touch with Cadogan tomorrow morning in order to have a completed draft embodying above suggestions ready when Simon arrives from Lausanne to consult with those who have been considering his earlier draft.

GIBSON

500.A15A4/1275 : Telegram

The Acting Chairman of the American Delegation (Gibson) to the Secretary of State

GENEVA, July 9, 1932—10 a. m.

[Received July 9—9:10 a. m.]

317. It would be helpful to us here if you could arrange some expression of the satisfaction which we have felt in the vigorous and distinguished support given the President's proposal by the states of Latin America most notable among them being Najera of Mexico and Restrepo of Colombia who in addition to the full support of their Governments expressed real friendship and comprehension of America's position.⁴² Likewise Soares of Brazil, Agüero of Cuba, des Champs of Santo Domingo and Costa del Rels of Bolivia gave full support in warm terms. The Argentine delegate Bosch whose Government sees difficulties in the questions of bombardment and effects subordinated all these difficulties to a brief statement of entire harmony with the principles. Escalante of Venezuela expressed sympathy with the principles but made no mention of special geographic circumstances. The other Latin America states were absent from Geneva. We have already taken steps to express our appreciation to the friendly European speakers as well as to those above mentioned.

GIBSON

500.A15A4/1271 : Telegram

The Acting Chairman of the American Delegation (Gibson) to the Secretary of State

GENEVA, July 9, 1932—11 a. m.

[Received July 9—4:43 a. m.]

318. In considering our 315 and 316 you will appreciate that the preliminary draft of the resolution must be worked out in private conferences involving a dozen or more delegations and eventually perhaps in public session. Hence we will need room for negotiation. In view of this and of the urgency of the matter we would appreciate it if you could give us any general views on the Simon draft and on our comment by tomorrow Sunday and we will keep you advised as important drafting changes are worked out here. We shall be continuing discussions with the British today regarding the resolution.

GIBSON

⁴² Letters of appreciation were sent to the representatives in the United States of the particular countries.

500.A15A4/1277 : Telegram

*The Acting Secretary of State to the Acting Chairman of the
American Delegation (Gibson)*

WASHINGTON, July 9, 1932—3 p. m.

174. Your 315, 316 and 318, July 8 and 9. While the draft resolution satisfactorily accepts the underlying principles of the President's plan, it does not seem to keep up an affirmative tone in regard to the ways and means of putting it into effect.

As we realize that the resolution in its final form must be the product of much negotiation, we shall suggest no substitute texts, but merely certain underlying considerations for your guidance. Every one of the suggestions put forward by Davis and reported in your 316 seems to us a decided improvement, (and as such are accepted by us) but we feel that the declaration should go yet further, both in proportion and in tone toward accepting at least in principle the concrete suggestions contained in the President's proposal.

Specific Suggestions:

Section II, Air Armaments, Paragraph 3. We attach considerable importance to the omission of any reference to tonnage limitation after the word "bombardment".

Paragraph 5. It is essential that reference to special international regime must make clear that this is a regional question in which we are not involved.

Section II, Land Armaments.

It seems to us highly desirable that the section on land armaments shall include as one of the definite agreements of the conference an acceptance of the principle of reduction in the defense component and if possible a recognition that the declaration of President Hoover furnishes a basis for achieving this end. In other words, it seems to us to make the resolution of the conference much more substantial if this important principle can be included as one of the items definitely agreed upon. Under Section 3 of the resolution the Bureau can be assigned the duty of presenting the details.

Section III. The whole resolution would seem to be strengthened if this were put in the form of instructions to the Bureau to arrive at agreements on these points and present specific recommendations rather than the somewhat nebulous character of its instructions as now worded.

We also feel that the vagueness of this section with respect to the date of meeting of the Bureau, the continuity of its sessions, etc.,

particularly when coupled with the absence of a specific date for the reconvening of the Conference, may give the public an impression that the adjournment is a disguised form of ending the Conference. We should welcome anything you can do toward making this section more concrete. Our preference would be to see a date fixed for reconvening the Conference sometime between 4 and 6 months hence.

Last paragraph of the resolution dealing with naval questions. We favor the idea of Davis' suggested draft addition provided that he substitutes for the phrase reading "in view of the fact that the purposes of those declarations are in no way incompatible" the following phrase "in view of the fact that the aims and purposes of the two nations are in no way incompatible". We want you to insist moreover on the inclusion of a sentence to the effect that naval reductions are understood to be contingent on substantially corresponding reductions in land armaments, in view of the fact that in this field of armaments material progress has already been made.

The foregoing suggestions represent what we hope you will be able to accomplish in the way of strengthening and improving the resolution and leave it to you, without further instructions, to attain the maximum possible in the circumstances.

CASTLE

500.A15A4/1278 : Telegram

The Acting Chairman of the American Delegation (Gibson) to the Secretary of State

GENEVA, July 10, 1932—2 p. m.
[Received July 10—12:25 p. m.]

320. Department's 174, July 9, 3 p. m. We are happy to report that practically every point covered in your instructions had already been agreed upon yesterday in our negotiations with the British and insisted upon in our talks with the French. All your views have been embodied in the draft now in the hands of the British which they have accepted but which of course are still subject to negotiation with other delegations.

We entirely agree with your last suggestion concerning importance of pressing contingent character of naval reductions. Of course inter-dependence of armaments is already stressed in resolution and also fact that reduction should apply to all three types of armaments, we shall endeavor to secure specific adoption your suggestion in resolution and in any event we could include idea in identic letters to be sent to the Chairman of the Conference by the British and

ourselves stating what we propose to do as regards naval negotiations. This letter as we now see it would be along the lines of Davis' suggestion with the addition brought out in your cable. On reflection it has seemed better to us that this be set forth in the form of such identic letters rather than incorporated in a resolution for the Conference to pass on. The Conference might of course take note of this correspondence in the resolution.

GIBSON

500.A15A4/1301 : Telegram

*The Secretary of State to the Acting Chairman of the
American Delegation (Gibson)*

WASHINGTON, July 13, 1932—1 p. m.

179. The British naval proposal has confirmed my foreboding as to the chief danger to this country which may arise in the course of the discussion over the Hoover plan. It is conceivable that, although a substantial agreement as to land and air armaments may be reached, a serious issue may arise in regard to naval armaments in which Britain and Japan join in supporting a method of reduction which we cannot accept. Not only are the British battleship and cruiser proposals quite unacceptable in view of our historic insistence upon greater cruising radius, but their plan involves a necessary period of transition between two systems of size of armament which would involve special dangers to us. (See my 152, June 27, 4 p. m.) Please do not lose sight of these possibilities. If America should find herself unfortunately isolated by such a combination, it would nevertheless be necessary to maintain an unyielding position on those points, and it would be unfortunate if there was anything put on record or said informally which made it difficult for us to do so. I believe you are fully aware of this situation but its importance is so serious that I venture to call it specially to your attention.

STIMSON

500.A15A4/1299 : Telegram

*The Acting Chairman of the American Delegation (Gibson) to the
Secretary of State*

GENEVA, July 13, 1932—11 p. m.

[Received July 13—8:20 p. m.]

325. A revised text of the resolution was worked on last night to ascertain the maximum of agreement possible between American,

British, French and Italian delegations. In the absence of the British and French delegates from Geneva a drafting committee was summoned by Beneš to whom Sir John Simon had turned over his duties of drafting the resolution. This committee consists of Massigli, Aubert, Cadogan, Rosso, Marriner and Dulles. The result of this attempt to coordinate the several drafts which had been presented to Beneš is weaker on important points than previous draft outlined in our cables and as such was not accepted by our representatives. In particular the sections on the acceptance of the President's plan in the first part and the stipulations with regard to effectives are unacceptable and I have so informed Beneš today. The Italians have likewise stated that the draft is unacceptable to them. No text on the subject of limitation of expenditures which the French consider of capital importance has as yet been worked out. It is hoped that on the return of the French chief delegates on Monday after the adjournment of Parliament this text can be strengthened at least in conformity with the resolution cabled in our 315, July 8, midnight, and 320, July 10, 2 p. m.

GIBSON

500.A15A4/1303 : Telegram

The Acting Chairman of the American Delegation (Gibson) to the Secretary of State

GENEVA, July 14, 1932—9 p. m.

[Received July 14—5:04 p. m.]

330. Department's 179, July 13, 3 [1] p. m. You may rest assured that we have never lost sight of the problem as you outline it. We have made it extremely clear to the British that we cannot accept their proposals and believe they are under no illusions. So far as we can foresee the question will not be allowed to come into public debate during this session as the naval clauses of the projected resolution, which have already been cabled you, were drafted in full agreement with the British and have met with no opposition elsewhere.

GIBSON

500.A15A4/1330½ : Telegram

The Acting Chairman of the American Delegation (Gibson) to the Secretary of State

GENEVA, July 15, 1932—9 p. m.

[Received 10:05 p. m.]

333. The text of a paragraph to be included in the resolution which we are working on on the subject of limitation of expenditures has been worked out after long negotiation with the French. It represents a series of concessions on their part and as it now stands in this last draft is acceptable to the French themselves. The delegation considers it satisfactory. The matter has been especially considered by Senator Swanson in view of possible repercussions in Congress and he has accepted it as well as the naval and military advisers. As the French attach capital importance to this paragraph we would like your views as soon as possible.

"1. The Conference shall when it reconvenes determine what system of limitation or of publicity of national defense expenditure will best be suited to guarantee the alleviation of the financial burdens of the peoples and to prevent the measures of qualitative and quantitative disarmament provided for in the convention from being rendered ineffective by the perfecting or development of permitted arms.

2. In view of the decisions to be taken for this purpose the governments represented at the Conference shall make known before the next session of the General Commission and under reserve of the special situation of each state,

(a) Either the extent of saving which would be the immediate result of reductions in matériel and effectives which each accepts for itself.

(b) Or the percentage of reduction which they agree to put into effect in their next national defense budget as compared with their present budget in order to effect and maintain during the life of the Convention a saving at least equivalent to that foreseen under (a) above."

GIBSON

500.A15A4/1326 : Telegram

The Secretary of State to the Acting Chairman of the American Delegation (Gibson)

WASHINGTON, July 17, 1932—11 a. m.

183. Your 333, July 15, 6 [9] p. m. While I am not prepared to state how definitely the text you have worked out with the French commits us, nevertheless its general tenor does not seem to be consistent with our position of refusing to accept for ourselves any form

of global limitation of expenditures. There has been no alteration of policy on this point. The text you suggested in your 305 July 5, midnight, I accepted in that it referred only to savings in matériel, but at the same time I cautioned you that this was the ultimate limit to which we would go.

After all, the resolution of adjournment is primarily a list of subjects on which all the delegations are agreed. Global limitation of expenditure is not one of them and as such should not be included. Even if it is framed with such loopholes as not actually to bind us to an acceptance of the principle, it would introduce into the negotiations a second and alternate method of disarmament which might well eventually result in the sidetracking of our proposals.

I quite appreciate the difficulties of your negotiations as well as the pressure from other delegations, and I desire to be as helpful as possible, but the principle of global limitation of expenditures even in an attenuated form is one we cannot accept. It would put us at a disadvantage with respect to other powers, it would cost us the support of the services here, it would not, as far as we can judge, command popular approval, and above all it would weaken the clear-cut framework of the President's plan.

Of course publicity of expenditure is acceptable in any form and I have agreed to limitation of expenditure for matériel (see telegram no. 170, July 6, 11 a. m.) but beyond this I regret we cannot go.

STIMSON

500.A15A4/1335: Telegram

The Acting Chairman of the American Delegation (Gibson) to the Secretary of State

GENEVA, July 19, 1932—4 p. m.

[Received July 19—12:10 p. m.]

343. The French and British have worked out a text on limitation of expenditure which the Italians are ready to accept. As before stated the French are insistent that some reference to limitation of expenditure be inserted in the resolution. The British feel the same reluctance we do but think it advisable to accept this attenuated draft in order to complete agreement. Since it is consistent with your views we all feel that this text can be accepted without in any way prejudicing our position. Text follows:

“Limitation of budgetary expenditure.

1. The Conference on the resumption of its sittings will determine what system of limitation and publicity of expenditure on national defense will best guarantee to the peoples an alleviation of their finan-

cial burdens and will prevent the measures of qualitative and quantitative disarmament to be embodied in the convention from being neutralized by the increase or by the elaboration of arms that are permitted.

2. With a view to the decisions to be taken under this head, the Conference invites the Commission of National Defense Expenditure and its subcommittee to continue and complete the work which they have in hand and to report as soon as possible. The Conference requests the Bureau to formulate a plan on the basis of that report which shall achieve the purpose in view, taking into consideration the varying conditions of the several states."

GIBSON

500.A15A4/1343 : Telegram

*The Secretary of State to the Acting Chairman of the
American Delegation (Gibson)*

WASHINGTON, July 19, 1932—7 p. m.

187. I fear that the draft submitted in your 343, July 19, 4 p. m., fails to represent any advance over that contained in your 333, July 15, 9 p. m. and is open to the same type of objection.

The insistence of the French is quite understandable, but global limitation of expenditure cannot be listed as a principle that the Conference has agreed to nor can we with honesty accept a resolution which provides that the Conference will determine a system of limitation of expenditure or which requests the bureau to formulate a plan on the basis of the still uncompleted report of the Commission of National Defense Expenditure. This might encourage either the Conference or the general public to believe that we might later be prepared to reverse our position on this question.

Apart from the inherent inacceptability to us of global limitation of expenditure, I am the less disposed to modify our stand on this point as (1) we have consistently refused to alter our position (see Department's 145, June 21, 11 p. m.,⁴³ 168, July 2, 10 [9] p. m., 170, July 6, 11 a. m. and 183, July 17, 11 a. m.) and the French can have no reason to feel that we were disposed to make any concessions on this point; and (2) I do not feel that the resolution in its present form is strong enough to warrant the French asking us for an additional concession or modification of principle.

If you are unable to avoid any reference to the subject in the resolution it will be necessary for you to devise some phraseology that will specifically and not merely inferentially except us from an acceptance of the principle.

STIMSON

⁴³ *Ante*, p. 211.

500.A15A4/1344 : Telegram

The Acting Chairman of the American Delegation (Gibson) to the Secretary of State

GENEVA, July 20, 1932—11 a. m.

[Received July 20—7:47 a. m.⁴⁴]

350. Your 187, July 19, 7 p. m. We request reexamination of the text contained in our 343⁴⁵ and comparison with that contained in our 333.⁴⁶ It seems clear to us that your anxiety must be based on the misapprehension that this is recognition of a principle. If you will examine the draft text you will see that this does not come under part 2 which is a statement of principles agreed upon but rather under part 3 which deals with questions for study. While this text may not mark any great advance over that contained in our 333 we venture to point out that it is distinctly less objectionable in that it omits any mention of global limitation. This wording was agreed upon because it left the door open to any form of limitation including limitation of expenditure on matériel as complementary to direct limitation. We do not feel that we are asking the Department to modify its stand in any way. No delegation here misunderstands the position of the American Government which has been repeatedly and definitely stated and they are under no illusion that we are prepared to modify our attitude. There is nothing in this text which is not fully consistent with your letter of guidance⁴⁷ and the statement of our position in point 9 of my opening speech.⁴⁸

Moreover, the present text has been approved by the entire delegation including military and naval advisers.

In order that there may be no proper basis of misunderstanding I am preparing a reference in the speech which I shall make in the General Commission, (my 349)⁴⁹ which will specifically and not merely inferentially except us from acceptance of the principle of global limitation.

This section of the resolution has been worked out laboriously together with those on effectives, air and other subjects and they to some extent hang together. Furthermore, the Italians and British who are even more intransigent than ourselves on the question of limitation of expenditure have acquiesced in this formula.

⁴⁴ Telegram in two sections.

⁴⁵ *Ante*, p. 296.

⁴⁶ *Ante*, p. 295.

⁴⁷ January 19, p. 1.

⁴⁸ February 9, pp. 25, 30.

⁴⁹ Not printed.

I plan to telephone this afternoon at 3:30 Geneva time (since the meeting of the General Commission is called for 5 p. m.) and read you what I plan to say on this subject.

GIBSON

500.A15A4/1355

*Memorandum of Trans-Atlantic Telephone Conversation*⁵⁰

SECRETARY: Hello, Gibson.

GIBSON: Good-morning, Mr. Secretary, this is Hugh Gibson. Have you had a chance to read our telegram No. 350?

SECRETARY: Well, I just got it and have read it rather hurriedly.

GIBSON: Do you still feel any misgivings?

SECRETARY: I do.

GIBSON: You feel that it is desirable that we refrain from this subject in our speech at the beginning of the discussion.

SECRETARY: I can't myself see that your 343 makes any serious change in the 333.

GIBSON: It leaves out all reference to global limitations; it is not in the section of the treaty that has to do with principles but only lays down work and leaves all methods wide open for discussion. In fact, it is nothing more than telling the Committee on Expenditures to go ahead and complete the task which it had in the beginning.

SECRETARY: It leaves it open for the conference to bring up global limitations as an alternative to the Hoover plan.

GIBSON: They are going to do that as a supplementary thing to it and that is all these people want, to complement this system of disarmament. They are going ahead and even if they accept the President's plan, they will also do that. They don't care whether we are in on it but they do want it themselves. I think we would be in a very bad position if they could point to us as the stumbling block.

SECRETARY: If they wanted to add an additional agreement between themselves, of course we would not oppose that, but I am afraid that is not the way in which it would be used.

GIBSON: The British and the Italians who are just as rigid as we are on this are opposed because it is not open to their objection, and since your telegram came in, we have had a further talk with Simon and with the Italians and they say they scrutinized this carefully and they would not accept it because they did not feel that it was open to that objection.

⁵⁰ Between Mr. Gibson and Mr. Davis in Geneva and Mr. Stimson in Washington, July 20, 1932, 9:55 a. m.

SECRETARY: I have the two before me here. I have talked with the President this morning and he is very much opposed to anything which will give an opportunity like this, as he thinks this might, to slide off from the plan for direct limitation.

GIBSON: I don't think it will do that. The whole thing is a complementary method. These people want this so as to control the effective carrying out of direct limitation. There is no doubt about that. I don't think it will be used in any way to sidetrack the President's proposal. Mr. Secretary, may I read what I had proposed in our opening statement this afternoon. See if that does not do it. It was stated in the sixth paragraph from the end between the paragraph ending, "giving assurance against competition either in quality or quantity of armaments."

SECRETARY: Are you talking about your speech given in 349?⁵¹

GIBSON: Yes, it would be inserted in the sixth paragraph from the end of the speech.

SECRETARY: The trouble is, we have not got the whole of your speech yet.

GIBSON: Well, may I read you this? I feel that this resolution has the merit of registering at the same time the point of complete accord in Chapter II, and those points on which we are agreed to continue study in Chapter III, considering that these methods will produce the adjustments necessary for further accord. There has not been time to work out the details of various proposals. For instance, the Committee on National Defense Expenditure has not yet been able to complete its study. The resolution thus, does not attempt to judge the results of those studies and for the conclusions to be derived from them, each nation will be its own judge. The resolution leaves open the . . .⁵² as complementary for direct limitation of expenditure or an objection by them. These methods shall be the ultimate result of our work. It merely indicates that by any of these methods we seek a common end.

SECRETARY: Is that what you intended to put in? That is not enough. The United States delegation is unalterably opposed to global limitation, and I should not be satisfied with any collateral statement which did not go as far as that. In other words, you are leaving yourself open to trouble hereafter and I want you to stop that. I want you to say that we will not, under any circumstances, consent to global limitation.

GIBSON: All right, we will put that in.

SECRETARY: And not in any diplomatic language either.

⁵¹ Not printed.

⁵² Apparently a break in telephone connection at this point.

GIBSON: Global limitations which we will not accept. We will put that in in perfectly definite language.

SECRETARY: It must be absolutely clear so that there will be no mistake hereafter that the American delegation will not accept global limitation.

GIBSON: Don't you think that is clear: "global limitation which we will not accept."

SECRETARY: No, I should make it even a little more clear than that. I should say, "My country has consistently from the beginning been unwilling to accept global limitation because it is quite (you can give the reasons) unfair from the standpoint of a nation that has already made its reduction, and give them an absolutely clear notice."

GIBSON: All right, we will do it and not in terms to be open to interpretation.

SECRETARY: I don't want it to be open to a bit of interpretation, so that there will be no argument hereafter about it. In other words, if that system is adopted by the conference at Geneva it must be adopted as a regional method applicable to other nations but not to us. Is that clear?

GIBSON: Yes, that is clear, we can put that in and not start any more. We are still working on artillery.

SECRETARY: I mean I am not at all favorably impressed by the attitude the French have taken in the telegram which you sent me this morning, about their last minute proposition in your 348.⁵³

GIBSON: That is the naval subject.

SECRETARY: Yes. I am not satisfied that you have been treated very fairly by the other people, particularly the French. Gibson, if you accept this form in No. 343, I must insist that you make the statement very clear and emphatic in your speech.

GIBSON: The statement in our speech will be very clear.

SECRETARY: Yes, it must not be a mere relative speech to go in as you propose, but you must say something like this:

"The American delegation is obliged to refer to its consistent objection to the method of global limitation of expenditures as a method which is unfair to a nation in the position in which the United States is, of having already made its great reduction in land effectives and armaments as we have, and, therefore, I am obliged for the purpose of avoiding misunderstanding to point out that this position cannot be changed and that if any such system is adopted, it must be adopted as a regional method for other nations." Do you see?

⁵³ Not printed.

GIBSON: Yes, I have got that.

SECRETARY: That has got to be absolutely clear. I am not insisting upon the actual verbiage which I give you but I want the idea absolutely clear.

GIBSON: We will make it as clear as we can. That will be all right. Have you had a chance to look at the draft of the speech that I sent in, reporting the draft resolution?

SECRETARY: I have the first two sections, but I haven't all of the speech.

GIBSON: Is it all right as far as it goes? The thing to do is get people to accept it without being weakened and I think we are getting a lot of support to that end.

SECRETARY: I thought the speech was all right and I was glad to notice what you said about the real opinions of the nations being more advanced than the resolution, because I feel that the resolution is not much.

GIBSON: That is the way we wind up, "This represents the point that has been reached by the last resolution."

SECRETARY: Yes, I noticed that. You can go ahead that way but make your reservation absolutely clear.

DAVIS: This is Davis, may I speak to you a minute. I just want to say to you that on this work we are all just as much opposed to global reduction as you are and we are going to make that objection as clear as a whistle so don't worry about that. We feel that we have got a great measure of success in regard to the effectives, don't you like that formula?

SECRETARY: I am unable to tell which formula is now in effect. There have been so many changes and so much whittling down that it is hard for me to follow it.

DAVIS: You don't know what a terrible battle we have had.

SECRETARY: Oh, yes I do. I know perfectly well what a battle you have had and I am not criticizing what you have done. On the contrary, I feel very much inclined to sympathize and congratulate you, but you have been the focal point of a general onslaught aimed to whittle down the Hoover plan into a rather meaningless statement.

DAVIS: We finally succeeded in getting it tied to the Hoover proposal. There was no mention of that proposal at all in regard to that resolution and it is a very definite commitment and they look on it most seriously and everyone here thinks it has been a remarkable success. We had an all day struggle on that yesterday, two days in fact, and on the air armaments.

SECRETARY: I am very glad that you have had that measure of success but, on the question of effectives, the form which immediately

preceded this one, recognized not only Mr. Hoover's name but it recognized the essentials of his method, namely, the difference between forces for internal defense and other forces. Now this last method does not do that.

DAVIS: That is perfectly true but it also uses the name of the proposal.

SECRETARY: Yes, but not by way of adoption and that is what I mean when I say that they have in their usual method pretty well gotten away from any definite commitments but I didn't expect much else and I know the difficulties you have been up against.

DAVIS: I think you are wrong in thinking this does not commit them to the President's plan. They look upon it as such. They objected to stating specifically the defining of the component points because they said that was the most specific criticism they felt at this moment in regard to the method which had not been examined, but they agreed to the principle without the actual method of the mentioning of that plan and no other plan at all. We look upon it as the British look upon it, as a very distinct commitment of the French. The British have been working with us the last few days most loyally.

SECRETARY: I am very glad to hear that.

DAVIS: The understanding there between France and England is not as strong as we thought at one time. Would you like for me to read to you the formula on artillery that we are struggling over.

SECRETARY: I think that it had better be cabled, it is very hard to get it down.

DAVIS: Senator Swanson and Simon have both agreed to it.

1. All heavy land guns of calibres between any maximum limit as determined in the succeeding paragraph and a lower limit to be defined shall be limited in number.

2. Subject to an effect of the matter being elaborated to prevent the . . .⁵⁴ of guns on such mountings and to mobile guns as such maximum of land guns may be fixed for the conference as follows:

(a) the maximum limit for the calibre of coastal guns which shall not be less than the maximum calibre of naval guns;

(b) a maximum limit for the calibre of guns in . . .⁵⁴ frontier or defense system;

(c) a maximum limit for the calibre of mobile land guns other than those employed for coastal defense.

SECRETARY: I just want to ask you this question. Is the safeguard that they are trying to introduce by that method against the mobilization of fixed artillery; is that simply making a different maximum calibre permitted in each case.

⁵⁴ Apparently a break in telephone connection at this point.

DAVIS: Yes, also numbers. It is agreeing to the principle of the abolition of mobile land guns above a figure which the French have never agreed to before. They have been arguing constantly that land guns were related to naval guns and we have positively refused to accept that position and the British have stood with us on that. This is the final concession by the French and the only way they would do it. We propose that we have got to go to conference and say we have not been able to reach any agreement on this.

SECRETARY: Is this the result of that? Just let me give you this proposition. If this goes into effect, there will be in each nation a limited number of large mobile guns; there will be a limited number of coast artillery guns of a different calibre, and there will be a different calibre for naval guns. Any other guns?

DAVIS: Yes, that is right.

SECRETARY: I think I understand it roughly.

DAVIS: I don't think there is any disagreement to it from the Army or Navy; certainly they accepted it here.

SECRETARY: All right, that is much better than the previous proposal.

DAVIS: We have left it wide open to the President's proposal. Our next subject is torpedoes.

SECRETARY: If you think you have had troubles in the past, I warn you that the big troubles will come when you reach the Navy. You had just better have your shirt sleeves rolled up when you get to that.

500.A15A4/1348 : Telegram

*The Secretary of State to the Acting Chairman of the
American Delegation (Gibson)*

WASHINGTON, July 20, 1932—1 p. m.

188. Since talking with you over the telephone I have again studied the resolution as a whole with its most recent modifications and wish to congratulate you on the elements of strength and the direct relationship to the President's plan which you have successfully retained. I realize fully that you have been up against a determined effort to whittle away the effectiveness of the President's plan and do not wish you to feel from some criticisms of detail I may have made over the telephone this morning that I underestimate the real measure of success you have had.

STIMSON

500.A15A4/1350 : Telegram

The Acting Chairman of the American Delegation (Gibson) to the Secretary of State

GENEVA, July 20, 1932—11 p. m.

[Received 11:30 p. m.]

352. The completed text of the resolution⁵⁵ reported in our various telegrams was presented to the General Commission this afternoon by Beneš with a long and lucid exposé of the methods that had brought it about and the purposes it was designed to achieve. At the beginning of the general discussion at the request of Henderson, Beneš, Drummond, Simon and Herriot I delivered the speech⁵⁶ contained in my 349 as amended according to your suggestion, text contained in my 351,⁵⁷ as it was felt that such a statement on our part would tend to minimize a number of amendments which failing of adoption might create an impression of weakening the value of the resolution. I showed the speech before I delivered it to Simon, Herriot and Boncour who approved. Herriot and Boncour saw no objection to the statement of our position on the limitation of expenditure. It is, however, possible that they or some of their group will make observations on the effectives along lines very similar to those included in my speech as regards limitation of expenditure. So far as we can judge the speech was well received.

GIBSON

500.A15A4 General Committee/104

Address Delivered by Mr. Hugh S. Gibson, Acting Chairman of the American Delegation, Before the General Commission of the Conference, Geneva, July 20, 1932

Inasmuch as the resolution submitted by Doctor Beneš bears upon the proposals of President Hoover which I had the honor of laying before you some time ago I feel that I should make clear to the Commission the attitude of the American delegation at the outset of this discussion.

Naturally I should have preferred a resolution accepting still more definitely the details of the President's plan but the American delegation feels that the present resolution contains the maximum of agreement which can now be achieved, all of which is in the direction of the President's proposal and offers the best hope of eventual

⁵⁵ For text of resolution as adopted July 23, see p. 318.

⁵⁶ *Infra.*

⁵⁷ Nos. 349 and 351 not printed.

attainment of that goal. For this reason the American delegation does not hesitate to support the resolution realizing that it contains a provision that nothing shall preclude the possibility of pressing for more definite and far reaching measures at later steps of the Conference.

I wish to take this first opportunity since the conclusion of the general debate to express on behalf of the American delegation our sincere thanks to those governments which have given us their support by adhering to the President's plan. We value their adherence because this support has made possible the measure of agreement registered in the resolution now before us.

I wish also to record my appreciation of the frank and friendly spirit of the delegates with whom we have been in constant consultation for the past ten days, for the real effort they have made to contribute to this result. Needless to say we are all grateful to Doctor Beneš for his unfailing energy and resourcefulness in helping to formulate this document.

The resolution represents a first step toward realistic disarmament since it contains an engagement for substantial reduction of the wide range of existing armaments. Hitherto all debates on this subject have been confined to methods. Now at last we are deciding what to do in the way of concrete measures of reduction and giving directions that methods be found for carrying out these measures. Therefore although the resolution does not go all the way on the plan proposed by the President it recognizes that this plan constitutes a goal and sets out on what seems a proper path to attain it, namely, the acceptance at once of certain principles contained therein, the establishment of means to consolidate them and the examination of others with a determination to attain the ends which they propose.

It is essential in considering a resolution of this character to recognize the means by which international agreements are made and recorded. All of us here recognize that the principle of unanimity in international gatherings is the bulwark of national independence and therefore when an agreement is reached as in the present case it represents not the point to which daring leaders have attained, nor even the position occupied by perhaps a great majority of states, but rather that point which the last straggler seeking the same goal has passed. Therefore the text of this resolution means that the opinion of the nations is much farther toward the goal we are seeking than we can record here. It likewise naturally means that, as the bulk of public opinion is ahead of this point, we may rest assured that the moderate accomplishment which we can reach now will serve merely as a base for further forward movement.

Let me single out for purposes of illustration the problem of bombardment aviation. The discussion in the General Commission revealed that a large group of delegations are now prepared to abolish bombardment aviation and prohibit bombardment from the air. However, in the intensive consultations which have gone on here during the past few weeks we have found that certain states have genuine difficulties still to surmount before they are in a position to agree to these measures. We have found no disposition to stand on the level of agreement set forth in the resolution as the last word on the subject; on the contrary, we have found a disposition to set the present measure of agreement as a point of departure, to devote the next phase of the work to finding a way over or around existing obstacles in the hope of agreeing upon more far-reaching measures.

Up to the present the world has never known the appeasement which will come to it through a general treaty for the limitation and reduction of armaments and the relief to every country from the danger of surprise by its neighbor and from the necessity for the costly competition in armaments and men. Once the world experiences this relief, tension will relax and we will be enabled with ease to go farther than has even been thought possible. I said in my opening speech that the best defense of a nation was the goodwill of its neighbors, and in my opinion the best way to attain that goodwill is to enter into engagements for reducing the means of attack against one another, and I consider the present resolution as the first step.

The present resolution contains for the first time definite commitments for general reductions of land material and effectives. It likewise takes into account the lessons of the last war when damage and destruction spread to the civil population, and contains the strict undertakings to prevent recurrence of this abuse. Above all, it recognizes the necessity for lightening the financial burdens which war and preparations for war impose upon the world, and proposes to contribute to economic recovery by reducing the means to these ends and giving assurance against competition either in quantity or quality of arms.

Global limitation of expenditure has been consistently opposed by my Government as applied to itself since it considers that such a method is unfair to a nation like the United States which has already drastically reduced its armaments and my Government has made clear that it cannot accept such a method for itself. However, the resolution leaves open the possibility for other governments to adopt this method as between themselves if they deem it desirable and useful in view of their special necessities and regional requirements. The resolution, however, accords with the position we have

always maintained that any of these methods shall be destined to supplement and check direct limitation.

The resolution provides that the Conference shall go on working since the Bureau and various committees will carry on during the recess of the General Commission. Meanwhile the various governments undertake to see how much farther they can go to complete agreements. To activate this, however, we count on world public opinion, which was stimulated by the recent discussion and by the willingness that it revealed on the part of the heavily armed powers to do their share towards reduction of world levels of armament. The peoples of the world may not know the technical difficulties of disarmament but they have the will to surmount them, and it is on them that we count to make it possible on the resumption of the work of the Conference to achieve far more than this resolution consolidates at the close of this present phase of our labors.

There can be no question that the present resolution represents a great advance in our work here. When we cast our minds back to the atmosphere of caution and withholding in which this Conference opened and then consider the definite character of the undertakings in this resolution we realize that we have made a long and definite stride toward disarmament.

To summarize what I have in mind, we are at this time faced with alternative courses. We might, in view of the support which has been given to the President's plan, summon the Conference to accept or reject it in its entirety. This would undoubtedly show an impressive body of opinion in favor of acceptance, but we must remember that no state is bound by a majority vote and that therefore such procedure would bring us no nearer to general agreement, which is essential to the realization of such a plan. The other course is to consolidate the measure of accord which we can reach now, to accept the principles which shall guide us and the methods we are to pursue to reach the goal which we have recognized in this resolution.

Therefore, I consider this resolution as the embodiment of those immediate steps of reduction and limitation which shall constitute a pledge of the intention of the nations of the world to attain that full measure of disarmament which the world expects.

500.A15A4/1356: Telegram

The Acting Chairman of the American Delegation (Gibson) to the Secretary of State

GENEVA, July 21, 1932—midnight.

[Received July 21—11:27 p. m.]

359. Our 353, July 20, 11 p. m.⁵⁸ Davis and I had a talk with Nadolny today and told him that we were really worried about his statement that he would vote against the resolution unless it contained a definite recognition of the principle of equality of rights which he also informed us the French had refused to concede. We told him that we felt a most unfortunate impression would be created all over the world if, after demanding general disarmament ever since the war, Germany took the first occasion when there was a definite move in that direction to prevent progress; that as regards feeling in America the present resolution was so tied up with the President's plan that the impression would clearly be that Germany had chosen the first moment of hopefulness to torpedo the President's plan. We said we felt it would be disastrous from the German point of view and that before acting on his instructions he really ought to consult Neurath further and at least limit himself to making a reservation as to the question of equality of rights just as the French felt they were already doing in the provision in the draft resolution that all political questions were reserved. We told him that we had talked this matter over with Herriot who had shown an extremely reasonable attitude and had said that in the interest of agreement he had withdrawn any demand that the French plan for security and an international force be considered as a condition precedent to disarmament and that he felt that in view of this Germany would be warranted in withholding her claim to equality of rights both of them reserving the privilege of bringing forward their views when they could judge as to the value of the treaty to be concluded and the progress made in disarmament.

In conclusion I told him that during the first 2 years of the war I had on a number of occasions pointed out to the German authorities in Belgium where they were taking a course that would have a deplorable effect on public opinion; that on each occasion they had scoffed at this and later had admitted that I had given them sound advice. I then said that on this occasion I had no hesitation in saying that if the adoption of the resolution was rendered impossible by the action of Germany they would be making a tragic mistake.

Nadolny said he would communicate further with Neurath and see what could be done. He was, however, not encouraging.

GIBSON

⁵⁸ Not printed.

500.A15A4 General Committee/98 : Telegram

The Acting Chairman of the American Delegation (Gibson) to the Secretary of State

GENEVA, July 21, 1932—midnight.

[Received July 21—11:51 p. m.]

360. The General Commission met this afternoon to consider the Beneš resolution presented yesterday. The preamble was adopted as well as clauses on air and artillery contained in chapter 2.

Before the general discussion Litvinof advanced a series of amendments framed to bring about changes in both the preamble and chapters 2 and 3. His proposed amendment to the preamble provided for at least a 33 1/3 percent reduction in all categories of land, naval and air armaments with exception of the armies of smaller countries of navies under 100,000.⁵⁹ In a long speech he sharply criticised the resolution as failing to achieve any real purpose. On a vote as to whether the text of the draft resolution should be maintained or not his amendments relating to the preamble and the clauses on air and land artillery in chapter 2 failed of adoption. Balbo, Italy, provided the sensation of the afternoon in a brief statement to the effect that the Fascist Government while unwilling to take any step which would in any way prejudice the adoption of the resolution nevertheless felt itself obliged to abstain from voting on the resolution as a whole or any of its clauses on the grounds that it was entirely insufficient and offered no real grounds towards actual attainment of the principles of disarmament upheld by his country. He concluded by stating that his Government nevertheless saw no objection to an agreement for the prolongation of the arms truce.

Nadolny announced that he reserved all comment until the end of the general discussion and that he would abstain from voting on any of the individual chapters of the resolution. He stated that he would present his Government's views with regard to the resolution as a whole at the close of the debate.

In the discussion of the air provisions Motta as spokesman for the smaller states while supporting the resolution made an eloquent appeal for the total abolition of bombardment aviation and bombing planes. He was followed by Simon who dealt at some length with the difficulties in realizing any more far-reaching restrictions on

⁵⁹ Latter part of this sentence is apparently garbled. This portion of the amendment as submitted by Mr. Litvinoff read as follows: "with exemption for small countries respectively possessing armies of not above 30,000 men and a total naval tonnage of not above 100,000 tons, and also for countries which have been subjected to disarmament in virtue of other international agreements." (*Records of the Conference for the Reduction and Limitation of Armaments*, Series B, *Minutes of the General Commission*, vol. I, pp. 164, 166.)

aviation at this time in view of the difficulties over the control of civil aircraft.

A further amendment by the Swedish and Dutch representatives proposed to substitute for the land artillery provisions resolution, a simple limitation of the number and maximum calibre of mobile land artillery. A long debate ensued in which I intervened stating that while our delegation would prefer a simpler text, we could not but feel that the actual wording of the resolution represents in fact the maximum of achievement which had been arrived at as the result of lengthy and arduous debate without prejudice to our right to press for more far-reaching measures later.

The General Commission will resume its discussion of the resolution tomorrow morning at 10 o'clock.

GIBSON

500.A15A4 General Committee/99 : Telegram

The Acting Chairman of the American Delegation (Gibson) to the Secretary of State

GENEVA, July 22, 1932—midnight.

[Received July 22—11:29 p. m.]

361. Two meetings of the General Commission were held today for further discussion of the Beneš resolution. After consideration of the various amendments proposed this morning the text as originally drafted was maintained with the exception that states that manufacture [*with the exception that State manufacture*] of arms was included with private manufacture as regards regulations to be applied. The Soviet and Chinese amendments to the remaining chapters of the text were withdrawn.

During the discussion relating to the limitation of national defense expenditure Sir Herbert Samuel explained the British view that expenditure reductions already effected must be taken into consideration. Great Britain he stated takes note of the American observation on global limitation and accepts the text with the understanding that its reductions already effected will be considered.

There were 14 speakers this afternoon who commented on the resolution as a whole. With the exception of the Central European group the majority of the speakers accepted the resolution as being the best possible agreement under the present circumstances.

Following Nadolny and Sir John Simon, Herriot explained his Government's acceptance of the resolution and stated very clearly that France supported a global reduction on budgetary expenses cit-

ing as proof thereof that the French Government had just adopted an actual reduction of approximately 10 percent on military. He was extremely cordial in his references to the value of initiative of the President and stated France's entire agreement with the principles on which it was based. As regards the effectives proposal he made the three following points:

1. It would be necessary in calculating effectives to take into account not only the apparent force but the real existing force; not only the admitted organizations but also the clandestine.

2. It would likewise be extremely difficult to calculate the military coefficients on the basis of population alone. To do this would be to set an unfair premium on quantity of population and to favor what might be called "mass imperialism". In this connection he told me that he had Russia in mind.

3. President Hoover's proposal has not taken into account the possibility of coalitions.

He likewise reiterated the old French arguments on security but indicated that these would be withdrawn as a condition precedent in order to obtain the consolidation of the steps contained in the resolution which he felt to be of value and stated that he could not assume the responsibility of holding up these measures. Parenthetically he told me before making the speech that the French [plan?] as such might never appear and that his intention was to wait until he saw what measure of satisfaction was accorded France by the treaty of disarmament and then to examine in a sensible way what complementary measures were essential.

GIBSON

500.A15A4 General Committee/100 : Telegram

The Acting Chairman of the American Delegation (Gibson) to the Secretary of State

GENEVA, July 22, 1932—midnight.

[Received July 23—12:01 a. m.]

362. The General Commission will finish its discussion of the resolution tomorrow noon at which time the Conference will hold a plenary session to adopt the resolution. The indications are that the resolution will be adopted by the votes of all states except the former enemy powers. Of these Hungary, Bulgaria and Austria have stated that they will abstain and Germany has indicated that she would vote against the resolution. As this would mean that the resolution would fail of unanimity in the Conference it would not be carried. However as the majority vote of the General Commission would en-

able all the procedural sections of the resolution to be carried on, the program of Conference work would presumably go on as outlined in the resolution. It would only mean that there would be no adoption of the agreed on previous reports in chapter 2 of the resolution and that thus Germany would be responsible for preventing agreement on the first step in the matter of air armaments, artillery, chemical and bacteriological warfare and tanks.

Nadolny's speech this afternoon was extremely temperate in tone but was a long indictment of the resolution for not going far enough, of the Conference for not taking into account the situation of Germany and implicitly of France for blocking all measures of disarmament and particularly for failing to satisfy the absolute demand of the German people, which was necessary to satisfy their national honor namely on equality of treatment.

At the beginning of his speech he paid high tribute to the purposes and nature of the generous initiative of the President but developed the idea that this had been practically negatived in the steps taken thus far to carry it out. At the ending of his speech he read a declaration of his Government which concluded as follows:

"The German Government must consequently insist that its doubts be eliminated by recognition without further delay of the equality of all states as regards national security and the application of all the provisions of the convention. In as much as the different questions arising from the application of the principle of equality of rights require clarification the German Government is prepared immediately to enter upon negotiations with the interested states. The German Government must immediately make clear that it cannot undertake to continue its collaboration in case a solution satisfactory to Germany on this definite point has not been reached before the reconvening of the Conference."

Nadolny's intransigent speech was followed by a long and eloquent speech by Apponyi of Hungary who while joining in much of the reasoning of the German representative and while claiming equally with him the ultimate right to equality of treatment in any final treaty that might come out of the Disarmament Conference would not insist on the immediate solution of this question and considering that the steps contained in the resolution while they did not go far enough altogether to please his country were nevertheless of sufficient value as first steps to enable Hungary to permit the onward course of the deliberations by withholding its vote on the resolution and thus allowing it to be adopted in unanimity. He was confident that justice would ultimately be done.

Sir John Simon in one of the best speeches of the Conference made a most eloquent plea for reasonableness on the part of the Germans

pointing out that the question of equality of treatment had no part in a resolution which was destined to indicate the points on which agreement had been reached and the methods of study for other points upon which some measure of agreement had been attained. He likewise pointed out that chapter 4 of the resolution reserved political questions and that other nations had made concessions in this connection equal to that requested of Germany and therefore that the Conference would re-assemble with Germany's position in this matter entirely unprejudiced by the present resolution and with it was hoped progress made along the lines of disarmament in which assuredly Germany had the greatest possible interest.

The Germans endeavored to explain informally that their speech was less intransigent than it sounded particularly as the course of the debate indicated that should they vote no to the resolution especially in the plenary session of the Conference they would be in danger of being quite alone. It is not impossible that they might vote no to the resolution in the General Commission where it can be passed by a majority vote and abstain from voting in the plenary session.

GIBSON

500.A15A4 General Committee/101 : Telegram

The Acting Chairman of the American Delegation (Gibson) to the Secretary of State

GENEVA, July 23, 1932—11 a. m.

[Received July 23—9:15 a. m.]

363. We have decided that it would be best to submit nothing at this time in detail on the effectives formula. It seems the wisest course to present a memorandum based on the speech sent you by letter of May 30,⁶⁰ together with any charts, at the beginning of the Bureau meeting in September as this will again call public attention to the effectives formula and revive interest in it at that time.

GIBSON

⁶⁰ Not printed.

500.A15A4/1375 : Telegram

*The Acting Secretary of State to the Acting Chairman of the
American Delegation (Gibson)*

WASHINGTON, July 23, 1932—4 p. m.

198. On Thursday during a call of the German Ambassador the Secretary referred to your report (353, July 20, 11 p. m.)⁶¹ that Nadolny would introduce an amendment to the conference resolution recognizing Germany's claim to equality of treatment and that if this amendment was not adopted, he would vote against the resolution and announce that Germany would no longer collaborate with the conference. The Secretary told the Ambassador that this attitude was bad procedure on the part of Nadolny and reminded the Ambassador that it was a reversal of the attitude which Bruening had taken with the Secretary in Geneva last April,⁶² at which time the latter had stated that he would be satisfied to have the present figures of armament inserted in the new treaty, making only a reservation to the effect that this was done voluntarily by Germany. The Secretary stated the pending resolution had been under general discussion with all the principal nations, had been substantially agreed upon and a maneuver by Germany of this type now would tend to break up a conference from which she had the most to gain and seemed bluntly stupid. It would disturb international confidence in Germany and unsettle the world. The Ambassador said he saw the force of these views, that he had no information about Nadolny's instructions but would communicate immediately with his Government.

Today the German Ambassador called on Rogers with an oral response to the above interview. He said Nadolny had not been instructed to withdraw from the conference if his amendment failed of adoption but to record the dissent of Germany and to take the position that Germany would not reenter the conference after adjournment unless meantime informal conversations had developed an agreement to have the conference adopt an expression upon reconvening that the general principle of equality was recognized. He said Germany did not seek any practical application of the principle at this time except perhaps some modification of the minor detail of its land forces but would insist upon recognition of the principle.

In response to the Secretary's reference to the understandings with Bruening and Bülow the Ambassador stated his Government replied that the Secretary must be mistaken in regard to the terms of their

⁶¹ Not printed.

⁶² See memorandum of the conversation with Mr. Stimson at Geneva, April 26, p. 108.

conversation; that Germany had from the beginning, indeed from a time shortly following the signature of the Treaty of Versailles, steadily insisted upon the reestablishment of equality and that the German expressions to the Secretary had been consistent with this and had conceded only that an adoption of the principle of equality in general terms would be sufficient. The Ambassador stated that the pressure of popular opinion with the impending elections in Germany required a bold stand on this principle which was being constantly agitated in the German press, and that inasmuch as Germany was united with the United States and the other nations in the movement for reduction of armament, informal conversations during the period of adjournment might and should develop an agreement for recognition of the principle.

Rogers repeated the Secretary's statement that the procedure adopted had been disappointing, unnecessary and unjustified. Rogers said we had not yet received adequate reports of the final proceedings and a study of these proceedings would be necessary to estimate the effect of what seemed a blunder. The effects might be serious both to the progress of the disarmament movement and to the American and international attitude of confidence and sympathy with Germany. The Ambassador was reminded that Germany might well have preserved her position by less violent action. The Ambassador asked for a further conference and for affirmative suggestions from the Secretary if possible before sailing for Europe next Wednesday.

Please repeat to Berlin.

CARR

500.A15A4 General Committee/103 : Telegram

The Acting Chairman of the American Delegation (Gibson) to the Secretary of State

GENEVA, July 23, 1932—5 p. m.
[Received July 23—2:30 p. m.]

366. The final session of the General Commission took place this morning. Five remaining speakers expressed views with regard to the resolution, the Turkish representative declaring his abstention. Litvinoff explained his vote against the resolution in one last plea for total disarmament. As the final speech on the resolution Henderson, in his capacity as President of the Conference, took the floor to explain its advantages and stated that those who voted against the resolution were voting against the three principles stated in the preamble and against President Hoover's plan. These three principles

are (1) that the time has come when the world must adopt substantial and comprehensive measures of disarmament (2) that it is firmly determined to achieve a substantial reduction in armaments and (3) that it is decided, guided by the general principles underlying President Hoover's declaration, to effect a substantial reduction of world armaments to be applied by a general convention alike to land, naval and air armaments.

A vote was then taken as to the adoption of the resolution. Both the German and Soviet delegations cast negative votes, the former explaining that he did not vote against any of the principles expressed but merely against the resolution itself, and the latter stated he voted for disarmament but against the resolution. Eight abstentions were recorded as follows: Afghanistan, Albania, Austria, Bulgaria, China, Hungary, Italy and Turkey. The Chinese delegate said that his country could agree to no measure of disarmament until the Sino-Japanese dispute has been regulated to its satisfaction. The remaining 41 delegations present [voted?] for the resolution. The Bolivian delegate in expressing his affirmative vote stressed the hope that all South American nations would be represented at the next conference and called to the attention of the Conference that one of Bolivia's neighbors was at the present time committing acts of unwarranted aggression. The Japanese representative accepted the resolution with the reservation formulated in his speech of the previous day, to the effect that Japan considered that the air clauses of the resolution should be further studied particularly in relation to restrictions on other forms of armaments and definitely reserved its attitude on the whole question until these studies should be effected.

The President then announced an adjournment of the General Commission, stating that a plenary session of the Conference would then meet for the purpose of recommending to the various governments the extension of the armaments truce provided for in part 5 of the resolution. The roll call of the plenary session showed 49 votes in favor of the extension of the armaments truce with no contrary votes and 1 abstention which was that of China.

The Conference adjourned following the usual complimentary addresses which included a most graceful and witty tribute to the work of the President by M. Herriot and a word of appreciation by myself on the work of the Secretariat. Sir John Simon added a word of praise to the labors of Dr. Beneš *rapporteur*.

Prior to the adjournment the next meeting of the Bureau was definitely fixed for Wednesday, September 21st.

500.A15A4 General Committee/120

*Resolution Adopted by the General Commission on July 23, 1932*⁶³

I.

The Conference for the Reduction and Limitation of Armaments, Profoundly convinced that the time has come when all nations of the world must adopt substantial and comprehensive measures of disarmament in order to consolidate the peace of the world, to hasten the resumption of economic activity, and to lighten the financial burdens which now weigh upon the peoples of the world;

Desirous of avoiding a competition in the power of armaments which would be both ruinous to the peoples and threatening to their national defence;

Recalling its resolutions of April 19th, 20th and 22nd, 1932;

Firmly determined to achieve a first decisive step involving a substantial reduction of armaments, on the basis of Article 8 of the Covenant of the League of Nations, and as a natural consequence of the obligations resulting from the Briand-Kellogg Pact;

Welcoming heartily the initiative taken by the President of the United States of America in formulating concrete proposals for a substantial reduction of armaments by the prohibition of certain methods of warfare, by the abolition of certain material, and by reductions varying in magnitude and amounting for certain armaments to the proportion of one-third;

Bearing in mind also that draft Convention of the Preparatory Commission, the statements and proposals made to the Conference by a number of delegations, and the reports and resolutions of the various Commissions of the Conference:

Decides forthwith and unanimously, guided by the general principles underlying President Hoover's declaration:

1. That a substantial reduction of world armaments shall be effected to be applied by a general Convention alike to land, naval and air armaments;
2. That a primary objective shall be to reduce the means of attack.

II. CONCLUSIONS OF THE FIRST PHASE OF THE CONFERENCE

The Conference, noting that agreement has now been reached on a certain number of important points, decides, without prejudice to more far-reaching agreements hereafter, to record forthwith the following concrete measures of disarmament, which should form part of the general Convention to be concluded. The Conference also

⁶³ Text transmitted to the Department by Mr. Gibson under covering letter of July 27.

decides to establish certain principles as the basis for further reductions of armaments, and to determine the procedure necessary for the active prosecution of its work.

1. AIR FORCES

The Conference, deeply impressed with the danger overhanging civilisation from bombardment from the air in the event of future conflict, and determined to take all practicable measures to provide against this danger, records at this stage of its work the following conclusions:

1. Air attack against the civilian population shall be absolutely prohibited;

2. The High Contracting Parties shall agree as between themselves that all bombardment from the air shall be abolished, subject to agreement with regard to measures to be adopted for the purpose of rendering effective the observance of this rule.

These measures should include the following:

(a) There shall be effected a limitation by number and a restriction by characteristics of military aircraft;

(b) Civil aircraft shall be submitted to regulation and full publicity. Further, civil aircraft not conforming to the specified limitations shall be subjected to an international regime (except for certain regions where such a regime is not suitable) such as to prevent effectively the misuse of such civil aircraft.

2. LAND ARMAMENTS

(a) *Land Artillery.*

1. All heavy land artillery of calibres between any maximum limit as determined in the succeeding paragraph and a lower limit to be defined shall be limited in number.

2. The limitation of calibre of land artillery shall be fixed by the Convention.

Subject to an effective method being established to prevent the rapid transformation of guns on fixed mountings into mobile guns, different maxima for the calibre of land guns may be fixed as follows:

(a) A maximum limit for the calibre of coastal guns, which shall not be less than the maximum calibre of naval guns;

(b) A maximum limit for the calibre of guns in permanent frontier or fortress defensive systems;

(c) A maximum limit for the calibre of mobile land guns (other than guns employed for coastal defence).

(b) *Tanks.*

The maximum unit tonnage of tanks shall be limited.

3. CHEMICAL, BACTERIOLOGICAL AND INCENDIARY WARFARE

Chemical, bacteriological and incendiary warfare shall be prohibited under the conditions unanimously recommended by the Special Committee.

4. SUPERVISION

There shall be set up a Permanent Disarmament Commission with the constitution, rights and duties generally as outlined in Part VI of the draft Convention submitted by the Preparatory Commission for the Disarmament Conference, with such extension of its powers as may be deemed by the Conference necessary to enable the Convention to be effectively applied.

III. PREPARATION OF THE SECOND PHASE OF THE CONFERENCE

The Conference requests the Bureau to continue its work during the period of adjournment of the General Commission, with a view to framing, with the collaboration (if necessary) of a Drafting Committee, draft texts concerning the questions on which agreement has already been reached. Such texts will be communicated to all delegations as soon as they are drafted, and will then be submitted to the Commission.

Points which call for detailed examination will be examined by the Bureau or by the appropriate Committees, with the assistance of the Governments concerned, in order that definite conclusions may be reached as soon as the General Commission meets again.

The questions which will form the subject of such examination are the following:

I. EFFECTIVES

A strict limitation and a real reduction of effectives shall be brought about.

For this purpose, the Conference invites the Bureau to examine, with the collaboration of such delegations as it considers necessary, the proposal of President Hoover relating to effectives. These studies should take into consideration, in the case of each country, the actual conditions of defence and the number and character of its forces.

2. LIMITATION OF NATIONAL DEFENCE EXPENDITURE

(a) The Conference shall decide on the resumption of its labours, taking into account the special conditions of each State, what system of limitation and publicity of expenditure on national defence will provide the peoples with the best guarantee of an alleviation of their financial burdens, and will prevent the measures of qualitative and

quantitative disarmament to be inserted in the Convention from being neutralised by increases or improvements in authorised armaments.

(b) With a view to the decisions to be taken under this head, the Conference requests the Committee on National Defence Expenditure and its technical Committee to continue and complete the work entrusted to its organs and to submit their report as soon as possible. The Conference requests its Bureau to draw up, on the basis of this report, a plan accomplishing the purpose aimed at and taking into consideration the special conditions of the various States.

3. TRADE IN AND MANUFACTURE OF ARMS

The Bureau will set up a special Committee to submit proposals to the Conference, immediately on the resumption of its work, in regard to the regulations to be applied to the trade in and private and State manufacture of arms and implements of war.

4. NAVAL ARMAMENTS

As regards the proposals made by President Hoover and other related proposals concerning naval armaments, the Conference invites the Powers parties to the Naval Treaties of Washington and London, which have already produced important results, to confer together and to report to the General Commission, if possible before the resumption of its work, as to the further measures of naval reduction which might be feasible as a part of the general programme of disarmament.

The Conference further invites the naval Powers other than the Powers parties to the above Treaties to make arrangements for determining the degree of naval limitation they are prepared to accept in view of the Washington and London Treaties and the general programme of disarmament envisaged in the present resolution.

The Bureau will be kept informed of the progress of these negotiations, which it will be its duty to co-ordinate within the framework of the General Convention in preparation for the comprehensive decisions of the General Commission.

5. VIOLATIONS

Rules of international law shall be formulated in connection with the provisions relating to the prohibition of the use of chemical, bacteriological and incendiary weapons and bombing from the air, and shall be supplemented by special measures dealing with infringement of these provisions.

6. FUTURE WORK OF THE CONFERENCE : PROCEDURE

Pending the resumption of the meetings of the General Commission, the Bureau will keep the delegations informed of the progress of the work.

It will be for the Bureau to fix the date of the next meeting of the General Commission with one month's notice. The meeting of the General Commission shall take place not later than four months after the resumption of the work of the Bureau, which will meet during the week beginning September 19th, 1932.

IV. GENERAL PROVISIONS

The present Resolution in no way prejudices the attitude of the Conference towards any more comprehensive measures of disarmament or towards the political proposals submitted by various delegations.

V. ARMAMENTS TRUCE

In order to ensure that, pending the resumption of the meetings of the General Commission and during the second phase of its work, no steps shall be initiated by any Power which might prejudice the preparation of the General Disarmament Convention, the Conference decides to recommend to the Governments to renew for a period of four months from November 1st, 1932, the truce provided for by the resolution of the Assembly of the League of Nations of September 29th, 1931.

II. WORK OF THE BUREAU OF THE GENERAL DISARMAMENT CONFERENCE, SEPTEMBER 21-DECEMBER 13, 1932⁶⁵

500.A15A4/1429

*Memorandum of a Meeting of Representatives of the State, War, and Navy Departments*⁶⁵

[WASHINGTON,] August 15, 1932.

After a few words of welcome and evaluation of the results achieved at the first session of the General Disarmament Conference,

⁶⁴ For the proceedings of the Bureau, see League of Nations, Conference for the Reduction and Limitation of Armaments, Geneva, 1932, *Records of the Conference*, Series C, *Minutes of the Bureau*, vol. 1.

⁶⁵ Present: Chairman, William R. Castle, Jr., Under Secretary of State. For the Department of State: James Grafton Rogers, Assistant Secretary of State; Jay Pierrepont Moffat, Chief of the Division of Western European Affairs; and Noel H. Field. For the War Department: Brigadier General George S. Simonds; Lieutenant George V. Strong; Major James Garesché Ord. For the Navy Department: Rear Admiral Arthur Japy Hepburn; Captain Alexander Hamilton van Keuren; Commander Thomas C. Kinkaid; Commander Richmond Kelly Turner.

Mr. Castle opened the discussion of preparations for future developments at Geneva, notably (a) the meeting of the Bureau next September, (b) the naval conversations and (c) the next session of the General Commission in January, 1933.

A. *Bureau Meeting.* On the question of American representation at the Bureau meeting, both the War and Navy Department representatives felt that the principal problems to be discussed would be of a political nature and that it would be unnecessary to have any technical experts attend. They thought that Mr. Wilson would be our logical representative. The naval question was out in any case since the naval conversations which presumably must precede discussion in the Bureau have been postponed until October at the British Foreign Minister's request. As regards effectives—which both Service Departments regard as one of the two vital issues (naval tonnage being the other) General Simonds felt that Mr. Wilson had a sufficient grasp and understanding of the problem to handle it without technical assistance. While he might, if he desired, call upon one of the military attachés abroad, General Simonds considered that Mr. Wilson was more familiar with the subject than anybody whom the War Department now has in Europe. Colonel Strong emphasized that the primary difficulty in connection with effectives was political and that once an understanding had been reached on political lines, technical solutions would follow almost automatically.

Mr. Moffat explained that in discussions with him the other day, General Simonds and Colonel Strong had brought out three principal problems regarding effectives: (1) Consideration of the application of a sliding scale to police components rather than to defense components with a view to meeting the needs of the smaller powers (see memorandum of conversation between Mr. Moffat and Colonel Strong, August 11);⁶⁶ (2) the question as to whether or not naval effectives should continue to be included in our effectives formula—on this point the Army and Navy representatives were in agreement as to the desirability of covering land effectives only; and (3) the question of the extra-cadre effectives such as the Schupo, Hitler Army, the Fascist Militia, etc. As regards the third point, Colonel Strong, on a question by Mr. Castle, stated that the National Guard was not affected as long as Article 4 of the draft convention⁶⁷ is maintained.

In discussing the principal functions of the forthcoming Bureau meeting, it was brought out that as regards part 2 of the resolution

⁶⁶ Not printed.

⁶⁷ League of Nations, *Documents of the Preparatory Commission for the Disarmament Conference*, Series X, *Minutes of the Sixth Session* (Second Part), p. 510.

of adjournment,⁶⁸ the Bureau's task was primarily one of acting as a drafting committee in preparing detailed texts embodying the various points already agreed on; as regards part 3, the Bureau's job was on the contrary one of endeavoring to translate principles into actual agreements. From this point of view, Admiral Hepburn felt that the Bureau discussions would be of fundamental importance and would largely determine the subsequent success or failure of the full conference.

B. *Naval Discussions.* Asked by Mr. Moffat how he thought the naval conversations foreshadowed in the resolution of adjournment should be conducted, Admiral Hepburn said he thought that conversations should first and foremost take place between ourselves and the British, thereafter with the French and Italians and only in the third instance with the Japanese. In order not to antagonize the Japanese by seeming to leave them aside during these preliminary conversations, Admiral Hepburn suggested that, while carrying on our main discussions with the other naval powers, we might ask the Japanese to submit their own detailed proposals for an equitable naval reduction in order that we might have an idea of just what they would like to see done. He felt that if it were possible to bring about a prior understanding among the other four naval powers, the Japanese would be more likely to be reasonable in the face of complete isolation. In this respect, Admiral Hepburn thought it doubly important for us to come to a full and frank understanding with Great Britain in view of the fact that British policy in the recent past had frequently appeared divided against itself as regards Japan. In the course of the further discussion it was brought out that the Japanese at the conference were already out on a limb not only as regards the large powers but also as regard the small ones. They had shown themselves distinctly uncooperative on the naval commission, for example on such questions as exempt vessels and replacements.

Mr. Castle asked whether the British might not conceivably come to Washington for the naval conversations. Mr. Moffat stated that when this idea had first been talked over here, it had been felt preferable to await Admiral Hepburn's return from Geneva before going into the problem of the naval conversations. Asked by Mr. Castle whether he would be prepared to go to England in the event that the discussions should take place there, Admiral Hepburn said that, being temporarily assigned to the General Board, he was at the State Department's disposal for the time being.

⁶⁸ Resolution dated July 23, p. 318.

Mr. Moffat asked him whether he thought political or technical questions should predominate in these naval conversations. Admiral Hepburn said he thought the two should go hand in hand. He felt, however, that the whole matter would require detailed study and the reaching of important decisions in Washington before the subject was taken up with the British.

Mr. Rogers brought up the question as to just what is the British policy regarding cruisers. Admiral Hepburn explained that while they were quite willing to abolish eight-inch gun cruisers, their principal pre-occupation with respect to cruisers as a whole was numbers. At London they came down to some fifty-five cruisers as their minimum needs as compared with over seventy demanded at the Three Power Conference.⁶⁹ They have since felt, however, that the London figure is too small and they are anxious to increase the number. On the basis of a flat general tonnage reduction, Admiral Hepburn thinks, however, that the British may be willing to stick to the number of units agreed upon at London but he does not consider that they will be willing to go any lower.

Admiral Hepburn added that one of the principal difficulties with the British as regards cruisers arises from the fact that we have insisted on treating all types of cruisers as one category whereas in fact the eight-inch gun cruiser undoubtedly constitutes a distinct category. If cruisers were limited to six-inch guns, he thought there would be no difficulty in arriving at an agreement with Great Britain for a straight tonnage reduction.

On battleships, the Admiral said, the British position is similar to that on cruisers. They are more interested in numbers than in tonnage and feel that a reduction to ten battleships would not meet their requirements for wide dispersal in different parts of the world. Admiral Hepburn said he could sympathize with the British attitude since he was inclined to think that we also needed more than ten capital ships. On a question by Mr. Castle, the Admiral said he did not favor a reduction in unit tonnage for capital ships at the present time inasmuch as the country would undoubtedly not ratify it. He thought it might come some time in the future.

On the question of capital ship replacements, Admiral Hepburn pointed out that if matters are left standing as they are now until the expiration of the Washington and London naval treaties,⁷⁰ the three principal naval powers will be faced with such a large con-

⁶⁹ Conference for the Limitation of Naval Armament, held at Geneva, June 20-August 4, 1927; see *Foreign Relations*, 1927, vol. I, pp. 1 ff.

⁷⁰ For text of the Washington treaty, see *ibid.*, 1922, vol. I, p. 247; for text of the London treaty, see *ibid.*, 1930, vol. I, p. 107.

tingent of overage battleships that it will be extremely difficult to find the wherewithal to provide new ones in their place. Even if their construction is spread over several years, the financial drain will be very great. This is one of the main reasons for Great Britain's desire to reduce the unit tonnage since they feel that Parliament is more likely to maintain the present total of fifteen ships if the cost per vessel is thus cut down.

In reply to Mr. Rogers' question as to the British attitude on aircraft carriers, Admiral Hepburn said there was a difference of opinion as to their value between the Air Force and the Admiralty.

Commander Kinkaid stated that he had been a little disturbed over the fact that nothing had been done in the Naval Commission toward getting the small naval powers into general limitation. He thought that this would have been the logical first step. One reason for bringing in the small naval powers would be that it would weaken the alliance value of small navies; without such a limitation, the French would, for instance, be free to provide the Yugoslavs with enough funds to build up a large navy, thus providing France with an extra-treaty auxiliary fleet.

Mr. Rogers inquired as to the Franco-Italian situation. It was the consensus of opinion among the naval experts that the situation had if anything grown worse. The French in particular have hardened in their views. Italy's trump card is the capital ship; the French are anxious to build new capital ships but know that the Italians would construct ton for ton with them. On his trip to Rome, Commander Turner, in conversations with Italian officials, was frankly told that Italy had only fifteen billion lire to spend on national defense and that there was no chance of increasing that sum. Yet their basic policy remains parity with France and every one of their proposals in Geneva was consequently directed toward achieving this parity within the limits of the funds available to them, not merely with respect to navies but also notably as regards air armaments.

Mention was made of the fact that Admiral Pratt will be absent from Washington until September 9.

C. *Budgetary Limitation.* There followed a brief discussion of the question of limitation of expenditure and it was brought out that the only ones who are wedded to the idea of global budgetary limitation are the French and their satellites. The reasons for their insistence is not primarily military but rather a desire to get recognition in the treaty for budgetary cuts already made or still to be made as a result of parliamentary action. The general consensus of opinion was that we should not be represented in the next session of the budgetary committee opening on September 26. Admiral Hepburn

thought the committee would not come to any agreement in any case and that it was likely that the committee will be about evenly split, even without the presence of the United States. Our principal objection to global limitation, Admiral Hepburn added, is that it represents a qualitative limitation on personnel which we cannot possibly accept.

Colonel Strong said that the reaction to Mr. Gibson's statement regarding budgetary limitation in his concluding speech⁷¹ was in general that we had returned to our 1927 position.

D. Next Session of the Conference. It was agreed that there was small value in discussing the next session of the conference at the present time in view of the fact that it will in any case not meet before next January and its course will depend entirely on the intervening discussions of the Bureau and the informal conversations between the naval powers on the one hand and the land powers on the other.

500.A15A4 Steering Committee/34 : Telegram

The Minister in Switzerland (Wilson) to the Secretary of State

BERNE, September 14, 1932—11 a. m.

[Received 2:10 p. m.]

79. On the 12th instant the German Consul at Geneva⁷² informed Aghnides that inasmuch as Germany had obtained no satisfaction in their claim to equality of treatment the German Government would not send a representative to the meeting of the Bureau of the Disarmament Conference called for 21st instant. Aghnides argued with the Consul on this point and the latter remained unshaken. Aghnides finally said that this was such a serious matter that he could not assume the responsibility of accepting such a message orally and requested the Consul to send the Secretary-General⁷³ a formal communication giving the reasons therefor.

Up to the moment the formal communication has not been received since Aghnides promised to telephone me as soon as it came.

It is impossible to foretell what effect this will have on the meeting of the Bureau if Germany's attitude is maintained. I incline to the belief that even in the face of such an attitude it would be better for the Bureau to continue its work, to note with regret the absence of Germany, to express the hope that a solution can be found rapidly for the difficulty which is impeding Germany's participation and to

⁷¹ *Ante*, p. 305.

⁷² Dr. H. Frölicher.

⁷³ Sir Eric Drummond.

state that the other states are so convinced of the necessity of disarmament that they will do the best they can in the absence of German representatives. Such an attitude would, I believe, cause public opinion throughout the world to bring pressure on Germany to reenter the negotiations.

Germany's attitude does not yet seem entirely official and they may be hesitating before making it so.

You may feel that some action could usefully be taken to strengthen the impression already made by Castle's conversation with the German Chargé d'Affaires outlined in your telegram No. 311, September 2, noon, to Paris.⁷⁴

Cipher text by mail to Berlin, Paris, Brussels, London.

WILSON

500.A15A4 General Committee/126 : Telegram

The Minister in Switzerland (Wilson) to the Secretary of State

BERNE, September 14, 1932—3 p. m.
[Received September 14—2:15 p. m.]

82. Yesterday I had a conversation with Aghnides, Chief of Disarmament Section of the League, who showed me an analysis he had prepared of work arising out of the resolution of July 23 of the General Commission.⁷⁵ On all the points which may be brought up in the early sessions of the Bureau, save one, I feel adequately instructed at least for the time being. It is proposed that Henderson shall inquire of the great naval powers what progress has been made or what steps are contemplated for the conversations foreseen in the resolution. On this point I should be glad to have your views as to how I should answer.

WILSON

500.A15A4 Steering Committee/40 : Telegram

The Secretary of State to the Minister in Switzerland (Wilson)

WASHINGTON, September 15, 1932—8 p. m.

63. Your 82, September 14, 3 p. m. As you are aware, the naval conversations with the British⁷⁶ were postponed at Sir John Simon's request and no definite date for their commencement has as yet been fixed; nor have we had any conversations to date with other naval

⁷⁴ *Post*, p. 419.

⁷⁵ For text of resolution, see p. 318.

⁷⁶ See pp. 528 ff.

powers. We have, of course, been giving consideration and study to the naval problem as it was left standing upon adjournment of the Conference and assume that the other naval Powers have been doing the same, thus preparing themselves for an early initiation of inter-governmental conversations.

We suggest that you consult with your British colleague and prepare an identic answer to be made to Henderson.

Norman Davis will be prepared for a preliminary exchange of views with Simon early next month. He plans to sail on the *Europa* September 25 (not on the *Leviathan* September 20 as he had previously telegraphed Simon). Admiral Hepburn and probably Dulles will follow a few days later.

STIMSON

500.A15A4 Steering Committee/56

Memorandum by the Chief of the Division of Western European Affairs (Moffat)

[WASHINGTON,] September 16, 1932.

The French Chargé d'Affaires called on the Secretary of State this morning to discuss with him the situation which has arisen from the German *démarche* on equality of arms. The Secretary asked Mr. Moffat to be present.

Mr. Henry told the Secretary that in spite of the conciliatory nature of the French reply to the German note, the German Government had decided not to be present at the meeting of the Bureau in Geneva next week, although it would continue to watch the efforts of the Disarmament Conference. In the circumstances the British Government was anxious to postpone the meeting of the Bureau. This the French Government could not consent to for reasons given in a memorandum, copy of which is attached. He added that Mr. Massigli had had a talk the day before with Mr. Marriner, who indicated that the American viewpoint was that it would be better for the meeting of the Bureau to be held (see Paris telegram No. 352 [532]).⁷⁷ The Secretary replied that he personally would regard it as unfortunate if the meeting did not take place on the scheduled day. On points of immediate procedure, therefore, the two Governments agreed.

Mr. Henry then went on to say that as the French interpreted the German note, it was an insistence that the Allied Powers come down in the first disarmament convention to the level of Germany. If

⁷⁷ Not printed.

they only came down part way, then Germany would be free to come up to their level. The Secretary remarked that he did not feel that the text of the German note went as far as this. Mr. Henry replied that the French interpretation was based not only on the text of the note, but on the speeches of von Papen and von Schleicher and on the oral statements of Foreign Minister von Neurath to the French Ambassador at Berlin, François-Poncet.

Mr. Henry then asked what would be the attitude of the American Government if the French interpretation of German intentions was correct and she would proceed to rearm up to the level to which the other Powers had reduced. The Secretary replied that this was a question which he could not well answer. He said it was the type of question which an Anglo-Saxon instinctively avoided. It implied settling in advance action under different contingencies and he saw no profit or advantage in so doing. What he would say to Mr. Henry was that we were exceedingly concerned with the situation brought about by the German *démarche*. It ran the risk of resulting either in a rearmament by Germany or in an interruption in the process of disarmament by others. We felt that we were in the midst of practical negotiations at Geneva. We would not admit that the conference was a failure, but felt that concrete results might be forthcoming. We agreed with the French that disarmament must be a gradual affair, marking, step by step, the progressive reduction of armaments. We felt that Germany's activities, even the withdrawal of her cooperation at the conference, should not prevent the continuation of its work. We regarded the French note as conciliatory in tone and hoped that it would be possible, in spite of the difficulties that beset us, to work out some practical solution which would reduce armaments in the world.

Mr. Henry said that he entirely understood the Secretary's point of view and felt that the French and American attitudes were not so far apart. Later in the day, Mr. Henry remarked confidentially to Mr. Moffat that he was thinking of sending a personal message to Mr. Herriot to the effect that if France supported the American thesis concerning Manchuria at the League of Nations, he thought it would influence Mr. Stimson in viewing the French viewpoint with full sympathy.

P[IERREPONT] M[OFFAT]

[Annex]

The French Government's objections to the postponement of the meeting of the Disarmament Conference Bureau are summarized as follows:

The resolution of July 23rd has entrusted the Bureau with a task the completion of which must precede the meeting of the General Commission. If the German delegate is not present at the deliberations, the German Government will thus be placed in a position similar to that of the numerous Powers which are not members of the Bureau and which will be at liberty to examine afterwards the propositions which this agency of the Conference is going to formulate.

From the point of view of procedure, there is therefore no objection to the Bureau performing its task without a German representative.

On the other hand, most of the problems dealt with in the resolution of July 23rd can be discussed by the members of the Bureau whether a German representative be present or not.

In fact, the technical matters pertaining to heavy artillery, tanks, military aviation are of no concern to Germany where these various materials are either abolished or limited to levels much below those likely to be adopted by the Conference. In this respect, the German position is clear: the Reich wants the Conference to extend to all Powers the limitations prescribed by the treaty.

As for the man-power of the various armies, the trade in arms and the fabrication thereof, these are matters that, as far as Germany is concerned, have already been decided upon by the Versailles treaty.⁷⁸

It is not to be expected that Germany is going to protest against the extension of chemical warfare prohibition, which has been already stipulated by the Versailles treaty.

In naval matters, the Bureau is expected simply to perform a task of study and coordination, the technical discussions being for the present at an end. The Reich is at liberty to participate in the negotiations between naval Powers not signatories of the Washington treaty.

As for the limitation of the armament expenses, the experts have already resumed their work in the absence of their German colleague. Their task is expected to be a long and arduous one and their conclusions therefore are not going to be submitted to the Conference before a certain length of time. Germany's abstention is no sufficient motive for the experts postponing their work at the present time.

In the matter of armaments control, Germany has to abide by the stipulations of the Versailles treaty and the absence of the German delegate can constitute no obstacle whatsoever.

⁷⁸ *Treaties, Conventions, etc., Between the United States of America and Other Powers, 1910-1923* (Washington, Government Printing Office, 1923), vol. III, p. 3329.

The only serious difficulty pertains to the internationalisation of civil aviation, a problem for the discussion of which the German participation is obviously very desirable.

In the speech delivered on the 12th of September, Mr. von Papen has made it clear that Germany would agree to be again represented at the Conference if the question of "rights' equality" were solved according to the Reich's wishes. This would imply for France the admission that Part 5th of the Versailles treaty is to be considered as void, thus encourage Germany to reject in fact every compromise solution and to formulate additional requests for rearmament. In this instance, again, a postponement of the work of the Bureau, would mean a deadlock for the disarmament Conference./.

500.A15A4 Steering Committee/48 : Telegram

*The American Delegate on the Bureau of the General Disarmament Conference (Wilson)*⁷⁹ to the Secretary of State

GENEVA, September 21, 1932—8 p. m.

[Received 8 : 04 p. m.]

379. Bureau held two sessions today; at morning session it was decided that sessions in general should be public. After usual preliminary remarks Chairman⁸⁰ read his correspondence with German Minister for Foreign Affairs relating to Germany's absence from Bureau. In doing so he suggested that discussion be deferred at least until opportunity for German reply.

Chairman also caused to be circulated program for the Bureau program groups questions in four categories in the general order set forth in articles 2, 3, and 4 of the resolution of July 23rd. It was decided that the Bureau should examine this program to decide whether the questions therein should be dealt with in the Bureau itself or referred to committee. Preceding this decision I suggested that the Bureau could work on a number of questions simultaneously through committees, for example effectives. I further suggested that there should be political representatives on the effectives committee and that this committee should be authorized to write its own mandate for the Bureau's approval. The suggestion was favorably received by the Chairman, *rapporteur* and others and will be acted on tomorrow.

⁷⁹ As the American representative at the Bureau of the General Disarmament Conference, Mr. Wilson was assisted by two advisers: Ferdinand L. Mayer, Counselor of Embassy in Belgium; Lieutenant Colonel George V. Strong of the War Department; and by Samuel Reber, Jr., Third Secretary of Embassy in Belgium, as Secretary of the American delegation.

⁸⁰ Arthur Henderson, President of the General Disarmament Conference.

row. The Bureau is now confining itself to procedure and is not attacking fundamentals.

The Bureau took up the question of chemical warfare and requested the Secretary General to furnish tomorrow technical information as to possibility of the prohibition of (a) means of chemical warfare (b) the manufacture of gas, and (c) peace-time training.

Am forwarding separate telegram on the subject of peace-time preparation for chemical warfare. Program forwarded by mail Bureau document number 18.

WILSON

500.A15A4 Steering Committee/49 : Telegram

The American Delegate (Wilson) to the Secretary of State

GENEVA, September 21, 1932—9 p. m.

[Received September 21—7:30 p. m.]

380. Since as you will note from my 379, September 21, 8 p. m., the question of preparation of gas warfare in time of peace will be one of the first questions to be dealt with exhaustively and in view of the last paragraph of your 109, May 24, 6 p. m.,⁸¹ I feel that I should again bring it to your attention.

I have made an informal poll and have discovered: the British will agree to abolition of means of chemical warfare and training but maintains a reservation as to any attempt to prohibit or control manufacture of gas for industrial purposes. The French have approximately the same point of view but insist on extended supervision. The Italians and Japanese have approximately the British point of view. From recollection of previous sessions the Scandinavian States, Holland and Spain are also for the abolition of preparation.

I shall not reiterate the arguments which the delegation advanced to you previously but suggest early consultation with Senator Swanson on this subject and reconsideration of our position since we are apparently isolated, certainly among the great powers.

WILSON

500.A15A4 Steering Committee/53 : Telegram

The Secretary of State to the American Delegate (Wilson)

WASHINGTON, September 22, 1932—5 p. m.

207. Your 380, September 21, 9 p. m. Do you mean that the French would insist on "extended supervision" of manufacture of

⁸¹ *Ante*, p. 141.

gas by industrial concerns or only on state preparation for chemical warfare? If the former, it runs into so many difficulties of a practical nature including the question of legitimate trade secrets as to seem in theory unacceptable and in practice unworkable. If the French mean only a strict control of Government manufacture, it would not solve the problem so long as civilian chemical industry could operate without hindrance. Until it is a little clearer just how this difficulty is to be met, and in particular just what concrete measures are envisaged in an abolition of means of chemical warfare and training, it is impossible to send you specific instructions. Meantime, I feel that your best tactics would be to avoid commitment.

There is one other consideration which should not be overlooked. That is, that no nation could give up all peacetime preparations, for or against chemical warfare unless all nations did the same. This raises as a preliminary question the conditions under which the treaty shall come into force. We fear that if the treaty must be ratified by every nation, even those where the armament problem is not immediately pressing, the entry into force of the convention might be delayed for a period of many years. Rather than wait for ratification by all states, our feeling has been that provided the principal European Powers, Japan and Russia ratified the treaty, it could enter into force at once without awaiting similar ratification by numerous other states. If preparation for or against chemical warfare in time of peace were prohibited in the Convention, then it would probably require universal ratification to enter into effect.

STIMSON

500.A15A4 Steering Committee/50 : Telegram

The American Delegate (Wilson) to the Secretary of State

GENEVA, September 22, 1932—9 p. m.

[Received September 22—8 : 55 p. m.]

381. My 379, September 21, 8 p. m. Bureau concluded its procedure discussion today and adjourned until early next week as Council convenes tomorrow.

Following three types of procedure decided upon for the various questions :

1. Separate *rapporteurs* who would sound out delegations and report to Bureau as basis for discussion arranged in two instances ;
2. Preliminary report for President of Chemical and Bacteriological Commission to precede Bureau discussion.
3. Committees were set up for question of manufacture and trade in arms and in the case of effectives.

Committee in the latter instance is to consist of political representatives of all members of the Bureau who will write their own terms of reference, in accordance with my suggestion (see my 379).

Upon inquiry regarding naval armaments Sir John Simon stated after consultation with me that while there was nothing to report at present he hoped that negotiations would shortly commence of which the Bureau would be kept informed.

WILSON

500.A15A4 Steering Committee/51 : Telegram

The American Delegate (Wilson) to the Secretary of State

GENEVA, September 24, 1932—5 p. m.

[Received 5:30 p. m.]

384. Beneš telephoned me in strict confidence that Henderson was planning, at the next meeting of the Bureau, set for Monday afternoon, to lay emphasis on the reluctance of the Bureau to discuss the larger aspects of the Resolution and to propose that a meeting of the General Commission should be summoned about November 10th in order to give an additional incentive to speed in the Bureau's work and also to have a body about whose competence to handle larger political questions there can be no doubt.

It seems to me the plan outlined places a premium upon procrastination since it would encourage the members of the Bureau to pass the matter back to the General Commission. The Bureau has received a definite mandate in the Resolution of July 23rd in which it has certain drafting functions under section 2 and certain preparatory functions under section 3, as well as a definite obligation for the substantial reduction of armaments and a limitation upon the means of attack in section 1. Unless and until the Bureau has made an honest and intelligent effort to solve the specific questions placed before them in sections 1, 2 and 3 of their mandate, there appears to be nothing which they can report to the General Commission unless it be a confession of inability to accomplish anything.

Unless I am instructed to the contrary prior to Monday noon, I shall oppose any consideration of the question of setting a date at this moment for the reconvening of the General Commission. I shall vigorously urge the carrying out of the provisions of the Resolution of July 23rd, step by step and subject by subject. I shall take the position that we must discover either whether progress can be made or whether failure must be reported. Before we are justified in considering a date we must have acted on the mandate which the General

Commission has given us. I shall pledge all our efforts to reach these decisions at the earliest possible moment in order to enable the Commission to be called as soon as possible.

There is some doubt as to whether the Bureau may undertake consideration of large political questions which are not specifically entrusted to it by the resolution of July 23rd. Simon, supported by Paul-Boncour, made an argument in the last meeting which seemed to indicate that such was his opinion. Henderson feels the contrary. It may be that Henderson is animated in his desire to call the General Commission by a desire to enlarge the scope of the Bureau's mandate. In the event that such is the purpose of his proposal it might be well to add that I have no objection to resuming consideration within a few weeks of setting a date since by that time we might be able to judge whether progress was possible or impossible but that to discuss the matter now without any such indication seemed to me obviously premature. Certainly in the event that the General Commission was called it would have to be with the clear understanding that the Bureau was not to be relieved of solving these particular questions which have been given to it and which all are agreed are in its competence.

I should be very grateful for your opinion before the meeting of the Bureau.

WILSON

500.A15A4 Steering Committee/52: Telegram

The American Delegate (Wilson) to the Secretary of State

GENEVA, September 24, 1932—9 p. m.
[Received September 24—8:10 p. m.]

385. Relative to section 2 (a), part 2, resolution of July 23rd. Strong informs me that he got the impression in Washington that any agreement which involved a limitation by number or by caliber of coast defense guns would render a treaty very difficult of acceptance by the Senate.

Buero, Uruguay, who has been appointed by the Bureau as *rappor-teur* for this section with the task of presenting a report after consultation with members, called this morning and I told him of the difficulties which we encountered at home with this section and stated that my colleagues would very much prefer to have a simple undertaking to eliminate mobile guns above 155, with adequate undertakings not to render coast defense guns mobile.

As a matter of policy should we not insist upon maintenance of the distinction between fixed and mobile guns and have measures

of qualitative limitation apply only to mobile artillery? We might insist that on account of its defense functions coast defense armaments should not be subject to any qualitative restriction. It must be remembered that in past years in the Preparatory Commission we have vigorously insisted upon numerical limitation for artillery without exempting coast defense.

I would appreciate as soon as possible instructions from you as to whether I should definitely state that such limitation of coast defense is unacceptable. In view of the terms of the resolution for which we voted which provides such limitation I should notify my colleagues as soon as possible if our attitude is changed in this matter.

WILSON

500.A15A4 Steering Committee/54: Telegram

The Secretary of State to the American Delegate (Wilson)

WASHINGTON, September 25, 1932—3 p. m.

209. Your 384, September 24, 5 p. m.

1. The essential thing to remember is that any appearance of discord between the three principal members of the Bureau on what is after all basically a matter of procedure would complicate the general disarmament situation (particularly in world public opinion) out of all proportion to the question at issue.

2. Inasmuch as we shall not always see eye to eye with the British and French on questions of policy, I consider it particularly important that in all major procedural questions you endeavor to reach an informal agreement with them in advance and whenever possible give the appearance of a working cooperation.

3. I wish therefore that you would try to come to an understanding with Simon and Boncour as to the summoning of the General Commission. Your arguments are well taken and you may vigorously urge them, but if you are not successful and if they both favor the fixing of a date with a view to making certain that the Conference shall be brought face to face with the larger political issues, I think it would suffice for you, in public session, 1) to emphasize that this shall not relieve the Bureau from the tasks with which it was entrusted nor serve as an excuse for procrastination and 2) that you understand that the purpose of calling the Commission is to remove any doubt which may exist as to the scope of the Bureau's mandate.

4. If Simon and Boncour cannot agree with one another then I approve your taking the stand you have suggested.

STIMSON

500.A15A4 Steering Committee/55 : Telegram

The American Delegate (Wilson) to the Secretary of State

GENEVA, September 26, 1932—6 p. m.
[Received September 26—4:11 p. m.]

388. My 384, September 24, 5 p. m. and Department's 209, September 25, 3 p. m. During the private meeting of the Bureau this afternoon Henderson raised the question of fixing a date for the next meeting of the General Commission. Madariaga first cast doubt as to the wisdom of this procedure. As envisaged in my telegram under reference I then explained that the Bureau should first give evidence of its desire to effect real progress according to the mandate given it to bring about substantial reduction of armaments and the strict limitation of the means of offense rather than run the risk of delaying such decisions by postponing them until meeting of the General Commission. Both Boncour and Simon expressed similar point of view.

It was therefore agreed that the Bureau might reconsider this question about October 10th when it shall have had the opportunity to determine what progress was actually being made. In the subsequent public meeting this decision was ratified as well as the appointment of Sir John Simon to keep the Bureau informed as to the progress of the naval discussions in accordance with the terms of the resolution.

Before making this suggestion to the Bureau I had consulted both Paul-Boncour and Sir John Simon and gained their agreement in principle.

WILSON

500.A15A4 Steering Committee/69 : Telegram

The Secretary of State to the American Delegate (Wilson)

WASHINGTON, September 29, 1932—4 p. m.

211. Your 385, September 24, 9 p. m.

1. We agree with you as to the importance of maintaining a distinction between fixed and mobile guns, with adequate provision against the rapid conversion of fixed into mobile guns, and should prefer to see measures of limitation confined to mobile artillery. Limitation of fixed guns would, in our opinion, amount to an indirect limitation on the number or strength of fortifications, and thus be in contradiction to our thesis of strengthening the power of defense as compared with the power of attack.

2. We recognize, however, from the course of the debates during the last session of the Conference that it is improbable that you will

succeed in obtaining the acceptance of our thesis in its entirety. Furthermore, inasmuch as we voted for the resolution of adjournment although in respect of artillery it falls short of the President's Plan, we are prepared to adapt our views so as to fit them within the framework of the resolution provided they continue to embody the essential principles of our plan and safeguard our defense interests.

3. The resolution as it now stands recognizes (*a*) that heavy artillery should be limited not only by numbers but also by maximum caliber and (*b*) that separate treatment should be accorded coastal guns, guns in frontier fortifications, and mobile guns not employed for coastal defense. This classification is sufficiently close to the division into fixed and mobile guns, advocated by us, to enable us, if necessary, to accept it on the following conditions:

4. As regards "mobile land guns and other than guns employed for coastal defense", you should continue to press for the acceptance of our original proposal which called for the abolition of mobile guns exceeding 155 millimeters in caliber.

5. As regards "guns in a permanent frontier or fortress defensive system", no difficulty should arise from our point of view. We possess no extensive system of the type described apart from our coastal defenses, and could therefore, if necessary, probably accept any limitation of caliber which the other Powers can agree to as regards fixed guns for other than coastal defense.

6. Our principal preoccupation is thus in relation to our coast defense guns. As previously indicated, we do not hold out for the retention of our present railroad coastal guns and are willing to immobilize them. If, however, other Powers insist on the retention of mobile coastal guns, we feel that some system must be worked out to limit them numerically and/or to provide a definite prohibition against their use for other than coastal defense. We are opposed to any limitation whatsoever on fixed coast defense guns whether numerically or by caliber.

7. Other than on fixed coast defense guns, we do not anticipate any particular difficulty in applying to ourselves a quantitative limitation commensurate with any figures that other Powers might agree upon for themselves. We seriously question, however, the wisdom of complicating the problem of qualitative limitation by provisions for limitation of numbers. The difficulty at arriving at a ratio is already sufficiently great in connection with effectives and would in all likelihood lead to endless controversy when applied to all types of artillery.

500.A15A4 Steering Committee/80: Telegram

The American Delegate (Wilson) to the Secretary of State

GENEVA, October 6, 1932—8 p. m.
[Received October 6—5:08 p. m.]

402. In the first general discussion of the Committee for the Regulation of Trade in and Manufacture of Arms this afternoon Jouhaux, France, made appeal for the total abolition of private manufacture of arms and munitions of war. If this is not possible he then recommended the establishment of a strict control and restriction of production.

Madariaga emphasized the importance of establishing the same system for private and state manufacture and desired to apply a tripartite system providing for control of both private and state manufacture, control of surplus on hand and a more adequate control of arms traffic which would be brought about through the deposit of copies of all licenses for both import and export shipments of arms with a central control office in Geneva.

During the general discussion which followed I summarized the American position both as regard our constitutional difficulty and as regard full publicity for both private and state manufacture and expressed the thought that possibly Madariaga's suggestion of a deposit of licenses of arms shipments with a disarmament commission in Geneva should be carefully considered since it might provide the means of conciliating the different points of view and provide a solution.

WILSON

500.A15A4 Steering Committee/82: Telegram

The American Delegate (Wilson) to the Secretary of State

GENEVA, October 8, 1932—5 p. m.
[Received October 8—3:05 p. m.]

403. Since the general discussions in the Committee for the Regulation of the Traffic in and Manufacture of Arms have been concluded, specific points will now be raised and it would be most helpful to have further instructions from the Department as to the attitude the delegation should adopt.

An effort will primarily be made to bring about the abolition of all private manufacture of arms. Although this may be accepted by a majority of the Committee if accompanied by control of state manufacture it will probably fall short of universal adoption. In the latter event considerable pressure will be exerted to bring about a

system of control involving traffic in arms, existing stocks and both state and private manufacture.

Does the Department consider its instruction No. 276, August 9, 1928, to Berne⁸² should still govern the attitude of the delegation or are any changes in the American attitude to be made?

Among the specific questions which may be raised are the following:

Apart from the question of expediency would the complete abolition of all private manufacture of implements of war be considered unconstitutional?

If the use of certain heavy types of weapons are prohibited can any form of prohibition of their manufacture be accepted?

What responsibility if any can our Government accept in the issue of licenses governing export and import of arms?

WILSON

500.A15A4/1506 : Telegram

The American Delegate (Wilson) to the Secretary of State

GENEVA, October 9, 1932—2 p. m.

[Received 5:55 p. m.]

404. Supplements telegram No. 585, October 7, 4 p. m., to Department from Paris.⁸³ Beneš told me that in the visit which he planned to pay to Herriot next week he was going to talk over with him a plan which he hoped to persuade Henderson to put before the Bureau.

According to Beneš' idea Henderson should postpone the Bureau until about the 19th instant at which time reports could be made on the state of the work of the various *rapporteurs* and committees. Henderson might then say that he thought it would be wise if the United States, Italian, French, and British representatives should have some informal conversation on the major political problems such as equality of security, et cetera, in order to see if they could reach an accord. He could propose that these conversations if convenient, however, start early in November before the Manchurian question came up.

I replied that speaking personally I saw certain advantages in this procedure inasmuch as the United States could more readily participate in discussion of strictly disarmament problems than if the field were extended. I pointed out, however, that such procedure, unless something was done in the way of explanation and preparation with Germany, might cause the latter nation to think that a bloc

⁸² *Foreign Relations*, 1928, vol. 1, p. 292.

⁸³ *Post*, p. 457.

of four was preparing an ultimatum to hand to her. This danger should certainly be given consideration. Finally I urged Beneš to keep me apprised regarding this matter since a most embarrassing situation might be produced by a sudden and unexpected proposal of the President of the Bureau in this sense if such a proposal were made before I had time to consult you.

Beneš stated he would certainly keep me advised and that his own thoughts were only tentative in that, as I understood, he had to harmonize them with Herriot's before urging them on the Conference.

While I did not consider it proper to enter more deeply into the matter with Beneš before consulting you I submit certain thoughts for your consideration.

1. Beneš' idea of dealing with the German equality demand seems to me a logical and happy consequence of the various currents and interests which have come to light through the British proposal for a five-power conference at London. The subsequent discussions have shown:

(a) A reluctance on the part of the French to hold the conversations elsewhere than in Geneva.

(b) A preoccupation on the part of both the French and certain other smaller interested states that the latter be not left entirely out of the picture. Beneš' plan would furnish the possibility of keeping Henderson in touch with the conversations and he in turn could apprise the smaller interested powers.

2. There is a real preoccupation in my mind as to the necessity that the German Government should be apprised if such a plan is contemplated at the earliest possible moment and asked whether they cannot enter these informal discussions as a means of solving their difficulty. They would thus be given an opportunity to discuss their problem through a means which would not seem to be politically unacceptable to them.

I am mailing cipher text of this telegram to Paris and London for Davis' information, and to Brussels, and would appreciate the benefit of your advice on this matter and suggest that any instructions you give me be repeated to Davis.

WILSON

500.A15A4 Steering Committee/88 : Telegram

The American Delegate (Wilson) to the Secretary of State

GENEVA, October 13, 1932—2 p. m.

[Received October 13—11:04 a. m.]

409. At a secret meeting of the Bureau Henderson explained the efforts which he had made to bring the French and German delega-

tions together to discuss their difficulties. He had recently written to Von Neurath asking him whether he could return to Geneva in the near future for this purpose. Henderson received a telegram yesterday in which Von Neurath stated that having accepted the invitation to London he could not come to Geneva. After wishing well to the efforts made at London Henderson stated that Herriot had told him in Paris that the "French plan"⁸⁴ would be ready approximately at the end of this month. Henderson said that he had consulted with the officers of the Conference and Drummond and they were unanimously of the opinion that the Bureau should authorize the President to call the next meeting of the Bureau on November 3rd in order to give more time to those who are now carrying on work under the resolution of July 23rd. At that time also the French plan would have been presented and could be examined in the Bureau. The officers of the Conference further recommended that the notification necessary under paragraph 6, section 3, of the resolution of July 23rd should be issued summoning the General Commission for a meeting during the week beginning November 21st. Henderson explained that this meeting would give 3 weeks to the General Commission to work not only on the results of the Bureau's efforts but also on the new French plan and perhaps the French-German relations. He added that it was unlikely that the General Commission could sit in January because of the World Economic Conference⁸⁵ and under the resolution it was necessary for it to sit within 4 months from September 19. The Bureau acquiesced in this arrangement.

Cipher text mailed Paris, London, Brussels.

WILSON

500.A15A4 Steering Committee/90: Telegram

The American Delegate (Wilson) to the Secretary of State

GENEVA, October 14, 1932—4 p. m.

[Received October 14—12:40 p. m.]

410. My telegram number 402, October 6, 8 p. m., and 403, October 8, 5 p. m. The Committee for the Regulation of the Traffic in and Manufacture of Arms has concluded its first reading of the draft convention of 1929 on manufacture⁸⁶ without registering any substantial progress toward a settlement of the different points of view expressed.

⁸⁴ *Post*, p. 380.

⁸⁵ For correspondence relating to preparations for the Conference, see pp. 808 ff.

⁸⁶ For text, see League of Nations, *Reduction of Armaments, Supervision of the Private Manufacture and Publicity of the Manufacture of Arms and Ammunition and of Implements of War* (Official No.: A.30.1929.IX), p. 6.

On Tuesday the Committee will begin discussion of the traffic in arms convention.

During the discussions the question of licenses to cover export and import shipments will undoubtedly arise. Please instruct me prior to this meeting regarding the attitude to be adopted (1) covering the suggestion made by Madariaga as reported in the first telegram under reference and (2) concerning the last question raised in my 403.

An effort may be made to establish a definite limitation upon shipments of arms in addition to adopting stricter provisions for their licensing and attendant publicity. It is presumed that no system of licenses can be accepted unless accompanied by adequate publicity.

WILSON

500.A15A4 Steering Committee/96 : Telegram

The Secretary of State to the American Delegate (Wilson)

WASHINGTON, October 17, 1932—6 p. m.

219. This telegram is in reply to the questions raised in your 402, October 6, 8 p. m., 403, October 8, 5 p. m., and 410, October 14, 4 p. m.

1. In asking for instructions relating to a proposal for the complete abolition of all private manufacture of implements of war, you drew a distinction between expediency and constitutionality. We can see no advantage to be gained in viewing the problem from any standpoint but the former, as it is inherently unacceptable. Any differentiation of treatment of private and state manufacture, or any attempt to regulate private manufacture to the exclusion of state manufacture, would be fraught with danger to our national defence. It would oblige the United States and other nations which do not possess extensive government arsenals, either to go to the vast expense of constructing arsenals, or to remain dependent upon nations already so equipped for the supply of arms and munitions necessary to their adequate defense.

2. The prohibition of the manufacture of prohibited types of weapons is a necessary corollary of the President's proposals. To abolish a weapon and yet permit its manufacture involves a contradiction of thought. This Government will accordingly give favorable consideration to any reasonable proposal to prohibit the manufacture of such weapons provided the same regulations are stipulated for all manufacture, both public and private.

We must of course consider our constitutional limitations. A careful study of this phase of the problem has just been completed by

the Legal Adviser.⁸⁷ As a result, we feel able to discard the assertion previously made that the control of private manufacture is unconstitutional, but we do not feel that we can go to the other extreme and assert that it is definitely constitutional, inasmuch as the courts have not passed upon the precise question at issue. Whatever the executive may think with respect to the constitutionality of a conventional arrangement on this subject, or of legislation enacted pursuant to the convention, everyone appreciates that the Senate (as to the Convention), the Congress (as to any supplementary legislation), and the Courts (as to both the Convention and legislation) must after all be the final arbiters.

All things considered, however, we believe that we would be justified in agreeing by conventional arrangement to prohibiting all manufacture of prohibited types of weapons.

A question of tactics, however, arises on which we should like your advice. In view of the uncertain situation as regards the division of authority under the Constitution, please telegraph your opinion as to whether you should pass over these doubts in silence, or make an explanation to the effect that if Congress or the Courts should decide that the former did not have the constitutional power to give effect to this part of the convention, such a decision should not be regarded as a breach of our international undertakings.

3. As to the responsibility, if any, that this Government might be able to accept with respect to the issue of licenses governing importation and exportation of arms, this is clearly and exclusively within the authority of the treaty making power and of the Congress under their power to regulate interstate and foreign commerce. We can see little advantage however for the Conference to complicate its program by introducing into the convention new provisions in regard to the regulation of the international traffic in arms before even the Convention of 1925⁸⁸ has entered into force. A resolution urging the ratification of this convention or even its incorporation into the framework of the new disarmament convention would seem calculated to produce the desired results. You may, at your discretion, state that this Government will make every effort to secure, during the forthcoming session of Congress, the advice and consent of the Senate to its ratification.

4. Madariaga's specific suggestion for the deposit of copies of licenses with a central office in Geneva was embodied in the Conven-

⁸⁷ Green H. Hackworth.

⁸⁸ Ratified by the United States, with reservation, June 21, 1935. Owing to insufficient ratifications (14 are necessary) to bring this convention into force, it is filed among the "unperfected treaties" of the United States. (Unperfected Treaty I-10.) For text, see *Foreign Relations*, 1925, vol. 1, p. 61.

tion of Saint Germain.⁸⁹ It was superseded by the provisions of articles 6, 7 and 9 of the Convention of 1925. In view of these provisions there would appear to be no necessity, if that Convention were ratified, for setting up the machinery which he suggests, though we see no insuperable objection to depositing copies of licenses of arms shipments with a central coordinating office. Madariaga's further suggestions, such as control of surplus, seem beyond the range of practical realization.

STIMSON

500.A15A4 Steering Committee/102: Telegram

The American Delegate (Wilson) to the Secretary of State

GENEVA, October 21, 1932—noon.

[Received October 21—11:50 a. m.]

416. Your 219, October 17, 6 p. m. Section 1 understood. Section 2, paragraph 2 and following.

While I am not only interested in this modification of opinion and find that it simplifies the immediate problem the matter is of such far reaching importance to our work during the future months that I venture to discuss it again with you. Were it merely a question of the prohibition of the manufacture of certain types of weapons which will be prohibited under the General Disarmament Treaty I should not hesitate to carry on under this instruction. But you will note that for years the American delegation has maintained and still maintains a general reservation on the articles of the draft convention on manufacture of arms (document No. A. 30, 1929 IX September 4) relating to supervision and publicity, and if we admit the greater right of the Federal Government to prohibit certain types of manufacture we must admit the lesser right to supervise such manufacture. The prohibition of manufacture of certain types prohibited in the General Disarmament Treaty will probably include in addition to artillery, chemical warfare, certain types of airplanes, tanks and certain types of naval craft. This prohibition of military armaments leads inevitably to the demand for supervision of and probably ultimately extension to the economic field. Control and supervision governmental or international in the internal economic field in its last analysis might threaten the sovereignty of the individual states of the union. While I realize that on the ground of expediency a line can be drawn any place the Department sees fit, nevertheless, the acceptance of a first step in governmental control as visualized in

⁸⁹ *Foreign Relations*, 1920, vol. I, p. 180.

your 219 may lead us to an embarrassing situation when it comes to switching from the constitutional ground to the expediency ground in rejecting unacceptable provisions. To sum up while the modification of our attitude and the admitting of the possibility of supervision of production would simplify the immediate problem of the negotiation of a convention on manufacture of arms, I fear it would render more difficult the larger problem of international control as applied to prohibiting weapons. If we maintain our attitude of constitutional inability to supervise production we can then logically restrict our action to an undertaking by the Government not to manufacture nor to acquire nor to permit export of weapons which are prohibited by the general treaty. Any endeavor to carry our obligation further we could meet by our constitutional inability.

In consequence I confess that I am hesitant without the fullest consideration to admit in a [*sic*] ineptitude that the Federal Government has such rights of control, supervision and prohibition relating to private manufacture within the states and believe we would be justified in getting the opinion of the Attorney General.⁹⁰

I recollect that Mr. Charles Cheney Hyde in 1924 and 1925 expressed grave doubts as to the constitutionality of any provision which would tend to limit private manufacture as to the kind or quality of weapons they produced.⁹¹ The Judge Advocate General of the Army⁹² in 1931 similarly expressed doubt as to the constitutionality of any treaty provision which provided for the limitation of the right of a state to maintain its national guard. It would appear that the same basic constitutional consideration is involved in both these questions, namely, under our Constitution what are the limitations of the power of the Federal Government other than those specified as to the acceptance of treaty obligations which may limit the exercise of sovereign powers by any state within its own territorial boundaries?

The Committee on the Manufacture of Arms has adjourned and will not meet until after the meeting of the Bureau on November 3rd. There is therefore time for further consideration and for the obtaining, if it is judged advisable, of the opinion of the Attorney General.

Should you eventually feel as stated in section 2, paragraph 2, of your 219, I am of the opinion that in all fairness we must take an

⁹⁰ William D. Mitchell.

⁹¹ Mr. Hyde was Solicitor for the Department of State, 1923-25; the occasion for his opinion was American participation in the Conference for the Supervision of the International Traffic in Arms, Geneva, 1925. For correspondence relative to the Conference, see *Foreign Relations*, 1924, vol. 1, pp. 17 ff.; *ibid.*, 1925, vol. 1, pp. 26 ff.

⁹² Major General Blanton Winship.

early opportunity to explain the change in our attitude which we have maintained for the past 7 years. I think we must not run any risk of being subsequently put in a position where the action of the courts might cause other nations to feel that we have violated our treaty obligations.

Reference to sections 3 and 4, I will comment at a later date.

WILSON

500.A15A4 Steering Committee/109 : Telegram

The Chargé in France (Marriner) to the Secretary of State

PARIS, October 29, 1932—8 p. m.

[Received 9:11 p. m.]

631. From Davis. I saw M. Herriot this afternoon at 4:30 accompanied by Marriner. He was very pleased at the reception his speech of last night had had in the French press and naturally most of all the reception it received in the Chamber of Deputies where he said that the vote even astonished himself and would have approached unanimity had it not been for the rather strictly partisan nature of the order of the day which included the vote of confidence; that he had been told by many people who had abstained from voting that they entirely supported the policy he set forth. He likewise said that despite the great moderation of his speech the German papers today carried wild assertions that he had insulted Germany.

He produced the document which had been placed before the Superior Council of National Defense of which the summary quoted in the Embassy's 628, October 29, 10 a. m.⁹³ formed the first paragraphs and said that he would be glad to furnish us with copies as soon as minor corrections could be made. I said that I had read the outline of the plan this morning with great interest and that there were two points which American correspondents had raised: first if the conscript plan were applicable to Continental Europe alone. He said that was not at all his intention, to include England or the United States since his idea in this respect was limited to Europe and to the endeavor to make comparable the military forces of the great armed European powers in order that reductions in such forces would be on comparable bases, in other words that the Hoover plan might be worked out on effectives but among conditions effective in the contiguous European states.

The other question was with regard to his point number 4 that the United States give the guarantee of security that they themselves

⁹³ Not printed.

have contemplated. This, he said, referred to the considerations contained in Mr. Stimson's speech of August 8th,⁹⁴ his recent speech in Pittsburgh⁹⁵ and the endorsements of the idea of consultation contained in the platforms of both the great parties. I emphasized that these were unilateral statements of national policy which were of great value but hardly susceptible of embodiment in a disarmament treaty. I told him that although the United States is committed to the principle of consultation he must not expect to incorporate this in a treaty in such a way as to imply the remotest obligation to use force. Mr. Herriot said he understood this entirely but that he felt that the idea of consultation had been embodied in existing treaties such as the London Naval, the Nine Power and in the contemplated Disarmament Treaty to a point that would safeguard the United States from unauthorized implications in any future action of the United States along these lines.

When the question of the presentation of this plan was brought up I pointed out that it seemed desirable that it should not be presented 2 or 3 days before the German elections⁹⁶ thus causing those elections to take place amid a storm of protest and misunderstanding with respect to French intentions. M. Herriot said he would be absent in Spain for a week and that M. Paul-Boncour would have charge of this presentation and therefore asking us to go and see him. I then pointed out that what seemed even more important was that in view of the number of national plans already existing at Geneva and the action taken on them this plan should not be introduced as an exclusive plan but should be related to what had gone before and in particular should be presented as complementary to the working out of the Hoover plan. M. Herriot said that this was certainly the idea behind it, that is to say to make applicable to Europe the terms of a plan along the lines of the President's and that he valued tremendously the cooperation of the United States and of England in making the plan workable even though these nations were not most intimately concerned with it. He said again that as Paul-Boncour would have to present the plan he desired us to talk with him. He took occasion to point out that the plan did not alone look toward a reduction of troops and an equality of treatment for all countries as to the nature of their army but likewise to a realization by stages of an equal treatment of matériel, that is to say, by gradual stages the heavier forms of matériel should be for the

⁹⁴ *Post*, p. 575.

⁹⁵ Department of State, *The Work of the United States Government in the Promotion of Peace During the Past Three Years: Address Delivered Before the Council of the Methodist Episcopal Church for the Pittsburgh Area, October 26, 1932* (Washington, Government Printing Office, 1932).

⁹⁶ November 6.

European states placed at the disposition of an international force and the lighter forms remain for the use of the national armies in all states and that he thought this went a long way toward meeting the German demands if they had any goodwill in the matter.

When we called on M. Paul-Boncour at the Ministry of War he seemed overimpressed by the necessity of presenting the French plan on November 3rd because it had been requested by the Bureau of Disarmament Conference and because Mr. Henderson and Mr. Politis seemed to think it essential that the French point of view be so set forth. I pointed out that the success of any plan was far more important than the demands of any organization but a telephone call from Politis that came in while we were in the room finally decided Boncour that it would be impossible to hold even a day in the presentation. However, he did agree merely to make an exposé of the plan and await reactions before placing before the Conference a definite text.

With respect to the question of relating this plan to others, in particular the Hoover plan, he seemed again to have great logical difficulties but finally in the very exposé he gave indicated the lines which might make the presentation of the plan more readily acceptable to American, English and German public opinion. M. Boncour said that the plan had been worked out in an effort to find similar bases for the European states to compare their arms and armaments in order that they might reduce in accordance with the Hoover formula and that furthermore the conception of setting up a special regime of treatment for those heavily armed European powers contiguous to one another within the general framework of a larger scheme in which all the nations of the world would be less immediately bound was designed to be an aid to the realization of concrete steps by stages in the reduction of both effectives and matériel. He said that it had taken courage to introduce such a plan in France and that he was gratified by the reaction of the Chamber. M. Herriot had already pointed out that he had had the greatest difficulty with the General Staff and had barely been able to prevent Weygand from resigning and Pétain from making endless difficulties. [Davis.]

MARRINER

500.A15A4 Permanent Disarmament Commission/4: Telegram

The American Delegate (Wilson) to the Secretary of State

GENEVA, November 1, 1932—2 p. m.
 [Received November 1—11:50 a. m.]

426. Bureau meets November 3rd, first item will be "control" (see summary of *rapporteur's* report my telegram No. 425, October 29).⁹⁷

I believe it is desirable to make statement on this subject promptly not only for its bearing upon control but also to help focus opinion upon other and more important subjects to be considered in the near future. Bearing in mind your 163, June 30, 7 p. m.,⁹⁸ I propose, unless instructed to the contrary, to speak along the following lines.

We believe that the provisions of the draft convention relating to supervision and control were worked out laboriously and thoroughly, they represent a high degree of conciliation between the parties participating in this work and provide an effective and far reaching control. We believe that the control and the manner and extent of supervision to be exercised by the Permanent Commission on Disarmament is dependent primarily upon the realization of that portion of the resolution of July 23rd which provides for "substantial reduction" under the inspiration of the plan of the President of the United States. Until such reduction has been accomplished we feel that any arrangement on supervision and control must be subject to final decision in the full light of the measures for reduction and limitation contained in the treaty. We would have preferred dealing with this more essential problem first but acceding to the wishes of many of the Bureau we are willing to continue the examination of the ratifications of control now but hope that the fact will be borne in mind that any final acquiescence on our part to the extension of the powers of the Permanent Disarmament Commission is contingent on the contents of the final treaty specifically in relation to the accomplishment of substantial reduction.

WILSON

500.A15A4 Steering Committee/116: Telegram

The Secretary of State to the American Delegate (Wilson)

WASHINGTON, November 1, 1932—6 p. m.

227. Your 416, October 21, noon. This exchange of telegrams was predicated on the assumption that the Convention would contain a prohibition of certain types of weapons. Davis's telegram No. 631 of October 29, 6 [8] p. m., indicates that the French have reverted from the idea of abolishing or prohibiting the use in time of war of

⁹⁷ Not printed.

⁹⁸ *Ante*, p. 249.

certain weapons to a system of gradual diminution of matériel. Should this plan prevail, the questions discussed herein are not immediately pertinent and you may be able to avoid becoming involved for the present in detailed discussions of supervision and control of the manufacture of and traffic in arms. In any case, we hope that, as a matter of tactics, you may be able to avoid such discussions until more positive progress is made on the actual steps to be taken toward the reduction and limitation of armament.

Your doubts as to the advisability of taking the position outlined in Section 2 of the Department's 219 of October 17 resolve themselves into a question of law on the one hand and a question of expediency on the other.

1. With respect to the former, we stand by our opinion that "we would be justified in agreeing, by conventional arrangement, to prohibit all manufacture of prohibited types of weapons." We have given sufficient study to the constitutional question to feel that we are on firm ground in the position above expressed and we would be prepared to take active measures, if necessary, to support it.

While, as already explained in our 219, we cannot assert that the prohibition and manufacture is definitely constitutional since the courts have not passed on it, we feel that in the event that the matter should come before the courts, adequate legal considerations exist which would justify the court in refusing to nullify a provision necessary to the successful execution of an effective disarmament treaty. We think that the vital connection between the abolition of aggressive weapons and the prohibition of their manufacture would be self-evident to Congress and the public. We do not feel that we should jeopardize the possible success of the negotiations for the limitation of armaments by invoking the Constitution merely on the possibility that the convention might conceivably run counter to the Constitution. It may be noted that no treaty negotiated by the President and ratified by him with the advice and consent of the Senate has ever been declared unconstitutional by the courts.

In this connection, you are, of course, aware that the Opium Convention of 1912⁹⁹ and the Narcotics Convention of 1931,¹ which have been ratified by the United States, contain provisions for the control of the manufacture of narcotics and that no question as to their constitutionality has arisen.

2. As for the grounds of rejecting unacceptable provisions in the treaty, I gather that you feel it would be embarrassing for us to exchange the position that we can not constitutionally agree to do

⁹⁹ *Foreign Relations*, 1912, p. 196.

¹ *Ibid.*, 1931, vol. I, p. 675.

certain things for the position that we will not. I do not believe that such a shift should cause undue embarrassment. There should be no difficulty in drawing a sound line between a prohibition of offensive armament and an invasion of fields which might be considered to be exclusively within the internal domain of the states. We do not hesitate to refuse on grounds of expediency unacceptable provisions in treaties, and would prefer not to invoke the Constitution in such cases unless clearly applicable.

It is frequently impracticable to carry to its logical extreme every principle advocated. We have for instance given up our blanket opposition to budgetary limitation, and have accepted it as a supplementary method of limiting land matériel, without thereby agreeing to the extension of this principle to other types of armament.

It would seem entirely feasible for you to present our agreement to prohibit the manufacture of prohibited weapons as naturally deriving from the President's proposal to abolish aggressive weapons, unrelated to the problem of the international supervision of arms manufacture in general, as to which we still desire to maintain the position heretofore taken. Agreement to prohibit the manufacture of weapons which are to be abolished does not carry with it any obligation to agree to international supervision over such prohibition or to the international control of the manufacture of other types of arms which are distinct questions.

3. If you still feel, as stated in your penultimate paragraph, that an explanation of our change of approach to this problem is in order, please telegraph in advance for our approval, the text of the explanation you propose.

STIMSON

500.A15A4 Permanent Disarmament Commission/5 : Telegram

The Secretary of State to the American Delegate (Wilson)

WASHINGTON, November 1, 1932—7 p. m.

228. Your 426, November 1, 2 p. m. The last sentence of your proposed statement might imply an acquiescence on our part to further measures of supervision and control, as authorized in our 163, June 30, 7 p. m.,² before having used this concession as a trading card. As a practical matter it would be extremely difficult to revert from a concession once made even if the contingency on which it was based was not completely fulfilled. We, therefore, incline to the belief that this sentence might be reframed so as to retain our freedom of action,

² *Ante*, p. 249.

pointing out that it would be difficult for us to alter our attitude on supervision and control until we knew definitely what we were going to have in the way of treaty provisions that would require such supervision and control; that thus far our position had been clearly set forth, but that if the final treaty resulted in substantial reductions of armaments, we might be willing to acquiesce in the extension of the powers of the Permanent Disarmament Commission.

STIMSON

500.A15A4 Permanent Disarmament Commission/6: Telegram

The American Delegate (Wilson) to the Secretary of State

GENEVA, November 2, 1932—noon.

[Received November 2—8:50 a. m.]

428. I am inclined to believe that the difference between the instructions in your 228 and our views expressed in our 426 is mainly a matter of strategy involving no essential modification in the underlying principle of your 228. But at this moment the question of strategy is of the highest importance as I shall endeavor to make clear.

The Conference and the commissions have debated ad infinitum the question which should be examined first, the problem of control or the problem of figures. An overwhelming majority prefer the former course. We can naturally insist on the latter course but this will lead, I feel, to entirely sterile results. We, therefore, have the choice either to go along with the majority reserving our rights until we see what measure of reduction the treaty offers or to dig in and say we will not discuss control until figures are discussed thereby running the danger of wrecking the Conference. Acquiescence in the desire of the majority will enable the work to continue and an expression of our views following generally my 426 will make any arrangement of a purely tentative nature the final acceptance of which involving a formal change in our attitude will depend upon the ultimate contents of the treaty. Furthermore, the bargaining utility of our action as outlined in your 163, June 30, 7 p. m., is maintained as a constant pressure in the type of action which I have envisaged and can be used again and again in debate on subject of figures. It will be an ever present threat.

I hold to these views the more strongly in that for the first time we have approached the threshold of results. But the other states will not cross this threshold until a tentative solution of the problem of control can be envisaged.

I hope this suggested modification will meet your views and at the same time enable us to exercise the strategy which is so necessary for continuation of our present progress. Since meeting is tomorrow afternoon I request most urgent reply.

WILSON

500.A15A4 Permanent Disarmament Commission/7: Telegram

The Acting Secretary of State to the American Delegate (Wilson)

WASHINGTON, November 2, 1932—3 p. m.

229. Your 428, November 2, noon. We defer to your judgment, and approve your suggested method of handling the problem.

CARR

500.A15A4 Steering Committee/119: Telegram

The American Delegate (Wilson) to the Secretary of State

GENEVA, November 3, 1932—11 a. m.

[Received November 3—8:30 a. m.]

429. Reference our 424, October 28, 7 p. m.³ The report on the subject of chemical warfare will come up for consideration in the Bureau in the next few days. It would be very helpful if we could have some guidance of the Department upon the following points:

(a) Is a general renunciation or prohibition of the use of chemical warfare preferable to a reciprocal agreement? In this connection you will note that the *rapporteur* suggests the first alternative still representing the consensus of opinion of the various delegations with which he has consulted (I was not consulted by the *rapporteur*).

(b) In the event that you find acceptable a general renunciation or prohibition of the use of gas, how far could you go with respect to the prohibition of preparation on training in time of peace, in general as foreseen under third paragraph of my 424?

(c) We will insist upon the extension of the right of preparation and training for protection to apply to groups as well as to individuals.

(d) Would it not be better to delete all reference to lacrymatory gas in those sections of the conclusions dealing with prohibition of use and preparations and to insert subsequently a new section covering the renunciation of its use against any state in warfare.

(e) In the event you approve of a general renunciation we feel that penalties in kind are incongruous with the conception of renunciation. What might be envisaged is the establishment of the fact of violation by the Permanent Disarmament Commission followed by advice between the other states as to what should be done without any specific authorization for penalties.

³ Not printed.

Bearing in mind your 207, September 22, 5 p. m., I shall in any case refrain from entering this debate as long as possible and shall give you as soon as possible the trend of the discussion. Nevertheless it may be essential to make some pronouncement either at the request of the chair or in conversation with my colleagues and I should therefore appreciate your guidance on the points above.

WILSON

500.A15A4/1592 : Telegram

The American Delegate (Wilson) to the Secretary of State

GENEVA, November 3, 1932—3 p. m.

[Received 3:55 p. m.]

430. In accordance with statement in Davis' 427, November 1, 8 p. m.,⁴ he and I had a long conversation with Aubert in the course of which we learned certain additional facts regarding the new French plan.

The plan is elastic and will not be presented on a take it or leave it basis. It is recognized that many of the details must be adjusted. The plan is however designed both to ease the situation as far as Germany is concerned and to be complementary to President Hoover's plan. Whereas, the President's plan contemplates the diminution of the power of offense in relation to defense in material, the French plan in addition contemplates the reduction of offensive power in relation to defense in the question of effectives.

1. *Effectives.* In proposing the change of professional continental armies into compulsory militia systems the French envisage the necessity of this being done by stages during which the Reichswehr as well as the professional portions of the metropolitan forces of other continental armies will be gradually abolished and replaced (if replacement) by conscripts of short period training. The length of training and the number of conscripts to be called under the colors will be subject of negotiation.

At the same time it is envisaged that a certain number of divisions of the professional forces highly equipped will remain in existence scattered among the various states. These forces would be put at the disposal of the League of Nations for action when determined by the Council. No one state will have a sufficient force of professional soldiers in its metropolitan area to menace its neighbor but the combined force to be at the disposal of the League would be sufficiently powerful to give pause to an aggressor. This would necessarily involve undertakings by the various states to give free passage across their territory, et cetera, when a decision has been taken by the Council. We raised the thorny point of the retention by France of

⁴ *Post*, p. 472.

a highly developed professional striking force in the colonies and the concern that this gives Italy whose metropolitan area is so near to North Africa. Aubert was not entirely clear as to how this problem could be solved but referred again to the necessity of negotiation on this point. He also stated that colonial troops could not be used for a knockout blow and could only be brought over after a war begins and that in the case of Italy it could make the transport of French troops most difficult.

2. *Land material.* The French envisage that the "militia armies" of the Continent will not be equipped with the heavier types of artillery and tanks. They hope to provide that present stocks of these weapons above sizes to be specified will be stored (place not specified) at the disposition of the League of Nations and for use in the event that the Council so ordains. Aubert envisages the possibility of undertakings not to replace this heavier type of material thus allowing it gradually to become obsolescent.

3. *Air.* According to Aubert the plan does not involve any radical change of French point of view on this subject.

4. *Navies.* Aubert offered nothing on this subject beyond the fact that the French maintain their thesis of the interdependability of armament.

5. *Political.* The French plan will apparently accord equality of legal status to Germany. This does not mean that Germany will have of immediate right to all of the same types of armament as other nations but that theoretically such right will exist and that Germany will voluntarily restrict itself to certain types of material. The full realization of equality would only be reached after a period of years.

Aubert then touched on questions relating to the United States and seemed to believe that in some way the obligation for consultation envisaged in Secretary Stimson's speech of August 8th should be formalized. We pointed out in this connection that events had moved in such a way in the United States as to establish for our country a strong unilateral obligation in this direction and that it might be unwise to endeavor to force a formalization of such a situation through multilateral agreement. Aubert, however, was insistent on the necessity of some such action.

As to the reference in the French plan to the reenforcement of article 16,⁵ Aubert pointed out that recent interpretation of this article, especially on the part of Great Britain, had somewhat detracted from the meaning of its actual wording. They desire to reenforce this and whereas the United States a non-member state would not be expected to take any positive obligation under article 16, it was hoped that there could be incorporated in the treaty at least a negative commitment on the part of our Government not to

⁵ Of the Treaty of Versailles, *Treaties, Conventions, etc.*, 1910-1923, vol. III, pp. 3329, 3341.

obstruct the action of the other states in case the Council found it essential to invoke article 16 against either aggressor.

We told him this raised a very difficult question and that we thought it inadvisable to make a plan which gave such promise contingent upon getting Great Britain to increase her present commitment under article 16 which she would probably refuse to do and upon getting us to do something which would be difficult if not impossible.

WILSON

500.A15A4 Steering Committee/121 : Telegram

The American Delegate (Wilson) to the Secretary of State

GENEVA, November 3, 1932—10 p. m.

[Received November 3—7:57 p. m.]

432. Thanks for the elucidation in your 227 November 1, 6 p. m. The situation is very clear regarding the question of the prohibition of the manufacture of weapons of which the use is prohibited by a general disarmament treaty. This question is not immediately pressing and may never become pressing.

Furthermore, it is of course understood that we will oppose on the ground of expediency the suppression and prohibition of the private manufacture of all arms.

We are, however, faced with a situation in the Committee on the Trade in and Manufacture of Arms on which we hope you can give us also further elucidation. The situation is as follows:

In past years our representatives have repeatedly stated that for constitutional reasons the Federal Government of the United States was powerless to control (issue licences for) the private manufacture of arms, ammunition and implements of war within the states of the union. Following this general policy on October 6th I made a statement to this effect before the Committee (please see in this connection our general reservation to the draft convention of 1929 referred to in paragraph 2 of my 416, October 21, noon) the *rapporteur* for this Committee is preparing a report for the Bureau and in this report reference will be made to this reservation as follows:

“The delegation of the United States of America invited attention to its prior declaration to the effect that the constitutional system of the United States presented difficulties in the application of a prohibition, of a system of licenses upon private manufacture, which takes place under the jurisdiction of the States which form the United States of America.”

It is entirely feasible subsequently of course to amend our position in any way you see fit but I think it well you should have in detail as above what the present situation is.

Dismissing then from consideration at the moment the question of the suppression of the manufacture weapons the use of which may be prohibited under the treaty are we on firm ground in maintaining before the Conference that the Federal Government for constitutional reasons is unable to supervise or control (in the general way contemplated in articles 3 and 4 of the draft convention 1929) the manufacture of all arms, ammunition and implements of war within the States of the Union? If we are not on firm ground we hope to communicate with you further regarding steps to be taken to correct our position.

For your information we have not committed ourselves in any way to any form of international control and our present problem deals solely with the domestic exercise of this control by the Federal Government within the States of the Union.

WILSON

500.A15A4 Permanent Disarmament Commission/14

Memorandum by the Secretary of State

[WASHINGTON,] November 4, 1932.

I sent for the French Ambassador and when he came I went over hastily with him the information given to me in cable No. 430, of November 3rd, 3 p. m., from Wilson at Geneva. I told him very sketchily of the proposition as to effectives and land matériel and the political point in regard to equality of legal status for Germany. Then I read him the paragraph in which Wilson stated that Aubert had brought up the question of formalizing the obligation for consultation. I pointed out that Aubert was insistent that there should be a formal obligation in the shape, apparently, of a multilateral agreement for consultation. I told M. Claudel that as he knew, that would be quite impossible. He said that of course it would be wholly impossible. He said that he supposed the utmost I could possibly do would be to make a unilateral declaration. I said that while I myself would be in favor of that, I had not even brought the President as far as that point yet, and for the French to bring up a demand for a formal agreement to consult would simply undo all my work. He said, "I understand perfectly. You mean it would set us backward." I replied, "Yes." He told me he had already communicated with his government on this subject but that he would take up this matter with

them now. I told him I called on him because I knew how well he understood our position here. He said that he understood it perfectly.

H[ENRY] L. S[TIMSON]

500.A15A4 Steering Committee/124: Telegram

The American Delegate (Wilson) to the Secretary of State

GENEVA, November 4, 1932—8 p. m.

[Received 10:09 p. m.]

434. At a special meeting of the Bureau this morning Paul-Boncour explained the general lines of the French plan in a long speech which may be summarized as follows:⁷

The French conception of the problem of disarmament was described as that of two concentric circles, the larger including all nations. Their task should be to transpose into international law the proposition inherent in the Briand-Kellogg Pact⁸ along the lines explained by the American Secretary of State which are:

1. To consider that no nation can continue to benefit from belligerent rights or those of neutrality and,
2. To deny recognition to any acquisition territorial or otherwise obtained through violation of the Pact.

The small circle is composed of nations who by their situation as continental powers are particularly exposed to certain risks. Among these must be concluded a pact of mutual assistance, precise because it is restricted, which will provide that the sole professional forces remaining in these states will be definitely limited in number and placed at the disposal of the League of Nations. This force will not be sufficient to stop aggression but will check it by furnishing immediate assistance to the League.

Within the frame work of the Hoover plan France has endeavored to find a means of establishing a just and equal method of reduction. The difficulty with which it was faced was to establish a fair comparison between the forces of the different powers. France believes it impossible to arrive at any equitable reduction of armaments without taking into consideration the essential discrimination between the uses of different forces such as that set up by the Hoover plan between police forces, overseas forces, and those known either as defense forces or forces of aggression. In these categories no purely mathematical comparisons can be made owing to the differences in nature existing between the forces of various nations. France proposes that

⁷ For text of speech, see *Records of the Conference*, Series C, *Minutes of the Bureau*, vol. I, pp. 32-38.

⁸ Treaty for the Renunciation of War, *Foreign Relations*, 1928, vol. I, p. 153.

those nations bound by the more restricted pact should therefore agree to nationalized unification of their types of forces, that is, the establishment of conscript armies.

As regards qualitative disarmament the French plan envisages the abolition of chemical and bacteriological warfare provided an effective control be exercised over its preparation, a prohibition of aerial bombardment under the conditions set forth in the resolution of July 23, placing at the disposal of the League reduced national air contingents. The discrimination between defensive and offensive weapons which forms the basis of the American proposals is applied to heavy war material such as artillery and tanks. Fixed material of this nature should be reserved to each country for its coastal and frontier defense. Other heavy material should be prohibited to national forces but placed at the disposal of the League of Nations.

The French proposal to reduce the armies of the continental forces to a uniform type "in order to render practicable and just the reductions foreseen in the American plan" will primarily be accomplished by a reduction of the period of training.

As regards the question of international control, the control should be specially efficacious as regards those nations which will be bound by the more restricted form of agreement.

The conclusions to be drawn from this speech envisage a more definite plan of disarmament and control to be applied to the continental nations rather than to all powers and the system of conscript armies proposed is stated to be destined to provide an equitable basis for the reductions envisaged in the Hoover plan and a distinction is drawn between defensive and aggressive weapons, the latter to be placed at the disposal of the League of Nations by the continental powers.

A more considered analysis of the proposals contained in the speech will be telegraphed as soon as the necessary detailed study can be completed.

WILSON

500.A15A4 Permanent Disarmament Commission/8 : Telegram

The American Delegate (Wilson) to the Secretary of State

GENEVA, November 4, 1932—11 p. m.

[Received November 4—8:40 p. m.]

435. This afternoon the Bureau continued to discuss Bourquin's report on control (telegram No. 425, October 29, 11 a. m.⁹) and reached the question of investigation on the spot.

⁹ Not printed.

In the earlier stages of the debate the British, the Japanese and the Italians in addition to myself had all made statements reserving their final decisions until they could see the results of the treaty.

Massigli urged the advantages of a system of periodic investigations under the jurisdiction of the Permanent Disarmament Commission specifically for use in Continental countries. The question of exceptional investigations he thought was of more general application and should be made either on a formal complaint submitted as provided in article 52 of the draft convention and the vote of the Permanent Disarmament Commission or solely by vote of the Commission on its own initiative and authority. He rather favored the latter since the method of complaint was so serious that it might and probably would create a serious situation between the public opinion of the two countries.

Eden, British delegate, stated that Great Britain accepted the principle of investigation on the spot but was unable yet to say under what conditions it should be carried out.

At the end of the meeting Sato told me that his Government could not tolerate investigation on the spot. They were faced with a special position in which investigation could only be unilateral in the Far East since it was impossible to make real investigations as to the situation in China and in lesser degree in Russia. He intends to defer making such a declaration until the close of the debate in order not to block progress any more than can be helped.

The Bureau will meet again on Monday afternoon. As it seems important that the form of control on the spot should be worked out in a manner which will be most acceptable to us I propose to take part in this discussion but to withhold indication of our willingness to accept local investigation as authorized in your 163, June 30, 7 p. m.¹⁰ until such disclosure can be most effectively made. Obviously I would couple any remarks with a reference to the position which I have previously taken on November 3d, namely, that our final acquiescence in extension of powers of the Permanent Disarmament Commission is dependent on the achievements of the Conference. Therefore, I would appreciate your advice with respect to the following possibilities.

A. I think we would insist on exceptional rather than periodical investigation (unless of course the latter is limited to Europe) both because I believe little would be accomplished by inexpert periodic investigation and because of the increased possibilities of friction.

B. I am inclined to think that exceptional investigation should only take place on a "complaint" by a state and a vote by a substantial

¹⁰ *Ante*, p. 249.

majority of the Disarmament Commission but confess that I was impressed by Massigli's argument as given above.

C. It would seem to be wise to insist that investigation on the spot shall not take place until the Permanent Disarmament Commission is satisfied by its own preliminary investigation that it is essential, i. e. something like the grand jury.

I have been considering whether it would not be advantageous to provide that when a complaint is brought the state against which it is brought may request an investigation on the spot as it would enable an innocent state to vindicate itself promptly by showing a willingness to submit to investigation and would avoid a considerable period during which the press of [the] world would jump to the conclusion that a violation had taken place.

WILSON

500.A15A4 Steering Committee/128 : Telegram

The Acting Secretary of State to the American Delegate (Wilson)

WASHINGTON, November 5, 1932—noon.

232. Your 432, November 3, 10 p. m. The Department realizes that in the absence of recent instructions on this point you were entirely justified in your speech on October 6 in assuming that it was desired that you follow the lines laid down in previous instructions. The Department has, however, made sufficient further study of the constitutional question involved so that it no longer feels that we would be justified in maintaining before the Conference that the Federal Government for constitutional reasons would be unable to exercise supervision and control of the general character of that contemplated in Articles 3 and 4 of the draft convention of 1929. As in the case of the question of prohibition of the manufacture of prohibited weapons no positive assurance can be given in the absence of a court ruling on the specific point but we no longer feel justified in pressing the constitutional objection.

In view of our change of position on this point, it is hoped that there will still be time to request the *rapporteur* to delete from the report the section quoted in your telegram under reference.

Should some explanation of our change in position be necessary you might refer to the difficulty of constitutional interpretation in respect to questions on which the courts have not specifically ruled.

In future discussion of this and related questions, you should proceed entirely upon the ground of policy, avoiding any reference to constitutional questions. As to whether, as a matter of policy, we would be prepared to accept provisions for Federal supervision and

control of the character contemplated in Articles 3 and 4 of the draft convention, we should prefer to postpone taking any definite position at the present time, and would be glad to receive a report from you on the development of opinion in the Committee.

CARR

500.A15A4 Permanent Disarmament Commission/10 : Telegram

The Acting Secretary of State to the American Delegate (Wilson)

WASHINGTON, November 5, 1932—1 p. m.

233. Your 435, November 4, 11 p. m. We agree with your recommendations as found in points (a) and (c), as providing the most acceptable solution of a difficult problem. With regard to point (b), we are somewhat inclined to feel as you do but are not prepared to make a final decision until subsequent discussions in the Bureau have further clarified the implications of the two suggestions. We particularly like the suggestion contained in the last paragraph of your telegram providing for an opportunity for any state against which a complaint has been brought, to request investigation on the spot. You might even think over the possibility of extending it further, and giving a state the opportunity to request such an investigation under any circumstances, as it might be just as useful for an innocent state to vindicate itself in the case of a hostile and persistent press campaign abroad, as if a foreign government had actually lodged a complaint.

CARR

500.A15A4 Steering Committee/129 : Telegram

The American Delegate (Wilson) to the Secretary of State

GENEVA, November 7, 1932—noon.

[Received November 7—10:50 a. m.¹¹]

438. Your 232, November 5, noon, is highly interesting and opens a very important problem. First, as to procedure.

The report to be presented shortly covering the discussions in the Committee on the Manufacture of and Trade in Arms can be nothing but a photographic reproduction of the debates in the Committee since this body came to no decisions. Any presentation which omitted our reservation would be like Hamlet without the ghost. It should also be remembered that our delegation has refrained from comment on many of the questions at issue because we have been covered by the

¹¹ Telegram in two sections.

constitutional reservation. Simply to withdraw it without explanation would place us in an embarrassing position in suggesting alterations in unacceptable articles and expressing our views on points which we have previously passed over in silence.

Further, I think the presentation of our altered point of view is so important that we should give its phraseology most thorough consideration and not be rushed into endeavoring to get it into a report which will be presented within the next couple of days.

There are evidences of movement toward disarmament along many lines at this moment and every contribution that any state can make within the next few weeks may help to precipitate a situation which may even result in giving us a satisfactory treaty. For this reason it would seem effective to let the reservation stand in the report and at the moment when it comes up for discussion in the Bureau take advantage of this public opportunity to withdraw the reservation and make the following explanation.

“The *rappporteur* has been good enough to include in his statement a reference to the attitude of American delegation based on remarks which I had the honor to offer to the Committee on October 6. These remarks dealt with the peculiar constitutional system of the United States and with the difficulties which this system placed upon the American Government in accepting an obligation to control or supervise private manufacture of arms, ammunition and implements of war.

The American Government has instructed me to withdraw this reservation. At the same time I am directed to make clear our position in this matter.

As has been stated here frequently relations between the Federal Government and the constituent States of the American Union are peculiar in so far as the Federal Government exercises only powers which are delegated specifically or follow by implication from the wording of the Constitution. The particular question involved in the draft convention in regard to the exercise of control by the Federal Government within the realm which heretofore has been considered as pertaining solely to the reserved sovereign powers of the individual States has not been passed upon by the judicial authority of the United States. The American Government while still feeling it is necessary to lay emphasis upon the constitutional difficulties which may be involved no longer considers these difficulties insurmountable in all respects.

My Government actuated not only by a desire to refrain from blocking progress in this very important adjunct to the general disarmament treaty but also wishing to make a further material contribution to the limitation and reduction of armaments so urgently needed at this time desires no longer to insist upon this reservation in the hope that our convention relating to the manufacture of arms may contribute to the general welfare. My Government is further animated by the belief that the convention will result in the common

good to humanity and more specifically may make practicable the application of certain portions of the general disarmament treaty.

It must be realized in this connection that the ultimate solution may call for long and patient study on the part of all of us in order to avoid decisions which however desirable theoretically may actually jeopardize the success of our work.

Thus my Government no longer considers certain phases of the problem insurmountable and at the proper time in the debates the American delegation will present its views from the point of view of expediency and practical policy".

The foregoing statement has been drafted with article 1, section 8, paragraph 1 of the Constitution constantly before us.

WILSON

500.A15A4 Land Armaments/183: Telegram

The Secretary of State to the American Delegate (Wilson)

WASHINGTON, November 8, 1932—3 p. m.

234. Your 437, November 7, 11 a. m.¹² Answering the points raised in your 429, November 3, 11 a. m.

(a) As indicated in our 103, May 14, 3 p. m.,¹³ we should continue to press for an agreement that is universal in scope. Failing universality, there are two ways to meet the problem, (1) a reciprocal agreement which would bind states to abstain from chemical warfare only as against states or their Allies which are similarly bound and (2) a general renunciation by the High Contracting Parties of the use of chemical warfare against any state, whether or not bound by the Convention, which we interpret as meaning a general renunciation against initiating chemical warfare, but not against retaliation in kind. Is our understanding of the terminology correct? In accordance with the Hoover Plan we could agree to (2) provided the definition made it very clear that the right of retaliation in kind was implicit, and that this right did not appear merely by implication in the section on penalties.

(b) and (c) The question of the prohibition of preparation or training for chemical warfare in time of peace is one of the most difficult problems we have to face. We must on the one hand avoid blocking progress at the Conference, and on the other hand jeopardizing in any way our national defense. Both the Army and the Navy remain adamant in insisting that we shall not agree to such prohibitions. For our own part, we query whether any such prohibitions, failing complete universality of agreement would be efficacious.

¹² Not printed.

¹³ *Ante*, p. 126.

Starting from the premise that it is not possible to differentiate between governmental and commercial preparations, and extremely difficult to differentiate between offensive and defensive preparations, we come inevitably to the conclusion that really to abolish peace-time preparations it would be necessary not only to do away with certain types of research, whether in government laboratories or private institutions, but also to regulate the chemical industry, and to adopt so complete a system of control over private manufacture as to be at variance with our policies. We hope that you can present our position as a desire to agree to such measures as will effectively preclude chemical warfare, without entering a domain where there would be an appearance of advance without the reality. We have again considered the arguments adduced in your 188, May 16, 11 p. m.¹⁴ and other telegrams but do not at present feel that we can go further toward meeting the recommendations of the delegation unless and until an undertaking of universal application has been accepted by all the nations represented at the Conference.

(d) We leave to your discretion the method of handling any references to lacrymatory gas, provided its domestic use in maintaining order is not interfered with.

STIMSON

500.A15A4 Permanent Disarmament Commission/12: Telegram

The American Delegate (Wilson) to the Secretary of State

GENEVA, November 8, 1932—8 p. m.

[Received 8:24 p. m.]

440. My 439, November 7, 9 p. m.¹⁵ The Bureau concluded its discussion of the report on control by considering proposition contained in article 47 of document CD 140.¹⁶

I expressed doubt as to the wisdom of such a committee as being an irresponsible group having official status. Its action might be superfluous and even disastrous in case of a difference of opinion in the case of the Permanent Disarmament Commission. Eden supported this, succeeded by Motta and the Italian delegate. Sandler, Sweden, urged its adoption as a means of focusing and inspiring public opinion over the world. It was agreed on suggestion of Motta that this point should be referred to the General Commission for discussion and decision.

¹⁴ *Ante*, p. 129.

¹⁵ Not printed.

¹⁶ *Conference Documents*, vol. II, p. 357.

The Bureau then considered the report on chemical et cetera warfare (document CD 142¹⁷) and the first part of the conclusions was opened for discussion. Massigli and Eden expressed reservations until they could see the manner in which parts III and IV related to control and sanctions were handled. I stated that I was not quite ready to commit myself in this matter and reserved judgment. Subject to these reservations part I was tentatively adopted.

A discussion will begin tomorrow afternoon on part II.

WILSON

500.A15A4 Land Armaments/185 : Telegram

The American Delegate (Wilson) to the Secretary of State

GENEVA, November 9, 1932—10 p. m.

[Received 10:34 p. m.]

441. Thanks for your 234, November 8, 3 p. m. Since this whole situation is moving with great rapidity I venture to submit certain remarks on the tendency of the debate and observations thereon. This afternoon I raised the question as to "universality" as against a renunciation and pointed out the effects that might follow in regard to the application of prohibitions and sanctions in case of a renunciation rather than a universal prohibition which would immediately be embodied in international law.

1. The speakers who discussed my observations on "universality" all emphasized that in accordance with the resolution of July 23d we are drawing up a new rule of international law. They all desire that the application shall be universal. Certain of them notably the British are willing to consider it universal for prohibition purposes if all states capable of being considered seriously from the standpoint of chemical warfare join in. Certain of the speakers stated that even if the treaty was not "universal" it was essential, in treating a rule of international law, to envisage sanctions as applicable not only to signatory but to non-signatory powers, if any. In its essence they all approve the universal idea but we can not have a real commitment on this subject until the General Commission meets in which sit the representatives of all states.

2. Another striking feature of the debate was that no nation raised any objection to the general principle of the "prohibition of preparation and training in peace time" and several including Great Britain and France expressly approved it. The Japanese delegate went further and suggested the prohibition of preparation and training in all

¹⁷ *Conference Documents*, vol. II, p. 370.

matters relating to chemical warfare including measures taken for protection. Motta frankly brought out the impracticability, in the present state of civilization, of abandoning provisions for defensive measures. No question was raised by any power on the Bureau in regard to the prohibition of peace time preparation or training for the war time use of means of chemical warfare, nor in any conversations have I found anybody who was not willing to accept this principle. In the course of the debate I raised the question as to protection against the illegal use of means of chemical warfare (see second paragraph concerning conclusions my 424¹⁸ or section 2 conclusions document (CD 142) and pointed out the necessity of defining the field of protection, the means to be employed in that field for both material and personnel and the measures of preparation and training necessary for the employment of those means. Indeed I am inclined to believe that had I not said that it was difficult for me to pass on this matter until these technical points were cleaned up the Bureau would have accepted and passed section 2 in principle. At Massigli's suggestion and in view of the fact that there has been no technical discussion as to the abolition of preparation and training it was agreed that a technical committee should be set up to study this question.

3. We have most carefully considered that paragraph of your 234 which begins "b and c" and entirely understand your difficulty as well as the necessity that there should be no undertaking which would interfere with our private industry. I believe that a thorough consideration in a technical committee of the questions already raised in regard to prohibition of preparation and training will result in a solution which will be satisfactory in so far as the questions you raise in this paragraph are concerned, and may further result in satisfaction to the Army and Navy through the retention of units charged with preparation of protective measures.

4. In considering this general problem, I venture to raise the thought that we who are most advantageously situated geographically and with the greatest industrial resources can afford better than others to enter into an agreement to forego the peace time preparation for the use of gas in war, provided we are left free to take adequate measures for the protection of our military forces and our civil population against the illegal types of chemical warfare.

5. Relative to paragraph "d" your 234 I called upon the ingenuity of the *rapporteur* to find a way in which states might preserve the right to prepare and use lacrymatory gas for internal police purposes. The *rapporteur* replied that in any case his report only

¹⁸ Not printed.

envisaged the suppression of its use for the purpose of injuring an adversary in time of war and that states were of course free to use it for police purposes.

6. Concerning retaliation (1) do you feel that under "universality" it is essential to provide for retaliation in kind? I venture to express doubts as to the propriety of such an insertion if we assume that we are formulating a general rule of international law although if we envisage merely a renunciation of limited scope such a clause would be proper. (2) if you consider a provision for retaliation necessary in the event of "universality" would it not be well at least to stipulate that such retaliation should only follow satisfactory establishment of the fact by the Permanent Disarmament Commission or other authorized body?

7. The record will show clearly our position on the principle of universality as I have stated that "our final consideration of this question depends upon the universal application of such a prohibition." Do you not consider therefore that we may continue the work in the technical committee on the subject of prohibition of preparations since our final acceptance will be dependent on its universal scope? Such procedure would avoid any formal reservation attached to the document itself when it goes to the General Commission.

The Bureau tomorrow considers the remainder of the conclusions of the report. As I said before the debate on the report is proceeding so rapidly that I would much appreciate your thoughts on this telegram or any other phase of the problem as urgently as possible.

WILSON

500.A15A4 Steering Committee/137 : Telegram

The Secretary of State to the American Delegate (Wilson)

WASHINGTON, November 10, 1932—5 p. m.

236. Your 438, November 7, noon. The question of procedure to be followed in presenting our change of position on the proposals for supervision and control of the manufacture of arms must be considered not only in respect to the most convenient and least embarrassing tactics to be followed in making it clear to the Bureau, but also, and particularly, with reference to possible repercussions in this country. The position on the Constitutional limitations of the treaty making power which you took in your statement of October 6 has already been the subject of adverse criticism in the press. See letter from Manley O. Hudson in *New York Times*, October 16, and editorial in *The Nation*, October 26. It would be most unfortunate

if this constitutional question should become the subject of widespread controversy. That would inevitably result in its becoming a political question, and the opponents of the Government's disarmament policies might attempt to use it to serve their ends.

I therefore hope that this change of position may be made as soon as possible, with the least possible emphasis, and in the manner best calculated to avoid extensive publicity. The choice of means I must leave to a large extent to your discretion.

From our point of view it would still appear preferable to have the section quoted in your 432, November 3, 10 p. m., deleted from the report and for you to refer to our change of position, if necessary, in a brief informal statement, introduced incidentally into the discussion in the Committee. You might refer to the difficulty of constitutional interpretation in respect to questions on which the courts have not specifically ruled, adding that after further study of the constitutional question involved, we no longer feel justified in maintaining our former position and that you will hereafter discuss the problems of supervision and control on the basis solely of expediency and practical policy. In other words, unless you feel that it is entirely impracticable, I should like you to handle it in this manner, namely, by making it clear informally that we no longer object on constitutional grounds but still reserve decision as to whether as a matter of substance the principle of supervision of control of private manufacture is acceptable to this country. Possibly by a series of talks off the record you could make our position clear without incurring undue publicity.

Should it be impossible to handle this matter in the informal way suggested and should you still decide to make a statement to the Bureau, we will comment later on one or two points connected with your proposed statement.

STIMSON

500.A15A4 Steering Committee/138 : Telegram

The American Delegate (Wilson) to the Secretary of State

GENEVA, November 11, 1932—11 a. m.

[Received November 11—8:45 a. m.]

446. Department's 236, November 10, 5 p. m. I defer to your wishes of course and understand the position. I shall delete our reservation from the report and explain privately but as widely as possible our position in order to forestall as far as possible emphasis being laid on it in discussions in the Bureau. Whatever precautions we take however I feel we must expect a certain amount of publicity

since a considerable amount of interest and speculation is already rife among the American pressmen aroused by a letter which Manley Hudson sent to a friend in the Secretariat stating that he learned from official sources that the American delegation had reversed its attitude.

We have to face the possibility of an explanation being necessary during the discussion in the Bureau and to this end I should like to suggest a phraseology which I might have ready but which would be delivered informally:

“The reservation which my delegation has heretofore maintained, based on the peculiar constitutional system of the United States, has been withdrawn. The reservation had raised the question of conflict of authority in certain spheres between the Federal Government and the powers exercised by the States within their own boundaries. We feel that after further study the particular constitutional question involved in the matter of licensing or control of private manufacture must be merged in and become a part of the whole question of limitation and reduction of armaments. This problem, as being a part of a larger problem the solution of which is based primarily upon the common good and the general welfare, must be considered from a broader standpoint. Thus in considering this and other questions involved in the broader field of disarmament we will take our position on the basis of expediency and practical policy.”

It is impossible to say just when this discussion will take place in the Bureau but at the rate things are now moving it may be in the immediate future. Therefore, I would appreciate as soon as possible your views as to the phraseology of this contemplated “extemporaneous” statement.

WILSON

500.A15A4 Steering Committee/150: Telegram

The Secretary of State to the American Delegate (Wilson)

WASHINGTON, November 11, 1932—7 p. m.

240. Your 438, November 7, noon, and 446, November 11, 11 a. m.

Should such an explanation as you suggest appear to be necessary or eminently desirable you might speak extemporaneously substantially as follows:

“The reservation which my delegation has heretofore maintained in regard to the supervision and control of the private manufacture of arms has been withdrawn.

As has frequently been stated here, the relations between the Federal Government and the several states of the American Union are peculiar in that the Federal Government can exercise only those powers which are specifically or by implication conferred upon it by

the Constitution. Constitutional interpretation has occupied the minds and employed the talents of many of our greatest scholars and most eminent statesmen. When, as in this case, a new question arises on which the courts have not specifically ruled, it is sometimes difficult to determine with full confidence the extent of the powers of the Federal Government in the premises. My Government has made a new and thorough study of the constitutional question involved in the proposal to establish supervision and control of the private manufacture of arms by conventional agreement, and it now believes that a formula can be found to accomplish the aim desired which will be within the constitutional powers of the Federal Government and as to which my Government would be justified in entering into a treaty.

The American Delegation will, henceforth, discuss the question of the private manufacture of arms solely from the point of view of expediency and practical policy."

For your information. Article 1, section 8, paragraph 1, of the Constitution refers to the legislative powers of the Federal Government. The treaty making power, conferred in Article 2, section 2, paragraph 2, unlike the legislative powers "is in terms unlimited except by those restraints which are found in that instrument against the action of the Government or of its departments, and those arising from the nature of the Government and of that of the States."—*Geofroy v. Riggs* (1890) 133 U. S. 258.267.—(In this connection see the Second Amendment). Article 1, section 8, paragraph 18 vests in the Federal Government the power to enforce treaties by appropriate legislation.

STIMSON

500.A15A4 Steering Committee/141 : Telegram

The Secretary of State to the American Delegate (Wilson)

WASHINGTON, November 12, 1932—noon.

241. Your 446, November 11, 11 a. m. You are instructed to state in the Committee or in the Bureau, when the appropriate occasion arises, that this Government is prepared to support the inclusion in the convention of measures of supervision and control of the private manufacture of arms of the general nature of those indicated in Articles 3 and 4 of the Draft Convention of 1929, provided that the same measure of supervision and of publicity is applied to both private and state manufacture, and provided that a substantial reduction and limitation of armaments is agreed upon.

For your information. It is our understanding that the supervision and control contemplated is solely domestic control by each Government within its own jurisdiction, and that no form of inter-

national control in this field is contemplated. It is also our understanding that under the system of supervision which is contemplated there would be no restrictions placed upon the various governments as to the number of licenses to be issued or as to the amount of non-prohibited weapons which might be manufactured within the jurisdiction of each.

We hope that the specific means for carrying out any system of supervision agreed upon may be left in so far as possible to the decision of the several contracting parties.

STIMSON

500.A15A4 Permanent Disarmament Commission/17 : Telegram

The American Delegate (Wilson) to the Secretary of State

GENEVA, November 12, 1932—1 p. m.
[Received November 12—8:50 a. m.]

448. In the meeting of the Bureau this morning the Drafting Committee referred to in my 447, November 11, 8 p. m.,¹⁹ introduced the following proposed text dealing with sanctions paragraph 2, part 4, of the conclusions of the report.

“The declaration of the Permanent Disarmament Commission establishing the fact of the use of chemical, incendiary, or bacteriological weapons, shall have the following effects:

1. Third states shall individually be under an obligation to bring pressure to bear, chosen according to circumstances, and notably according to the special situation in which they are placed in relation to the belligerents, upon the state which has used the chemical, incendiary, or bacteriological weapons, to induce it to give up the use of the said weapons or to deprive it of the possibility of continuing to use them.

2. A consultation shall be held among third states through the agency of the Permanent Disarmament Commission at the earliest possible moment to determine what joint steps shall be taken and to decide on the joint punitive action of every description to be taken.

These decisions shall be taken by a majority vote (character of the majority to be decided by the General Commission). The minority shall not be bound but it shall be under an obligation not to hinder the action of the majority.

The Permanent Disarmament Commission shall be entitled to take in advance all preparatory measures with a view to the possible application of the decisions referred to in the foregoing paragraph.

3. Third states situated in a given region may further pledge themselves to undertake jointly and as rapidly as possible severe punitive action against the delinquent state and for this purpose to create beforehand a joint police force.

¹⁹ Not printed.

4. The state against which chemical, incendiary, or bacteriological weapons have been employed shall in no circumstances retaliate by the use of the same weapons".²⁰

I made general reservation. Report of debate follows in my 449.

WILSON

500.A15A4 Permanent Disarmament Commission/18: Telegram

The American Delegate (Wilson) to the Secretary of State

GENEVA, November 12, 1932—3 p. m.

[Received November 12—12:20 p. m.]

449. My 448, November 12, 1 p. m. At a meeting of the Bureau this morning reservations were made by Italy as to paragraph numbered 3 of the text transmitted in my telegram under reference. I stated that since this debate far exceeded in scope what we had contemplated in the case of one special aspect of the disarmament program I was constrained to make a general reservation on behalf of my Government. Eden made similar reservation for British Government followed by the Russian delegate who said he needed to consult his Government whereupon Massigli and Bourquin urged that no action be taken on this document at the moment. The Chairman, Henderson, then stated that no action would be taken and further discussion on this question would be postponed until the special committee had worked on the technical problems presented under point 2 section 4 of the conclusions of the report (CD 142).

On the whole this procedure will be beneficial since it will give them perhaps 2 weeks to talk over the matter here and to consult with you as to the attitude we should take. I call attention to the fact that the three paragraphs under number 2 of the text telegraphed bring up squarely the question of the exercise of neutral rights. I have explained to Massigli that an endeavor to push us on this point before responsible private conversations can be had as to the broad lines of the French plan would be a mistake and I think he realizes it.

Now that the problem is presented to us in more concrete form by this document it would be of the greatest help if I could have your criticism article by article since the whole scope of the question of sanctions, consultation and neutral rights is thus brought before us in a form under which we can isolate the question for discussion.

Politis made a report in introducing this document. I requested that this be distributed verbatim and shall at once mail his statement when available.

WILSON

²⁰ *Records of the Conference, Series C, Minutes of the Bureau, vol. I, pp. 78-79.*

500.A15A4 Permanent Disarmament Commission/20 : Telegram

The Secretary of State to the American Delegate (Wilson)

WASHINGTON, November 12, 1932—5 p. m.

242. I have the greatest sympathy with your difficulties during the debates on chemical warfare. As I see the problem it is an attempt to do away with a new method of hostilities which is potentially so dangerous as to threaten our civilization. It is type of warfare that can be used not only against military forces but with devastating effect against civilian populations. Our best efforts must be directed toward effectively removing this menace. Obviously we must start with a renunciation of the use of chemical warfare, universal if possible, but in any event binding the principal military powers. Once this is agreed to, three subsidiary questions arise on which you seek guidance: (a) our attitude toward reprisals or retaliation in kind; (b) our attitude toward peacetime preparations or training for chemical warfare; and (c) our attitude toward the involved rules covering supervision, penalties, sanctions, etc.

(a) Retaliation. Should the provisions for chemical warfare be treated as an ordinary contract, which when breached releases the injured party from its provisions, or is this a special case where a violation does not confer on the injured party freedom of action? As a practical measure, I feel that in warfare when passions are inevitably inflamed it would be beyond human nature to prohibit retaliation in kind. The provision which would seem to offer the best hope of observance would be one whereby retaliation would be forbidden against the civilian population, assuming that gas has been illegally used, but only against the armed forces of a state.

(b) Preparations. You report that we are alone in declining to prohibit peacetime preparation and training for chemical warfare, and that every other power is prepared to agree to such a prohibition in principle. You further indicate that defensive measures will be permitted. In other words, what is under discussion is the prohibition of peacetime preparation and training for offensive chemical warfare. If this is correct we cannot put ourselves in the position of blocking such a move or of refusing to accept it in principle. Our position simply is that we do not think, as a practical matter, that a provision covering such a prohibition could be framed with sufficient clarity as to leave no room for misinterpretation or to permit a clear distinction between defense against chemical warfare and preparation for its offensive use. We query whether provisions can be drawn which will so clearly define the rules that a nation will be able to know whether it is complying with them or not. No formula which we have yet seen seems to us to be satisfactory. For example, the provisions in the sub-paragraphs (1), (2) and (3) of Part 2 of the Conclusions of the Report would so interfere with adequate training and preparation for defense against gas that they would be unacceptable. In order to prepare for defense against gas one must

produce gas, experiment and devise new types of gas in order to test your defensive equipment and to train men in the use of the equipment under exposure to the actual gas. Insofar as these provisions relate to private manufacture, etc., they seem to us so unreal as to be valueless.

You may, however, in your discretion, continue to explore the possibilities, whether in technical committee or in the Bureau, or devising a formula which will meet our preoccupations.

(c) Violations and sanctions. The intricate provisions of the report dealing with violations and sanctions, were, as I understood it, intended for European application alone, as, for instance, to be inserted in the inner concentric circle of the French plan as outlined by Boncour. I have not yet had an opportunity to consider thoroughly the new text contained in your 448, but although public opinion in this country would align itself against the violator of the chemical warfare treaty, I do not think it would be possible for this Government to pledge itself to affirmative action.

(d) The complexities of the problem are such that I would like to revert to our original suggestion of a simple renunciation of chemical, incendiary and bacteriological warfare, without specific rules for its application. I am strongly of the opinion that the simpler the treaty, the easier will be its acceptance; similarly, the more it depends on the good faith of its signatories, the better will be the chances of its observance. I know that you have suggested this, and that the majority favored an extension of the treaty, but if the debates in the Bureau result in the confusion and complexities indicated in your recent telegrams, an opportunity may arise where you could re-offer this thought as an acceptable solution.

STIMSON

500.A15A4 Steering Committee/142: Telegram

The American Delegate (Wilson) to the Secretary of State

GENEVA, November 14, 1932—6 p. m.
[Received November 14—2:40 p. m.]

452. Your 241, November 12, noon.

1. Your telegram makes very clear the role we shall follow in the discussion of manufacture of and traffic in arms and your understanding in paragraph 2 is correct so far as the control provided in the draft convention of 1929 is concerned.

2. The Committee's preliminary report is now complete but contains no definite conclusions merely listing the different proposals submitted. Among these are the following which relate to control for both private and state manufacture.

(a)—Control shall be exercised by the Permanent Disarmament Commission which shall be empowered to issue licenses to manufacturing firms.

(b)—An effective system of international control should be established and

(c)—That the number of factories to whom licenses may be issued will be limited presumably by international agreement.

It seems to us clear that we must oppose the foregoing three suggestions.

3. As regards publicity a definite proposal has been submitted—that any system of publicity shall apply equally to material in stock, private and state, as well as to manufacture. In view of the position we have always taken with regard to material in stock we believe that a sympathetic attitude might be manifest toward this proposal and it may be considered useful to mention this position in discussions of the report in the Bureau.

4. Proposals submitted concerning traffic in arms have not yet been worked out in any detail either in the report or during the Committee's discussions. It has been generally recognized however that it will be necessary to modify the 1925 convention to take into account the changes in circumstances which have arisen since that date. The Department may therefore consider it preferable not to resubmit this convention for ratification until it becomes clearer what changes may be inserted as a result of the present study.

5. It is of course axiomatic that we shall insist upon the same measures of control and publicity to be applied to state and private manufacture.

6. If any of these considerations do not meet your views please let us know.

WILSON

500.A15A4 Steering Committee/143: Telegram

The American Delegate (Wilson) to the Secretary of State

GENEVA, November 14, 1932—9 p. m.

[Received November 14—8:40 p. m.]

453. From Davis. Simon who returned today told me that the British did not intend to submit any definite plan but that on Wednesday he expects in the Bureau to repeat in substance what he said in his speech in Parliament on November 10th with regard to disarmament and the German demands. In addition he will advocate strongly the abolition of submarines and suggest a thorough consideration of the abolition of aerial warfare which they are prepared to agree to provided it can be made effective. He said that he would then make known that if their views as to general reduction and to the abolition of submarines are accepted Great Britain will in spite

of the reductions which she has heretofore made be prepared to accept reductions in line with the American proposal. Upon questioning him more specifically regarding the latter reference to a conditional acceptance of the President's proposal he said that he did not want to bring in the naval question yet or agree specifically now to the reductions proposed so I do not know just how far he will be willing to go. He then said he thought the most important and urgent thing to do now was to get Germany back into the Conference and that the French plan and his statement accepting in theory the German claim for equality of status would probably serve as a bridge for Germany's return but that he hoped I would be willing to give some indication of the American attitude and say something at the Bureau as it would be helpful. I told him that we would not wish to engage in a discussion of the German claim for equality but that I would be glad to consult as to the advisability of our saying something in appreciation of the spirit in which France was endeavoring to meet German views and effect a real reduction and also of the efforts of Great Britain to reconcile differences and contribute to a solution of the problems that face the Conference; and also to state that we are here to get a reduction in armaments and not an increase and that we hope that Germany will see fit to return and collaborate in the working out of a general convention. Please let me know if you think it advisable for me to say anything along the above lines if, after delivery of Simon's speech and study of full text of Herriot's, we feel that such a statement would help along the work here.

In this connection I may say that although Wilson is handling the work of the Bureau he thinks that if we are to make any statement as indicated it would be better for me to do so.

I told Simon that I agreed with the importance of getting Germany back but that it was still more important to be prepared to carry through some accomplishment if she did return. I also told him I felt that we should at once make every effort to get France and Italy into the naval treaty and that this is the best time to do so because France will have the incentive to reach an agreement with Italy before the Germans are brought in because this would also have a tendency to make the Germans more reasonable. He agreed with this and said he would cooperate in every possible way.

He then asked how a French-Italian naval agreement would affect Japan. He said that he feared we would soon be faced with the Japanese demand for an increase in the naval ratio question. Since they would not agree to this and he assumed we also would not agree he was wondering how best to deal with the matter. I told

him that we would never consent to any increase in the Japanese ratio and that if we could get the French and Italians into the treaty it would weaken pressure for a change—to which he agreed.

Simon explained that his suggestion in the House of Commons speech, that in consideration of meeting the German demand for equality in status the European states should join in a solemn affirmation not under any circumstances to attempt to solve any present or future differences between them by resort to force, was with a view to avoiding a situation such as that in the Far East where Japan claimed that the use of force was not in violation of treaty since there had not been a resort to war. [Davis.]

WILSON

500.A15A4 Steering Committee/144 : Telegram

The American Delegate (Wilson) to the Secretary of State

GENEVA, November 15, 1932—noon.

[Received 3:50 p. m.²¹]

455. Delegation has today received Conference Document 146 entitled "Memorandum by the French Delegation". First part of this document consists of a lengthy statement along the lines of Boncour's speech (see my 434, November 4, 8 p. m.) then follow the proposals:

PROPOSALS

CHAPTER I

All the powers taking part in the work of the Conference shall be called upon to establish in an effective manner the following principles, which are generally recognized to be a necessary consequence of the Pact for the Renunciation of War:

(a) Any war undertaken in breach of the Paris Pact is a matter of interest to all the powers and shall be regarded as a breach of the obligations assumed toward each one of them.

(b) In the event of a breach or threat of breach of the Paris Pact, the said powers shall concert together as promptly as possible with a view to appealing to public opinion and agreeing upon the steps to be taken.

(c) In application of the Pact of Paris outlawing war, any breach of that Pact shall involve the prohibition of direct or indirect economic or financial relations with the aggressor country. The powers shall undertake to adopt the necessary measures to make that prohibition immediately effective.

(d) The said powers shall declare their determination not to recognize any *de facto* situation brought about in consequence of the violation of an international undertaking.

²¹ Telegram in five sections.

CHAPTER II

The application of the principles laid down in the previous chapter will make it possible to give full effect to the obligations devolving upon the members of the League of Nations under the Covenant and under the treaties they have concluded in conformity with the principles of the Covenant: the general convention on means of preventing war, the convention for financial assistance.

France considers the effective and loyal application of article 16 of the Covenant as an essential element of the plan she has worked out.

CHAPTER III

The special organization for Europe, which has already received a first realization in the Locarno treaties²² which it must be understood must not be affected by any of the present plan—will involve political arrangements and military arrangements. This organization entails in the first place their acceptance by a sufficient number of powers, regard being had to their importance and geographical position, in order that the security of each of them should be ensured in all circumstances.

Section (a)

The fundamental object to that political arrangement will be to define the conditions in which each of the states forming part of the European organization will be entitled to the cooperation of the other contracting states.

(1)—These arrangements will establish the right to assistance when a territory under the authority of one of the signatory powers is attacked or invaded by foreign forces. An aggression as thus defined cannot be taken to include certain cases such as the existence of an agreement to the contrary, the case of self-defense i. e. the repulsing of armed forces which have entered by violence the territory of the state which is defending itself, and action undertaken in execution of article 16 of the Covenant of the League of Nations or specially authorized for any other reason by the Council or Assembly of the League.

(2)—The object of the assistance will be to put an end to the aggression, and to create a *de facto* situation which will allow of a fair settlement of the consequences of the aggression.

(3)—The Council of the League of Nations will decide that assistance shall be given on simply ascertaining that an attack or invasion has taken place. In order to facilitate any steps that may be necessary to ascertain the facts, there shall be established in each of the signatory states a commission consisting of diplomatic agents and military, naval and air attachés accredited to the Government of that state, the members of this commission being appointed by the Council of the League of Nations. Any state which believes itself to be threatened or alleges that it has been attacked may demand that the necessary measures be taken to establish the facts.

(4)—The peaceful settlement of disputes between states which have signed the European agreement will be ensured by the com-

²² League of Nations Treaty Series, vol. LIV, pp. 289-363.

pulsory accession of those states to the general act of arbitration. Should one of the signatories refuse to conform to the methods for the peaceful settlement of disputes, or to execute an arbitral award or judicial decision, or to take necessary action when the Council of the League has established that there has been a breach of an international undertaking, the other party will submit the matter to the Council, which will decide what steps are to be taken. The contracting powers will lend assistance in carrying the decision into effect.

(5)—In the cases considered above, the Council's decisions will be taken by a majority vote.

(6)—To enable first aid to be given without delay to any state entitled to the assistance provided for in paragraphs (2), (3) and (4) above, the contracting powers will agree to the specialization of portions of their military forces under the conditions laid down in section (b) below.

Section (b)

Corresponding to the political arrangements in section (a) above, there will be military arrangements aiming, on the basis of an equality of defensive status, at:

(1)—Reducing the offensive character of the national forces in accordance with the principle laid down in the American proposal of June 22nd last;

Specializing certain elements with a view to the most urgent operations involved in the common action provided for in paragraph 1 of article 8 and paragraph 2 of article 16 of the Covenant of the League of Nations.

(a) The land forces assigned for the defense of the home frontiers of the states of continental Europe will be reduced to a uniform general type—that of a national short service army with limited effectives—not adapted to a sudden offensive.

For this purpose, under the conditions defined in paragraphs (b), (c) and (d) below, as and when those conditions are fulfilled, the said forces will be organized on the following bases:

Their effectives and period of training shall be fixed so as to secure their defensive character, in conformity with the provisions of article 8 of the Covenant of the League of Nations—that is, in such a way as to ensure the national security of each state, taking account of its geographical situation and circumstances. In particular, the numerical limitation of the short service effectives will be adapted to the inequalities and variations of the resources of recruitment of the various signatory powers; the same will apply to the period of training, which will have to include, in a form to be determined, the time spent in pre-regimental training or in military training received, for example, in political organization.

(b) Apart from the specialized elements for common action referred to in paragraph (2), no contracting party will be able to retain in the forces assigned for the defense of its home territory units consisting of professional effectives or soldiers serving longer than the period fixed for its national army.

(c) The professional or long service effectives (instructors, specialists and cadres) of the national armies referred to in paragraph (a) will be limited on common bases and in relation to the effectives of those armies.

(d) The effectives of home police forces of a military character, more especially those living in barracks, will be limited on a basis of calculation common to all signatory states. Any excess over the figure resulting from these calculations must be set off by an equivalent reduction in the effectives defined in paragraph (c).

(e) There shall be prohibited, for the national armies of the contracting powers, at least all powerful mobile material, especially such as would facilitate an attack on permanent fortifications (powerful artillery and powerful tanks). It is quite obvious that the general convention will have to be established in conformity with these restrictions of material and with the provisions which follow.

(2) (a) Each of the contracting powers will place permanently at the disposal of the League of Nations, as a contingent for joint action, a small number of specialized units consisting of troops serving a relatively long term and provided with the powerful materials prohibited for the national armies.

In order to be able, at the first call from the League of Nations, and according to plans drawn up by a delegation of the League's Permanent Advisory Commission, to provide the speedy aid to which any state party to the European arrangements would be entitled in the conditions contemplated in section (a) above, these specialized contingents will be kept constantly ready for action, and will be formed on similar lines. The convention will stipulate the quota to be contributed by each state for such purpose.

(b) Apart from the normal armament of the contingents contemplated above, any mobile land material which is prohibited for the national armies contemplated in section 1 will be stored in each of the contracting states under international supervision. These stocks will if necessary be placed at the disposal of the parties in aid of which collective action is taken.

(c) Any contracting party engaged in legitimate self-defense, as defined in the political arrangements in section (a) above, will regain the free use of the contingent maintained by it and of the stocks of materials in its territory.

(3) In all the contracting powers, war materials, both those of the national defensive armies and those of the contingents for common action, will gradually be made uniform, their manufacture being internationally supervised and organized.

(4) There will be organized among the contracting parties a regular and permanent supervision of the execution of their obligations in regard to their armaments. This supervision will involve an investigation at least once a year.

(5) The general organization—to be established within a period to be fixed—being defined on the foregoing bases, the successive stages of its establishment will be settled, all arrangements being made for any of the parties concerned to be given at any time the necessary safeguards in regard to effectives and the value of the forces to be compared, and to ensure that there is no increase of

forces or expenditure on armaments for any state, apart from any exceptions duly justified and accepted by the Conference.

CHAPTER IV

Naval and oversea forces are evidently not affected directly by a continental system of the kind set out above.

They stand primarily in relation, on the one hand, to the special needs for the protection of the territories for which certain powers are responsible overseas, as well as for the defense of the coast of the home country or colonies and of territorial jurisdiction by sea, and on the other hand to the naval or military forces of such powers as may not be parties to the arrangements proposed in chapter III.

That will not make it any less necessary to maintain the interdependence of the general system of military reductions adopted on the European Continent and of the limitation of sea and oversea armaments.

Oversea forces should strictly therefore be calculated and specialized for the particular tasks incumbent upon them; the resulting limitations shall be fixed by the general convention.

As regards naval forces the solutions to be contemplated, whether in connection with security or in connection with the limitation and reduction of armaments, necessarily find a place within a general framework applying equally to all maritime powers. But the conclusion at the Washington Conference of the Pacific agreement²³ which made possible the signature of the naval treaty of 1922²⁴ has clearly shown the advantage of regional understandings of a political character for the purpose of facilitating the reduction of fighting fleets. If such was the effect of an agreement whose scope was limited to certain restrictions on the use of naval bases and a simple undertaking on the part of the signatories to consult one another, it is reasonable to suppose that very much larger reductions of tonnage would be facilitated by agreements organizing, with all the necessary stipulations of detail, the cooperation of fleets in cases analogous to those contemplated in section (a) of chapter III. This applies in particular to the case of the conclusion of a Mediterranean pact between the naval powers concerned.

However this may be, it is in accordance with the spirit of the Hoover proposals that, in the case of naval as in that of land armaments, the principal reductions should be effected in those categories of vessels which have been recognized as the most offensive by means of the relevant reduction of the characteristics at present fixed for certain types of war vessels.

As regards quantitative reductions since, under the terms of the Hoover proposal, "the naval armaments have grown up in mutual relation to one another", it will be desirable to look for "real and positive" reductions of tonnage, while leaving this relativity as it stands.

Consequently, subject to a special system applicable to fleets whose aggregate tonnage does not exceed 100,000, the uniform percentage of reduction to be accepted should apply to the aggregate tonnages

²³ *Foreign Relations*, 1922, vol. I, p. 276.

²⁴ *Ibid.*, p. 247.

declared in 1931 by the different naval powers in reply to the questionnaire of the Council of the League as to the position of their armaments.

It is unnecessary, from the standpoint of armaments, to distinguish, in the case of naval forces, between general and specialized forces. But, for the purpose of supplementing at sea the land action provided for in chapter III, section (b), (2), every contracting power possessing naval forces shall, when called upon by the League of Nations, supply the emergency assistance to which any state which is a victim of aggression would be entitled under the conditions laid down in chapter III section (a). Such assistance shall include a certain proportion of vessels of every category, that proportion being stipulated beforehand in the convention.

It is clear that, like the naval forces, the air forces cannot be directly affected by a Continental system like that outlined in chapter III. Nevertheless, in the matter of reduction of air armaments it would now appear possible to take a most important step forward within the framework of the general convention, in view of the fact that the Conference, acting on the proposals put before it for qualitative disarmament (to which were added the proposals of President Hoover), provided in its resolution of July 23rd last for the total prohibition of bombardment from the air, subject to special guarantee of security in connection with non-military aviation.

It will be all to the good, however, if these results are defined, when the time comes, in a regional system, which can be made even more effective in the case of the air, if all the great air powers of Europe—continental and non-continental—agree to participate.

Consequently, in addition to the provisions already proposed in the draft convention of the Preparatory Commission, the French delegation proposes the following body of measures:

(1)—All bombardment from the air shall be prohibited and bombing aircraft shall be abolished under the conditions for which the resolution of July 23rd provides;

(2)—The necessary provisions for this purpose shall be settled in principle by the general convention; but these will be supplemented by a special arrangement with regard to the air, applicable to Europe alone, regarding points which do not form part of the general agreement—in particular, concerning the establishment of a “European air transport union”, which will entrust the management and supervision in Europe of public air transport to an international body, and will ensure the application of a system of safeguards against the use of civil aircraft for military purposes;

(3)—The importance of the obligations assumed in connection with the air is so great, and the consequences of their violation would be so serious, that it appears essential to give the League of Nations, at any rate in Europe, a powerful means of action capable of immediate intervention as necessity arises to guarantee the execution of the obligations in question. Specialized air units, as in the case of the land army, possessing more powerful machines and more powerful equipment than the ordinary air units, will be able to place adequate means of action at the disposal of the League.

Going still further in this category of ideas, certain delegations, including the French delegation, have already suggested the establishment of an organically international air force to be set up and maintained permanently by the League of Nations. The provision of material for the force will be made easier by the abolition of bombing aircraft in the different national air forces, these aircraft being handed over to the League of Nations in accordance with executory regulations to be drawn up. Staff will be provided by direct recruiting from volunteers of different nationalities in accordance with a quota system to be laid down”.

The last paragraph of the document reads:

“In conclusion be it noted afresh that the several parts of this plan constitute one indivisible whole. Examination has shown it to be based integrally on the application of the Pact of Paris and of the Covenant of the League of Nations, from which the French Government has declared its doctrine to be derived. This plan can only be carried out by stages, each of these stages being justified and naturally introduced by the experience gained in the previous ones. This means that its success will depend on the progress of the confidence which must grow up between peoples and on the loyalty with which it is carried out. It presupposes the concentration of efforts and the determination to overcome the inevitable difficulties and not to sacrifice the realities of positive action to facile negotiations or criticisms”.

WILSON

500.A15A4 Steering Committee/146 : Telegram

The Secretary of State to the American Delegate (Wilson)

WASHINGTON, November 15, 1932—noon.

245. Your 452, November 14, 6 p. m. Your understanding that you should oppose suggestions (a), (b) and (c) is correct.

You should support the proposal that any system of publicity of manufacture should apply also to material in stock, private and state.

The convention of 1925 is still before the Senate. Therefore what we contemplated was not resubmission of that treaty but an effort to secure favorable action upon it by the Senate. Such effort, if made, should be made as soon as possible after Congress reconvenes. For our guidance in this matter, please keep us fully informed of all developments as they occur.

STIMSON

500.A15A4 Steering Committee/147 : Telegram

The Secretary of State to the American Delegate (Wilson)

WASHINGTON, November 15, 1932—5 p. m.

247. For Davis. Your 453, November 14, 9 p. m. If you feel that a statement by you would be helpful in assisting Germany's return to the conference, I see no objections to your speaking along the lines you indicated.

STIMSON

500.A15A4 Steering Committee/151

Memorandum by the Secretary of State

[WASHINGTON,] November 15, 1932.

M. Recouly ^{24a} called to talk with me. The conference was mainly taken up by my answering his questions as to the progress which might take place in regard to Disarmament. He told me of M. Herriot's proposal and his interest in it, and of the importance which the giving of a pact by this country along the lines suggested, would have in facilitating the public opinion of both France and Germany towards disarming. I told him of my admiration for what M. Herriot had done at Lausanne and how that, in my opinion, had affected favorably public opinion here towards France, particularly after it had not been favorably reciprocated by Germany. I told M. Recouly of the method which I had been trying to follow in the development of cooperation with the nations of Europe. I said I had been following the method which we in America best understood because it was the same as that of the common law: i. e., the method of developing by precedents and decisions. I told him I hoped this might result some time in an Executive declaration on the subject of our relations to the League of Nations somewhat similar to that of the Executive declaration as to the Monroe Doctrine. I told him I had never feared that when the time came any American Government would interfere with the action of the League of Nations towards an aggressor, particularly since the adoption of the Kellogg Pact, because any party proceeded against by the League would also necessarily be a violator of the Pact of Paris and I could not conceive of any American Government seeking to fish in troubled waters on behalf of a violator of that Pact. On the other hand, I said, if we tried to embody our promises in a pact, we faced possible opposition

^{24a} Raymond Recouly, French journalist and historian on tour of the United States.

in the Senate which might trouble international amity, while progress the other way by Executive action was in the hands of the President alone; that while we reserved independence of action, the precedents would guide us probably more effectually than any pact. I told him that we were as a nation rather suspicious of legislative acts and pointed out our unfortunate experience with the Prohibition Act.

M. Recouly said he appreciated all this but thought that a pact would have a very great influence in helping France to disarm as a matter of political effect, as well as in Germany.

In parting, he told me he had been in the Philippines where he admired so greatly the progress that had been made, and that he could not see how it was possible for us to give away the Islands and thus throw them back into what he called the melting-pot.

H[ENRY] L. S[TIMSON]

500.A15A4 Steering Committee/152 : Telegram

The American Delegate (Wilson) to the Secretary of State

GENEVA, November 16, 1932—7 p. m.

[Received 8:44 p. m.]

458. From Davis and Wilson. The delegation, including Army and Navy members, have been considered [*considering?*] the French plan and we offer certain general considerations, entering into a more detailed analysis in another message.

1. In considering the plan which Paul-Boncour called "the inner concentric circle" or the organization for Europe, we offer certain thoughts. We take it that the greatest good that could come out of the General Disarmament discussions would be the establishment of real peace in Europe. If such peace can be established and at the same time a substantial reduction of armament achieved, so much the better; but the essential thing is finding a thesis on which the European states can agree, within the framework of which they can live and under the jurisdiction of which most of the bitterness will have a chance to be forgotten. We believe that you will agree that the method to achieve these ends is secondary. We are inspired to these thoughts by the considerations which you have so often emphasized when discussing the Manchurian question and its effect on world affairs, especially on the "framework of peace". We have particularly in mind the third paragraph of your message to Davis, No. 273, October 20, 8 p. m.²⁵ We, therefore, suppose that anything

²⁵ *Post*, p. 467.

which is not fundamentally unacceptable to us and which at the same time may prove practical enough to contribute to the reinforcement or enlargement of this "framework of peace" should receive our good wishes. We cannot say now whether anything along the lines of the French Plan for Europe will prove generally acceptable and we are not the judges as to that. We see the profoundest difficulties in the [acceptance?] by the European states of such a plan for Europe, but if this scheme for Europe can only be accepted through the establishment of armed forces at the disposition of the League, then such establishment would be of benefit even though it contravenes our conception of how the machinery of peace should be organized.

2. While the French plan is essentially what the French have been consistently striving to attain it is disappointing in that emphasis is laid on complicated theses rather than on disarmament. A lot of brushwood must be swept away before you arrive at certain real advances in French thought. Their tactics are as ancient as French civilization, to emphasize their conditions and withhold their reality for the purpose of bargaining, and as long as we deal with them we must expect such procedure.

3. It appears to us that we should show in conversation with the French an attitude of disappointment, stating that we had been ready to give the most friendly consideration to their proposal but that it really is disappointing that everything France wants is set out with exceeding clarity, while everything that is simple disarmament is put in the vaguest form and fails to be in any case a definite offer. Therefore, how can we know whether it is worth our while to examine the political conditions in so far as applicable to us.

4. The plan will be still more unpalatable to the British Government than it will to us because of the more positive role ascribed to them under its terms, and its fate will probably turn on its reception by the British. In any case it can be said that it is more palatable to the British Government than was the protocol of 1924.²⁶

5. We trust that these rather pessimistic observations will not prove to be the last word on the plan and that something may yet be worked out on the basis of its positive features. It would appear that the plan, as approved by the Council on National Defense, does not carry out the spirit and purpose which Herriot revealed both in his conversations and his public declaration. Possibly when they come here next week we can persuade them to [revise?] some of their unworkable ideas, but the publication of the plan in all its details will prove an obstacle.

²⁶ Geneva Protocol for the Pacific Settlement of International Disputes, October 2, 1924; text printed as S. Doc. 180, 68th Cong., 2d sess.

6. We will bear in mind in any case that the Lytton Report²⁷ comes up for discussion in the near future and walk especially warily regarding the French plan for the moment.

7. In the meantime we think it will be highly useful to consider with you how we should shape our views and it is in that sense that our 459, November 16, 9 p. m. is drafted.

WILSON

500.A15A4 Steering Committee/153 : Telegram

The American Delegate (Wilson) to the Secretary of State

GENEVA, November 16, 1932—9 p. m.

[Received 11:03 p. m.²⁸]

459. From Davis and Wilson. Supplementing our 458, November 16, 7 p. m., herewith follows comment on "proposals of French plan" (see my 455, November 15, noon.)

Chapter I of the French plan provides that the powers shall establish in an effective manner certain principles "recognized to be a necessary consequence" of the Paris Pact. Presumably France has in mind that these principles should be set forth in the Disarmament Convention although the use of the phrase "in an effective manner" possibly leaves open the establishment of the principles in other ways such, for example, as a unilateral declaration of governmental policy.

The first question which arises is as to whether it would be possible and advisable to restate the principles outlined in your August 8th speech and in your Pittsburgh address in connection with a Disarmament Convention.

In case it is deemed advisable to contemplate some such action we add our analysis of the four principles set forth in chapter I dealing of course not with matters of phraseology but with the substance. Paragraph (a) appears to raise little difficulty. Paragraph (b) might be acceptable but would suggest that the phrase "shall concert together" be replaced by the phrase "shall advise together with respect to the maintenance of peace" and the elimination of the rest of the sentence. Paragraph (c) obviously goes very much farther than we could accept and we raise the question as to whether in lieu of this paragraph anything could be worked out on the principle that in the event of breach of the Pact of Paris the powers should be under no obligation to recognize that the violator had the rights of a belligerent or to observe the rules of neutrality with respect to

²⁷ For correspondence relating to discussion of the Lytton Report during the period October 1–November 30, see ch. 12, vol. iv, pp. 281 ff.

²⁸ Telegram in two sections.

such violator. The French will also certainly press us for an undertaking that we would not in this event insist on what are now known as neutral rights.

With respect to paragraph (*d*) with regard to nonrecognition of *de facto* situation brought about by violation of "an international undertaking" it would appear to us that in view of the multiplicity of international undertakings presumably any such commitment should be limited to multilateral undertakings of a special character as the Paris Pact or in the case of parties thereto the Covenant of the League.

Under both (*c*) and (*d*) it appears essential that any formula should be based upon the idea that it is for the United States alone to determine the aggressor as far as it concerns our action under the treaty.

We fully appreciate that this whole subject raises questions of the gravest import. In laying the matter before you we would point out that if we take a completely negative stand with regard to the whole subject matter of chapter I an effort might be made to place on our doorstep the responsibility for the failure to make further progress in the disarmament work. In view of the declarations which the President and you have made and the position taken in the party platforms regarding consultation there seems to be no reason to be driven into any such position. It is, however, of very great importance that we know how to proceed with respect to the general subject matter of chapter I when the French plan comes up for serious discussion. If the plan breaks down presumably it will be on chapter III. We must be careful therefore that chapter I is not blocked by us before we find out whether chapter III is going to present insurmountable obstacles. In any case we feel we should give no definite answer for or against some cooperation under chapter I until we have satisfied ourselves as to the results to be achieved.

Chapter II. No comment.

Chapter III. This chapter raises certain possibilities of giving satisfaction to Germany through the establishment of armies of common pattern. Conversations with French military officers have convinced us that the French proposals regarding effectives for the home-land are capable of being adapted to and indeed will facilitate the working out of President Hoover's proposal relating to the subject.

The political considerations under section (*a*) of this chapter are not our immediate concern but it seems essential to us that point 5 at least of this section be modified since it would in its present form involve a change in the Covenant and as such causes an indefinite delay.

Section (b). There is no evidence in part 2 paragraph (b) of the French plan of a desire to scrap material of any category but there is a distinction of considerable importance made between mobile and fixed artillery. As for material, while France does not recede from its previous position concerning material in stock the proposals contained in chapter III section (b), part 3, would eventually after a period of years not only make material in stock uniform but its quantity and type would become known to other powers.

It is fair we think to state that reduction of material will, under the plan, be largely fictitious at present although some scrapping may be brought about under chapter III, section (b), part 2 (b).

Reference chapter III section (b), part 5, the conception of successive stages of reduction appears to us really useful in that while the balance of force and resulting feeling of security can be maintained real reductions can be envisaged which in themselves will gather momentum in favor of more radical means of reduction as each successive stage is reached.

Chapter IV. No commitment is taken regarding the reduction of colonial forces and indeed the fourth paragraph would seem to offer no application of the Hoover plan to overseas forces and is consistent with the maintenance of the *status quo*. As regard naval reduction, the proposal that this should be chiefly effected in categories of vessels "recognized as the most offensive" is, according to Massigli, directed against the battleship and the submarine. The basing of naval reductions on the aggregate tonnage declared in 1931 in reply to the League questionnaire will be considered by Italy as another attempt by France to profit by the retention of its obsolete capital ships and armored cruisers.

Concerning the last paragraph and the fifth paragraph of chapter IV, members of the French delegation have assured us that they were under no misapprehension as to the fact that we would never tolerate any such use of the American fleet and that this paragraph was written with the idea of England in mind and the obligation which rests upon England under the Covenant to make use of their fleet to give effect to decisions of the Council under article XVI. It is not intended to apply to us.

Chapter V. This chapter on air forces constitutes no advance over the final resolution of the General Commission of July 23 and indeed in its precisions may present still greater difficulties.

500.A15A4 Steering Committee/154 : Telegram

The American Delegate (Wilson) to the Secretary of State

GENEVA, November 16, 1932—10 p. m.
[Received November 16—5:45 p. m.]

460. Referring to my 458, November 16, 7 p. m., and 459, November 16, 9 p. m., we are contemplating submitting to you certain suggestions concerning the method of handling the situation created by the French plan but prefer to await Simon's statement tomorrow and subsequent private conversations before bringing them to your attention.

WILSON

500.A15A4 Steering Committee/155 : Telegram

The American Delegate (Wilson) to the Secretary of State

GENEVA, November 17, 1932—2 p. m.
[Received November 17—1:05 p. m.]

461. At the Bureau meeting this morning Mr. Davis spoke as follows:

"Mr. President, I do not rise to comment on the very interesting and most important statements made by the British Minister for Foreign Affairs, Sir John Simon,²⁹ nor do I take this occasion to discuss the significant statement made by Monsieur Paul-Boncour at a recent meeting of this Bureau.³⁰ I merely rise now, Mr. President, to associate the American delegation wholeheartedly with the analysis which you have made of the problems which face this Conference.

We must not lose sight of the fact that this Conference was called for the express purpose of reducing and placing a limit upon armaments. It is now almost 10 months since the Conference opened. During the time many technical questions have been threshed out, many differences of opinions reconciled and agreements have been reached on some most important questions of principle. It has been agreed in principle that there must be a substantial reduction and limitation upon all branches of arms and yet we have not reached the point of the actual drafting of the general treaty giving effect to the principles that are recognized.

It is generally recognized that the only legitimate and useful purpose for which a nation should maintain armaments is for self-defense. It is also recognized that armaments may reach a point where they cease to give security. Instead they may create political tensions which promote insecurity. It is therefore evident that one of the most essential factors to a genuine security is that the burden and menace of armaments shall be reduced.

²⁹ See *infra*.

³⁰ See telegram No. 434, November 4, 8 p. m., from the American delegate, p. 360.

When this Conference met the depression from which the entire world is suffering seemed to be at its height. Unfortunately there has been no appreciable improvement during all of the months we have been here and in some respects the economic difficulties have become more intense. While it cannot be said that the burden and menace of armaments were the primary cause of this depression it is becoming increasingly evident that they were a contributing cause of conditions which brought on the depression and that a reduction and limitation of armaments would contribute tremendously to recovery from the depression.

In spite of the fact that Germany, Austria, Hungary and Bulgaria were to a great extent disarmed after the World War the expenditures on armaments are greater today than they were before the war. The time has come not only to call a halt but to make substantial reductions.

Although armaments may not have been the direct cause of all the misery in the world today caused by the unbearable burden of public and private debt the stagnation of trade and commerce and the unparalleled unemployment, we are not going to pull very far out of this depression unless we reduce armaments and make a genuine success of this Conference. If this depression from which every nation is suffering today is not cured it will soon bring upon each and every nation further social, financial and economic difficulties which will be more of a menace to national safety and welfare than any fear of external military aggression.

The world is not in a condition nor are the people in a state of mind to stand a failure of this Conference. There is no nation that would not suffer from such a failure.

Preparations are now being made for calling a world economic and monetary conference. It is important to have such a conference but its success will depend largely upon that of the Disarmament Conference and the world cannot wait much longer for this success.

While the United States of America is not disturbed by any danger of invasion nor so directly concerned as are many other nations in a removal of the dangers of armaments we have however a genuine and vital interest in the peace and prosperity of the world. We have accordingly worked conscientiously for the success of this Conference and expect to continue patiently and earnestly in such efforts in collaboration with all the other nations so long as there is reason to hope for success.

The plan presented some months ago by the President of the United States, that of the French Government, which we have just received, and the pronouncements made today by Sir John Simon, are all inspired by the determination to effect a substantial reduction in armaments. They have all helped to bring the Conference face to face with the real issues before us. With this initiative which has been given to our work it is doubly incumbent upon us to take advantage of this situation and to take the steps which are necessary to accomplish as rapidly as possible that progressive reduction of armaments to which we stand pledged in principle and which we must now put into practice. It is obvious that the successful accomplishment of this task will require the close collaboration of all

nations and we trust that this will be so generally recognized as to facilitate regaining the cooperation of Germany in this task in which they in common with all nations have such a legitimate and vital interest".

WILSON

500.A15A4 Steering Committee/159 : Telegram

The American Delegate (Wilson) to the Secretary of State

GENEVA, November 17, 1932—7 p. m.

[Received November 17—6 : 25 p. m.]

462. Following is a résumé of an address by Sir John Simon³¹ before the Bureau this morning in a special session on the subject of the return of Germany to the Conference and certain suggestions regarding disarmament.

Sir John prefaced his remarks by pointing out that his delegation was not yet prepared to comment upon the French plan nor would it have any detailed plan of its own to present since its immediate concern was with a *précis* matter which should be effectively dealt with as a condition precedent to the adoption of any detailed plan. This premise is to find the basis upon which the claim to equality of rights could be dealt with. The objective elements of this immediate problem were, he explained, as follows:

1. There must be no modification of the Treaty of Versailles save by general agreement. In this connection he made his sole comment upon the French plan to the effect that it contained a proposal relating to method of recruitment which would involve a modification of part 5 of the treaty.

2. By general understanding in 1919 Germany's disarmament was the precursor of a substantial measure of general disarmament.

3. Other nations of the world are not as yet under any contractual obligations to limit or reduce their arms (save by the naval treaties) and they are still permitted weapons for war which are prohibited to Germany.

4. The hesitation regarding the acceptance of Germany's thesis proceeds from the fear of the dangers resulting from this new situation created thereby.

Concrete propositions could be derived from situation :

(a) All European states should join in a solemn affirmation that they will not in any circumstances attempt to resolve any present or future differences between them by resort to force.

(b) The limitations on Germany's armaments should be contained in the general convention defining the limitations on the armaments of others.

³¹ For text, see *Records of the Conference*, Series C, *Minutes of the Bureau*, vol. I, pp. 89-94.

(c) The newly expressed limitations in the case of Germany would extend over the same period and be subject to the same methods of revision as those for all countries.

(d) The British Government declares its willingness to accept as regards application to Germany the principles of qualitative equality which refers to the kind of arms rather than to their quantity.

In proposing a first stage for the actual program of this Disarmament Conference, he suggested certain methods which might be applied in this first stage and considered that a few years of good neighborly conduct will do much to prepare the way for the second stage which concerns political difficulties.

These concrete suggestions relate to (1) qualitative and (2) quantitative disarmament and (3) the question of supervision and control. Under the first heading, as regards naval armaments, Great Britain proposes to permit Germany to build capital ships of a tonnage to which the great naval powers can agree to reduce theirs. Any construction undertaken by Germany should not, however, increase the total tonnage in any category of its navy. Great Britain proposes to limit cruisers to vessels of 7,000 tons with 6-inch guns and to abolish submarines. In respect of land armaments heavy tanks should be abolished, Germany being granted in principle the right to a limited number of small tanks. Large mobile guns may only be replaced by those of a calibre permitted Germany (105 millimeter). The British proposals concerning air armaments envisage the eventual abolition of military and naval machines and of bombing, combined with an effective international control of civil aviation. As a preliminary measure to achieve this end it proposes immediate reduction of all air forces to the level of the United Kingdom, which now is fifth in size, and thereafter a cut of 33 1/3 percent of all the reduced air forces, plus a limitation of the unladen weight of military air craft to the lowest figure possible. Pending the examination of the more far reaching proposals Sir John considered that Germany should refrain from making any claim to possess military or naval aircraft.

In the realm of quantitative disarmament any readjustment of Germany's forces which follows from the recognition of its claims for equality of treatment should be carried out in such a way as not to involve any increase "of Germany's powers of military aggression". Favorably impressed by the Hoover proposals relating to military effectives, he reiterated that Great Britain is prepared to accept them in principle as a basis for discussion.

Subject to the conditions being accepted by all states represented at Geneva, Great Britain is prepared to provide for effective supervision of the execution of the convention.

Henderson then devoted a short speech to the necessity of bringing about Germany's return to the Conference and emphasized that the time had come when the question of equality of status must be solved. He felt that both the British and French suggestions contained proposals enabling the Conference an equable solution of this question. Any discussion upon it should clearly recognize the necessity of including the limitation of Germany's armaments in the same convention as those imposed upon all countries. He concluded with the earnest expression of hope that the German Government would decide at an early date that its delegation would rejoin the Conference.

In associating himself on behalf of Italy with Henderson's conclusions concerning the necessity of resolving Germany's claim to equality of rights, Rosso pointed out that it would be illusory, if not dangerous, to hope to attain any settlement of the important disarmament problems in the absence of Germany. Principle of equality claimed by Germany must be applied through reduction of the levels of the armaments of the most heavily armed countries and not by the re-armament of others.

Massigli in welcoming the British proposals stated on behalf of his Government that it confirmed its previous memoranda dealing with the question of providing means for insuring Germany's re-entry. He associated himself with Henderson's expression of hope.

Mr. Davis then made the statement contained in my 461³² and was followed by the representatives of Poland, Belgium, Russia, Switzerland, Czechoslovakia and Austria who all associated themselves with the expressions of the President.³³ Indeed the speech by the Soviet representative was the most conciliatory in tone that has issued from that delegation in the 4 years of their participation.

WILSON

500.A15A4 Steering Committee/161: Telegram

The Chargé in Germany (Gordon) to the Secretary of State

BERLIN, November 18, 1932—3 p. m.
[Received November 18—12:05 p. m.]

221. The French disarmament plan has encountered general antagonism in Germany. It has been criticized semi-officially as not being a disarmament plan but merely a political organization of Europe to safeguard French security by maintaining the *status quo*, and as not realizing Germany's equality claim. The only idea found sound was that of standardizing continental armies. Entire German press

³² *Supra.*

³³ For texts of statements, see *Records of the Conference*, Series C, *Minutes of the Bureau*, vol. I, p. 97.

destructively critical ever since publication of text which right press described as "grotesque", "indiscussable" and "unacceptable" while left press voiced keen disappointment and complained of plan's ambiguousness.

On the other hand initial reaction to Simon's Geneva speech has been favorable in moderate and social democratic press which considers it a plea for German equality. Right press regards it as intended to soothe Germany and to bring her back to Geneva but as according her only "moral" equality.

Copy by mail to Geneva.

GORDON

500.A15A4 Steering Committee/187 : Telegram

The American Delegate (Wilson) to the Secretary of State

GENEVA, November 21, 1932—3 p. m.
[Received November 21—1:50 p. m.]

465. From Davis and Wilson. We have been considering what might be done to bring concrete results out of the General Disarmament Conference without an interminable delay and in this connection what our future policy should be.

We must recognize that after 8 months of work the Conference has not yet reached the point of drafting a general and all inclusive treaty of a far reaching character. Nevertheless, this much has been gained: today the Conference and the nations of the world would not be finally satisfied with half-way measures as might have been the case last February and there is now a greater degree of earnestness and sincerity in attacking the problem.

The French plan and the proposals in Sir John Simon's speech have now been injected into the Conference work to supplement the Hoover plan and so far as we can see it would require months and perhaps years to realize the far reaching objective sought by these proposals especially by the French plan even if the latter were acceptable in principle and susceptible of being worked out which we seriously doubt. On further consideration of the French plan our opinion is that certain features of it are inherently unsound and that its failure when forced to the test would wreck the peace machinery which is being laboriously built up. In the first place it contemplates creating through the League what would be in effect a super state backed by continental military force; second, it is based upon the assumption that continental powers shall enter into an agreement of mutual assistance for upholding the *status quo* in Europe while at the same time it offers no possibility of the peaceful

changing of the *status quo* except through arbitration on a strictly legal basis; third, it in effect calls upon the United States and England at least to give their moral support to such a political organization of Europe and to consult and take other steps in case of efforts to alter the *status quo* by the use of force. They are accordingly attempting to develop and incorporate in a disarmament treaty what they conceive to be the implications of your August 8th speech with all of the moral obligations involved in such [implications?].

What the states of the Continent do for the Continent is not our business. It only becomes our business when they ask us to give it our support. Thus it is one thing for them to organize as they see fit within the inner concentric circle. It becomes another matter when they ask us to assume any obligation whatever toward the proper functioning within the inner circle.

A constructive solution of the so-called European security problem may require some program for concerted action by the continental powers for the maintenance of peace but it is unsound to base this upon the theory of perpetual maintenance of the territorial and political *status quo* in Europe. The French now in effect propose the creation of an international force available by majority vote to maintain this *status quo* and at the same time fail to provide adequate facilities for altering by orderly processes a status where justice and the maintenance of peace require a change.

In summing up the whole situation as we see it we are faced with the necessity of some immediate achievement in which Germany collaborates and acquiesces; otherwise we must contemplate the denunciation by Germany of part 5 of the Versailles Treaty followed by a major European crisis. The situation is such that the world cannot wait for the accomplishment of these very ambitious objectives which the Conference has set.

We feel that the wise course to pursue would be to endeavor as promptly as possible to register in the form of a "convention" of limited duration while [which?] we are describing in a separate cable the progress which has so far been made; set up the Disarmament Commission; and entrust to this Commission the task of endeavoring to work out as the second step the proposals mentioned above.

To accomplish this and at the same time satisfy the German demands will not be easy. It might be possible, however, to induce Germany in this critical stage of world affairs to accept a partial degree of satisfaction for a limited period if she could be convinced that during this period a sincere effort would be made to give more complete satisfaction to her claims. In effect since Germany on the

financial side has been granted the practical elimination of reparations and many private creditors have been indulgent she might be called upon to show consideration in the field of disarmament if some satisfaction in principle could be accorded.

We do not overlook the great difficulty of the program outlined above. On the other hand we feel that the method of procedure adopted by the Conference, namely, that of public debates in large commissions has tended to exaggerate obstacles and has obviously made it most difficult for the various powers to state the ultimate limits to which they were prepared to go. In view of the publicity it has been impossible to make concessions since there was no way of ascertaining simultaneously *sub-rosa* possible compensating concessions on the part of others, every problem before the Conference being debated as an isolated question rather than as part of a general plan.

We believe that the only hope of ascertaining and formulating, for a preliminary convention, the points on which present agreement is possible, is through private discussions between a small number of powers directed toward this limited but immediate objective. Unless some such plan of work can be developed the alternative seems to be for the Conference to lose itself in interminable discussions of detail with the indefinite prolongation of the work or what is more likely a complete breakdown. The first mentioned alternative would obviously bring up the question as to our willingness to continue our participation as in the past.

Last night Davis asked Simon what he thought of doing something along above lines and he was most enthusiastic about it.

In a conversation with Massigli Friday morning Davis told him that unless there is some concrete evidence of progress within the next few weeks he fears that opposition may develop at home to our continuing to participate in a conference which after so many months of effort is unable to achieve more than it has to date. He explained that since we would not care to sit on here indefinitely waiting for the military reorganization of Europe as envisaged in the French plan it occurred to him that we might in addition to completing the London Naval Treaty consider the possibility of a preliminary convention along these lines above indicated. Massigli liked the idea of such a convention and said that he would take the matter up with the Government this week-end as to how far they would be willing to go. Davis explained, of course, that the suggestions were purely tentative as he did not know yet the views of his Government.

To ascertain whether any plan such as we have outlined is feasible it is necessary to explore the ground through a meeting such as

originally suggested by MacDonald. Unless political difficulties in France prevent, it might be feasible to arrange such a meeting here in the near future assuming that the new government in Germany would be disposed to cooperate to this extent. Neurath arrives here tonight and as such a meeting could be held without committing them to return formally to the Conference and without the publicity attendant upon a formal conference it seems unlikely that they would oppose the idea.

We would not, of course, wish to go any further along these lines unless we felt that you concurred in our general analysis of the situation and in the method of procedure. It would not, of course, be necessary for us to take the initiative in organizing any preliminary meeting nor to assume the responsibility of advocating a preliminary convention as we believe that some such idea would naturally evolve if the private conversations were started under proper auspices.

We hope to report shortly regarding result of efforts to complete London Naval Treaty which have made some progress this week. More detailed suggestions follow in a subsequent telegram. These details have not been discussed with other delegations pending your comment.

WILSON

500.A15A4 Steering Committee/168: Telegram

The American Delegate (Wilson) to the Secretary of State

GENEVA, November 21, 1932—5 p. m.

[Received 5:45 p. m.³⁴]

466. From Davis and Wilson. Supplementing our 465, November 21, 3 p. m. We have been considering what could be contained in the "convention"³⁵ of short duration to be immediately concluded pending the eventual working out of a "general disarmament treaty". The results which we foresee are based on a considerable amount of optimism, are predicated on the continuance of the good will and desire to succeed which have animated the discussions in the last 2 months and take into account the speed and frankness which should result from private negotiations.

The "convention" might contain the following

(1) *Effectives*

(a) The determination of element "a" for the metropolitan component (the "police" forces foreseen in President Hoover's proposal for home countries".)

³⁴ Telegram in four sections.

³⁵ See Annex "A," p. 508.

(b) The acceptance of approximately the *status quo* for oversea forces.

(c) The immediate reduction of element (b) (defense contingent) of total forces can hardly be achieved within a brief period.

(d) An agreement not to increase the total land forces.

(e) Agreement on principle of common types of armies for continental Europe.

(2) *Artillery*

(a) A limitation by numbers of all mobile land artillery above 105 mm. This presumably would be on the basis of present numbers.

(b) An undertaking not to construct mobile land artillery above 155 mm. Possibly some scrapping might be arranged.

(3) *Tanks*

(a) Scrap tanks above 18 tons.

(b) Limitation by numbers of tanks below 18 tons.

(4) *Air*

(a) Universal abolition of aerial bombing.

(b) Prohibition of peace time preparation and training in bombing.

(c) Conversion or possible scrapping of bombing planes.

(d) Limitation by number of military planes.

(e) Full publicity as to type and characteristics of civil planes registered or constructed with possibly some further measures of control applicable to Europe.

(5) *Chemical warfare*

(a) Universal abolition of use of chemical warfare.

(b) An agreement not to make preparation for or to train in the offensive use of chemical warfare in peace time (this to include the right of every state to adopt necessary measures of protection against illegal use of chemical warfare).

(c) Both (a) and (b) above are contingent on finding a solution satisfactory to the continental powers of the questions of control and sanctions.

(6) *Navy*

(a) Completion of London Treaty by France and Italy.

(b) The extension if necessary of the Washington and London Treaties to coincide with the expiration of the "convention". (a) and possibly (b) would be separate instruments.

(c) Nations not parties to the Washington and London Treaties to accept a limitation of types so as not to prejudice the restrictions on type which already govern the leading naval powers.

(7) *Manufacture of and trade in arms*

(Since we are contemplating a convention to be concluded in the near future we will have to confine ourselves under this point to acceptance in principle only as detailed formulation will require several months).

(a) Recognize the principle of state supervision of private manufacture.

(b) Recognize the principle of equality of publicity for state and private manufacture.

(c) Recognize the principle of control and publicity for export and import.

[(8)] The Permanent Disarmament Commission to be set up as envisaged in the draft convention with amendments as now being drafted after recent discussions in the Bureau.

The foregoing eight points are by no means sure of achievement but represent what we consider within the bounds of possibility for the immediate future.

In our thoughts the "convention" might embody something approximating these eight points. In addition an agreement should be reached between the states to set up at once without waiting for ratification of the "convention" the Permanent Disarmament Commission. This Commission should have for its task the preparation of the general disarmament treaty using as a starting point the "convention" and the American, French, British and other plans of broader scope which have been or may be submitted. After ratification of the "convention" the Permanent Disarmament Commission would have all the powers provided for in the convention but until that time it would have only the task of preparing the general disarmament treaty. It could further be specified that after a fixed period the states would confer if ratification had in the meantime not taken place as to whether the work should be continued or abandoned.

We contemplate a "convention" of a limited duration, say from 3 to 5 years, and envisage it apart from the immediate achievement to be registered therein as a method of preventing the situation from growing worse and as an earnest of the reality of the desire to achieve a more far reaching general disarmament treaty. The very existence of this convention which because of its limited duration will be easier of acceptance by many states particularly under present financial conditions will facilitate the drafting of the general disarmament treaty. With the existing intergovernmental debt and national budgetary situation few states would have the temerity to state that they contemplated an increase in armaments within the proposed life of the convention. A convention of this character might be put into effect as between the parties upon ratification by the key states of Europe, the United States and Japan without awaiting universal acceptance except of course as to provisions where universal acceptance is a prerequisite.

Now as to the specific problem of Germany. We believe Germany should be given some inducement to cooperate and suggest the following:

(a) That in the "convention" the enlistment provisions for the Reichswehr be ameliorated and perhaps certain other concessions be made in regard to part 5 of the Treaty of Versailles subject to determination by negotiation.

(b) That assurances be given to Germany that the limitations for Germany will be incorporated in the general disarmament treaty under the same conditions and for the same duration applicable to other states. Further that on the coming into effect of the general disarmament treaty part 5 of the Treaty of Versailles will lapse.

(c) Ambassador Sackett now here suggests to us that if any way could be found to bring Germany into the general framework of the Washington and London Treaties it would insist on it meeting her views regarding equality of status and that as a participant she might be willing to accept under these conditions even less tonnage than the Versailles Treaty naval provisions. This might also furnish opportunity to ameliorate the French position as regards the pocket battleship question. We think this is an interesting thought and hope you will consider it. If we succeed in completing a Franco-Italian naval agreement this might furnish an occasion for bringing Germany into the picture.

It is our idea that the provisions appearing in the convention should form a transition ground between the provisions of part 5 of the Treaty of Versailles and those provisions of general limitation which are applicable to all states, Germany included, which will be found in the "general disarmament treaty" to be drafted.

On the basis of a convention such as outlined we feel that we should be on firm ground in refusing even to discuss as far as we are concerned any such far reaching political objectives as contained in chapter I of the French plan. However it is quite probable that they will ask some form of reaffirmation of the willingness to consult as set forth in the platforms of both parties.

WILSON

500.A15A4 Steering Committee/178 : Telegram

The Secretary of State to the American Delegate (Wilson)

WASHINGTON, November 22, 1932—5 p. m.

249. Your 465, November 21, 3 p. m. and 466, November 21, 5 p. m. The analysis we had prepared of the situation facing the conference as a result of the presentation of the French and British viewpoints was almost identical with your own.

I concur in your estimate of the weakness, and even the dangers, of the French plan, and I feel perhaps more strongly than you that Sir John Simon's speech failed to make any substantial contribution to the cause of disarmament. There seems to be very little of the

substance of the Hoover proposal left in either presentation, except for an attenuated acceptance of the principle of dealing with land effectives.

Given the difficulties of harmonizing the divergent approaches to the problem of disarmament, I fully approve your idea of endeavoring to negotiate as speedily as possible a convention of limited duration, during the life of which the disarmament commission should try to work out a detailed general treaty. The vital elements as I see it are: (1) speed in drafting, to profit by the better spirit which has recently been evidenced and (2) the utmost simplicity of form, keeping as far as possible to a statement of the broad principles agreed to and avoiding undue complexities.

Even if you succeed in obtaining agreement on only a portion of the eight points outlined in your 466, November 21, 5 p. m., but can actually sign a preliminary instrument within the next few weeks, its effect on world public opinion would be one of real encouragement, at a moment when it is urgently needed.

STIMSON

500.A15A4 Steering Committee/205 : Telegram

The American Delegate (Wilson) to the Secretary of State

GENEVA, December 1, 1932—3 p. m.
[Received December 1—11:20 a. m.]

470. The subcommittee upon manufacture of arms will begin a discussion on Monday³⁶ of the licensing systems both for manufacture and for traffic in arms now in existence among the states members of the committee as a preliminary to making recommendations either for a uniform system of licenses adopted under control of the states themselves or for an international system under the control of the Permanent Disarmament Commission.

While it is presumed that the latter suggestion is not acceptable to the United States it would be most helpful if prior to the Monday meeting the delegation could be informed in general of license systems now prevailing both for manufacture and for traffic in arms under the auspices of the Federal Government or of the individual States. It is realized of course that details of any such systems will be difficult to collect in time to be of use at this meeting but it would be appreciated if some general outline thereof in particular as regards Federal regulation could be sent to the delegation for use in this connection.

WILSON

³⁶ December 5.

500.A15A4 Steering Committee/217 : Telegram

The Secretary of State to the American Delegate (Wilson)

WASHINGTON, December 1, 1932—4 p. m.

254. Paragraph 4, your 452, November 14, 6 p. m., and final paragraph Department's 245, November 15, noon. Department is contemplating writing to Senator Borah urging favorable action on the Convention of 1925. Please telegraph any information which the Department should consider in this connection, together with your comments and recommendations.

STIMSON

500.A15A4 Steering Committee/213 : Telegram

The Secretary of State to the American Delegate (Wilson)

WASHINGTON, December 2, 1932—noon.

255. Your 470, December 1, 3 p. m. I perceive grave objections to the establishment of any system of licenses under the control of an International Commission. A system under the domestic control of each government within its own jurisdiction, with the specific means for carrying out the system left in so far as possible to the decision of the several contracting parties, and with full publicity, appears preferable from every point of view. Any proposal for the setting up of any form of international supervision of privately owned factories in this country would be certain to arouse strong opposition in the Senate.

An examination of the laws and regulations of 30 of the States of the Union reveals that such systems of licenses for the manufacture of and traffic in arms as exist in any of those States have nothing to do with munitions of war, as such, but are designed solely for the prevention of crime and for the safety of the public against accidents resulting from carelessness in the storage and transportation of explosives. Such systems as may exist in the remaining 18 States are presumably of the same nature.

There is no federal system of licenses governing the manufacture of arms.

The only existing system of federal licenses governing the traffic in arms is that which is based upon the Joint Resolution of Congress, approved January 31, 1922,³⁷ authorizing the President to issue proclamations restricting the exportation of arms and ammunition to any American country or to any country in which the United States exercises extraterritorial jurisdiction when such country is involved

³⁷ 42 Stat. 361.

in civil strife. In pursuance of this authority the President has, at various times, issued proclamations prohibiting the exportation of arms or munitions of war to Brazil, China, Cuba, Honduras, Mexico and Nicaragua, except under licenses granted by the Secretary of State for each individual shipment. Such proclamations are at present in force in respect to China, Honduras and Nicaragua. The procedure prescribed for obtaining licenses and the criteria under which they are granted differ in detail to fit the conditions existing in the several countries. In general a license is granted for any particular shipment when the lawfully constituted authorities of the Government recognized by the United States desire that the shipment be permitted.

STIMSON

500.A15A4 Steering Committee/212: Telegram

The American Delegate (Wilson) to the Secretary of State

GENEVA, December 2, 1932—2 p. m.
[Received December 2—10:30 a. m.]

471. Department's 254, December 1, 4 p. m. Although the Committee has not yet discussed the form that the final conventions concerning trade in and manufacture of arms shall take, it seems generally understood that the Convention of 1925 will not be recommended for further ratifications without certain changes. Furthermore, in the resolution by the Bureau on November 22 referring the Committee's report back for further consideration the following provision appears:

"The Bureau considers that it is already agreed that the provisions relating to the trade in and manufacture of arms and implements of war shall be included in the same legal instrument as the convention for the reduction and limitation of armaments".

This does not necessarily imply that a separate protocol may not be drawn up to embody the provisions agreed upon but merely that it shall be drafted within the general framework of the Conference and final disarmament treaty.

Among the changes in the 1925 Convention envisaged at the present time are modifications of the barred zone to meet the Persian request for exemption; amendments in the lists of categories to take care of arms, the use of which may be prohibited or restricted by the general convention; and the establishment of a uniform list both for manufacture and trade in arms. It is also possible that an effort may be made to require licenses both for import as well as for export ship-

ments and the deposit of copies of all such licenses issued by the governments with the Permanent Disarmament Commission.

In these circumstances the Department may consider it advisable to withhold its efforts to urge favorable action upon the 1925 Convention until more definite progress can be registered in this slowest of all the committees.

WILSON

500.A15A4 Permanent Disarmament Commission/32 :Telegram

The Secretary of State to the American Delegate (Wilson)

WASHINGTON, December 3, 1932—2 p. m.

258. Your 448, November 12, 1 p. m., and 449, November 12, 3 p. m., re chemical warfare. Insofar as possible endeavor to restrict the provisions of the report relating to violations, sanctions, et cetera, to European States. Our whole policy should be to avoid being drawn into the "inner concentric circle" of the French project with its elaborate organization, rules and plans for joint action.

If necessary to take a definite stand on the text submitted in your 448, you should be guided by the following general considerations:

Paragraph (1) Acceptable.

Paragraph (2) Subparagraph 1. Consultation among third States on the implications of a situation, the facts of which have already been established, can be accepted.

Subparagraph 2. In general, we oppose the principle of balloting under the circumstances described. The last clause providing that the minority "shall be under an obligation not to hinder the action of the majority" would not only bind us in respect to a situation which might arise in the future but leaves the scope of the situation undefined. It in effect asks us to sign a blank check, and deprives us of independent decision, and is thus at variance with our policies.

Subparagraph 3. This gives far more power to the Permanent Disarmament Commission than we had anticipated or would welcome.

Paragraph (3). No comment as this clearly applies to Europe only.

Paragraph (4). See second paragraph my telegram 242, November 12, 5 p. m.

STIMSON

500.A15A4 Steering Committee/219 : Telegram

The American Delegate (Wilson) to the Secretary of State

GENEVA, December 5, 1932—10 p. m.

[Received December 5—8:33 p. m.]

473. From Davis. Today Matsudaira gave me the text of the Japanese navy proposal. It is a closely knit plan involving qualita-

tive restrictions in all categories; quantitative restrictions and consequently ratios in the so-called offensive categories of capital ships, aircraft carriers and heavy cruisers; "uniform tonnage" for five principle powers in defensive categories of light cruisers, destroyers and submarines; and a system of general and special agreements based upon regional grouping. A study of full text is necessary for complete understanding. I presume that you may have been presented with a copy. If not shall I cable full text? [Davis.]

WILSON

500.A15A4 Steering Committee/223: Telegram

The Secretary of State to the American Delegate (Wilson)

WASHINGTON, December 6, 1932—2 p. m.

259. Your 473, December 5, 10 p. m. Department has not received a copy of the Japanese naval proposal. Please telegraph text if it is of reasonable length; otherwise telegraph a summary and follow with full text by open mail.

STIMSON

500.A15A4 Steering Committee/267

Mr. Norman H. Davis of the American Delegation to the Secretary of State

GENEVA, December 8, 1932.

MY DEAR MR. SECRETARY: I enclose herewith the complete text of the Japanese Naval Proposal which was summarized in my 477 December 7th 10 p. m.³⁸

Note: The words "*maximum tonnages, uniform to the five naval powers*" which have been underscored here and there in the text, may be misleading. These do not mean that each country may possess an equal amount in each of the categories in question (i.e., light cruisers, destroyers and submarines), but merely that the maximum in each category which *any* power of the group may possess is to be the same for all powers in the group. The actual allocation of tonnage in these categories is to be determined upon considerations of geographic and special circumstances, thus establishing, so far as the global tonnage of the three categories is concerned, a virtual ratio.

The Japanese Delegation has in mind to lay this proposal before the Bureau either at the end of this week (December 10th) or early next week. It has been privately circulated to the five powers only.

Sincerely yours,

NORMAN H. DAVIS

³⁸ Not printed.

[Enclosure]

Proposal of the Japanese Government

The Japanese Government, anxious for the realization of the project of disarmament, whereby the peace of the world is to be consolidated, have been doing their utmost, in co-operation with other Powers concerned, to contribute to the success of the present Disarmament Conference. Paying sincere respect to the initiative taken by the participating Powers, particularly by President Hoover and the British Government, in putting proposals before the Conference, the Japanese Government have given careful consideration to those proposals. Having found, however, that these proposals contain certain points with which the Japanese Government cannot associate themselves, they wish to submit their point of view in so far as the problem of naval disarmament is concerned.

It is the earnest desire of the Japanese Government that, for the purpose of qualitative and quantitative reduction of naval armaments, the following should be observed by the present Conference as its guiding principle: that the Conference, always relying on the basis of the three important resolutions adopted by the General Commission in the early stages of the Conference,—viz. those embodying the principle of reduction of armaments, the criteria for the limitation and reduction of armaments and the principle of qualitative disarmament—should seek to reduce those forces which are aggressive in character and strong in offensive power, and to find a fair and rational solution of the problem in such a way as to meet existing conditions, giving due consideration to the geographical situation and special circumstances of the various countries, so that the sense of security may not be impaired.

For the success of the Conference, the most careful attention should be given to the procedure to be followed in its future discussions. It is believed to be practically impossible for a World Conference such as the present one to seek to conclude a comprehensive agreement at a single stroke by having all the participating powers take part in the discussion of every problem regardless of whether it is of minor importance or of concern to only some of those Powers. Such a method would rather jeopardize the chance of ultimate success. In the future discussions of naval questions, therefore, and with a view to realizing the guiding principle set forth above, to facilitating the progress of the Conference, and to assuring the attainment of its object, the Japanese Government propose, as a practical and effective procedure, that:

1. The general outline of agreements to be concluded shall form the subject matter of prior negotiations between the United States,

the British Empire, France, Italy and Japan, as was contemplated by the resolution of the General Commission on July 23.

2. The agreements shall be of two kinds,—general and special. Discussions on matters of a general character will be followed by discussions on matters of a sectional and detailed nature.

3. A distinction shall be made between powerful naval vessels, which possess a high degree of relativity as between Powers, and less powerful vessels which, having a close relation to geographical situation and special circumstances, are primarily necessary for defence and patrol services; in other words, such vessels as capital ships, aircraft carriers and A-class cruisers on the one hand, and such vessels as B-class cruisers, destroyers and submarines on the other, shall be dealt with separately.

In the general agreement, qualitative limitation of all categories of naval vessels and quantitative limitation of capital ships, aircraft carriers and A-class cruisers are to be effected between the five leading naval Powers, so that the offensive power of these vessels will be greatly reduced; and the maximum tonnages, uniform to the aforementioned five Powers, for B-class cruisers, destroyers and submarines respectively shall be fixed.

In the special agreement, quantitative reduction to be applied mainly to B-class cruisers, destroyers and submarines shall be effected within each group of Powers most closely related, taking into account their geographical situation and special circumstances.

The Japanese Government think that the method outlined above should prove to be the most practical way to obtain a fair and equitable agreement.

A. GENERAL AGREEMENT

It is the purpose of this agreement to provide for qualitative limitation of naval vessels of all countries, together with a quantitative limitation among the United States, the British Empire, France, Italy and Japan, of vessels having a great offensive power and to fix the maximum tonnages, uniform to the said five Powers, for B-class cruisers, destroyers and submarines respectively.

1. Reduction in the unit size of the various naval vessels and the calibre of the guns shall be agreed upon.

2. The reduction and limitation of the tonnages of capital ships, aircraft carriers and A-class cruisers of the above mentioned five Powers shall be agreed upon.

3. The maximum tonnages, uniform to the five naval Powers, for B-class cruisers, destroyers and submarines respectively shall be agreed upon in the general agreement. The actual tonnages of these vessels to be retained by the five Powers shall, however, be fixed as low as possible within the above mentioned maximum, by means of special agreements, between the Powers in the respective groups to

which the said five Powers belong, taking the tonnages actually possessed by each Power as a basis and also bearing in mind the geographical situation and special circumstances of each country concerned.

4. As for the tonnages of the Powers other than the United States, the British Empire, France, Italy and Japan it shall be agreed in the general agreement that they shall be limited and reduced by means of the special agreements, upon the basis of the actual tonnages of the powers and with due regard to their geographical situation and special circumstances.

B. SPECIAL AGREEMENT

For the purpose of these agreements, the world shall be divided broadly into the Pacific, Atlantic, European and South American groups, and the limitation and reduction of the tonnages to be actually retained by a country shall be agreed upon between that country and other countries of the same group on the basis of the provisions embodied in the general agreement. (As for the United States, the British Empire, France, Italy and Japan, the special agreements apply to the tonnages of B-class cruisers, destroyers and submarines). A country which is closely related to more than one group shall participate in the negotiation of the agreement of each of those groups.

Throughout the discussions of the Conference in the first six months, the most important point unanimously agreed upon was the principle of qualitative limitation, which was adopted with the basic idea in mind of strengthening defensive power by weakening offensive power.

Having this end in view, the Japanese Government urge, first of all, the total abolition of aircraft carriers, which were admitted by a great majority of the members of the technical Commissions to be most offensive, most efficacious against national defence, and most threatening to civilian populations. The Japanese Government also urge the reduction in the unit size of all categories of naval vessels, especially that of capital ships and A-class cruisers.

In view of the fact that the basic idea referred to above of strengthening defensive power by weakening offensive power necessarily demands a larger sacrifice on the part of larger navies in comparison with that of smaller navies, the former should be prepared to take the lead in larger reductions than the latter. To apply the same percentage of reduction to both large and small navies alike would naturally impair the sense of national security of countries with lesser navy, and this sense of security will diminish as the measure of reduction is increased. It is absolutely necessary, therefore, that in effecting the reduction in the tonnages of vessels possessing a high degree of

relativity as between Powers, such as capital ships and A-class cruisers, the above consideration of national security should be taken into account in order that lesser naval Powers may not be disturbed in this regard. B-class cruisers and destroyers, having no great offensive power, are less important in the consideration of relativity. The tonnages required by each Power should therefore be determined primarily by the needs of that Power in view of its geographical situation and with due regard to the function of these types of vessels in coastal defence and protection of lines of communication in war time, and for patrol and similar services in time of peace.

Submarines, as was recognized by a large majority of the members of the Naval Commission, are of defensive and not offensive character. The degree of their relativity as between Powers is extremely slight and they constitute an arm indispensable for the defence of a lesser naval Power. The required tonnage should be determined, therefore, solely by the geographical situation and defensive needs of each country.

In short, the greatest importance should be attached to considerations of the geographical situation and special circumstances of each country in determining the tonnages of B-class cruisers, destroyers and submarines. The Japanese Government therefore propose that the actual tonnages of these vessels to be retained by the various Powers be determined by means of special agreements, and that the uniform maximum tonnages acceptable to all the Powers, for these three types of vessels, be stipulated in the general agreement.

In pursuance of the above considerations, the Japanese Government wish to put forward the following concrete proposal relating to the qualitative limitation to be embodied in the general agreement:—

The maximum unit size and gun calibre of vessels to be constructed in the future shall be reduced and limited as follows:

<i>Type</i>	<i>Tonnage</i>	<i>Gun-calibre</i>
Capital ship	25,000	14 inches (355 mm.)
A-class cruiser	8,000	8 inches (203 mm.)
B-class cruiser	6,000	6.1 inches (155 mm.)
Destroyer (including flotilla leader)	1,500	5.1 inches (130 mm.)
Submarine	1,800	5.1 inches (130 mm.)

Aircraft carriers shall be abolished, prohibiting at the same time the construction of aircraft landing platforms or decks on naval vessels.

A concrete proposal for the quantitative limitation of the tonnages to be retained by the five leading naval Powers has also been prepared. But the Japanese Government deem it appropriate that that proposal should first be examined by the said Powers.

The proposal of the Japanese Government based as it is upon the principles of disarmament which have received the approval of the public opinion of the entire world, offers, in their opinion, a fair, reasonable and practical solution of the problems of naval disarmament. In putting forward this proposal, the Japanese Government wish to make it clear that they are animated by the sincere desire to facilitate the successful conclusion of the Conference. It is submitted not only with the hope that the other naval Powers will encounter no difficulty in accepting it, but with the firm conviction that it will effect an enormous reduction in expenditures on armament that now weigh heavily upon the peoples of the world, and that it will lead the way toward the consolidation of a lasting world peace.

[Subenclosure]

Concrete Proposal

(1) The maximum unit size and gun calibre of vessels to be constructed in the future shall be reduced and limited as follows:

<i>Type</i>	<i>Tonnage</i>	<i>Gun-calibre</i>
Capital ship	25,000	14 inches (355 mm.)
A-class cruiser	8,000	8 inches (203 mm.)
B-class cruiser	6,000	6.1 inches (155 mm.)
Destroyer (including flotilla leader)	1,500	5.1 inches (130 mm.)
Submarine	1,800	5.1 inches (130 mm.)

Aircraft carriers shall be abolished, at the same time prohibiting the construction of aircraft landing platforms or decks on naval vessels.

(2) The strength of the British Empire, the United States, France, Italy and Japan in Capital ships and A-class cruisers shall be reduced to the following figures:

<i>Capital Ships</i>	<i>Tonnage</i>	<i>Number of units</i>
British Empire	275,000	11
United States	275,000	11
Japan	200,000	8

For France and Italy, the maximum tonnage shall be fixed at 150,000 (number of units being optional); and within that limit the actual tonnage to be allowed each Power shall be agreed upon by the Powers concerned.

<i>A-Class cruisers</i>	<i>Tonnage</i>	<i>Number of units</i>
British Empire	96,000	12
United States	96,000	12
Japan	80,000	10

For France and Italy, the maximum tonnage shall be fixed at 56,000 (number of units, 7); and within that limit the actual tonnage

to be allowed each Power shall be agreed upon by the Powers concerned.

(3) The maximum tonnage in B-class cruisers, destroyers and submarines for the United Kingdom, the United States, France, Italy and Japan shall be fixed as follows:

<i>Type</i>	<i>Tonnage</i>
B-class cruisers	150,000
Destroyers	150,000
Submarines	75,000

500.A15A4 Steering Committee/254 : Telegram

The American Delegate (Wilson) to the Secretary of State

GENEVA, December 13, 1932—noon.

[Received December 13—7:57 a. m.]

492. The Bureau of the Conference met this morning in secret session. On the motion of the President it was decided to propose to the General Commission tomorrow that the Bureau should meet again on January 23 and the General Commission on January 31. The President explained that the various committees would meet on earlier dates than that summoned for the Bureau in order to prepare their work as far as possible for submission to the Bureau.

On Massigli's intervention urging the discussion of the French plan as soon as possible by the General Commission the President stated that the Bureau would discuss the agenda for the meeting of the General Commission on January 31 and that there was no reason why a general explanation and discussion of the French plan could not be undertaken at once upon the convening of the General Commission and that this explanation and discussion would follow the same broad lines as that accorded to the plan of the President of the United States when submitted.

WILSON

500.A15A4 General Committee/141 : Telegram

The American Delegate (Wilson) to the Secretary of State

GENEVA, December 14, 1932—3 p. m.

[Received December 14—12:03 p. m.]

496. This morning's session of the General Commission was devoted to a discussion of the Five-Power declaration³⁹ following a statement by the President summarizing the action of the Bureau taken since July 23rd resolution. While all speakers welcomed the declaration and the return of Germany to the Conference representa-

³⁹ *Post.* p. 527.

tives of the smaller states in particular Poland, Yugoslavia, Rumania, Uruguay, Belgium, Spain, China, Argentina and Ireland considered that the method of private conversations was one which should not be adopted as a normal form of procedure for the Conference. They felt that only by discussion of all questions in duly constituted organs of the Conference with the collaboration of all states can success be assured and the interests of all participating powers given due consideration.

Massigli followed by Simon pointed out that occasionally such conversations in limited groups were required to overcome certain obstacles but were not to be considered as substitutes for the regular machinery of the Conference.

In the name of the German delegation Weizsäcker thanked the President and the speakers for their words of welcome and assured the Conference that Germany would resume its collaboration when its active work began in January. The spirit of good will and confidence manifested by the Five-Power agreement was one which in his opinion would bring the Conference to a speedy, successful and satisfactory conclusion in the common interests of all states.

After the approval of a resolution welcoming the Five-Power declaration and thanking the representatives of those powers for the success of their efforts Henderson explained the decision of the Bureau to reconvene the next meetings both of the General Commission and Bureau in January and adjourned the session.

WILSON

III. DEMAND OF GERMANY FOR EQUALITY OF ARMAMENTS

763.72119 Military Clauses/1 : Telegram

*The Acting Secretary of State to the Ambassador in Germany
(Sackett)*

WASHINGTON, August 17, 1932—5 p. m.

97. The United Press despatch from Berlin reports that Germany and France are on the point of initiating direct negotiations concerning the limitations placed on German armaments by the Treaty of Versailles.⁴⁰ The first conversations, according to this report, are expected to begin some time next week upon the return to Berlin of the French Ambassador.⁴¹

Do you have any information which would confirm this story?

CASTLE

⁴⁰ *Treaties, Conventions, etc., Between the United States of America and Other Powers, 1910-1923* (Washington, Government Printing Office, 1923), vol. III, p. 3329.

⁴¹ André François-Poncet.

763.72119 Military Clauses/2 : Telegram

The Ambassador in Germany (Sackett) to the Secretary of State

BERLIN, August 18, 1932—5 p. m.
[Received August 18—2:18 p. m.]

162. Reference to your telegram 97, August 17, the report was based on recent interviews with von Papen and Neurath by Mr. Kaltenborn of Columbia Broadcasting Company whose contemporaneous notes of the conversations I have seen.

Dr. Dieckhoff of the Foreign Office confirms the report that conversations between Germans and French will shortly take place. He said that Germans demand such modifications of the treaty requirements as would permit a more economic use of German military budget without, however, increasing the amount of the budget as well as the removal of certain hardships. He cited especially relief from the 12-year service period for enlisted men which tended to destroy morale of the Army. Through such proposed changes a formula could be found that would satisfy the demands for "equality" the lack of which prevented the Germans from voting for Geneva adjournment and which would make possible Germany's re-participation in the Conference. He thought the French, as the result of many previous unofficial conversations, appreciated the need for concessions to meet the situation.

The French Embassy informs me, however, that in so far as France was concerned no official negotiations as such had taken place nor did the Embassy expect any instructions in the premises. The Embassy, however, admitted that informal conversations covering treaty changes as to German armaments had taken place from time to time at Berlin, Geneva, Lausanne and Paris but exclusively upon the initiative of the Germans. Furthermore, that the French Embassy was impressed with the merits of certain German arguments and had recommended to its Government a more conciliatory attitude toward the German demands.

SACKETT

763.72119 Military Clauses/3 : Telegram

The Ambassador in France (Edge) to the Secretary of State

PARIS, August 29, 1932—6 p. m.
[Received August 30—8:55 a. m.]

502. For the Secretary and Under-Secretary. With reference to the Department's telegram to Berlin No. 97, August 17, 5 p. m.; and to Berlin's reply No. 162, August 18, 5 p. m., I learn from the Foreign

Office that the conversations in question will probably begin within the next day or two. These conversations are being held on the insistence of the German Government. Leger, the official at the Foreign Office with whom we spoke, feels that the German Government will, in order to obtain acceptance of its demands, use the threat not to attend the sessions of the Disarmament Bureau⁴² commencing at Geneva on September 20th next unless they are acceded to. He feels that the German reason for opening these discussions at this time is twofold: not only as stated in order to be able to use the threat not to attend further disarmament discussions unless complied with but to see how far the Allied Governments are still preserving a common front on such questions. Leger states that unfortunately it is perhaps true that the Germans may be able to count on Italy's support as the latter, since the Lausanne and Geneva conferences, have shown a very intransigent attitude. As to the British he would like to feel that the French can count on them as supporting their position but I judge that thus far they have no definite assurance to this effect. They would also like to feel that they can count on our collaboration and moral support which they realize is all we can possibly give them. France, Leger states, is ready as they have already stated officially to grant Germany equality of rights, adding that she would have this in signing the disarmament treaty on an equal basis with the other powers but is absolutely unwilling to concede either equality in fact or even such increases and changes as the Germans are now demanding. His arguments were along these lines: the nations of the world have met at Geneva to try to evolve a formula for drastic reductions in armaments. France has hitherto not been able to go as far as she would have wished and other nations would wish because of her feeling of insecurity largely due to the uncertain attitude and state of mind in Germany today. With this uncertainty daily increasing Leger asks is it fair to ask France not only to agree to further disarmament but to make concessions to Germany to enable her to increase her own armaments and effectives. He admitted that while the German demands might not on first examination seem to be very drastic (he said they had every reason to believe that their information as to what would be asked was, reduction in the term of service of the Reichswehr from 12 to 6 years, the building of a certain number of military planes, heavy tanks, et cetera) it was perhaps more the principle involved as well as the fact that they would then have the models ready so that they could be duplicated in large numbers on short notice that determined France's position.

Leger indicated that the French Government considers this test one

⁴² See pp. 322 ff.

of the most critical that has arisen since the war. If the other powers signatory to the treaty accede to the German demands the French Government will be forced to face the issue alone in which case he feels it will be difficult to foresee the extent of the consequences on disarmament and other questions.

Herriot left for the Island of Jersey yesterday where he is to meet Sir Herbert Samuel and it seems very probable that he will there attempt to obtain British support of the French position.

If you feel that the French position is a reasonable one and are inclined, as Leger indicated they hoped would be the case, to give them your moral support, would you consider the possibility of authorizing me to see Herriot and convey some informal message from you to him. I am emboldened to make this suggestion in view of the conversation you had on July 25 last with the German Ambassador a memorandum of which you were kind enough to forward me under cover of your strictly confidential despatch No. 1249 of August 4th last.⁴³ My particular reason for making this suggestion is that if we do feel that the French position on this matter is reasonable a word to this effect to the French at this time might be extremely helpful in other directions.

EDGE

763.72119 Military Clauses/7 : Telegram

*The Acting Secretary of State to the Ambassador in France (Edge)*⁴⁴

WASHINGTON, September 2, 1932—noon.

311. Your 502, August 29, 6 p. m. The German Chargé⁴⁵ came in to see me on August 31 to tell me of the conversations which had begun between Germany and France as a result of Berlin's demand for equality of rights in the matter of armaments. He explained the German thesis at some length and added that unless the principle of equality were acknowledged by France in advance, there would hardly be any reason for Germany to collaborate further in the Conference at Geneva.

I recalled to the German Chargé that the Secretary had told von Prittwitz as far back as July 21 that this "demand" was a reversal of the attitude which Bruening had taken with the Secretary in Geneva last spring. At that time Bruening had told the Secretary and MacDonald jointly, (the fact that MacDonald was present does not appear in the Secretary's memorandum to which you referred,

⁴³ Not printed.

⁴⁴ See penultimate paragraph for instructions to repeat to Berlin, London, Brussels, and Berne.

⁴⁵ Rudolf Leitner.

but is an item of considerable importance) that he would be satisfied to have the present figures of armament inserted in the new treaty, making only reservation to the effect that this was done voluntarily. Any maneuver by the German Government which would tend to break up a Conference from which she had the most to gain would disturb international confidence in Germany and unsettle the world.

I told Leitner that what was true then was true today. On the one hand this country, not being a party to the Versailles Treaty, was only academically interested in the legalistic phase of the discussion. On the other hand, as a participant in the Disarmament Conference and a protagonist of real reduction of arms, our interest was so real that if Germany, by making extravagant demands, should break up the Conference and prevent disarmament, I felt that the trend of opinion in this country would turn strongly against Germany. Furthermore, it seemed to me that Germany was making this demand at a most unfortunate time since political conditions in Germany were very unstable and France, perhaps rightly, feared serious trouble. Germany could get the equality it wanted during the course of the years, by proving itself stable and pacific, and by winning the growing confidence of the nations. This would be facilitated by a gradual reduction of arms in other nations and not by an increase of armament in Germany.

I concluded that while this country was sympathetic with the desire of Germany to have fair play, I wished to reiterate that we were greatly in favor of disarmament, and that anything which looked like a move in the opposite direction, as did her present demands, would be received with deep disfavor.

The French Chargé d'Affaires ⁴⁶ called yesterday to explain to me the French thesis, and to ask us to help persuade the German Government to postpone the matter until all the nations met again in Geneva. In reply I authorized him to tell his Government that I had discussed the matter with the German Chargé as outlined above, again emphasizing that we were not interested in the Treaty of Versailles angle, but only in the general question of world confidence and world disarmament.

Please repeat the foregoing to Berlin, referring to Sackett's 168 September 1, 6 p. m.,⁴⁷ by telegraph, and to London, Brussels and Berne by mail.

I do not think it would be wise to seek out Mr. Herriot and volunteer this information, but if he should raise the subject with you I can see no harm in your explaining to him our position.

CASTLE

⁴⁶ Jules Henry.

⁴⁷ Not printed.

763.72119 Military Clauses/16

Memorandum by the Secretary of State

[WASHINGTON,] September 7, 1932.

The British Chargé, Mr. Osborne, came and presented me with an *aide-mémoire*, which is annexed hereto, concerning the representations which Sir John Simon has made to the German Government on the subject of their *démarche* in regard to equality of arms. He also read to me from a telegram a few sentences, indicating that Sir John felt and had stated to the German Government that this was a very dangerous move for them to make at this time. In this telegram he stated also that the German Government had defended itself by saying that their attitude was merely a continuation of the position taken at Bessinge last spring in Geneva.

I at once said that this statement was not in accord with the facts; that my recollection was that Chancellor Bruening at Bessinge had taken a very different position from what the German Government was now reported as taking towards the French. I told Mr. Osborne that according to my recollection at Bessinge, at an interview at which Mr. MacDonald and Lord Londonderry, Chancellor Bruening and von Buelow, and myself and Mr. Gibson and Mr. Wilson were present, Chancellor Bruening said that Germany did not seek to raise her armament, nor did she expect France to come down to her level, that she only asked that France would make a material reduction paving the way for further reduction in the future and Germany asked to be relieved only from certain very technical or minor inconveniences. I then sent for my diary and read to Mr. Osborne the memorandum of the interview in question at Bessinge which took place on April 26, 1932,⁴⁸ and which entirely corroborated my recollection.

I told Mr. Osborne that I was inclined to sympathize with Sir John's apprehension, and Mr. Osborne asked me whether I intended to make any similar representation. I said I understood that Mr. Castle had already had a talk with the German Chargé on the subject and I would look into that and see whether any further representation was necessary on my part as I had just returned from an absence. But I told him to assure Sir John Simon that I shared his apprehensions and sympathized with his desire that Britain and America should consult with each other on the subject in order to avoid misunderstanding or divergence of action; that in general I was sympathetic with his attitude.

H[ENRY] L. S[TIMSON]

⁴⁸ For text of memorandum, see p. 108.

[Annex]

The British Embassy to the Department of State

AIDE-MÉMOIRE

On August 26th Sir John Simon informed the French Ambassador in London,⁴⁹ in reply to an enquiry from His Excellency, as to whether the German Government had made any representations to His Majesty's Government in the United Kingdom on the lines of their approach to the French Government in regard to equality, that so far as he knew, no such representations had been received. Count Bernstorff had, however, said, when notifying the adherence of Germany to the Anglo-French Consultative Declaration,⁵⁰ that the matter would be raised.

2. Sir John said that as soon as any specific communication was received by His Majesty's Government, M. Herriot would be fully informed. The French Ambassador said that M. Herriot would keep His Majesty's Government no less fully informed.

3. Sir John said that there were three possible courses with regard to the German claims. The first was to reject them outright, the second and third alternatives were either to contemplate some upward change in German armaments, or to secure on the part of Germany's neighbours a real reduction in armaments. He would like to know what attitude the French Government would adopt to the German demand; he himself disapproved of the first alternative and strongly deprecated the second; His Majesty's Government wished to see a method of treatment which would promote general disarmament, applied to Germany's aim.

4. The French Ambassador replied that M. Herriot was not proposing to reject the German claims outright; he would discuss the question and see whether agreement could be reached.

5. Sir John said that time would be necessary for consideration of the representations which it was understood the German Government would make. He would make a communication to the French Government a little later. In the mean time the question whether His Majesty's Government could usefully urge upon the German Government the inexpediency of raising the matter in a challenging form at the present moment, was under consideration.

6. The French Ambassador thought that it would be more useful if His Majesty's Government were to intervene on broad lines later on, and Sir John gained the impression that the French Government had come to the conclusion that a point had been reached where Germany was determined to raise the question specifically with them.

⁴⁹ Aime Joseph de Fleuriau.

⁵⁰ See pp. 691 ff.

7. On August 29th a further conversation on the subject took place between Sir John Simon and Count Bernstorff, of which the following is Sir John's summary:—

"I told Count Bernstorff today that I had heard from the French Ambassador that the German Government contemplated early discussion with the French Government regarding Germany's claim to equality of status in armaments. I understood that Herr Von Bülow added that Germany was approaching France alone because other Powers had raised no objection to the broad outline of the German claim. In order to avoid misapprehension I had told the French Ambassador that we had received no representations from the German Government on the subject beyond Count Bernstorff's intimation, when notifying the German adhesion to the Anglo-French declaration, that diplomatic negotiations on German claims would be started. The question had not been raised since, though the possibility of Part V of the Treaty of Versailles being in effect overlaid by the final Disarmament Convention had been discussed informally at Geneva in April. Count Bernstorff confirmed my statement, whereupon I observed that there seemed to me no basis for inferring our assent. We had exchanged ideas, but certainly never expressed judgment. Count Bernstorff suggested that our side had derived from the conversation (between Herr von Bülow and Monsieur François-Poncet) an impression that was not intended. I said that at any rate there was now no possible misunderstanding, and asked him to inform the German Government accordingly. I then said that we regarded the present as a very inopportune moment to raise the discussion on the German claim. The immediate necessity of Europe was economic recovery, which must take precedence. The Lausanne settlement was provisional and nothing would prejudice success more than an upset of confidence. A big discussion with France was most likely to precipitate a clash of French and German public opinion. I requested Count Bernstorff therefore to represent strongly to the German Government our view that this was very unacceptable course to take at present.

"Count Bernstorff undertook to report what I had said. The German intention was to continue the Geneva discussions of last April, and, in the first place, to ascertain privately how far the French would meet the German view. I remarked on the difficulty of insuring secrecy. Moreover the April conversations had been quadrilateral. As regards the expediency of raising the questions Count Bernstorff referred to the German internal situation. Germany was united in its disappointment at the result of the Disarmament Conference. I pointed out that only the Bureau of the Conference was to meet in September. The Conference would probably not resume till early next year.

"Before Count Bernstorff left, we exchanged assurances that the two Governments would keep each other fully informed. I said that this seemed to me doubly desirable in view of the recent Consultative Declaration."

8. On September 1st the German Chargé d'Affaires communicated to the Foreign Office the text of a memorandum handed to the French

Ambassador in Berlin on August 30th and made at the same time the following verbal communication.

(i) The German Government hoped that His Majesty's Government would not abandon the attitude adopted at Geneva and Lausanne regarding the German claim to equality of armaments. In the interest of peace a solution must be found for the problem. The German claim was to equality of status, not actual parity and failing agreement it would be impossible for the German Government to take part in the meeting of the Bureau of the Disarmament Conference.

(ii) The German Government wished to reply to the representation made to Count Bernstorff on August 29th. Both at Geneva and at Lausanne agreement in principle had been reached, and the German Government therefore did not understand why His Majesty's Government now said that they had never approved the German point of view. The decision taken up now was the result of agreement reached at the Disarmament Conference between Herr Nadolny and M. Herriot. A conflict of opinion with France need only occur if the French Government were intransigent. The German Government would reply to any charges of infraction of the disarmament clauses with the greatest equanimity.

WASHINGTON, September 6, 1932.

763.72119 Military Clauses/25

Memorandum by the Secretary of State

[WASHINGTON,] September 8, 1932.

During the call of the German Chargé, Herr Leitner, he brought up the subject of the *démarche*. He produced the annexed paper which, he said, was the paper presented to France. It was understood by the German Government to be presented in confidence but, unfortunately, was published the next day, together with certain statements that Germany was about to arm by the method of building its number of munitions factories; all of this was not true.

The history of the situation was that the matter of the principle of equality came up at Lausanne⁵¹ and the British approved in principle but would not take it up at Lausanne because it was thought not to be germane. This was on July 6th, and the fact that this was done was mentioned in the *procès-verbal*.

Herr Leitner said that Germany was always for disarmament but found it very difficult to remain in that situation in view of the principle of equality of rights which obtains as a basic and fundamental principle in the family of nations. He referred to the repre-

⁵¹ For correspondence concerning the Conference at Lausanne, June 16-July 9, see pp. 636 ff.

sentations and promises which were alleged to have been made by the victorious nations in and at the time of the Versailles Treaty, and he also quoted a statement of Henderson's, made a year or two ago, to the effect that Germany had a treaty right to have the other nations disarm.

After he had finished and had suggested that his Government would be glad to have my view, I said in substance first, that this was the first time that I had received the document in question and, as my only information in regard to its contents was hearsay and indirect, I was at a disadvantage in commenting on it. I said that our chief interest in the matter was that we were interested in disarmament and therefore we were interested in the method by which the principle of equality which Germany rested upon should be attained. It might conceivably be attained by Germany going up on her armament or the other nations coming down. If the former were proposed we should be deeply interested on account of the disastrous effect which it would have upon the Disarmament Conference at Geneva.

Herr Leitner at once said that there was no proposal in this paper that Germany should arm. On the contrary, she did not wish to arm—she had no money to arm with. I then said there was one other consideration that I felt was necessary to mention because it had been mentioned by two others. I understood that when this was presented to the British, and probably also to the French, it was stated that the position taken in this paper was the same as that taken by the German Government at Bessinge, my house in Geneva, last April at a conference between the British and the Germans. If the position taken by the Germans was as it had been represented in the press reports of this *démarche*, I could only say that it must be very different from the position taken at my house, as to which my recollection was very clear. I then stated that there the German representatives said that they had no desire and made no request to increase their armament and that they showed great moderation and patience in their demand that the other governments should come down, recognizing that disarmament is necessarily a matter of gradual performance and takes a good deal of time. Herr Leitner said again that Germany did not seek to go up and that she was very moderate in her demands about going down but that she had waited a long time and that a new generation had grown up since the peace treaties which saw no reason for Germany remaining in a condition of inequality. I then said that I would have the paper translated and read it with great care but, subject to that, I would say that I was considerably worried and disturbed that Germany had brought up this question just at this time when there were so many disturbing elements and so much instability in the world and when we needed

the influence of all of the great and stable powers, like Germany, in the interest of peace. I reminded Herr Leitner that Germany had just received a very great concession at Lausanne and that to follow that concession, which had been made to her there, so promptly by a demand of a disturbing character had made a very painful impression on the world. So I gave him as my final message to his Government that if they wished to know what my view was it would be that they should exercise the utmost patience and forbearance in regard to bringing up any such questions and that they should throw their influence with the rest of us in seeking to stabilize rather than to unsettle the world.

H[ENRY] L. S[TIMSON]

[Annex—Translation]

(1) After the last Geneva negotiations concerning the disarmament problem, an attempt must be made to clear up at once by diplomatic means the question which the German delegation raised in its definitive declaration of July 22. For this purpose the German Government, pursuant to the confidential conversations already held in Geneva with the French representatives on this subject, would like to get in touch in the near future with the French Government. It is of the opinion that a confidential discussion between the German and the French governments, in which the views and desires of both parties shall be openly expressed, is the best means of bringing about an understanding. If the French Government is prepared for such a confidential discussion, both governments are, of course, at liberty to inform the other governments chiefly concerned, such as, in particular, the British, Italian, and American governments in an appropriate manner, and, at the proper time, to bring about their participation in the negotiations.

(2) The attitude of the German delegation with regard to the resolution of July 29th [23rd] of the General Commission⁵² was determined exclusively by reasons inherent in the question itself, and was unavoidable. The resolution establishes important points for the definitive disarmament convention, and, indeed, in a manner that already shows that the convention will fall very far short of the Versailles treaty in the reduction of armaments.

For this reason alone it was impossible for the German Government, which in view of this treaty, for the juridical and political reasons which it has often set forth, sees in the task of the Conference a much more radical disarmament of all countries, to assent to the resolution. There was however also another viewpoint involved. As

⁵² *Ante*, p. 318.

a matter of fact, the conclusions reached had no meaning for Germany at all. For in spite of the discrepancy between the disarmament regime provided for in them and the regime of the Versailles treaty, the question remained entirely open in the resolution as to whether the conclusions reached were to apply to Germany. As long as this question is not cleared up, it is impossible for the German delegation to cooperate even in the future discussions of the definitive adjustment of the individual points of the disarmament problem.

(3) Under these circumstances, the resolution of July 23rd immediately brought up the fundamental question, which in the discussion up to the present has been called the question of the equal rights of Germany. From the beginning of the disarmament conference, Germany has asserted her claim to equality of rights, and has repeatedly made plain the significance and extent of this claim, not only within the framework of the discussions themselves in the conference, but also through diplomatic channels and in unofficial conversations between the representatives of both sides. In order to prevent any misunderstanding in this respect, what Germany understands by equality of rights and how she conceives from a practical point of view the realization of this principle, will be once more set forth hereinafter in résumé.

(4) In this connection, it must be stated as a premise, that in view of the drastic form of general disarmament desired by the German Government, there are no stipulations that Germany would reject, on account of the extent of the obligation inherent in them, if the general regime to be created by the convention applies to all states. Accordingly, Germany has always demanded that the other states reduce their armament to a status which, in view of the special conditions in each country, corresponds in kind and extent to the status of armament which is imposed on Germany by the Versailles Treaty. The claim of Germany to equality of rights would thereby receive consideration in the simplest way. The German Government was, however, to its great regret, obliged to infer from the resolution of July 23rd, that the convention will not correspond to the Versailles standard either in methods or extent of disarmament.

Under these circumstances, nobody can expect that the German Government will be reconciled to a result of the conference, which for the heavily armed countries will involve only a slight change in their present status of armament, while for Germany, on the other hand, it would maintain the Versailles status. Germany has the same right to security as any other state. Therefore the question at present can be only that of considering how the way can be prepared by the first convention for the necessary adjustment of armament and thereby the realization of the national security of all states.

(5) In this respect three elements of adjustment may be differentiated: namely (1) the juridical form of adjustment; (2) the period of its application, and (3) its material content. It is obvious that there is but one conceivable solution for the first two elements. The juridical form as well as the period of validity of treaty obligations must hereafter be the same for Germany as for all other states. If a distinction unfavorable to Germany were established on these two points it would mean that Germany must also continue to play the role of a second-class nation in the field of armament. Therefore the only solution can be that for Germany the Disarmament Convention shall replace Part V of the Versailles Treaty, and that with regard to the period of its validity as well as with regard to the juridical status after its expiration no special stipulations shall apply to Germany.

(6) In contrast to the two first elements of adjustment the material content of this adjustment affords room for negotiations. The German Government certainly cannot forego appropriate expression in the convention of her right to a status of armament in keeping with her national security. She is, however, ready to acquiesce for the period of the first convention in certain modifications of her status of armament because she is of the opinion that after the expiration of the first convention there must be another convention which will go much further in the reduction of the armaments of the heavily armed nations, and that more justice will be done thereby to the German standpoint in the disarmament question. In order to present an idea of the measures to be considered for a reconstruction of the German defense forces, the German Government would like to explain a few principal points as follows:

(7) In the field of qualitative disarmament the German Government is ready to accept every inhibition of arms that will apply in equal measure to all states. However, those classes of arms which are not universally forbidden by the Convention, must in principle also be permitted to Germany.

So far as the system of defense is concerned, the German Government must also claim the right enjoyed by all other nations to organize it, within the framework of the stipulations universally applied, in a manner to meet the needs, as well as the economic and social characteristics of the country. In this connection there is the question, on the one hand, of changes in organization, as for example gradations in the active period of service of those serving for long periods, and freedom in the organization of the defense forces; and on the other hand, of the short term training of a special militia liable to military duty, for the purpose of maintaining internal order as well as for coast and boundary defense.

Of course the German Government, in carrying out its proposed measures will take into account the financial situation of the Reich.

(8) In remarks made by the French Prime Minister, in direct connection with the question of German equality of rights, the importance of the question of security for France was recently again emphasized. The German Government cannot very well take any position in this respect at present, as it does not know the object of the actual desires of the French Government. The German Government, however, will always be ready to discuss plans, that serve the purpose of establishing equal security for all states.

(9) In conclusion, the German Government would like to make the following remarks: In view of the existing juridical and factual situation it confidently hopes that the foregoing statements will convince the French Government of the fair and moderate character of German intentions, and that they will open the way to a speedy understanding. As a matter of fact the state of affairs today is such that the question of German equality of rights must no longer remain unsettled. The necessity of its solution is shown by the previous course and the present status of the Geneva disarmament negotiations, as well as by reasons connected with the general international situation. It will contribute materially to eliminate existing tensions and quiet political relations, if military discrimination against Germany, which is felt by the German people as a humiliation, and which at the same time hinders the restoration of peaceful stability in Europe, finally disappears.

763.72119 Military Clauses/31 : Telegram

The Ambassador in France (Edge) to the Secretary of State

[Extract]⁵³

PARIS, September 10, 1932—4 p. m.

[Received September 10—2:25 p. m.]

525. Herriot received Senator Reed and myself yesterday afternoon accompanied by Marriner.

At the opening of the conversation Herriot referred to the fact that the negotiations on the commercial treaty⁵⁴ seemed to be proceeding smoothly. Reed told him that the conclusion of such a treaty at this time would be of great value to France in American public opinion.

Herriot was fully aware of the American lack of sympathy with German claim for rearmament and was extremely grateful for it. He

⁵³ For the extracted portions of the telegram, see vol. iv, p. 239.

⁵⁴ See vol. II, pp. 195 ff.

said that since his coming into power he had done his utmost to promote disarmament which was a necessity for France as well as for the rest of the world and which was deeply ingrained in the mass of the French people especially the peasants. Nevertheless he said at the present moment, with the German mental state what it seems to be, he really was fearful of the situation. He said that all their reports indicated that the secret store of arms was very great; that there were depots of arms just across the Dutch frontier; that the Russians had manufactured for Germany forbidden categories of arms and that an order for periscopes had been received by a factory near Rotterdam thus indicating the possibility of the concealment of submarines. Furthermore, he said that any nation that could on a Sunday produce a demonstration of disciplined men to the extent of 120,000, as the Stalheim demonstration at Tempelhof, only lacked the arms to make them a menace to Europe. He, therefore, said that France, in view of its closeness to Germany, was in a different position than the United States although he could and did appreciate our helpful attitude and intended in his speech at the American monument ceremony at Meaux on Sunday to thank America for her great impetus along the lines of disarmament as outlined in the Hoover proposal as well as for her contribution to the workings of the machinery of peace as set forth in Mr. Stimson's speech of August 8th last.⁵⁵

He said the note which he was to communicate to Germany in reply to their note to him asking for "confidential conversations" was merely a refusal to enter into such confidential conversations in view of the fact that France was not the sole country interested in the matter and could not undertake to give up the rights of others including those reserved by the United States to itself in its separate treaty with Germany without consultation with these other powers. He then proceeded to outline the note reading passages of it along the lines of Leger's and Ray's exposé to Marriner (see my 520 September 8, 4 p. m.)⁵⁶

He said that France at the moment was more disturbed with reference to Germany's activity and state of opinion than for many years and in examining his conscience he thought that these fears were justified. He said that Von Papen had proposed an arrangement or understanding between the general staffs of the two countries and when Marriner said that this was done at Lausanne the Prime Minister said yes and that the suggestion had been renewed more recently. He said, however, that he was opposed to this type of alliance and ar-

⁵⁵ *Post*, p. 575.

⁵⁶ Not printed.

rangement which had been the cause of many of the difficulties of Europe and possibly of the Great War and that he was all against secret diplomacy and in favor of upholding the peace machinery of the world in all its forms and of the League of Nations in particular.

EDGE

763.72119 Military Clauses/75 : Telegram

*The Secretary of State to the Ambassador in France (Edge)*⁵⁷

WASHINGTON, September 16, 1932—1 p. m.

325. For your guidance.

1. The following is a brief summary of the attitude of this Government in respect to the German demand for arms equality as I have explained it in informal conversation to the interested Ambassadors here.

2. Our immediate concern in the German demand is twofold: (a) its effect upon the course of disarmament, and (b) its relation to international regard for treaty obligations.

3. We have for many years taken an active part in the work of disarmament through its various stages and are now engaged in negotiations at the Geneva Conference looking toward a general treaty for the reduction and limitation of armaments. We have viewed such a reduction as imperative not only to give the world economic relief, but to remove the menace of competitive armaments to world peace. We do not feel that in spite of its slow progress the disarmament Conference has failed; on the contrary, our negotiators have reported that they look forward to concrete measures of success. They do not go so far as to anticipate immediate disarmament on the part of all Powers to the present German level, for disarmament is bound to be a continuous process, marking by successive stages one reduction after another in existing armaments. This was clearly the development contemplated by the signatories of the Treaty of Versailles, as well as by the United States when it incorporated into its bilateral Treaty of Peace with Germany signed in 1921⁵⁸ all the rights and advantages defined in Part V of the Treaty of Versailles. In our opinion a decision by Germany to seek equality by increasing her armaments would reverse the process we are now engaged in, of lowering armaments, and would seriously jeopardise the success of the Conference.

⁵⁷ See last paragraph for instructions to repeat to London, Berlin, Rome, Berne, Madrid, and Brussels.

⁵⁸ *Foreign Relations*, 1921, vol. II, p. 29.

4. This Government does not, for the present at least, desire to commit itself with respect to the justice of Germany's juridical claim for "equality of rights". I am taking the position that it seems regrettable to us that this point should be emphasized by Germany at the present time, when the question of real importance to all nations concerned, including Germany, is rather the practicable one of securing the greatest general reduction of armaments possible.

5. In addition to the foregoing, we are deeply interested in the vital character of certain treaty obligations which the nations of the world have entered into since the Great War with a view to promoting the peace of the world and rendering future wars impossible. We are not parties to all the treaties that have been concluded for this purpose, as for instance the Treaty of Versailles which includes the Covenant of the League of Nations, but we are a party to the Pact of Paris⁵⁹ and we are also a party to the so-called Nine Power Treaty relating to the Far East.⁶⁰ All of these treaties rest on the basis of good faith between nations when they assume obligations. Whenever it becomes necessary to modify a treaty in the interest of justice and fairness, this modification should be made not by violence or by threats, but by consultation among the interested nations. This basic principle underlies all treaties, and if it is disregarded in the case of one treaty, it will necessarily affect the good standing of other treaties. It explains, in short, why in the interest of world peace, we attach especial importance to having any changes or modifications which may be made in the Treaty of Versailles brought about by methods of conciliation and mutual agreement rather than by threats or precipitate action.

Please repeat by telegram to London, Berlin, Rome, Berne, and Madrid, and by mail to Brussels.

STIMSON

763.72119 Military Clauses/91

Memorandum by the Secretary of State

[WASHINGTON,] September 18, 1932.

Mr. Osborne, the British Chargé, called at Woodley at nine o'clock and left with me a statement, annexed hereto, of the views of the British Government on questions arising out of the notes exchanged between the German Government and the French Government regarding the work of the Disarmament Conference. This paper was printed by the press on the Monday morning following. When Mr.

⁵⁹ Treaty for the Renunciation of War, *Foreign Relations*, 1928, vol. I, p. 153.

⁶⁰ *Ibid.*, 1922, vol. I, p. 276.

Osborne handed it to me, I read it through and told him one thing was clear about it,—that it was the work of an able lawyer. He said yes, he thought Sir John Simon had done it himself. I told him that the analysis of the purpose and effect of the Versailles Treaty which it contained seemed to me, on this quick reading, to correspond substantially with my own view. I then called Mr. Osborne's attention specifically to the sentences in the last two-thirds of page five⁶¹ and said that these statements seemed to me to indicate that the British proposal would refer the question of whether or not the Versailles Treaty was to be amended, as well as the naval treaties of Washington and London, to the Disarmament Conference and that burning question would come up there; that otherwise if they were not amended those old treaties would stand. I said the paper indicated, however, that London thought the best result would be to have them all embodied into a general convention. Mr. Osborne replied that he had not gathered that impression before but when he looked it over he rather agreed with me. I said to him, however that I did have this slight question about the British note,—that possibly it was a little too diplomatic to make an impression on German psychology. I said there was an impression floating around that Great Britain was backing Germany on the question of equality of rights; that this had come to me from the Italian Ambassador, as well as from others; and that in view of this I was not quite sure whether the language of this document would make a sufficient impression to rebut and replace it but I hoped that it would, and I gave him some examples of cases illustrating the German psychology in question. This one statement of possible difference on my part made an impression on him for he repeated it, and for that reason I think it probably will be reported to his government.

H[ENRY] L. S[TIMSON]

[Annex]

The British Embassy to the Department of State

Statement of the views of His Majesty's Government in the United Kingdom on questions arising out of the Notes exchanged between the German Government (August 29th) and the French Government (September 11th) regarding the work of the Disarmament Conference.

1. The exchange of notes which has recently taken place between the German and French Governments on the subject of "equality of status" in the matter of disarmament and the announcement made by the German delegate at Geneva that his Government regarded this question as necessary to be dealt with forthwith if their collabô-

⁶¹ This is paragraph No. 5 in the annexed statement.

ration in the work of the Disarmament Conference was to continue, involve matters of the greatest importance for the future progress of the Conference and indeed for the future of disarmament itself. His Majesty's Government and the whole British people are most deeply concerned to promote the success of the Conference and hold that international agreement (to which of course Germany must be a party) for the limitation and reduction of armaments would not only relieve the world from the burden of expense which is retarding its economic recovery but would be an immediate and solid contribution towards the preservation of world peace and the promotion of good feeling between neighbouring States. With a profound sense of their duty to promote appeasement and to search for the reconciliation of different points of view, His Majesty's Government deem it well to make the following observations.

2. His Majesty's Government feel constrained to state at the outset that they think it unfortunate that a political controversy of this magnitude should arise at this moment, when it is so necessary that attention and energy should not be diverted from efforts which are being undertaken, and are so urgently needed, to restore production and the commercial prosperity of the world. Granted that this question of equal status would have arisen before the Disarmament Conference concluded its work, there is a grave disadvantage in forcing it to the front at this stage. Germany has suffered, and is suffering, from the prevailing economic depression and widespread unemployment, and the other Signatories of the Treaty of Versailles have recognized this and have shown themselves ready in consequence to abate, and indeed fundamentally revise, their financial claims upon Germany. In view of Germany's economic difficulties, the initiation of an acute controversy in the political field at this moment must be accounted unwise, and, in view of the concessions so recently granted to Germany by her creditors, it must be accounted particularly untimely. His Majesty's Government earnestly trust that nothing may be now allowed to intervene which would retard the process of economic recovery which is so urgently necessary and which it will be the task of the approaching World Economic Conference⁶² to promote by all the means in its power.

3. But as Germany's claim to a status of equality has been put forward prominently and threatens to impose an obstacle to the smooth and harmonious working of the Conference, His Majesty's Government consider that they should offer some comments on the subject and make some suggestions as to how the claim might be dealt with. First, it is necessary to be clear as to what the claim

⁶² For correspondence relating to preparations for the Conference, see pp. 808 ff.

involves and as to the actual treaty position. His Majesty's Government can give no countenance or encouragement to disregard of treaty obligations. Although His Majesty's Government do not understand the German memorandum to have stated the contrary view, they desire to associate themselves with the opinion that it could not be maintained as the correct legal construction of the Treaty of Versailles and connected correspondence that Germany is legally entitled to abrogate Part 5 of the Treaty of Versailles by any Disarmament Convention to be concluded or by the failure to conclude any Convention at all. If the preamble to Part 5 of the Treaty of Versailles is looked at, it will be seen that the Allied Powers, in requiring these limitations on Germany's armaments, had in mind the object or reason therein indicated. That object or reason was to "render possible initiation of a general limitation of armaments of all nations." To state what the object or aim of a stipulation is is a very different thing from making successful fulfilment of that object the condition of the stipulation. Still less is it possible to deduce, as a matter of legal interpretation of the Treaty, that the manner in which the object—general limitation of armaments—was to be fulfilled, was to be precisely the same manner in which Germany's armaments had been limited by Part Five, for the only indication in the Treaty of the manner in which general disarmament is to be brought about is to be found in the very general words of Article 8 of the Covenant. The correct position under the Treaty of Versailles is that Part 5 is still binding and can only cease to be binding by agreement.

4. So much has been stated for the purpose of clearing the ground. But His Majesty's Government do not understand that the case put forward by Germany is a legalistic deduction from the language of the Treaty of Versailles. It is rather an appeal for adjustment based on the fact that the limitation of Germany's armaments contained in the Treaty was intended to be, and announced to be, the precursor of general limitation by others. His Majesty's Government do not deny the fact and do not seek to minimise the force of the contention. So far as the Government of the United Kingdom are concerned, very large reductions in all departments of armaments have been made since the Treaty of Versailles was signed. Nevertheless the United Kingdom Government are earnestly collaborating at Geneva in promoting to the utmost of their power measures of further disarmament, both in the qualitative and quantitative sense, which would all tend in the direction of greater equalization.

5. It is the hope of the United Kingdom Government that there may result from Geneva, in spite of the difficulties that have been en-

countered and that are inherent in the effort of reaching world agreement, a really valuable measure of disarmament in which each nation will bind itself to a strict limitation, both in kind and in quantities, of its weapons of war. Such a result can be attained only if due allowance is made both for the needs and for the feelings of all the sixty-four States concerned. The objects to be aimed at are, in the case of the more heavily armed Powers, the largest possible reduction and, in the case of lightly armed States, at any rate no material increase. It would indeed be a tragic paradox if the outcome of the first Disarmament Conference was an increase in armaments and the actual rearming of any State. The United Kingdom Government therefore conceive the object of the Conference to be to frame a Disarmament Convention upon the principle that each State adopts for itself in agreement with others, a limitation which is self-imposed and freely entered into as part of the mutual obligations of the signatories to one another. There will thus be, as a result of the Convention, no distinct status: everyone's armaments will be controlled by the same process: and the limitations which have already been prescribed by existing treaties—such as the various Peace Treaties or the Naval Treaties of Washington and London—will, save so far as they are modified by mutual consent, reappear in the voluntary and comprehensive compact about to be negotiated at Geneva. It will then be this last named document which is the effective obligation binding upon all. This conception of the work and purpose of the Disarmament Conference gives the answer, in the view of the United Kingdom Government, to the question of status raised in the communication of the German Government of August 29th.

6. Questions of status, as distinguished from the quantitative question, involve considerations of national pride and dignity, which deeply touch the heart of a people and keep alive resentment which would otherwise die down and give place to more kindly feeling. In the interests of general appeasement, therefore, it is much to be desired that any such questions should be disposed of by friendly negotiation and agreed adjustment, not involving either disregard of treaty obligations or increase in the sum total of armed forces. But this desirable consummation cannot be attained by peremptory challenge or by withdrawal from deliberations which are about to be resumed. It can only be reached by patient discussion through the medium of conference between the States concerned.

WASHINGTON, September 17, 1932.

500.A15A4/1449 : Telegram

The Chargé in Great Britain (Atherton) to the Secretary of State

LONDON, September 19, 1932—11 a. m.

[Received September 19—8:47 a. m.]

274. In a conversation with Simon this morning he brought up British statement on disarmament giving his opinion that it followed very closely along the lines of his conversation with you in Geneva. Tyrrell, he informed me, had reported a satisfactory conversation on the matter with Herriot but so far no reaction had been received from the Berlin Government. Simon was obviously most anxious for your approbation, adding that close cooperation with the United States was essential. He asked whether I had received any cable from you in the matter. I replied that inasmuch as the memorandum had been handed to the Department of State by the British Chargé d'Affaires probably any comment from you would be transmitted to Simon through British Embassy. I added State Department was aware of Simon's plans for leaving for Geneva tomorrow morning.⁶³

In conclusion Sir John stated that in any voluntary disarmament reductions there would be certain categories of armament retained by other nations which by treaty were not permitted to Germany, a specific instance being the big battleship. Simon said he had not yet thought out the answer to the next question which would most certainly arise in this connection; namely, how much latitude Germany was to be given in those classes of armament which were not renounced by other nations and which were forbidden to Germany by treaty.

ATHERTON

763.72119 Military Clauses/79 : Telegram

The Ambassador in France (Edge) to the Secretary of State

[Extract]⁶⁴

PARIS, September 19, 1932—7 p. m.

[Received September 20—5:23 a. m.]

542. Referring to my 525, September 10, 4 p. m., the following is a brief summary of the 2 hours of conversation today at lunch at the Foreign Office at which in addition to the three Americans mentioned therein were present only Herriot; Alphand, former Minister at Dublin, Chief of his Diplomatic Cabinet; Ray, head of his per-

⁶³ The British Secretary of State for Foreign Affairs was a delegate to the Bureau of the General Disarmament Conference scheduled to convene September 21.

⁶⁴ For the extracted portion of this telegram, see vol. iv, p. 265.

sonal Cabinet; and Leger, at the present moment in the absence of Berthelot, Political Director of the Foreign Office.

As to Germany, Herriot opened the conversation by stating how pleased he had been by your frank speaking against German rearmament and that he felt that it had been of great use with the British. I strongly urged that France take the lead in proposing some definite action along the lines of President Hoover's suggestion which Reed likewise emphasized. Herriot replied that Hoover's suggestions had been well received in France and he promised to do something emphatic at Geneva in the way of concrete suggestions for further reduction of armaments although he added "je crains au ciel" that I am sending Frenchmen to their death. Then followed long protestations of apprehension of German and Italian aggression possibly supported by Russia. Their statements in this regard were substantially the same as Herriot's statements of last week although somewhat more in detail. They professed to be sure of the existence of an alliance between Germany and Italy. Reed suggested that a similar apprehension existed in Italy and to some extent in Great Britain illustrating by describing the activities of Italian engineers at this moment in mining all roads and bridges near the frontier; and Reed described to them the specifications of the modern British pursuit planes which as we know are based upon the time of flight of French light bombers between Calais and London. Herriot professed great surprise at this latter statement and announced that he would readily order transferred all French aviation activities from the northwest of Paris to the German and Italian frontiers. His emphasis upon this statement suggested that he might actually undertake this as a gesture of amity toward Great Britain.

We took occasion to point out that if one felt the necessity for arming against every possible alliance or contingency there was no end to armaments and in concluding the conversation again inquired if France could not do something or make some commitments along disarmament in accordance with the President's suggestions, something which could focus public opinion on the willingness of France to act alone in this matter as a part of a world movement. The Prime Minister said that there was no question that France would disarm and was intending to do it that since he came into power he had constantly turned his attention to this problem and his only fear was that in view of the present state of German public opinion France might live to regret the disarmament in which she is determined to participate.

Full memorandum of conversation follows by next pouch. Cipher texts to London, Berlin and Berne.

500.A15A4/1462 : Telegram

The Secretary of State to the American Delegate to the Bureau of the General Disarmament Conference (Wilson)

WASHINGTON, September 20, 1932—7 p. m.

205. You are not to take any initiative in this matter and under no circumstances are you to make any written communication or show this cable. If however the subject of my position in regard to the German *démarche* should come up in general conversation between you and Simon and he should express anxiety to know what my attitude is in regard to his recent note on the subject of the German *démarche*, you may say that you understand it to be substantially this:—Simon's analysis of the legal obligations of the various treaties in respect to the work of Disarmament Conference is considered by me as a very able paper. We have not taken any position in regard to the validity of the German's contention as to equality of rights. This is because we consider all questions arising out of the Versailles Treaty to be primarily matters for the decision of the European nations in spite of the fact that Part V of that Treaty is by reference incorporated in our own Treaty with Germany. The American people are however deeply interested in accomplishing a general disarmament, and thus in the success of the Disarmament Conference. They are unwilling to take sides, in any of the legal European questions which may precede or become involved in it. I have therefore made no public statement on the German *démarche*. Through the diplomatic channels I have stated our interest in general disarmament; that we regard this step as necessarily a gradual one, and that the revision of armaments must proceed downward and not upward. I have in the same manner expressed my apprehension lest Germany's raising of legal questions and her withdrawal from the Disarmament Conference may retard the general objective in which we are so deeply interested.

STIMSON

763.72119 Military Clauses/92 : Telegram

The Ambassador in Germany (Sackett) to the Secretary of State

BERLIN, September 21, 1932—8 p. m.

[Received 9:44 p. m.]

190. Some of this morning's papers carried a Wolff telegram with a Washington September 20 date line reading as follows:

"President Hoover said today: As far as press despatches from Paris concerning the German question of right to equality are con-

cerned the position of the American Government is clear. The only question which interests our country is a diminution of armaments throughout the whole world step by step. We do not belong to the signatory powers of the Versailles Treaty and therefore also not to the partners of the provisions concerning German armament limitations [*sic*]. That is solely a European question. The United States have always declared that they will take no part in a discussion thereof. We are anxious that Germany shall continue to participate in the arms conference which today has such promise of success for the whole world and that she shall lend her aid to the fulfillment of this great purpose".⁶⁵

Other papers today have carried other versions of this alleged statement all of which, however, like the one quoted above (where it said that we are not signatories of the Treaty of Versailles) contain evidence that they cannot be a direct and correct quotation of any statement the President may have made.

Inquiry throughout the day has failed to reveal the source of this telegram from Washington, and the abrupt way it was introduced without any indication of the occasion on which such a statement might have been made or the furnishing of any other background forced us to suspect that at best this was something lifted from its context.

Von Bülow asked me to call at the Foreign Office this afternoon and showing me two Wolff news service sheets containing this item as well as such [as?] were purported to be New York newspaper comment on "Hoover's appeal to Germany to return to the Disarmament Conference" asked if this was the official American attitude. Bülow expressed satisfaction and appreciation of the stand taken by the President which he interpreted as definitely approving the German thesis in the controversy over the equality question and as being in contrast with the French and English reaction. He said, however, that pressing though this "appeal" was the German Government did not feel that it could accede to it unless there were some assurance that the Disarmament Conference before proceeding to the consideration of concrete points of disarmament should take up and settle the question as to whether or not Germany's equality of rights was to be recognized.

The situation has been most confusing from this end inasmuch as the President's alleged statement seems to be completely at variance with the attitude of our Government as set forth in the Department's telegrams 311 of September 2, noon, and 325, September 16, 1 p. m., to the Embassy at Paris (repeated here under instructions) and I assumed that if it really were so I would have been informed. Ac-

⁶⁵ For text as released by the White House, see Department of State, *Press Releases*, September 24, 1932, p. 183.

cordingly in replying to Bülow's question if the statement attributed to the President represented our Government's attitude I felt it preferable not to expound the attitude as set forth in the two telegrams under reference (with which as I understand it I might in my discretion acquaint the German Government) until I referred the matter to you and found out the exact situation. In consequence I told Bülow that I could not answer his question until I referred it to my Government.

I should appreciate full instruction at your earliest convenience.

SACKETT

763.72119 Military Clauses/96 : Telegram

The Ambassador in Germany (Sackett) to the Secretary of State

BERLIN, September 22, 1932—3 p. m.

[Received September 22—1 p. m.]

191. Supplementing my 190, September 21, 8 p. m., reporting that von Bülow interpreted the President's alleged statement in line with the comments ascribed to American papers as an appeal to Germany to rejoin the Conference and that he characterized it as an approval of the German equality thesis, I think his remarks in connection therewith may be of such interest to the Department to warrant telegraphic repetition.

He said that Germany would be deeply impressed with such a call from the President but in spite of her appreciation Germany would not be able to respond favorably to his appeal. He stated that the French and English now take the position that Germany, whatever results the Conference achieves in securing limitations on the armaments of other nations, must remain bound by the military limitations put upon her by the Treaty of Versailles.

In Conference discussions of reductions in any categories prohibited to her by the treaty such as tanks Germany's position would have to be that they must be eliminated from the armaments of all nations. Germany could have no place in discussions of reductions for other nations in categories which she herself was denied.

Unless therefore the Conference now meeting would agree first to discuss and settle Germany's rights to equality—not as to quantity but as to principle—which would mean that Germany would be permitted to have at least limited amounts in all categories allowed other nations by the final results of the Conference Germany would be forced to maintain her refusal to attend, even in view of her desire to generously answer the President's call. Bülow reiterated for the second time that Germany had no desire to destroy or in any way

injure the Conference and stressed that the German thesis warrants the conclusion of most military experts, that no such rearmament was contemplated by or financially possible for Germany as would strengthen her war potentiality in any material degree. The principle of being permitted limited amounts of the various types of arms to be allowed as a result of the Conference to other nations in reduced quantities was a *sine qua non* to the self-respect of any country and one which no Cabinet could fail to maintain. He added that Germany disappointed at its tenor would not reply to the British note in order to avoid the chance of giving offense by the tone of the answer.

The Department will please bear in mind that I am transmitting Bülow's own exposition of his case. I offered no interruption or discussion nor (for the reasons set forth in my 190, September 21, 8 p. m.) even intimated the unfavorable reaction we would have to Germany's persistence in her present attitude (as set forth in the Department's 311, September 22 [2], noon; and 325, September 16, 1 p. m. to the Paris Embassy repeated here).

SACKETT

763.72119 Military Clauses/105 : Telegram

The Secretary of State to the Ambassador in Germany (Sackett)

WASHINGTON, September 22, 1932—5 p. m.

115. Your 190, September 21, 8 p. m. As a result of press items appearing on September 20, of which the following headline from the *Herald Tribune* may be taken as typical:

"Paris Receives Support of United States Against Berlin", the President issued the following statement to the press in order to clarify the situation:

"With reference to press dispatches from Paris on the German Arms question, the position of this government is clear. The sole question in which this country is interested is in reducing armaments of the whole world, step by step. We are not a party to the Versailles Treaty and its limitation on German arms. That is solely a European question. The United States has already declared that it takes no part in that discussion. We are anxious that Germany shall continue to participate in the arms conference which has now such promise of progress for the entire world, and that she shall lend her aid in this great purpose."

This statement was not intended to be in contradiction with our attitude as set forth in the Department's 325, September 16, 1 p. m., to the Embassy in Paris, which was a considered statement of the

views of this Government and which was sent you to serve for your guidance in any oral or informal conversation with the German Government which you considered advisable. We have not taken any position in regard to the validity of the Germans' contention as to equality of rights (see first sentence, paragraph 4 of our 325). This is because we consider that this question is primarily a European political question and although Part V of the Versailles Treaty is incorporated in our Treaty with Germany, we wish to avoid becoming involved in such a controversy.

For your personal and confidential information and not for use in any way, my personal conclusion based on my study of the documents is that their contention, as indicated in their note to the French and as explained by Leitner to Castle is without legal foundation. Thus I cannot allow to pass unchallenged the statement which Bülow made to you interpreting the stand taken by the President as definitely approving the German thesis in the controversy over the equality question. But although we have refrained from taking sides on this issue, we still view the German position as adding a new difficulty to the task of the Disarmament Conference. The German Government should remember that the American people however unwilling they may be to take sides in any of the strictly legal questions arising among the parties to the Versailles Treaty in connection with the disarmament problem, nonetheless remain deeply interested in bringing about a general reduction of armaments and thus in the success of the Disarmament Conference.

I have made no public statement on the German *démarche*. Through diplomatic channels I have stated our interest in general disarmament, that we regard this step as necessarily a gradual one, that the revision of armaments must proceed downward and not upward, and that any modification of treaties must take place through consultation and not through unilateral action. I have in the same manner expressed my apprehension lest Germany's raising of legal questions, her withdrawal from the disarmament conference, and her implied threat to increase her armaments, may retard the attainment of the general objective in which we are so deeply interested.

I think that the foregoing will clear up any confusion which may have arisen in your mind and which probably has resulted from a difference of emphasis, rather than a difference of substance between the President's statement (as corrected) and my 325. I hope you will discreetly, but nonetheless firmly, point out our real concern lest Germany fail to cooperate in working out and evolving a wide measure of general disarmament.

STIMSON

500.A15A4/1470 : Telegram

The American Delegate (Wilson) to the Secretary of State

GENEVA, September 23, 1932—11 p. m.

[Received 11:41 p. m.]

383. At tea with Sir John Simon this afternoon he developed the following thoughts on the German situation.

Sir John said that he was not sure what the future would bring forth but as he saw it there were only four ways by which "equality of rights" could be applied. These were:

1. Incorporation of the obligations of Germany in the same document as that of the other states.
2. The same duration for its obligations as for the other states.
3. The same qualitative criterion, in other words, the right of Germany to have the same types of weapons as the other states.
4. The same quantitative criterion, that is, the right of Germany freely to enter in the treaty the numbers of weapons and forces which it would freely negotiate as in the case of other states.

As to point 4, Sir John was very definite. Equality in numbers could under no circumstances be permitted since the purpose of this Conference was to reduce armaments. To admit the contrary trend would be derisive. He had been happy, he said, to note from advices from Washington that you were of the same opinion.

Point 3, according to Sir John, raises very difficult problems for the United States and England as well as France. Were we willing to accept a thesis whereby Germany would have the right to build a 35,000-ton battleship? It had been hinted to Sir John that the Germans would like to have "echantillon" types, that is, types at least of the arms which are now forbidden it but which will be permitted the other powers after the negotiation of the treaty. Although not favoring this method he did not definitely exclude it from possibility if carefully restricted but felt it of the highest importance that our two countries should deliberate this question.

As to point 2, Sir John believed that this should be accorded Germany. In his note he had desired to hint this possibility.

As to point 1, there was no question in his mind but that this should be accorded.

Sir John could think of but one explanation to the ominous fact of the widespread opposition to accusations in Germany and that was that the Government there was endeavoring to persuade its people that there was neither a legal nor moral obligation placed upon them by part V of the Treaty and that this prefaced an announcement by Germany that it would no longer remain bound by part V. Ever

since Nadolny had spoken,⁶⁶ the question, I explained, had been in my mind as to whether Germany really desired to negotiate a reduction on the part of her neighbors or whether she desired to justify a renunciation of the Versailles military clauses. In the latter event Sir John felt that it was not the type of quarrel which would induce the French people to fight, to say nothing of the British and the Americans. It seemed to us here there was nothing the French could do to prevent Germany denouncing these clauses if it so desired but that they would take every means in their power to pile obloquy upon Germany even to the extent of forcing Germany out of the League although this would serve no purpose beyond inflaming public opinion.

Sir John will see von Neurath this evening but has no intention of going through this analysis with him as he has no knowledge yet whether von Neurath is seeking a solution or hoping for one, for the question still remains as to the real intention of the German Government.

Sir John described France as being between two alternatives; one, a refusal to amend the Treaty of Versailles or [*i.e.*] to make efforts to meet the German point of view. In this event he thought the Germans would probably refuse longer to be bound by the military clauses. The other alternative is perhaps to concede upon the first two of the four points mentioned above at the same time making such reductions as to make it worth while for Germany to take the further voluntary engagement for the duration of the treaty even though we have to listen to hours of discussion on security in which they continue to search for another path which does not exist. These are the only two alternatives facing France and when that is realized it will have to make its choice.

I thanked Sir John for this illuminating analysis and he said if you cared to put your thoughts on paper it would greatly interest him to learn whether you saw the picture in the same light.

WILSON

763.72119 Military Clauses/108 : Telegram

The Ambassador in Germany (Sackett) to the Secretary of State

BERLIN, September 24, 1932—2 p. m.

[Received 3:15 p. m.]

194. Department's 115, September 22, 5 p. m. I orally conveyed to Bülow this noon our Government's attitude as set forth in your

⁶⁶ Speech of July 22, wherein the German delegate opposed the resolution concluding the first phase of the General Disarmament Conference; see p. 313.

telegram under reference as well as in your 311, September 2, noon, and 325, September 16, 1 p. m., to the Embassy at Paris.⁶⁷

Bülow replied by saying that he took note of the fact that we have not taken any position with respect to the German equality thesis and are not taking sides in the legalistic phase of the discussion. He then said that he could not let the "criticism" of his Government's attitude pass without saying that he could only understand our taking this view of the case by reason of the distance between Germany and the United States and the very different conditions existing in the latter country, all fairminded people would take a different view of the German position than this. However, this point was of little importance for if Germany could not reach some satisfactory agreement with the interested European powers no persuasion on our part could induce her to go back to the Conference. The foregoing is as nearly a verbatim report of his remarks as possible. My impression is that the fact of our taking no sides in the legalistic phase of the controversy was not ungratifying to him but that he was disappointed and upset at what he considered criticism of Germany's taking the action she has under circumstances which she thinks compelled her to take it.

I may state that the whole tenor of my exposition of the views of our Government was to stress our concern as to the consequences of the action taken by Germany and an earnest hope that she might see her way to modify her attitude.

SACKETT

500.A15A4/1479 : Telegram

The American Delegate (Wilson) to the Secretary of State

GENEVA, September 26, 1932—9 p. m.
[Received September 26—7:43 p. m.]

389. Supplementing my 383, September 23, 11 p. m., Simon again reverted to his analysis of the German situation and repeated that he was definitely in favor of point 2 but that the French were making objections. Concerning point 3 he had not definitely made up his mind as to whether Germany could be permitted certain types of the prohibited weapons which may be permitted to other powers as a result of the treaty. He himself has reached the conclusion that without concession on this point Germany will not reenter the discussions or sign an eventual treaty. Others beside Sir John have mentioned this demand of Germany for "sample types" of weapons

⁶⁷ See footnote 44, p. 419, and footnote 57, p. 431.

and it is one on which we may be called upon soon to express an opinion privately if not publicly.

In this connection Sir John pointed out that it is inconceivable that the treaty will adopt the criteria of Versailles in all respects of qualitative disarmament, that it was obvious that we were not going to scrap all our battleships and it was obvious that France at least was not going to reduce all its mobile guns to 105 millimeters. It seemed highly improbable that all the nations would do away with all military aviation.

As to point 4 that is definitely excluded.

Sir John stated that it would be of the highest value to have the benefit of your advice and urged me to request it from you.

Please read this telegram in connection with my 383.

You may care to consider whether any views you may express to Simon should also be made available privately to the other interested parties if they ask me about your attitude.

WILSON

763.72119 Military Clauses/120 : Telegram

The American Delegate (Wilson) to the Secretary of State

GENEVA, September 26, 1932—10 p.m.

[Received September 26—8:10 p. m.]

390. Von Neurath told me that he had requested a representative to give me an account of his conversations with Sir John Simon of September 23rd in order that I might keep you in touch with developments.

The representative stated that Sir John had requested the meeting and that the conversation was opened by Von Neurath expressing dissatisfaction at what the representative termed the "schoolmaster tone" of the British note. In any case Neurath said it was gratifying to stop the paper battle and hold conversations. Von Neurath had stated that Germany's attitude was a waiting one, and had made very plain their position.

According to the representative Sir John stated that he was in favor of including the German military terms in the same document as the general treaty; that he was in favor of having a document of perhaps 5 years' duration, the lapse of which would be the completion of Germany's military obligations. Sir John had brought up the question of "sample types" and discussed it freely raising many objections. He did not, however, definitely exclude the idea. The representative stated that there was of course no intention on the part of Germany to claim equality of numbers.

Rosso informed me Aloisi, chief of the Italian delegation, had a conversation with Von Neurath but that there was as yet little accomplishment to report.

WILSON

763.72119 Military Clauses/135 : Telegram

The Ambassador in Germany (Sackett) to the Secretary of State

BERLIN, September 28, 1932—3 p. m.

[Received September 28—2:15 p. m.]

198. The Chancellor⁶⁸ asked me to call upon him today and although he did not have any specific point which he attempted to emphasize the conversation developed points of interest.

He said that he deplored the exchange of speeches between Herriot and himself⁶⁹ but that if Herriot started he felt he was forced to answer. In view of the present state of public opinion in Germany he said that he did not see his way out of the impasse with regard to Germany's claim for equality of armament and her non-attendance at the Disarmament Conference. The course of the conversation enabled me to expound to him (as outlined by you in your 115, September 22) our genuine concern at the position taken by Germany and I must say that he took it in a far more calm and diplomatic manner than did Bülow (see my 194, September 24, 2 p. m.). In fact my distinct impression is that he would welcome any face saving formula that would allow Germany to go back to Geneva.

He stated to me unequivocally that his Government intended to and would remain in power for a long time though he mentioned no definite plan. He amplified this by saying that he had a mission to perform which in effect was to transform the status of German democracy as it now existed. I rather gathered that he also had in mind an attempt to transform the mental attitude of the German electorate though he spoke specifically of measures such as administrative reform in the relationship between the Reich and Prussia and general reforms of a direct nature which he said he intended to bring about by emergency decrees followed by referendum.

SACKETT

⁶⁸ Franz von Papen.

⁶⁹ Speech by the French Premier at Gramat, September 25; reply by Von Papen on September 27 in an interview through the Wolff Telegraph Agency.

500.A15A4/1488 : Telegram

The Secretary of State to the American Delegate (Wilson)

WASHINGTON, September 30, 1932—4 p. m.

212. On Friday last Sir John Simon outlined to you four methods of approach to a solution of the problem arising from Germany's demand for "equality of rights". He asked if I would comment on his message in order to learn whether I saw the picture in the same light.

In my opinion, the subject should be approached not from the point of view of a discussion of Germany's rights, but of the policy of other nations in determining what they are willing to do in the Disarmament Convention (a) to modify or supplant Part V of the Treaty of Versailles, and (b) to carry out their legal and moral obligation to reduce their own armaments.

The following paragraphs refer seriatim to the four methods mentioned by Sir John Simon.

1. Incorporation of the obligations of Germany in the same document as that of the other states. During my stay in Geneva last Spring, Dr. Bruening indicated to Mr. MacDonald and myself that he would be willing to write into the Disarmament Convention the present German arms limitations (with minor variations) provided a footnote were inserted to the effect that these figures were voluntarily agreed to by Germany. This would take care of the situation during the life of the first Disarmament Convention, but would leave open the question as to whether the Treaty of Versailles were supplanted or merely suspended.

2. The same duration for Germany's obligations as for those of the other states. This would relieve Germany from all its armament obligations at the expiration of the first Disarmament Convention, say in 10 years. After that time she would be free to rearm without limit not only on land but at sea. It may be that the European Powers, who are most immediately concerned, will feel that in order to preserve the present situation and make possible a disarmament treaty for 10 years, it is worth letting the future take care of itself. This, however is a problem which in my opinion is one primarily of European concern.

3. A qualitative criterion, in other words the right of Germany to have the same types of weapons as other states. We could not at present accept a situation whereby Germany would have the right to build a 35,000-ton battleship at the risk of disturbing the delicate naval adjustments to which we are parties, and we would have grave objections to her right to construct submarines. To evolve a method that would be fair to all nations yet so restricted as not to reopen

or complicate the naval situation, seems at first blush overwhelmingly difficult. I do not, however, exclude it as a possible field for compromise and if any specific suggestions in this sense should be offered, we should gladly examine them on their merits.

4. A quantitative criterion. This runs strictly counter to our thesis that armaments should be reduced and not increased and is hence unacceptable.

You may take a favorable opportunity to see Sir John Simon, and explain my feelings to him orally, requesting him to keep this message confidential and to regard it still as an expression of my present personal views rather than as a final conclusion of this Government.

STIMSON

500.A15A4/1491 : Telegram

The American Delegate (Wilson) to the Secretary of State

GENEVA, October 3, 1932—2 p. m.

[Received 2 p. m.]

393. From Davis. Simon, who had to go to London because of governmental problems, returned last evening. He, Sackett and I, dined together with a view of a discussion preliminary to the first meeting this afternoon of the committee on arrangements for the Economic Conference.⁷⁰ Before getting on to that subject he remarked that there never was a more critical world situation and that it had never been more important for the United States and Great Britain to work together. He then launched into a discussion of the Franco-German controversy which he said during the past week had reached a crisis and must be settled at once. It could not be settled except through the good offices of England and the United States. Otherwise all possibility of success for both the Disarmament and Economic Conferences would be destroyed. He explained that since it is vital to get Germany back into the Disarmament Conference and since this can be done only by arranging a meeting some place other than Geneva he had conceived the idea of calling a meeting in London by invoking the recently concluded Consultative Pact because neither Germany nor France could refuse to attend. He said, however, that he recognized that such a meeting without us would be useless and he wondered what would be the best procedure to facilitate our attending such a meeting.

⁷⁰ Norman H. Davis and Frederic Mosley Sackett, American Ambassador in Germany, were in Geneva as American members of the organization committee for the Monetary and Economic Conference scheduled to meet in London during 1933; for correspondence, see pp. 808 ff. Mr. Davis also continued to act as a delegate to the General Disarmament Conference.

We told him that the calling of a meeting under the Consultative Pact as distinguished from the pending disarmament negotiations would most probably raise difficulties for us and that we would probably not wish to enter into the abstract questions of Germany's juridical status as regards equality. On the other hand if the conversations were merely a logical continuation of those instituted by you last April and carried on in July and were definitely related to the general disarmament work you would most probably recognize the importance of our taking part in conversations which were for the purpose of ironing out differences which were blocking the success of the Disarmament Conference. Since the conversations which he proposed would presumably not be taken up for some days we thought this would give time to consult with you. I understand from Simon that you will be hearing about these consultations from the British Embassy in Washington and in connection with the decision which you may however consider, you should have the following considerations in mind.

Our best hope of getting results from the Disarmament Conference and of securing of Germany's continued participation in the work is through informal conversations such as you instituted when you were here. Our participation in these conversations would undoubtedly be helpful and I realize that to permit such participation the conversations must be on a basis which avoids giving the impression that we are getting into Treaty of Versailles questions or juridical questions as to Germany's right to equality. We have, however, a logical interest in these conversations from two points of view. First, Germany last July formally expressed satisfaction at the presentation of the Hoover plan and that is the only concrete measure of disarmament which might be adopted by France with any hope of furnishing a basis for Germany's continued participation in the work. A solution of the present German armament demands is essential to eventual realization of the President's plan. Second, if Germany carried out her threat to re-arm this would apply to the navy as well as to the army and might lead to a break down of the present system of naval limitation. Both of these points as well as the President's statement of our interest in progressive reduction of armaments and Germany's continued participation in the work of the Conference afford logical ground for our taking part in some form of discussion of the German demands.

In connection with the foregoing have considered Wilson's 383, September 23, 11 p. m., and 389, September 26, 9 p. m., and have consulted Sackett and Wilson who concur in above views. [Davis.]

WILSON

500.A15A4/1492: Telegram

The American Delegate (Wilson) to the Secretary of State

GENEVA, October 3, 1932—3 p. m.
 [Received October 3—12: 55 p. m.]

394. From Davis. Since dictating number 393, October 3, 2 p. m., Simon's secretary has read me a message which Simon is sending to Vansittart in London instructing him to propose the conversations in London as within the framework of the Disarmament Conference and as a continuance of those conversations initiated by yourself at Bessinge.

Such procedure, according to Simon's thought, has the additional advantage of having present in the conversations both MacDonald and Grandi who participated at Bessinge. [Davis.]

WILSON

500.A15A4/1491‡

The British Chargé (Osborne) to the Secretary of State

WASHINGTON, 3 October, 1932.

MY DEAR MR. SECRETARY: In order to clarify and supplement what I told you this afternoon, the following is the substance of the telegram which I found on my return to the Embassy.

The French, German and Italian Governments are being informed this evening that His Majesty's Government have carefully considered the situation arising from the German withdrawal from the Disarmament discussions at Geneva. A continuance of the situation clearly involves most serious consequences to the future of the Disarmament Conference and the prospects of European concord, and a heavy responsibility would rest on any who are not prepared to do their utmost to find a remedy. His Majesty's Government therefore invite the attention of the above-mentioned Governments to the applicability to this withdrawal of the Declaration of Mutual Consultation of July 13th last,⁷¹ to which the French, German, Italian and British Governments are parties and which expressed the resolve to exchange views regarding questions affecting the European régime and, in particular, pledged the Parties to seek beneficial and equitable solutions in regard to the Disarmament question. In the spirit of this Declaration His Majesty's Government propose a meeting of the Prime Ministers of France, Germany, Italy and Great Britain at an early date—October 11th is suggested—for an exchange of views in order to overcome the difficulty which has arisen from this situation.

⁷¹ See pp. 691 ff.

Each of the Governments is being informed that a similar invitation is being addressed to the other two and also that Sir John Simon is informing you that he assumes that you will authorise Mr. Norman Davis to attend the meeting.

As I told you this afternoon, Sir John prefaces the above message to you by pointing out that the exchange of views contemplated is really a resumption of the informal discussions in which you took part at Geneva. The German withdrawal creates a difficulty in the smooth working of the Disarmament Conference, in which the United States is taking part and to which it is making so valuable a contribution. The present request to the United States does not, therefore, involve any new action on her part, but is merely continuing, in what seems to be the most useful manner, the association of the United States with the Disarmament Conference. I am to add that such information as had been received by Sir John from Berlin and Rome seemed to indicate that the suggestion of the meeting would be acceptable to the two Governments and, further, that he hoped to have an interview with Monsieur Herriot to-morrow.

Meanwhile, I am telegraphing to Sir John Simon the substance of what you said to me this afternoon.

Believe me [etc.]

D. G. OSBORNE

500.A15A4/1494 : Telegram

The Secretary of State to the American Delegate (Wilson)

WASHINGTON, October 3, 1932—6 p. m.

213. For Davis. Your 393, October 3, 2 p. m. and 394. The British Chargé called this afternoon and delivered a message from Sir John Simon suggesting that Davis join the meeting in London on October 11 to consider ways and means of bringing Germany back into the Disarmament Conference. I told the Chargé that I wished to consider this subject somewhat further before giving a final answer. First of all I wished to be assured that the plan was acceptable to France and Germany and that the conversations would be entered into by all participants with the conviction that this offered the best means of persuading Germany to continue her cooperation in disarmament. Unless we were virtually assured in advance that there would be no objection on the part of the other Powers invited, there would be serious danger of a public controversy arising in which the purpose of the meeting as being confined to disarmament might be misrepresented, to our serious embarrassment. In the second place I pointed out that I feared if the conversations were held in London that they might be too much dramatized, and although this was a

minor consideration I wished that the meetings might be held within reach of Geneva.

I hope you will telegraph me as soon as possible any information you may be able to obtain with regard to French and German reaction to these questions.

STIMSON

500.A15A4/1495 : Telegram

The American Delegate (Wilson) to the Secretary of State

GENEVA, October 4, 1932—9 p. m.

[Received October 4—5: 43 p. m.]

399. From Davis. Simon is seeing Herriot today in Paris and further action regarding London conversations will presumably depend on outcome of this interview as to which Simon said he would inform me tonight. British, however, seemed determined to press for a meeting as they view with apprehension development of critical situation between France and Germany. Initial French reaction as judged from my conversations with Boncour and Massigli is unfavorable to a meeting in London particularly in case Belgium, Czechoslovakia and Poland are not invited. French apparently willing to carry on conversations here within scope of disarmament discussions but it seems unlikely that Germans would consent to return to Geneva without making conditions as to eventual acceptance their thesis which France obviously would be unwilling to give in advance.

Herriot informed me Saturday that France-Italian relations had improved considerably within the past few days. I am of course taking no part in British efforts to force meeting and as indicated your cable wisdom of my participation in eventual conversations can hardly be determined until exact account of such conversations are determined. Fully appreciate importance of avoiding being drawn into any conversations which are not definitely related to disarmament negotiations in which we are now participating.

Leaving for Paris Wednesday night with Hepburn and Dulles⁷² and expect proceed London Friday for naval conversations. In agreement with Simon and Cadogan, Wilson and I propose advising informally Japanese, French and Italian representatives, who are here for disarmament work, of proposed naval discussions pointing out that purpose is to explore basis for smoothing out points of

⁷² Allen W. Dulles was serving as Legal Adviser; Admiral Arthur J. Hepburn and Lieutenant Colonel George V. Strong were to assist in the disarmament negotiations.

difference between naval proposals of the President's plan and the Baldwin statement in Parliament in order to help give effect to the section of the final resolution of treaty for the Disarmament Conference relating to naval disarmament. [Davis.]

WILSON

500.A15A4/1498 : Telegram

The Ambassador in Great Britain (Mellon) to the Secretary of State

LONDON, October 5, 1932—6 p. m.

[Received October 5—4: 25 p. m.]

283. Foreign Office issued following statement late last night:

"His Majesty's Government have been in communication with the Governments of France, Germany and Italy for the purpose of ascertaining whether the difficulties which have arisen from Germany's withdrawal from the Disarmament Conference could be made the subject of an exchange of views between them. The matter is still under consideration, but His Majesty's Government have intimated that if that course were found feasible and were generally approved they would be willing to arrange a meeting for this purpose in London."

I have reason to believe the Prime Minister has for some time been hoping to reconstruct similar informal discussions on disarmament to those held while Mr. Stimson was in Geneva last April but this unexpected statement issued by Simon immediately upon his return from Paris last night would tend to confirm the rumor that his views are more and more divergent from those of the Prime Minister who has been in Scotland all this week.

It is understood here that in his conversation with Simon yesterday Herriot did not definitely reject this British proposal but stated that any meeting held outside of Geneva he felt should not make decisions but simply submit recommendations.

The French Ambassador ⁷³ has informed me today that he does not believe this suggested meeting will take place at an early date if at all and that in any case in his opinion it would be a mistake unless preliminary diplomatic conversations in the various capitals had assured a successful outcome.

The German Chargé d'Affaires ⁷⁴ informs me von Bülow stated to the British Chargé d'Affaires ⁷⁵ who sent the invitation, that the recent French and British notes to Germany on disarmament did not offer a basis for any successful outcome of London Conversations and

⁷³ Aime Joseph de Fleuriau.

⁷⁴ Count Albrecht Bernstorff.

⁷⁵ Basil Cochrane Newton.

the German Government felt it would be unwise to accept the proposed London invitation unless a successful outcome were assured beforehand and to achieve this due consideration must be entertained for meeting Germany's claim for equality in [armaments?]. British Chargé d'Affaires also stated to von Bülow I am informed, that the United States Government had been invited to send a representative.

Although it does not wish to be quoted Foreign Office has stated to foreign press correspondents this afternoon that no outcome is expected to result from this Foreign Office suggestion for London discussions.

Repeated to Norman Davis.

MELLON

500.A15A4/1501 : Telegram

The Chargé in France (Marriner) to the Secretary of State

PARIS, October 6, 1932—8 p. m.
[Received October 6—7:50 p. m.]

582. From Davis. Lord Tyrrell gave me today an account of the talk which Simon had with Herriot Wednesday and the efforts to bring about discussions in London which have so far been inconclusive. He said that Herriot told Simon he thought it was a most inopportune time to stage such a meeting since on account of pending elections Germany would not feel free to negotiate an agreement now and the United States might be less inclined to participate. Herriot said, however, that while he was reluctant to refuse to attend such a meeting he thought the chances of failure were great and that failure would make the situation worse but that if the British insisted he would discuss the matter with his Cabinet. Tyrrell told me that so far the French had not reached a final decision; that he had had a 3 hours' talk last night with Herriot whose attitude was still substantially as above indicated but that he was to see him again this afternoon and would inform me afterwards of the result. I told Tyrrell I had been waited [*waiting?*] to see how the matter finally shaped itself before making any recommendation to Washington and that I had refrained from taking any part in the efforts to bring about such a meeting because I was not authorized to do so and did not feel justified in attempting to bring any pressure to bear on France or Germany. At any rate to [*the?*] most we could do would be to use our good offices if sought and if questions directly related to the success of the Disarmament Conference were involved. I also explained that what we want is a reduction and not an increase in

armaments and to get Germany back into the Conference but that we are unwilling to enter into any abstract discussion about equality. [Davis.]

MARRINER

500.A15A4/1502 : Telegram

The Chargé in France (Marriner) to the Secretary of State

PARIS, October 6, 1932—10 p. m.
[Received October 6—8:09 p. m.]

583. From Davis. Referring to my 582, October 6, 8 p. m., Tyrrell tells me Herriot has just informed him that he is advising the British Government that France will enter with alacrity into proposed disarmament discussions but that he does not think London is the place to do so and that such discussions should be at Geneva. Herriot is going to write MacDonald a letter explaining reasons for decision but stating that he would be glad to go over to London any time for a discussion with him previous to the meeting and discussions in Geneva. He likewise will point out that the Germans have merely said they were unwilling to return to the Disarmament Conference without satisfaction, not that they were unwilling to discuss matters in Geneva.

According to Tyrrell Herriot reported that he had insisted to his Cabinet that France must make a real step in disarmament and offer to give up some of the weapons denied to Germany under the Treaty of Versailles. If then Germany continued to insist upon rearming the blame would be placed squarely on Germany. [Davis.]

MARRINER

500.A15A4/1504 : Telegram

The Chargé in France (Marriner) to the Secretary of State

PARIS, October 7, 1932—4 p. m.
[Received October 7—2:42 p. m.⁷⁶]

585. M. Herriot saw Mr. Davis this morning at 10:30 and as he had to leave the Foreign Office directly for the noon train for London he asked me to telegraph the principal interest of the conversation.

In the first place Herriot gave an outline of his recent conversation with Lord Tyrrell and Sir John Simon as indicated in Embassy's telegram 582, October 6, and 583, October 6, he likewise showed us

⁷⁶ Telegram in five sections.

confidentially the text of his memorandum accepting the idea of conversations among the principal powers including Germany. He pointed out that they take place at Geneva and noted that they had been postponed for the time being. He also showed us a confidential personal letter to MacDonald giving a little more in detail his reasoning on this subject and pointing out that the Germans had not refused to go to Geneva but to take part in the Disarmament Conference for the present. There can be no question that Herriot feels somewhat hurt that MacDonald allowed an invitation of this character to be issued without previous consultation with him in accordance with the spirit of the understandings at Lausanne. He also felt that there might be something personal in it as between MacDonald and Henderson. Herriot pointed out in his personal note that before these conversations took place he would be most happy to have an opportunity to discuss matters with MacDonald and therefore told MacDonald that he would be glad to go to England at any time if invited, for direct talks of an entirely informal character.

Davis told him that he thought that such an act on his part would produce a good impression particularly after his refusal to go to London for the five-power conversations.

Herriot laid great emphasis on the fact that in his note of reply to the Germans on September 10 he had not refused to discuss the question of equality of armaments but had refused the idea of any German re-armament. He said that the subject of equality of armament was a purely psychological conception and that the working out of it lay somewhere between the mere integration of the provisions of the Treaty of Versailles into an ultimate disarmament treaty on the one hand and complete and free German re-armament on the other. Therefore, what was required even before conversations could be useful was to learn from Germany through diplomatic or any other channels just what in practice the idea of equality of treatment would lead to in the matter of arms and armament and he sincerely hoped that this information could be obtained before the conversations should be engaged in. As to the date of these conversations he felt that there was every advantage in their not taking place before the German elections as even though he had little hopes of the positive effect of reasonable public opinion in Germany he felt that it would have some moderating effect.

He said that at the present moment he was studying a project on disarmament which had been forwarded to him by Paul-Boncour and showed us last page indicating the contents, a rather formidable looking dossier. He said that it would require his consideration, that of the Cabinet and that of the Supreme War Council and that he was giving it his best attention.

Davis took the occasion to say that he hoped that any plan which France might put forth would be simple and direct without too many details and reservations of position. In other words that public opinion will only comprehend it the more nearly it approximates a hundred lines rather than a hundred pages.

Davis told Herriot that he was going to London to explore the ground on naval matters ⁷⁷ as before real progress on the naval portion of President Hoover's plan could be made it will be necessary to solve differences between the President's proposal and the British counter-proposition and that if this could be done the French and other naval powers would at once be drawn into the discussions and that meanwhile the progress of the work going on at Geneva in various committees, particularly the effectives, was tending to make possible what Herriot had said he hoped might work out to be a comprehensive plan of disarmament common to the great powers. In this connection Herriot did not feel that the absence of Germany prevented the working out of the plan although it might prevent the ultimate realization of it if and when elaborated.

The Prime Minister expressed his fears that American public opinion did not realize that the German demands in so far as they had thus far been explained, did not accord in any way with the provisions of President Hoover's proposals since he said that those proposals were based upon the belief that Germany's arms were a constant factor and other arms a variable, whereas Germany's present claims were the evidence of a desire to make their armaments variable also.

Herriot's whole tone was cordial and slightly more helpful than his previous conversations on this subject.

When Davis received the press yesterday afternoon in accordance with their request at his hotel he told them that he would talk to them merely for background purposes and was under no circumstances to be quoted. Both the American-Paris papers this morning contain garbled quotations from him on the disarmament situation. However, as far as is known quotations were not cabled to America.

At the close of the talk with Herriot today Herriot drew up a statement for the press which merely recited Norman Davis had been to see the President of the Council to discuss very cordially the measures that might be taken to advance the disarmament work at Geneva.

MARRINER

⁷⁷ See pp. 528 ff.

500.A15A4/1507 : Telegram

*The Chargé in Germany (Gordon) to the Secretary of State*BERLIN, October 8, 1932—1 p. m.
[Received October 8—11 : 45 a. m.]

203. I was asked to call at Foreign Office this morning and given a copy of the English invitation of October 3 to Germany to attend a four-power conference in London on October 11 and the German answer of yesterday. The latter is brief and couched in conciliatory terms.

A substantial summary thereof is as follows:

The German Government is at all times ready for a frank exchange of views with the Governments mentioned in the invitation concerning a beneficial and equitable solution of the disarmament question. In this connection Germany cites the passage of the final Lausanne protocol reading, "to create a new order permitting the establishment and development of confidence between the nations in a mutual spirit of reconciliation, collaboration and justice";⁷⁸ and hopes that if the conference is animated by this motive a solution will be found enabling Germany to resume participation in the Disarmament Conference whose successful termination she desires.

"She cannot conceal, however, that a discussion [?] of the French and English notes of September 11 and 18 would hardly lead to the goal of an agreement over the questions at issue". In view of the fact that the League Assembly is still in session the German Government would prefer a later date than the one proposed by the British Government. The British Chargé d'Affaires has informed me that in delivering the written invitation of October 3 which only mentioned the "French, German, Italian and United Kingdom Governments" he said to Bülow that he hoped the United States would participate in the conference.

Dieckhoff further explained to me this morning that in stating its willingness for an exchange of views with the Governments mentioned in the British invitation the German Government did not mean to imply that it would object to the participation of other powers. This applied of course to us and might equally be so if France should suggest the addition of one or two powers; if, however, the conference were to lose the particular character which the German Government understood it was to have and there should be an attempt to make of it in effect a disarmament conference in miniature that would be an entirely different matter.

⁷⁸ For complete text, see Great Britain, Cmd. 4126, Miscellaneous No. 7 (1932): *Final Act of the Lausanne Conference*, Lausanne, July 9, 1932, p. 5.

Dieckhoff further said that by the same token Germany would not necessarily object if the French should persuade the other powers concerned to hold the conference in Geneva rather than in London though the latter city would be preferable.

The text of the British invitation has not been published here nor will the German answer be, the Government confining itself to giving out a communiqué today summarizing its answer.

I understand from other sources as well as from what I gathered in my conversation with Dieckhoff that if the conference is held the intention of the German Government is to put forward immediately its equality claim and to demand a show-down on the question whether the convention to be eventually reached by the Disarmament Conference will replace article 5 [*part V*] of the Versailles Treaty.

GORDON

500.A15A4/1508 : Telegram

The Ambassador in Great Britain (Mellon) to the Secretary of State

LONDON, October 10, 1932—5 p. m.
[Received October 10—3: 15 p. m.]

288. From Norman Davis.

"Spent the week-end with Simon and had long discussions regarding disarmament and Manchurian situation. Latter subject I am covering in separate cable.⁷⁹ As this is a particularly strenuous week for the British Government, Simon has asked that we have a preliminary and general naval talk with the First Lord of the Admiralty.⁸⁰ The best impression is that they are hoping that we may be able to have some influence over the Admiralty and make it easier for the British Government to carry through the plan for reduction. It was also clearly shown that Simon is most anxious for us to pull together in dealing with the Manchurian situation and also to have us in on the conversations regarding Franco-German disarmament problems. Project of a meeting has now been revived and it will probably take place within a week or two. They are asking Herriot to come to London tomorrow and they may then decide the time and place for the conversations. Simon says the Germans accepted unconditionally presumably because they thought the French would refuse. Simon thinks it most important to have us participate and use our good offices. He asked what would be the best way to approach us as to participating in the conversations. He also wanted to know what I thought of Lausanne as the place of meeting. I told him I had refrained from taking the matter up definitely with you because it had never crystallized, that we would certainly be unwilling to bring any pressure to bear on either France or Germany, that it was my

⁷⁹ Telegram No. 289, October 10, 6 p. m., vol. iv, p. 296.

⁸⁰ Sir Bolton Meredith Eyres-Monsell.

impression that if both of those countries wanted us and the conversations were carried on in connection with the Disarmament Conference with a view of getting Germany back into the Conference you might be willing to consider the matter favorably, and that Geneva would seem the most natural place. I told him my present opinion was that it would not be wise to select Lausanne particularly if they want us to attend as its name now is so closely associated with reparations and debts".

MELLON

500.A15A4/1528 :Telegram

The Ambassador in Great Britain (Mellon) to the Secretary of State

LONDON, October 14, 1932—7 p. m.

[Received October 14—6:32 p. m.]

296. From Norman Davis. I lunched with the French Ambassador today. Others present were Herriot, MacDonald, Baldwin, Simon, Neville and Austen Chamberlain, Londonderry, Vansittart and several Frenchmen. On my arrival Herriot informed me that he had reached an agreement with the British for proposed conversations at Geneva, that Italy had accepted unconditionally but that Germany had just refused. At luncheon I asked Simon why the Germans, who had previously accepted unconditionally the invitation to confer, had now refused. He said that Germany had given no reason for its refusal but that on the side they explain that at present it is politically impossible. Simon's opinion is that whenever the Germans think the French will refuse they accept and when the French accept the Germans refuse.

After luncheon MacDonald called me aside and said that he was not much worried about the German refusal because once having accepted in principle Germany puts herself in an indefensible position by refusing to hold conversations on the ground that she does not like the place of meeting. He then said he wanted to think very carefully what to do next and then he wants us to have a talk. I told him that it was my impression that the best procedure now would be for France and Italy to bury their differences and then for us to proceed with the work at Geneva by agreeing upon a comprehensive substantial reduction in armaments in fulfillment of the moral obligation to effect a general reduction and then as security the Germans to sign a general convention. If the Germans were offered a genuine measure of satisfaction in the general convention it would strengthen moderate opinion in Germany and if they refuse public opinion outside could make itself felt. He said that this struck him favorably but that he wanted to think it over further.

MacDonald asked how I was getting along on the naval negotiations and said that while the Tories say they are favorably disposed to a reduction in armaments they do not do anything practical about it but that next week we would see what could be done. Baldwin said he wanted to have a talk with me and we have agreed to meet early next week. At luncheon I sat next to Neville Chamberlain who said he understood I had had a very satisfactory talk with the First Lord of the Admiralty and expressed the hope we would be able to reach a satisfactory agreement about the Navy. I told him I thought it was a matter which concerned him very much as Chancellor of the Exchequer.

He said it did and he wanted to have a talk with me. My information is that it will be advisable for me to talk with Baldwin and Chamberlain as their support is necessary if we are to have any understanding on the Navy.

Before leaving I had a further talk with Herriot and asked him what he thought about some such procedure on disarmament as I suggested to MacDonald and he said it struck him favorably.

In reporting the above to the Embassy this afternoon it was thought wise to check up with the Germans and Atherton went to see Bernstorff who gave the following information. Bernstorff called by appointment at 9:45 this morning on Simon who stated that when Herriot reached London he laid before the Prime Minister a disarmament plan which MacDonald after reading said he was not prepared to discuss but rather preferred to concentrate on plans for a meeting of the four powers with an American observer where they might discuss disarmament. Herriot expressed an unwillingness to come to London but was willing to attend such a conference in Geneva including not only the four powers and an American observer but various other military countries including the members of the Little Entente. MacDonald explained he was willing to waive London but refused to consider a larger conference than the four powers immediately concerned and an American observer. After considerable discussions it was agreed that the British should present this plan to the Germans and urge their consent. At the same time Simon was seeing Bernstorff, the British Chargé d'Affaires was interviewing Neurath in Berlin. Simon urged Bernstorff to point out to his Government (1) that the British had succeeded in eliminating from the conference those smaller powers who would coyly support any French view; (2) that Norman Davis had stated the American Government would prefer Geneva as a meeting place since it obviated introducing new factors or making new decisions at this particular moment; (3) if the Germans accepted MacDonald personally would

attend the conference in Geneva. Bernstorff talked on the telephone with Neurath who positively refused to consider Geneva as a meeting place. In the minds of the Germans this would be a back door entrance to the disarmament discussions which they had just publicly announced they were unwilling to attend. Such procedure was not only impossible but particularly so at this pre-election moment. However, Neurath realized the French unwillingness to proceed to London and suggested The Hague as a compromise or, as a last resort and final accommodation, the Germans would reluctantly consent to go to Lausanne. The German Chargé d'Affaires told Atherton he might inform me of the above.

The implication Simon gave that I had said we would attend a meeting in Geneva was not quite justified. I have carefully refrained from making any commitment but following receipt of your 213, October 3, 6 p. m., I did say that although our attendance would depend upon circumstances I did feel that Geneva would be the most logical place to hold such conversations as a part of the General Disarmament Conference. I have never suggested the possibility of our attending in the role of observer and would not advise our doing so. If the conversations are held as part of the Disarmament Conference we should in my opinion be there on the same basis as the others if we attend. [Davis.]

MELLON

500.A15A4/1532: Telegram

The Chargé in Germany (Gordon) to the Secretary of State

BERLIN, October 15, 1932—2 p. m.

[Received October 15—noon.]

207. My telegram No. 203, October 8, 1 p. m. The press this morning having published Germany's refusal to go to Geneva for the proposed four-power conference I called upon Dr. Dieckhoff and reminded him of our conversation of October 8. He said that it was quite true that the position of the German Government on that day was as he had expressed it to me but he then gave me to understand that the more the German Government thought about it the less it liked the idea of Geneva and the more convinced it became that if it went there it would be in an anomalous position. In this connection he argued that as commissions of the Disarmament Conference were now actively in session in Geneva for Germany to go there would seem as if she were again in effect attending the Disarmament Conference which she had definitely declared she would not do as long as her claims to equality were not recognized. Ac-

cordingly as early as last Tuesday, October 11th, the German Government had instructed its Chargés d'Affaires in London and Paris, that Geneva would be unacceptable to Germany and so when MacDonald made his latest definite suggestion of holding the conference in Geneva he was aware of Germany's objection thereto.

Although as indicated above Dieckhoff's explanation of Germany's present position was in effect that she would be beset with pitfalls if she went to Geneva the definite change of attitudes from that of last week may perhaps be ascribed to Neurath who was not in Berlin when Germany's acceptance of the English invitation was framed and who may feel that in view of the stand he has previously taken Geneva is personally impossible for him.

The British Chargé d'Affaires informed me that when he yesterday delivered the invitation to go to Geneva to Neurath the latter, while stating that Geneva was out of the question and that he much preferred London, said in effect that Germany would agree to any other place but Geneva though Lausanne would only be accepted as a last resort. In his conversation with me Dieckhoff took occasion to emphasize this latter point and stated definitely that this was the German position; he added that if it was impossible to agree on London The Hague would appear to be the most acceptable alternative.

This attitude of the German Government has not yet been made clear through the press which this morning in most cases treated Germany's answer as a bare refusal to go to Geneva. Taking the question on this basis the initial comment this morning (which necessarily was superficial) was one of distinct approval in the press of the right whereas the moderate and left press has not yet committed itself.

GORDON

500.A15A4/1535 : Telegram

The Ambassador in Great Britain (Mellon) to the Secretary of State

LONDON, October 17, 1932—5 p. m.

[Received 5 p. m.]

297. From Norman Davis. Simon's idea that we might attend proposed disarmament conversations in the role of observer and press reports this morning intimating French proposal for three-power conversations between British, French, and Italians prompt me to suggest following considerations to you. In my opinion we now have a better opportunity than ever before to bring about acceptance of the substance of the Hoover plan and to affect the reduction of world

armaments. MacDonald and Baldwin are reexamining the British position with regard to disarmament, Herriot appreciates that France must prepare to reduce its armaments if there is to be hope of successful negotiations with the Germans. I am apprehensive that this real opportunity may be lost if the French are successful in putting over their thesis that there must be a preliminary agreement on security with Great Britain and Italy, to be worked out by three-power conversations, or if the French publicly launch their much advertised disarmament plan which, I gather, provides for elaborate agreements to promote security.

Three-power conversations on the security issue would probably fail through the unwillingness of the British and Italians to underwrite French foreign policy through any real extension of the Covenant, the Locarno Treaty or the Kellogg-Briand Pact. With such failure we would lose the present opportunity of driving for armament reduction and advancing the general security through a gradual and controlled reduction of armaments.

I am convinced that our active collaboration is essential to the success of the Disarmament Conference and that the fate of the Conference will depend upon the conversations which may shortly take place between the leading powers.

If France insists and the British and Italians acquiesce we cannot of course object to conversations among them on the security issue but I feel it is our duty to consider whether we should not now take a stand in favor of serious disarmament conversations.

As a first step we should carry forward the conversations with the British, which are proceeding favorably, to adjust our naval differences. We might then reexamine the possibility of bringing the French and Italians into the naval treaty and take up the question of the reduction of land armaments. If this program succeeds it would be possible to deal with the Germans on the practical basis of a real program for the reduction of armaments rather than indulge in academic and futile consideration of legal equality, and at a more propitious time since the German elections will be over.

I realize that this is an ambitious program and naturally I cannot underwrite its success but in this crisis it is only by measures of this kind that we can hope to relieve the tension here.

If you agree with my analysis of the situation I feel that it will be desirable to let MacDonald and Simon know promptly that in our view the conversations proposed to be held should deal frankly and fully with the question of reduction of armaments and that we would participate in any such discussions. It is unfortunate that these questions come up for decision just at this moment but I do not see how

a decision can be delayed without running the risk of losing an opportunity that may not come again. Of course if France persists in her old contention that security, apart from disarmament, is the primary consideration of the proposed conversations we could not usefully participate. [Davis.]

MELLON

500.A15A4/1550 : Telegram

The Secretary of State to the Ambassador in Great Britain (Mellon)

WASHINGTON, October 20, 1932—8 p. m.

273. Your 297, October 17, 5 p. m., 301, October 19, 6 p. m., 302, October 19, 8 p. m. and 305, October 20, 3 p. m.⁸¹ For Norman Davis. Your telegrams have required so much study that I am not as yet prepared to send you a full and final statement of my views. This message however will serve as a guide to you during your talks at Chequers over the weekend and I shall try to follow it with a more detailed message some time next week.

Dealing first with naval questions. There has of course been no time as yet to receive any opinion from the Navy Department concerning the general tenor of the memorandum you submitted. Apart from technical considerations which may later be sent you, I fear that any publicity might have a serious effect here, in that the memorandum leaves aside all provisions of the Hoover Plan, involving present reduction of naval armaments, and confines itself to the British thesis of dealing exclusively with future replacements. The merits of the plan are such that they would only appeal to the public (and I believe to a large section of the Navy itself) after a prolonged campaign of education. I therefore trust that you will be doubly careful to keep the matter completely confidential and, it goes without saying, to avoid committing yourself in any way as to the acceptability of the proposals.

With regard to the general disarmament situation I am encouraged that you, being on the ground and with close contacts with European statesmen, feel optimistic as to the eventual acceptance of the President's plan, and do not wish in any way to discourage your best efforts. Nevertheless from this distance I have constantly envisaged the probability of a Japanese veto on all affirmative decisions and more recently the attitude of Germany has seemed to me to place a new obstacle in the path of actual accomplishment. In these circumstances I cannot help regarding the preservation of the world's

⁸¹ For Nos. 301, 302, and 305, see pp. 531, 534, and 535.

peace machinery (i.e. the sanctity of the Kellogg-Briand Pact, the Nine Power Pact, etc.) as a problem of more immediate practical concern to us than a limited agreement on certain phases of disarmament. In this connection, two considerations assume especial importance: (a) the preservation of close relations with France and (b) the prevention of any open clash with Germany on the subject of the Treaty of Versailles at least until after the Manchurian question has been dealt with at Geneva. Only thus can we be sure of preventing Germany and Japan from lining up together at Geneva with disastrous consequences to the future of the peace treaties above referred to.

I am glad to authorize your participation in any preliminary discussions which may be entered into to promote the work of the Disarmament Conference, and in such discussions I agree with you that you should participate fully and not in the role of an observer. There is however an ever present danger that such discussions may almost imperceptibly shift from pure disarmament into European politics. I trust your judgment implicitly in keeping us out of any dangerous phase of the conversations and meanwhile rely on you to keep me fully posted.

STIMSON

500.A15A4/1551 : Telegram

The Ambassador in Great Britain (Mellon) to the Secretary of State

LONDON, October 21, 1932—5 p. m.

[Received October 21—1:45 p. m.]

306. From Norman Davis. Thanks for your 273, October 20, 8 p. m. which is as explicit and responsive as I could expect at this time and gives me just what I need for guidance in the discussions over the week-end. You may rest assured that I have not for a moment lost sight of the primary importance of the Far Eastern situation. I have accordingly endeavored to maintain the closest possible contact with the French for the reasons you indicate and I feel increasingly confident that this situation can be handled in a way to keep them with us. I fully understand your views on naval proposals and will send suggestions as to procedure on the receipt of your further comments and after my week-end talks. [Davis.]

MELLON

500.A15A4/1620

Memorandum by the Assistant Secretary of State (Rogers)

[WASHINGTON,] October 22, 1932.

Disarmament

The Italian Ambassador, after expressing himself as pessimistic about the German-French situation, said he wanted to outline again the Mussolini plan which he had communicated in two interviews to the Secretary but may have stated without sufficient clarity or exactness. Mussolini's suggestion was this:

First, that the German right to juridical equality should be recognized but in such a way that the employment of the right should be moderate, proportionate, and in pursuance only of a definite agreement. The right must be recognized because, first, the efforts so far at disarmament have yielded nothing; and, second, because the right has a foundation in the Treaty of Versailles and the French correspondence. The chief object should be to avoid Germany's retiring from the concert of nations which would be disastrous and whatever sacrifice is necessary must be made to this end.

Second. The new convention should include some arrangements for security not only for France but for others, designed on some appropriate system. Afterwards, in answer to some questions by the Secretary, Mussolini added some further comments. The German-French parity should be brought about by a diminution of world armament through the process of conference and convention. If the conference fails to meet the question of bringing actual German armament nearer to parity by this means, then the formula for German armament which recognizes the right to equality must provide for an increase in her armament which is scaled over a period of time and definitely stated in a convention. Mussolini's motive in suggesting this whole line of procedure was the danger arising if Germany should withdraw from collaboration with the other nations.

The Ambassador added personally that he was afraid the French people had an impression that we would back them against Germany if they would back us on the Manchurian situation. He thought this was very unfortunate. I said there was no bargain or agreement with France, express or implied; that our concern was world order and peace; that there were three lines of action on which we could proceed: First, to sacrifice everything to quiet the German-French conflict. This conflict was ancient, difficult, acute, and, while it might be quieted, could not be cured by merely local applications. Second, we could proceed to disarmament. This was going slowly, but we would not vary from it. Third, we could, as a contribution to world peace, develop further the general conviction of the necessity of pre-

servng the sanctity of treaties. He said the stabilized world contemplated by the sanctity doctrine required some elastic means of readjustment. Italy herself might face a time when expanding populations required new territory abroad. He hoped this could be arrived at peaceably. I said I realized there must be some machinery of adjustment and indeed the League covenant contemplated it. He said the Italians looked on the League as a French organ which was not capable of producing the necessary accommodations easily. I said we were developing other means in addition to the League. I said our attitude on the German-French matter was that we were concerned with disarmament and not with either a modification or the maintenance of the Treaty of Versailles. He said the line was hard to draw.

Debts

The Italian Ambassador brought up the topic of debts⁸² and wanted to know whether all the newspaper talk really represented some negotiations. I said we had had no approaches by either Great Britain or France; that the matter was quiescent. He asked whether Herriot had said that they would pay the commercial debt and not the political debt on December 15. I said Herriot seems to deny that he said that and we are not satisfied that he did. He asked whether our position was still that we would handle the debt problem separately with various nations. I said it was still that and that we expected the December payment in the usual course; that there would be no opportunity to discuss any adjustments of that if of any.

The Ambassador said he was sailing November 12th definitely.

J[AMES] G[RAFTON] R[OGERS]

500.A15A4/1613

The Chargé in Czechoslovakia (Tuck) to the Secretary of State

No. 849

PRAGUE, October 29, 1932.

[Received November 11.]

SIR: I have the honor to report as follows: On October 25th I had occasion to interview Dr. Beneš, who had just returned to Prague from Geneva and Paris, and I asked him to give me his impressions on recent developments in matters relating to disarmament. The Minister for Foreign Affairs, who is rather fond of referring to himself as a professional optimist in the disarmament field, impressed me as being in a distinctly gloomy frame of mind. He had come

⁸² See pp. 781 ff.

away from Geneva, he said, with the conviction that the problem of disarmament was in a particularly bad way. From his conversations in September with German representatives, with Zaleski, and from "other sources" he had been forced to the unwilling conclusion that the German Government had decided to take no further part in the Disarmament Conference. According to Dr. Beneš, a very definite reason had led to this decision which was that the present Government of the Reich had every intention, within the next two years, of bringing before the League of Nations the question of the Polish Corridor.⁸³ Consequently it would serve no useful purpose for Germany to collaborate in the framing of a Convention which, if signed, would definitely limit the extent of her future armaments over a number of years and, in the event of the adoption of the Hoover proposal relating to effectives, would leave France, owing to her colonies, in a position of numerical superiority.

Dr. Beneš believed that the rest of Europe was again face to face with the German spirit which dominated in 1914, and he was forced to the regretful conclusion that Hindenburg, Schleicher and Papen would do everything possible, as long as they remained in power, to frustrate any useful collaboration in the limitation of armaments.

This unfavorable impression was in no way altered as the result of his subsequent visit to Paris where he encountered an equally stubborn attitude, particularly in higher military circles. He had had occasion to talk with Pétain and Weygand. The Marshal had remarked to him in substance "This Hoover proposal may be all very well but in view of Germany's present attitude you cannot expect us, militarily speaking, to 'undress' France (*déshabiller la France militairement*). The French Government is willing to agree to substantial reduction in armaments and effectives, and even to discuss equality of rights on a juridical basis, but only on condition that Germany ceases to advance claims for an increase in armaments on the ground of her security."

I then asked him, in view of the unhappy situation which he had depicted, whether he saw any hopeful prospects for the continuation of disarmament work in Geneva. He replied that the best possible tactics to adopt under present circumstances, was for the United States, France and Great Britain to continue their active participation in the work of the Disarmament Conference, whether Germany collaborated or not. If these three great Powers were able to frame, and to sign, a Convention acceptable to themselves and to the majority of the smaller European nations, he believed that Germany would then find herself in an extremely awkward position; a position

⁸³ For status of German-Polish relations on this issue, see pp. 861 ff.

in fact so embarrassing that it might conceivably result in the overthrow of the Government and a return to a more normal and less militaristic attitude toward disarmament. Should it prove impossible for the United States, France and Great Britain to see eye to eye, then the cause of disarmament would indeed be in a sorry plight.

Czechoslovakia, he concluded, unlike Poland, was fortunately in a position to view the present situation from a detached and objective point of view (this I do not believe for a moment) and his Government would contribute its weight towards the framing of any convention which would definitely tend toward the limitation of armaments and it would continue to oppose any attempt to introduce projects which could only be interpreted as proposals for rearmament.

It may be of interest to add that when I compared notes with the Italian Minister, who was received immediately following me, Signor Rocco informed me that Dr. Beneš had referred to his Geneva and Paris impressions in almost exactly the same pessimistic vein.

Respectfully yours,

S. PINKNEY TUCK

500.A15A4/1590 : Telegram

The American Delegate (Wilson) to the Secretary of State

GENEVA, November 1, 1932—8 p. m.

[Received November 1—6 p. m.]

427. From Davis. Drummond who has visited Berlin recently told me he was convinced by talks with von Papen and Neurath that they sincerely desire to reach an early agreement with France and Neurath is ready to come to Geneva on any justifiable pretext in order to begin conversations. He will in any event come for the Council meeting on the 14th which, however, will probably be postponed to the 21st and had the intention then of entering into such conversations. On account of the delay in the Council meeting it may be possible to find some way to get Neurath here next week. This will be discussed with Simon and Boncour who arrive Thursday.⁸⁴ The Germans are in any event ready to go to Lausanne and Drummond thought that might be possible by having Henderson there to sit in on the conversations so as to get tied up with the Disarmament Conference. I told him that it seemed to me childish and evasive to meet in Lausanne and that after the German elections are over it would be better just to ask Neurath openly and frankly without any attempt to agree upon the conditions under which he will meet to come

⁸⁴ November 3.

here to talk over with the other four principal powers the question of Germany reentering the Disarmament Conference. The new French plan⁸⁵ which has been favorably received in Berlin eases the way for Germany to meet here.

I am convinced from my recent talk with Herriot that he has made a tremendous decision and that is to take substantial steps in the investigation and to make every effort to bring peace in Europe. Aubert is to give us tonight or tomorrow the full details of the French plan. There will be parts of it which will present difficulties to us but it seems to represent such an advance in French thinking that I believe that you will feel disposed to make every effort as the negotiations go on to meet them as far as possible. [Davis.]

WILSON

500.A15A4/1634 : Telegram

The American Delegate (Wilson) to the Secretary of State

GENEVA, November 22, 1932—10 p. m.

[Received 10:05 p. m.]

467. From Davis. Neurath dined with me alone last night and in discussing disarmament he recognized the importance from the point of view of self-interest of having France and Germany reconcile their differences. I agreed and told him that even if the principle of equality were agreed upon it was important to avoid the subsequent danger of a different interpretation and that it was essential therefore to know in their agreement that they were talking about the same thing.

Von Neurath had made a rough note of what Germany means and what she is disposed to do which follows herewith.

“Germany to receive full equality of rights in matters relating to national defense and armaments, in accordance with the following principles:

I

1. The equality of rights includes the right to possess all categories of arms which are not prohibited by the new disarmament convention to the other signatories of that convention.

2. The future disarmament convention to be concluded takes the place of part V of the Treaty of Versailles. It shall be valid for a period of 5 years and shall contain an undertaking by the signatories to enter upon negotiations, in due course before the expiration of the old disarmament convention embodying further reduction of armaments.

⁸⁵ See telegram No. 455, November 15, noon, from the American delegate, p. 380.

3. Either:

(a) The duration of service of the Reichswehr will be reduced and

(b) Germany will be given the right to set up a force of volunteers of 40,000 men

or:

Germany will be allowed to organize her army according to the same military system as the other European continental powers.

4. Germany shall have the right to organize the supply and upkeep of Reichswehr and navy material in the same way as the other powers.

II

1. In the case of solution I, 3 (a) and (b), Germany undertakes not to increase the Reichswehr for the duration of the first disarmament convention (5 years) beyond its present strength of seven divisions and three cavalry divisions.

2. Germany waives already now her claim to any aggressive arms which the other powers undertake to abolish within a short period of transition.

3. Germany undertakes not to increase in the next 5 years her present normal budget (725,000,000 marks annually).

4. Germany will join a no-force pact.

If no disarmament convention should be concluded by July first 1933 the above agreement shall become null and void and all parties to it shall regain freedom of action.["]

I raised the question of the difficulty which France would face in agreeing to the cancellation of part V of the Treaty of Versailles for a 5-year contract only. Neurath indicated that they might be willing to agree to a longer period.

After explaining the unwillingness of the United States to bring pressure to bear on either party in what refers to the Treaty of Versailles, I added that we do hope that they can reconcile their differences and would be glad to be helpful in any way in accomplishing this; that our interest lies in general reduction and that we were opposed to any increase in armaments.

Concerning the questions that have been raised over Germany's right to possess all categories of arms not prohibited in the treaty to other powers Neurath indicated they would not insist upon full exercise of this right providing the principle were accepted. He stated categorically that Germany has no desire or intention to rearm but that if she should forego completely the right to rearm at the expiration of such a treaty she would have no influence to bring to bear to secure a further reduction of armaments. Such a reduction is her real desire and Neurath considers it essential to European peace.

I impressed upon him that Germany and France each have more to gain from the success of the Disarmament Conference and more to lose from its failure than any other country. Neurath agreed and reiterated Germany's earnest desire to contribute to such a solution. [Davis.]

WILSON

500.A15A4 Steering Committee/189: Telegram

The American Delegate (Wilson) to the Secretary of State

GENEVA, November 25, 1932—8 p. m.

[Received November 25—6:28 p. m.]

469. From Davis. As Herriot and MacDonald could not be here we have not attempted to have any five-power conversations this week but we expect to arrange for meetings to begin on December 2nd at which time MacDonald and Herriot have agreed to come. Neurath is willing to return then but in view of the governmental situation in Germany he feels that he should wait until he returns to Berlin Sunday⁸⁶ and consults Hindenburg before making final commitment. He will advise definitely next Monday, in which case an announcement will then be made. We have had some difficulties over the conditions under which the conversations should take place, the Germans wanting prior recognition of the principle of equality and the French insisting that equality can be only discussed in connection with their plan. Simon and I have taken the position that we should simply agree to meet without attempting beforehand to agree upon some formula and they have both accepted that view. In that connection but mainly in order to secure French agreement for an early preliminary convention I have decided to go to Paris to talk with Herriot, particularly as the work here allows me to leave for a few days. I am therefore leaving tonight, Friday, accompanied by Dulles returning to Geneva Monday night. If the press inquire I shall state that since most of those with whom I have been working are leaving for the week-end I am taking advantage of the opportunity to go to Paris for a few days' rest. Simon is also leaving tonight for London, returning here Wednesday.⁸⁷ [Davis.]

WILSON

⁸⁶ November 27.

⁸⁷ November 30.

500.A15A4 Steering Committee/228

The Chargé in France (Marriner) to the Secretary of State

No. 3117

PARIS, November 28, 1932.

[Received December 6.]

SIR: With reference to the Embassy's telegram No. 673, November 27, 7 p. m.,⁸⁸ I have the honor to enclose a copy of a memorandum of the confidential conversation concerning various aspects of the disarmament problem which took place between M. Herriot and the Honorable Norman Davis on Saturday, November 26th.

Respectfully yours,

THEODORE MARRINER

[Enclosure]

*Memorandum of Conversation at the Quai d'Orsay, November 26, 1932, Between the President of the Council, M. Herriot, and Mr. Norman H. Davis*⁸⁹

When Mr. Davis advised the Quai d'Orsay Saturday afternoon that he would be in Paris until Monday night and would be glad to see M. Herriot if the latter so desired, an appointment was fixed for 8 o'clock that evening. As this came after a long day for M. Herriot, Mr. Davis suggested that there was no urgency about the meeting and that it might be put off until Sunday or Monday. M. Herriot, however, expressed the desire to see Mr. Davis as soon as possible and fixed the appointment for 7:45 p. m.

M. Herriot received Mr. Davis immediately. He was obviously tired and did not liven up to the conversation for several minutes. Mr. Davis opened the conversation by stating that he had heard M. Herriot had been disturbed over reports he had received of certain conversations he had had with regard to the French disarmament plan, and he wanted to know if this was, in fact, the case. M. Herriot replied no, that it was nothing that Mr. Davis had said which troubled him, it was rather the situation itself. He frankly added that he was very worried. In fact, in the course of the interview, he repeated again and again, "I am afraid." It seemed to him that France was walking in the darkness towards a goal which it could not clearly ascertain. When he was asked to sit down to five-power conversations to discuss the vague question of "equality of right," he was frank to state that he did not know where France would come out, and this terrified him.

He had said he would go to Geneva, and he would do so, but he wanted it to be clearly understood that he would not go to Geneva and

⁸⁸ Not printed.

⁸⁹ Mr. Allen Dulles was also present.

enter into these conversations merely to discuss the German claim for equality of right. He would only go to discuss the entire question of disarmament as conceived by France. What did the Germans mean by equality of right? They had explained it in various ways, and he referred particularly to the German note to France of last August and the communication which they had made to the British shortly thereafter. (This communication to the British is apparently very much on M. Herriot's mind; particularly the insistence of Germany upon heavy arms, militia, and a professional army.)

Mr. Davis then outlined in some detail the conversation which he had had in Geneva with Baron von Neurath. In the course of these conversations, Baron von Neurath had made it clear that while Germany must insist as a matter of principle upon the right to certain arms now denied them, in the actual application of this principle they would be able to agree to have only certain specific arms. Von Neurath had also made it clear that while he had come to Geneva for the Council meeting, he had been given authority by President von Hindenburg to discuss the whole question of disarmament, and in this connection he had not imposed, and if he came back would not impose, any prior conditions to circumscribe the conversations. Mr. Davis said that Baron von Neurath's position with regard to Germany's claim seemed fairly reasonable.

M. Herriot then explained that while the Germans sometimes talked reasonably, their actions were very different. Once, he said, he had honestly believed in the possibility of an entente between France and Germany. He no longer had that belief. In 1924, he had made peace with Germany and had evacuated the Ruhr, and had made the Agreement of London; later, he had been a party to the early evacuation of the Rhineland; at Lausanne he had settled German reparations; and now when he read the memoirs of Stresemann, he found that they called him a "jellyfish." Von Papen was undoubtedly a very agreeable gentleman, although we would recall what his record in the United States had been. However, this same von Papen at Lausanne had proposed to him an alliance directed against England, and every 15 days he had a change of policy. After all, at heart von Papen was a monarchist, and Germany was rapidly going toward a dictatorship, and then the restoration of the Monarchy. He understood the Americans and the English and their policy, and he could trust them; he could not do the same with Germany.

These were the facts which he had to face. He felt charged with responsibility for the lives of millions of French people. He had to meet that responsibility and it made him tremble. He was afraid of the conversations which were to take place in Geneva. France did not desire to be isolated, but if he had to choose, in these Geneva

conversations, between isolation and the acceptance of a vague principle which in its application might entail the loss of French security, he would not hesitate to choose the former. Mr. Davis emphatically advised M. Herriot that he felt that he need not fear isolation at Geneva. The United States did not wish to press France to do anything that would be against her own desires and best interests. What we wanted to do was to work towards reduction and limitation of armaments, which would at the same time increase, and not decrease, the safety of France. Here was a chance to cooperate with the United States and Great Britain in working out a disarmament agreement which would be to the best interests of all. If France rejected this opportunity, it might not soon come again.

M. Herriot then launched into a statement with regard to the French plan. France, he said, had been asked to produce a plan as to how they conceive disarmament and security, and he had produced this plan. This plan was also an answer to the German demand as to how the claim for "equality of right" could be put into effect. He had done this over the opposition of his military men, and especially the opposition of Marshal Pétain and of General Weygand. The opposition of Marshal Pétain had really troubled him. He was an independent man of real breadth and vision. And Marshal Pétain had said to him that his plan might endanger the safety of France. He could never forget the evening he had come back and found Marshal Pétain's letter to this effect on his desk. The Marshal had said that parts of his plan would be taken up and put into effect and the rest would be lost, and France would be in danger.

M. Herriot said that he recognized that his plan might have defects, and that there were difficult points in it. People said it was too complicated, it was too long, it was too logical. After all, it was a French plan, and it had all the French defects in it. He did not insist that the question of disarmament be worked out on the basis of the French plan. We could take, if we wanted, the Hoover plan or the plan submitted to the British. What he did insist upon, however, was this: When he entered on the path of working out disarmament and equality of right, he wanted to know where he was going and what the result would be for the security of France. At the moment, he did not see clearly; he was in obscurity. He did not know where France was going or where these conversations would lead her.

Mr. Davis stated that he quite understood M. Herriot's reluctance to accept the principle of equality without knowing how it was to be put into application, and frankly he had doubted the wisdom of

some of the proposals of Sir John Simon with regard to according equality of status to Germany, particularly with respect to granting the right to possess every kind of weapon. Mr. Davis stated that in the conversations which it was proposed to hold at Geneva, the United States would participate, not in the rôle of an observer but just as any other of the five powers. Further, in these conferences he did not propose to be drawn into a theoretical discussion of German equality, but of measures of disarmament. He had been giving much thought as to whether a plan could be worked out which would permit a measure of disarmament and avoid coming to grips at this moment with the theoretical questions raised by the Germans, which were causing so much difficulty to the French. He did not wish at this time to go into the details, but suggested that before returning to Geneva, possibly some time on Monday, he could do this. M. Herriot said that he would be available at any time on Monday, and a further meeting was fixed for 10:30 on Monday morning.

Mr. Davis then said that he wished to take up one further matter, and told M. Herriot of his trip to Rome.⁹⁰ He had told M. Mussolini that M. Herriot had the best intentions with regard to Italy, and that he had been assured by M. Herriot that he was prepared to consider in the friendliest manner a solution of the naval difficulties between France and Italy. It had been most opportune that the very next day, M. Herriot had made his speech at Toulouse, in which he had spoken in such high terms of Italy's part in the war. When M. Mussolini saw Mr. Davis just after this speech, he was evidently more than gratified at the generous statement which M. Herriot had made. M. Herriot interrupted to say that this was done mainly because Mr. Davis had suggested it. From what M. Mussolini had said to him, Mr. Davis was convinced that Italy really desired the friendship of France, but she was like a woman who feared to make advances, being apprehensive of a rebuff. M. Herriot smiled and said that he understood this, and Mr. Davis added that this was, in his opinion, the reason why M. Mussolini had not yet made a reply in kind to M. Herriot's generous overture. Mr. Davis said that M. Mussolini had spontaneously turned to Mrs. Davis at the dinner which M. Mussolini had given to him in Rome, stating, "I know that M. Herriot is a big man and an honest man." M. Herriot intimated that he considered that the Italian situation was not of immediate and vital importance to France and, pointing in the direction of Germany, he said that it was not from Italy, but from there (Germany) that he feared the trouble.

⁹⁰ See pp. 550 ff.

Mr. Davis then referred to the naval discussions which had started in Geneva; explained how they were being carried on by conversations between the French and the Americans, the Americans and the Italians, and the Americans and the British; that these conversations were progressing; and that it was of real importance that M. Herriot do his part to bring the conversations to a successful conclusion. M. Herriot said that he would do what he could.

M. Herriot then went back to the German situation. It was obvious that he could not forget this for a moment. After some hunting through his papers, he produced a communication from the French representative in Munich, which he asked Mr. Dulles to translate. The general tenor of this communication was that the Socialist party had been cajoled by General von Schleicher, at the price of some additional unemployment doles, to take a position of non-opposition to a government of the Right, such as von Schleicher desired. This M. Herriot produced as evidence that there was no real democratic spirit in Germany, and that the military party really had no opposition. In 6 hours Germany could be in Paris. Unfortunately, there was no ocean between Germany and France. If given the Atlantic and Pacific, we would see how reasonable he could be. Of course, Germany would not start by attacking the French frontier because of Locarno. But, on the other hand, she could easily arrange for a few Poles to make an incursion into German territory near the Polish corridor, and with this excuse the invasion of Poland would start, and then who could decide who was the aggressor? They only had to remember the German claims about the French airplanes over Nürnberg during the war. Mr. Davis suggested to M. Herriot that he was unduly preoccupied, and that in all of our countries we have too many people who are cynical and who lay stress upon all the troublesome things that can happen, but that he, Herriot, was not a cynic.

As Mr. Davis got up to go, M. Herriot arose and pushed Mr. Davis into his chair, and took the chair Mr. Davis had been in, saying that if only Mr. Davis would sit in that chair for awhile, with the responsibility for the safety of millions of French people on his shoulders, he would then understand his preoccupation in the face of Germany. Mr. Davis replied that if they could each change chairs for awhile and get the other's point of view, then there could be a meeting of minds.

The question of debts came up very casually just as Mr. Davis was leaving, when M. Herriot said that for one hour spent on debts, he spent 10 hours on the disarmament conference. One involved a mere question of money, the other involved the safety of the French people.

Mr. Davis said that he did not wish to discuss debts, except to state that he hoped that M. Herriot would not let this question come between France and the United States to make more difficult their cooperation in the solution of other problems, such as disarmament. M. Herriot said that he would do his best to avoid any such situation arising.

PARIS, November 26, 1932.

500.A15A4 Steering Committee/227

The Chargé in France (Marriner) to the Secretary of State

No. 3122

PARIS, November 29, 1932.

[Received December 6.]

SIR: With reference to the Embassy's telegram No. 676, November 29, 11 a. m. [1 p. m.],⁹¹ I have the honor to enclose a copy of a memorandum of the confidential conversation concerning various aspects of the disarmament problem which took place between M. Herriot and the Honorable Norman Davis at the Quai d'Orsay on November 28th.

Respectfully yours,

THEODORE MARRINER

[Enclosure]

*Memorandum of a Conversation at the Quai d'Orsay, November 28, 1932, Between the President of the Council, M. Herriot, and Mr. Norman H. Davis*⁹²

Mr. Davis stated that he wished to take this opportunity to discuss with M. Herriot the proposed Five Power conversations at Geneva and the possibility of having these conversations developed in such a way as to bring satisfactory concrete results. But before taking up this question he desired to refer to the section (Chapter I) of the French plan⁹³ which related to the assurance to be given by the United States. Mr. Davis had heard that in preparing this Chapter of the French plan M. Herriot had acted on the advice of Mr. Politis that the United States could and would give assurances of the character desired by France. He wished M. Herriot to know that he (Mr. Davis) had never discussed the matter with Mr. Politis and he felt quite sure that Mr. Politis had no mandate to express the American viewpoint on these questions. (Note: Mr. Davis raised this question as he had heard from Lord Tyrrell that M. Herriot had

⁹¹ Not printed.

⁹² Mr. Allen Dulles was also present.

⁹³ See telegram No. 455, November 15, noon, from the American delegate, p. 380.

been assured by Mr. Politis, who had been instrumental in drafting Chapter I, that the United States could and would do all that was required to give effect to this chapter and that he (Politis) had had some assurances on this point from American circles).

M. Herriot stated that he had, in effect, consulted Mr. Politis with regard to certain phases of the plan, not, however, because Mr. Politis was in a position to express the American viewpoint as he knew this was not the case, but rather because Mr. Politis was the Vice-President of the Disarmament Conference, knew the temper of the Conference, and was in a position to help guide him as to what was feasible from the Conference point of view.

Mr. Davis then stated that, in his opinion, it was a great mistake to attempt to push the United States faster or further than it was prepared to go in connection with the legalistic formulation of the doctrine which had been associated with Secretary Stimson's name on account of the Secretary's speech of August 8th last.⁹⁴ In fact, the United States had made a long step forward and the success of this step should not now be jeopardized by the attempt to make precise, through treaty provisions, a doctrine such as that set forth in the Secretary's speech. In the United States, policies of this nature often evolve and become strong through precedent and through the support of public opinion. If in their infancy they were subjected to Senatorial scrutiny on the basis of legalistic formula the basic ideas might be defeated through failure to agree upon the terms of their formulation.

M. Herriot would recall that it was the duty of the Executive to indicate what he conceived to be the duties of the United States under its treaties. Secretary Stimson had done this so far as the Briand-Kellogg Pact was concerned. There had been no dissent in the United States from the interpretation which had been given and France should be content with this and recognize what a step forward it constituted.

The United States, he said, is not only definitely committed now to the principle of consultation in case of a violation or threat of violation of the Peace Pact, but it has already established a precedent of consulting, as in the case of the Sino-Japanese controversy, and it is watching with keen interest just how other powers look upon their obligations in this respect.

While the doctrine of neutrality and belligerent rights has been modified by the principles established in the Kellogg-Briand Pact, a disarmament treaty is not the place in which to attempt to codify the principles which shall regulate the conduct of nations in the case of a violation of the Peace Pact.

⁹⁴ *Post*, p. 575.

M. Herriot said that he recognized the force of Mr. Davis' remarks. The French plan did not state that the principles of Chapter I must necessarily be set forth in a treaty. All that France wanted was that they should be definitely a part of American policy. In effect what he had been trying to get at in this section of the French plan was that Great Britain should state clearly what it understood by Article 16 of the covenant of the League of Nations and that the United States should state with equal clarity its interpretation of the Briand-Kellogg Pact. Then France will know better where she stood and could proceed with some plan for cooperative action in continental Europe. To repeat, M. Herriot emphasized that he did not insist upon a treaty, a declaration would be quite sufficient if there was no doubt that the declaration represented the determined policy of the United States Government. M. Herriot said that he had read with close attention Secretary Stimson's speech of August 8th, his Pittsburgh speech and also the declarations of President Hoover. He felt that on certain points the declarations made by the President did not go quite as far as the speech of Secretary Stimson. He fully understood our difficulties as to a treaty. What he was afraid of was that Great Britain would hesitate to give a clear interpretation of Article 16 until they felt sure of our position with regard to the Briand-Kellogg Pact.

Mr. Davis remarked that after Secretary Stimson's speeches he did not feel that the British had any real justification in claiming that we were the obstacle which prevented them from taking such action as they might be disposed to take under Article 16 or any other articles of the covenant.

Referring to the French plan, M. Herriot said that he fully realized its defects. They had hurried him too much; Henderson had insisted the plan must be produced and Lord Tyrrell had also pressed him. Matters as difficult and delicate as this could not be worked out in a few days or even a few weeks. He wished again to emphasize that he did not insist that the French plan was the only basis for discussing the disarmament question, but there was one point he wished to make absolutely clear, namely, that we could not take out of the French plan the provisions relating to the equality of right for Germany and leave the rest aside. Further, he would never admit that the question of German equality should be considered abstractly and apart from the whole question of disarmament. In his conception the question of security as presented by France and of "equality" as demanded by Germany should occupy the same position in relation to the whole disarmament problem. They were objectives to be reached at the end of the road. To try to settle the question of

equality as a preliminary and isolated question was absolutely inadmissible and he for one would never acquiesce in this method of procedure.

Mr. Davis stated that the suggestion in the French plan with regard to an international force at the disposition of the League was foreign to our conception of what was practical. Further, it seemed to him a mistake to attempt to make a super-State out of the League. If some common force was necessary for continental Europe, could this not be worked out in some other way? M. Herriot replied that he felt this was a matter for the technical military men to work out. He saw no reason why the French, German, Italian and other military men should not get together and submit their ideas as to the formation of such a force. It would be interesting to have this study and it might furnish a useful basis.

M. Herriot remarked that he was still very apprehensive about the Geneva conversations. Naturally the German policy disturbed him and he had to consider that, in a day or two, he might be dealing with General von Schleicher as German Chancellor. What the Germans had been doing was, in effect, this: They had been demanding that France and the other Powers go to them with their plans for disarmament while Germany assumed no part in the disarmament work; every time a plan was presented they said that it was not enough and doubled their previous demands. Last April all that Germany asked for was that Section V of the Versailles Treaty be included in the disarmament treaty. Now they were asking for a substantial amount of rearmament. Tomorrow it will be the Polish Corridor. After that the Sarre and then the colonies. He could not understand why the British seemed so blind to all of this. Winston Churchill had understood the true purport of events and realized that the French army was a bulwark in Europe and that if that army were done away with the hope of peace in Europe would be gone. Meanwhile, however, Sir John Simon was promising the Germans equality and sample types of all arms without realizing the terrible danger that this involved. Lord Tyrrell had come to him and asked him for the French disarmament plan. He had told him that he could write this in one line, as follows: France accepts the same relative military strength on land as compared with that of Germany which England is prepared to accept at sea as compared with German naval forces.

Mr. Davis then stated that the matter which he wished particularly to discuss with M. Herriot was the program to be followed in connection with the proposed Five Power Conference at Geneva. It was of vital importance that these conversations be made a success as their failure would, to all intents and purposes, terminate the dis-

armament work. He agreed with M. Herriot that the purpose of the conversations should not be to discuss the bare theory of equality. Rather the conversations should deal with the disarmament question and the method of handling the question of equality should evolve out of such discussions. Further, it was important that the conversations should mark a definite and concrete step in advance in the work of disarmament, and even if the conversations failed to find far-reaching and all-inclusive solutions, they should in any event mark a definite step in advance.

With this in view, Mr. Davis said he had been giving much thought to the method of procedure and wished to lay before M. Herriot an idea, not an American plan, as to what might be done. Mr. Davis then sketched in some detail the idea of a preliminary convention⁹⁵ to register the progress already made, leaving problems such as raised in the French plan as well as the question of German equality for the General Disarmament treaty to be worked out by the Permanent Disarmament Commission. At Mr. Davis' suggestion, Mr. Dulles then read a French translation of the memorandum setting forth these ideas in some detail.

At the conclusion, M. Herriot said he thought the idea immensely interesting and there were points in it which he felt had real value. He liked the idea of a Disarmament Commission carrying on the work. Further, he liked the idea of registering in a convention the principles set forth in the July 23rd resolution.⁹⁶ He also thought it was logical, on the basis of that resolution, to register the steps that were immediately possible and set up the machinery for working out a more comprehensive agreement which would dispose of the political problems such as French security and German equality, which, after all, were decisions to be reached at the end of the work rather than questions to be taken up at the very beginning of the task. M. Herriot added that he would wish to give the matter further thought and would talk it over with Mr. Paul-Boncour. He stated further that he would greatly appreciate it if Mr. Davis would also go into the matter with Mr. Boncour and that it might then be very desirable to arrange a further meeting at which both he and M. Boncour were present.

Just as Mr. Davis was leaving, Mr. Herriot produced from his desk an elaborate Oriental pipe which he handed Mr. Davis, laughingly remarking that this was a Japanese, and then he corrected himself, "a Manchukuo pipe." Mr. Davis' efforts to leave without this rather elaborate present were unavailing as M. Herriot thrust it

⁹⁵ See telegrams Nos. 465 and 466, November 21, from the American delegate, pp. 398 and 401. For project of preliminary convention, see p. 508.

⁹⁶ *Ante*, p. 318.

into his pocket. This little incident led to a brief discussion of the Manchurian situation. M. Herriot said he recognized the connection between the application of the principles of the Covenant as applied to Japan and these principles in the case of the Franco-German relations. We need have no apprehension whatever about his attitude on Manchuria. As long as France could be helpful in working towards a peaceful solution which was in conformity with "right" (*le droit*), France would do this. But if she had to face the moral issue involved, should efforts at conciliation fail, France would take her position squarely for the maintenance of treaties.

France, M. Herriot said, had been offered all kinds of inducements by Japan as the price of her support, since the Japanese felt they could no longer count on England. These offers had been categorically rejected. M. Herriot said that there were a group of liberal Japanese who had been in touch with him before their return to Japan. These people were in a very difficult position, caught as they were between the military party in control and the Communist movement. They could not actively assert themselves at the moment, but he hoped that as the situation developed and as the financial and political crisis in Japan became more acute these liberal elements would regain control. The situation was fraught with danger. He could see the possibilities of a close working arrangement between the military groups of Germany and those of Japan and this would be most serious.

At the conclusion of the conference, M. Herriot and Mr. Davis briefly spoke to the press reaffirming the cordial and satisfactory nature of their conference.

500.A15A4 Steering Committee/200 : Telegram

The Chargé in France (Marriner) to the Secretary of State

PARIS, November 29, 1932—7 p. m.

[Received November 29—5:40 p. m.]

679. From Norman Davis. I have just learned that Mr. MacDonald and Sir John Simon are leaving Thursday⁹⁷ and expect to arrive in Geneva on Friday morning. Previous to this Simon had informed me in writing that the Prime Minister had told him that when he went to Geneva he would like an opportunity to discuss with the representatives of the other principal powers the situation in regard to the proposed world economic conference and Simon has so informed von Neurath, Paul-Boncour, and Aloisi. He stated that he

⁹⁷ December 1.

was doing this "so that we may be all prepared for some discussion on the subject".

I plan to return to Geneva tomorrow, Wednesday, night. [Davis.]

MARRINER

500.A15A4 Steering Committee/201 : Telegram

The Chargé in France (Marriner) to the Secretary of State

PARIS, November 30, 1932—7 p. m.

[Received 7:55 p. m.]

683. From Norman Davis. Herriot and Boncour together last night to tie up the conversations of the two preceding days and to consider in more detail the substantive points, as cabled in my telegram from Geneva,⁹⁸ which might be included in a preliminary convention. Neither Herriot nor Boncour seemed disturbed at the points listed. While stating that some would undoubtedly raise difficulties, they indicated a willingness to consider them carefully and sympathetically and they very definitely stated that they were convinced of the wisdom of formulating a preliminary convention along the lines discussed. Boncour again suggested that the real difficulty lay in the changes which Germany might claim in connection with the reorganization of the Reichswehr; that is to say, either decreasing the period of service or supplementing the present Reichswehr with a civilian army. He did not, however, indicate an unalterable opposition to making some concessions to Germany. Final success will of course depend upon the attitude of Germany and how far France will go to meet their demands.

It will also be necessary of course to secure British approval. While I have not as yet gone fully into the matter with Simon, his preliminary reaction was favorable. Although he has committed himself rather far to the principle of German equality and thus may find himself in some difficulty in accepting the solution at present proposed, I do not anticipate any trouble from this source. As MacDonald and Simon arrive here tomorrow afternoon I am remaining over for a talk with them and we shall all leave tomorrow, Thursday, night for Geneva. I am just informed that Herriot has arranged to get a postponement of a discussion of the debt question in the Chamber of Deputies and that he is now free also to leave tomorrow night. I discussed the idea of a preliminary treaty with Tyrrell who returned from London last night and he was most enthusiastic about it.

⁹⁸ Telegram No. 466, November 21, 5 p. m., from the American delegate, p. 401.

Tyrrell had conversations with MacDonald, Baldwin and Simon who were chiefly occupied with the debt question, and while he did not tell me just what their decision had been, told me I need not have any fear about a satisfactory handling of the December 15th payment. [Davis.]

MARRINER

500.A15A4 Steering Committee/204: Telegram

The Chargé in France (Marriner) to the Secretary of State

PARIS, December 1, 1932—noon.

[Received December 1—9:50 a. m.]

685. From Norman Davis. Tyrrell told me that in a conversation he had with Herriot last night the latter was still preoccupied about the five-power conference. He said that he did not doubt the good faith of England and the United States in trying to work out a constructive solution that would be fair and safe to France. On the other hand he was persuaded that the German strategy would be to work for our support in getting France to accede to their demands and failing in that try to drive a wedge between France and our two countries. Herriot told him that France was committed to a disarmament program and that as long as he was Prime Minister he would insist upon France carrying out that commitment but that the proposal of Simon, in effect to permit German re-armament by giving them a specimen of each kind of weapon, complicated the whole question and made it more difficult for France to make substantial progress towards disarmament. I reiterated to Tyrrell that what I had told Herriot, namely, that we did not propose to line up with either France or Germany against the other; that we merely wished to be helpful in trying to work out a constructive solution comprising the greatest measure of disarmament immediately possible and to avoid any increase in armament anywhere.

Tyrrell received a message this morning confirming the fact that MacDonald and Simon would arrive here this evening and proceed to Geneva tonight. Herriot plans to leave tomorrow night. [Davis.]

MARRINER

500.A15A4 Steering Committee/281½

*Memorandum of the Five-Power Conversations at Geneva Regarding Disarmament and the Return of Germany to the Disarmament Conference, December 2-12, 1932*⁹⁹

FRIDAY, DECEMBER 2ND

Mr. Davis and Mr. Dulles returned to Geneva from Paris on Friday, December 2nd, following conversations in Paris with M. Herriot and M. Boncour which have been reported in detail. Mr. MacDonald, Sir John Simon and the members of the British Delegation were on the same train. Over the weekend, Mr. Davis had several talks with Mr. MacDonald and Sir John Simon, explaining in further detail the idea of a preliminary disarmament convention on the basis of the draft which had been discussed in Paris with M. Herriot and M. Boncour (Annex "A").

SATURDAY, DECEMBER 3RD

Saturday afternoon Mr. Davis and Mr. Dulles had a talk with the Prime Minister, Sir John Simon and Mr. Cadogan with regard to the proposed preliminary convention, and it was decided that on each side they would try to put down on paper how they conceived the convention and particularly how they would deal with the question of the German claim for equality of rights in the convention.

SUNDAY, DECEMBER 4TH

Sunday afternoon M. Herriot called on Mr. Davis and outlined in a general way the line of French strategy for the Five-Power Meeting. He pointed out that France would not accept any vague formula as to equality of rights which would only lead to misunderstanding in the future and that if the Germans pressed for that, he would be forced to ask them to define in a clear and unequivocal manner what they (the Germans) meant by equality of rights. M. Herriot pointed out that on several occasions German spokesmen had discussed the subject and they had done so in the formal notes of the German Government. Many of these notes and statements were conflicting and France did not clearly know what Germany meant by "equality of right". If forced to do so, he would smoke them out and then the world would see that what Germany really meant was rearmament.

Sunday evening Mr. Cadogan brought to Mr. Wilson and Mr. Dulles a draft preliminary convention which the British Delegation had prepared (Annex "B") as their conception of the method of

⁹⁹ Transmitted to the Secretary of State by Mr. Davis under covering letter of December 29.

giving effect to the substantive points annexed to the American memorandum (Annex "A"). After discussing this draft with Mr. Cadogan, Mr. Wilson and Mr. Dulles prepared late Sunday evening and early Monday morning a revised draft convention (Annex "C") which was sent to the British Delegation but not otherwise circulated.

MONDAY, DECEMBER 5TH

On Monday morning the formal conversations started. There was, however, a preliminary meeting at the Hotel Beau Rivage, the Prime Minister, Sir John Simon, Mr. Cadogan, Mr. Norman Davis and Mr. Dulles being present. At this meeting the American draft convention was discussed, article by article. In general the British found no objection to it until they came to the clauses with regard to the prohibition of air bombardment. At that point Mr. MacDonald showed clearly that he personally was opposed to the total abolition of bombardment from the air. He made an eloquent statement of the British position, pointing out the difficulties which they had in policing uncivilized parts of the world; how one aeroplane would take the place, and possibly save the lives, of a whole regiment of soldiers and that for the police of outlying regions and the frontier work which they had to perform, he did not see how they could give up this weapon.

Mr. Norman Davis was called out during this discussion to receive Ambassador Matsudaira, who came to present the Japanese naval plan.¹ At 11 o'clock Mr. Davis returned with Mr. Wilson and shortly thereafter M. Herriot and Paul-Boncour arrived and there was a general discussion of the procedure to be followed when the Germans joined the Conference and also some discussion as to when the Italians should be invited to join the three Powers. At this meeting it appeared clear for the first time that the French, mainly for reasons of strategy, were very disinclined to have any questions of disarmament discussed while the Germans were present for fear that the Germans would condition their return to the Conference upon the realization of certain concrete measures of disarmament. Of course the French did not state their position as baldly as this, but it was clear exactly what was in their minds.

At three o'clock Monday afternoon there was a further meeting, the same persons being present as at the morning meeting. At that time there was considerable discussion of the Franco-Italian naval question² and both Mr. MacDonald and Mr. Davis urged M. Herriot to do something concrete to help effect a solution. He frankly ad-

¹ For text, see p. 410.

² See pp. 528 ff.

mitted that he was not thoroughly conversant with the subject. He said it had, of course, a political and a naval side. As to the political side, he would gladly talk. If we wished to discuss technical naval questions, we would have to wait for him to get his Minister of Marine from Paris. In the discussion, M. Herriot showed a good deal of bitterness at the attitude of Italy. He remarked that Italy had not recognized the gesture made in his Toulouse speech and hinted that he had private information he could not divulge which made him feel extremely apprehensive as to the attitude of the Italians. However, notwithstanding this situation he said he would be glad to do what he could and then turned to a long report which he had from the Ministry of Marine and read a sentence from it to the general effect that France was prepared to negotiate with Italy on the basis of the maintenance of the present relative positions between the two fleets.

After this discussion, the Italian representatives, Baron Aloisi and Signor Rosso, were summoned by telephone and joined the meeting about five o'clock. Mr. MacDonald then called upon Mr. Davis to explain his idea with regard to a preliminary convention. Mr. Davis then read the memorandum which is referred to above as Annex "A". The reading of this memorandum led to considerable discussion and M. Herriot raised objection to certain points, particularly the reference to the insertion of provisions in the convention to improve Germany's means of defence. There was no substantial objection, however, to the idea of a preliminary convention but it was agreed that the memorandum as read by Mr. Davis should be gone over by a drafting committee with a view to producing a document which would be satisfactory to the four Powers and which might then be used after the Germans joined the meeting.

That evening, Monday, Mr. MacDonald gave a dinner for Baron von Neurath, who had just arrived from Berlin, and for the two chief delegates of each of the other three Powers, including Mr. Davis and Mr. Wilson. After the dinner, Mr. MacDonald explained to the Germans that during the course of the coming meetings they hoped to be able to arrive at concrete recommendations to be made to the Conference to try to hasten along its work. Meanwhile the drafting committee, composed of M. Massigli, Signor Rosso, Mr. Cadogan and Mr. Dulles, revised the memorandum presented by Mr. Davis, as indicated in Annex "D". Later that evening, Mr. Wilson and Mr. Dulles went over with M. Massigli, Mr. Cadogan and Signor Rosso the American draft convention (Annex "C"). M. Massigli, as was to be expected, showed some perturbation and indicated that much of the draft convention was unacceptable to the French on the

ground, so often alleged, that many of the subjects dealt with and the solutions proposed had not yet been the subjects of decisions at the Conference. He further expressed with evident sincerity and no little agitation his hope that we would not circulate this draft convention to the Germans. He said that the result would be to create a situation where the Germans would make impossible demands as the price of their return to the Conference. This discussion took place in Mr. Cadogan's office at the Beau Rivage. Later that evening Mr. Wilson and Mr. Dulles had a very frank talk with M. Massigli and reached the conclusion, which was concurred in by Mr. Davis, that at the present stage of the discussions the draft convention should not be circulated, but that an effort should be made to get Germany promptly to agree to return to the Conference and then see what positive steps in disarmament could be taken.

TUESDAY, DECEMBER 6TH

Tuesday morning at ten o'clock there was the first full meeting of the five Powers. There were present (and the same persons can be assumed to be present at the other meetings except where stated) for Great Britain, the Prime Minister (Mr. MacDonald), Sir John Simon, Mr. Cadogan and Mr. Wigram of the Paris Embassy; for France, M. Herriot, M. Paul-Boncour, M. Massigli; for Germany, Baron von Neurath, Baron Weiszäcker, Herr Frohwein, Herr Voelckers; for Italy, Baron Aloisi and Signor Rosso; for the United States, Mr. Norman H. Davis, Mr. Hugh Wilson and Mr. Allen W. Dulles.

At the suggestion of Mr. Norman Davis it was unanimously agreed that Mr. MacDonald should act as Chairman. After explaining the purpose of the meetings of the five Powers Mr. MacDonald called upon Mr. Davis for a general statement and explanation of the idea which had been advanced for a preliminary convention providing for immediate measures of disarmament and machinery for working out a final and general convention which would accord equality of status to Germany.

After a preliminary oral statement Mr. Davis read a memorandum (Annex "D"). In commenting upon this memorandum Mr. Davis stated that while he recognized the importance of reconciling the German demand for equality with the French insistence upon security and its bearing upon disarmament he was convinced that with all the wisdom and good will possible it would require some time to work out a satisfactory solution of these two questions, particularly if there were to be a military and political reorganization of Europe along such lines as those envisaged in the French plan; that in any

event the most practical way to proceed to a solution of these questions was through the disarmament Conference or by such machinery as it may set up and this required the presence and cooperation of Germany. He felt, however, that even if all the powers of continental Europe were in agreement as to the advisability of adopting for themselves a uniform military system and a series of treaties of mutual assistance along the lines of the French proposal it was inconceivable that this could be done in less than one or two years. He had felt, he said, that since it would require considerable time to agree upon the method of giving practical application to the German and French ideas we should at least be able in a preliminary treaty to agree upon certain principles and also concrete measures of disarmament and to set up machinery for working out, in an effective and expeditious way, such questions as could not be finally settled now. The immediate steps thus to be taken in disarmament and the agreement to take further steps along a defined course should give Germany an immediate measure of satisfaction and also an assurance that the other nations concerned would endeavor in good faith to work out in the shortest time possible a general convention limiting the armaments of all nations and thus placing Germany on a basis of moral and juridical equality. Mr. Davis further stated that public opinion throughout the world was becoming impatient at the delay of the Conference in producing some concrete results and furthermore that the adoption of some substantial measures of disarmament would contribute greatly to an improvement in the present bad conditions prevailing throughout the world.

Mr. Davis also emphasized that in the present state of affairs immediate achievement was essential if the world was to continue to have any confidence whatever in the possibility of effecting any substantial measures of disarmament for which there is a growing necessity and public demand; that it was this phase of the problem which chiefly interested the United States, while we realized that it was only fair to give a reasonable period for the working out of such political problems as were involved in the French Plan and the German demand for equality.

M. Herriot followed with a frank statement of French policy, which may be résuméed in a statement which he read summarizing the decision of the Cabinet on the question of equality:

“France agrees that the principle of equality of rights be accorded to Germany and other States disarmed by treaty, within a general system which shall provide for the security of France and for all other States.”

He then explained that his Government had made a real step forward, had gone beyond the position taken by the Tardieu Government, which had only envisaged the inclusion in the final disarmament treaty of the Versailles Treaty provisions regarding Germany's armaments just as those provisions now existed. His Government, on the contrary, was prepared to work towards real equality and disarmament under proper safeguards for security.

Baron von Neurath then referred to the fact that Germany had already indicated its willingness to return to the Conference on the basis of the proposals made by Sir John Simon, that the suggestion which we had put forward of a preliminary treaty seemed calculated to postpone the solution of the German claim for three further years, but that quite naturally he did not wish to express his views on this subject until he had had further opportunity to examine this suggestion. (Later, at the afternoon session during the interruption for tea, the Germans explained to us privately that they would find the greatest difficulty in accepting any treaty on disarmament which did not do away with the Versailles Treaty provisions, even though this treaty were for as short a time as three years. This, they said, was one of the difficulties they found with our idea of a short-term preliminary convention, but that they would examine it in the friendliest spirit. It may be well to record at this point that M. Massigli had asked Mr. Dulles at one of the drafting committee meetings, whether under our preliminary Convention, which did not include provision for Germany's armaments, the Permanent Disarmament Commission would have the right to control the armaments of Germany as well as those of the Powers whose armaments were set forth in the preliminary Convention. This obviously raised a difficult question since Germany might hesitate to consent to a control based on the drastic disarmament provisions of the Versailles Treaty, while the other nations would have control with respect only to relatively modest measures of disarmament to be included in a preliminary Convention.)

To return to the morning meeting, it was closed with a plea by Mr. MacDonald, who was obviously endeavoring to exercise pressure upon the Germans to be patient. He stated almost textually, as the words were so extraordinary as not easily to be forgotten, "that it had never been possible to give France anything satisfactory on the security question." Sir John Simon interrupted Mr. MacDonald to call his attention to the fact that he had possibly overlooked Locarno, but Mr. MacDonald continued and said, in effect, "Yes, but Locarno was only an agreement of limited scope and I had in mind something of general European application." He then went on to say that he

was going to make a few remarks and would warn Mr. Davis beforehand that he might close his ears if he wished to do so; that what he was going to say was that to give anything satisfactory to France in the way of security, it was necessary to have the Government of the United States with them in the task; that it was obvious that the United States Government could not commit itself *now* and that any declaration that others might make on the subject would be incomplete without the United States. Hence, any final settlement of the security question must wait for several months; and, *q.e.d.*, both France and Germany must be patient. Without further ado, and after these remarks, Mr. MacDonald adjourned the meeting as it was necessary for most of the persons present to attend the meeting of the League Assembly, which took place that morning.

The conversations were resumed at three o'clock that afternoon. Mr. Davis, feeling that Mr. MacDonald's closing remarks should not be allowed to pass entirely unnoticed and yet not wishing to make an incident out of the matter, remarked that while he had been given authority to close his ears, he had, nevertheless, not fully succeeded in doing this; that in order to avoid misunderstanding, he wished to state that the views of his Government had been set forth quite clearly in public statements, such, for example, as that of Secretary Stimson on August 8th. He therefore felt that it would be unfortunate if the vitally important work which the meeting had before it should be delayed in the hope that the United States, for example, would undertake further commitments relating to security in Europe or that political changes in any of the governments represented there would create a situation permitting a different method of treating the problems before them. Any such attitude, he said, would tend to take away the prospect of present achievement and he certainly would not recommend that course.

After this statement, Baron von Neurath circulated a memorandum setting forth a German formula for meeting the equality issue (Annex "E"). The German memorandum was given rather short shrift. It was hastily read and immediately followed up by a long statement from Mr. MacDonald to the effect that it would have a disastrous effect upon public opinion. It would lead people to think, he said, that Germany wanted to rearm; a paper like this emanating from a great government would unsettle people's minds, make them despair of a solution of the problem, etc., etc. The German Delegation took these remarks in good spirit and did not call Mr. MacDonald's attention to the fact that a large section of their paper was based on a British White Paper and the expressions of Sir John

Simon, although they smilingly mentioned that fact to us a few minutes later when the meeting adjourned for tea.

While we were taking tea in the Prime Minister's room which was next to Sir John Simon's office where we were meeting, M. Herriot stayed behind and drafted in longhand a formula which he read shortly after the meeting resumed and which was substantially as follows:

"The Delegates of the United States, of Great Britain, of Italy, and of France, having met the Delegates of Germany for informal conversations at Geneva on December 6th.

"Are agreed that one of the aims of the Conference on Disarmament is to accord to Germany and to the other disarmed Powers equality of rights in a system which would provide security for all nations."

M. Herriot then proceeded to explain that he felt that this recognition should suffice for the German Delegation. France recognized the principle of equality of rights. Germany had left the Conference because she was not sure that this principle would be recognized. Now that it was recognized, why should she not return?

There was then some discussion as to the desirability of issuing an invitation to Germany to return to the Conference on the basis of M. Herriot's formula. Mr. Davis stated that he thought it was a mistake to issue another invitation to Germany, at least unless we were sure that the invitation would be accepted. It was undignified to be placed in that position. He felt that it would be more logical to agree upon the basis of Germany's return and then for the Five Powers to get together and issue a statement. As regards the formula itself, he stated that while he recognized the importance of bringing Germany back into the Conference, the United States would find it difficult to join a declaration which stressed only security and equality of rights and did not stress the matter in which we were primarily interested—namely, disarmament. Mr. MacDonald immediately supported Mr. Davis' view that it was unwise to issue a further invitation to Germany unless we knew the German attitude. He suggested, therefore, that Baron von Neurath communicate M. Herriot's formula to his Government and then advise them whether or not Germany was prepared to return on the basis indicated. Baron von Neurath agreed that he would consult his Government.

In connection with M. Herriot's formula, the question of the French Plan came up and Mr. MacDonald remarked—more or less out of a clear sky—that England could not assume an ounce more of responsibility than it had already assumed. He was, of course, referring to the added guarantees of security which France desired

from England. It was obvious that he wished to put France on notice so that there would be no misunderstanding when the further discussions of the French Plan came up. The Germans took careful note of this statement and it was later referred to by Baron von Neurath as one of the reasons which made him feel that the attaining of French security as conceived by the French might be complicated by the British attitude and that it was hardly to be expected that Germany could wait for the realization of a plan which a statement such as that of Mr. MacDonald made, in part, at least, unrealizable.

In view of the time that was passing without a discussion of any concrete measure of disarmament, Mr. Davis frankly stated that unless the Five Powers were able to get together on some such program as had been suggested by us for reaching immediate concrete results, there was little reason to suppose that we could do so in January or February of next year, and that if we were to adjourn before Christmas without some agreement on concrete measures there was danger that it would threaten the ultimate success of the Conference. On this point M. Herriot told Mr. Davis privately that if the matter of Germany's return to the Conference was settled he was quite willing to discuss our plan.

At this meeting and in connection with Mr. Davis's remarks referred to above, the French showed signs of considerable annoyance. They were obviously most apprehensive that the Germans would do the logical and natural thing of coupling their acceptance of the Herriot formula with some earnest of good faith on the part of the Powers that they were really going to take steps to reduce their armaments. For some strange reason, the Germans never seemed to have any real interest in bringing this to an issue and it was rather unfortunate that they did not do so as they thus failed to use their influence to bring about some constructive action.

That evening M. Herriot left for Paris to take up the discussions of the debt issue with the committees of the Chambre, and Mr. MacDonald left to meet the Chancellor of the Exchequer in Paris and also to discuss debts with the French Government.

WEDNESDAY, DECEMBER 7TH

A short meeting was held in the morning at which little was accomplished as Baron von Neurath had received no reply from Berlin, and as all the representatives except the American representative had to make speeches at the Assembly that day, it was decided to adjourn further meetings until Thursday. During the day Mr. Davis and Mr. Wilson and Mr. Dulles had conversations with Messieurs Beneš,

Politis, Massigli, Paul-Boncour, Sir John Simon and Baron von Neurath and in the evening Mr. Davis and Mr. Wilson dined with Baron von Neurath who frankly stated that he desired to re-enter the Conference and gave the impression that he would accept something along the lines of the Herriot statement if they could get one or two necessary additions.

THURSDAY, DECEMBER 8TH

There was an early morning session at Mr. Davis's office, the Germans not being present. The purpose of this was to discuss what practical measures of disarmament could be immediately decided upon. The French had been adamant about discussing disarmament in the presence of the Germans. As soon as the subject was raised they would bring up the question of the French Plan and security and no progress was possible. Hence, it was decided to meet without the Germans. But even under these conditions, M. Paul-Boncour proved hardly more tractable. He said that there was really no time to reach definite decisions. The matters were too complicated, they would have to be studied by the Conference and could not be settled outside of the Conference. Further, before they could be settled, it would be necessary to consider some of the far-reaching plans that had been presented, such as the French Plan. If now they should decide upon limited measures of disarmament in the face of the radical measures proposed, for example in the French Plan, the whole world would be disappointed. Mr. Davis remarked that he felt that an announcement that each of the Powers present had agreed to scrap ten heavy guns and give up one thousand men would have more effect upon the world than the formulation of one thousand new plans. M. Paul-Boncour laughingly replied that we could have the ten guns and the thousand men from the French. It was generally agreed to treat the question of Germany's return to the conference independently from that of the measures of disarmament to be reached, the latter question to be taken up as soon as the former was settled. The meeting thereupon adjourned to reconvene at the Beau Rivage with the Germans.

At this meeting Baron von Neurath explained that he would have his reply from Berlin by two or three o'clock and would be ready for a further meeting then, but that he could unfortunately not give his answer immediately. As the Assembly was meeting, it was decided that the afternoon meeting would be held at the Secretariat of the League. At the afternoon meeting Baron von Neurath produced his answer in the form of two questions which he felt required replies in order to explain M. Herriot's formula. These questions were:

“(1) Is equality of status to receive practical effect in the future Convention in every respect and is it to be, in consequence, the starting point for the future discussions at the Conference as far as the disarmed States are concerned?”

“(2) Does the term ‘system which would provide security for all nations’ include the element of security which lies in general disarmament as was recognised by the Assembly?”

In reply to an inquiry from Sir John Simon to Baron von Neurath as to whether Germany would resume its place in the Conference if these questions were answered in the affirmative, the answer was “Yes”. M. Paul-Boncour then said that the German questions forced him to ask a further question, namely, as to the meaning of equality of status “in every respect”. Baron von Neurath agreed to furnish a memorandum on this point, as the French pressed for it, although both Mr. Davis and Sir John Simon, realizing that this meant opening up most dangerous discussions, endeavored to avoid the necessity of circulating written statements as to what equality of rights meant. No further meeting was possible that day, in view of the meeting of the Assembly and it was decided to postpone further consideration until the following day, Friday, when Mr. MacDonald would be present to direct the discussions.

FRIDAY, DECEMBER 9TH

There was a short meeting Friday morning which was again interrupted by the meeting of the League Assembly. At this meeting Baron von Neurath circulated his answer to the inquiry of M. Paul-Boncour as to the meaning of equality of status “in every respect” (Annex “F”).

Just at the close of the Friday morning’s meeting, Mr. Davis suggested that a possible way of getting around the difficulty raised by the German interrogatories was to prepare a statement which would include first the Herriot formula, then a brief statement by Germany as to her conception of equality of rights, drawn up in a form to be unobjectionable to the other Powers, and then the affirmation of Germany’s willingness to return to the Conference. This idea was not debated as there was no time left before adjournment, but it obviously was well received by Mr. MacDonald since that afternoon he asked Mr. Davis to go over it with him and later Mr. Dulles was called in and several tentative formulae were drafted, Annex “G” being the formula prepared by Mr. MacDonald and Annex “H” being that prepared by Mr. Davis and Mr. Dulles.

At the close of the discussions with Mr. MacDonald and Sir John Simon, it was pointed out that in view of the fact that so large a part of these formulae did not relate to the United States, we did not

wish to be in the position of proposing a formula and hence that our suggestions were merely passed on to Mr. MacDonald for such use, if any, as he might wish to make of them as chairman of the meeting.

Friday evening at nine-thirty o'clock there was a further meeting and there was laid before it a paper which had been circulated that afternoon by Baron von Neurath (Annex "I"). Mr. MacDonald then summarized the questions before the meeting; first, that of Germany's return to the Conference, and second, what they were going to do with regard to disarmament. He felt it was necessary to isolate the two questions. They must first decide upon Germany's return, and to do that it was well to see why she had left. Mr. MacDonald referred to various German declarations showing that Germany had left because the principle of equality of status had not been recognized. Now that M. Herriot had frankly recognized this, the British and Italian Governments having already done so, there seemed to be no reason why she should not return. It was quite true that the Conference had gone along rather slowly, but it had difficult problems to meet and Germany had not based her withdrawal on that ground. Baron von Neurath replied that Germany did not leave only because of the slow progress the Conference had made, but rather because Germany did not know whether the Conference would eventually recognize the principle of equality. He felt it was necessary for him to clarify certain points before returning. Otherwise, they might have to leave again, which would be most unfortunate. Hence, he must frankly state that they could not come back to the Conference solely on the Herriot formula without a clear understanding of what it meant.

Mr. MacDonald replied that to meet the German request for definitions would be entering into the work of the Conference itself. It was unreasonable to ask them to do this. For example, the questions the Germans had raised necessitated in turn the answering of half a dozen more questions and if it went on in this way, there would be no end of things. The debate went along on this line without making any progress for a considerable time, with Mr. MacDonald exercising pressure on the Germans but holding the formula on which he had been working in reserve. Toward the end of the meeting Sir John Simon produced a formula which had been considered by the British Delegation, as follows:

"The Five Powers are agreed that the claim to equality of rights should be made (met?) on the basis of the carrying into effect of the following principles:

- (1) The same Convention for all;
- (2) The same duration of the Convention for all;

- (3) The principle of 'qualitative equality' progressively realised;
- (4) The adoption of appropriate measures for the establishment of mutual confidence and the maintenance of peace."

This was obviously unacceptable to the French and was not discussed in detail.

Mr. Davis emphasized that Germany was more vitally interested than any state in the success of the Conference and that as long as there was any hope of accomplishment Germany should be one of those present, and working for that success. The United States had a far less immediate interest in the Conference than Germany, and yet we had neither left the Conference nor threatened to leave.

Finally, about midnight, Mr. MacDonald said that with the full exchange of views which had taken place the time had come to put on to paper as clearly and as tersely as he could the position of the various parties and then to see whether that would not serve as an answer. He said he would like to have meet with him in the morning one man from each delegation, and not the head of the delegation but a draftsman, and he would work with them all morning and they would try to produce a paper for the full meeting to consider in the afternoon. This idea was adopted and the meeting adjourned.

SATURDAY, DECEMBER 10TH

At ten o'clock Mr. MacDonald with Sir John Simon and Mr. Cadogan met with M. Massigli, Signor Rosso, Baron Weizsäcker and Mr. Dulles and laid before them for discussion a draft memorandum. (Annex "J") This memorandum did not introduce any complications as far as the United States was concerned since we were only a party to the concluding paragraph which related to co-operation to bring about effective disarmament. There was, however, one paragraph which gave Mr. Dulles some concern, namely, that which referred to the willingness of the European Powers "to join in a solemn affirmation taken by all European States not to resolve their differences by resort to force". Mr. Dulles felt that it might raise an implication that the Kellogg-Briand Pact did not cover resort to force if a special European agreement was required. He mentioned this point confidentially to Mr. MacDonald and Sir John Simon before the actual consideration of the memorandum commenced and added that he felt that this paragraph might be used by the Japanese as a basis for a claim that the Kellogg-Briand Pact did not cover their activities in Manchuria since there was no declaration of war. Mr. MacDonald caught the point and suggested that the word "affirmation" be changed to "re-affirmation".

Paragraph (1) of the memorandum raised no serious difficulties. M. Massigli asked Mr. Dulles why the United States was not also a part to this paragraph and Mr. Dulles explained that as the effect of this paragraph would be to change the provisions of a treaty—namely the Treaty of Versailles—to which the United States was not a party, it seemed inappropriate that we should be included. The point was not pressed by M. Massigli and was not taken up by any of the other delegations, so it was unnecessary to make any further statement of our position. It quickly became apparent that the second paragraph of Paragraph (1) was the crux of the difficulty. M. Massigli said that the French could not accept the phrase “permitting the same qualities of arms” and he objected to pre-judging at this time the question of the duration of the Convention. A large part of the morning was spent in discussing this paragraph, but without success in reconciling the French and German positions, and it was decided to pass on to the other paragraphs and leave this paragraph for the consideration of the heads of the various delegations at the afternoon session. Paragraph (3) was accepted with certain drafting changes, M. Massigli suggesting that it was important to make it clear that the so-called “no force” pact did not by any means encompass all the French had in mind in the organization of security. In order to meet this point, a sentence was added that this Pact should be entered into “without prejudice to further and fuller discussions of security”.

Saturday afternoon at two-thirty the conversations were resumed with the chiefs of the various delegations. Mr. MacDonald circulated a paper (Annex “K”) which contained the work of the drafting committee with a blank left for the second paragraph of Paragraph (1). He explained what the drafting committee had done and why they had been unable to reach agreement on one point, namely the wording to define what was meant by “equality of rights”. At the same time he circulated a further document (Annex “L”) which embodied an effort to reconcile the views presented at the morning meeting with regard to the missing paragraph. It will be noted that Annex “L” omitted the reference to “permitting the same qualities of arms” which had appeared in the original draft submitted in the morning.

There was practically no difficulty in the adoption of the drafting committee’s report with one or two minor modifications. As the points under discussion did not directly interest the United States and as the question of our joining in the formula regarding equality and security or in the “no force” pact was not raised, Mr. Davis was not called upon to take an active part in the early phase of the discussion.

Mr. Davis suggested the elimination of the phrase "In these circumstances" which introduced [*introduced?*] the Five Power declaration on disarmament in paragraph (4) in order to avoid the implication that this paragraph was tied in with the preceding paragraphs to which we were not parties and which related to security, equality and the "no force" pact.

The question was raised by M. Paul-Boncour as to the time for the signing of the "no force" pact. He suggested the insertion of the word "immediately" in the first sentence of the paragraph, dealing with the pact. The German Delegation demurred to this and at first took the position that this was one of the acts to be concluded at the time of the signature of the Disarmament Convention. The French took violent exception to this, indicating that this, of course, did not constitute the organization of security as they conceived it and that the "no force" pact was something to be done immediately as a step toward the amelioration of present conditions rather than as a step toward the realization of the French Plan.

After some discussion the Germans stated that the matter was not one of great moment. In principle they had no objection to the early signature of the pact, but assumed it was not to be signed now as no one had yet formulated the details of the text. It was finally agreed to leave the text substantially as it stood with the informal understanding that the four Powers would immediately endeavor to get together on a text which they would then sign and leave open for the signature of other European States, it being of course clearly understood that upon entering into effect, the pact would be binding only as "between the signatories", and the text was amended to bring out this point. After clearing this point and approving the concluding paragraph relating to the decision of the Five Powers to work together for substantial disarmament, the discussion then turned upon the missing paragraph.

M. Paul-Boncour then presented in some detail the French position, to which reference has already been made, namely, that France was not willing at this time to enter into a discussion of the details of the application of "equality of rights". M. Herriot had frankly recognized the principle. It was for the Conference to decide its application. Further, the detailed application of the principle, as well as the working out of French security, were both aims and goals of the Conference rather than matters to be finally determined now. France would not ask an immediate decision on measures to insure its security. Germany had no right to prejudice the form which would be given to equality of rights. On this point his instructions were categorical. Hence he could not accept the phrase in

the formula proposed by the chairman, namely, that the Convention "should last for the same period in the case of each".

It was pointed out to M. Paul-Boncour that M. Herriot in his statements had clearly recognized the equal duration principle as an inevitable result of granting equality of rights and every effort was made to induce the French to change their position as the Germans seemed determined to insist on at least this satisfaction of their demand that equality of rights be in some way defined.

Mr. Davis stated that the discussions had convinced him of the sincerity of France's desire to accord equality to Germany as soon as she feels that this can be done without menacing her national security. To work out the problem it would be necessary to do away in France with the fear of Germany and in Germany of the resentment against France. After all, both security and equality were abstractions and as such were never absolutely attainable. Now that a general working basis had been found, it would be a great pity to let the meeting break down because of the failure adequately to define conceptions which defied definition.

In private conversations with the French while the discussion was going on, we pointed out to them that the concluding phrase of Mr. MacDonald's formula which stated that the object of the Disarmament Conference was to bring about disarmament and "not to authorize the increase of armed strength", was of great value to France as constituting a voluntary acceptance by Germany of substantially the Versailles Treaty levels. These arguments, however, produced no results and the meeting reached a complete impasse with the Germans demanding that the French recognize the equal duration of the new disarmament convention for all States and the French refusing to go beyond the Herriot formula.

At this point Mr. Davis suggested an adjournment for tea, which relieved the atmosphere, and during the intermission there was some very useful private discussion between the various delegates.

Upon resuming the discussion, it was decided to endeavor to simplify the formula and see whether by doing so it would not be possible to find agreement. And finally, after several hours more of discussion, the Germans agreed not to insist at this time upon inserting the phrase with regard to the duration of the Convention on the understanding that all the last part of the formula, including the phrase about not authorizing the increase of armed strength be abandoned.

It was quite obvious that the Germans were anxious to reach an agreement and to avoid responsibility for breaking up the meeting, particularly as the substance of the demands they had made when

they left the Conference in July was met by the Herriot formula. As the French proved quite unyielding, as time was short and as it would obviously be extremely difficult to obtain the necessary instructions from M. Herriot by telephone, each side eventually accepted the compromise formula of saying as little as possible and leaving events to take care of themselves, each being in a position to claim that the principles for which they fought had been maintained. Finally, the disputed paragraph was drafted to read:

“This declaration (i.e., the Herriot formula) implies that the respective limitations of the armaments of all States should be included in the proposed disarmament convention. It is clearly understood that the methods of application of such equality of rights will be discussed by the Conference.”

Both the French and German delegates accepted the formula *ad referendum* and agreed to communicate the definite replies of their governments not later than the following morning. The Italian delegate also requested time to consult his government and it was decided that a further meeting would take place on Sunday morning at eleven o'clock.

SUNDAY, DECEMBER 11TH

At the Sunday morning meeting Mr. MacDonald, who had agreed to act as “stake-holder” of the replies, announced that both the French and German governments had agreed to accept the proposed declaration and the Italian government received its authorization during the course of the meeting. At Mr. MacDonald's suggestion six original copies of the documents³ were then signed, one being reserved for Mr. Henderson, the President of the Disarmament Conference.

Mr. MacDonald then suggested that the remaining time be devoted to discussing what could be done to put new life into the Conference. He said quite frankly that it was impossible to blink the fact that very little had been done during the past year, that something must be done to push the work forward and that the responsibility for this would rest very largely upon the Powers that were sitting there with him.

Mr. Davis endorsed Mr. MacDonald's remarks and described the impatience and the skepticism of the American people as a result of the interminable debates at Geneva which had produced no results. He felt that our Congress would be more and more reluctant to make appropriations to maintain a delegation at the Conference if at the end of a year's work we could show no appreciable progress. He

³ Annex “M”, p. 527.

added that it would require some early concrete evidence to restore the confidence of the American people in the reality of the Geneva disarmament work. It was for this reason that he had proposed the early conclusions of a preliminary agreement, not with the idea of terminating the Conference, but for the purpose of registering some immediate progress and providing appropriate machinery for carrying the work forward. Further, this would give the time for the study of the more comprehensive plans which involved the issues of security and equality.

During a large part of this discussion the French Delegation was absent, as M. Massigli had gone to Paris and M. Paul-Boncour was talking on the telephone with M. Herriot. When they arrived, the proceedings were summarized to them and Mr. MacDonald suggested that in order to quiet any apprehension that these private meetings had been carried on in disregard to the Conference machinery the President of the Conference, Mr. Henderson, be invited to join their deliberations and advised of the results of their meeting and that he should confer with them as to the best method of helping to promote the work of the Conference. The suggestion that M. Beneš, the *rapporteur*, be invited as well as Mr. Henderson was made, but was not pressed in view of the silent but none the less expressive disapproval of the Germans, whose facial expressions indicated their attitude.

Mr. Henderson then joined the meeting and was given a signed copy of the declaration. After expressing his gratification at Germany's return, he outlined the program of work, that is, the calling of a meeting of the Bureau either on January 15th or 31st and a meeting of the General Commission two weeks thereafter.

M. Paul-Boncour then pointed out that in fixing the date of further meetings of the Conference it was important to take into account the convenience of the American representatives who had so far to come; in particular he would like to fix a date for a meeting so that Mr. Davis could attend.

Mr. Davis replied that he appreciated M. Paul-Boncour's desire to suit his convenience in this matter. He hoped, however, that they would not take this into account but would fix the dates of their meetings solely with the view to the effective prosecution of the work and without special consideration of the American Delegation. We would be present whenever the meetings were held. Mr. Wilson would be here in Geneva and Mr. Gibson, who had recently made real progress towards complete recovery, would undoubtedly be available after the Christmas holidays. Mr. Davis then remarked that he felt that the continuance of conversations such as they had

had during the past week might be useful in promoting the work of the Conference. After all, the Five Powers, together with Japan and Russia, accounted for approximately two-thirds of the world's armaments. They were the ones, with the exception of Germany, which would be called upon to contribute the most to the success of any disarmament Conference and if they could decide among themselves what they were prepared to do, the impetus this would give to the work of the Conference would be tremendous. Mr. MacDonald, who warmly supported this statement, believed that further conversations of this character with the presence of Mr. Henderson would be extremely useful. This point of view was not contraverted by either the French or the Italians, although M. Paul-Boncour did raise the point that nothing should be done to substitute private conversations for the conference machinery. No decision as to the time or place of holding further conversations was reached and in fact this question was not discussed at the meeting.

In conclusion, Mr. Davis expressed, on his own behalf and for his colleagues, their appreciation of the able work of the chairman in guiding their discussions. The meeting adjourned to attend a luncheon which was being given by Mr. MacDonald.

This luncheon was attended by all those who had been working on the Five Power meetings and their wives; also Sir Eric Drummond and Mr. Henderson. At the conclusion of the luncheon Mr. Davis proposed the health of the Chairman, Mr. MacDonald, and referred to his effective contribution to the success of the meeting.

After the luncheon Sir Eric Drummond told Mr. Davis that he had become convinced of the fact that the best way to insure the success of the Conference was to take a preliminary step along the lines of the suggestions which Mr. Davis had made. He thought it important, therefore, that the Five Powers get together again before the Conference reconvenes and endeavor to agree upon such a program. He said the French were insisting upon the calling of the General Commission in order that it might take up the discussion of their Plan and that if we had not agreed beforehand upon a more practical program the fat will be in the fire. He said that they had decided to have the Bureau reconvene on January 23 and the General Commission on January 31st. He thought it would be a good idea, therefore, for Mr. Henderson to ask the Five Powers to meet around the middle of January, before the reconvening of the Bureau, and for Mr. Davis to talk with Mr. MacDonald, which he did. Mr. MacDonald seemed surprised that Sir John Simon had not already arranged for such a meeting of the Five Powers, which he had asked him to do at the meeting of that morning as he, MacDonald, had to leave before

it was over. Sir John Simon was called in and explained that he had decided it was not possible nor advisable to propose a Five Power meeting without a further talk with the French in order to get their consent, as they had seemed rather nervous at the idea.

Mr. MacDonald said he would be unable to leave London around the middle of January on account of Parliament. It was then suggested that the meeting might be held in London beginning January 16 with Mr. Henderson present and that since the meeting would be before the Conference reconvened there could be no criticism for holding it in London. It was decided that this should be taken under consideration and that Mr. MacDonald would, if possible, speak to M. Herriot the next morning on his way through Paris. That afternoon the news of such a proposed meeting leaked out and the French reacted unfavorably. When Mr. Davis left Geneva on December 13th the situation had not developed further and M. Herriot's fall on December 14th prevented any further discussion of the matter with the French.

ANNEX "A"

Project of Preliminary Convention as Discussed With M. Herriot and M. Paul-Boncour

PARIS, NOVEMBER 28, 1932.

MEMORANDUM

(1) A short-term "convention" might be prepared to register the limitation and degree of mutual reduction of armaments which are immediately possible, taking into account the principles set forth in the Resolution adopted by the General Commission on July 23, 1932,⁴ and the progress made thereafter. It might be concluded without awaiting the political arrangements and military readjustments which are foreseen by such plans as, for example, the French Plan.⁵ In drafting this "convention", it would be vital to maintain the utmost simplicity of form, keeping, as far as possible, to a statement of the broad principles agreed to and avoiding, as far as possible, complexities of detail.

There is added to this memorandum a statement of points of substance in the field of land, sea, and air armaments which might be considered in drafting such a "convention".

(2) It is suggested that the "convention" have a duration of approximately three years—that is, until January 1, 1937. It would

⁴ *Ante*, p. 318.

⁵ See telegram No. 455, November 15, noon, from the American delegate, p. 380.

thus coincide with the remaining life of the Washington and London Naval Treaties.

In considering the draft of the "convention", it should not be lost from sight that with a long-term "convention" it might be possible to effect greater reductions of material than would be the case with a short "convention"; but, in order not to provide an undue length of time for the solution of the political questions arising from the French Plan and the German *démarche* regarding equality of status through a general disarmament treaty, as explained below, a "convention" of limited duration would probably be essential.

(3) The "convention" should contain in its preamble a clear statement of the purpose of the contracting Powers to proceed to a real reduction of armaments, such a statement to be along the lines of Chapter I of the July 23 Resolution but strengthened and made more precise.

(4) The "convention" would provide, among other things, for the setting up of the permanent disarmament commission along the lines of the decision already reached in the Bureau. Upon the ratification of the "convention", the disarmament commission would assume its duties with respect to the measures of reduction and limitation embodied in the "convention". Further, the Powers could provide, by a separate protocol, which would not require ratification, that, pending ratification of the "convention", the Permanent Disarmament Commission should be set up, with the sole task, pending such ratification, to prepare the general disarmament treaty of long duration, which should be put into effect when the "convention" expires. In this task, the Permanent Disarmament Commission should take the "convention" as a starting point and should work toward the far-reaching measures of reduction envisaged in such plans as that of President Hoover, as well as in the French plan and the statements of the British position as made by Sir John Simon in July of this year and, more recently, on November 10 and 17, and that of the Italian Government. The task of the Disarmament Commission would be to bring this work to a close so that the general disarmament treaty might be signed and ratified prior to January 1, 1937.

(5) Germany's cooperation would be essential, both in the task of drawing up the "convention" and, more particularly, in working on the Disarmament Commission for the drafting of the general disarmament treaty, and it is suggested that the German equality claim be dealt with along the following lines:

(a) The "convention", in view of its limited character and short duration, could hardly incorporate Part V of the Treaty of Versailles or include the provisions with regard to Germany's armaments. It would be necessary, however, to modify the "convention" in certain

respects in order to improve Germany's means of defense without, however, increasing its total military force.

(b) The "convention" should also contain the assurance that the general disarmament treaty would embody the conditions, to be arrived at through mutual agreement, under which the German equality claim would be worked out and, further, provide that the eventual limitations upon German armaments would be incorporated in that treaty with the same duration as in the case of other States.

In effect, it is proposed that Germany accord a somewhat more extended period than she had contemplated for giving effect to her claim for equality of rights and in return would receive both some amelioration of her present position and the formal assurance that the Powers would in good faith employ the intervening period to work out this question. This would also meet the French position that they are unwilling to concede the bare principle of equality without at the same time formulating the conditions under which that equality would be put into practical application.

Annex

Points To Be Considered in Drafting the "Convention"

1. *Effectives.*

(a) The determination of Element "A" for the metropolitan component (the "police" forces foreseen in President Hoover's proposal for home countries).

(b) The determination of the number of overseas forces (some reduction over the *status quo* if possible).

(c) An agreement not to increase the total land forces.

(d) An agreement in principle on similarity of type for European continental land armies.

2. *Artillery.*

(a) A limitation by numbers of all mobile land artillery above 105 mm.

(b) An undertaking not to construct mobile land artillery above 155 mm.

(c) Some scrapping of heavy mobile land artillery and in addition the conversion from mobile to fixed mounts of a certain proportion of the remaining heavy mobile land artillery.

3. *Tanks.*

(a) Scrap tanks above tons.

(b) Limitation by numbers of tanks below tons.

4. *Air.*

(a) Universal abolition of aerial bombing.

(b) Prohibition of peacetime preparation and training in bombing.

- (c) Convert or scrap bombing planes.
- (d) Limitation by numbers of military planes.
- (e) Full publicity as to type and characteristics of civil planes registered or constructed, with possibly some further measures of control applicable to Europe.

5. *Chemical Warfare.*

- (a) Universal abolition of use of chemical warfare.
- (b) An agreement not to make preparation for or to train in the offensive use of chemical warfare in peacetime.

6. *Navy.*

- (a) Completion of London Treaty by France and Italy.
- (b) Nations not parties to the Washington and London Treaties to accept a limitation of types so as not to prejudice the restrictions on type which already govern the leading naval Powers.

7. *Manufacture of and Trade in Arms.*

- (a) Recognize the principle of State supervision of private manufacture.
- (b) Recognize the principle of equality of publicity for State and private manufacture.
- (c) Recognize the principle of control and publicity for export and import.

8. *Control.*

The Permanent Disarmament Commission to be set up as envisaged in the Draft Convention with amendments as now being drafted after recent discussions in the Bureau.

9. *General.*

(a) An agreement not to increase the totals of armaments as existing or as fixed by other treaties limiting armaments, during the life of the Convention, with the necessary exception that, in accordance with the provisions of the Convention, certain specified amounts of defensive material might be added to the armaments of those nations lacking such weapons.

(b) The Convention should likewise specify that the parties to it should neither build nor permit to be manufactured within their territories any types of weapons not expressly stipulated in the Convention.

ANNEX "B"

Informal British Draft of a Preliminary Convention

DECEMBER 4, 1932.

The signatories recognising the necessity of eliminating existing inequalities of status in the matter of armaments and desiring to remove those inequalities so as to apply a uniform treatment with a view to the establishment of confidence and the maintenance of peace,

Firmly determined that such uniformity of treatment must be attained by the reduction of armaments and not by exceeding the limits of armed strength already prescribed by any Treaty,

Recognising that this result can only be attained by stages,

Agree, as a first step, to take the following measures, to be put into execution before January 1st, 1937, the details and stages of their execution being laid down and supervised, as indicated in later articles of this Agreement, by the Permanent Disarmament Commission, the constitution of which is provided for hereunder.

Article 1

There shall be set up at the seat of the League of Nations a Permanent Disarmament Commission with the duty of ordering and supervising the execution of the present Agreement. It shall consist of representatives of the Governments signatories of the present Agreement. Each Government shall appoint one member of the Commission.

Article 2

The Governments signatories of the present Agreement shall inform the Secretary-General of the League of Nations of the name of their representative before January 15th, 1933, and the Commission shall hold its first meeting before January 31st, 1933.

Article 3

The Secretary-General of the League of Nations shall provide the Secretariat of the Commission.

LAND

Article 4

The method proposed by President Hoover for the computation of land effectives is accepted. The Permanent Disarmament Commission shall proceed to calculate on this basis for each country the irreducible component of its forces. The forces exceeding the figure thus arrived at shall be reduced by 33⅓ per cent before January 1st,

1937, the method and the stages of such reduction being determined by the Permanent Disarmament Commission.

Article 5

Those States in which a system of voluntary long service has been imposed by treaty may transform their organisation to that of a short term service army, this transformation to be effected by January 1st, 1937, the details and stages of the transformation to be laid down by the Permanent Disarmament Commission.

Article 6

All mobile land artillery exceeding 105 millimetres in calibre shall be limited in number, the numerical limits to be fixed by the Permanent Disarmament Commission.

Article 7

No mobile land artillery exceeding 155 millimetres in calibre may henceforth be constructed.

Article 8

A proportion of existing mobile land artillery exceeding 155 millimetres in calibre must be converted from mobile to fixed mounts. A proportion of such artillery so to be converted shall be determined by the Permanent Disarmament Commission which shall at the same time fix the time limits for the operation.

Article 9

All tanks exceeding 16 tons in weight shall be destroyed, in accordance with arrangements to be determined by the Permanent Disarmament Commission.

Article 10

All tanks of 16 tons and less weight shall be limited in number, the numerical limits to be fixed by the Permanent Disarmament Commission.

AIR

Article 11

The Permanent Disarmament Commission shall at once constitute a committee of representatives of the principal Air Powers to examine the possibility of the adoption of effective measures to preserve the civilian population from the horrors of bombardment from the air.

Article 12

Pending the deliberations of this committee, all military and naval aircraft exceeding 3 tons unladen weight (with certain exceptions in the case of troopcarriers and flying-boats) shall be destroyed under the directions of the Permanent Disarmament Commission.

Article 13

The Permanent Disarmament Commission shall be charged with the duty, in the case of the principal Air Powers, of promoting the reduction of numerical strength in machines to a common figure, and the application to that figure and to the existing Air Forces of other powers, of a reduction of 33⅓ per cent. The Permanent Disarmament Commission shall fix the time limits within which such reductions must be made effective.

CHEMICAL WARFARE

Article 14

All chemical, incendiary and bacteriological warfare shall be prohibited and for this purpose the signatories of the present Agreement have signed a special agreement annexed (Annex 2).

Article 15

All preparations for chemical, incendiary and bacteriological warfare shall be prohibited. This prohibition shall not apply to material intended exclusively to protect individuals against the effects of chemical, incendiary and bacteriological weapons (e.g. gas-masks), or to the training of individuals to protect themselves against the effect of the said weapons.

In order to enforce the aforesaid general prohibition, it is expressly prohibited:

- (1) To manufacture, import, export or be in possession of chemical appliances and substances exclusively suited to the conduct of chemical, incendiary and bacteriological warfare;
- (2) To instruct and train armed forces in the use of chemical, incendiary and bacteriological weapons and means of warfare, and to permit any such instruction and training in their territory.

NAVAL

Article 16

The Naval Treaties of Washington and London continue in force until December 31st, 1936, and the principal Naval Powers have contemplated meeting in conference at latest in 1935, i.e. before expiry of the present agreement, to determine the régime that shall prevail after December 31st, 1936.

The principal Naval Powers shall meanwhile continue to consult with a view to extending the scope of the limitations already imposed by Treaty, and shall keep the Permanent Disarmament Commission informed from time to time of the progress of their consultations.

In the meanwhile States not parties to the Washington and London Treaties accept by the present agreement a limitation of types corresponding to those which already govern the principal Naval Powers.

MANUFACTURE OF AND TRADE IN ARMS

Article 17

The Permanent Disarmament Commission shall elaborate special provisions providing for State supervision of the private manufacture of war material for according publicity to both State and private manufacture and for the control and publicity of the export and import of war material.

Article 18

The Permanent Disarmament Commission shall decide at what date the Disarmament Conference shall reassemble in order to elaborate, before January 1st, 1937, a long-term convention by which equality of status of the armaments of the different countries may be practically achieved. The Permanent Disarmament Commission shall prepare the work of the Conference and shall formulate and submit to it the conditions under which the said equality would be put into practical application.

ANNEX "C"

American Delegation Draft of a Preliminary Convention, December 5, 1932

DISARMAMENT CONVENTION 1933

PREAMBLE

Recognizing that substantial and comprehensive measures of disarmament are essential to the establishment of confidence and the maintenance of peace,

Desiring to avoid competition in the power of armaments,

Being determined to proceed with an immediate reduction and limitation of armaments on the basis of Article 8 of the Covenant of the League of Nations through consolidating the progress realized

as a result of the work of the Conference for the reduction and Limitation of Armaments and as a natural consequence of the obligations inherent in the Briand-Kellogg Pact,

Recognizing that the present convention constitutes a transitional step toward the further measures for the reduction of armaments to be achieved through a General Disarmament Treaty which should promptly be negotiated on the basis of the recognition of uniform treatment applicable alike to all the signatory powers, and desiring to create appropriate instrumentalities for the formulation of the said General Disarmament Treaty and thus to carry forward the work of disarmament and organization of peace;

Have resolved to conclude a Convention for the above purposes and have accordingly appointed as their Plenipotentiaries

.....
 who, having communicated to one another their full powers:—
 etc. etc.

CHAPTER I

Article I. There shall be set up at the seat of the League of Nations a Permanent Disarmament Commission, consisting of the representatives of the signatory Governments, with the task of supervising the carrying out of the Present Convention. The further duties of the Commission as well as its composition, rules, and powers, are set forth in Annex — of this Chapter. (Note: This Annex will be the Section 6 of the Draft Convention as modified by the recent decisions of the Bureau.)

Article II. In addition to the duties set forth in Annex — of this Chapter, the Commission shall formulate for submission to the H. C. P., not later than 1936, a General Disarmament Treaty. The said General Disarmament Treaty shall fix the limits for the armaments of all the H. C. P. and provide for the greatest measure of reduction in the scale of armaments set forth in the present Convention. The Commission shall likewise consider the conclusion of special regional agreements which would facilitate bringing about such reductions.

The General Disarmament Treaty shall have a duration of ten years. Upon coming into effect, the said Treaty shall supersede any treaty restrictions respecting the armaments of the H. C. P. heretofore existing, subject only to such provisions as may be made in the case of States now parties to treaties limiting armaments which denounce or otherwise suspend the operation of the Treaty prior to the date fixed for its normal termination or renewal.

CHAPTER II

For the purpose of limiting and reducing the personnel of land forces and with a view to the ultimate establishment of a uniform system for the constitution of the armies of Continental Europe, the H. C. P. agree:

Article I. That in accordance with the plan for the computation of land forces adopted by the Conference as set forth in the totals of personnel of Element A for metropolitan forces (the irreducible element) are shown in the figures appearing after the names of the respective countries in Annex — of this Chapter.

Article II. That in accordance with the plan for the computation of land forces adopted by the Conference as set forth in the totals of personnel of Element A for overseas forces (the irreducible element) are shown in the figures appearing after the names of the respective countries in Annex — of this Chapter.

Article III. That the totals of personnel of the respective land forces, totals which have taken into account per cent of reduction applied to Element B of land forces, shall not exceed the figures appearing after the names of the respective countries in Annex — of this Chapter.

Article IV. That the reductions mentioned in the foregoing paragraph may be made in progressive stages but shall be completed prior to January 1, 1937.

Article V. That the modifications of existing provisions with respect to land forces now subject to limitation shall be as set forth in Annex — of this Chapter.

CHAPTER III

Article I. All mobile land artillery exceeding 105 mm. in calibre shall be limited by numbers and by categories as set forth in Annex —.

Article II. No mobile land artillery exceeding 155 mm. in calibre shall be constructed or acquired by any of the H. C. P.

Article III. The H. C. P. agree to convert from mobile to fixed mounts prior to January 1, 1937, the numbers of existing mobile land artillery exceeding 155 mm. in calibre set opposite their respective names in Annex —. All such mobile land artillery marked for transformation but not converted by January 1, 1937 shall be destroyed prior to January 1, 1937. All mobile mounts for land artillery, converted or destroyed pursuant to this Article, shall be scrapped prior to January 1, 1934.

Article IV. All tanks exceeding 16 tons in weight shall be scrapped prior to January 1, 1934.

The H. C. P. agree to limit the number of their tanks not exceeding 16 tons in accordance with the figures set opposite their names in Annex — of this Chapter.

CHAPTER IV

Article I. The H. C. P. hereby agree to the total abolition of all aerial bombardment.

Article II. The H. C. P. agree to abolish the peacetime preparation for and training in aerial bombardment.

Article III. The H. C. P. agree to scrap before January 1, 1934, the bombing planes set forth in Annex — to this Chapter.

Article IV. The H. C. P. agree not to exceed the numbers of military aircraft set forth after their respective names in Annex — to this Chapter.

Article V. Military aircraft constructed prior to shall not be included in the numerical computation hereinbefore indicated, and such aircraft shall not be subject to replacement.

Article VI. The H. C. P. agree to furnish to the Permanent Disarmament Commission, in the form to be prescribed by the latter, full details as to the type, number, and character of civil aircraft registered or constructed within their respective jurisdictions.

Article VII. The Permanent Disarmament Commission shall immediately constitute a committee of representatives of the principal air powers to examine the possibility of radical proportional reduction and eventual abolition of military aircraft, as well as regional measures to prevent effectively the misuse of civil aircraft.

CHAPTER V

The H. C. P. agree that all chemical, incendiary and bacteriological warfare shall be prohibited as well as peacetime preparation in and training for such warfare other than preparation for protective purposes in accordance with rules provided in Annex — to this chapter.

CHAPTER VI

Article I. Considering that the naval Treaties of Washington and London continue in force at least until December 31, 1936, and that the parties thereto have covenanted to meet in conference in 1936, that is to say before the expiration of the present agreement, to determine the regime that shall prevail after December 31, 1936,

the H. C. P. which are a party to the said treaties agree that in the meantime they shall continue to consult together with a view to extending the scope of the limitation and reductions already accepted by them in the said treaties and shall keep the Permanent Disarmament Commission informed from time to time of the progress of their consultations.

Article II. The H. C. P. which are not parties to either of the said Treaties of Washington and London hereby accept the limitations upon types of naval vessels, unit tonnages and gun calibres which have already been accepted by the naval powers parties to the said Treaties.

Article III. The Governments of France and Italy in addition to the measures of reduction and limitation which they have already agreed to in the Washington and London Treaties and in order to complete measures of limitation covering all classes of naval vessels, hereby accept the additional measures of limitation set forth in a separate Protocol, a copy of which is annexed hereto.

CHAPTER VII

The H. C. P. hereby accept the principle of State supervision of the private manufacture of arms, ammunition and implements of war, as well as equal measures of full publicity for both State and private manufacture and full control and publicity of the export and import of such material. The H. C. P. entrust to the Permanent Disarmament Commission the task of embodying the foregoing principles in a Convention to be submitted to the H. C. P. at the earliest possible moment.

CHAPTER VIII

GENERAL PROVISIONS

Article I. The H. C. P. agree to communicate promptly to the Permanent Disarmament Commission all measures which they shall take pursuant to the terms of this Convention with respect to the reduction of personnel, the scrapping or conversion of material, as well as with regard to the fulfillment of any rights or obligations conferred or imposed by the present convention.

Article II. Recognizing that full information with regard to the armaments of the nations of the world is a matter of legitimate concern to all nations, the H. C. P. hereby agree that they will furnish to the Permanent Disarmament Commission such information relating to their armaments as the Permanent Disarmament Commission may make the subject of a general request to all nations.

Such information shall be furnished in the form and to the extent so requested.

Article III. The present Convention, of which both the French and English texts shall be authentic, shall be subject to ratification. It shall enter into effect as between the ratifying parties upon ratification by and shall remain in effect until January 1, 1937.

ANNEX "D"

Drafting Committee's Revision of the Memorandum Regarding a Preliminary Convention

DECEMBER 5, 1932.

(1) A preliminary convention should be drawn up to determine the measures of limitation and reduction of armaments which can be the subject of immediate agreement. This preliminary convention may be concluded without awaiting the political arrangements and military readjustments which are foreseen by such plans as, for example, the French Plan. In drafting this preliminary convention, it will be essential to observe the utmost simplicity of form, keeping, as far as possible, to a statement of broad principles, and avoiding, as far as possible, complexity of detail.

(2) The preliminary convention should have a duration of approximately three years—that is, until December 31st, 1936.

It must be recognised that a long-term treaty would render possible greater reductions of armaments than a short-term convention. However, as it is proposed, during the life of the preliminary convention, to seek a solution of the political questions arising from the French Plan and the German *démarche* regarding equality of status through a general disarmament treaty, as explained below, the duration of the preliminary convention must not be too long.

(3) The preliminary convention would provide, among other things, for the setting up of the permanent disarmament commission with a system of supervision, along the lines of the decision already reached in the Bureau. Upon the ratification of the preliminary convention, the disarmament commission will assume its duties under that convention.

Further, the signatory Powers should provide, by a separate protocol, which would not require ratification, that, pending entry into force of the preliminary convention, the permanent Disarmament commission should be convened with the sole task, pending such entry into force, of preparing the general disarmament treaty which should come into force on the expiry of the preliminary convention.

The task of the disarmament commission would be to bring this work to a close so that the general disarmament treaty might be signed and ratified prior to January 1st, 1937.

(4) The preliminary convention will deal primarily with the measures of limitation and reduction to be applied to the armament of those countries whose armaments are not limited by the Peace Treaties; but it will also contain the assurance that the general disarmament treaty will embody the conditions, to be arrived at through mutual agreement, which would enable the German equality claim to be met and the limitations upon German armaments to be incorporated in that treaty.

Germany would thus receive at once the formal assurance that the Powers would in good faith employ the intervening period to solve the problem raised by her claim to equality of rights. This procedure would at the same time meet the situation of those Powers that are unwilling to concede the bare principle of equality without at the same time formulating the conditions under which that equality would be put into practical application.

ANNEX "E"

Memorandum Circulated by Baron von Neurath

In informal conversations held at Geneva the representatives of have examined the situation arising out of the statement made by the German representative in the General Commission on July 22,⁶ the German Memorandum of August 29,⁶ the French Memorandum of September 14 [11?],⁶ the statement made by the British Foreign Secretary in the Bureau meeting of the Disarmament Conference of November 17,⁶ and the suggestion submitted by the American representative on December 5.

They agree that a prompt and effective solution of the tasks submitted to the Disarmament Conference is indispensable in the interest of the reestablishment of confidence among the nations which is the most important condition for the solution of the economic crisis and for the consolidation of world peace.

They are convinced that the Conference will succeed in achieving its task within a few months as soon as an agreement has been reached on the group of questions which are the subject of the present conversations.

They agree that the Convention on the reduction and limitation of armaments should be based upon equality of status for all nations

⁶Printed in Germany, Auswärtiges Amt, *Material zur Gleichberechtigungsfrage* (Berlin, Gedruckt in der Reichsdruckerel, 1933).

and should prepare the way to the realization of equal security for all States in conformity with article 8 of the Covenant, such security being the end to be achieved by general disarmament.

For this purpose they contemplate the following points as constituting a common basis of their future attitude at the Conference.

1.) The limitations on the armaments of Germany and the other disarmed States shall be contained in the same general Convention as the limitations on the armaments of the other States so that Part V of the Treaty of Versailles and the corresponding provisions of the other peace treaties would be replaced by the general Convention as far as the disarmed countries are concerned.

2.) The newly expressed limitations in the case of Germany and the other disarmed States would last for the same period and be subject to the same methods of revision as those of all other countries. The Convention shall contain an undertaking on the part of the signatory States to enter upon negotiations in due course before the expiry of this Convention with a view to concluding a new disarmament Convention for the purpose of further adjustment of armaments.

3.) The provisions of the Convention shall give practical effect to the principle of equality of status in the qualitative respect, both as to war material including its replacement and to the military organization. The details should be fixed contractually so as to put an end to any discrimination such as it is contained in the peace treaties. As far as quantitative disarmament is concerned the Convention is to make the greatest possible step towards the establishment of the same military security for all countries and to prepare further steps in this direction to be agreed upon by a further conference.

4.) It is desirable to strengthen the general security also by a further development of the contractual guarantees which exist already not to this effect.

The powers participating in the present conversation will do their utmost, on the basis of the French and British proposals submitted to them, to determine the measures which could be realized at once.

They decide that competent delegates of the five countries participating in the present conversations shall be charged to lay down, in the light of the preceding provisions, the general lines along which the principle of equality of status could be put into effect in the Convention as well as to examine the possibilities of creating any further contractual guarantees of security. The work of these delegates shall be finished by the end of January 1933 at the latest.

The Ministers of the five powers will then meet again in order definitely to put into force, in accordance with the results of these negotiations, the arrangement contemplated above, their attitude at the Conference being henceforward defined by this arrangement.

ANNEX "F"

Baron von Neurath's Explanation of "Equality of Rights"

The practical effect which should be given to equality of status (compare question Nr. 1) should in particular include the following points:

1. *Form of obligations.*

The limitations on the armaments of Germany and the other disarmed States should be included in the same disarmament Convention in which the limitations on the armaments of the other Powers are defined, so that Part V of the Treaty of Versailles and the corresponding clauses of the other Peace Treaties would be replaced by the new Convention as far as the disarmed States are concerned.

2. *Duration of obligations.*

The newly established limitations on the armaments of Germany and the other disarmed countries should have the same duration as those of the other countries.

3. *Revision.*

The Disarmament Convention which must in any case take account, in conformity with Article 8 of the Covenant, of the necessity for the States of maintaining internal order and of defending themselves against aggression, shall at the same time make provision for the conclusion of a new Convention with a view to realize as rapidly as possible the complete adjustment of armaments.

In this connection the duration of the Convention should be limited to a comparatively short period. After the expiry of this period, the States should enter into negotiations on the subject of the conclusion of a new Convention.

4. *Prohibited arms.*

The provisions of the Convention relating to the prohibition or admission of certain arms shall be the same for all countries.

5. *Manufacture of and trade in arms.*

In the same way, the same rules shall apply to all countries as regards the manufacture of and trade in arms.

6. *Effectives.*

The Convention should either give to all countries the same freedom to fix their own military statute and the organization of their military forces, or bring the military forces to a uniform general type.

ANNEX "G"

Drafts Prepared by Mr. MacDonald and Sir John Simon

The Governments of Great Britain, France and Italy declare that one of the principles that should guide the Conference on disarmament should be the grant to Germany, and to the other disarmed

Powers, of equality of rights in a system which would provide security for all nations, and that this principle should find itself embodied in the scheme of disarmament to be agreed upon by the Disarmament Conference.

On the basis of this declaration, Germany has signified its willingness to resume its place at the Conference, and the five Governments of the United States, Great Britain, France, Italy and Germany declare that they are resolved to co-operate in the Conference with the other States there represented in seeking without delay to agree upon a Convention which shall effect a substantial reduction and a limitation of armaments, with provision for further revision and reductions. They propose to devote the remaining time of the present conversations to the consideration of immediate measures to be recommended to the Conference to aid in the successful accomplishment of its task.

ANNEX "H"

Draft Prepared by Mr. Davis and Mr. Dulles

The Governments of Great Britain, France and Italy declare that one of the aims of the Conference on Disarmament should be to accord to Germany and to the other disarmed Powers equality of rights in a system which would provide security for all nations.

On the basis of this declaration, Germany has signified her willingness to resume her place at the Conference for the purpose of co-operating in the work of disarmament and realising the purposes of the declaration. The German Government has declared that in its view equality of rights should receive concrete embodiment in the general Disarmament Treaty; and further, that the security for all nations referred to in the above declaration should include general measures of disarmament as recognized by the Assembly of the League of Nations.

The representatives of the United States, Great Britain, France and Italy welcome the decision of the German Government to renew its co-operation in the work of disarmament and agree that upon the reconvening of the Conference, which should be fixed for an early date, the attention of the Conference should be directed to the importance of giving early consideration to the practical application of the above declarations. They propose to devote the remaining time of the present conversations to the consideration of immediate measures of disarmament to be recommended to the Conference.

ANNEX "I"

Memorandum Circulated by Baron von Neurath

The representatives of Germany, Great Britain, France, Italy and the United States have held informal conversations at Geneva from December 6 to

The French Prime Minister made the following statement:

France agrees that one of the aims of the Conference of Disarmament is to accord to Germany and to the other disarmed Powers equality of rights in a system which would provide security for all nations.

The German Minister for Foreign Affairs, having taken note of this declaration, declared on his part that Germany's return to the Disarmament Conference could only be contemplated if the following points were to guide the Governments represented at the present conversations during the future work of the Conference:

(1) The equality of status is to receive practical effect in the future Convention in every respect, and is to be, in consequence, the basis for the future work of the Conference as far as the disarmed States are concerned, subject to the reservation that the level of the respective figures relating to armaments should remain open for discussion.

(2) The term "system which would provide security for all nations" includes the element of security which lies in general disarmament as was recognized by the Assembly.

The representatives participating in these conversations agree that these points would henceforth determine the attitude which their respective Governments will adopt at the Conference.

ANNEX "J"

Draft Submitted by Mr. MacDonald to the Drafting Committee

I

(1) The Governments of Great Britain, France and Italy declare that one of the principles that should guide the Conference on Disarmament should be the grant to Germany, and to the other disarmed Powers, of equality of rights in a system which would provide security for all nations, and that this principle should find itself embodied in the convention containing the conclusions of the Disarmament Conference.

This principle implies a single convention for all States, lasting for the same period, and permitting the same qualities of arms but leaves open for discussion all questions of stages and quantities, if

being clearly understood that the object of the Disarmament Conference must be to bring about the maximum of positive disarmament that can be generally agreed—not to authorize in the name of equality any increase of armed strength.

(2) On the basis of this declaration Germany has signified its willingness to resume its place at the Disarmament Conference and to join in a solemn affirmation taken by all European States that they will not in any circumstances attempt to resolve any present or future differences between them by resort to force.

(3) In these circumstances the Five Governments of the United States, Great Britain, France, Italy and Germany declare that they are resolved to cooperate in the Conference with the other States there represented in seeking without delay to work out a Convention which shall effect a substantial reduction and a limitation of armaments with provision for future revision.

II

(Any time available for the continuation of conversations between delegates of these Powers will be devoted to the consideration of practical measures to be recommended to the Conference for the successful accomplishment of its task.)

ANNEX "K"

Formula Prepared by Drafting Committee

I

(1) The Governments of Great Britain, France and Italy declare that one of the principles that should guide the Conference on Disarmament should be the grant to Germany, and to the other disarmed Powers, of equality of rights in a system which would provide security for all nations, and that this principle should find itself embodied in the convention containing the conclusions of the Disarmament Conference.

(2) On the basis of this declaration Germany has signified its willingness to resume its place at the Disarmament Conference.

(3) The Governments of Great Britain, France, Italy, and Germany are ready to join in a solemn reaffirmation to be made by all European States that they will not in any circumstances attempt to resolve any present or future differences between them by resort to force. This shall be done without prejudice to further and fuller discussions on the question of security.

(4) In these circumstances the five Governments of the United States, Great Britain, France, Germany, and Italy declare that they are resolved to cooperate in the Conference with the other States there represented in seeking without delay to work out a Convention which shall effect a substantial reduction and a limitation of armaments with provision for future revision, with a view to further reductions.

II

(Any time available for the continuation of conversations between delegates of these Powers will be devoted to the consideration of practical measures to be recommended to the Conference for the successful accomplishment of its task.)

ANNEX "L"

Suggestion of Sir John Simon to Complete Paragraph (1) of Annex "K"

The adoption of this Declaration implies the determination of the Governments named to work for a Disarmament Convention which will contain the respective limitations of the armaments of all States and which shall last for the same period in the case of each. It is clearly understood that the application of the principle of equality of rights, referred to in the above declaration, leaves open for discussion all questions of quantities or stages, and that the object of the Disarmament Conference must continue to be to bring about the maximum of positive disarmament that can be generally agreed—not to authorise the increase of armed strength.

ANNEX "M"

Five Power Declaration

(1) The Governments of the United Kingdom, France and Italy have declared that one of the principles that should guide the Conference on Disarmament should be the grant to Germany, and to the other Powers disarmed by Treaty, of equality of rights in a system which would provide security for all nations, and that this principle should find itself embodied in the Convention containing the conclusions of the Disarmament Conference.

This declaration implies that the respective limitations of the armaments of all States should be included in the proposed Dis-

armament Convention. It is clearly understood that the methods of application of such equality of rights will be discussed by the Conference.

(2) On the basis of this Declaration, Germany has signified its willingness to resume its place at the Disarmament Conference.

(3) The Governments of the United Kingdom, France, Germany and Italy are ready to join in a solemn reaffirmation to be made by all European States that they will not in any circumstances attempt to resolve any present or future differences between the signatories by resort to force. This shall be done without prejudice to fuller discussions on the question of security.

(4) The five Governments of the United States, the United Kingdom, France, Germany and Italy declare that they are resolved to co-operate in the Conference with the other States there represented in seeking without delay to work out a Convention which shall effect a substantial reduction and a limitation of armaments with provision for future revision with a view to further reduction.

(Signed) J. RAMSAY MACDONALD, *Chairman*,
 NORMAN H. DAVIS
 JOHN SIMON
 J. P. BONCOUR
 C. VON NEURATH
 ALOISI

11th DECEMBER, 1932.

IV. CONVERSATIONS ON NAVAL QUESTIONS

550.S1/171 : Telegram

The Secretary of State to the Ambassador in Great Britain (Mellon)

[Extract]'

WASHINGTON, September 9, 1932—6 p. m.

237. Please deliver the following personal message from Norman Davis to Sir John Simon and telegraph his reply:

"2. Sometime ago both you and the Prime Minister⁸ suggested the advisability of my going to England for a discussion of some of the naval questions which have arisen between our two countries with

⁷ The deleted portion of this telegram relates to the opening of preliminary talks relative to the Monetary and Economic Conference scheduled for 1933; for correspondence, see pp. 808 ff.

⁸ See memorandum of trans-Atlantic telephone conversation, July 8, 4 p. m., p. 279.

a view to ironing out any differences and ascertaining so far as possible what can and should be done, as between our two countries. It seems to me it would be well to do this and if you still think it desirable I will endeavor to return prepared to talk over these naval questions as soon as we dispose of the preliminary questions relating to the Committee on Arrangements.

"Please let me know your views on the above, in order that I may make my plans accordingly."

STIMSON

550.S1/172: Telegram

The Ambassador in Great Britain (Mellon) to the Secretary of State

[Extract]*

LONDON, September 10, 1932—2 p. m.

[Received September 10—12: 35 p. m.]

260. For Norman Davis.

. . . Simon would be very happy for a discussion of those naval matters referred to in paragraph 2 of your 237 September 9th, 6 p. m.

MELLON

500.A15A4 Naval Armaments/135: Telegram

*The American Delegate to the Bureau of the General Disarmament
-Conference (Wilson) to the Secretary of State*

GENEVA, October 3, 1932—10 p. m.

[Received October 3—5: 43 p. m.]

397. From Davis. Simon, who must return to London tomorrow stopping for a conversation with Herriot in Paris, has asked me to come to London the end of this week to take up the naval conversations. We therefore plan to leave here Thursday.

WILSON

500.A15A4/1515: Telegram

The Ambassador in Great Britain (Mellon) to the Secretary of State

LONDON, October 11, 1932—9 p. m.

[Received October 11—7: 19 p. m.]

292. From Davis. I called on MacDonald this morning and found him rather pessimistic about the many troublesome problems that

* For extracted portion of this telegram, see p. 822.

confront him but still determined to exert every effort to improve conditions. He expressed the view that Lausanne was not an advisable place for disarmament conversations and Geneva was more logical but seemed to have two preoccupations about Geneva. One was the difficulty of his leaving London and another his feeling about Henderson.¹⁰ Without definitely committing himself he left the inference that if the conversations with Herriot are satisfactory he would go to Geneva. He was quite concerned about Herriot's panicky state of mind and said that England and the United States must use their good offices in every possible way to quiet the French nerves and to get the Germans to be reasonable.

Immediately after my talk with MacDonald I visited the First Lord of the Admiralty.¹¹ He said that while the Navy on account of its special needs was not able to accept President Hoover's program¹² in detail he thought the President had rendered real service in making the proposal, that they are in thorough accord with the purpose of it and are prepared to try to meet us. He then said he had been telling the Admiralty that Parliament would be unwilling to vote seven million pounds for building each battleship replacement and that if they want to preserve the Navy intact it is necessary to devise ways and means for reducing its cost. He also said that the failure of the United States and England to stand together at the Disarmament Conference had militated against success and that if we expected to succeed we must not only stand together but must work out a plan for reasonable reductions and push such a program through. He advanced the usual arguments about their need for 15 battleships saying they are alarmingly weak in the Far East and that with further reductions they could not send an adequate fleet there without denuding their home waters. He said he recognized our need for battleships of large tonnage but did not understand why it was necessary to have 16-inch guns and asked if we could not do something about reducing the caliber of guns. I told him I had no plan to propose other than that of the President but I recognized that if we were to reconcile the two different plans it would be necessary to make some modifications and I would be glad to explore the possibilities to see if we could arrive at something I would feel justified in recommending. He said that if we could agree upon 12-inch guns for battleships it would allow a saving of about 50 per cent on replacements. As to cruisers they did not yet see how they could possibly diminish the numbers but could in time get a

¹⁰ Arthur Henderson, who resigned as head of the British Labor Party on October 18, 1932.

¹¹ Sir Bolton Meredith Eyres-Monsell.

¹² See pp. 180 ff.

reduction by reducing the size. He then asked if I would like him to talk to Matsudaira about the abolition of submarines and bombing planes and asked if we would be willing to give up right to landing decks on cruisers which seemed to be a matter of concern to the Japanese. I told him not to say anything to Matsudaira yet that I thought the first thing was for the British Cabinet to definitely decide what its national policy is going to be with regard to naval reduction and future program and after that we can take up the technical questions and also consider talking with the Japanese. He further said that they are themselves more concerned about Japan and the possibility of trouble in the Far East than they are about any trouble with France or Italy and that this is something we both had to bear in mind in working out any program. In this connection Craigie told Dulles today that Matsudaira had remarked to him that he, Matsudaira, was afraid disarmament discussions would have an air of unreality to his Government since it was possible that they would shortly be withdrawing from the League and from the Disarmament Conference. Craigie added that he thought this was partly bluff but felt it significant that Matsudaira had mentioned it.

Unless you feel that detailed cabled reports such as the above are necessary I shall limit cables to reporting only important new developments as they arise. [Davis.]

MELLON

500.A15A4 Naval Armaments/143 : Telegram

The Ambassador in Great Britain (Mellon) to the Secretary of State

LONDON, October 19, 1932—6 p. m.

[Received October 19—5:50 p. m.]

301. From Davis. I have had fairly satisfactory preliminary talks this week on disarmament matters with both MacDonald and Baldwin and MacDonald informed me yesterday that he now wants to arrange shortly for a meeting in which he, Baldwin, Simon and myself may talk over fully the question of a naval agreement and also what should be done to promote the success of general disarmament. Meanwhile I thought it would be well to explore the possibilities of agreement on technical questions and Hepburn and Dulles have been holding informal conversations with the Admiralty and Foreign Office. They pointed out that Hoover proposals involve no technical considerations not already thoroughly familiar to both governments whereas British proposals introduce some technical changes which have not been mutually explored in all their possible ramifications. With a view to bringing the British proposals into

clearer focus it was decided to prepare a memorandum embodying in concrete terms such possibilities as it might seem useful to discuss in attempting to harmonize the two positions, with the definite understanding that no commitment by either party was involved in any point set forth. This memorandum is quoted below. I purposely refrained from having any direct part in these conversations as it seemed wise that I keep free from the technical discussions in order to be in a better position to take up questions of principle with MacDonald, Baldwin, Simon and others.

The memorandum, which relates only to new or replacement construction, follows:

Capital ships: maximum number 15-15-9. Maximum displacement 28,000 tons. Aggregate tonnage not to exceed 390,000 tons. Maximum gun calibre 12-inch. To come into being as replacements of existing ships. Life 26 years. Special replacement table for the transition period.

Alternative suggestion: maximum number 15-15-9. Maximum displacement 30,000 tons. Aggregate tonnage not to exceed 412,000 tons. Maximum gun calibre 12-inch. To come into being as replacements of existing ships. Life 26 years. Special replacement table for the transition period.

Air carriers: Maximum displacement 22,000 tons. Maximum gun calibre 6.1-inch. No restriction on number. Total tonnage about 105,000 tons. Adjustment to be made for existing ships.

Cruisers and destroyers: It was suggested that we defer for the moment detailed consideration of the proposals respecting cruisers and destroyers put forward by the two governments in June and July of this year. These categories are global in the case of France and Italy and the total tonnage which each may construct is not now limited by treaty. Hence further steps regarding these classes of vessels can hardly be taken until a more accurate estimate is obtained of what may be achieved in reconciling the views of Great Britain, France and Italy. Further, the destroyer category would be subject to reconsideration in the light of action taken regarding submarines.

Submarines: Agreement upon abolition but if this cannot be achieved then: Total tonnage to be brought to the lowest figure upon which agreement can be reached with other principal naval powers.

Submarines to be limited by number as well as by aggregate tonnage."

Hepburn, Dulles comment on memorandum as follows:

If we can accept the 12-inch gun calibre there should be no serious obstacle to the working out of a replacement program as between the American and British capital ship strength which will represent a substantial tonnage reduction over that of the Washington and London treaties.¹³ The British would accept a total capital ship tonnage of 375,000 tons, i. e. 15 ships of 25,000 tons each but we held

¹³ *Foreign Relations*, 1922, vol. I, p. 247; *ibid.*, 1930, vol. I, p. 107.

out for the possibility of a higher unit tonnage. Under the first plan if we constructed 15 capital ships the unit tonnage would be 26,000 tons. If we desired a larger unit tonnage we could construct 14 ships of approximately 28,000 tons. The alternative plan permits ships of approximately 27,500 tons, or if we desired a uniform unit tonnage of about 19,000 tons we could then construct 21 ships. British state that on 25,000 tons displacement they contemplate mounting 8 guns in 4 double turrets.

The aircraft carrier suggestions require no comment except the reference to adjustment for existing ships. Under this provision it is understood that the *Lexington* and *Saratoga* would be rerated below their actual tonnage although no definite figure was named, the idea being to permit the construction within the allowed tonnage of at least two carriers additional to [*Ranger?*] and aggregating about 36,000 tons.

Regarding cruisers the Admiralty and Foreign Office state that any present reduction of their numbers is impossible and in fact they estimate that in connection with any revision of the London Treaty they would wish to provide for about 40,000 additional tons. They are, of course, prepared to reduce size of replacement cruisers and gun calibre as suggested in their original proposal but we said it was useless to discuss this question which was academic at the moment because of the number of large 8-inch gun cruisers which would not be subject to replacement for many years to come. We took up in formally the suggestions discussed with you before our departure, namely, limiting 8-inch gun vessels to those already laid down with freedom to use balance of tonnage for 6-inch gun vessels up to unit size of 10,000 tons and certain additional tonnage to be allocated in the event that cruisers less than 7,000 tons are constructed. This formula to be applied only in connection with a reduction of total cruiser tonnage. British found this suggestion interesting but were very apprehensive of complications that might result. Particularly if same privilege were extended to France and Italy they foresaw an outcome which they could not accept.

Regarding destroyers: They point out that prior to the London treaty we had agreed with them at the Rapidan¹⁴ on 200,000 tons in this class and that cut to 150,000 tons in London treaty goes far below what Admiralty wants. They feel that even a considerable reduction in submarine tonnage of others would not substantially change their patrolling needs but that the matter could be reconsidered if submarines totally abolished. In contrast with present Japanese position in destroyer class they would certainly be the first to reject any cut in their present allotment.

In working on the above memorandum we had constantly in mind the effect upon the Japanese, French and Italians. Craigie seems confident that reduction in capital ship gun calibre to 12-inch would facilitate agreement with French and Italians and would not be rejected by the Japanese although they might initially press for 14-inch calibre and 25,000-ton maximum displacement. He stated the

¹⁴In the memorandum by President Hoover dated October 6, 1929, 190,000 tons was agreed upon as the maximum tonnage for destroyers. (*Foreign Relations*, 1929, vol. III, p. 14.)

Japanese Ambassador had advised the Foreign Office and authorized the Foreign Office to tell us that Japanese were prepared to accept reduction in cruiser replacement tonnage to 8,000 tons for 8-inch gun ships and to 6,000 tons for 6-inch gun ships. This, of course, is not satisfactory from our point of view.

The possibility of our refraining from constructing the last three 8-inch cruisers was not discussed except as indicated above since we understood that this could only be considered in connection with real reduction of British cruiser strength which so far they have refused to envisage.

The British have not formally committed themselves to the memorandum and we did not ask this since we wished to assume no commitment ourselves. We believe, however, that agreement could be reached on the basis of the memorandum. While no immediate scrapping is involved the eventual tonnage and gun calibre reductions in the capital ship class are equivalent to the dropping off of three or four ships in the effect upon the cost of new construction and maintenance. The aircraft carrier and submarine suggestions go substantially as far as the President's proposal.

With regard to cruisers and destroyers the way is left open to future consideration of substantial cuts and the formula suggested in the memorandum has been drafted with an eye to bringing discreet pressure to bear on France and Italy to come into the London treaty. End of comment by Hepburn and Dulles.

I am sending you a separate cable as to future procedure. [Davis.]
MELLON

500.A15A4 Naval Armaments/144 : Telegram

The Ambassador in Great Britain (Mellon) to the Secretary of State

LONDON, October 19, 1932—8 p. m.

[Received October 19—7:55 p. m.]

302. From Davis. If I am to be in Geneva October 29th to confer with our experts for Economic and Monetary Conference it leaves only a week in which to bring our naval conversations to a head unless I should return here later. I am satisfied that the British would agree to changes in the naval set-up in line with the memorandum in my 301, October 19, 6 p. m., which in the course of time will represent a substantial reduction and financial saving, but that the Admiralty will not go further than this unless the Cabinet is prepared to override them. Baldwin clearly indicated to me that he is in favor of our agreeing upon a very comprehensive program of reduction.

The Prime Minister has just invited me to visit him Saturday at Chequers and I understand Baldwin and Simon are to be there. It is important therefore for me to have for my guidance an indica-

tion as to the importance you place upon pressing the British to go further than the memorandum and also whether the memorandum presents a possible basis for collaboration between the two governments. The psychological effect of an announcement that we had reconciled our naval points of view to an extent that would permit our joint collaboration with the other naval powers in completing the naval section of a general disarmament treaty would be excellent. It is of course understood that any agreement between the United States and Great Britain along the lines of the memorandum would be contingent upon corresponding action by Japan, appropriate agreement to bring France and Italy into the London treaty and the completion of a general disarmament treaty. An explanatory paragraph should be added to the memorandum to set this forth as well as to give a concise statement of the purpose of the conversations which resulted in the preparation of the memorandum.

I am also satisfied that MacDonald will want to discuss the problems of the Disarmament Conference including the proposed meeting with the Germans and it would therefore be [helpful?] to have your views on my 297, October 17, 5 p. m.¹⁵

In a talk with MacDonald yesterday I told him that while I did not know just how you feel about it my own personal view was that it was better to approach the German problem in connection with the Disarmament Conference rather than invoke the Consultative Pact¹⁶ to which we are not a party; that it seemed to me that the most practical way to prevent German rearmament is to bring about disarmament on the part of France and the other powers; that accordingly the first step would be for England and the United States to get together on the navy, then to use our good offices to get France and Italy together and then to agree if possible with France on a comprehensive plan for reduction along the lines of Hoover Proposal so that we could present to the Germans a concrete program which would give them a considerable measure of satisfaction. [Davis.]

MELLON

500.A15A4 Naval Armaments/145: Telegram

The Ambassador in Great Britain (Mellon) to the Secretary of State

LONDON, October 20, 1932—3 p. m.

[Received October 20—11:50 a. m.]

305. From Davis. Supplementing my 301, and 302, I would emphasize that in all my talks with MacDonald, Simon and Baldwin and

¹⁵ *Ante*, p. 465.

¹⁶ The Anglo-French Declaration of July 13, p. 694.

in conferences Hepburn and Dulles have had, we have stressed need for further naval reduction and that British programs were quite inadequate in this respect especially in cruiser and destroyer classes.

I trust you will not take impression from my cables that I am endeavoring to hurry you in reaching decisions on these important matters. If you deem it preferable I can return to London after my Geneva trip. The chief reason for an early decision lies in possibility that the whole disarmament program must be threshed out soon and in this event a frank understanding on naval matters with Great Britain would be extremely useful. The feeling between France and Italy is better than it has been for some time past and if we were in agreement with Great Britain we could expect a more useful influence toward bringing France and Italy into London treaty and in bringing about reduction in land and air armaments.

We are being careful to avoid any publicity as to technical naval discussions as this might have unfortunate reaction on future negotiations with Japan, France and Italy.

My talks on Saturday will be with MacDonald alone at Checquers but I am meeting with him, Baldwin and Simon here on Monday morning. [Davis.]

MELLON

500.A15A4/1563 : Telegram

The Ambassador in Great Britain (Mellon) to the Secretary of State

LONDON, October 25, 1932—6 p. m.
[Received October 25—5:20 p. m.¹⁷]

308. From Davis. Saturday afternoon¹⁸ at Checquers I discussed with MacDonald general disarmament problems. Lord Incheape [*Inskip*], Attorney General, and Elliott, another influential member of the Cabinet were present during most of the conversation. As it has been arranged that we would meet again on Monday with Baldwin and Simon discussions of details were left aside. I emphasized that the experts' conversations has been devoted largely to exploring the naval replacement programs, and that it was for us to examine the possibility of further reductions along the lines of the Hoover proposal. MacDonald said that he felt there was little chance of getting Japan to agree now to any substantial reduction or changes. I said that while this might be true it was important for our two countries to decide what they would be willing to do since, if we were in agreement, this fact might influence Japan. MacDonald

¹⁷ Telegram in two sections.

¹⁸ October 22.

emphasized that they had also to consider France and Italy; that the reductions, for instance which they could make in destroyers would be dependent upon getting France and Italy into the Naval Treaty. As regards destroyers I pointed out that neither they nor we were built up to the treaty tonnage in under age ships and that in view of the financial situation there was little likelihood of either of us building up to this limit. MacDonald admitted that it would be difficult if not impossible to get Parliament to appropriate the money necessary for the required replacements and particularly to bring the destroyers up to the treaty limit. I told him that if that were the case we ought to seize the strategic advantage of anticipating what would occur and use this as a lever to get substantial reductions in land and air forces.

Turning to the question of the General Disarmament Conference, we agreed that if the French should put forward their irreclaimable [*irreconcilable?*] plan¹⁹ it would further complicate the situation and that it would be wise if they could be persuaded to hold up any such plan pending an attempt to work out some general agreement on arms reduction. MacDonald said the Germans' refusal to go to Geneva had left up in the air the question of future procedure. He asked what I thought about his going to Geneva, pointing out that he could not spare much time from London and that he could not afford to sit around in Geneva waiting for something to happen. I told him I thought it important for him to go to Geneva as soon as something could be prepared, but that it seemed to be a mistake to press the Germans too much until after their elections. He agreed that a failure of the Disarmament Conference would have a disastrous effect, that something must be done to save it, and that the most effective action would be for the United States and England to support a comprehensive plan and to try to get France to see the wisdom of going along; that assuming that the differences between the United States and Great Britain as to the future character of the navies can be reconciled, which seems possible, the important questions are: Will public opinion in the two countries be satisfied if there are no substantial immediate reductions? And can we exercise real influence on the Disarmament Conference unless we are prepared to contribute some naval reductions?

At the conclusion of our talk MacDonald remarked that one of the few bright spots in this gloomy world was the fact that England and the United States could talk frankly and freely together.

I continued the disarmament discussions of Saturday at a meeting

¹⁹ For text of the French plan as presented, see telegram No. 455, November 15, noon, from the American delegate, p. 380.

at 10 Downing Street with MacDonald, Baldwin and Simon. After covering somewhat the same ground as Saturday, particularly as regards reductions in the destroyer and other classes, the following additional points were considered:

MacDonald inquired whether the Hoover proposal for scrapping one-third of the battleships meant that they should be dismantled in the near future; if so, this would be difficult for the British and presumably unacceptable to the Japanese. I replied that this was the purpose of the President's proposal but that we must not forget that the proposal was part of a plan for lowering the whole level of world armaments and predicated upon general agreement on reduction and limitation of land and air forces as well as navies; that if it were not possible or advisable to scrap at this time five battleships we might consider the eventual reduction of total battleship tonnage and instead of immediate scrapping of battleships, lay up, but not demilitarize, a certain number to be scrapped only as and when replacements for the reduced total tonnage came along, ships so laid up not to be put into commission except in case of emergency or invoking of escalator clause. I said that this idea was quite personal and tentative as it had not been considered by our authorities. They felt the suggestion was interesting and worth further study. MacDonald then asked whether we insisted on an eventual one-third reduction in number of battleships. I replied that we were not insisting on anything but rather attempting to find a constructive way for securing a substantial reduction in armaments; in any event it seemed that public opinion both in England and in the United States would hardly be satisfied unless there were further naval reductions as a part of this general reduction. MacDonald said that if we could get rid of submarines the whole matter of reduction would be greatly simplified, but that at London Conference we had not seemed as anxious as they to abolish submarines and now were suggesting submarines of 1,200 tons. I reassured him that we would use our influence with them to abolish submarines but that if they are not abolished we should each have the right to build submarines to suit our particular needs; that on this point there had apparently been no difficulty between our experts and theirs.

The question was then raised as to what should be said about the pending naval conversations in view of my early departure from London. I suggested that if we said anything it should be that the conversations had progressed satisfactorily but that it had not been either the purpose or desire to reach any specific final agreement as it is not possible now—that we had agreed in principle that there should be further substantial naval reductions but the extent and

method of carrying these reductions into effect would depend upon agreement with the other naval powers and upon agreement for reduction of land and air forces. I stated, however, I would wish to consult Washington before agreeing upon any statement. (I would appreciate a cable as to whether you consider any such desirable. Its purpose if made would be to dispel impression in Japanese, French and Italian circles that they were to be confronted with any Anglo-American agreement on naval matters).

Turning to general disarmament questions I explained that we were prepared to join in discussions for the purpose of working out the problems of the Disarmament Conference, but that we would not care to participate in any meetings dealing with European political problems or the theoretical discussion of equality and that in the disarmament discussions we would expect to participate on the same basis as the others and not in the role of an observer. This statement of our attitude was much appreciated and I believe thoroughly understood.

Sir John Simon said he had been studying your speech of August 8th²⁰ which he considered a very valuable contribution, particularly as to the effect of the Kellogg Pact²¹ on the principle of neutrality. He had not thought out fully just how this would work out and hoped that an opportunity could be found for the representatives of the two countries to consider this together. [Davis.]

MELLON

500.A15A4/1564 : Telegram

The Ambassador in Great Britain (Mellon) to the Secretary of State

LONDON, October 26, 1932—noon.

[Received October 26—9:45 a. m.]

309. From Davis. I have postponed my departure from London until Friday morning. Before leaving I desire to make as much further progress with the naval negotiations as is possible, and in any event before leaving should wish to give some further idea of our attitude and of how the negotiations should be carried forward. In particular I would appreciate it if you would consider and if possible advise me on the following points before my departure.

1st, whether we should make any joint statement along the lines suggested in my 308, October 25, 6 p. m.; the text, of course, to be optional with you.

2d, whether we can advise the British confidentially that we are prepared to continue naval discussion on the general basis of the

²⁰ *Post*, p. 575.

²¹ *Foreign Relations*, 1928, vol. I, p. 153.

naval memorandum, as amplified along the lines of my talks with MacDonal, Baldwin and Simon, without of course commitment as to details (or in the alternative that we feel it would be useful to continue discussion on this basis if they could find a way contingent on action by France and Italy of reducing total allowed tonnage of destroyers and cruisers).

3, whether the idea of laying up certain ships without demilitarizing them presents useful possibilities.

4, whether in view of our friendly conversations here there is sufficient prospect of agreement between us to permit useful cooperation between the British and ourselves in taking up informally with France and Italy the completion of the London Treaty. I feel that the recent improvement in Franco-Italian relations furnish an opportunity which should be explored.

5, whether any indication should be given to the Japanese Government of the progress of the naval discussions.

The great difficulty in making any progress in this whole disarmament situation lies in the inter-relationship of every item with every other item, so that there is a tendency over here to postpone action on each individual point. It is for this reason that it may seem desirable to you to take advantage of the progress made here, even though it is incomplete, to start the ball rolling.

If you feel that it is premature to carry the naval conversations further I could tell the British that you are studying the memorandum and the possibilities of further reduction, and that as soon as your study is completed I would communicate again with them. [Davis.]

MELLON

500.A15A4/1573 : Telegram

*The Acting Secretary of State to the Ambassador in Great Britain
(Mellon)*

WASHINGTON, October 26, 1932—2 p. m.

277. For Norman Davis. Your 309, October 26, noon. I am sorry that we are not in a position to answer your questions concerning the naval discussions at the present time. They involve so basic a decision on questions of policy that we cannot commit ourselves without a careful scrutiny. The Secretary is away and the President is leaving tomorrow on a speech making tour. The Navy Department has not yet completed its studies and has not even begun consideration of your point 3.

With regard to your first query, a joint statement along the lines suggested in your 308²² would seem in order. Please cable the exact

²² October 25, 6 p. m., p. 536.

text as soon as available as well as the date and time of its intended release.

I am exceedingly sorry that we cannot be more helpful, but the situation here in Washington absolutely precludes more definite action for the moment. In the circumstances, I see no other course of action open to you than to explain this confidentially to MacDonald and Simon, tell them that our failure to answer more promptly does not indicate a decision either for or against the proposals suggested and that as soon as our study has been completed you will be authorized to communicate with them again.

CASTLE

500.A15A4/1574 : Telegram

The Ambassador in Great Britain (Mellon) to the Secretary of State

LONDON, October 27, 1932—1 p. m.

[Received October 27—10:20 a. m.]

311. From Davis. I fully appreciate situation indicated your 277, October 26, 2 p. m., and in my talks with Prime Minister and others had made clear to them that we would probably need more detailed study of naval questions than was possible prior to my departure from London.

In the light of your cable I believe it will be unnecessary to issue any press statement and understand British now inclined to take same view. I have kept American press advised that conversations were proceeding satisfactorily and could hardly be carried to final conclusions prior to my departure; that no definite Anglo-American agreement was contemplated at this time but that by frank, friendly and informal discussions we had helped to reconcile different views and to prepare the way for discussions with the other naval powers. Yesterday I lunched with Grandi²³ and this morning saw Matsudaira and I have been in close touch with the French Ambassador²⁴ during my stay here. Hence I am confident that there is no possible misapprehension on the part of the powers as to our conversations here. Further, I shall be seeing Herriot in Paris Saturday morning.²⁵

Bellairs, with whom Hepburn has been discussing naval matters, will be in Geneva next week and it is possible that Simon and later even MacDonald may come there. This would permit us to carry forward the conversations on basis of any instructions which you could send us there. The British are apparently anxious to get on

²³ Italian Ambassador in Great Britain.

²⁴ Aime Joseph de Fleuriau.

²⁵ October 29.

with naval conversations with the French and Italians, which seems to me to be most timely, and I believe that we could helpfully cooperate. Unless instructed to the contrary I shall assume that you would see no objection to our participation in any such discussions which might take place in Geneva next week.

Simon told me last evening that a special meeting of Cabinet would be held soon to consider disarmament questions but that he could now tell me the Cabinet is unanimously in favor of the closest possible cooperation with the United States. [Davis.]

MELLON

500.A15A4 Naval Armaments/153: Telegram

The Ambassador in Great Britain (Mellon) to the Secretary of State

LONDON, October 28, 1932—noon.

[Received October 28—10:15 a. m.]

314. From Davis. Matsudaira told me today that Japan has now formulated a plan on the navy,²⁶ intimating that since we and the British had submitted proposals they should have one. He said that it had just been received, that there were a few points to clear up before they could disclose it, and that they had not decided whether they would submit it formally at the Bureau or outline it in the conversations which are to be held in the near future with the British and ourselves. He said in substance it was a compromise between the American and British plans. Craigie told Dulles today that he had it on very good authority that the Japanese plan would raise in acute form the ratio question, and that therefore it seemed doubly important that our two countries get together on naval matters as soon as possible. [Davis.]

MELLON

500.A15A4 Naval Armaments/152: Telegram

The Ambassador in Great Britain (Mellon) to the Secretary of State

LONDON, October 28, 1932—1 p. m.

[Received October 28—9:30 a. m.]

315. From Davis. Hepburn thinks following information gleaned from his talks with Admiralty may prove useful in interpreting British attitude upon technical points that may hereafter arise. He repeatedly urged importance of principle of freedom to build within

²⁶ For text of plan as ultimately submitted to the Bureau of the General Disarmament Conference, see p. 410.

qualitative restrictions of each category especially those in which numbers are not limited as only equitable method yet proposed for reconciling individual necessities as to numbers and unit sizes. While not expressing disagreement British make the point that principle is really not valid in 6-inch cruiser category because permitted displacement is too large and there is a point in neighborhood of 7,000 tons on either side of which ships virtually fall into different categories, the larger being in the nature of 6-inch "battleships". Admiralty spoke quite openly of adverse reports from all flag officers in regard to tactical qualities of 8-inch cruisers as developed by their tactical exercises in Mediterranean, mentioning especially their excessive visibility at all times and uselessness for night work. Discussing our necessity for cruising radius they seemed puzzled and intimated that they had no difficulty in getting 9,000 miles at something in the neighborhood of 18 knots from their "large cruisers", exact displacement not specified. As a family confidence Admiralty said that their naval studies resulted in conclusion that abolition of aviation bombing would be advantageous to them in all surface ship operations, laughingly admitting that this conclusion was not reached through collaboration with aviation personnel. [Davis.]

MELLON

500.A15A4/1633

The Ambassador in Japan (Grew) to the Secretary of State

No. 175

TOKYO, November 1, 1932.

[Received November 21.]

SIR: From various accounts which have appeared in the Tokyo vernacular press, it appears that the Japanese naval authorities expect that the present Anglo-American conversations on the question of naval disarmament will develop into a five-Power conference, composed of Great Britain, the United States, Japan, France and Italy, and that the Japanese authorities are making preparations accordingly. Instructions have been drafted and telegraphed to Mr. Matsudaira, the Japanese Ambassador at London, according to the spokesman of the Foreign Office, and Vice Admiral Nagano, one of the naval delegates to the general disarmament conference, has been ordered to return to Geneva as soon as possible, in order to be on the spot should the five-Power conference develop. Vice Admiral Nagano will leave Tokyo for Geneva on November 4th, according to the newspapers.

The instructions sent to Mr. Matsudaira are not to be divulged to the public, but the *Tokyo Jiji*, which has the reputation of being the

best-informed newspaper in Tokyo on naval subjects (a retired Japanese naval officer is a member of the editorial staff) gives what is claimed to be the general policy of the instructions, although details are withheld. According to this newspaper, the delegates are to take a more positive attitude than that assumed at previous conferences and are to strive with firm determination to carry Japan's points rather than to take a defensive stand. The general Japanese policy will be to increase the defensive strength of navies by reducing the offensive strength of other navies, instead of the former policy of endeavoring to maintain sufficient naval strength for defensive purposes but insufficient for offensive purposes. In the pursuit of the Japanese policies, the naval delegates are to rely on the close cooperation of the diplomatic officers, utilizing the new position of Japan in international politics since the Manchurian affair, as well as the claim of Germany for equality of armaments. Efforts are to be made to liquidate the disarmament problem at this conference without waiting for the second London Conference in 1935. The delegation is not to accept the former ratio of 10-10-6 for the Japanese Navy but is to endeavor to recover the ground lost at the London Conference. The authorities expect that a compromise will be effected between the American and British views on disarmament and that therefore Japan must be prepared to oppose an Anglo-American combination insisting upon the abolition of submarines and the continuation of the 10-10-6 ratio. The delegation is to insist upon the retention of submarines and the abolition of aircraft carriers if there is any reduction in the size of capital ships and if provision is made for the abolition of airplanes carried on other fighting vessels.

In conformity with the above policy, the instructions to the delegates include the absolute rejection of the disarmament proposal of President Hoover. The Baldwin proposal²⁷ is now being studied, however, and decision thereon is being withheld for the time being. The Japanese naval authorities have compiled a counter-proposal, which has been forwarded to Mr. Matsudaira.

COMMENTS

The policy of increasing defensive strength by decreasing offensive strength, as applied to the Japanese Navy, undoubtedly means that the Japanese counter-proposal contemplates the reduction in size of capital ships, the abolition of aircraft carriers, and the retention of submarines. The Japanese Army and Navy now fear aircraft attacks more than any other form of warfare, and they will undoubtedly

²⁷ For text, see Great Britain, Cmd. 4122, Miscellaneous No. 6 (1932) : *Declaration of British Disarmament Policy*.

strive to secure the abolition of vessels which can carry aircraft within striking distance of the Japanese coasts. At the same time, the naval authorities contend that submarines are defensive vessels (although some of the Japanese submarines are reported to be capable of cruising to the Pacific Coast of the United States and returning without refueling) and consequently Japan refuses to consider their abolition. (The Naval Attaché of the Embassy concurs in the opinion that the above will in all probability constitute the basis of the Japanese counter-proposal.)

The reference to reliance on the diplomatic arm, utilizing Japan's new position in the world and Germany's claim for armaments equality, implies an intention to drive diplomatic bargains in an endeavor to obtain support for Japan's claims on the disarmament question. The Japanese naval authorities very evidently fear an Anglo-American combination against Japan in the conference, and hope to form a bloc in opposition to the combination.

The reference to the endeavors that the Japanese delegation is to make to "recover the ground lost at the London Conference" implies that a claim will be made for equality in naval armaments with the United States and Great Britain, or at least for a higher ratio than those agreed to at the Washington and London conferences.

A public statement was made by the spokesman of the Foreign Office at the time of the announcement of the disarmament proposal of President Hoover, to the effect that Japan is not interested in disarmament and would really prefer to increase her armament.²⁸ It is probable, therefore, that the Japanese hope to wreck the conference. The delegation will reject the President's proposal and will oppose the Baldwin proposal on most points. It is then expected to introduce a counter-proposal which will be entirely unacceptable to the United States and Great Britain, resulting in an impasse.

Respectfully yours,

JOSEPH C. GREW

500.A15A3/1705 : Telegram

The American Delegate (Wilson) to the Secretary of State

GENEVA, November 3, 1932—4 p. m.
[Received November 3—11:50 a. m.]

431. From Davis. In a recent conversation with Grandi in London he admitted this to be the most opportune time to effect a naval agreement between France and Italy. He said however that England

²⁸ *New York Times*, June 24, 1932, p. 2.

could not successfully act as broker between them as she was too much an interested party but that agreement would be greatly facilitated through our good offices. I told him we were ready to be helpful in any way agreeable to France and Italy and Grandi remarked that it would advance matters if I could go to Rome. I told him I did not know whether I would be able to do so as it would depend on developments but that I would consider it further later on.

In my talk with Herriot last Saturday²⁹ he indicated a desire now to reach an agreement with Italy. I told him of my talk with Grandi to which he reacted favorably and said he would welcome our cooperation which would be most helpful.

Rosso has just informed me that he has received a message from Rome referring to Grandi's conversation with me and asking him to inform me that Mussolini would be very glad if I would come to Rome and they would like to know if I could possibly meet Mussolini there between the 7th and 10th of this month or on the 13th.

I am somewhat reluctant to go now because I have been having too much publicity and my visit there would undoubtedly cause considerable speculation, and also because I would prefer to wait until our negotiations with the British are more crystallized. On the other hand there is a certain advantage in going now before the Franco-German conversations begin and before the Council meeting on Manchuria as it may help to increase Italy's incentive to cooperate in the Manchurian question as well as get France and Italy into the naval treaty.

I would be pleased to have as soon as possible your judgment and advice. [Davis.]

WILSON

500.A15A4 Naval Armaments/156 : Telegram

The Secretary of State to the American Delegate (Wilson)

WASHINGTON, November 4, 1932—6 p. m.

231. For Davis. I have given considerable thought to fitting your recent naval discussions with the British into the general picture of our naval and diplomatic problems. We are at present bound by the Washington and London Treaties, the first a completed instrument, the second only partially so, with France and Italy still unbound by its essential provisions. We are faced with a further naval conference in 3 years, which Japan will enter with a strong motive for upsetting the delicate adjustments already made and for in-

²⁹ October 29; see telegram No. 631, October 29, 8 p. m., from the Chargé in France, p. 348.

creasing her relative naval strength. We must bear this constantly in mind and not do anything that would unsettle the provisions already agreed to or produce a situation still less stable than at present by which Japan could profit at our expense.

The reopening of the naval problem this year found its genesis in Baldwin's conversations with you and Gibson in London last spring,³⁰ which were highly disturbing to us. They involved so serious a dislocation of naval strength (and hence of naval strategy) that we felt forced to present an equivalent counter-proposal which would effect the savings which Baldwin sought but would avoid the dislocation. This was incorporated in the naval sections of the President's plan.

Your conversations with the British are essentially an attempt to reconcile the British and American ideas, and as such are a constructive measure. But there are already indications that the Japanese are hoping to profit by them to secure their own objective, primarily a ratio change, and if we are not exceedingly careful, we shall be faced in 1935 with an unsettled treaty situation which will complicate those negotiations still further.

The completion of the London Treaty should be our immediate objective, for this would bring all five naval Powers to the 1935 Conference with an alignment stabilized by international convention. The completed Treaty would also be a logical starting point from which to negotiate further proportionate reductions, which might well take the form of immediate scrapping along the line of the Hoover Plan combined with ultimate replacement modifications as advocated by the British. The more I have studied the problem, the more convinced I have become that the completion of the London Treaty is an essential preliminary to your work, and I should be glad if you would regard the completion of this treaty as an immediate and concrete objective.

The main criticism of the memorandum contained in your 301, October 19, 6 p. m., is that it leaves untouched the cruiser and destroyer categories, and hence forces us back on a piece-meal discussion, category by category. I am apprehensive of this method of approach to the problem, which always risks leaving the impression of at least moral commitments as to future action, long after the contingencies on which they were based have been forgotten.

With these general directives, I can now answer seriatim the questions you outlined in your 309, October 26, Noon:

(a) I approve your informing the British confidentially that we would be glad to continue discussions on the present basis, as soon

³⁰ See telegram No. 169, May 13, 4 p. m., from the Ambassador in Great Britain, p. 121.

as a way is found, by settling the Franco-Italian difficulties, of reducing the total tonnage of cruisers and destroyers allowed to Great Britain and hence discussing a plan in which reductions or modifications in all categories are interdependent.

(b) The Navy is strongly inclined to doubt the value to us of an international agreement to lay up certain ships without demilitarizing them. The problem resolves itself into a numerical question of personnel, in which we are already proportionately inferior, and which would handicap us in a general emergency recommissioning.

(c) Already answered.

(d) There seems but little as yet to tell the Japanese as to the progress of our naval discussions. Their general attitude can scarcely be described as cooperative, and I feel you should exercise particular care in dealing with them. For your information we gather that their plan, in addition to demanding an increase in ratio to 9:9:6, is based on a division of fleets into "aggressive" and "defensive" components, with capital ships, aircraft carriers and 8-inch gun cruisers rated as aggressive, all other categories as defensive.

I hope you will continue to keep me fully informed, and if at any time you disagree with me, that you will frankly tell me so. Your telegrams have been most helpful and I feel that the progress you have made to date should be of real value to you in the next chapter of trying to complete the London Treaty. I am leaving Washington tonight but will be back on Tuesday next.³¹

STIMSON

500.A15A4 Naval Armaments/157 : Telegram

The Chargé in Italy (Kirk) to the Secretary of State

ROME, November 8, 1932—3 p. m.

[Received 7:42 p. m.]

101. From Davis. I give below my comments on your 231, November 4, 6 p. m.

1. I fully appreciate importance of doing nothing to give Japan an excuse for upsetting delicate adjustments reached at Washington and London. However, the development of the work of the General Disarmament Conference and the Hoover and other naval proposals have brought up the naval problem in an acute form. Our hope of dealing effectively with the claims of Japan for modifications after 1936 lies in securing a united front of the other four naval powers for the gradual reduction and continued limitation of naval forces.

2. I agree that the immediate objective is to complete the London Treaty but would point out that to include France and Italy in a treaty which terminates in 1936 presents difficulties which might not

³¹ November 8.

arise if we were dealing with an instrument of longer duration. Further there seems little prospect of completing this treaty and at the same time securing the Hoover reductions. To effect such reductions we must contemplate an agreement that will remain in effect for a considerable period of years over which reductions could be effected. However, I am of course exploring the possibility of completing the London Treaty up to 1936 as a most desirable objective in itself.

3. The present naval discussions are related to the general disarmament negotiations. If these negotiations are successful the provisions of the resultant treaty would be effective well beyond 1936 and any naval agreement must be of a similar duration since the land powers would undoubtedly refuse to binding [*sic*] themselves unless the naval powers were bound for a similar period.

4. Hence for the reasons suggested above we must take into account the possibility that the present naval negotiations should have a broader basis than the completion of the London Treaty. If these negotiations are successful there would be no naval conference in 1935.

5. With reference to your comment on the London memorandum we had no thought of leaving cruisers and destroyers categories untouched. I appreciate the importance of reduction in these categories and shall do everything possible to this end. However, it will be difficult to bring others to scrap under-age tonnage where we are not called upon to make similar cuts either because we have not built up to our ratio or because of age of existing tonnage. Further, I feel that we should avoid being jockeyed into a position where the land powers could use our arguments as to the necessity for further naval reductions to justify inaction regarding land armaments if such naval reductions are not eventually brought about. Even if no immediate naval reductions could be obtained we could justifiably take into account the treaty reductions and limitations effected over the past 10 years as a valid reason for not permitting the general disarmament negotiations to fail through lack of further immediate naval reductions. Even the London memorandum program would effect substantial reductions over the period of any proposed disarmament treaty.

Am sending separately certain technical considerations which are pertinent to the problems considered in your cable 231 and this cable. [Davis.]

KIRK

500.A15A3/1717

*Mr. Norman H. Davis of the American Delegation to the
Secretary of State*

ROME, November 8, 1932.

MY DEAR MR. SECRETARY: I am enclosing two memoranda covering my conversations with Mr. Mussolini and the officials of the Italian Foreign Office which I have already summarized in my cables. My reception here was most cordial and I think that Mr. Mussolini and the officials of the Italian Government appreciated my coming here, particularly in view of the time I had previously spent in London and Paris.

Mr. Kirk and the officials of the Embassy have been most helpful in every way in arranging for my visit here and in putting me promptly in touch with Mr. Mussolini and the various members of his Government.

Sincerely yours,

NORMAN H. DAVIS

[Enclosure 1]

*Memorandum by Mr. Norman H. Davis of a Meeting With the
Italian Prime Minister (Mussolini)*³²

After the usual greetings I congratulated him on the great improvements which have been made since my previous visit here several years ago, and also told him that in spite of all the difficulties which this and other countries were encountering now on account of the world depression he should feel quite gratified that through the régime which he has maintained Italy has suffered less relatively and has stood the depression better than any country I have visited. He seemed quite pleased at that. He then asked me what the Disarmament Conference was going to do and if we were going to get any disarmament. I told him I felt that there was a real opportunity now to do something largely because of the pressure of necessity and also of public opinion, but that it would depend partly on Italy and France getting together in a naval agreement; that we were of course quite pleased at his unqualified approval of President Hoover's proposal and were glad to feel that he and President Hoover were both strong advocates of a substantial lowering of the level of world armaments. He said, what about France? I told him I was confident that M. Herriot had recently made a very courageous and far reaching decision in favor of peace

³² Held at Rome, November 7, 5 p. m. Present also were Fulvio Suvich, Italian Under Secretary of State for Foreign Affairs; Augusto Rosso, the Appointed Italian Ambassador to the United States; and Allen Dulles at the conclusion.

through a reduction in armaments, and that it seemed to me that within the past two weeks there had been a very definite change in the French attitude. Whereas France had previously professed to be in favor of a reduction of armaments they never were quite able to bring themselves to the point of making the contribution which was essential if any real substantial measures were to be taken, but that now since the German threat to rearm unless their demands for equality are met—at least to a considerable extent—a crisis has been created and the alternative to German rearmament is disarmament on the part of the Powers who assumed moral commitment to proceed in this direction when Germany was disarmed. He asked if I was convinced that the French policy had changed materially. I told him I was convinced that there had been a change, that I could not guarantee that the change would be maintained but felt confident that the French would move forward now as they had decided to do, provided the Germans meet their generous move in the right spirit and provided Italy and England and the United States contribute their part and give their moral support. He then asked if I thought France really wanted to get together with Italy. I told him I did. In fact Herriot had said to me that he thought the United States could be very helpful in effecting a naval agreement between Italy and France, when I had told Herriot that I was going to Italy and Herriot had said he hoped I would do so. I then recounted the various conversations that have taken place from the very beginning of the Disarmament Conference up until the present. He wanted to know why I thought France had changed and was now really willing and desirous to reach an agreement with Italy on the naval question. I told him that of course I could not tell just what their mental processes had been but that my own impression was that the opinions expressed by the United States and England as to the importance of completing the Naval Treaty through the adherence of France and Italy had had some effect; second, that the situation created by Germany gave France more incentive to foster friendship with Italy, and, in the third place, I felt that Italy and France both had more pressing reasons as a matter of self interest in burying their differences and reaching an agreement with regard to the navy. He said that it was unquestionably in the interests of both of them and that Italy has always been ready and glad to make an agreement; that they had reached a tentative understanding in the so-called March accord⁵³ which France refused to complete.

⁵³ *Foreign Relations*, 1931, vol. I, p. 380.

He asked if Herriot had given me any definite proposal to submit to Italy. I told him no, that I had not asked for it, and in fact didn't want it because I did not care to bring a proposal to him without his prior consent, but that I doubted if that would be the best way to handle it anyhow. He asked what I thought would be the best way, if I thought M. Herriot would be willing to send a naval representative here to try to reach an agreement with Italy. I told him I didn't know about that but I was under the impression that it would be advisable, if not necessary, for England to take part in the negotiations for a naval agreement, and that, if it were desired, we would be glad to sit in and be helpful in any way we could; that Italy and France might each submit a proposal, or it might be better first for the respective naval experts to endeavor to arrive at a tentative basis, as they could talk freely without committing their governments. He said that while he wanted to reach an agreement he was reluctant to submit a proposal himself, because since France had turned down the March accord he felt that it was up to France to make the move; and that France must recognize that she must respect the dignity of Italy and her national interests. I told him that the procedure would be something we could think over, but that since both Italy and France have not [*now*] expressed to us their desire to reach a settlement, we could talk this over with the British and have the technical representatives have some preliminary talks and see if we could not evolve some compromise agreement. Without specifically saying so, he seemed quite willing to fall into line on any procedure that did not put Italy in the position of making a proposal that might be turned down by France.

We then had some discussion as to the Disarmament Conference, in which he showed impatience at not getting anywhere. I told him that it had been very trying on everyone's patience but that the mere fact that we had sat in Geneva for so long without accomplishing anything very definite and satisfactory made it all the more necessary to go further now than we would have had to go had we reached an agreement at the early stages of the Conference. At the beginning public opinion would have been satisfied with an agreement merely to limit existing armaments. Through the delay, however, in even doing this, public opinion will not now be satisfied unless there is a substantial reduction and limitation, and I thought that if we could get France and Italy into the naval treaty quickly, this would prepare the way for an all round agreement, and we ought to be able to reach a general basis of agreement very shortly. He said he was pleased to have my views as to that,

and hoped we might do something, and that Italy was ready to do her share. He then thanked me for my visit and said that he felt that it would have good results.

He then arose and we stood to talk a little and Mr. Suvich then spoke to Mr. Mussolini, and we invited Mr. Dulles in. We then got on to a discussion of the Manchurian question and the League's action about that.

I mentioned a reference in Mr. Mussolini's speech at Turin to the general effect that the power of the League has seemed to decrease in direct proportion to the distance from the subject with which it was dealing. I added that if this were really the case it would have a very unfortunate effect upon American collaboration, as it would go far to justify criticism which had been usually directed against the League in the United States, namely, that it was really a European institution. Here in the Manchurian problem was a real opportunity for the League to secure the collaboration of the United States in world problems of common concern and show that it was something more than a European institution. Further, the Manchurian problem presented a test of the principle in which Italy and all countries were vitally interested, namely, that treaties should not be modified by force of arms. At the present time there were two real danger spots in the world, namely, Germany and Japan, where the military element was in the saddle. In Germany there was an inflamed state of mind due to a deep and perhaps justifiable resentment. The German problem must therefore be handled by a real effort on the part of the Powers to carry out their obligations under the Treaty of Versailles and effect some substantial disarmament and thereby satisfy the element of justice in the German claim and at the same time prevent Germany from rearming. In the same way the Manchurian problem could be dealt with if Great Britain, Italy and France and the United States could agree upon a just and equitable line of action, and then firmly and unitedly support it. Mr. Mussolini made no specific comment but indicated his assent as to the necessity for common action by the Powers mentioned.

It was interesting that the one piece of furniture in the room, apart from the desk of the Chief of State, was a table on which a large atlas was opened to the map of China and Japan.

After we went out Mr. Rosso suggested that we sit down together the next day and discuss more in detail the naval question.

I also had a further talk about Manchuria with Mr. Suvich before we left the Palazzo Venezia as he asked me what I thought we ought to do about that situation. I pointed out that we would not wish to suggest to the League the course it should follow but that we had

a real interest in the situation and hoped that through informal conferences with Italy, France and Great Britain a policy could be worked out which the League and the United States could support. It seemed obvious that the Lytton report should be accepted and to this Suvich assented. I added that the League people were also considering a resolution of non-recognition and non-cooperation with Manchukuo. Suvich said he had not thought about that and didn't commit himself. I told him that in view of the resolutions the Powers had adopted I did not see how any Power could recognize Manchukuo without stultifying itself. Suvich made no comment.

N[ORMAN] H. D[AVIS]

[Enclosure 2]

*Memorandum by Mr. Norman H. Davis of a Conversation With the Italian Under Secretary of State for Foreign Affairs (Suvich)*³⁴

ROME, November 8, 1932.

Mr. Davis referred to the talk he had had with Mr. Grandi in London. At that time Ambassador Grandi had suggested to Mr. Davis the idea of a trip to Rome and subsequently, through Ambassador Rosso, the arrangements had been made. Mr. Davis had welcomed this opportunity to come to Rome, particularly as he was anxious to have an informal conversation with regard to the disarmament question with the Chief of the Italian Government and the Italian Ministry for Foreign Affairs just as he had had in both London and Paris during the past few weeks.

When he was in Paris Mr. Davis had mentioned to M. Herriot that he was planning a trip to Rome, and later, when the arrangements had been definitely made for the trip, he had advised M. Herriot that he was coming here. In response M. Herriot had said that he thought it was an excellent idea and M. Massigli, the French delegate to Geneva, had definitely stated that France was quite willing to discuss the naval problem with Italy if the latter desired.

Mr. Davis referred to his naval conversations with the British in London and said that these conversations had gone about as far as it was possible pending some adjustment between France and Italy. He mentioned that when questions of cruiser, destroyer and submarine tonnage came up, the English pointed out that their position would be affected by what was eventually done with regard to these

³⁴ Held at the Italian Ministry for Foreign Affairs. Present also were Pompeo Aloisi, Chief of Cabinet in the Italian Ministry for Foreign Affairs; Augusto Rosso, the Appointed Italian Ambassador to the United States; Alexander C. Kirk, Counselor of the American Embassy; and Allen W. Dulles.

categories by the Italians and the French. Further, it was quite generally recognized that the decision of the French to proceed with the construction of the capital ship *Dunkerque* would inject an added complication, and if this decision were carried out, would render an agreement between France and Italy more difficult. Mr. Suvich and Mr. Rosso immediately reacted to this suggestion and added that if France proceeded with the construction of one or more ships of the *Dunkerque* type, the only thing Italy could do, as she did not have the money to build a number of battleships, would be to build one battleship more powerful than the type being constructed by the French. While the building of the *Dunkerque* might be directed against the German construction of pocket battleships, its effect upon the Italian navy and the Italian answer were obvious. Mr. Suvich, supplemented by Mr. Rosso, then proceeded to outline the Italian attitude. Italy was willing to take up with France the question of naval limitation, but it must be recognized that they have already shown their good faith in the matter by accepting the so-called March accord which the French had rejected. Mr. Rosso, from his remarks, obviously retained a good deal of bitterness over the circumstances of this rejection, as he felt that the French had hid behind a technical interpretation of the agreement which had not been in the minds of either the French or Italian negotiators. If the naval conversations were to be resumed, France must recognize Italian naval problems and difficulties. It was not fair for France to base her naval needs on the possibilities of alliances against her and at the same time to fail to recognize that similar dangers of alliances against Italy were equally possible. Further, Italy could not recognize the principle of France's right to a greater navy. Why should she? At the present time she had the right to parity and there was no reason to surrender this by agreement. On the other hand, Italy recognized that France now had a greater navy than Italy and Italy had no immediate intention of building up to parity.

In a very informal and general way, the Italian representatives then outlined the way they felt the problem should be approached:—As to capital ships and aircraft carriers, the situation was fixed by the Washington Treaty; as to submarines, both France and Italy should accept the 52,700 ton basis which the three leading naval powers had agreed to at London. (Upon being questioned, they admitted that it would be difficult to force France to scrap her excess underage submarine tonnage above this figure but thought that France could at least gradually scale down to the same figure as the other naval powers had accepted.) As to 8-inch gun cruisers, both France and Italy now had the same, and it was suggested that they stop at this figure. With regard to smaller cruisers and de-

stroyers, a global category in the case of France and Italy, France now had a considerable superiority and it was suggested that these categories be treated on the basis of building programs over a long period of years, say twenty or twenty-five, at the end of which, if the allowed building programs were carried out, Italy would reach approximate parity. Meanwhile France would retain its superiority in these classes but the principle of parity would not be definitely raised nor would it be prejudiced as far as Italy was concerned.

N[ORMAN] H. D[AVIS]

500.A15A4 Naval Armaments/161 : Telegram

The Chargé in Italy (Kirk) to the Secretary of State

ROME, November 9, 1932—1 p. m.

[Received 6:45 p. m.]

104. From Davis. Referring to my 101, November 8, 3 p. m. There are several general and technical questions which I should like to clear up with you in connection with your cable 231, November 4, 6 p. m.

Based upon Hepburn's analysis our understanding is as follows:

First. As regards reduction in gun caliber. American public interest centers on large displacement as necessary to adequate cruising radius. Our insistence upon 16-inch guns has become attached to this idea without an equally sound supporting reason. When it is known that 12-inch guns have maximum practical battle range as well as ample effectiveness against next inferior category mounting 8-inch guns, no reasonable objection can be raised to meeting British on this ground provided our interest in cruising radius is safeguarded. It is obvious that a reduction in gun caliber allows a reduction in displacement. Even with 14-inch and 16-inch guns and complete freedom of design we have no 35,000 tons ships, and no 12-inch gun ship as large as 28,000 tons was ever laid down. If we need more than 25,000 tons in order to construct ships United States equivalent armament and adequate radius and if British and others are willing to meet this requirement as is believed likely an equitable settlement of capital ship replacement problem is clearly indicated.

Moreover, we have in fact contended for two other principles as basic to any voluntary agreement for limitation which are manifestly satisfied by a solution of the problem as above suggested viz, first, that armament needs are primarily relative and, second, that individual needs for number or size can best be met by free-

dom of design within the qualitative restrictions of any category. Assuming an agreement of the nature indicated it can be said that British have met us on these contentions. Within the reduced capital ship tonnage each nation would build type and number of ships that suits its needs and neither would give up any basic military principles for which it has in the past contended as an individual necessity.

Second. As regards aircraft carriers and submarines, British proposals present no great difficulty. Main problem will be in reconciling views as to tonnage in cruiser and destroyer categories and here British assert, their figures are influenced by demands of France and Italy.

Third. As regards laying up ships without demilitarization instead of scrapping. While realizing the problems involved, I trust that further thought can be given to this possibility. It would accomplish comparable and perhaps even quicker results than scrapping in the line of budgetary saving as emphasized in the Hoover plan. Furthermore, if reduction in capital ship gun caliber is duly complied with laying up might furnish a bridge between British position and our own in this category as it would permit maintenance of numbers during the period of replacement and gradual reduction to lower total tonnage.

As London memorandum is a replacement proposition, no new ships would be laid down for three years or completed within about seven. If immediate scrapping of five capital ships were insisted upon, the British would claim that their need for numbers remains unsatisfied during these seven years and it is precisely during this period that any important military consideration has maximum weight rather than in the future when the beneficial effect of an agreement may be assumed to be more confidently accepted. The method would also maintain the present material equilibrium during the transition period.

The concern of the Navy Department about personnel in connection with laying up ships is fully appreciated. It seems to us that our particular problem in personnel arising from our extensive building program will exist in only slightly different degree whether ships are laid up or scrapped. The difficulty of suddenly recommissioning laid up ships would be common to all parties. It would be our effort to prevent any question about personnel becoming attached to or involved in a plan for laying up ships. [Davis.]

KIRK

500.A15A4 Naval Armaments/162: Telegram

The Secretary of State to the American Delegate (Wilson)

WASHINGTON, November 12, 1932—1 p. m.

244. For Davis. Rome's 101, November 8, 3 p. m. I am of course in complete sympathy with your desire to see a long term naval treaty concluded which would obviate the necessity of another naval conference in less than 3 years. But I regard it as a *sine qua non* of such a treaty that (a) it provide substantial reductions for all categories of naval armament and not merely for certain limited types of varying strategic value to different Powers, and (b) that it leave intact the ratios established at London. There are at present serious obstacles to the fulfillment of both these conditions; the British are opposed to the former, the Japanese to the latter. There is thus grave danger that efforts looking toward a long-term treaty will not prove successful. Completion of the London Treaty on the other hand does not in itself raise the question of immediate reduction for the present parties to the Treaty, nor does it reopen the question of the ratios already established between them. If we skip this preliminary step under these circumstances and attempt to broaden the negotiations on the basis of a long-term agreement superseding the still uncompleted London Treaty, we risk—should the attempt fail—having neither a new treaty concluded nor the old one completed, and we would be obliged to enter the 1935 conference before the relative positions of all five Powers have been fully stabilized.

Briefly, I feel that it would be a mistake to forego a small step forward, the realization of which should be relatively easy and would greatly aid our position at the next naval conference, for the sake of a more ambitious undertaking, the success of which would at best seem problematical and the possible failure of which would greatly increase the difficulties which will face us in 1935. This is the more true in that, as I see it, the completion of the London Treaty would not only not prejudice the success of subsequent efforts looking toward a long-term treaty such as you envisage, but would encourage and facilitate the later negotiation of such a long term treaty.

Until some further progress is made in the Franco-Italian negotiations, which will enable Great Britain to discuss all categories of ships simultaneously, I remain extremely hesitant of seeing our naval discussions with Great Britain advance beyond the exploratory stage. While, for your strictly confidential information, we see no insuperable objection to the alternative suggestion found in your 301, October 19, 6 p. m., calling for a maximum displacement of 30,000 tons for a 12-inch-gun ship, provided the aggregate tonnage is raised from 412,000 tons to 420,000 tons, (a figure which would

give us the option of building 14 maximum size ships or 15 ships of 28,000 tons), I am not prepared to authorize you so to inform the British until they advance proposals in the cruiser and destroyer categories which we can regard as offering a basis for useful discussion. I ask you to exercise especial care in giving no indication of the foregoing until I give the word, and tell it to you now merely to indicate that your suggestions, so far as they go, should eventually be productive of valuable results.

As regards laying up ships without demilitarization, I shall ask Adams and Pratt to make a further analysis.

I have sent Wilson several telegrams in the last day or two which mark a considerable advance in our position on various disarmament questions and which I hope will bear fruit.³⁵ Your telegrams are always helpful.

STIMSON

500.A15A4 Naval Armaments/163: Telegram

The American Delegate (Wilson) to the Secretary of State

GENEVA, November 15, 1932—9 p. m.

[Received November 15—8:35 p. m.]

457. From Norman Davis. Your 244, November 12, 1 p. m., shows that we are in full accord as to the method of carrying forward the naval conversations. In individual conversations with British, French and Italians we are exploring the basis for bringing France and Italy into the London Treaty. Both the French and Italian representatives here now seem most favorably disposed and Sir John Simon and I are considering the best means of bridging the existing difficulties. We have told British that pending further progress toward bringing France and Italy into London Treaty which would permit them to discuss all categories we prefer to postpone for the time being further conversations regarding our joint naval problems.

From your cable I gather that you fully appreciate that completion of London Treaty to 1936 may not in itself permit any reductions although we shall endeavor to work out a formula for submarines which if eventually carried on beyond 1936 would effect gradual reduction of French submarine tonnage to the London Treaty level.

If we should succeed in finding a basis between French and Italians it is then my understanding that the next step would be to carry forward the task which was the primary one we discussed before I left Washington, namely, endeavoring to find a basis for real naval

³⁵ See telegrams Nos. 232, 234, 236, 240, and 241, November 5, 8, 10, 11, 12, respectively, pp. 363, 366, 370, 372, and 373.

reductions along the lines of the Hoover proposal. To effect any substantial reduction we must contemplate a treaty extending beyond 1936.

If in connection with endeavoring to complete London Treaty we run up against questions which require consideration of naval programs after 1936 I shall request your further guidance but meanwhile shall endeavor to restrict scope of work to completing London Treaty to 1936.

Of course you will appreciate that in so far as our general work on naval matters is related to the Disarmament Conference work we must inevitably envisage an agreement extending over a considerable period possibly 10 years, that is, the life of any general treaty covering all branches of armaments. Further, if there is to be any agreement for the limitation and reduction of land and air forces there must be a corresponding agreement for navies as the land powers would not bind themselves for a period of years unless the naval powers were similarly bound. [Davis.]

WILSON

500.A15A4/1707

*Memorandum Respecting Naval Conversations, October 7 to
December 14, 1932*³⁸

[Extract]*

(1) *London Conversations*

Mr. Davis arrived in London from Geneva on October 7, 1932 with Admiral Hepburn and Mr. Dulles, and following conferences which Mr. Davis had with the Prime Minister, Sir John Simon and the First Lord of the Admiralty, it was arranged that Admiral Hepburn should get in touch with the appropriate officials of the Admiralty and that Mr. Craigie of the Foreign Office and Mr. Dulles should later join in the conversations. The details of these conversations as bearing upon an eventual Anglo-American agreement were reported fully by cable.—Hence this memorandum will deal chiefly with the bearing of the London conversations on the subsequent negotiations respecting a Franco-Italian accord. To complete the

³⁸ Prepared by Norman H. Davis, Rear Admiral Arthur J. Hepburn, and Allen W. Dulles; copy transmitted to Mr. Stimson by Mr. Davis under covering letter of January 17, 1933. Copies of the memorandum were transmitted to Mr. Gibson at the General Disarmament Conference, to the American Embassies in France, Great Britain, and Italy, and to the Secretary of the Navy.

³⁹ The omitted portions of this memorandum relating to conversations in Paris, Geneva, and Rome are covered in preceding correspondence from Mr. Davis.

record, however, there is appended as Annex A,³⁸ the Memorandum prepared as a result of conversations between Admiral Hepburn and Admiral Bellairs, of the British Admiralty, as a basis for the further exploration of Anglo-American naval questions but without commitment on either side. This Memorandum was also discussed at conferences attended by Mr. Craigie of the Foreign Office and Mr. Dulles, and was later considered informally at a meeting which Mr. Davis had with the Prime Minister, Mr. Baldwin and Sir John Simon.

In the course of our conversations with the British it became apparent that at this time, and in the absence of agreement with France and Italy, neither the members of the British Cabinet nor the Admiralty were prepared to commit themselves as to any further reductions in the number of cruisers and destroyers, and in this connection the paragraph in the above mentioned Memorandum regarding these classes had to be drafted as follows:³⁹

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The British emphasized on several occasions that the figure for destroyers of 150,000 tons, accepted by them at the London Naval Conference as a final concession,⁴⁰ was subject to their rights to "escalate" and should only bind them until 1936. They felt that in the light of existing French submarine and light cruiser strength they could not undertake to maintain their destroyer tonnage at this low level. They suggested that they might even find it necessary, prior to the end of 1936, to exercise their right to escalate by maintaining an excess amount of over-age tonnage in the destroyer class in order to hold their position vis-à-vis the French submarine tonnage. They therefore made it clear that at the present time and until the intentions of the French and Italians were known, they could not discuss reductions in either cruisers or destroyers. Their attitude in this regard became still more clear in the course of subsequent discussions which we had with them in Geneva during the consideration of a basis of agreement as between the French and Italians.

In these circumstances, and in the light of the Department's instructions, it seemed futile to attempt to press the conversations with the British further. It was obvious that they were endeavoring to try to commit us with respect to the future size and gun caliber of capital ships while on their part they were unwilling to make any concessions as to their future policy regarding cruisers and destroyers. In

³⁸ Not printed; for contents, see telegram No. 301, October 19, 6 p. m., from the Ambassador in Great Britain, p. 531.

³⁹ *Ante*, p. 532.

⁴⁰ See article 16 of the treaty for the limitation and reduction of naval armament, *Foreign Relations*, 1930, vol. 1, pp. 107, 121.

order to protect our position, and following the instructions which we received from the Department, we made it quite clear to the British that we were not prepared to discuss the capital ship question alone and that any decisions with regard to this category must be reserved until we could see what could be done with regard to light cruisers and destroyers. They accepted this statement of our position with regret but agreed with us that in view of this situation, the best thing to do would be to try to find a basis which would permit the French and Italians to complete the London Treaty. Even at this stage of our discussions with the British it became apparent that they were contemplating the possibility of a long term agreement with the French and Italians as the only method of bringing the French down to a reasonable level, particularly in submarines.

During the course of the London discussions, Admiral Hepburn obtained useful technical information as to the views of the British Admiralty with regard to the type of battleship which they felt suited their needs and as to the tonnage required to mount adequately 12" guns. This information was reported by cable and will be amplified by Admiral Hepburn to the Navy Department.

At least the London conversations served to allay what was a very real apprehension on the part of the British, namely, that we proposed at the present time to bring pressure to bear upon them to effect an immediate reduction in the number of battleships from 15 to 10. While maintaining the views in this regard which were set forth in the plan of President Hoover as presented to the Disarmament Conference, we pointed out that the naval section of this plan was a part of a general and all inclusive scheme for the reduction of armaments; that it had not been contemplated that the naval powers would alone be called upon, following the contributions made at the Washington and London Conferences, to reduce their naval strength, while the land powers did nothing along the lines of reduction.

On several occasions during our conversations with the British they emphasized that the radical reductions made by the Washington and London Treaties were not fully appreciated by the public. They felt that naval reduction had been pushed too far and too rapidly as a separate issue and that it was high time to turn attention to the limitation of other forms of armaments. The present naval levels were far below anything that could reasonably have been envisaged a few years ago, and, as regards Great Britain, inadequate to meet her present necessities. The inference was that they considered that the Hoover Proposal for further drastic and summary naval reduction was impractical, and, through its effect on the public mind, tended to exaggerate rather than diminish the difficulties of the situation.

In this connection it should possibly be noted that we ran into a certain amount of bitterness on the part of certain British officials at the naval section of the President's plan. They felt, and it was quite obvious that Mr. MacDonald shared this feeling, that after the reductions to which the British had consented at London, they should not be immediately called upon to make further drastic reductions. They stated in fact that they had received some assurances which gave them a basis for believing that the American Government would not press for further reductions prior to 1935. They urged with great earnestness that in the light of the situation in the Far East it would be folly for them to weaken their naval strength and that it was not in our interests that we should ask them to do this. They pointed out that if they were reduced from 15 to 10 battleships they would deprive themselves, for the future, of any possibility of maintaining an adequate force of capital ships in the Far East without reducing their European strength to a point which was to them unthinkable. They were obviously sincere in their statements and it was also clear that they were worried and apprehensive that the pressure of public opinion in England for disarmament might possibly force their hand to a point which would jeopardize mutual interests in the Far East. The conversations in London undoubtedly helped to relieve their anxiety on this point without at the same time weakening our position, namely that we desired to see further reductions of naval armaments.

(5) Resumption of Geneva Conversations

Mr. Davis returned from Rome reaching Geneva on November 12th and in the week which followed there were a series of conversations with the French, Italian and the British with regard to naval matters. Mr. Craigie had meanwhile arrived from London and joined Admiral Bellairs in several conversations with Admiral Hepburn and Mr. Dulles. Admiral Hepburn also had conversations with the French and Italian representatives, some of which were attended by Mr. Dulles.

Our position in each instance was stated as follows: that completion of the London Treaty by the inclusion of France and Italy was a necessary preliminary to any further negotiation for a general agreement or a separate naval agreement of longer duration. With the new French Disarmament plan to be discussed, the conclusion of a general agreement was a matter of the indeterminate future. A naval conference in 1935 under present conditions as regards France and Italy presented obvious difficulties in the way of extension of that instrument and perhaps distinct threat of failure. Moreover,

it would be impossible for us to consider possible changes of qualitative characteristics in any category except in connection with a general or long-term agreement. An early completion of the London Treaty accordingly would be not only the most important contribution to the cause of a general agreement but in the last analysis might be the only protection against complete failure of limitation as a whole. This view was apparently shared wholeheartedly by the French and Italians and provoked no opposition on the part of the British.

(6) *Italian Position*

It was early apparent that neither the Italians nor French were willing to resume conversations on the basis of the March 1931 accord. The Italian naval experts had formulated a proposal very similar to the tentative solution our analysis had suggested as simplest and most equitable. It was similar to that sketched to Mr. Davis in Rome, viz: First, capital ships and aircraft carriers being already covered by definite agreement need not be further considered at this time. (The Italians were quite frank about their desire not to have any reduction in the present size of capital ships. They would be willing to abolish capital ships, if submarines were also abolished, but the possibility of building 35,000 ton ships is their most powerful lever for securing a better ratio from France in other categories. France they feel is seriously but needlessly concerned about the menace of the German "pocket-battleship".) Second, no further building in 8" cruisers, in which category Franco-Italian parity exists. Third, an agreed building program in the combined category of 6" cruisers and destroyers which should not be less for Italy than for France, maintaining for the short term of this agreement practically the present disparity. Fourth, old armored cruisers of each power to be classed as special ships not subject to replacement. Fifth, a reduction of French submarine tonnage beyond the figures contemplated in the March 1931 accord but not involving scrapping of under-age ships.

The Italian view was frankly and completely disclosed to us with detailed figures. It must be borne in mind that the present Italian attitude on parity centers on a proposal for equal building programs during a twenty-year period which would, of course, bring about parity. We emphasized our view that the parity dispute was a difficulty to be eliminated from a short-term agreement which contemplated that the building programs should be considered only on a basis of the present disparity, leaving the parity issue to disappear from the picture until the consideration of a general or long-term agreement can be undertaken.

(7) French Position

The Italian proposal as above outlined was also presented to the British who asked time for consideration. While awaiting their reply, the French naval representatives asked for a conference which later developed into a general discussion of the principles which Admiral Hepburn proposed as a proper basis for the negotiations. On the broad aspects they showed themselves surprisingly accommodating, namely that new construction over the next few years should be kept to a minimum. With respect to the building program of light surface craft, we avoided mention of any specific figures but urged that it was of first importance to eliminate the parity issue for the time being and to avoid inclusion of any provision which could be interpreted as or twisted into recognition of an exact numerical ratio. We pointed out that the existing disparity between fleets was much greater than the French themselves would attempt to justify as vital to their naval security, that it would be physically and financially impossible for Italy to reduce this disparity within the short term agreement contemplated to a point where any military menace to France could be involved, and that no commitments beyond the term of the London Treaty were in question.

On the submarine issue it was pointed out to the French that this was not so much an element of Franco-Italian difficulty as an Anglo-French difficulty and consequently of very direct importance to the United States. It was suggested to the French experts that they study the question and make a proposal pointing out that it would of course be necessary to go further with reduction than was contemplated by the March 1931 Basis of Agreement. It was suggested that from the American point of view and without knowledge of what might prove satisfactory to other powers, the least measure that promised success would be substantial abandonment by France of their present building program and the scrapping of over-age vessels without replacement. They indicated that such a program would be difficult of acceptance by their ministry because of domestic political aspects and that some continuation of present building would be necessary because of dockyard considerations, but apparently concurred that for the short period in question the reduction in tonnage would not constitute a real naval menace. The French naval representatives shortly returned to Paris for consultation with their government.

Upon the return from Paris of Admiral Laborde and Captain Deleuze on Tuesday November 22nd Admiral Hepburn and Mr. Dulles had a long conference with them and they stated orally the principles which in the opinion of their Admiralty they could accept

as a basis for the conclusion of any arrangement between themselves and the Italians. These oral statements were taken down at the time and reduced to headings for our own information as follows: (the French themselves did not see the memorandum nor did they then hand us any paper setting forth their views.)

MEMORANDUM OF POINTS SUGGESTED BY ADMIRAL LABORDE AND CAPTAIN DELEUZE IN CONVERSATION WITH ADMIRAL HEPBURN AND MR. DULLES

The following is a statement of the general principles which France might consider in connection with a short-term agreement to complete the London Naval Accord:

1. Continue construction under way and lay down construction covered by appropriations approved prior to September 22, 1932, as regards all categories of vessels.
2. No other construction beyond that contemplated in point 1 to be laid down prior to January 1, 1936.
3. In the calendar year 1936, the right to lay down either the construction to be provided for under a convention to be entered into in 1935 under the terms of the Washington and London Treaties or by general convention prior thereto; if no convention entered into, then authorization to lay down in 1936 the annual contingent on a pro-rata basis, taking the fleet strength communicated in the 1931 declaration to the League of Nations.
4. New construction should not permit the 1931 figure, i.e., 628,000 tons, to be exceeded. That is to say, over-age tonnage should be scrapped upon new construction, to keep total tonnage down to this figure.
5. The question of the replacement of over-age ships retained in the fleet at the end of 1936 to be decided in 1935, or earlier, and no action at the present time should prejudice this question.

There should be a general safeguarding clause along the lines of the escalator clause of the London Treaty to cover possible constructions by Germany, Spain, or Russia, for example, but without citing any country. It is the situation of Germany which is particularly being considered as it is the French view that Germany should not exceed 108,000 tons and hence should not replace its reserve vessels, about which there is some dispute under the terms of the Versailles Treaty.

That evening the French naval representatives also saw Mr. Craigie and Admiral Bellairs and the next day on comparing notes we found that the statement of the French as made to the British substantially agreed with the memorandum which we ourselves had prepared.

It will be noted that the above memorandum of the French position fails to indicate what they would consider to be an equitable counterpart for Italy and in consultation with the British we decided that the next step would be to sound out the French as to what they felt

the Italian building program should be in the light of their own statement as to the principles which should be applied to the French navy.

In consultation with Mr. Craigie and Admiral Bellairs, Admiral Hepburn and Mr. Dulles prepared a series of questions to be put to the French as follows:

1. France proposes to construct a capital ship of 26,500 tons. What is it proposed that Italy shall do?
2. France proposes to carry through the 1932 building program of approximately 34,000 tons. Italy has no corresponding program. Is it proposed that Italy have the same program?
3. What over-age tonnage is it proposed that France should retain on December 31, 1936?
4. How is it proposed to compute the pro rata building program for 1936? Is this to be pro-rated over the various categories?

It was also agreed with the British that we should join in bringing pressure to bear on the French to give up the building of the 11,000 tons of submarines which had only recently been laid down and on which very little construction had been done.

On November 23rd Admiral Hepburn and Mr. Dulles had a long conference with the French naval experts which was followed by a conference between the British and the French experts. The discussion started on the question of the respective building program for France and Italy. Admiral Laborde gave the following analysis of the situation:

First, as regards France;—starting from January 1, 1931 (which he took as a logical basis of departure for considering building programs) France had had for that year, namely, 1931, a program of 41,700 tons which included the *Dunkerque* of 26,500 tons and two light cruisers of 7,600 tons. Then there was the 1932 program of 34,298 tons, which included four cruisers and two destroyers. The total of these two programs was 75,998 tons. Neither of these two programs included any submarines. They did include one capital ship, six Class B cruisers, one destroyer and one torpedo boat. Under the French proposal nothing further would be laid down until January 1, 1936.

Turning to the situation as regards Italy and starting from January 1, 1931, Admiral Laborde explained that as the Italian naval programs ran from July to July, it would be necessary, taking the same starting point of January 1, 1931, to include one-half of the 1930-1931 program. This program included 42,700 tons of new construction. One-half would therefore be 21,350 tons. Italy also had a program for the year July 1931 to July 1932 of 14,714 tons, making a total Italian program of 36,064 tons, counting from January 1, 1931.

A French building program of 75,000 tons, i. e., approximately what the French propose should be laid down for the period January 1, 1931 to January 1, 1936, would, on the basis of the present relative strength of the fleets, amount to approximately 50,000 tons for the Italian fleet. On this basis Italy should be allowed to build in addition to its existing programs, the difference between 36,000 tons and 50,000 tons, or about 14,000 tons. (In connection with the French complex about building programs, the rather fictitious character of their programs is worth noting. Their 1932 program is not yet started. It is largely a case of "paper ships" for trading purposes.)

It was obvious from the foregoing explanation that the French Admiralty desired that building programs should be on a ratio basis to maintain the existing disparity between the two fleets which, as a matter of principle, we appreciated was entirely unacceptable to the Italians, and it therefore seemed useless to press the discussion further along these lines, although we eventually induced them to admit the possibility that the Italians might have a building program for the future somewhat in excess of the 14,000 tons which their calculations had allotted them. It will be noted that the French were adhering tenaciously to their plan of enforcing a Franco-Italian ratio based upon the global tonnage of the two fleets, in which is included all the over-age ships. About 119,000 tons of French over-age tonnage is obsolete in design and within a few years will be of negligible military value unless extensive modernization is carried out. Italy, owing to extensive, and, as it turns out, premature scrapping after the Washington Treaty, finds herself with only about 33,000 tons of corresponding "trading material".

We then asked the French what they proposed that Italy should do in view of the French construction of the *Dunkerque*, and they replied that if the Italians built a *Dunkerque* it should come out of the tonnage to be allotted to their building program and in that event, and assuming that the tonnage was applied to the construction of one battleship, they would be disposed to allow the Italians 26,500 tons, rather than the 14,000 tons suggested.

It will be noted from the foregoing that the French took the position that any short term agreement should run only to January 1, 1936, and not include the year 1936. It was obvious that they wished to retain their freedom of action for 1936 in case the conference held in 1935 or prior thereto failed to reach an agreement.

On the following day ⁴¹ the French had a full conversation with the British and maintained substantially the position that they had taken in their conversations with us. In fact, so much time was spent and so little progress was made in debating the light cruiser construction

⁴¹ November 24.

programs, that it seemed futile to press the even more difficult issue of limiting their construction in submarines.

As a result of these conversations and following a full examination of the whole question with Mr. Craigie and Admiral Bellairs, the conclusion was reached that it was useless to hope for any voluntary concessions on the part of the French Admiralty and that if any agreement was to be obtained, it would have to be because the political authorities in France considered agreement desirable and were prepared to bring pressure upon the French Admiralty. We further concurred with the British that the only way of making progress was to agree among ourselves as to a basis which would be eminently fair to both the French and the Italians and acceptable to the British Admiralty and to ourselves and then to present it to both parties and at the same time to bring all possible pressure to bear upon the political branches of the two governments.

(8) British Position

During these days we had a series of conversations with the British which brought out several interesting facts. The British insisted that they could not view without apprehension an increase in French light cruiser and destroyer tonnage which would bring the tonnage of such ships built and building at the end of 1936 above 197,000 tons for the French and about 146,000 tons for the Italians. They said that they did not set those two figures as any fixed ratio between these two countries, nor did they base them upon a so-called "two power standard". It was obvious that their interest in the amount of Italian light cruiser and destroyer building was entirely secondary to their interest in similar building on the part of France. On the basis of any program for light cruiser and destroyer building such as had been suggested by the Italians, namely 11,000 tons for the period 1933 through 1936, the dead lines suggested by the British would be exceeded by some 10,000 tons—that is to say, to keep within the figures which the British were willing to accept, light cruiser and destroyer building prior to December 31, 1936, could not exceed about 35,000 tons. The British stated that they were only interested in under-age tonnage and ships under construction. It will be noted however that in connection with the possibility of "escalating" they attach considerable value to over-age ships. We gathered the impression that the British view as to a permissible French building program in cruisers and destroyers underwent a subtle change during the course of the discussions. Whereas in the beginning they seemed very much concerned to keep new building to the lowest possible minimum,—and considerably less than 35,000 tons,—at the end they seemed to view this figure with an equanimity we could not understand. Possibly they would assent to an even higher figure.

The British also showed great apprehension at the French submarine program and they said that they could not be a party to any agreement which maintained this tonnage at anything like its present figure and would have to reserve the right to "escalate" by retaining over-age destroyers unless the French submarine tonnage could be substantially reduced. These two points which were insisted upon by the British greatly complicated the negotiations with the French and Italians and during the last two weeks of our negotiations we found more difficulty in trying to find a solution satisfactory to the British than in finding something which might be satisfactory from the French and Italian angle. The British also were anxious to include the capital ship question in the Franco-Italian agreement. —Not that they desire to preclude either from building capital ships (it was quite obviously their tactics to get them to waste their money in this type of construction rather than in light ships or submarines) but probably because they were anxious to have France and Italy take the first step towards the reduction in the size of the battleship and caliber of guns. In this way the British felt that they would have an added argument when they came to negotiate with us. Realizing that this was their objective Admiral Hepburn was particularly careful in his conversations with the British, French and Italian naval men not to take any stand which could be construed as bringing pressure upon the French or Italians to construct any particular type of capital ship within the limitations allowed by the Washington and London Treaties.

In our conversations with the British, we also gave some consideration to the question as to the method of completing the London Treaty. It was obvious that the British desired to keep their hands on the situation and if possible to be a party to any arrangement between France and Italy. We raised no objection to this but pointed out that if France and Italy could reach an agreement between themselves which meant a substantial contraction of naval construction over what they had been indulging in during the past few years, it might be a good thing for them to conclude such an agreement even though the totals which they arrived at were not as low as we might hope. We emphasized that any such agreement would tend to help the negotiators at the 1935 conference. We further pointed out that it was difficult to secure drastic reduction over the short period involved but that such reductions would be a logical subject for consideration in connection with the long term agreement. The British argued that any acquiescence by them in an agreement which brought the French light cruiser and destroyer tonnage above the figure of 197,000 tons indicated above, or which maintained anything approaching their present submarine tonnage, would be impossible and

they would reserve the right to escalate in either eventuality. We did not suggest in our conversations with the British that we proposed ourselves to be a party to any Franco-Italian agreement and rather implied that we felt it was unnecessary for us to be a party. This question, as well as the exact form which the Franco-Italian agreement might eventually take with a view to completing the London Treaty, was left open.

During the period of November 25th to December 2nd Mr. Davis and Mr. Dulles were in Paris and while conversations continued in Geneva between Admiral Hepburn and the other naval representatives there, further concrete steps were postponed pending their return. Mr. Dulles saw Admiral Laborde in Paris but the latter maintained views as to the Italian program over the next few years which were of a character to make any settlement out of the question and it seemed useless to carry forward the conversations in Paris with the French Admiralty officials.

(9) Preparation and Delivery of the Memorandum

Upon Mr. Davis' return to Geneva on December 2nd and following a series of conversations with the British and the French a memorandum (Annex B)⁴⁴ was prepared by Admiral Hepburn outlining the considerations, on the basis of principles rather than on the basis of specific tonnages, which should enter into any Franco-Italian settlement. Realizing that it was necessary to make a different approach and to lay more stress upon the political aspects of the question, Mr. Davis had a talk with M. Massigli and then handed him informally the memorandum prepared for Mr. Davis by Admiral Hepburn and asked him to give his views confidentially as to the prospects of agreement on the basis outlined. The following day M. Massigli handed to Mr. Davis a written statement of his views, the translation of which (Annex C)⁴⁴ is appended hereto, but asked that Mr. Davis consider the memorandum as personal and confidential and not let it be known—particularly to the French Admiralty.

After a study of M. Massigli's memorandum, which was conciliatory in tone, but not entirely consistent as between its statements of principle and the application thereof, there were several long conversations with the British and a memorandum was prepared which took account of certain of the obstacles which M. Massigli's paper had suggested. This memorandum is included as Annex D⁴⁴ and is the draft handed to M. Massigli and Signor Rosso by Mr. Hugh Wilson and Sir John Simon on December 14, 1932.

The memorandum proposed as a basis for settlement, for the period through 1936, that France and Italy complete the ratification of the

⁴⁴ Not printed.

"Parts" of the London Treaty which they had signed, that no further capital ships or aircraft carriers be laid down by France, Italy having the right under certain conditions to match the French *Dunkerque* now under construction; that no further 8" gun cruisers be laid down; that future building programs in light cruisers and destroyers be limited to approximately 34,000 and 27,000 tons for France and Italy, respectively; that no further submarine tonnage be laid down by either party, and that France cease construction on certain submarine units so as to limit her tonnage built and building to 70,000 tons. It will be noted that the British reserve judgment with respect to the paragraph in this memorandum relating to submarines on the theory that they could not accept, even for a short term agreement, the figure of 70,000 for the under-age submarine tonnage for France. The memorandum was submitted by the British representatives in Geneva to the Admiralty and was approved by them with the exception noted above, and it was discussed by telephone with the Department of State before being handed to the French and Italian representatives in Geneva.

In view of the fact that the Herriot Government had fallen on the morning of the 14th, it was decided that the handing of the memorandum should be informal so as to permit M. Massigli, the French representative in Geneva, to hold the memorandum, if he saw fit, until a new government had been formed and could give it consideration. It was necessary, however, to present the memorandum on the 14th if it was to be done before Mr. Davis' departure for the United States and in view of his part in the negotiations it seemed wise that this be done. Another important reason for submitting the memorandum at that time was that Signor Rosso, the Italian representative in Geneva and the official most familiar with the matter, was leaving for Rome on December 15th, prior to his departure for the United States and his explanation of the negotiations and of the memorandum might have considerable influence on the Italian reaction to the proposal.

(10) Analysis of the Memorandum and of its Probable Reception

It may be appropriate, in conclusion, to refer briefly to the possible reaction of France and Italy to the memorandum. The effect of the proposal would be to reduce total French tonnage to approximately 628,000 tons, built and building, by the end of 1936. This figure would probably not be unacceptable to France but it is likely that she will raise certain questions in case the negotiations are carried forward on the basis proposed. As far as one can judge by the course of our negotiations, France will insist that the agreement run only through 1935; that replacement, upon the completion of the

present and prospective programs in light cruisers and destroyers, be permitted in either the over-age armored cruisers or in the over-age light cruisers; that the figure for submarines built and building at the close of the period covered by the agreement be approximately 77,000 rather than 70,000 tons in order to permit her to complete the submarines which are now under construction. With regard to Italy, the only substantial point of difficulty will probably lie in acceptance, even in the disguised form suggested, of a smaller building program in light cruisers and destroyers than France, that is to say, Italy would probably insist upon the right to lay down 34,000 tons, rather than 27,000 tons, during the period covered by the agreement. In the preparation of the memorandum it had seemed necessary to ask this concession of the Italians in light cruisers and destroyers in view of the cut which we were asking the French to take in the submarine class.

France will probably raise the point that a building program for light cruisers and destroyers of 34,000 tons would be inadequate over a four-year period, and they would probably desire a program approximately 10,000 tons in excess of this figure if a four year period is involved. Our impression was that the Italians would welcome a very limited program, the smaller the better so long as it was equal to the French.

As will be noted from what we have said above, a building program on the part of France in excess of 35,000 tons would bring the French tonnage in light cruisers and destroyers above the figure suggested to us as their limit by the British experts. As regards the French submarine tonnage the difficulty there lies more between the British and the French than between the French and the Italians, and the Italians might be willing to accept an undertaking on the part of France not to lay down any additional submarines during the period to be covered by the agreement. As stated above this would leave France in 1936 about 77,000 tons of submarines built and building, it being understood, of course, that they would be asked to scrap over-age tonnage. In case the Italians made this concession (which the British would certainly oppose) the Italians would probably assert the right to lay down additional submarines themselves so that their total under-age submarine tonnage built and building at the end of the period would be 52,700 tons. The foregoing are in the nature of surmises as to the probable French and Italian reactions on the technical side to the memorandum which we have presented to them.

The political difficulties in securing an agreement lie in the fact that France considers her large submarine tonnage and her over-age tonnage as valuable assets from the point of view of negotiating a

long term agreement with the British, and it is difficult in an agreement as between the French and the Italians alone, to find any adequate *quid pro quo* in the eyes of the French for substantial concessions on their part. When it comes to negotiating a long term agreement, the French will undoubtedly desire, for reasons of prestige and even though they may not contemplate early construction, to have an adjustment in the capital ship and aircraft carrier ratio; and in return for this, and a satisfactory ratio as regards cruisers and destroyers, they would probably be prepared to make concessions in the submarine category, which they might be loath to make pending the consideration of the long term agreement. On several occasions the British suggested that it might be wise for them to start prompt negotiations with the French and Italians, with a view to working out a long term naval agreement between the three powers as a preliminary to the negotiations to be held in 1935, or earlier, with the Japanese and ourselves. They, of course, suggested that any agreement that they might work out with the French and the Italians should be conditional upon a satisfactory agreement with us and the Japanese. We opposed this idea, feeling that negotiations between England, France and Italy to which we would not be a party, might result in an agreement on figures for cruisers and destroyers which would be in excess of what we might desire and that this might only complicate our future efforts to secure reductions in these classes. Obviously, in the light of the Japanese naval proposals and the general situation in the Far East, it would be hopeless to attempt negotiations with the Japanese at the present time, and it seemed wise, therefore, despite the political and technical difficulties, to make every effort to secure an agreement between France and Italy, even though we recognized that there was some force in the British argument that until we could sit down and negotiate a long term agreement, it would be extremely difficult to secure concessions from the French as regards submarines and light cruisers.

The following additional annexes are appended to supplement this report: ⁴⁵

1. Confidential explanatory table handed us by the British showing the tonnage figures which would have resulted from the Basis of Agreement of March, 1931. (Annex E)

2. Letter from Admiral Bellairs to Admiral Hepburn communicating the British Admiralty figures for the British, French and Italian navies as of December 31, 1931. (Annex F)

3. Table of French naval tonnage which served as a basis for computations. (Annex G)

4. Similar table of Italian naval tonnages. (Annex H)

* None printed.

THE PACT OF PARIS: THREE YEARS OF DEVELOPMENT

711.0012 Anti-War/1285

Address Delivered by the Secretary of State Before the Council on Foreign Relations at New York on August 8, 1932

Four years ago the United States joined with France in the initiation of the so-called Briand-Kellogg Pact for the Renunciation of War.¹ A year later, in 1929, the Pact became formally effective, and it has now been adhered to by sixty-two nations. Scarcely had its ratification been announced on July 24, 1929, when it became subjected to the first of a series of difficult challenges which are still going on. In the defense of the Pact in these tests the American Government has been a leader. I believe it would be appropriate, in the light of this three years' history, to take stock now of what the Pact is, the direction in which it is developing, and the part which we may hope that it eventually will play in the affairs of the world.

Events have been moving so rapidly since the Great War, and we have been so close to them, that it is difficult to obtain an adequate perspective. I think, therefore, that it is well to summarize briefly the background out of which this great treaty came and against which it must be judged.

Prior to the Great War many men had had visions of a warless world and had made efforts to accomplish the abolition of war, but these efforts had never resulted in any very general or effective combinations of nations directed towards that end. During the centuries which had elapsed since the beginnings of international law, a large part of that law had been a development of principles based upon the existence of war. The existence and legality of war were to a large extent the central facts out of which these legal principles grew and on which they rested. Thus the development of the doctrine of neutrality was predicated upon the duty of a neutral to maintain impartiality between two belligerents. This implies that each belligerent has equal rights and is owed equal duties by the neutral. It implies that the war between them is a legal situation out of which these rights and duties grow. Therefore, it is contrary to this aspect of international law for the neutral to take sides between belligerents or to pass a moral judgment upon the rightfulness or wrongfulness

¹ For correspondence, see *Foreign Relations*, 1928, vol. I, pp. 1 ff.; for text, see *ibid.*, p. 153.

of the cause of either—at least to the extent of translating such a judgment into action. So long as a neutral exercised this strict impartiality, international law afforded to him, his commerce, and his property, certain rights of protection. And during the generations which preceded the Great War much of the growth of international humanitarianism was associated with attempts, not to abolish war but to narrow and confine its destructive effects by the development of these doctrines of neutrality. Their chief purpose was to produce oases of safety for life and property in a world which still recognized and legalized the destruction of human life and property as one of the regular methods for the settlement of international controversies and the maintenance of international policy.

The mechanical inventions of the century preceding the Great War and the revolutionary changes in industrial and social organization by which they were accompanied have produced inevitable effects upon the concept of war which I have described. Communities and nations became less self-contained and more inter-dependent; the populations of industrialized states became much larger and more dependent for their food supplies upon far distant sources; the civilized world thus became very much more vulnerable to war. On the other hand, with these mechanical advances modern armies became more easily transportable and therefore larger and were armed with more destructive weapons. By these changes the inconsistency of war with normal life became sharper and more acute; the destructiveness of war to civilization became more emphatic; the abnormality of war became more apparent. The laws of neutrality became increasingly ineffective to prevent even strangers to the original quarrel from being drawn into the general conflict.

Finally there came the Great War, dragging into its maelstrom almost the entire civilized world; tangible proof was given of the impossibility of confining modern war within any narrow limits; and it became evident to the most casual observer that if this evolution were permitted to continue, war, perhaps the next war, would drag down and utterly destroy our civilization.

Before this war was over it began to be called “a war to end war,” and at the Peace Conference at Versailles the victorious nations entered into a covenant which sought to reduce the possibility of war to its lowest terms. The League of Nations Covenant² did not undertake entirely to proscribe wars between nations. It left unrestricted

² *Treaties, Conventions, etc., Between the United States of America and Other Powers, 1910-1923* (Washington, Government Printing Office, 1923), vol. III, p. 3336.

a zone in which such wars might occur without reprobation. Furthermore, it provided under certain circumstances for the use of force by the community of nations against a wrongdoer as a sanction. It created a community group of nations pledged to restrict war and equipped with machinery for that purpose. Some of this machinery, notably article 11, which provides, on a threat of war, for the calling of a conference for purposes of conciliation, has on several occasions proved a valuable influence in the prevention of war. Another important and beneficent result of the League organization has been the regular conferences which are held between the representatives of the different nations. These discussions have proved to be effective agencies for the settlement of controversies and thus for war prevention. By them there also has been developed, particularly among the nations of Europe, a community spirit which can be evoked to prevent war. In all of these ways there has been produced the beginning of a group sentiment which is wholly at variance with some of the old doctrines in respect to war.

Nine years later, in 1928, came the still more sweeping step of the Pact of Paris, the Briand-Kellogg Pact. In this treaty substantially all the nations of the world united in a covenant in which they renounced war altogether as an instrument of national policy in their relations with one another and agreed that the settlement of all disputes or conflicts of whatever nature among them should never be sought except by pacific means.

The change of attitude on the part of world public opinion toward former customs and doctrines, which is evidenced by these two treaties, is so revolutionary that it is not surprising that the progress has outstripped the landmarks and orientation of many observers. The treaties signalize a revolution in human thought, but they are not the result of impulse or thoughtless sentiment. At bottom they are the growth of necessity, the product of a consciousness that unless some such step were taken modern civilization would be doomed. Under its present organization the world simply could not go on recognizing war, with its constantly growing destructiveness, as one of the normal instrumentalities of human life. Human organization has become too complex, too fragile, to be subjected to the hazards of the new agencies of destruction turned loose under the sanction of international law. So the entire central point from which the problem was viewed was changed. War between nations was renounced by the signatories of the Briand-Kellogg Treaty. This means that it has become illegal throughout practically the entire world. It is no longer to be the source and subject of rights. It is no longer to be the principle around which the duties, the conduct, and the rights

of nations revolve. It is an illegal thing. Hereafter when two nations engage in armed conflict either one or both of them must be wrongdoers—violators of this general treaty law. We no longer draw a circle about them and treat them with the punctilios of the duelist's code. Instead we denounce them as lawbreakers.

By that very act we have made obsolete many legal precedents and have given the legal profession the task of reexamining many of its codes and treatises.

The language of the Briand-Kellogg Treaty and the contemporaneous statements of its founders make its purpose clear. Some of its critics have asserted that the Pact was really not a treaty at all; that it was not intended to confer rights and liabilities; that it was a mere group of unilateral statements made by the signatories, declaring a pious purpose on the part of each, of which purpose the signatory was to be the sole judge and executor, and for a violation of which no other signatory could call him to account.

If such an interpretation were correct, it would reduce the Pact to a mere gesture. If its promises conferred no rights as between the members of the community of signatories, it would be a sham. It would be worse than a nullity, for its failure would carry down the faith of the world in other efforts for peace.

But such critics are wrong. There is nothing in the language of the Pact nor in its contemporaneous history to justify such an interpretation. On its face it is a treaty containing definite promises. In its preamble it expressly refers to the "benefits furnished by this treaty," and states that any signatory power violating its promise shall be denied those benefits. The correspondence of the framers of the treaty show that they intended it to be a treaty which would confer benefits, which might be lost by a violation thereof. During the period when the treaty was under negotiation, Mr. Kellogg declared in a public address:

"If war is to be abolished it must be through the conclusion of a specific treaty solemnly binding the parties not to resort to war with one another. It cannot be abolished by a mere declaration in the preamble of a treaty." (Speech of March 15, 1928, before the Council on Foreign Relations at New York.)³

In drafting the treaty Mr. Kellogg rightly and tenaciously fought for a clear, terse prohibition of war free from any detailed definitions or reservations. In his own words he sought—

"a treaty so simple and unconditional that the people of all nations could understand it, a declaration which could be a rallying point

³ Department of State, *The War Prevention Policy of the United States: An Address Delivered Before the Council on Foreign Relations at New York City, March 15, 1928* (Washington, Government Printing Office, 1928), p. 2.

for world sentiment, a foundation on which to build a world peace." (Speech of March 28, 1930, before the League of Political Education at New York.)⁴

Any other course would have opened the door to technicalities and destructive limitations.

As it stands, the only limitation to the broad covenant against war is the right of self-defense. This right is so inherent and universal that it was deemed unnecessary even to insert it expressly in the treaty. It is also so well understood that it does not weaken the treaty. It exists in the case of the individual under domestic law, as well as in the case of the nation and its citizens under the law of nations. Its limits have been clearly defined by countless precedents. A nation which sought to mask imperialistic policy under the guise of the defense of its nationals would soon be unmasked. It could not long hope to confuse or mislead public opinion on a subject so well understood or in a world in which facts can be so easily ascertained and appraised as they can be under the journalistic conditions of today.

The Briand-Kellogg Pact provides for no sanctions of force. It does not require any signatory to intervene with measures of force in case the Pact is violated. Instead it rests upon the sanction of public opinion, which can be made one of the most potent sanctions of the world. Any other course, through the possibility of entangling the signatories in international politics, would have confused the broad simple aim of the treaty and prevented the development of that public opinion upon which it most surely relies. Public opinion is the sanction which lies behind all international intercourse in time of peace. Its efficacy depends upon the will of the people of the world to make it effective. If they desire to make it effective, it will be irresistible. Those critics who scoff at it have not accurately appraised the evolution in the world opinion since the Great War.

From the day of its ratification on July 24, 1929, it has been the determined aim of the American Government to make this sanction of public opinion effective and to insure that the Pact of Paris should become a living force in the world. We have recognized the hopes which it represented. We have resolved that they should not be disappointed. We have recognized that its effectiveness depends upon the cultivation of the mutual fidelity and good faith of the group of nations which has become its signatories, and which comprises virtually all of the nations of the world. We have been de-

⁴ *New York Times*, March 29, 1930, p. 10.

terminated that the new order represented by this great treaty shall not fail.

In October, 1929, President Hoover joined with Mr. Ramsay MacDonald, the Prime Minister of Great Britain, in a joint statement at the Rapidan in which they declared:

“Both our Governments resolve to accept the Peace Pact not only as a declaration of good intentions, but as a positive obligation to direct national policy in accordance with its pledge.”⁵

That declaration marked an epoch.

In the summer of 1929 hostilities threatened between Russia and China in northern Manchuria. Both nations were signatories of the Pact. It was the most difficult portion of the world in which such a challenge to this treaty could have occurred. Yet we at once took steps to organize public opinion in favor of peace.⁶ We communicated with the Governments of Great Britain, Japan, France, Italy, and Germany, and the attention of the Governments of Russia and China was formally called to their obligations under the Pact. Later during the same autumn, when hostilities actually broke out and military forces of Russia had crossed the Manchurian boundary and attacked the forces of China, our Government communicated with all of the signatories of the Pact, suggesting that they urge upon Russia and China a peaceful solution of the controversy between them. Thirty-seven of these nations associated themselves with our action or signified their approval of our attitude. Although the aspect of the controversy had been extremely threatening and the forces of Russia had penetrated nearly a hundred miles within the boundaries of China, the restoration of the *status quo ante* was accepted by both parties and the invading forces were promptly withdrawn.

In September, 1931, hostilities broke out between the armed forces of Japan and China in the same quarter of the world, Manchuria, and the situation was brought to the attention of the Council of the League of Nations, which was actually in session at Geneva. We were invited to confer as to the bearing of the Pact of Paris upon the controversy.⁷ We promptly accepted the invitation, designating a representative to meet with the Council for that purpose; and the attention of the two disputants was called to their obligations under

⁵ For complete text of joint statement, see *Foreign Relations*, 1929, vol. III, pp. 33-35.

⁶ For correspondence concerning American appeal for observance of Pact, see *ibid.*, vol. II, pp. 186 ff.

⁷ For correspondence concerning the Far Eastern crisis, see *ibid.*, 1931, vol. III.

the Pact by France, Great Britain, Germany, Italy, Spain, Norway, and the United States.

The hostilities between Japanese and Chinese armed forces continued and protracted efforts towards conciliation were made by the Council of the League, which had taken jurisdiction of the matter. The American Government maintained its attitude of sympathetic cooperation with the efforts of the Council and acting independently through the diplomatic channels endeavored to reenforce the Council's efforts at conciliation. Finally, when in spite of these efforts Japan had occupied all of Manchuria, the American Government formally notified both that country and China, on January 7, 1932,⁸ that it would not recognize any situation, treaty, or agreement which might be brought about by means contrary to the covenant and obligations of the Pact of Paris. Subsequently, on March 11, this action of the American Government was endorsed by the Assembly of the League of Nations, at a meeting in which fifty nations were represented. On that occasion, under circumstances of the utmost formality and solemnity, a resolution was adopted, unanimously, Japan alone refraining from voting, in which the Assembly declared that—

“it is incumbent upon the members of the League of Nations not to recognize any situation, treaty or agreement which will be brought about by means contrary to the Covenant of the League of Nations or to the Pact of Paris.”⁹

These successive steps can not be adequately appraised unless they are measured in the light of the vital change of point of view which I have described in the opening of this address. They were the acts of nations which were bound together by a new viewpoint towards war, as well as by covenants which made that viewpoint a reality. Except for this new viewpoint and these covenants, these transactions in far-off Manchuria, under the rules of international law theretofore obtaining, might not have been deemed the concern of the United States and these fifty other nations. Under the former concepts of international law when a conflict occurred, it was usually deemed the concern only of the parties to the conflict. The others could only exercise and express a strict neutrality alike towards the injured and the aggressor. If they took any action or even expressed an opinion, it was likely to be deemed a hostile act towards the nation against which it was directed. The direct individual interest which each nation has in preventing a war had not yet been fully

⁸ *Ibid.*, 1932, vol. III, p. 7.

⁹ For complete text of resolution, see *ibid.*, Japan, 1931-1941, vol. I, p. 210.

appreciated, nor had that interest been given legal recognition. But now under the covenants of the Briand-Kellogg Pact such a conflict becomes of concern to everybody connected with the Pact. All of the steps taken to enforce the treaty must be judged by this new situation. As was said by M. Briand, quoting the words of President Coolidge: "An act of war in any part of the world is an act that injures the interests of my country."¹⁰ The world has learned that great lesson and the signature of the Briand-Kellogg Treaty codified it.

Thus the power of the Briand-Kellogg Treaty can not be adequately appraised unless it is assumed that behind it rests the combined weight of the opinion of the entire world united by a deliberate covenant which gives to each nation the right to express its moral judgment. When the American Government took the responsibility of sending its note of January 7th last, it was a pioneer. It was appealing to a new common sentiment and to the provisions of a Treaty as yet untested. Its own refusal to recognize the fruits of aggression might be of comparatively little moment to an aggressor. But when the entire group of civilized nations took their stand beside the position of the American Government, the situation was revealed in its true sense. Moral disapproval, when it becomes the disapproval of the whole world, takes on a significance hitherto unknown in international law. For never before has international opinion been so organized and mobilized.

Another consequence which follows this development of the Briand-Kellogg Treaty, which I have been describing, is that consultation between the signatories of the Pact when faced with the threat of its violation becomes inevitable. Any effective invocation of the power of world opinion postulates discussion and consultation. As long as the signatories of the Pact support the policy which the American Government has endeavored to establish during the past three years of arousing a united and living spirit of public opinion as a sanction of the Pact, as long as this course is adopted and endorsed by the great nations of the world who are signatories of that Treaty, consultations will take place as an incident to the unification of that opinion. The course which was followed in the Sino-Japanese controversy last winter shows how naturally and inevitably consultation was resorted to in this effort to mobilize the public opinion of the world. The moment a situation arose which

¹⁰ Quoted in an address delivered upon the ceremony of signature of the Treaty for the Renunciation of War, Paris, August 27, 1928. (Department of State, *Treaty for the Renunciation of War: Text of the treaty, notes exchanged, instruments of ratification and of adherence and other papers* (Washington, Government Printing Office, 1933), p. 314.)

threatened the effectiveness of this Treaty, which the peoples of the world have come to regard as so vital to the protection of their interests, practically all the nations consulted in an effort to make effective the great peaceful purposes of that Treaty.

That the Pact thus necessarily carries with it the implication of consultation has perhaps not been fully appreciated by its well-wishers who have been so anxious that it be implemented by a formal provision for consultation. But with the clarification which has been given to its significance by the developments of the last three years, and the vitality with which it has been imbued by the positive construction put upon it, the misgivings of those well-wishers should be put at rest. That the American people subscribe to this view is made clear by the fact that each of the platforms recently adopted by the two great party conventions at Chicago contains planks endorsing the principle of consultation.

I believe that this view of the Briand-Kellogg Pact which I have discussed will become one of the great and permanent policies of our nation. It is founded upon conceptions of law and ideals of peace which are among the most cherished faiths of the American people. It is a policy which combines the readiness to cooperate for peace and justice in the world, which Americans have always manifested, while at the same time it preserves the independence of judgment and the flexibility of action upon which our people have always insisted. I believe that this policy must strike a chord of sympathy in the conscience of all other nations. We all feel that the lessons taught by the Great War must not be forgotten. The determination to abolish war which emerged from that calamity must not be relaxed. These aspirations of the world are expressed in the great peace Treaty which I have described. It is only by continued vigilance that this Treaty can be built into an effective living reality. The American people are serious in their support and evaluation of the Treaty. They will not fail to do their share in this endeavor.

EFFORTS OF INTERESTED GOVERNMENTS TO ACHIEVE A READJUSTMENT OF WAR DEBT PAYMENTS TO THE UNITED STATES

I. NEGOTIATION OF AGREEMENTS LEGALIZING THE HOOVER MORATORIUM

462.00R296/5527: Circular telegram

The Secretary of State to the Ambassador in France (Edge)

WASHINGTON, February 26, 1932—11 a. m.

Repeat to diplomatic missions in Austria, Belgium, Czechoslovakia, Estonia, Finland, Germany, Great Britain, Greece, Hungary, Italy, Latvia, Lithuania, Poland, Rumania and Yugoslavia.

Please address to the government to which you are accredited an appropriate communication stating (*mutatis mutandis*):

“Public Resolution No. 5, 72d Congress, approved December 23, 1931,¹ authorized the Secretary of the Treasury, with the approval of the President to conclude under certain conditions an agreement with the (Government of France) providing for the postponement of payments due during the fiscal year beginning July 1, 1931, under the debt funding agreement between (France) and the United States, and for their repayment over a period of 10 years beginning July 1, 1933, with interest at the rate of 4 per cent per annum. The Secretary of the Treasury is now prepared to proceed with negotiations with a view to concluding the agreements authorized by the Resolution, and has asked that a representative be designated by the (Government of France) and duly authorized to confer with him at Washington for this purpose.”

The presentation of this communication at this time is merely the carrying out of the technical requirements of the moratorium agreements reached last June,² and has no further significance as regards American policy in the field of international debts. It is possible that the presentation of these notes may stir up speculation and comment. You may therefore in informal fashion make the preceding clear to the (French Government), while avoiding entering into any discussion of our debt policy.

STIMSON

¹ *Foreign Relations*, 1931, vol. 1, p. 248.

² *Ibid.*, pp. 175 ff.

Austria

800.51W89 Austria/13

Memorandum by the Acting Secretary of State

[WASHINGTON,] May 9, 1932.

I called in the Austrian Minister³ to hand him the agreement as to the moratorium, a copy of which is attached.⁴ He said that he knew these agreements had been given to others and was beginning to hope that Austria had been forgotten. I pointed out to him the necessity of haste in signing it to avoid complications and explained to him that it was, after all, a routine matter. The Minister said he would telegraph his Government, asking that he be appointed to sign.

W. R. CASTLE, JR.

800.51W89 Austria/14

Memorandum by the Under Secretary of State (Castle)

[WASHINGTON,] May 23, 1932.

The Austrian Minister telephoned me that he had received a telegram from his Government saying that instructions had been sent him about the signing of the moratorium agreement. The Minister said that he would report to the Treasury just as soon as he received his instructions. He said that on two points his Government had to make reservations, one was that in the past the Austrian Government was permitted to make payments through the deposit of United States Government bonds and that this permission was apparently abrogated in the new agreement. The second and more important was that the Austrian Government had signed the agreements in London for 3% interest and could not grant the 4% in interest because this would automatically mean they must give 4% everywhere else.

I did not discuss the matter with the Minister over the telephone, but merely told him I was surprised at this proviso, as it had been understood in London that the 3% was only tentative.

The Minister asked me to pass on the information that he was getting his instructions to the Treasury.

W. R. CASTLE, JR.

³ Edgar L. G. Prochnik.

⁴ Not attached to file copy.

800.51W89 Austria/20a : Telegram

The Secretary of State to the Ambassador in Great Britain (Mellon)

WASHINGTON, June 29, 1932—6 p. m.

187. Treasury is preparing to sign debt postponement agreement with Austria similar, *mutatis mutandis*, to agreement of June 4, 1932, with United Kingdom (Department's instruction No. 74, June 10).⁵ In view of Austria's obligation under relief debt settlements to make no payment in respect of any unless similar and proportionate payment is made simultaneously to all relief creditors (see foot of page 294, *Report of the Secretary of the Treasury for 1929*), please informally ask Leith-Ross or his assistant whether objection is perceived to the form of the proposed agreement between Austria and the United States, adding that the Treasury would be glad to have the advantage of any informal suggestions or comment on the matter.

STIMSON

800.51W89 Austria/21

The Ambassador in Great Britain (Mellon) to the Secretary of State

No. 188

LONDON, July 1, 1932.

[Received July 9.]

SIR: I have the honor to state that the questions regarding the proposed debt postponement agreement between the United States and Austria contained in the Department's telegram No. 187 of June 29, 6 p. m., were taken up yesterday morning with Mr. Pinsent of the British Treasury, as Sir Frederick Leith-Ross is at present in Lausanne.⁶ There are enclosed copies of a letter in reply, dated July 1, from Mr. Pinsent to a member of the Embassy staff, together with copies of its enclosures, for transmission to the Treasury.

Respectfully yours,

For the Ambassador:

RAY ATHERTON

Counselor of Embassy

[Enclosure]

The British Treasury Assistant (Pinsent) to the Second Secretary of the American Embassy (Cox)

F.12505/05/3

[LONDON,] 1 July, 1932.

DEAR MR. COX: I have now looked into the position in regard to the repayment by Austria of the amount suspended under Presi-

⁵ *Post*, p. 625.⁶ For correspondence concerning the Lausanne Conference, June 16–July 9, see pp. 636 ff.

dent Hoover's proposal⁷ in respect of Relief Credits, and I find that it is proposed that the deferred amount shall be spread over a period of 10 years as in the case of the reparation and war debt payments (and not 7 as I thought when I saw you). I enclose a note showing the basis on which the repayment annuities have been calculated, together with a table⁸ showing the resulting annuities in the case of the creditor countries⁹ represented on the International Relief Bonds Committee. You will see that apart from differences as to date, (and, in the case of Austria, the payment by annual instalments instead of semi-annual ones), the basis adopted is the same as that adopted for war debt payments.

The Governments represented on the International Relief Bonds Committee have not thought it necessary to arrange for formal agreements covering the suspension of the Relief Debts and the payment of the resulting annuities. A letter, a copy of which I enclose, was addressed by the Committee to the debtor Governments on September 3rd, 1931,¹⁰ offering to grant suspension of payments in respect of relief bonds for one year as soon as President Hoover's proposal had been put into operation. Since then discussions have been going on privately between the Governments. The Committee have now sent a further letter to Austria dated 25th ultimo (of which I also enclose a copy)¹⁰ confirming the arrangement subject to identical action being taken by all the creditor Governments concerned, and suggesting that an undertaking to effect payment of these annuities shall be given by means of an endorsement on the existing bonds. Similar letters have been sent to the other debtor governments with the exception of Poland where the matter is held up owing to some difference between Poland and Norway. As is indicated by the terms of this letter, all the Governments represented on the Relief Bonds Committee have agreed to it, subject, in the case of Norway, to the assent of the Storting being obtained. The Norwegian Government are recommending the Storting to agree, and we anticipate that this will be finally settled within a few days and that then arrangements for the endorsement of the bonds can be made.

I don't know whether your Government will prefer to follow the relatively informal procedure adopted by the other Governments, or to have a formal agreement. In the latter case the agreement

⁷ For text of the proposal, see telegram No. 262, June 20, 8 p. m., to the Ambassador in France, *Foreign Relations*, 1931, vol. 1, p. 33.

⁸ Neither printed.

⁹ i. e., Denmark, France, Great Britain, Italy, the Netherlands, Norway, Sweden, and Switzerland.

¹⁰ Not printed.

between the United States and British Governments of June 4th, 1932, will be a suitable model *mutatis mutandis*, though I suppose that you will make the operation of your agreement with Austria conditional on similar treatment of her other Relief Creditors.

You may like to know, in order to avoid any misapprehension, that according to the information I have received from Lausanne, the Declaration signed there on June 16th¹² refers to War Debts and Reparation only, and definitely does not apply to Relief Debts or to other post-war debts for repatriation of prisoners, etc. Should formal application be made for an extension of the moratorium in respect of Relief Debts, it could not be dealt with, so far as the European creditors are concerned, until a further meeting of the Relief Credits Committee has been held.

I return your volume of *Treasury Reports for 1929* with many thanks. I hope I may keep the copy of Mr. Stimson's telegram for purposes of record.

Yours sincerely,

G. H. S. PINSENT

800.51W89 Austria/26a

The Secretary of State to the Minister in Austria (Stockton)

No. 189

WASHINGTON, September 19, 1932.

The Secretary of State refers to previous correspondence regarding the President's Proposal of June 20, 1931, for postponement of intergovernmental debts and transmits for the information of the American Minister copy of the "Agreement between the Republic of Austria and the United States of America, September 14, 1932".¹³

Belgium

800.51W89 Belgium/183

Memorandum by the Under Secretary of State (Castle) of a Conversation With the Belgian Ambassador (May)

[WASHINGTON,] March 24, 1932.

The Ambassador really had very little to say, but wanted to discuss the subject of war debts. I let him do the talking to a large extent. What he is fearful of is that the very intransigent attitude of Congress may make it impossible for Congress ever to back down from its stand, no matter what the situation may be in the future. I told him that this certainly was nothing to worry about, inas-

¹² For text, see Great Britain, Cmd. 4126, Miscellaneous No. 7 (1932): *Final Act of the Lausanne Conference, July 9, 1932*, p. 2.

¹³ U. S. Treasury Department, *Annual Report of the Secretary of the Treasury, 1932*, pp. 307-308.

much as this country would always of necessity be not only willing but compelled to take cognizance of the condition of some individual nation which might find itself momentarily unable to fulfill its obligation. I said that it was quite true that there was a strong nationalistic feeling here, that people did not propose to be saddled with the entire debt for the war, that there must be a sharing of sacrifice, but obviously any nation who literally was unable to pay would in that case be dealt with in the broad-minded and friendly way in which America always deals with such cases.

W. R. C[ASTLE, JR.]

800.51W89 Belgium/185a : Telegram

The Acting Secretary of State to the Chargé in Belgium (Mayer)

WASHINGTON, April 21, 1932—3 p. m.

14. Treasury draft of agreement to carry out Congressional Resolution regarding debt postponement was handed to Belgian Ambassador some time ago. Treasury insists on necessity of quick action in view of June 15th payment date approaching. Please discuss present situation with appropriate authorities and inquire when action may be expected, reporting fully.

CASTLE

800.51W89 Belgium/186 : Telegram

The Chargé in Belgium (Mayer) to the Secretary of State

BRUSSELS, April 22, 1932—6 p. m.

[Received April 22—1 p. m.]

34. Your 14, April 21, 3 p. m. Foreign Office states that Treasury draft agreement is now under consideration by the Minister of Finance and the legal adviser to the Foreign Office and that it is impossible to state when action may be expected.

Foreign Office adds by way of explanation that just before recent Danubian Conference at London¹⁴ the British Government proposed a protocol supplementary to London agreement of August 11, 1931,¹⁵ with a view of establishing a 4 percent interest rate on moratorium payments. The Foreign Office expected a decision would be made on this protocol at the recent Danubian Conference. This was impossible owing to abrupt termination of the Conference.

¹⁴ See pp. 846 ff.

¹⁵ Supplementary protocol signed at Lausanne, July 5, 1932, Great Britain, Cmd. 4206, Misc. No. 12 (1932): *Protocols respecting Suspension of Certain Inter-Governmental Debts supplementary to Protocols and Declarations signed at London, August 11 and 13, 1931, and January 21, 1932*, p. 15.

I gather that the Foreign Office here desired await decision by other powers concerned regarding protocol, possibly at Geneva, before coming to a conclusion itself.

MAYER

800.51W89 Belgium/186a : Telegram

*The Acting Secretary of State to the Chargé in Belgium (Mayer)*¹⁶

WASHINGTON, May 12, 1932—5 p. m.

18. The Treasury states again that it fears that a grave situation will arise unless Belgium and other debtor countries sign the Agreement relating to the Hoover 1-year debt suspension payment in accordance with their acceptance of the President's proposal and the law authorized by Congress. In the light of the acceptance last June by the Belgian Government of the American proposal, this is merely a formal step towards legalization of matters already agreed upon.

This question has now been before the Belgian Government over 2 months. The time is getting very short. It would appear that Brussels may continue this delay indefinitely unless the matter is brought positively and finally to their attention. The Treasury therefore states that unless it receives assurance that the necessary agreement will be signed not later than May 25 it would have no alternative than declaring the Belgian Government in default on its December payment and also demand payment on the June installment. The American people would regard failure to sign as repudiation of an agreement and it would arouse their resentment in regard to this whole question of debts. This is so important that it is desirable that you make every effort to cause the Belgian Government to realize the serious consequence of the failure to put into legal form its acceptance of the President's proposal.

The British Government has now indicated its intention of proceeding to sign.

CASTLE

800.51W89 Belgium/187 : Telegram

The Chargé in Belgium (Mayer) to the Secretary of State

BRUSSELS, May 14, 1932—1 p. m.

[Received 1 p. m.]

38. Department's 18. I brought the matter immediately to the Belgian Government's attention in the manner directed in the penultimate paragraph of the Department's telegram.

¹⁶ The same telegram, *mutatis mutandis*, May 12, to the Ambassador in Poland.

According to Mr. Van Langenhove the facts are that this question has been left by the powers concerned in the hands of the British Government as negotiator and spokesman it might be said, purpose being that the debtor countries concerned were awaiting Germany's signature to the protocol before affixing their own. A report just received from London by the Foreign Office which was read to me indicates that the Germans are now in accord except for a few unimportant modifications and I gathered the Under Secretary of State here expects the matter to be definitely arranged in a few days. Parenthetically he wished me especially to explain to you that the Belgian Government believed that the British Foreign Office speaking for the debtor countries concerned was keeping the Department *au courant* with the technical difficulties which thus far had prevented signature of the agreement, otherwise the Belgian Government would have informed us directly as regards themselves.

The Under Secretary of State gave me definitely to understand that Belgium was entirely in accord in principle and only deferring signature to the agreement from the point of view of solidarity among the debtor countries concerned; that if and when she¹⁷ signs or gives definite assurance that she will sign the Belgian Government will do likewise.

To facilitate our negotiations it is requested that the Department instruct the Embassy at London to repeat here any definitive affirmation by the British Government of signature or assurance of the same.

The Under Secretary of State promised to advise me early next week with regard to this matter. I shall not fail to follow it up with the closest attention and report progress. Repeated to London and Paris.

MAYER

800.51W89 Belgium/188: Telegram

The Chargé in Belgium (Mayer) to the Secretary of State

BRUSSELS, May 18, 1932—4 p. m.

[Received May 18—12:45 p. m.]

40. My 38, May 14, 1 p. m. Under Secretary informed me this morning that reply of Belgian Government will be somewhat delayed by Cabinet crisis (see my telegram 39, May 18, 11 a. m.¹⁸). I observed that I hoped this delay would be very short. Foreign

¹⁷ i. e., Great Britain.

¹⁸ Not printed.

Office stated that they understood Cabinet difficulty was only a question of change of certain members which would soon be accomplished.

I took this opportunity again to impress upon the Under Secretary our concern that the agreement in question should be speedily concluded.

MAYER

800.51W89 Belgium/188a : Telegram

*The Secretary of State to the Chargé in Belgium (Mayer)*¹⁹

WASHINGTON, May 23, 1932—6 p. m.

20. For the Ambassador. Please advise Belgian authorities that Italian Government has instructed its Ambassador to sign Hoover year debt postponement agreement with Treasury. British Government states that authority to British Ambassador to sign agreement is being forwarded. The danger of misunderstanding and recriminations in this country against those nations who accepted the Hoover year debt postponement but who have not as yet expressed willingness to sign the agreements putting this into legal effect increases every day.

STIMSON

800.51W89 Belgium/189 : Telegram

The Chargé in Belgium (Mayer) to the Secretary of State

BRUSSELS, May 24, 1932—6 p. m.

[Received May 24—2:32 p. m.]

42. Your 20, May 23, 6 p. m. In conversation with Under Secretary for Foreign Affairs today he expressed appreciation for the information respecting British and Italian positions and authorizes me to advise you informally that he had no doubt Belgium would associate herself with this action and instruct Ambassador May to sign agreement; that the new Cabinet organizing today (please see my telegram of today No. 41²⁰); first matter to come before it would be present question and undoubtedly Cabinet would approve signing when the Under Secretary would at once inform me officially.

MAYER

¹⁹ The same telegram, *mutatis mutandis*, May 23, to the Embassies in Poland and France.

²⁰ Not printed.

800.51W89 Belgium/190 : Telegram

The Chargé in Belgium (Mayer) to the Secretary of State

BRUSSELS, May 26, 1932—2 p. m.

[Received May 26—9:50 a. m.]

43. My 42, May 24, 6 p. m. Foreign Office has just informed me that they have telephoned Ambassador May instructions to the effect that full powers are going forward to him by mail to sign the President's 1-year debt postponement agreement.

The Foreign Office added that they are suggesting through Mr. May a slight rectification of detail as to the amount to be paid under this agreement the latter being a small saving to the Belgian Government by semi-annual rather than annual payments. The Foreign Office believes that the British Government are making the same suggestion to us.

Repeated to Paris.

MAYER

800.51W89 Belgium/199a

The Secretary of State to the Chargé in Belgium (Mayer)

No. 610

WASHINGTON, June 27, 1932.

The Secretary of State refers to previous correspondence regarding the President's Proposal of June 20, 1931, for postponement of intergovernmental debts and transmits for the information of the Chargé d'Affaires copy of the "Agreement between the Kingdom of Belgium and the United States of America, June 10, 1932".²¹

Czechoslovakia

800.51W89 Czechoslovakia/175a : Telegram

The Acting Secretary of State to the Minister in Czechoslovakia (Ratshesky)

WASHINGTON, April 23, 1932—1 p. m.

15. Treasury draft of agreement to carry out Congressional Resolution regarding debt postponement was handed to Czechoslovakian Minister some time ago. Treasury insists on necessity of quick action in view of June 15th payment date approaching. Please discuss present situation with appropriate authorities and inquire when action may be expected, reporting fully.

CASTLE

²¹ *Annual Report of the Secretary of the Treasury, 1932, pp. 298-299.*

800.51W89 Czechoslovakia/175 : Telegram

The Minister in Czechoslovakia (Ratshesky) to the Secretary of State

PRAGUE, April 25, 1932—4 p. m.
[Received April 25—12:50 p. m.]

15. Department's telegram No. 15, April 23, 1 p. m. At conference this morning with Dr. Krofta, Acting Minister of Foreign Affairs, I was informed that Dr. Beneš who is at Geneva has today designated the Czechoslovak Minister at Washington²² as the representative of Czechoslovakia to conduct the necessary negotiations. He is being advised by telegraph.

RATSHESKY

800.51W89 Czechoslovakia/177 : Telegram

The Secretary of State to the Minister in Czechoslovakia (Ratshesky)

WASHINGTON, May 24, 1932—6 p. m.

19. Your No. 15, April 25th, 4 P. M. Czechoslovak Legation in Washington reports they are still without authority to complete Hoover year debt postponement agreement. The question has now been before the Czechoslovak Government nearly 3 months. The time is getting very short. It would appear that Prague may continue delay indefinitely unless the matter is brought positively and finally to their attention. The American people would regard failure to sign as repudiation of agreement and it would arouse their resentment in regard to this whole debt question. This is so important that it is desirable that you make every effort to make the Czechoslovak Government realize the serious consequences of failure to put into legal form the acceptance of the President's proposal. Italian Ambassador²³ has been authorized to sign agreement and authorization to British Ambassador²⁴ has been forwarded. The danger of misunderstanding and recriminations against governments who have not yet expressed their willingness to sign increases each day.

STIMSON

²² Ferdinand Veverka.

²³ Nobile Giacomo de Martino.

²⁴ Sir Ronald Lindsay.

800.51W89 Czechoslovakia/178 : Telegram

The Chargé in Czechoslovakia (Hibbard) to the Secretary of State

PRAGUE, May 28, 1932—11 a. m.
[Received May 28—10:20 a. m.]

21. Department's telegram 19, May 24. I have had an interview with the Acting Minister for Foreign Affairs who informs me:

"The Czechoslovak Government is disposed in principle to sign the agreement, but for reasons of internal politics prefer to wait until other powers have agreed."

He further informed me, confidentially, that this appeared to be only a matter of a few days and that instructions would be promptly sent to the Czechoslovak Minister in Washington before the expiration of the time limit. While he did not say so, this obviously means that Czechoslovakia is waiting until France signs. When this signature has become generally known here I believe there will be no difficulty whatever in negotiating the desired agreement with this country.

HIBBARD

800.51W89 Czechoslovakia/188a

The Secretary of State to the Chargé in Czechoslovakia (Hibbard)

No. 165

WASHINGTON, June 27, 1932.

The Secretary of State refers to previous correspondence regarding the President's Proposal of June 20, 1931, for postponement of intergovernmental debts and transmits for the information of the American Chargé d'Affaires copy of the "Agreement between the Czechoslovak Republic and the United States of America, June 10, 1932".²⁵

Estonia, Latvia, and Lithuania

800.51W89 Estonia/60a : Telegram

The Secretary of State to the Chargé in Estonia (Carlson)

WASHINGTON, May 16, 1932—11 a. m.

1. Reference Department's circular telegram of February 26, 1932, repeated to you from Paris, with reference to the conclusion of agreement legalizing one year postponement of debt payments, and Department's instruction No. 3 of April 21, 1932,²⁶ transmitting

²⁵ *Annual Report of the Secretary of the Treasury*, 1932, pp. 299-300.

²⁶ Not printed.

memorandum of interview at which Acting Secretary of State handed Estonian Vice Consul draft of an agreement and informed him of Treasury's desire to have matter settled as soon as possible.

Treasury now informs Department that it desires to have agreement signed not later than May 25. Please inquire of Estonian Government as to present status of matter and if necessary instructions have not been issued, urge that action be expedited so that Estonian Vice Consul in New York may be instructed in time to sign agreement not later than May 25.

Cable briefly result of your inquiry.

STIMSON

800.51W89 Lithuania/82

The Minister in Latvia (Skinner)^{26a} to the Secretary of State

No. 361

RIGA, May 20, 1932.

[Received June 1.]

SIR: I desire to refer to the Department's Confidential Instruction No. 2, dated April 19, 1932,²⁷ addressed to me as American Minister to Lithuania, to which is annexed a memorandum of a conversation with the Lithuanian Minister in Washington²⁸ which took place on April 13th. Nothing very definite emerged in the course of this conversation beyond the well-known fact that the Lithuanian Government was having its own difficulties of a financial order. The vagueness of this conversation prompted me to make discreet and entirely informal inquiries respecting the intentions of the Kovno Government with regard to the American debt, as a result of which I learned that no budgetary provision had been made for payment of interest upon the expiration of the moratorium. It was furthermore learned that in the view of the Lithuanian Government, the normal payment due to the United States on June 15th is covered by the moratorium. I directed Mr. Stafford to pursue the inquiry, and cannot do better than to transmit his report to me:

"I had an interview today with Mr. Juozas Cerkaszkas, Chief of the Loan Division of the Lithuanian Ministry of Finance. I asked him if it were understood that the interest payable on December 15, 1932, was the only amount due during the current calendar year. He answered in the affirmative. I asked about provision for meeting this interest payment. He said no provision had been made in the first draft of the 1932 budget inasmuch as the Lithuanian

^{26a} The Minister was accredited to Estonia, Latvia, and Lithuania.

²⁷ Not printed.

²⁸ Bronius Kasimir Balutis.

Government intended to make an effort to obtain from the United States Government an agreement for postponement of the December 15th interest payment. He said the Minister of Finance had requested the Minister for Foreign Affairs²⁹ to authorize the Lithuanian Minister in Washington to proceed with this matter.

"Mr. Cerkauskas explained it was the understanding of the Lithuanian Ministry of Finance that Paragraph 9 of the loan agreement enabled the United States Secretary of the Treasury to grant postponements of interest payments. I told him I was not certain of this, although the word "consent" might be construed as conferring this authority upon the Secretary. It was my opinion, however, that any changes in an agreement which went into force only through an act of Congress could be altered only through an act of Congress unless specific provision to the contrary were included, and that other measures which included such enabling provisions did so in terms more clear than those employed in Paragraph 9. I was careful to explain to him that this was only my personal opinion and that the Minister in Washington could ascertain from our Government whether the Secretary of the Treasury had the authority to grant a postponement. I also pointed out to Mr. Cerkauskas that, according to press news, Congress probably would adjourn in June and would not convene in regular session until December, and if an act of Congress were necessary to a postponement of interest payment due December 15th, there would be little time for it.

"While the proposed budget omits any provision for payment this calendar year, Mr. Cerkauskas stated that there usually was a revision in September or October of each year and that if they did not procure our consent to a postponement of the December 15th payment some provision undoubtedly would be made in the revised draft.

"I do not have reason to believe that there is any intention of defaulting on the next payment, but that the Government is making every possible effort to maintain a balanced budget without the imposition of additional taxes. In this connection it is noted that the Lithuanian Government has just made arrangement, according to confidential information given to me, to remit to Messrs. Lee, Higginson and Company, of New York, as fiscal agents, \$120,000 due June 1, 1932, as interest on the Swedish Match Company—Krueger and Toll bonds issued to secure the \$4,000,000 lent for the use of the Lithuanian Land Bank."

In conclusion, I may remark that I gain the impression—it is merely an impression which I am unable to confirm—that the small Governments of Europe have been recommended to abstain from the resumption of payments to the United States, and from making budgetary provision for such payments by the more important Powers, the latter being always hopeful that some general arrangement will be come to amounting to an indefinite extension of the

²⁹ J. Tubelis.

moratorium. At all events I cannot find, as yet, that anyone in the Baltic States is expecting to make payments during the coming year.

Respectfully yours,

ROBERT P. SKINNER

800.51W89 Estonia/63 : Telegram

The Chargé in Estonia (Carlson) to the Secretary of State

TALLINN, May 24, 1932—4 p. m.
[Received May 24—12:45 p. m.]

1. With reference to the Department's telegram May 16, 11 a. m., Estonian Foreign Minister³⁰ gave me a memorandum at noon today with the following contents:

"Estonian Government regrets inability to authorize Vice Consul, New York to sign on May 25 agreement legalizing 1-year postponement debt payments. The Government must first investigate its ability to pay since because of the present unfavorable economic conditions it does not dare to undertake new obligations without having funds in sight with which to make payments thereof. The Minister for Foreign Affairs would appreciate prolongation of the time for the signature of the above agreement until the Government has ascertained that funds are available to make payments by order therein."

The Foreign Office informed me above investigation was under way and that the results thereof would be available in the near future.

CARLSON

800.51W89 Estonia/63 : Telegram

The Secretary of State to the Chargé in Estonia (Carlson)

WASHINGTON, May 26, 1932—6 p. m.

2. Your 1, May 24th, 4 PM. Please communicate to the Estonian Foreign Minister the following reply to his memorandum. The Estonian Government apparently misunderstands the meaning of the agreement which it is asked to sign. It does not represent a new obligation but the method of paying an old obligation postponed as to which the Estonian Government would be in default except for the proposed agreement. Payment of a substantial sum was due December 15th last and a further sum will be due June 15th next. Postponement was proposed by the President of the United States subject to Congressional approval and was authorized by Congress only upon the conditions set forth in the Congressional

³⁰ Jaan Tõnisson.

Resolution and embodied in the draft of agreement submitted to the Estonian Consul. The Estonian Government accepted the President's proposal unconditionally by its note of October 20 [30], 1931, to the American Legation.³¹

If the Estonian Government now refuses to put the terms of the postponement into legal form in accordance with the Congressional Resolution the United States Treasury will have no alternative but to demand immediate payment of the sums due in December and June and the American people will regard the failure to sign as repudiation of the Estonian Government's agreement to the President's proposal before it was submitted to Congress and before maturity date of December payment.

STIMSON

800.51W89 Estonia/65 : Telegram

The Chargé in Estonia (Carlson) to the Secretary of State

TALLINN, May 28, 1932—5 p. m.

[Received May 28—1:25 p. m.]

2. With reference to the Department's telegrams May 16, 11 a. m., and May 26, 6 p. m., Foreign Minister gave me today counter-proposal of Esthonian Government, summary of which follows:

"In view of, first, more difficult conditions in the proposed postponement legalization agreement than in the original debt funding agreement and second, because of the acute economic crisis, the Esthonian Government requests that the proposed legalization agreement be altered so that payments would be distributed over a period of 52 years, from 1933 to 1984, and that the rate of interest be reduced from 4 to 3½ percent to correspond with the terms of original debt funding agreement, as is the case with the British postponed debt repayment proposal."

Mail report follows.

CARLSON

800.51W89 Estonia/65 : Telegram

The Secretary of State to the Chargé in Estonia (Carlson)

WASHINGTON, May 31, 1932—6 p. m.

3. Your 2, May 28, 5 p. m. Please communicate to the Foreign Minister the following reply to his counter proposal:

The Joint Resolution of Congress approved December 23, 1931, authorizes agreements to be concluded for the payment over a period

³¹ Not printed; see telegram No. 48, November 4, 1931, from the Chargé in Latvia, *Foreign Relations*, 1931, vol. 1, p. 227.

of 10 years beginning July 1, 1933, of the postponed amounts with interest at the rate of 4 per centum per annum in 10 equal annuities. This is the authority under which the Secretary of the Treasury is proceeding and there can be no deviation from the terms of the Joint Resolution. The Secretary of the Treasury has no authority to authorize postponement of payments to the United States except the authority conferred by this Joint Resolution.

STIMSON

800.51W89 Estonia/74

The Minister in Latvia (Skinner) to the Secretary of State

No. 409

RIGA, June 2, 1932.

[Received June 14.]

SIR: The Department has already been informed from Tallinn that the Estonian Government, after at first proposing certain changes in the American Government proposals respecting deferred payments due to the United States, the postponing of which was authorized by the moratorium, has now realized the necessity of accepting the arrangements contemplated by Washington. No doubt the formal papers will be signed in due course. Up to this point Latvia and Estonia had apparently come to a private agreement to deal with the claims of the United States Government in an identical manner; that is to say, by submitting counter proposals in the hope of obtaining improved terms. This much has been stated in the press in both countries.

I have been in contact with the Latvian authorities regarding this matter and they now profess to comprehend the situation more accurately than they did before, and have stated that the Latvian representative in the United States will shortly receive directions to sign an undertaking in the manner prescribed by the Secretary of the Treasury.

I judge that the last vestiges of opposition to the course of action now determined upon subsided when it was learned that the British Government also had accepted the terms of the American Government, or rather, had signed the formal papers confirmatory of the unconditional acceptance of the moratorium which took place about one year ago.

Very truly yours,

ROBERT P. SKINNER

800.51W89 Estonia/75

The Minister in Latvia (Skinner) to the Secretary of State

No. 423

RIGA, June 3, 1932.

[Received June 14.]

SIR: The Department will read, no doubt, with interest, the enclosed confidential letter from our Chargé at Tallinn to myself in regard to the debt owing by the Estonian Government to the United States. On May 6th, last, I discovered that the Estonian budget for 1932/33 apparently contemplated no payments of any kind to the Government of the United States. At that time the impression was also forming itself in my mind that the various European Governments were in consultation with each other and were endeavoring to organize a united front and by this means to avoid making any payments to the United States. I asked Mr. Carlson, therefore, to "make discreet inquiries and ascertain whether the amounts normally due to the United States are included under some general heading or whether it is proposed by the Estonian Government to avoid payment altogether." In Mr. Carlson's final reply, which is now enclosed, he shows that the Estonian Government was not proposing to make payments to the United States, and at the present time is earnestly hoping to secure reconsideration of its obligations.

Respectfully yours,

ROBERT P. SKINNER

[Enclosure]

The Chargé in Estonia (Carlson) to the Minister in Latvia (Skinner)

TALLINN, May 31, 1932.

SIR: I have the honor to refer to your letter of May 6, 1932, on the subject of the budgetary preparations made by Estonia for the resumption after July 1, 1932, of normal payments upon its funded indebtedness to the United States and to the several preliminary replies which have already been sent to you in reply thereto.

During the period which has elapsed since your first letter in this matter was received, I have made a number of guarded inquiries in order to determine whether or not the Estonian budget for 1932/1933 makes any provision for the servicing of the above-mentioned loan. My questions on this subject were at first addressed to subordinate officials at the Estonian Foreign Office. It soon became clear to me that these officials did not wish to commit themselves and that the Foreign Minister himself would be the

only person from whom I might expect to receive a direct reply with regard thereto. Hence there was nothing to do but to await a favorable moment for broaching the subject to him.

My opportunity came last Saturday just after he had handed me the Estonian counter-proposal³² to our request for legalization of the one year debt postponement proposal, concerning which information has already been sent to you. For some reason or other the Foreign Minister made the delivery of the above document a very formal procedure since it took place not only in my presence but also in that of the Assistant Foreign Minister Mr. Hellat and of the Chief of the Foreign Office political bureau, Mr. Laretei. After the business of giving me the counter-proposal had been completed, I took the liberty of bringing up the question of the resumption of normal debt payments by Estonia. Foreign Minister Tönisson seemed to be willing enough to discuss the question. After he had pointed out the fact that both he and Mr. Hellat had been in the Government which had agreed to the purchase of the war supplies which forms the basis for the Estonia's funded indebtedness to the United States, he told me quite frankly that the Estonian budget for the fiscal year ending March 31, 1933, did not include provisions for the making of the payments on the above debt which are to fall due on December 15, 1932. He also said that Estonia would therefore be obliged to avail itself of the possibilities afforded by the funded debt agreement for the postponement of these payments.

The Foreign Minister was visibly agitated while making these remarks to me. He said that his Government regretted exceedingly its inability to live up to the obligations which it had taken upon itself through the acceptance of the above agreement. The situation had, however, altered materially since the date of the signing of the agreement, and he trusted that in passing upon this matter the United States would take this, as well as the following matters into consideration. He then proceeded to present what seemed to me to be a comparatively ardent plea in favor of the reduction if not the complete cancellation of Estonia's funded debt to the United States. The substance of his remarks was approximately as follows:

Estonia's obligation to the United States is based upon purchases of materials from war supplies left by the United States army of occupation in France. At the time Estonia was engaged in the fighting of a war against the bolsheviki and it had been obliged to secure supplies at any cost. There was no time for reflection or for

³² See telegram No. 2, May 28, 5 p. m., from the Chargé in Estonia, p. 599.

bargaining. It had to take supplies where it could find them and to leave the making of settlements therefor to a later date.

Estonia had been told, however, at the time, by the American agent with which negotiations had been carried on, that there was a strong possibility that the supplies would be given to it practically gratis. It was evident that the United States was not contemplating the return of the supplies to the United States and that unless purchasers were found they would eventually have to be given away.

In the second place, the war in which the supplies were used was not one which concerned Estonia alone. It was true to be sure that Estonia was fighting to maintain its recently regained independence. Nevertheless, in addition thereto, it was engaged in the still greater task of stemming the wave of bolshevism, and of placing a barrier before the onward rush of this new danger which was threatening the civilization not only to Europe but of the entire world.

Nevertheless Estonia had in 1926, entered into negotiations with the United States for the funding of the debt³³ which was brought about through the acquisition of the above supplies. On this occasion, however, it had by no means been given as favorable terms as were accorded other countries with which similar negotiations were conducted. While its total indebtedness had been reduced by 25%, it had subsequently learned that other countries had been granted reductions up to 50% and even more.

Estonia had, however, accepted the debt funding agreement and met all of its obligations thereunder as long as it had been possible for it to do so. The Hoover moratorium had been of much help to it, but, nevertheless, the Estonian Government would not, at the conclusion of the "Hoover Year," in view of the continued economic depression, be in a position to resume the servicing of its funded debt to the United States. The Foreign Minister hoped, therefore, that the United States, in judging Estonia's position on the subject of debt payments, would give thoughtful consideration to the facts which he had presented to me with respect thereto.

I assured Mr. Tönisson that I was certain that the United States appreciated the difficulties with which Estonia was now faced in the above matter, and that I would communicate his views thereon to my Chief, the American Minister at Riga, by whom they would no doubt be given the utmost consideration. At the same time I took the liberty of calling his attention to the circumstance that I had no authority of any kind to act in this matter and that I was not in a

³³ *Combined Annual Reports of the World War Foreign Debt Commission, 1922-1926* (Washington, Government Printing Office, 1927), pp. 205-217; the Agreement was signed at Washington, October 28, 1925.

position to discuss any of the questions which he had raised with regard thereto. The Foreign Minister replied that this was perfectly clear to him.

With that my conference with Foreign Minister Tönisson ended. As far as I am concerned, his remarks were of value from one point at least in that they showed quite clearly the trend of Estonian thought on the subject of debt payments to the United States.

I have [etc.]

HARRY E. CARLSON

800.51W89 Estonia/66 : Telegram

The Chargé in Estonia (Carlson) to the Secretary of State

TALLINN, June 6, 1932—6 p. m.

[Received June 6—12:15 p. m.]

4. Referring to Department's telegram of May 31, 6 p. m., the Foreign Office in a note verbale dated today informed me of the willingness of the Estonian Government to sign at Tallinn if possible the debt postponement legalization agreement in the form as submitted to Estonian Vice Consul at New York. The Foreign Office suggests however at the same time exchange of notes assuring for Estonia the benefit of any preferential treatment which the United States might give in this matter to any other country. Request instructions.

CARLSON

800.51W89 Estonia/77½

The Secretary of the Treasury (Mills) to the Acting Consul General of Estonia at New York (Kuusik), in Charge of Legation

WASHINGTON, June 7, 1932.

MY DEAR MR. KUUSIK: Cable advices received from your Government through the Department of State indicate that, even though your Government unqualifiedly accepted the President's proposal for the suspension of payments due during the fiscal year 1932 on inter-governmental debts, it is now injecting questions which have not heretofore been suggested and proposing other means of repayment which can not be accepted by the United States under the provisions of the Joint Resolution of Congress approved December 23, 1931. As you know, this resolution authorizes the Secretary of the Treasury, with the approval of the President, to enter into agreements with the Governments indebted to the United States providing for the postponement of the payments due from those Governments to

the United States during the fiscal year 1932 and for their repayment over a period of ten years beginning July 1, 1933, with interest at the rate of 4% per annum. The Department can not deviate from these terms.

In view of the fact that your Government is not taking the necessary steps to enter into the agreement as authorized by the Joint Resolution of Congress approved December 23, 1931, there is no other course of action open to this Government than to request your Government to make payment on June 15, 1932, of the sum of \$600,373.06, representing interest in the sum of \$246,990.19 and principal in the sum of \$108,012.87 due December 15, 1931, and the sum of \$245,370 representing interest due June 15, 1932.

I shall be glad if you will be good enough to request your Government to make payment on June 15, 1932, of the sum due, either to the Treasury in Washington or to the Federal Reserve Bank of New York for account of the Treasury.

I am [etc.]

OGDEN L. MILLS

800.51W89 Estonia/66 : Telegram

The Secretary of State to the Chargé in Estonia (Carlson)

WASHINGTON, June 7, 1932—6 p. m.

4. Your telegram No. 4, June 6, 6 p. m. Department is pleased to note willingness of Estonian Government to sign agreement, but it desires that the signing take place at Washington where agreements with other interested countries are being signed. Please request that full power be telegraphed to Estonian Vice Consul at New York and that it be followed by written full power.

With reference the suggestion contained in the final sentence of your telegram, you should invite the attention of the Foreign Office to the statement that you were requested to communicate to the Foreign Minister by telegraphic instruction No. 3, May 31, 6 p. m. That statement points out that there can be no deviation from the terms of the joint Resolution which constitutes the authority under which the Secretary of the Treasury is proceeding.

STIMSON

800.51W89 Lithuania/86a

The Secretary of State to the Chargé in Lithuania (Stafford)

No. 7

WASHINGTON, June 14, 1932.

The Secretary of State refers to previous correspondence regarding the President's Proposal of June 20, 1931, for postponement of

intergovernmental debts and transmits for the information of the Chargé d'Affaires copy of the "Agreement between the Republic of Lithuania and the United States of America, June 9, 1932".³⁴

800.51W89 Estonia/80a

The Secretary of State to the Chargé in Estonia (Carlson)

No. 8

WASHINGTON, June 28, 1932.

The Secretary of State refers to previous correspondence regarding the President's Proposal of June 20, 1931, for postponement of intergovernmental debts and transmits for the information of the Chargé d'Affaires copy of the "Agreement between the Republic of Estonia and the United States of America, June 11, 1932".³⁵

800.51W89 Latvia/95a

The Secretary of State to the Chargé in Latvia (Cole)

No. 72

WASHINGTON, June 28, 1932.

The Secretary of State refers to previous correspondence regarding the President's Proposal of June 20, 1931, for postponement of intergovernmental debts and transmits for the information of the Chargé d'Affaires copy of the "Agreement between the Republic of Latvia and the United States of America, June 11, 1932".³⁶

Finland

800.51W89 Finland/32

The Finnish Minister (Åström) to the Secretary of State

WASHINGTON, May 4, 1932.

SIR: With reference to our conversation yesterday relative to the third paragraph of the draft to an agreement for the postponement of payments due, under the terms of the debt-funding agreement between Finland and the United States of May 1, 1923, during the American fiscal year beginning July 1, 1931 and ending June 30, 1932, I have the honor to inform you that no Government of any foreign country is indebted to the Government of Finland in respect of war, relief, or reparation debts.

³⁴ *Annual Report of the Secretary of the Treasury*, 1932, pp. 297-298.

³⁵ *Ibid.*, pp. 303-304.

³⁶ *Ibid.*, pp. 304-305.

I should highly appreciate it if you would be good enough to bring the above information to the knowledge of the Secretary of the Treasury.

Accept [etc.]

L. ÅSTRÖM

800.51W89 Finland/32

The Acting Secretary of State to the Finnish Minister (Åström)

WASHINGTON, May 9, 1932.

SIR: I have the honor to acknowledge the receipt of your note dated May 4, 1932, stating that no government of any foreign country is indebted to the Government of Finland in respect of war, relief, or reparation debts under the terms of the debt funding agreement between Finland and the United States of May 1, 1923, during the fiscal year beginning July 1, 1931, and ending June 30, 1932.

I have transmitted a copy of your note to the Secretary of the Treasury.

Accept [etc.]

For the Acting Secretary of State
HARVEY H. BUNDY

800.51W89 Finland/40

The Secretary of State to the Minister in Finland (Brodie)

No. 90

WASHINGTON, May 31, 1932.

The Secretary of State refers to previous correspondence regarding the President's Proposal of June 20, 1931, for postponement of inter-governmental debts, and transmits for the information of the American Minister copy of the "Agreement between the Republic of Finland and the United States of America, May 23, 1932".³⁷

France

800.51W89 France/666a : Telegram

The Secretary of State to the Ambassador in France (Edge)

WASHINGTON, March 26, 1932—2 p. m.

119. Department's circular February 26th, 11 A. M. Treasury draft of agreement to carry out Congressional Resolution regarding debt postponement has been handed to French Ambassador today. Treasury anxious to expedite action. Department does not desire that you make special call on officials regarding this but in connection with other matters hopes you will find opportunity to inquire whether prompt action can be expected.

STIMSON

³⁷ *Annual Report of the Secretary of the Treasury, 1932, pp. 290-291.*

800.51W89 France/669: Telegram

The Ambassador in France (Edge) to the Secretary of State

PARIS, April 19, 1932—5 p. m.

[Received April 19—12:39 p. m.]

239. My 194, March 30, 5 p. m.³⁸ It is understood that the French Ambassador has addressed a note to the German Government asking to be advised whether or not that Government is prepared to pay interest at the rate of 4 percent on the deferred reparations obligation. French Treasury officials say that as soon as a reply has been received action will be taken by the French Government on the draft agreement of the United States Treasury.

EDGE

800.51W89 France/671: Telegram

The Ambassador in France (Edge) to the Secretary of State

PARIS, May 11, 1932—2 p. m.

[Received May 11—11:45 a. m.³⁹]

311. Your 184, May 9, 5 p. m.³⁸ I saw Flandin personally last night and urged arrangements be made immediately for putting the agreement into effect providing for the Hoover 1-year debt suspension payment in accordance with the law authorized by Congress. He assured me that France was entirely ready to sign the agreement covering the 4 percent rate of interest just as soon as he was advised by Mr. MacDonald, Chairman of the General Conference held in London following France's acceptance of the moratorium, that the same interest arrangement was acceptable to Germany. He further stated that immediately upon receipt of the information contained in your circular of February 26, 11 a. m., the French Government had referred the matter to Mr. MacDonald but to date had had no definite response. He promised to immediately get in touch with the British in regard to the matter.

Flandin takes the position that this conference accepted the decision of the experts at the meeting held in London on the question of interest and that while he thoroughly understands the action of the United States Congress set the rate at 4 percent while the experts recommended not more than 3 percent this difference could only be reconciled by an agreement of all the governmental representatives. Flandin is very positive in his view that inasmuch as the experts at

³⁸ Not printed.³⁹ Telegram in three sections.

Paris recommended that the rate of interest should not exceed 3 percent and the United States insisted upon 4 percent Germany having been the main beneficiary should accept the increased figure as both classes of debts were included in the moratorium.

The German Embassy here has received no word that its Government is prepared to agree to the 4 percent rate. If, as the Department indicates, Germany is prepared to accept this rate it would apparently settle the matter if they would officially so advise MacDonald.

You can understand that F[landin?] only temporarily holding the Treasury portfolio is not in a very receptive frame of mind to any action particularly that would give Germany an advantage. I urged him to expedite action which he promised to do and pointed out the serious consequences of the failure to put in legal form the moratorium proposal to which they had agreed. I, however, did not reveal to him the time limit suggested by the Treasury of May 25th particularly in view of his apparent readiness to authorize Claudel to sign the agreement if Great Britain arranged the matter with Germany.

EDGE

800.51W89 France/673a : Telegram

The Secretary of State to the Ambassador in France (Edge)

WASHINGTON, May 23, 1932—6 p. m.

202. Please advise French authorities that Italian Government has instructed its Ambassador to sign Hoover year debt postponement agreement with Treasury. British Government states that authority to British Ambassador to sign agreement is being forwarded. The danger of misunderstanding and recriminations in this country against those nations who accepted the Hoover year debt postponement but who have not as yet expressed willingness to sign the agreements putting this into legal effect increases every day.

STIMSON

800.51W89 France/674 : Telegram

The Ambassador in France (Edge) to the Secretary of State

PARIS, May 24, 1932—1 p. m.

[Received May 24—11:35 a. m.]

329. Department's 202, May 23, 6 p. m. Bizot of the Ministry of Finance states that the French Government has been informed of Germany's acceptance of 4 percent interest rate and states that a.

arrangement modifying the relevant clause of London agreement of August 11, 1931 in this sense has been initialed by Germany and the interested governments including France.

This official advises that the French Government is now prepared to sign agreement relating to repayment of war debts suspended but desires first to be advised of method of calculation adopted for repayment of these debts. To this end the Ministry is requesting by telegraph French Financial Attaché in New York to confer immediately with the Secretary of the Treasury by telephone.

I have impressed upon officials here the necessity and advisability of quick action.

Repeated to London, Brussels, Berlin, and Rome.

EDGE

800.51W89 France/676 : Telegram

The Ambassador in France (Edge) to the Secretary of State

PARIS, May 26, 1932—5 p. m.

[Received May 26—3:10 p. m.]

333. My 329, May 24, 1 p. m. M. Flandin has informed me that he will this afternoon tell M. Tardieu as Minister for Foreign Affairs that since the question of the interest rate on deferred payments has been settled the Ministry of Finance now approves the signing of the agreement between the United States and France but he will point out to M. Tardieu that it is his opinion that paragraph 3 of the draft of agreement as received by the Minister for Foreign Affairs from M. Claudel is unnecessary and that it would be unwise under existing circumstances for the retiring French Cabinet to accept responsibility for it. This paragraph reads as follows:

“Paragraph 3. The agreement of April 29, 1926 between France and the United States above mentioned shall remain in all respects in full force and effect except so far as expressly modified by this agreement”.

Great pains were taken to explain to M. Flandin that the clause under reference implied no new obligation; that such a provision was customary in any such contract of extension of payment; that the French Government's failure to approve such a provision might easily be misconstrued in the United States regarding future French debt payments. It is further pointed out to Flandin that he had personally promised me that as soon as the interest rate on deferred payments was adjusted he would recommend signature without further delay; that he well knew that it was urgent that the agreement

be signed immediately; that the text of the agreement as drafted by the United States Treasury Department had been in the hands of the French authorities since March 29th if not earlier; and that the introduction of this objection at such a late date was most difficult to understand. Flandin said that the text of the agreement had not been drawn to his attention until a day or so ago and gave the elections as the excuse for the point not having previously received his Government's attention.

The questions regarding the method of calculation of the suspended war debt payments and the necessity of the German Railway Company's approval of the 4 percent interest rate threatened to delay the matter for another 10 days but Flandin has agreed to waive these two points and to communicate his decision today to the Foreign Office.

EDGE

800.51W89 France/676 : Telegram

The Secretary of State to the Ambassador in France (Edge)

WASHINGTON, May 27, 1932—4 p. m.

205. Your 333 May 26th, 6 [5] P. M. The terms of paragraph 3 are included in all Hoover year debt postponement agreements. For this reason Treasury can not consent to omission, nor does this Government understand any good reason for omission in agreement with France. This creates no new obligation. It is now absolutely vital to know without further delay whether French Government will authorize representative to sign agreement at once. Treasury states that it has accepted the London Conference actuarial method of computing annuities.

STIMSON

800.51W89 France/678 : Telegram

The Acting Secretary of State to the Ambassador in France (Edge)

WASHINGTON, May 28, 1932—3 p. m.

209. Your 337, May 27, 11 P. M.⁴¹ Department does not need to again advise you or the French Government of the position which the United States Treasury takes in relation to the French delay in completing the formal requirements of the Hoover year debt suspension.

With the approach of the debt maturity date of June 15 the status of the postponement agreements will become a matter of increasing

⁴¹ Not printed.

public interest in the United States with large possibility of misunderstanding and of harmful comment regarding governments which have not signed agreements legalizing debt postponement. There will be little time for M. Tardieu's successor to consider and act on the matter before that maturity date. Please see Tardieu, urge on him the importance of facilitating in every way his successor's understanding of the matter and inquire whether he has any objection to your immediately taking it up confidentially and informally with M. Herriot in order that the conclusion of negotiations may be expedited and a serious contretemps may be avoided.

CASTLE

800.51W89 France/679 : Telegram

The Ambassador in France (Edge) to the Secretary of State

PARIS, May 28, 1932—8 p. m.

[Received May 28—6:09 p. m.]

339. My number 337, May 27, 11 a. m. [*p. m.*]⁴² By appointment I called on Monsieur Tardieu this afternoon. I expressed keen disappointment at his determination as expressed in his letter last night to pass on to his successor the responsibility of dealing with the proposed debt suspension agreement. I outlined to him the assurance Monsieur Flandin had given and that my Government felt very strongly that after the British and German understanding there should be no question of executing the agreement without delay. I reminded him that Monsieur Flandin had assured me after the Cabinet has resigned that France would sign the agreement when satisfactory assurances had been received from Mr. MacDonald which in the meantime had been supplied. Monsieur Tardieu expressed regret that we should take the view I expressed and stated unequivocally that when the agreement had first been presented to him only 3 days ago it was his intention to sign it. However it was necessary as always in cases of this character that the proposal be submitted to the legal advisers of the Foreign Office and two out of three had reported to him that the agreement was of a nature requiring Parliamentary ratification. Upon reflection he himself had reached the same conclusion and therefore [it?] could not be considered routine business. Under the conditions he had definitely announced when he tendered the resignation of his Cabinet he felt he was disqualified from signing. He further intimated the embarrassment he would have in submitting an agreement to a new

⁴² Not printed.

Parliament when he had lost his majority and could not understand what difference 1 or 2 weeks would make to [the?] plan.

I emphasized the unfortunate effect on American public opinion which would naturally follow publication of the fact that Great Britain, Italy, Belgium and other countries had found no objection to the agreement while France was introducing difficulties whatever their nature. He seemed to be impressed with the situation presented and stated that while he could not sign the agreement as he had clearly set forth in his letter to me a copy of which he advised me had been sent to Claudel he would nevertheless in order to demonstrate his desire to be helpful see his successor the moment the new Cabinet was formed which he assumed would be as early as June 5th and urge him to conclude the agreement. He knew that I was sailing on Wednesday and promised me that this would be the first matter he would submit to his successor's attention. He expressed confidence that it would be disposed of promptly and even suggested that he would radio the *Paris* before it reaches New York on June 7 advising that Claudel had been authorized to sign.

I am repeating this detailed conversation in order to make clear that I really feel that Tardieu sincerely desires to have the matter disposed of as requested by the Treasury and the Department but of course there is no doubt that if criticism is to follow which is envisaged by newspaper comment he prefers to wish it on his successful political opponent.

EDGE

800.51W39 France/682: Telegram

The Secretary of State to the Chargé in France (Armour)

WASHINGTON, June 7, 1932—noon.

213. British and Italian [representatives?] signed Hoover year debt postponement agreement Saturday.⁴³ Treasury feels that it must within a very short time request French payment due June 15th unless French agreement can be completed at once.

Department assumes you are pressing this matter in every feasible manner. Please report by wire.

STIMSON

⁴³ June 4.

800.51W89 France/683 : Telegram

The Chargé in France (Armour) to the Secretary of State

PARIS, June 8, 1932—2 p. m.

[Received June 8—11:30 a. m.]

365. Department's telegram No. 213, June 7, noon. Although I had already called at the Foreign Office on Monday⁴⁴ for the express purpose of again stressing the importance of obtaining the French signature to the Hoover year debt postponement at the earliest possible date, upon receipt of your telegram I called at the Foreign Office again this morning and urged that the matter be pressed in every feasible manner. I was assured that everything possible was being done and that both the Finance Minister and Herriot himself expected the necessary authorization to be telegraphed to Claudel before Saturday.

I understand that Herriot is planning to be in Geneva on Monday June 13 and that Germain Martin, the Minister of Finance, will be leaving early next week for the Lausanne Conference. In view of this I feel that there is every reason to believe that we shall have a definite decision by Saturday. However, I shall continue to keep in close touch with the Minister for Foreign Affairs and Finance Ministry here and keep the Department fully informed.

ARMOUR

800.51W89 France/695a

The Secretary of State to the Chargé in France (Armour)

No. 1180

WASHINGTON, June 27, 1932.

The Secretary of State refers to previous correspondence regarding the President's Proposal of June 20, 1931, for postponement of inter-governmental debts and transmits for the information of the Chargé d'Affaires copy of the "Agreement between the French Republic and the United States of America, June 10, 1932".⁴⁵

Germany

462.00R296/5549 : Telegram

The Ambassador in Germany (Sackett) to the Secretary of State

BERLIN, March 19, 1932—3 p. m.

[Received March 19—1:18 p. m.]

60. With reference to the Department's circular February 26, 11 a. m., Dr. Dieckhoff of the Foreign Office handed me the following *aide-mémoire* to consider:

⁴⁴ June 6.

⁴⁵ *Annual Report of the Secretary of the Treasury, 1932*, pp. 301-302.

"The German budgetary and *devisen* situation has become so much worse since President Hoover's statement of June 20, 1931, and the London Experts Conference of August 1931, that it is difficult for the German Government at the present moment to come to new agreements concerning the payment of Government obligations. It is not only difficult to make promises as to future payments without having a general survey of the total German payments to foreign countries actually to be made and actually possible, but it has even become doubtful whether the commitments vis-à-vis the European creditors entered into last year in connection with the Hoover year can be met. The German Government hopes that the international negotiations of the next few months will result in the necessary clarity, enabling it to make more positive statement in respect of the individual problems. Naturally it continues to be the endeavor of the German Government to satisfy the just claims of the United States as far as possible, but in view of the appeals of individual European creditor powers which have already been made and are to be expected, the German Government believes that the present moment is not favorable for an early settlement of this question and therefore regards it as expedient in the general interest that the question of the payment of the interest due at the end of this month be postponed for the moment without prejudice to the mutual legal position."

Dieckhoff added orally that it was not merely the question of the payment of interest but rather the complications which could be expected from other countries which would contend that such a payment was a breach of the Hoover moratorium. He therefore believed postponement highly desirable. He insisted that the German point of view had not changed since the attempted negotiations at the London Conference.

SACKETT

462.00R296/5549 : Telegram

The Secretary of State to the Ambassador in Germany (Sackett)

WASHINGTON, March 23, 1932—6 p. m.

31. Your 60, March 18 [19], 3 p. m. The Department has carefully discussed the German *Aide-Mémoire* with the Treasury. You are instructed to secure an immediate interview with the Chancellor and put before him the following considerations. The Department is presenting the same views in the form of an *Aide-Mémoire* to the German Ambassador here.

1. There are two separate problems involved in Germany's obligations to the United States. The first is with respect to the payment for costs of Army of occupation and the second with respect to the Mixed Claims Awards. These will be considered separately.

2. With respect to the army of occupation payments the proposal of the President which has been already accepted by Germany and the other nations contemplated the inclusion of the German obligations as an intergovernmental debt under the terms of the debt suspension as agreed upon in London. Pending the execution of the required agreement Germany took advantage of her power to postpone under the Treasury Agreement of 1930,⁴⁶ but in so far as the Army costs were concerned, it was definitely understood that this was a temporary measure. In fairness to all the nations which have accepted the Hoover plan, Germany should now carry out the technical requirements to legalize an understanding specifically agreed to last Summer. The execution of such an agreement will immediately eliminate the alternative necessity of any interest payment on the suspended Army cost annuity. The signature to an agreement by Germany regularizing the postponement of the Army costs annuity in accordance with the Hoover proposal will merely put the United States in the same position as the creditor signatories of the London protocol of August 11, 1931.⁴⁷

2. [*sic*] The second problem has to do with the postponed annuity in discharge of the Mixed Claims awards. These have not been treated as intergovernmental debts within the terms of the Hoover plan. This was clearly understood at the London Conference. In respect to these also Germany has invoked its rights under the 1930 Treasury Agreement to suspend the annuity due. The Treasury has absolutely no power to suspend payment of interest due March 31st on the postponed amount. This interest, therefore, must be paid or Germany will be in definite default. In this connection the United States Government wishes to recall that in Paragraph No. 4 of said agreement the American Government agreed to accept "the full faith and credit of Germany as the only security and guaranty for the fulfillment of Germany's obligations hereunder".

The interest due is an extremely small sum. There is no way in which the Treasury can grant postponement. The amount involved is so small that the German Government could pay it without arousing comment or creating a troublesome situation.

3. In connection with the first problem stated above unless Germany regularizes the suspension of payment on army costs under the general debt suspension proposal the Treasury will also have to insist upon the interest payment that would fall due at the end

⁴⁶ See *Foreign Relations, 1930*, vol. III, pp. 106 ff.

⁴⁷ Great Britain, Cmd. 3947, Misc. No. 19 (1931): *Report of International Committee of Experts Respecting Suspension of Certain Inter-Governmental Debts*, p. 9.

of this month on the suspended army costs annuity. But this payment would be subject to criticism as has been suggested in the German *Aide-Mémoire*, because it was contemplated that the army costs annuity would be included in the Hoover plan. The same criticism would not apply to actual payment of interest on the deferred annuity of the Mixed Claim Awards.

4. To summarize, if the German Government declines the suggested agreement covering army costs within the Hoover proposal, it will repudiate its acceptance already given to that proposal. If Germany declines to make the interest payment in respect of the postponed Mixed Claims annuity it will be in default on the Treasury Agreement of June 23, 1930.

5. By its present insistence, the American Government in no way seeks to establish any novel claim of priority for payments due to the American Government as compared with other obligations that the German Government owes. The reason for treating mixed claims under the Treasury Agreement and therefore requiring the March 31st interest payment is not any assertion of priority for these annuities, but arises out of the fact that they are not ordinary intergovernmental payments.

6. If the German Government should now refuse to take the formal action proposed by the American Government, and necessary to give effect to the arrangements to which Germany consented last summer, the American people and Congress would interpret this evasion harshly and bitterly. It would be construed as a breach of faith and as a striking lack of appreciation for the American initiative of last June. Such an act of repudiation toward the United States on the part of the prime European beneficiary of the President's initiative of June 20, 1931, would have a most serious effect upon any possibility of American cooperation in future European emergencies. Fairly or unfairly, the onus of American criticism and disappointment in connection with the debt settlements would be projected against Germany for taking toward the United States the first step in repudiation.

7. The preceding considerations involve grave matters of general policy which the German Government should most carefully consider. In addition, its attention must be called to the fact that should it now not meet its obligations under the Treasury Agreement such course of action might unfavorably affect future payments to German nationals on mixed claims and alien property accounts. In this connection it should be remembered that even during the moratorium year the American Government has made substantial payments to German nationals on mixed claims account.

This fact would make non-payment of the interest due March 31st more damaging from the point of view of American public opinion, while it would serve to answer any possible objections to the payment of interest which might be raised from the point of view of the other creditors of Germany.

8. The American Government, therefore, formally asks the German Government to take the necessary steps to sign the necessary agreement dealing with army costs and to pay the March 31st interest installment on postponed mixed claims in accordance with its formal undertaking under date of June 23, 1930.

STIMSON

462.00R296/5562 : Telegram

The Ambassador in Germany (Sackett) to the Secretary of State

BERLIN, March 24, 1932—7 p. m.

[Received March 24—4 p. m.]

62. From Wiley. After a consultation by telephone with the Ambassador, who is in Wiesbaden, I presented memorandum in accordance with your 31, March 23, 6 p. m., to Ministerial Director Dieckhoff both the Chancellor and Staatssekretaer Buelow being absent from Berlin.

I informed Dieckhoff that Department had directed the Ambassador to request an immediate interview with the Chancellor in order to make these representations personally to him. I asked Dieckhoff to acquaint his Government with this as showing the urgency and importance attached by the American Government to a prompt and favorable decision on the part of the German Government. Though most of the competent officials of the Government are away for the Easter holidays Dieckhoff is now conferring with Schaeffer Staatssekretaer for Finance and assures me that a reply will be prepared in good time. [Wiley.]

SACKETT

462.00R296/5571 : Telegram

The Ambassador in Germany (Sackett) to the Secretary of State

BERLIN, March 30, 1932—6 p.m.

[Received March 30—2:35 p. m.]

66. Your No. 31 of March 23rd. Foreign Office states that Germany will pay tomorrow the interest installment former postponed mixed claims but that great importance is attached to protracting

negotiations dealing with army costs in order to avoid further commitments of principle or precedent in respect of intergovernmental debts prior to general reparations conference. The question also has important domestic political implications particularly at this moment. It would be most convenient to the German Government if formula could be found for postponement of these negotiations.

SACKETT

462.00R296/5592 : Telegram

*The Acting Secretary of State to the Ambassador in Germany
(Sackett)*

WASHINGTON, April 5, 1932—2 p. m.

36. Department's 32, March 25, 5 p. m.⁴⁸ The German Ambassador,⁴⁹ in a conversation with Mr. Castle on March 31, stated that the German Government, in spite of the message given to you, was prepared to go ahead immediately in discussions with the Treasury Department as to the agreement and to sign very promptly. At the same time the German Ambassador left a communication of which the following is the text:

"The German Government is willing to make an agreement with the Government of the United States according to the principles laid down in the proposal submitted by the Treasury of the United States with a reservation analogous to that made by the German Government with regard to the report of the International Committee of Experts, signed at London on August 11, 1931.

The German Government further declares its willingness to expedite the conclusion of the said agreement, and will send counter-proposals with regard to a few details as soon as possible after a speedy examination of the draft submitted."

The method of making this reservation has not been settled. The Treasury would not be willing to sign if the reservation were included in the agreement. The Ambassador said he understood this and did not think his Government had any such intentions.

CASTLE

462.00R296/5645a : Telegram

*The Acting Secretary of State to the Ambassador in Germany
(Sackett)*

WASHINGTON, May 11, 1932—6 p. m.

50. French and Italian Governments (which have payments due the United States June 15) appear to be holding off signing agree-

⁴⁸ Not printed.

⁴⁹ Friedrich W. von Prittwitz und Gaffron.

ment with the United States regularizing the Hoover year debt postponement pending notification by Germany that it will agree to 4 percent instead of 3 percent interest rate in its postponement agreement with them. Please inquire as to attitude of German authorities toward this matter. Any failure of France or Italy to legalize debt postponement resulting in a declaration of default against them which they would blame on Germany's failure to cooperate would have most unfortunate effect involving the entire situation in mutual recrimination and confusion.

CASTLE

462.00R296/5646 : Telegram

The Ambassador in Germany (Sackett) to the Secretary of State

BERLIN, May 12, 1932—3 p. m.

[Received May 12—10:40 a. m.]

95. Your 50, May 11, 6 p. m. Have seen Ministerial Director Ritter. Based on promising outlook of negotiations in Washington as today reported by German Ambassador, I have reason to believe favorable solution can be expected here. In spite of holidays matter will be submitted to Cabinet for decision after Reichstag adjournment which is expected today and I hope to report definitely early next week.

SACKETT

462.00R296/5646 : Telegram

The Acting Secretary of State to the Ambassador in Germany (Sackett)

WASHINGTON, May 12, 1932—5 p. m.

52. Department's 50, May 11, and your 95, May 12, 3 p. m. The Department is not certain from your No. 95 whether "favorable solution" which you mention means solution of the interest rate question in the refunding agreement to be signed between Germany and ourselves, or whether you mean that the German authorities have indicated their willingness to also inform France, Italy and the other reparation creditors that Germany will agree to 4 per cent in place of 3 per cent as now written into the London Agreements. The latter has become important because as stated in our No. 50 the French and Italian Governments are both deferring signature of the refunding agreement with the United States until necessary assurances have been received from Germany on that point.

In the event that the German statement to you did not deal with the question just outlined, please immediately discuss the matter with them.

CASTLE

462.00R296/5652 : Telegram

The Ambassador in Germany (Sackett) to the Secretary of State

BERLIN, May 18, 1932—noon.

[Received May 18—11 a. m.]

98. Your 50, May 11, 6 p. m., and 52, May 12, 5 p. m. Following is the full text in the Embassy translation of the self-explanatory *aide-mémoire* of May 17 handed me by Ritter:

“Referring to the *aide-mémoire* of the Embassy of the United States of America of May 12, 1932, the Foreign Office has the honor to reply as follows:

1. In article 3 of the protocol of the London Conference of Experts of August 11, 1931, for the purpose of giving effect to the Hoover plan the following was agreed upon between Germany and the reparation creditor countries ‘the amounts thus suspended shall unless otherwise agreed be repaid as from the 1st of July 1933 together with interest at 3 percent from the said date by 10 equal annuities of 117,831,000 reichsmarks’.

An alteration of the rate of interest of 3 percent thus presupposes a new different agreement between Germany and the reparation creditor countries. When sometime ago a demand was made to Germany by certain of the reparation creditor countries to enter into negotiations concerning such a different agreement in case Germany should increase the rate of interest from 3 percent to 4 rate of interest in respect of the United States of America the German Government did not refuse such negotiations. Drafts of the text of such an agreement have already been exchanged between England and Germany. The negotiations in this matter are still pending. Of late none of the reparation creditor countries, in particular neither France nor Italy, has indicated the wish that these negotiations be particularly accelerated. If under these circumstances any one of the nations involved were to make the reproach that Germany on her part had failed to cooperate such a reproach would therefore not be justified.

2. Agreement existed between the negotiators of Germany and the reparation creditor countries at the time of the drafting of the above-quoted regulation of article 3 of the London protocol that occasion for the alteration of the rate of interest of 3 percent is only given when Germany concedes another rate of interest to some other country. So far this has not happened. At present it is true that negotiations are in progress between the United States of America and Germany concerning the fixing of an interest rate of 4 percent. As in these negotiations only a minor question of tech-

nical calculation is still open it can be expected with the greatest probability that the negotiations will shortly lead to complete agreement. At the present moment, however, such an agreement between the United States and Germany which constitutes the premise for an alteration of the interest rate of 3 percent between Germany and the reparation creditor countries is not yet in existence. For this reason as well the above mentioned reproach against Germany would not be justified.

3. In accordance with the agreements of the London Conference the German Government declares its willingness in principle, as soon as the agreements between the United States and Germany mentioned in paragraph 2 have come about, to increase the rate of interest, vis-à-vis France and Italy also from 3 percent to 4 percent on the same basis as will then apply to the relations between the United States and Germany."

Ritter states that Krosigk of Finance Ministry went to Geneva on the 16th and will inform the financial experts Great Britain, France and Italy, in the sense of paragraph 3.

Ritter explains that if the foregoing *aide-mémoire* should become public in Germany, as it seemingly commits Germany to an increase in the burden of reparations by raising the interest rate, it might at this juncture seriously compromise position of Government. He, therefore, requests that it be treated as strictly confidential. A similar request is being made of other countries concerned. I gained the impression from Ritter's remarks that this interest rate matter as far as the French and Italians were concerned has been entirely dormant.

Copies by air mail to Paris, London and Rome.

SACKETT

462.00R294/818

Memorandum by the Under Secretary of State (Castle)

[WASHINGTON,] May 26, 1932.

The German Ambassador left in my hands the attached note,⁵⁰ which is the reservation that Germany makes in signing the agreement with the Treasury that it may not be possible, on account of German finances, to pay anything in the future. The Ambassador told me that he was on his way to the Treasury to sign. He said that the wording of this note is practically the same as the wording of the London protocol, but that he thought it better not in any way to refer to that protocol since we are not a party to it.

W. R. CASTLE, JR.

⁵⁰ *Infra.*

462.00R294/817

The German Ambassador (Von Prittwitz) to the Secretary of State

[Translation]

St. D. A. 11

WASHINGTON, May 26, 1932.

MR. SECRETARY OF STATE: Under instructions from my Government, I have the honor to transmit to Your Excellency the following statement referring to the agreement on delayed payment of the payments for costs of occupation which fell due on September 30, 1931, and March 31, 1932, which is to be signed today:⁵¹

In view of the change for the worse in the economic situation in Germany since the initiative of the President of the United States in June of last year, the German Government desires to emphasize that in making this agreement as to the delayed payment of the costs of occupation it expresses no opinion as to whether Germany can actually fulfill the obligations named therein or similar obligations adjusted elsewhere.

I take this opportunity [etc.]

VON PRITTWITZ

Great Britain

800.51W89 Great Britain/292: Telegram

The Secretary of State to the Ambassador in Great Britain (Mellon)

WASHINGTON, March 26, 1932—2 p. m.

98. Department's circular February 26th, 11 A. M. Treasury draft of agreement to carry out Congressional Resolution regarding debt postponement has been handed to British Ambassador⁵² today. Treasury anxious to expedite action. Department does not desire that you make special call on officials regarding this but in connection with other matters hopes you will find opportunity to inquire whether prompt action can be expected.

STIMSON

800.51W89 Great Britain/293: Telegram

The Chargé in Great Britain (Atherton) to the Secretary of State

LONDON, March 29, 1932—7 p. m.

[Received March 29—3:15 p. m.]

122. Upon informal inquiry of Treasury official (Department's 98, December [March] 26, 2 p. m.) I was informed that with the

⁵¹ *Annual Report of the Secretary of the Treasury, 1932, pp. 292-293.*

⁵² Sir Ronald Lindsay.

postponement of the Lausanne Conference until June, Treasury had delayed advisedly designating a representative and it was added informally "should it not appear discourteous to the United States Government, Treasury negotiations would be considerably aided if further delay might be permitted until after Lausanne Conference."

ATHERTON

800.51W89 Great Britain/296a : Telegram

*The Acting Secretary of State to the Ambassador in Great Britain
(Mellon)*

WASHINGTON, April 30, 1932—2 p. m.

133. From Ogden Mills. Fear very serious situation will arise unless Great Britain and other debtor countries sign agreement relating to Hoover 1-year debt suspension payment in accordance with their acceptance of the President's proposal and the law authorized by Congress. The time is getting very short. Unless we can have prompt assurance that agreements will be signed not later than May 20th Treasury will be obliged to declare them in default on their December payments and demand payment of June installments. American people will regard failure to sign as repudiation of an agreement entered into for benefit of Europe and as an unforgivable breach of faith. I am wiring you personally as I think this is so important that you ought to make every effort to make the British Government realize the serious consequences of their failure to live up to their acceptance of the President's proposal. Best regards. [Mills.]

CASTLE

800.51W89 Great Britain/288 : Telegram

The Ambassador in Great Britain (Mellon) to the Secretary of State

LONDON, May 3, 1932—6 p. m.

[Received May 3—1:45 p. m.]

161. With reference to my telegram 155, April 29, noon,⁵³ I have received the following note from Vansittart today. Kindly give copy to Ogden Mills.

"It is the intention of His Majesty's Government in the United Kingdom to designate His Majesty's Ambassador in Washington to confer with the United States Government with a view to signature of the proposed agreement. We hope to be in a position to send Sir Ronald Lindsay the necessary instructions at an early date."

MELLON

⁵³ Not printed.

800.51W89 Great Britain/300: Telegram

The Ambassador in Great Britain (Mellon) to the Secretary of State

LONDON, May 14, 1932—1 p. m.

[Received May 14—8:09 a. m.]

172. For Secretary Mills. Foreign Office asks significance of date May 20th mentioned in your telegram 133, April 30, 2 p. m., to me.

MELLON

800.51W89 Great Britain/302: Telegram

The Secretary of State to the Ambassador in Great Britain (Mellon)

WASHINGTON, May 16, 1932—4 p. m.

144. From Secretary Mills. "May 20th is about the date for sending notice that payment is due June 15th and hence was fixed as date by which Treasury should know whether agreement is signed or payment must be requested. The exact date is not so important, but it is imperative that agreement be signed this month and that we be informed at once the reasons for delay. Understand that other countries are waiting on England and have informed us that the matter has been left by the powers concerned in the hands of the British Government as negotiator and spokesman. May I repeat we consider this most important".

STIMSON

800.51W89 Great Britain/317a

The Secretary of State to the Ambassador in Great Britain (Mellon)

No. 74

WASHINGTON, June 10, 1932.

The Secretary of State refers to previous correspondence regarding the President's Proposal of June 20, 1931, for postponement of intergovernmental debts and transmits for the information of the American Ambassador copy of the "Agreement between the Government of the United Kingdom and the United States of America, June 4, 1932".⁵⁴

⁵⁴ *Annual Report of the Secretary of the Treasury*, 1932, pp. 296-297.

Greece

800.51W89 Greece/88: Telegram

The Chargé in Greece (Morris) to the Secretary of State

ATHENS, March 15, 1932—11 a.m.

[Received March 15—7:58 a.m.]

12. Department's circular February 26, 11 a.m. Minister of Foreign Affairs advises that Simopoulos, Greek Minister at Washington, has been authorized to conduct negotiation.

MORRIS

800.51W89 Greece/100

The Greek Minister (Simopoulos) to the Acting Secretary of State

WASHINGTON, May 12, 1932.

The Minister of Greece presents his compliments to His Excellency the Acting Secretary of State and, referring to his note of May 4, 1932,⁵⁵ and to his conversations with officials of the Department of State and Treasury Department, has the honor to inform him that it is understood that if, after the signature by Greece of the agreement concerning the postponement of payments due during the fiscal year of 1932 and their repayment over a 10 year period, more favorable terms should have been granted to other governments, included in the Joint Resolution of Congress approved December 23, 1931, these should be extended also to the Greek Government.

800.51W89 Greece/108

*The Secretary of the Treasury (Mills) to the Greek Minister (Simopoulos)*⁵⁶

WASHINGTON, May 18, 1932.

MY DEAR MR. MINISTER: The Department of State has referred to me your note, dated May 12, 1932, expressing your understanding that if, after signature by Greece of the agreement concerning the postponement of payments due during the fiscal year 1932, more favorable terms should be extended to other governments included in the Joint Resolution of Congress approved December 23, 1931, such terms will also be extended to the Greek Government.

The Joint Resolution of Congress approved December 23, 1931, authorizes agreements to be concluded with our foreign debtors for

⁵⁵ Not printed.⁵⁶ Copy transmitted to the Department by the Under Secretary of the Treasury, May 24.

the payment over a period of ten years beginning July 1, 1933, of the amounts postponed during the fiscal year 1932, with interest at the rate of four per centum per annum, in ten equal annuities. This is the authority under which the Treasury Department is proceeding and there can be no deviation from the terms of the Joint Resolution.

I am [etc.]

OGDEN L. MILLS

800.51W89 Greece/112

The Secretary of State to the Chargé in Greece (Morris)

No. 893

WASHINGTON, May 31, 1932.

The Secretary of State refers to previous correspondence regarding the President's Proposal of June 20, 1931, for postponement of intergovernmental debts, and transmits for the information of the American Chargé d'Affaires copy of the "Agreement between the Hellenic Republic and the United States of America, May 24, 1932".⁵⁷

Hungary

800.51W89 Hungary/78

The Hungarian Minister (Széchenyi) to the Secretary of State

243/Res

WASHINGTON, May 17, 1932.

SIR: I have the honor to refer to my note of May 12th, 1932, No. 227/Res,⁵⁸ advising you that my Government has authorized me to sign, on its behalf, the agreement concerning the suspension of the payments due to the Government of the United States from the Royal Hungarian Government during the fiscal year 1932.

Upon instructions from the Royal Hungarian Foreign Office, I have the honor to bring to your attention the following:

Paragraph I of the above agreement provides that the amount, payment of which is postponed thereby, is payable with interest thereon at the rate of four per centum per annum in ten equal semi-annual instalments beginning with the fiscal year 1933-34.

When my Government had this agreement under consideration, it felt that the interest rate of four per centum was too high and that a fair and equitable rate would be three per centum per annum. With regard to the payment of the semi-annual instalments, my Government, in view of the adverse economic conditions prevailing in Hungary, has found it would be more desirable to commence

⁵⁷ *Annual Report of the Secretary of the Treasury, 1932*, pp. 291-292.

⁵⁸ Not printed.

these semi-annual payments with the fiscal year 1935-36, since an appreciable improvement in conditions can hardly be expected in the fiscal year 1933-34.

The Royal Hungarian Government contemplated initiating negotiations with the Government of the United States with a view to altering the terms of the agreement in the sense outlined above. It has reconsidered taking such steps and has decided to sign the agreement in the form as stipulated by the United States Treasury. The Royal Hungarian Government expects, however, that should the Government of the United States at any time grant to another debtor nation more favorable terms for the repayment of the amount postponed under the so-called moratorium, the same terms and benefits will be extended to it also.

I would greatly appreciate the favor of an early reply in order that I may advise my Government accordingly.

Accept [etc.]

SZÉCHÉNYI

800.51W89 Hungary/84

The Secretary of State to the Hungarian Minister (Széchenyi)

WASHINGTON, June 3, 1932.

SIR: I have the honor to refer to your note No. 243/Res, dated May 17, 1932, in which, upon instructions from the Royal Hungarian Foreign Office, you stated that while the Royal Hungarian Government had decided to sign the postponement agreement regarding payments during the fiscal year 1932, it expected that should the Government of the United States at any time grant to another debtor nation more favorable terms for the repayment of the amount postponed under the so-called moratorium, the same terms and benefits will be extended to the Royal Hungarian Government also.

I have brought your note under reference to the attention of the Secretary of the Treasury, who is authorized by the Joint Resolution of Congress, approved December 23, 1931, to make, with the approval of the President, debt postponement agreements on the terms and conditions set forth in that Resolution. The Secretary of the Treasury has replied in the following terms:

"The Joint Resolution of Congress approved December 23, 1931, authorizes agreements to be concluded with our foreign debtors for the payment over a period of ten years beginning July 1, 1933, of the amounts postponed during the fiscal year 1932, with interest at the rate of four per centum per annum, in ten equal annuities.

This is the authority under which the Treasury Department is proceeding and there can be no deviation from the terms of the Joint Resolution."

Accept [etc.]

For the Secretary of State
HARVEY H. BUNDY

800.51W89 Hungary/84

The Secretary of State to the Minister in Hungary (Roosevelt)

No. 98

WASHINGTON, June 6, 1932.

The Secretary of State refers to previous correspondence regarding the President's Proposal of June 20, 1931, for postponement of intergovernmental debts and transmits for the information of the American Minister copy of the "Agreement between the Kingdom of Hungary and the United States of America, May 27, 1932".⁵⁹

Italy

800.51W89 Italy/170 : Telegram

The Secretary of State to the Ambassador in Italy (Garrett)

WASHINGTON, March 26, 1932—2 p. m.

25. Department's circular February 26th, 11 A.M. Treasury draft of agreement to carry out Congressional Resolution regarding debt postponement has been handed to Italian Ambassador today. Treasury anxious to expedite action. Department does not desire that you make special call on officials regarding this but in connection with other matters hopes you will find opportunity to inquire whether prompt action can be expected.

STIMSON

800.51W89 Italy/176 : Telegram

The Ambassador in Italy (Garrett) to the Secretary of State

ROME, March 31, 1932—6 p. m.

[Received March 31—2:25 p. m.]

29. Department's telegram No. 25, March 26, 2 p. m. I understand from informal conversations with Foreign Office officials that Italian Government is now consulting other governments regarding matters relating to debt postponement and that action on the part of the Italian Government in connection with the Treasury draft agreement to carry out Congressional Resolution may be expected shortly.

GARRETT

⁵⁹ *Annual Report of the Secretary of the Treasury, 1932, p. 294.*

800.51W89 Italy/191a

The Secretary of State to the Ambassador in Italy (Garrett)

No. 652

WASHINGTON, June 14, 1932.

The Secretary of State refers to previous correspondence regarding the President's Proposal of June 20, 1931, for postponement of intergovernmental debts and transmits for the information of the American Ambassador copy of the "Agreement between the Kingdom of Italy and the United States of America, June 3, 1932".⁶⁰

Poland

800.51W89 Poland/60a : Telegram

The Acting Secretary of State to the Ambassador in Poland (Willys)

WASHINGTON, April 23, 1932—1 p. m.

16. Treasury draft of agreement to carry out Congressional Resolution regarding debt postponement was handed to Polish Ambassador⁶¹ some time ago. Treasury insists on necessity of quick action in view of June 15th payment date approaching. Please discuss present situation with appropriate authorities and inquire when action may be expected, reporting fully.

CASTLE

800.51W89 Poland/62

The Chargé in Poland (Flack) to the Secretary of State

No. 1481

WARSAW, April 26, 1932.

[Received May 10.]

Subject: Poland's action in regard to the debt postponement agreement.

SIR: With reference to the Department's cablegram No. 16 of April 23, 1 P. M., on the above subject, I have the honor to report that immediately following the receipt thereof on April 25 I called at the Foreign Office and in the absence of M. Lipski, Chief of the Western Division, saw M. Orłowski, Chief of the Anglo-American Section, which handles American affairs. He said he had personally handled the matter at the Foreign Office and that following the delivery of the note the Polish Ambassador had cabled its pertinent parts from

⁶⁰ *Annual Report of the Secretary of the Treasury*, 1932, pp. 295-296.

⁶¹ Tytus Filipowicz.

Washington. The Polish Ministry of Finance had been unwilling to make a decision until the full text of the note was at hand. The full text was received on Saturday, April 23, and immediately transmitted to the Finance Ministry with the recommendation of the Foreign Office that it be agreed to. However, in the absence of Vice Minister Koc and M. Nowak, Chief of the Section of the Movement of Funds in the Finance Ministry, who had gone to Paris earlier last week, no one was left in the Ministry competent to pass on the matter and no decision concerning the reply could be forthcoming until their return this week. I informed M. Orłowski that the Treasury Department desired quick action as the date of the next payment was June 15 and asked him to advise the competent authorities. I inquired again today by telephone whether there was any prospect of an answer as to when a reply would be forthcoming and he informed me that he had communicated what I said to him yesterday to the Finance Ministry and it had been reiterated that nothing could be decided until the return from Paris of Messrs. Koc and Nowak and that he would keep me informed of developments.

During my conversation with M. Orłowski, he remarked in passing that he did not know what the ideas of the Finance Ministry were, but if Greece and Austria failed to continue to make payments this might be a bad example leading to a landslide of failure to pay.

It is well known that Poland has been endeavoring to obtain either a private or state guaranteed loan in France in lieu of the delayed Franco-Polish Railway Company funds, the flotation of a bond issue for which market conditions in France have temporarily rendered impractical. The success or failure of Vice Minister Koc in Paris may very greatly color his decision concerning a reply to the note from the State Department.

It is a matter of common conversation in diplomatic circles in Warsaw that reduced revenues and feeble sources of taxation are rapidly bringing about a serious fiscal situation for Poland. These matters have been reported in detail by the Embassy in previous and current despatches. The budget, as already reported, has been enacted with a deficit of 74,000,000 Zlotys, in the hope of an extension of the Hoover Moratorium. Should this Moratorium not be extended it is not improbable that Poland may urge its difficult fiscal and economic situation as reasons for not continuing payment, unless a foreign loan is forthcoming in the future to temporarily offset these unfavorable factors.

Upon the receipt of a reply to the Department's instruction, it will be transmitted promptly.

Respectfully yours,

JOSEPH FLACK

800.51W89 Poland/66

The Chargé in Poland (Flack) to the Secretary of State

No. 1508

WARSAW, May 10, 1932.

[Received May 20.]

Sir: With reference to the Department's cabled instruction No. 16 of April 23, 1 p. m. and to the Embassy's despatch No. 1481 of April 26, 1932, I have the honor to report that I was able today to secure an official expression of views on the existing situation of the debt settlement agreement with Poland proposed by the Treasury Department.

I was informed by the Foreign Office that Vice-Minister Koc resumed his duties in the Finance Ministry yesterday and that in response to inquiries by the Foreign Office he had stated today that there were certain points in the suggested agreement which required close study by the Finance Ministry. The two points mentioned were: (1), the 4% interest rate mentioned in the agreement, which does not correspond with the 3% provided for in the agreement reached at the London Conference, and (2), the Polish agreement with the United States of 1924⁶² which enables Poland to purchase United States Bonds on the open market and to effect payment of its debt with these, whereas in the suggested agreement, funds comprised in the Hoover Moratorium can only be paid in gold. I was told that these points required further intensive study by the Finance Ministry and that a date could not be fixed when action on the agreement would be taken and that it would probably be necessary to obtain further information from Washington.

In private conversation with the foreign office official who is handling this matter, I was told informally that there was little prospect of Poland taking any action on the agreement until after the Lausanne Conference, which would decide many important matters. While Poland has no very great direct interest in reparations, it is forced through general pressure of European policy to conform to the action of other European Powers. The opinion was expressed that none of the European Powers would sign such an agreement until after the Lausanne Conference. Should any European Powers sign the debt postponement agreement suggested, it was intimated that this might have a favorable effect on Polish action. In case other European Powers do sign the agreement prior to the Lausanne Conference, the Embassy would then be in a position to point this out to the Foreign Office as a reason for expediting Polish action.

I inquired whether it might be useful to seek a direct interview with Vice-Minister of Finance Koc and was informed that while the

⁶² *Combined Annual Reports of the World War Foreign Debt Commission, 1922-1926*, p. 156.

Foreign Office had no objection to this, my question would undoubtedly be referred back by the Finance Ministry to the Foreign Office, for reply. Therefore, in the absence of specific instructions, I shall not seek an interview with M. Koc on this subject.

Respectfully yours,

JOSEPH FLACK

800.51W89 Poland/66a: Telegram

The Secretary of State to the Ambassador in Poland (Willys)

WASHINGTON, May 23, 1932—6 p. m.

21. Please advise Polish authorities that Italian Government has instructed its Ambassador to sign Hoover year debt postponement agreement with Treasury. British Government states that authority to British Ambassador to sign agreement is being forwarded. The danger of misunderstanding and recriminations in this country against those nations who accepted the Hoover year debt postponement but who have not as yet expressed willingness to sign the agreements putting this into legal effect increases every day.

STIMSON

800.51W89 Poland/67: Telegram

The Ambassador in Poland (Willys) to the Secretary of State

WARSAW, May 24, 1932—2 p. m.

[Received 7: 12 p. m.]

28. Department's telegram 20 [21?]. Shortly before receipt of Department's cable the Foreign Office advised that full powers were cabled last evening to Polish Ambassador to negotiate and sign agreement if such action consonant with attitude of other powers signatory to London protocol. Understand the number of powers to determine decision was not specified but have the impression that Polish action depends largely upon the action of France and powers likely to follow French attitude.

WILLYS

800.51W89 Poland/78a

The Secretary of State to the Chargé in Poland (Flack)

No. 333

WASHINGTON, June 28, 1932.

The Secretary of State refers to previous correspondence regarding the President's Proposal of June 20, 1931, for postponement of inter-

governmental debts and transmits for the information of the American Chargé d'Affaires copy of the "Agreement between the Republic of Poland and the United States of America, June 10, 1932".⁶³

Rumania

800.51W89 Rumania/148a

The Secretary of State to the Minister in Rumania (Wilson)

No. 248

WASHINGTON, June 28, 1932.

The Secretary of State refers to previous correspondence regarding the President's Proposal of June 20, 1931, for postponement of intergovernmental debts and transmits for the information of the American Minister copy of the "Agreement between the Kingdom of Rumania and the United States of America, June 11, 1932".⁶⁴

Yugoslavia

800.51W89 Yugoslavia/142

The Minister in Yugoslavia (Prince) to the Secretary of State

No. 1286

BELGRADE, March 18, 1932.

[Received April 2.]

Sir: I have the honor to refer to my despatch No. 1275, dated March 1, 1932, and to my telegram No. 5, of to-day's date,⁶⁵ and to inform the Department that I have received to-day a formal reply from Assistant Foreign Minister Fotich to my communication dated February 29th⁶⁵ embodying the information contained in the Department's telegraphic Circular dated February 26, 11 A. M. A copy and translation of this reply, as well as a copy of my communication to the Foreign Office, are enclosed.

While the Yugoslav Government has designated its Minister in Washington, Dr. Pitamic, as its representative for conference with the Secretary of the Treasury with the view of concluding the agreements authorized by Public Resolution No. 5 of the Seventy-second Congress, it will be seen from the reply that the Yugoslav position⁶⁶ in rejecting the original debt recess plan is reiterated, and that in engaging in the proposed negotiations this Government does so without assuming any of the obligations that would have resulted from an acceptance of the plan.

Respectfully yours,

JOHN DYNELEY PRINCE

⁶³ *Annual Report of the Secretary of the Treasury, 1932*, pp. 302-303.

⁶⁴ *Ibid.*, pp. 305-306.

⁶⁵ Neither printed.

⁶⁶ See *Foreign Relations, 1931*, vol. 1, pp. 230 ff.

800.51W89 Yugoslavia/145

The Yugoslav Legation to the Department of State

AIDE MÉMOIRE

The Royal Yugoslav Government was not able to accept the proposal of a one year moratorium on inter-governmental debts, inasmuch as this proposal did not, either in its original or its final form, take into consideration the special conditions of Yugoslavia. In general, neither of the interested Powers wanted even to negotiate with the Yugoslav Government on this question.

Not accepting the moratorium proposal the Yugoslav Government had, of course, the intention to continue the regular payment of the annuities in due terms to the United States of America, to Great Britain and to France. In the meantime, however, the proposal of the President of the United States of America has been put into effect for Yugoslavia equally, without the consent of its Government. The Yugoslav Government protested against such inequitable proceedings to the Bank of International Payments but, so far, has not got satisfaction.

Maintaining its legal viewpoint, which, in its opinion, is the only correct one, namely that international obligations cannot be cancelled by a unilateral act and that, in consequence, the proceeding by which a moratorium was given, without the consent of the Yugoslav Government, to Germany also with respect to Yugoslavia, is not equitable, the Yugoslav Government wishes to state that this moratorium has, in fact, been put into effect also relative to Yugoslavia, and that by the will and the decision of the Powers which are her creditors for war debts. Whereas Yugoslavia is not legally bound in this matter, the creditor Powers, which proposed, concluded and put into effect this moratorium without the consent of the Yugoslav Government, are bound even legally, and consequently, cannot expect Yugoslavia to pay them the sums due this year, unless it would be recognised that this moratorium is not valid in so far as Yugoslavia is concerned and unless they give orders accordingly to the Bank of International Payments. In that case the Yugoslav Government would at once and without delay pay the bond which is due this year.

In December of last year the same communication was made to the Royal Government of Great Britain.

WASHINGTON, May 31, 1932.

II. THE LAUSANNE CONFERENCE, JUNE 16-JULY 9, 1932

462.00R296A1/1

*The Secretary of State to the French Ambassador (Claudel)*AIDE-MÉMOIRE⁶⁸

[WASHINGTON,] December 29, 1931.

The calling of the Conference of the Governments to be held on January 18th and the rumors which have been current concerning whether we would participate or not in such conference, make it seem advisable for me to have this talk with the Ambassador and to make clear our position again, although I assume that from our conference last October M. Laval fully understands the situation.⁶⁹

At the time of M. Laval's discussions with President Hoover we pointed out that any question of Germany's capacity to pay reparations at the close of this year's suspension on July 1st next must be brought up and determined by the governments which participate in those reparations. The United States do not participate and would not enter that question. This was pointed out in the Joint Communiqué⁷⁰ which provided that the initiative in this matter must be taken by the European Powers.

The meeting of the experts which has just taken place at Basle⁷¹ and the meeting of the governments which is now called for January 18th to act upon the experts' report together constitute this step above mentioned of determining what shall be done in respect to reparations. And pursuant to our policy of the past ten years and the position which Mr. Hoover took in October, we shall not participate in the conference.

The attitude shown at the meeting of the American Congress in December simply confirms Mr. Hoover's foresight in insisting upon this procedure and indicates that this is the only possible route by which the people of this country could ever come to understand the necessity of any further help in Europe. Only after the extent of Germany's capacity or incapacity to pay has been fairly determined and the manner and extent in which the resulting sacrifice will be

⁶⁸ Handed to the French Chargé, Pierre Henry de la Blanchetai. Copies were also sent to the British, German, and Italian Embassies; and to the American Embassies in Belgium, France, Germany, Great Britain, and Italy.

⁶⁹ For correspondence relating to the visit of Pierre Laval to the United States in October 1931, see *Foreign Relations, 1931*, vol. II, pp. 237 ff.

⁷⁰ Issued by President Hoover and Prime Minister Laval, October 25, 1931, *ibid.*, p. 252.

⁷¹ Meeting of the Young Plan Advisory Committee December 8-23, 1931; see *ibid.*, vol. I, pp. 332 ff.; for text of experts' report, see Great Britain, Cmd. 3995, Germany No. 1 (1932): *Report of the Special Advisory Committee convened under the Agreement with Germany concluded at The Hague on January 30, 1930.*

borne by the nations who are entitled to receive reparations is also determined, would it be possible to bring such a question before the people of this country with anything but a certainty of failure. Then and only then could it be proposed that the situation of each of the nations which have obligations to the United States be examined individually in the light of the present temporary depression and the then existing international situation both as regards themselves and as regards the United States.

The historic attitude of this country in keeping the question of the debts owed to it by the Allied nations entirely separate from the reparations owed by Germany is not based upon caprice or selfishness. Having at the close of the war relinquished to its Allies all claims to any participation in war reparations, whether in territory or money, this country was unwilling thereafter to permit itself to be drawn into a situation which would inevitably result in it being represented as the recipient of such reparations. Under these circumstances it is only natural that any method of relief to Germany which on its face would show the American taxpayers to be paying German reparations would have no possibility of acceptance here.

462.00R296A1/12 : Telegram

The Minister in Switzerland (Wilson) to the Secretary of State

BERNE, January 5, 1932—2 p. m.

[Received January 5—10:50 a. m.]

4. Yesterday the British Minister⁷² accompanied Sir Maurice Hankey, Secretary General of the coming Reparations Conference, on a visit to President Motta in the course of which it was arranged the Reparations Conference should be held at Lausanne either January 18th or 20th, the decision subject to formal acquiescence by the Federal Council. The request has been supported by notes from all six interested Governments. The British Minister states that it is probable that MacDonald, Neville Chamberlain, Simon and perhaps Runciman will be present.

Baldwin has consulted me as to his attitude regarding this Conference. I have advised him in view of the Department's attitude insofar as it is ascertainable in the press to take no initiative to obtain information regarding the Conference but in the event that without such initiative information comes to him which he regards as valuable to consult me regarding the matter.

Please instruct if this advice should be modified.

WILSON

⁷² Sir Horace William Kennard.

462.00R296A1/17 : Telegram

The Ambassador in Germany (Sackett) to the Secretary of State

BERLIN, January 7, 1932—4 p. m.

[Received 5:11 p. m.⁷³]

5. The uncertainty and confusion in French, German and English official circles as to some definite program to be advanced at the forthcoming Lausanne Conference was emphasized at several informal and unofficial conversations Edge and I participated in or rather listened to during the last 2 days at my house. Ambassador and Mrs. Edge have been visiting us for the purpose of attending a diplomatic dinner given for the French Ambassador and Madame Poncet on Tuesday. After dinner the French Ambassador exhibited much gloom over what he alleged to be the insistence of Germany that the Lausanne Conference should adopt a conclusive understanding that no further reparation payments be required of Germany and expressed himself as fearful of the failure of the Conference on account of such insistence.

However, he had a further conference with Dr. Bruening Wednesday morning. A little later on Wednesday at a stag luncheon to which I had invited several diplomats, German ministers and Mr. Wiggin, 12 in all, Chancellor Bruening stated to Edge and myself that the French Ambassador with, as Bruening understood it, the approval of the British (although Bruening expected to talk further with the British Ambassador on Friday) definitely proposed that on the convening of the Lausanne Conference an extension of the Hoover moratorium⁷⁴ for a period of 6 months should be immediately arranged, that the French Ambassador had indicated to him that the elections in France the 17th of April would make any official adjustment of reparations before that time practically impossible. The purpose of the 6 months' extension, the Chancellor said, was to enable the Conference to adjourn until after the French elections and reconvene late in May affording opportunity then to go into the question unembarrassed by elections considerations and secure, if possible, a surcease of reparations payments. He indicated that a conference at that time would probably last some weeks as the questions would be difficult. It appeared to me, although it was not very clearly stated, that if such a 6 months' moratorium extension were agreed upon that the United States would be approached to permit the Hoover moratorium as to war debts to be extended for a like period. Edge and I, of course, expressed no opinion be-

⁷³ Telegram in two sections.

⁷⁴ See *Foreign Relations*, 1931, vol. I, pp. 1 ff.

yond the consistent statement that every one was familiar with the action recently taken by Congress in connection with the ratification of the existing moratorium and that we awaited Europe's handling and development of its problems at the proposed Conference. It was mentioned that the Prussian elections also—which are among the most important in Germany—occur in May and this possibly may considerably influence the Chancellor as to compliance with the foregoing suggestion. We mentioned, as was of course well known, that the United States would be engaged in national elections from June until November and domestic interests would be centered there.

The whole situation seems to be an admission that neither France nor Great Britain is prepared at the present time for a final showdown. Any device for gaining time will be eagerly availed of by the former and will not be opposed by the latter. Germany as a matter of expediency will acquiesce.

Mr. Wiggin said to Edge and me that in general his committee had about agreed to a prolongation of the Standstill Agreement⁷⁵ for 1 year without providing any partial payments on the private debts during the period such as was contained in the present Standstill Agreement but with a side understanding with the Germans that if the Lausanne Conference required of Germany any payments on public debts during that period, the Standstill Agreement would either be ended by mutual consent or a new arrangement effected.

He explained the many difficulties being encountered due to the varying conditions in the different countries. He said the Germans had made many concessions such as that the collateral held by German creditors would be shared with less adequately secured foreign creditors of the same German debtor. An important difficulty still pending was Wiggin's demand that solvent debtors desiring to make payment be permitted under the new agreement to pay in reichsmarks. As it will not be possible to transfer such reichsmarks out of Germany, Wiggin is trying to arrange that the German Government create a new corporation to which such reichsmarks can be paid as a deposit to the creditor's account and which deposit account the Government will then guarantee. These deposits thus guaranteed could either be loaned to the Reichsbank so that the liquidity of German financial institutions will be curtailed or be subject to creditor's withdrawal for investment in German real estate, stocks, bonds, et cetera. He evidently wishes to establish by this method opportunity for creditors to convert perhaps dubious paper into guaranteed deposits, better paper or property if oppor-

⁷⁵ See *Foreign Relations*, 1931, vol. 1, pp. 323-356 *passim*.

tunity offers. Wiggin instanced cases of failure of Germany to observe the present Standstill Agreement citing a recent 50 percent payment on the 15 million Bavarian loan instead of the permitted 10 percent which transaction the Reichsbank explained as resulting from an extraordinary communication from the Bankers Trust Company. Wiggin stated his committee was proceeding as if political debts did not exist but had great difficulty in keeping the English from raising the priority question in view of Mr. Baldwin's recent statement on that subject which called forth Laval's reply.

Copy to Paris.

SACKETT

462.00R296A1/12 : Telegram

The Secretary of State to the Minister in Switzerland (Wilson)

WASHINGTON, January 8, 1932—3 p.m.

5. Your 4, January 5, 2 p.m. Your advice to Baldwin is approved. Please make it very clear to him that as we are to have no observer at this conference he is not in any way to allow it to appear that he is seeking or is anxious to obtain information, nor is he to allow anyone at the Lausanne Conference to put him in the position of being a medium of communication between the conference and this Government. If any question of approaching this Government formally or informally should arise he is to refer the matter to you and keep out of it himself.

STIMSON

462.00R296A1/41

Memorandum by the Secretary of State

[WASHINGTON,] January 11, 1932.

The German Ambassador⁷⁶ came in to explain the situation which has arisen in reference to Chancellor Bruening's recent statement. He said there had been misunderstandings in the press which led to false impressions; that in the first place he did not understand how Dr. Bruening's views had come out at all and they seemed to have come out as given to Great Britain, whereas as a matter of fact Dr. Bruening had spoken to the representatives of all of the different countries; and in the next place his statement was not a repudiation but a mere statement on his part of what he thought was the real meaning of the Basle report of the experts. The Am-

⁷⁶ Friedrich W. von Prittwitz und Gaffron.

bassador said Dr. Bruening's view, based on this report, was that doing away altogether with reparations was the best line of conduct in the interest of everybody—not only Germany, but the others; that he thought a temporary postponement was not satisfactory because the revival of business which would take place under such circumstances could at best be only temporary and the shadow of the renewal of the payments would constantly hang over them; and furthermore that he did not like the suggestion of new bonds being issued by the German railways.

The Ambassador told me of course I was to understand that Dr. Bruening did not mention the allied debts at all but was speaking only of the reparations to be paid by Germany and the situation which that created, and from the political standpoint he thought no German government could promise now to take up the payments of reparations again.

The Ambassador said that so far as the Lausanne meeting was concerned, Dr. Bruening's suggestion that it should be interrupted and adjourned until after the French elections was only made as a compromise or alternative policy—the method he most preferred was to go ahead now and finish up as rapidly as possible.

I broke in to remind the Ambassador that the Basle report in itself had not excluded the promise of ultimate German recovery; that there was language in it which indicated that the present situation was abnormal, and that in normal times Germany could resume payments. The Ambassador agreed that that was so, but said that the language of the report seemed to be only an expression of a hope and everybody had to agree that the calculations made by the Young Plan⁷⁷ had proved fallacious.

I replied that that was true, but that we must agree it would be just as wrong to regard the situation in the present depression as normal and permanent in one direction as it was wrong to regard the situation in May, 1929, as normal and permanent in the other direction. The Ambassador agreed.

I asked about M. Flandin's statement to the effect that there should be no Lausanne Conference at all. The Ambassador replied that he thought this was based on a misunderstanding by Flandin; that at the time when he said this he did not realize what Bruening had actually said and had not waited to hear François-Poncet's report. The Ambassador said that in summary what Dr. Bruening wants is a definite solution and thinks that is the best solution.

I replied that he could hardly expect to achieve a solution by

⁷⁷ See *Foreign Relations, 1929*, vol. II, pp. 1025–1083; Great Britain, Cmd. 3343 (1929): *Report of the Committee of Experts on Reparations*.

which Germany escaped all reparation payments hereafter. I called attention to the situation in Germany and asked if it was not a fact that German industry had escaped a large part of its domestic indebtedness in the crash of the mark in 1924. I said that if Germany now escaped reparations would not that really leave Germany and German industry in a rather unduly favorable condition as to all other nations. The Ambassador admitted that he had heard this argument. He said we must not forget that German industry was not altogether free from debt because they had made these short term obligations. I said I realized that they had had to borrow their capital on rather more difficult terms than if they had had better credit and borrowed it on long term bonds, but that was rather a small matter in comparison with their escape from the earlier domestic indebtedness.

As he had evidently completed what he had come to see me about, I reverted to the general situation and asked him whether he had received the *aide-mémoire* which I sent him on December 29th of the talk I had had with Claudel. He said he had. I pointed out that while the situation was very difficult people were mistaken in saying that there had been any change in the attitude of this Administration; that we stood in exactly the same position as we had in October with M. Laval, and it was entirely wrong to indicate that the situation was like the one which confronted President Wilson in 1919. Furthermore, I pointed out, that Congress in its rider to the debt moratorium bill had not excluded a possible suspension of debt payments, but only cancellation or reduction, and furthermore that even this statement made in the early weeks of the sessions of a new Congress might possibly be subject to modification afterwards, although it undoubtedly was a very difficult position.

I said that this government now was devoting its primary attention to strengthening its defenses at home with its domestic legislative program; that it had found not only from the attitude of its own Congress but from the divergent and discordant feelings of the different countries abroad that it was very likely that a successful defense against foreign disaster might be too slow in organizing to be successful and therefore we had adopted the method for the present of concentrating our primary attention on our home legislation, but we had not abandoned our intention to work as intelligently and in as conciliatory a way as possible for the amelioration of the world situation. I said that it was going to be a very difficult winter for everybody and I was trying to inculcate in all

matters where I had any influence the extreme importance of restraint and conciliation, because it was a time when the economic situation would require those qualities.

H[ENRY] L. S[TIMSON]

462.00R296A1/83

The Ambassador in Germany (Sackett) to the Secretary of State

No. 1397

BERLIN, January 12, 1932.

[Received January 23.]

SIR: Confirming telegrams Nos. 5 of January 7, 4 p.m., 7 of January 9, 11 a.m., 8 of January 9, 7 p.m. and 10 of January 12, 4 p.m.,⁷⁸ I have the honor to transmit herewith copy of a memorandum⁷⁹ giving the substance of a conversation on January 8 between Ministerialdirektor Dr. Ritter, of the Foreign Office, and a member of the Embassy staff. In the aforesaid conversation, Dr. Ritter outlined the plans, activities and policy of the German Government in respect of reparations and gave his views on the present economic situation of the Reich. A second memorandum, which gives the substance of a conversation of January 9, with Ministerialdirektor Dr. Dieckhoff, is also enclosed.⁷⁹ During the course of the interview with Dr. Dieckhoff, the member of the Embassy staff was permitted to read the *précis* of the conversation which had taken place at noon on January 8 between Dr. Brüning and Sir Horace Rumbold, the British Ambassador. The substance of the *précis* is reported in the aforesaid memorandum. As a final enclosure, there is transmitted herewith, in copy and translation, the text of the Chancellor's communiqué⁷⁹ given out on the evening of January 9 by Wolff's Telegraphisches Bureau.

The substance of these accompaniments to this despatch has already been reported to the Department. In conversation this morning with the Chancellor, he confirmed to me the fact that they present a complete and accurate picture of the present situation in so far as Germany is concerned.

It seems clear that the domestic-political situation and German policy towards reparations had developed and presumably will continue to develop along parallel lines; the one is ancillary to the other. The general line of German reparation policy, as now formulated, is based on the conclusions of the so-called Basle Report, and may be summarized briefly as follows: Insistence 1) that since the

⁷⁸ Nos. 7, 8, and 10 not printed.

⁷⁹ Not printed.

economic basis on which the Young Plan was drafted no longer exists, the Plan itself must be put aside; 2) that economic conditions in the Reich do not allow of any payments on reparation account for any foreseeable time; 3) that the economic rehabilitation of the world requires the cessation of political payments by Germany, i.e., the complete cancellation of reparations, and 4) that a lump sum agreement in final settlement of reparations is not at this time acceptable to Germany. In respect of the qualification of the last statement, it may be significant that it does not definitely close the door to the future possibility of a global settlement.

German expectations regarding the course of developments seem pretty clearly to be as follows: The Conference at Lausanne will serve as the stage for an immediate German move for entire cancellation of reparations. There is presumably no real hope entertained that a positive result can be achieved at this time; German efforts will be largely tactical and made with eyes fixed also on the domestic-political situation. The first objective will presumably be to achieve the actual or theoretical demise of the Young Plan. To this end determined efforts may be expected to arrange for the existing moratorium to be converted on July 1st into a *provisorium*. The German thesis is that a moratorium implies an interim which constructively continues the status of the past while a *provisorium* carries the implication of an interim between two entirely different situations and thus would not constitute an acknowledgment of the Young Plan for the future. Germany clearly desires that the conference should speedily adjourn and reconvene only after the French and Prussian elections, and hopes are entertained that the results of the French elections may favor a final settlement of the reparation problem along lines more satisfactory to Germany than is at present feasible. It will be observed in enclosure 1, that Dr. Ritter does not anticipate that the reparations' slate can be washed clean before the end of the present year or the beginning of 1933. It may be assumed that he reflects the viewpoint of the Government in the premises and that it is a hopeful augury against precipitous action by the German Government.

The major problem in the field of domestic politics which confronts the Government is, of course, the obvious one of maintaining itself in power in the face of almost overwhelming Opposition strength. This task is approached on the basis that Hitler, the leader of the National Opposition, will not attempt or even desire to enter or take over the Government while negotiations for a final reparations settlement are still pending. Indeed, the Government foresees that by side-stepping a prolonged moratorium or other

provisional settlement, which could be interpreted by the National Opposition as acceptance by implication of continued or future German liability under the Young Plan, its life may be prolonged until the final settlement is actually effected. If this proves to be the case, the nature of the settlement, when made, and the economic conditions obtaining at that time, will presumably shape subsequent domestic-political developments.

It is argued abroad that the present reparation policy of Germany is one of "blackmail" of its debtors; that these are faced with 1) the constant threat of a political crisis in Germany from which would evolve a new government committed to outright repudiation of political payments and revision of the Treaty of Versailles; and 2) the menace that Germany at any given moment may declare a complete moratorium on all foreign debt payments, with disastrous consequences for important banks abroad.

In analyzing the foregoing objectively, the following conclusions may be drawn: 1) the German Government doubtless feels morally free to use the various factors of the existing situation in the German national interests. Germany argues that the commitments in respect of reparations were accepted under pressure and clearly believes that they can be thrown off only by recourse likewise to pressure. 2) If the Brüning Government accepts liability for future reparation payments under the Young Plan, irrespective of how far such payments are scaled down, the National Opposition seems actually ready to precipitate the "threatened" crisis and to repudiate reparation payments. It is moreover allegedly willing to accept all consequences. 3) The precedent for the declaration of a moratorium on foreign debt payments has already been set elsewhere. The possibility of Germany's having recourse to this drastic measure has undoubtedly been conducive to British cooperation with Germany, from motives of self-interest, to the end of moderating French reparations policy.

The chief line of argumentation—in addition to that of existing economic considerations—which Germany may be expected to emphasize in order to justify her moral claim to the entire cancellation of reparation payments, will be that total French costs of actual reconstruction have already been exceeded by German reparation payments and deliveries in kind in favor of France. The German arguments will form the subject of a separate despatch.

Economically the Government is clearly willing to sacrifice the advantage of immediate economic relief in the greater interest of a postponed but final settlement. The German Government, however, is convinced that the present critical situation of Germany's

major industries, in the light of altered circumstances in the home market and adverse changes in the export field, makes a favorable solution imperative. The Chancellor informed me today, in respect of the textile, iron and steel, and coal industries and the returns of the State railways, that five or ten years must elapse before any appreciable improvement can be expected; that the question of accepting any further charges on the Reichsbahn was out of the question.

The domestic-political situation has been previously reported at such length to the Department that it requires no further elaboration at this time. It must, however, be appreciated abroad that the advent of National-Socialism in the government would, with its irresponsible and radical Left wing, be fraught with grave dangers for the subsequent political trend in Germany. It may be assumed that Dr. Brüning, from his categorical statements, has now decided that a conjunction of the domestic-political situation, the acute crisis in Germany as well as the world depression in general, make it imperative for him to stand or fall on the issue of a definitive and favorable settlement of reparations. I do not believe that he will yield his place to Hitler or compromise with the National Opposition as a tactical maneuver in order to chasten the French point of view; he will, I am sure, resolutely endeavor to maintain his position until he has played his last card.

Dr. Brüning's assurance to the British Ambassador (*vide* enclosure 2) that the German case would not be stated at Lausanne in such a way as to injure French feelings is significant. It may be expected that he will keep the discussions on a plane of argumentation; not of repudiation. Danger of French recourse to The Hague is therefore not to be foreseen as yet. In the present sharp crystalization of German reparations policy, the attitude of France is of particular interest. The first reflections of this attitude are not too gratifying to Germany. Political pressure will undoubtedly be exercised on the Chancellor in connection with the prolongation of the B.I.S.⁵¹ credit of \$25,000,000. Moreover, the German Government has begun to experience a series of lesser difficulties with France in the economic field.

The developments of the general situation will be closely followed and promptly reported to the Department.

Respectfully yours,

FREDERIC M. SACKETT

⁵¹ Bank for International Settlements.

462.00R296A1/57 : Telegram

The Ambassador in France (Edge) to the Secretary of State

PARIS, January 16, 1932—5 p.m.

[Received 6:30 p.m.⁸²]

41. Laval telephoned the Embassy at noon today requesting that I call upon him at the Ministry of the Interior. Accompanied by the Counsellor of Embassy I met Laval at 12:30 remaining in conference with him for an hour. During the course of the conference Flandin joined us.

Laval opened the conversation by stating that he had been in conference with the British and German Ambassadors on the question of Germany's financial difficulties and wanted to present to me the situation as he saw it. He stated that he was expected to go before Parliament Tuesday next⁸³ at which time he wanted to be in a position to suggest that France agree to an extension of the Hoover moratorium for a year from July 1, 1932, convinced that because of intervening elections and general political and financial unrest at the end of another year the nations involved would be much better able to reach final determinations but he could not do so unless assured that the United States would agree and wished to know whether I could obtain such assurances.

I immediately responded to this opening suggestion by asking him if he was familiar with the *aide-mémoire* dated December 29 (Department's telegram 1, January 1 [2], 1932⁸⁴) which has been handed Claudel in Washington. He responded that he knew of it but that he was not entirely familiar with its contents at the same time making a memorandum to send for it. I then briefly reviewed its contents asserting that his question was practically answered by the terms of the *aide-mémoire*, that the United States had made it perfectly clear that until France and the other countries interested in German reparations had reached an arrangement among themselves there was really nothing that the United States could do about it. Laval said that the matter had come up in the following manner:

Tyrrell had come to him with this proposal: (1), that Germany should be given a further moratorium of 1 year, and (2), that during this period an international conference should be called at which a definite and final arrangement should be reached regarding reparations. Laval had replied that the French Government could

⁸² Telegram in five sections; repeated to the American Embassies in Belgium, Germany, Great Britain, and Italy.

⁸³ January 19.

⁸⁴ See footnote 68, p. 636.

not agree to point (1) unless the idea were to prolong the present Hoover moratorium for a period of 1 year from date of expiration because of its treatment of the unconditional reparations, et cetera, and that the French could not finally agree to the prolongation of this moratorium unless it had the previous approval of the United States. With regard to point (2) Laval had said that France could not agree to such a conference along the lines indicated by the British which undoubtedly meant the scrapping of the Young Plan until such a proposal had been presented for approval to the French people which could be done at the coming French elections.

While again emphasizing our position I asked him for information whether the British Government had indicated that they were willing to join France in such a moratorium with the condition as stated therein by Laval, namely, that France should not be committed to such a general conference as suggested by Great Britain. He said that he would have to see Tyrrell again on this point but in the meantime wished to ascertain our Government's view on the moratorium.

I then suggested that even if the United States were in a position to extend the moratorium which he must understand they were not, especially after the recent action of Congress in ratifying the existing moratorium, he could give no assurance that Great Britain would join without this qualification. He admitted this to be correct.

He never during the conversation indicated the position of German[y] on the proposal further than to intimate that he felt because of the German elections and conditions there that they would be quite agreeable to having the Lausanne Conference recessed until perhaps June.

I assured the Prime Minister that I would at once transmit his message to my Government but in concluding the conversation again emphasized that in view of the *aide-mémoire* and the recent action of Congress his proposal was to say the least very difficult. During the interview he referred to his conversations with President Hoover and in answer to questions admitted that there was nothing in those conversations that gave him any positive assurance as to the future action of the United States but that he was hopeful that in view of the original moratorium having been the suggestion of the President and in view of the present unrest and especially of approaching elections, that an extension of the moratorium might be brought about.

He, however, expressed the view that the President had indicated his further interest if he, Laval, on his return could make headway with his negotiations and Laval felt the extension of the moratorium necessary to try to bring this about. I drew attention to the clear evidence of the President's interest as demonstrated by his proposal to Congress that the War Debt Commission be revived which, however, had been denied by Congress. Both Laval and Flandin expressed their appreciation of this action.

It was plainly evident that the Franco-British conversations have been inconclusive. Laval admitted that he had not wished to turn down completely the British proposal if there were any chance of our agreeing to the moratorium as he did feel that it would give them all a breathing spell and enable them to get to the real question of settlement at a more auspicious time than offered at present. He facetiously remarked, joined by Flandin, that he was sorry that the moratorium had not been for 5 years. I replied that we had had difficulty enough to get France to agree to 1 year.

It is evident that Laval feels that he cannot suggest a moratorium to Parliament unless contingent on its acceptance by the United States, that to bind himself to such an agreement as proposed without some assurance of our approval would mean the immediate overturn of his government.

In view of the fact that Laval has announced that he will discuss this question before Parliament on Tuesday when he presents his new government for approval, it might be advisable for the Department in preparing its reply to consider the possibility of couching it in such a form that if necessary it could later be made public. However, no publicity should be given to it until I have conveyed it to Laval and discussed that phase with him.

EDGE

462.00R296A1/57 : Telegram

*The Secretary of State to the Ambassador in France (Edge)*⁸⁵

WASHINGTON, January 18, 1932—4 p.m.

28. Your 41, January 16, 5 p.m. You were correct in citing my *aide-mémoire* of December 29. The views and policy of this Government as stated therein have not been changed. You may say to Laval that "The American Government initiated the intergovernmental debt postponement for the major purpose, among others, of affording to European countries the opportunity, during a year, of

⁸⁵ Repeated to the American Embassies in Belgium, Germany, Great Britain, and Italy.

reaching upon European initiative, constructive solutions of strictly European questions which would turn the tide of depression. The continuing policy of the United States is that the debts due to the United States remain now, as when first settled, individual questions between the United States and each of its debtors separately, and not to be dealt with otherwise."

London's 14, January 18, 1 p.m. to the Department,⁸⁶ is being repeated to you from London for your information. Unless you perceive some objection you may remind Laval as coming from you and entirely on your own initiative that no debt payments from the major debtor nations are due to be paid to this Government until December 15, 1932. This is with reference to Laval's feeling expressed in section 4 of your 41 that "because of the German elections and conditions there they would be quite agreeable to having the Lausanne Conference recessed until perhaps June". You may wish to adduce as the cause for your remark the information conveyed to you in London's 14 abovementioned. You should not in any way let this appear as a suggestion emanating from here.

STIMSON

462.00R296A1/60 : Telegram

The Ambassador in France (Edge) to the Secretary of State

PARIS, January 18, 1932—4 p.m.
[Received January 18—1:35 p.m.]

42. My 41, January 16th. Laval sent word this morning through his Chief of Cabinet⁸⁷ that he would like to clear up one or two points regarding our talk Saturday. I had Armour go over and after a talk with the Chief of Cabinet the latter said Laval would like to see him. Laval said that he did not wish us to get the idea that he was considering seriously the British suggestion for an international conference along the lines he had indicated on Saturday. He reiterated this was entirely a British suggestion. He said that of course we must know that his Government would not last 5 minutes if it were thought that it was ready to surrender France's rights under the Young Plan by which a considerable balance remains after the amount due on her debts has been paid. So far as his Government was concerned it had started nothing more than an extension of the present Hoover moratorium for a year or two if necessary to enable Germany to tide over the present crisis. He said that he expected to go before Parliament tomorrow with a

⁸⁶ Not printed.

⁸⁷ Léon Noël.

moratorium extension as the Government's present proposal and that at the same time he would explain that the Government would not bind France to such a moratorium unless or until such prolongation had the approval of the United States. He receded somewhat from his position of Saturday in that he indicated that a reply tomorrow before his going to the Chamber was not essential.

As to the Lausanne Conference, Laval said that while he would go if necessary, as he did not care by what machinery the arrangement was arrived at, he did not consider that such a conference now would serve any useful purpose although he admitted that the Germans were insisting on it. In any case he expects to get in touch with the British after the vote in the Chamber of Deputies tomorrow. (I do not think we should lose sight of the fact that with Briand's withdrawal from the Government, a victory for Laval tomorrow while probable is not a foregone conclusion. In fact he indicated this morning that Briand's friends might create difficulties).

Laval added that after Tuesday he might even see MacDonald as the British Premier had some time ago indicated to him that he would like to talk with him.

EDGE

462.00R296A1/63 : Telegram

The Ambassador in Italy (Garrett) to the Secretary of State

ROME, January 20, 1932—noon.
[Received January 20—10:25 a.m.]

13. I saw Grandi last evening. He is leaving for Geneva Friday night to attend the Council meeting and the Armament Conference⁸⁸ but will not go to Lausanne though he will be available if it should later seem wise to go there. Mosconi will be at Lausanne but Beneduce will really be Italy's representative there.

The German Ambassador⁸⁹ came to see Grandi a few days ago and told him by instruction of his Government that the critical situation in Germany precluded any possibility of paying anything more this year and he added that Germany would never be able to pay any more reparations. No partial postponement would now be enough he said; the German crisis could only be met by complete and final abandonment of all reparations payments. Grandi said that Italy and Great Britain were about in accord in regard to German payments and that they were both trying to get France

⁸⁸ For correspondence concerning the Conference for the Reduction and Limitation of Armaments, see pp. 1 ff.

⁸⁹ Dr. Carl von Schubert.

to be more generous, so far without avail. He could hardly expect an answer from France until Laval had presented the program of the new government yesterday and today. He seems to think that a satisfactory or even any sort of accord on reparations is impossible at this time and things would be much worse in his opinion, even than they are, if at Lausanne Bruening should say that Germany would never pay and Laval should reply that the Young Plan must stand. Unless some preliminary understanding were reached the Lausanne Conference had better be postponed. He was not at all in accord with the French thesis that America should first be approached for a cancellation of the debts before Germany is let off. He had learned in America and he quite agreed that the first sacrifices must be made by Europe and that only then could America be approached. America, he said, could not be called upon to make all the sacrifices and a "united front" demanding cancellation of the debts was certainly not the right way to go about it.

I should be very glad to have a statement of the Department's views of these matters as well as a résumé of the conversations with Grandi in America as I am to see him again before he leaves and am not very well able to talk as frankly with him and he with me as I should like unless I know your wishes.

A statement in the press which may be cabled to America that I said in an interview at Naples on my arrival there Sunday that I was in accord with the views expressed in the two *Popolo d'Italia* articles of the 12th and 14th is without foundation. What I stated was that I had not yet seen the articles and could therefore certainly not say that I agreed with them. I said this to Grandi and his comment was "No, neither you nor I could agree with them". He said that they had not been notified before publication. Although he did not admit that they were the work of Mussolini, it is evident from quite reliable sources that they were his own work and represent his personal views which of course must be taken as those of the Italian Government at least for the time being.

Cipher text mailed Paris.

GARRETT

462.00R296A1/66 : Telegram

The Ambassador in Italy (Garrett) to the Secretary of State

ROME, January 20, 1932—7 p. m.

[Received January 20—2:50 p. m.]

14. Today the British Government suggested to the Italian Government that they represent to Germany the dangers of failure of the

Lausanne Conference and suggest that a preliminary agreement be reached to extend the Hoover moratorium for so long as may be necessary to prepare the way for a conference that may be looked forward to with some measure of hope of success but for a maximum of 9 months. Grandi tells me he thinks that the British Government had consulted France before making this suggestion but so far as he knows France has not yet agreed to it. Nevertheless, Grandi sent instructions to Berlin this afternoon in the sense indicated.

Cipher text mailed to Paris, London, Berlin, Brussels.

GARRETT

462.00R296A1/69 : Telegram

The Ambassador in Germany (Sackett) to the Secretary of State

BERLIN, January 20, 1932—8 p. m.

[Received January 20—5:11 p. m.]

15. Ministerialdirektor Dieckhoff has officially informed me that British Government, probably because it failed to obtain French agreement to a *provisorium*, *vide* telegram number 7, January 9, 11 a. m.,⁹⁰ has abandoned its previous attitude. Yesterday the British Ambassador formally urged Bruening to agree at Lausanne Conference to a 1 year's continuation of present moratorium under existing conditions, same treatment of unconditional annuities and delayed settlement of conditional annuities. Rumbold described this as only solution which would provide opportunity for final reparation settlement late in the year. After Cabinet meetings the German Government this afternoon definitely declined to agree to new British proposal on grounds that it was impossible politically or economically to accept. Increasing economic difficulties and progressive financial stringency made an honest promise to meet such payments and delayed liabilities impossible. Moreover a promise that committed the Reich to a further recognition and continuance of the Young Plan would result in Government's political overthrow. However, German Government intimating that if Lausanne Conference were delayed until May conditions might by then have altered sufficiently to permit of a compromise being worked out. German Government fears however that meeting of Lausanne Conference is now extremely dubious as France will probably refuse to attend.

Repeated to Brussels, Paris and London.

SACKETT

⁹⁰ Not printed.

462.00R296A1/78

Memorandum by the Secretary of State

[WASHINGTON,] January 21, 1932.

The French Ambassador called and asked about the exchange last Saturday ¹⁵ at Paris between Laval and Edge as it had appeared in the paper. The Ambassador said that he had not been informed by his Government about it. I told him briefly that Laval had approached Edge with reference to an extension of the Hoover moratorium for one year but that he was unable to make any definite offer on behalf of France as it was dependent on the House of Deputies. The Ambassador interrupted to say that that would not have been a very satisfactory offer to us. I said that we had replied along the lines of my memorandum of December twenty-ninth, only very much more briefly; in effect, that our attitude was unchanged. The Ambassador said that he had communicated the *aide-mémoire* of December twenty-ninth to his Government and that it seemed to him perfectly clear,—perhaps not very hopeful but clear. I told the Ambassador that it was not intended to be unfriendly but to state frankly an unquestioned situation which existed in this country and on the Hill.

The Ambassador went on to say that the present situation was not hopeful; that the different countries were crystallizing into intransigency and that it was sad to watch the situation get worse. The Ambassador said he thought that the Hoover moratorium had killed the Young Plan and that Germany would not now pay. I said that, in my opinion, the Hoover moratorium had saved Europe from a much earlier crash and gave Europe just that much leeway.

The Ambassador asked me whether I had heard of the proposal of the railway bonds which were said to have been put out by Germany as a form of settlement. I said that, privately, I have long thought that some form of commercialization would be the best solution but that I had supposed France was a stumbling block to such a plan. The Ambassador said no, that he agreed that that was the best way but agreed that it would involve necessarily a great loss to compromise. As he explained it, an army in retirement cannot retreat all at once; it must retreat gradually. France's acceptance of the moratorium last summer was the first move.

H[ENRY] L. S[TIMSON]

¹⁵ January 15.

462.00R296A1/79 : Telegram

The Ambassador in Germany (Sackett) to the Secretary of State

BERLIN, January 23, 1932—noon.

[Received January 23—10:40 a. m.]

18. My telegram No. 5, January 7, 4 p. m., section 2. Work of Standstill Committee completed. Mr. Wiggin has privately given me copy of its proposed report. It contains résumé of German economic situation and much theorizing and gives substance of new Standstill Agreement which is to run for 1 year but with earlier maturity in the event of "unfavorable developments" permitting creditors to resume freedom of action. No immediate repayments. Schedule of future payments is to depend on transfer capacity of Reichsbank. An advisory committee is to represent creditors which will receive continuous information on all incoming and outgoing foreign exchange. A German committee for foreign debts will be established with a view to prevent dissipation of foreign exchange to debtors not included in Standstill. Foreign and German banks will stand on same basis with respect to collateral from German non-banking debtors. I understand this means sharing of collateral. At the option of the creditor cash advances to German banks may be converted into 10-year notes bearing 6 percent interest for which as inducement special security will be deposited with trustee. Foreign creditors also have right to convert unsecured cash advances into blocked investments in Germany under effective Reichsbank control. Interest reduction will be recommended for creditor countries with relatively lower rates.

The Committee formally recognizes that German Government payments to other countries and the question of inter-allied debts have an intimate connection. This was incorporated in the report in the hope of securing French signature. Committee strongly urges facilitating of foreign trade and positive and prompt action in the sphere of international cooperation.

Signatures by those members whose banks have already given authority and initialing by the others except possibly Sweden, are expected today though Mr. Wiggin tells me privately that final French attitude is still dubious.

SACKETT

462.00R296A1/63: Telegram

The Acting Secretary of State to the Ambassador in Italy (Garrett)

WASHINGTON, January 23, 1932—3 p. m.

8. Your 13, January 20, noon. The Department's views in this matter are covered by the *aide-mémoire* of December 29, sent to you from Paris as Department's No. 1 and the Department's 28, January 18, 4 p. m., to Paris, which Paris has sent to you. The texts of these are of course strictly confidential and were given to you for your information and for background in your discussions with Grandi or other competent Italian officials.

CASTLE

462.00R296A1/101

The Ambassador in France (Edge) to the Secretary of State

No. 2214

PARIS, January 25, 1932.

[Received February 2.]

SIR: Events have transpired with such rapidity since January 3 last, the date on which I received the Department's confidential telegram No. 1, January 2, 2 P. M., transmitting for my information a copy of the Department's *Aide-Memoire* handed to the French Ambassador on December 29 last, that it occurs to me that it might be of some value to the Department were I briefly to review events that have taken place since that time and put down in rough form my impressions as to the present situation.

On Monday, January 4, I left for Berlin to spend a night with Ambassador Sackett and to have the advantage of an exchange of views. I returned to Paris on the morning of the 7th, travelling on the same train as the French Ambassador, when the latter informed me of his talk with the German Chancellor with regard to the possible postponement of the Lausanne Conference. (See my telegram No. 10, January 7, 5 P. M.)⁹²

Two days later, on the evening of January 9, the French press published the statement made by the German Chancellor, Dr. Brüning, to the British Ambassador in Berlin, in which Dr. Brüning is reported to have said that Germany could not pay any further reparations; that in any event a moratorium could not be considered, etc. (What Dr. Brüning claims actually to have told Sir Horace Rumbold is set forth in telegram No. 8, January 9, 7 P. M. from our Embassy at Berlin to the Department.⁹²)

⁹² Not printed.

On January 10, I reported to the Department M. Flandin's reply to this declaration of the German Premier, in which the French Minister of Finance stated that the proposal was equivalent to putting an end to the Young Plan and the Treaty of Versailles;⁹³ that France could not accept the unilateral denunciation of contracts freely entered into and that the declaration had the virtual effect of making the Lausanne Conference useless. (Embassy's telegram No. 19, January 10, 3 P. M.).⁹⁴

On January 16, roughly one week later, M. Laval requested me to call upon him and after informing me of the latest British proposals regarding a moratorium to Germany of reparation payments to the creditor Powers, to be followed later by the calling of a general conference, asked me to ascertain whether my Government would be willing to consider the extension of the Hoover Moratorium for one year from its date of expiration, June 30, 1932. (See my telegram No. 41, January 16, 5 P. M.).

On Tuesday, January 19, M. Laval went before Parliament with the ministerial declaration (Embassy's telegram No. 51, January 19, 7 P. M.)⁹⁴ setting forth his Government's position with regard to the whole question, and on the same evening M. Flandin, the Finance Minister, called upon me for the purpose of reviewing Franco-British negotiations, with particular reference to the French Government's position. (Embassy's telegram No. 49, January 19, 5 P. M.).⁹⁴

On the night of January 22, M. Laval, after two days of interpellations by members of the Opposition and after a vigorous rejoinder on his own part, secured a substantial majority in the French Chamber, which expressed confidence in the policies of the Government. (Embassy's telegrams No. 60, January 22, 9 P. M. and No. 62, January 23, 1 P. M.).⁹⁵ The principal points brought out by Laval were that France could never abandon her rights as written down in the treaties which represent the reparation of only a part of the damage which she suffered, and furthermore that the report of the Bâle Advisory Committee showed that Germany was not justified in cancelling or attempting to cancel reparations.

So much for the chronological order in which these events occurred. We are still awaiting word as to the next move in the Franco-British negotiations. It seems very probable, in fact it has been more or less definitely announced, that Laval and MacDonalld will meet either in England or in France and that this meeting will probably occur

⁹³ *Treaties, Conventions, etc., Between the United States of America and Other Powers, 1910-1923* (Washington, Government Printing Office, 1923), vol. III, p. 3329.

⁹⁴ Not printed.

⁹⁵ Neither printed.

toward the end of this week or the beginning of next. From my talks with Laval, Flandin, various bankers and others, as well as with the British Ambassador, I summarise the situation at the moment about as follows:

France is unwilling to accept or to consider seriously Germany's contention that she is incapable of resuming reparation payments or to contemplate the possibility of their cancellation. She insists that in the forthcoming negotiations the discussions must be confined to the question of a further moratorium, and that the question of a definite settlement unless along the lines of the French proposals cannot under present circumstances be considered. Great Britain, on the other hand, appears to be willing to cancel all reparation payments from Germany, both conditional and unconditional, leaving negotiations with the United States as to debt settlements for future consideration. It has been suggested in the press here, however, that recent discussions in England—notably a speech delivered on January 12 by Sir Walter Layton, stressing the comparatively strong position in which total cancellation would leave Germany,—have had the effect of weakening the British stand with regard to total cancellation, and that Great Britain might now be willing to consider a compromise with the French which might permit the setting up of a common front vis-à-vis the Germans.

From a conversation I have had with Lord Tyrrell, I gather that Great Britain has an open mind on this matter. According to the British Ambassador, the British Government would prefer complete cancellation, but would probably agree to Germany paying some additional reparations in some form or other when she is in a position to do so. If this solution could be reached, France would favor asking the United States to accept some portion of Germany's future payments on account of war debts and to cancel the balance. Just how France would agree to divide the balance of Germany's payments seems indefinite.

It would seem probable that when Laval and MacDonald do get together, an effort will be made to agree upon a date for the postponed Lausanne conference (probably not earlier than June, following the German and French elections) and to reach an understanding that will make it possible to accord Germany a further moratorium for approximately five months from July 1st, the date of the expiration of the Hoover Moratorium. Difficulties will undoubtedly be encountered as to whether or not the moratorium shall be absolute, and the position of France that the unconditional annuity must pass through the B.I.S. as at present, with immediate relouan to Germany against railway bonds. The position of France

on this point, as outlined to me by Laval himself, is that the special provisions of the Hoover Moratorium with regard to unconditional reparation payments must be continued in connection with any question of extension. (However, the French are prepared, as indicated in my talk with M. Flandin, reported in Embassy's telegram No. 49, January 19, 5 P.M., to consider a plan based on that outlined in my telegram No. 30, January 13, 3 P.M.,⁹⁸ namely: (1) to accept a moratorium of two years on the conditional annuity, and to cancel this annuity if the United States ceased to require payment of the war debts; (2) to mobilize the unconditional annuity through the creation of railway bonds—the United States to be offered a portion of these bonds as part compensation.)

If Great Britain and France can agree upon a common policy, and discussions regarding this will certainly continue after June, they will then present a united front to the United States, and on some date after the American elections, that is, about November 15, request war debt adjustment or cancellation, depending upon what arrangement with regard to Germany may be arrived at. I believe that the British are more disposed now to consider the French plan, for reasons mentioned above, than they were at the time that it was originally proposed to Sir Leith-Ross. I have reminded both Laval and Flandin of the fact that no payments are due from France to the United States until December 15 and therefore they have several months ahead of them in which to discuss with the British and the other allied creditors on reparation account, as well as with the Germans, ways and means of solving the difficulties with which they are faced.

The temper of the French Chamber during the recent debate showed unmistakably that no French Government could contemplate the wiping out of Germany's reparation obligation, under present circumstances, or, in fact, could safely go beyond the lines indicated by the French Premier. It would be difficult to predict what might be the result of the coming elections in France. A swing to the left, with the formation of a Cartel Government might, it is true, be more leniently disposed towards Germany, but a very large measure of unanimity exists in regard to French policy on the reparation and war debt question, and it appears certain that no government would consent to a reduction of what was due as reparations, except in so far as a parallel reduction was accorded in respect of the war debts, unless, perhaps, some arrangement is reached similar to that mentioned in my telegram No. 30 of January 13, and referred to above. In connection with the consideration that

⁹⁸ Not printed.

might be given to the reparation question, should the elections bring about a definite swing to the Left, the position taken by Léon Blum, leader of the Socialist party, in the recent debate, is not without interest. M. Blum admitted that the terms of the treaties could not be regarded as forever unchangeable. However, Blum emphasized that reparations were not a tribute paid by one country to another, but were an equitable measure of compensation for the destruction wrought in the devastated regions of France during the war. The leader of the Socialist party then proceeded to put forward the following proposal: there should be an international inquiry into the relative amount of the sums paid by Germany to France and the expenditures of France on her devastated regions. Blum suggested that this inquiry might be undertaken by the Financial Section of the League of Nations. In view of the opinion held in Germany that the German Government had paid over more than the amount expended in the devastated areas, Blum considered that it was necessary to establish the truth. The leader of the Socialist Party declared in conclusion that, if it was found that German payments had exceeded the sums spent on reparation, the Socialists would consider that the German Government had legally acquitted itself of its reparation obligation. However reasonable the suggestion outlined above might be, it appears very unlikely that any French Government would ever agree to such a procedure.

My feeling is that the position tentatively taken by the British Government that any moratorium granted must be absolute, and that at the end of the moratorium France and the other creditor Powers must consider complete cancellation of reparations, is weakening. These are the two points, I believe, which have up to now proved a stumbling block to the reaching of an understanding between Great Britain and France. If this is true, such a united front may bring about a change in the intransigent attitude of Germany. In any event, public opinion here is awaiting with anxiety the outcome of the exchanges of views now going on between the two governments, and the projected meeting between MacDonald and Laval. That they both have material interests to defend vis-à-vis Germany, there appears to be no question, and in view of the seriousness of the situation, very determined efforts will be made by both governments to arrive at a common basis of understanding.

Should Germany fail to meet the views of France as concerns the reparation obligation, the question of course arises as to whether or not France would take advantage of the provisions of Annex I to the German Hague Agreement⁹⁹ and appeal to the Hague Court.

⁹⁹ Great Britain, Cmd. 3484, Misc. No. 4 (1930) : *Agreements Concluded at the Hague Conference, January 1930*, p. 28.

Referring to these provisions in his declaration before the Chamber on January 22, M. Laval said:

"I have no need to say to the Chamber that, if the German thesis takes the character provided for in the text referred to, the Government, assuring the continuity of French policy, will not permit the proscription of any of the titles secured by its predecessors."¹

In the event that the Hague Court decided that Germany had "committed actions revealing its determination to destroy the New Plan", the creditor governments would automatically recover their liberty of action. The question of possible sanctions would then presumably arise. In this connection certain nationalist and moderate organs of the press have mentioned the possibility of occupation of the Saar or the Ruhr, or both. A more moderate suggestion has been made that France should insist on maintaining the *status quo* in the Saar until Germany decided to meet the French views on the reparation settlement. Other proposals put forward concern economic and financial sanctions, such, for instance, as denunciation of the Franco-German Commercial Treaty of 1927, refusal to renew the French quota of twenty-five million dollars in the credit of the Reichsbank, the revival of the 26% reparation recovery duty, and the attachments of German credits abroad. However, it is very doubtful that any reasonably-minded Frenchman would look with favor on the idea of reverting to Article 430 of the Peace Treaty. In fact, most of the newspapers that have mentioned occupation admit that no French Government would ever consent to such a step. As concerns the other sanctions mentioned, the press is beginning to realize that such procedure would undoubtedly rebound to the detriment of French interests.

JANUARY 26, 1932.

Since the above has been written, I have learned to-day that all attempts thus far made to reconcile the British and French points of view have failed and that they are still far apart. In view of this, I am told that the meeting between Laval and MacDonald, has, for the present at any rate, been abandoned, as it is felt that there would be no point in holding such a meeting with public attention, as of course it would be, focussed on it, unless and until they would be in a position to announce agreement.

I expect to see Lord Tyrrell within the next few days, however, and I shall perhaps then be in a better position to advise the Department more fully concerning the whole question.

Respectfully yours,

WALTER E. EDGE

¹ Journal Officiel de la République Française, *Débats Parlementaires: Chambre des Députés, Séance du 22 Janvier, 1932*, p. 117.

462.00R296/5495

The Ambassador in Germany (Sackett) to the Secretary of State

No. 1436

BERLIN, January 25, 1932.

[Received February 10.]

SIR: I have the honor to report that during the past weeks the developments on the reparation question have been in the foreground of political discussion in Germany, in the press as well as in the numerous meetings of the various political parties. Perhaps never before have political speakers and writers of all shades of opinion shown such unanimity of purpose on any single issue. The conviction that after the expiration of the Hoover moratorium Germany will not be in position to resume reparation payments was general. On this point all political parties were agreed.

However, while both the Nazis and Nationalists wished a more aggressive foreign policy and urged the Government to declare categorically that Germany not only could not but also would not pay reparations, more moderate and responsible elements insisted that any official step which might be interpreted as a willful violation of the existing reparation agreement must be avoided. It was widely agreed that for France reparations constituted a political instrument to prevent Germany's economic regeneration rather than a financial question, and certain Nationalist journals asserted that in the background of this French policy the "Comité des Forges" was clearly discernible.

The irreconcilable opposition of the Right regarded the situation as "brutally simple." Laval's speeches and the general tone of the debate in the Chamber, it was pointed out, showed that "war mentality still predominates on the other side of the Rhine." The Reich Government must abandon its present policy and assume a diplomatic offensive against France. This, however, could not be expected of a Cabinet which was saddled with the odium of the ill-fated policy of fulfilment. The Brüning Cabinet must therefore resign to make room for a government of those parties which had opposed this policy for years.

The more moderate parties of the Right felt that it was extremely shortsighted of France to antagonize those nations which had helped to prevent her defeat in the war. France was overestimating her power. America was giving her the cold shoulder, England was reluctant to support her, while Italy, as a result of conflicting interests in the Balkans and in the Mediterranean, was certainly not France's friend. France was still strong, but she was facing the risk of political isolation. Germany had little to gain from such

a development. However, France must realize that "splendid isolation" might mean the beginning of the end for her too.

As viewed by the parties of the Left, the problem was to free Germany from the present oppressive reparation burden in a way that would not prove detrimental to Germany's prestige abroad. Germany's position was at least morally strong and the Government must therefore watch its step since a *faux pas* might weaken the present position. It was perhaps a good thing that the Lausanne Conference was not held as scheduled. The views of the two governments were so far apart that it was more than doubtful whether a practical solution could have been reached under the circumstances. The Social-Democrats hoped that the election in the spring would result in a more favorable distribution of political strength in the next Chamber and that an understanding with a new French Cabinet might then be possible.

The French contention that as a result of inflation Germany had been able to wipe out practically all of her internal debt and that in consequence she would be in a more favorable position than other countries if reparations were abolished, was rejected in all quarters. At a recent session of the Reichsrat, Prussia's representative pointed out that the reduction of the internal debt from 130 billion gold marks to 10 billions constituted an actual loss of capital as a result of the war and inflation. The bitterness which this French argument aroused in Germany may be judged by the sarcastic remark of this high official, to the effect that, if a reduction of the internal debt through inflation was such a blessing, those countries which were envious of Germany might resort to this course.

Aside from this, it was pointed out that payment of reparations depended primarily on whether Germany could raise the required amounts by taxes and budgetary economy and whether she could transfer these sums in foreign exchange. That the screw of taxation could not be tightened any more had been admitted by the Basle report which had been unable to recommend further budgetary economies. Moreover, foreign loans were not available at present and the foreign exchange which Germany derived from her exports was just sufficient to take care of the service on private loans.

Some satisfaction was extracted from the fact that "at the very time when Germany was the object of vile attacks in the French press" the French members of the Wiggin Committee in Berlin had signed a report to the effect that Germany had made great sacrifices to meet her foreign obligations. The report of the Standstill Committee, though its conclusions failed to come up to German expectations, was viewed as an excellent repudiation of the French contention that Germany was acting in bad faith.

The Social-Democratic *Vorwaerts* failed to see why France insisted on a guarantee pact with America, pointing out that France already has threefold security, namely, Locarno,² the Covenant of the League of Nations,³ and the Kellogg Pact.⁴ One of Hugenberg's journals declared that America's insistence that there was no connection between reparations and war debts was entirely in accord with the German standpoint and that this proved the weakness of the French thesis that a solution of the reparation problem without a preceding promise by America to agree to a revision of war debts was not possible.

Certain Nationalist journals cautioned the Government to watch its step at the Disarmament Conference. It was feared that France might seek to link reparations with disarmament, and the German delegates to Geneva were urged not to permit France under any circumstances to intimidate them or to influence them by seeming concessions on the reparation question.

The demands of the middle parties for a political truce that would enable the Chancellor to achieve positive results for Germany have made as yet no evident impression on the irreconcilable Opposition which derives satisfaction in predicting the worst. The unfavorable turn which developments have taken seems to encourage the Nazis and Nationalists in their attempt to embarrass Dr. Brüning.

M. Laval's recent speeches, as well as the equivocal attitude of Herriot and other leaders of French Left parties, make the position of those parties in Germany which favored a policy of understanding with France extremely difficult. This is especially true of the Social-Democrats who have supported with conviction and courage the policy of fulfilment, in the face of violent opposition from both the Right and the Communists.

From a tactical standpoint, the Nazis and Nationalists are doubtless operating very skillfully. Their tactics are to shift upon Dr. Brüning and the present Cabinet responsibility for Germany's eventual failure to obtain a solution of the reparation problem one hundred per cent favorable to Germany. Through intensive agitation they have led large sections of the population to believe that all that is required to relieve Germany of the oppressive reparation burden is to declare officially that Germany not only cannot but also will not pay reparations. The situation has become so that unless the Government counteracts this propaganda effectively

² League of Nations Treaty Series, vol. LVI, pp. 289-363.

³ *Treaties, Conventions, etc.*, 1910-1923, vol. III, p. 3336.

⁴ *Foreign Relations*, 1928, vol. I, p. 153.

any solution favorable to Germany other than the complete cessation of reparation payments may be regarded by many as proof of the inability of the present Government to obtain a satisfactory solution of this vital problem and that only a government dominated by Hitler and Hugenberg could hope to achieve foreign political results.

It is probable that reparations will continue to constitute the axis of the domestic-political troubles of the Reich. At present, opposing factions have succeeded in developing negative strength to a degree which has contributed much confusion to the situation. The element of stalemate in it serves to inflame political passions. Moreover, the suspicion that party maneuvering frequently lacks political sincerity adds to the obscurity of both the issues and the outcome.

One unfortunate development in the foreign political side has been the introduction of the element of national prestige into the Franco-German discussions. It is improbable that reparations can be brought into an atmosphere of purely factual negotiation for the present. The French point of view, as reflected in Berlin, is that Dr. Brüning's recent denial of Germany's ability to pay reflects the same psychology as the unhappy attempt at *Zollunion* and must in consequence be resisted unyieldingly by France.

Respectfully yours,

FREDERIC M. SACKETT

462.00R296A1/110

The Ambassador in Germany (Sackett) to the Secretary of State

[Extract]

No. 1438

BERLIN, January 27, 1932.

[Received February 10.]

SIR: In amplification of my telegram No. 18 of January 23, noon, reporting the conclusion of the work of the "Standstill" Committee and including a conspectus of its report, I have the honor to transmit herewith copies of the final draft of the agreement (known as the German Credit Agreement, 1932);⁵ the signed report of the Foreign Creditors' Standstill Committee,⁵ briefly summarizing the report and giving a general survey of Germany's financial and economic condition; and the statement issued upon the termination of the conference by Mr. Albert Wiggin.

The German Committee for Foreign Debts mentioned in section 5—"Essential Features of the New Agreement"—which will be set up by the German Government to advise the latter on all matters

⁵ Not printed.

concerning German foreign indebtedness, was the subject of correspondence between Dr. Luther, the President of the Reichsbank, and Mr. Wiggin, of which copies, as confidentially supplied the Embassy by Mr. Wiggin, are attached hereto⁷ as of possible information and for background. The choice of Herren Kastl, of the Federation of German Industries; Jeidels, of the Berliner Handelsgesellschaft; and Schliefer, mentioned in Dr. Luther's letter as having been nominated to this committee, has received favorable comment, as these gentlemen took part in the recent negotiations and are known to enjoy the confidence of the creditors.

The German press devoted considerable editorial space to comment on the agreement. The consensus of opinion was that, while the German desire to reduce the rate of interest and to fund the short-term debts was not realized—primarily because the time is not yet ripe for doing so—much was gained by a continuation of the creditors' policy not to attempt to liquidate completely the short-term debts; so safeguarding further German credit. The observations of the report, concerning Germany's financial condition, were found by the press to support the German thesis that Germany must have a respite from reparation payments, and to emphasize anew the findings of the Basle committees. By implication, it was assumed that section 2 of the report, entitled "The Responsibility of the Governments," was introduced therein to placate the French delegates whose agreement to the report, it had been rumored, was obtained only with difficulty, especially at a time when Dr. Brüning had wounded French susceptibilities by his categorical statement of Germany's attitude towards further reparation payment. Parenthetically, the agreement, in view of the uncertainty now prevailing as regards German reparation payments and the question of "priority," could be no more than a provisional settlement.

Respectfully yours,

FREDERIC M. SACKETT

462.00R296A1/108 : Telegram

The Ambassador in Germany (Sackett) to the Secretary of State

BERLIN, February 8, 1932—10 a.m.

[Received February 8—7:38 a.m.]

26. For the Secretary and the President. As background see telegrams 81, 82 and 85 of February 2nd from Paris to the Department.⁸

⁷ Not printed.

⁸ None printed.

The question of reparations, particularly between Germany and France, has become a stalemate. Germany, by professing inability to pay reparations further, and France by refusing a conference as of no value, and was not premised on the German statement in spite of the English position to the contrary, have created a situation that seems to be rapidly leading to disaster in Central Europe with severe repercussions in England and Italy. The fear of such consequences is as definitely disquieting in America as abroad and its importance on economic recovery is plainly indicated.

Germany's precarious financial situation, due to rapidly falling Government revenue which it is freely predicted will develop her inability to meet essential estimates in May or June, is known in European chanceries. Apparently France believes that delays are working in her interest; that the convergence of economic pressure will force Germany to abandon her declared purpose of avoiding further payments and, as a result, France will secure a re-acknowledgment of reparation liabilities though perhaps in altered form. Back of the moves of the four countries and especially of the French demand that our Government must agree in advance of any general reparations discussion to accept an equivalent release of Inter-Allied debts I feel confident lies their assured belief that America's economic problems are so dependent on stability in Central Europe that we will be forced to yield to prevent financial disaster to ourselves. They visualize us as so deeply involved as a creditor that we are bound to yield to the French demand rather than suffer losses that will threaten the solvency of our banking system. They believe that through delay they can sabotage us into action in spite of the statements of our position contained in your *aide-mémoire* to the French Ambassador dated December 29, 1931. Their confidence is further induced by the belief, widespread in Europe, that the Hoover moratorium had its genesis in just that fear that the imminent German collapse would involve and drag down not only the largest American banks but imperil the Federal reserve.

To effectively break this strangle-hold through which France and other countries believe they can force the next move on us and smooth their own course with Germany, presupposed to bring them back to a genuine effort to solve Europe's financial problems through the Reparations Conference (the procedure which was clearly indicated in the communiqué of October 25, 1931,⁹ and strongly stressed in the Basle report of December 23, 1931¹⁰) I venture a

⁹ i. e., the joint statement by President Hoover and Prime Minister Laval, *Foreign Relations*, 1931, vol. II, p. 252.

¹⁰ Great Britain, Cmd. 3995, Germany No. 1 (1932).

constructive suggestion that a further authoritative statement would be effective. It could be pointed out that because our Government was convinced that reparations were a purely European problem the outcome of which we as non-participants were in no position to influence, our bankers had taken the necessary steps to render American finance immune to the danger which would flow from a European failure to act in the emergency; that our banks and banking system have occupied the 6 months since the German crisis in putting their affairs in order, increasing liquidity and preparing for eventualities; that this revamping of the American credit structure has so far proceeded that our banking system today is prepared for any financial strain including a Central European moratorium; that while we would suffer severe monetary losses we are now in a position to assimilate such losses.

The recent annual reports of the major banks in New York certainly warrant that impression. Furthermore, in a talk with Mr. Wiggin in Berlin the day the Standstill Agreement was signed, I asked him the direct question whether, if our Government found it necessary to announce such a position, he could assure me that our banking status had so improved that we could meet the emergency of a collapse in Germany and other European countries. He replied positively in the affirmative. Should you find that from a survey the situation in financial circles coincided with the view he expressed to me, a sharp and clear-cut statement that we were no longer under a dangerous menace from Europe's economic difficulties should be effective to break the deadlock now existing and convince the European powers of the need of promptly acting in their own behalf. It would prove to them the genuineness of the phrase in the *aide-mémoire* that "then and only then" they could come to us as individual nations for discussion of their obligations to us. It would bring understanding that we have reserved the power of veto in case we find that their agreed adjustment is not sufficiently comprehensive to assure a return to prosperous conditions and that unless the relief were distinctly broadened we would not be interested in promoting it by any revision of Inter-Allied debts.

SACKETT

462.00R296A1/108

*Memorandum by the Counselor of Embassy in Germany (Gordon),
Temporarily on Duty in the Department*

[WASHINGTON,] February 10, 1932.

I strongly endorse the substance of the suggestion made by the Ambassador in this telegram.¹¹ For a long time, and ever more concretely during the past year, it has been increasingly apparent that the principal European creditor Powers were becoming imbued with the idea that we were so deeply interested, as a result of our investments in Germany, in preventing the breakdown of the German financial and economic régime that we would feel compelled to go to any lengths to avoid it. While this is true, to a certain extent at least, in England, and Italian policy, as expounded by Mussolini's *Popolo d'Italia* editorials, embodies this belief in a thorough going manner, the French application of it is at the present time far more aggressive vis-à-vis the United States and more obstructive to a general solution of the problem.

As a result of that belief it is probably fair to assume that the French still have a hope that in spite of our declarations of policy up to date our fear of a German collapse might induce us to remit on war debts an amount equivalent to the remission of reparations. Consequently any statement, so put out as to carry conviction, which would dispel the idea of our being actuated by such a fear, could only have the effect of increasing our independence and thus improving our trading position.

As no French Government is going to agree to unconditional complete cancellation of German reparations, a definite conviction that France would have to reach a final and durable agreement with Germany on her own, would render her more reasonable vis-à-vis Germany in negotiating such an agreement.

Moreover, it is not only the three Powers above mentioned who have been counting on America's being so deeply committed in Germany as to be willing to do anything to avoid a collapse there. I think that Germany herself feels this very strongly and in formulating her policy has laid great weight on this calculation. A statement of the nature suggested would shake what might be termed this complacency. It may be argued that this would have the result of further disastrously complicating the financial and economic situation in Germany; I believe, however, that it would rather have the effect of in turn impelling the Germans to be more reasonable in

¹¹ Telegram No. 26, February 8, 10 a. m., from the Ambassador in Germany, *supra*.

negotiating with France for the reaching of a comprehensive agreement.

In reaching such an agreement moreover it would seem proper that the portions of the December report of the Basle Committee which recognize that the present period of depression will not be permanent and enduring should be given full effect. Aside from the economic issue there is a moral issue involved, and it would seem only logical and equitable that if it is generally recognized by the creditor Powers concerned that conditions obtaining when the Young Plan was put into force a scant two years ago have so changed that the necessity of its radical revision is admitted, it should equally be admitted by the debtor nation that the "trough of depression" conditions now existing will not endure forever and should not form the basis and premises of a new and supposedly permanent international agreement. There is nothing inconsistent in this with the position taken by Congress in December when ratifying the President's moratorium declaration.

The assumption on which the Ambassador's suggestion was made is explicitly that our banking system can stand a collapse of Germany, but I am rather inclined to think that he was also taking into consideration the general effect on our economic structure of such a collapse, and in this connection it is not apparent to me that a statement of this kind would necessarily be equivalent to a general writing off of private German investments. Of course I am not in a position to express an opinion as to the soundness of this assumption and my observations above set forth are only predicated upon such an assumption being correct.

G[EORGE] A. G[ORDON]

462.00R296A1/116 : Telegram

The Chargé in France (Armour) to the Secretary of State

PARIS, February 13, 1932—10 a. m.

[Received 12:08 p. m.]

97. Reference Department's telegram No. 47, January 27, noon.¹² The following is the text of communiqué regarding decision reported taken at Geneva yesterday which has been informally furnished the Embassy by the French Government with the information that it will undoubtedly be given to the press today.

"The French and British Governments following the adjournment of the Lausanne Conference previously contemplated for January

¹² Not printed.

last, have discussed between them the conditions under which the next Conference could be united. Following this exchange of views, the bases of an agreement between the Governments have been determined.

Sir John Simon Minister for Foreign Affairs now at Geneva had been charged to communicate to the Governments principally interested these bases of agreement with the result that it is now possible to communicate the following note to the press.

1. The German, Belgian, British, French, Italian and Japanese Governments, after having taken note of the report of the Basle experts, agreed of [to?] recommend to the participating countries the postponement of the Lausanne Conference to the month of June.

2. In their opinion the purpose of the Conference should be to establish a lasting settlement (*règlement durable*) of the questions mentioned in the Basle report as well as the measures necessary to remedy other economic and financial questions which have provoked or risen to prolong the crisis from which the world is suffering.

3. The common desire of the above-mentioned governments has led them to this agreement which they hope will result in relieving the international situation.'"²³

As of interest in connection with the mention of "other financial and economic questions" in paragraph above an official of the Finance Ministry mentioned that the French Government's preoccupation concerned to a very great extent the question of customs duties.

Repeated to Geneva, Berlin, London, Brussels and Rome.

ARMOUR

462.00R296A1/116 : Telegram

The Secretary of State to the Chargé in France (Armour)

WASHINGTON, February 17, 1932—7 p.m.

65. Your 97, February 13, 10 a.m. Have you had any further information as to just what the French have in mind on the "question of customs duties". While the Department does not want you to make any particular inquiry of the French about it, we are interested in knowing whether the French have in mind particularly the British situation vis-à-vis tariffs; whether the inter-European preference idea is to be developed; whether the thought would be world-wide in scope, or just what is behind the idea.

STIMSON

²³ For text as issued by the British Foreign Office, see the *London Times*, February 15, p. 12.

462.00R296A1/124 : Telegram

The Chargé in France (Armour) to the Secretary of State

PARIS, February 19, 1932—4 p. m.

[Received February 19—3:05 p.m.]

116. Department's 65, February 17, 7 p.m. It has been possible to ascertain informally from the Chef de Cabinet of the Minister of Finance that so far the precise program and scope of the Conference have not been and in the near future probably will not be discussed between the interested governments.

It seems that the formula expressed in the communiqué of February 13¹⁴ was very hastily drafted and was not by any means based on a precise understanding of the exact extent to which the matters under reference would be dealt with by the Conference. It has in fact been suggested that a common desire to restore some sort of confidence influenced the somewhat hastily prepared announcement.

Regarding what the French have in mind on the "question of customs duties", I understand that while anxious to come to an arrangement with Great Britain the French favor a simultaneous examination and agreement on the ensemble of European tariffs possibly taking as a basis the idea of Briand's European Union. The French appear to consider that as a step towards attaining this end the successful conclusion of negotiations now under way between certain of the Balkan States would be helpful.

However, it was definitely stated at the Ministry of Finance that the British have expressed themselves as not being in favor of a settlement of the tariff question in a general conference but that they prefer individual negotiations. Further that the British have definitely stated that under no circumstances will they be in a position usefully to discuss the tariff question with other powers until after the Imperial Economic Conference which I understand begins on July 18th at Ottawa. In this connection London *Times* editorial of February 16 emphasizes that Mr. Runciman, at least, and perhaps Mr. Chamberlain, must be expected to be present both at Lausanne and at Ottawa and proceeds to the following interesting statement.

"It becomes essential therefore by preparatory diplomatic work to narrow down the issues to the most easily negotiable proportions. What are the 'other economic and financial difficulties' which are causing the world crisis? The present distribution of gold, high tariffs, and the undermining of credit and of confidence are some of them. Are they all to be discussed? And can they usefully be

¹⁴ See telegram No. 97, from the Chargé in France, p. 670.

discussed in the absence of a representative of the United States? The Conference is intended in the words of our Paris correspondent to be 'a purely European affair' and that indeed would be in the closest accordance with the suggestions of the United States Government as expressed to M. Laval in Washington by President Hoover himself. It is well understood by the British Government at least that war debt repayments are to form no part of the agenda".¹⁵

It is generally believed that the intention is to confine consideration at the forthcoming Conference to the various European and not world-wide problems.

The French Government appears to consider that no useful preliminary negotiations or conversations could take place with respect to the problems with which the Conference will be faced already there [*until?*] after the French and German elections. For this purpose it considers that about a month would be available. However it does not appear to entertain the hope that the Conference could possibly accomplish before the month of July, much more than decide, what is to be done regarding the annuities due from Germany after July 1st.

ARMOUR

462.00R296A1/157 : Telegram

The Secretary of State to the Ambassador in Great Britain (Mellon)

WASHINGTON, June 1, 1932—7 p.m.

163. It has come to my notice through various responsible, but unofficial sources, that one reason for the reported insistence of the British Government that German reparations be completely cancelled at the Lausanne Conference is because it is believed that this move would be welcomed in the United States. This is so totally contrary to the facts that I sent for the British Ambassador this morning and discussed the matter informally with him.¹⁶ I told him that it had been brought to my attention that the British Treasury was undertaking to represent our psychology in the matter to the French and read him a part of a letter in which the French Finance Minister was quoted as saying that the British gave as a reason for complete cancellation "their firm belief that if thereafter the Governments in Europe which were debtors to the American Government went with one accord to Washington, stating that they had completely wiped out the German reparations and that they

¹⁵ London *Times*, February 16, p. 13.

¹⁶ Mr. Stimson also discussed this subject with the French Ambassador; copies of the memoranda of conversations were sent to the American Embassies in France, Germany, and Great Britain.

would accept in their turn a complete cancellation of their obligations to Washington, the reception accorded to them would be much more cooperative than if they attempted to reach with Germany some settlement contemplating a later payment of a certain amount of reparations." I told the Ambassador that I knew from many sources that the British Treasury was taking this position and that it was, in my opinion, the one most certain to affront American opinion and make subsequent adjustment impossible. I pointed out that, while these views were said to be held by Mr. Norman and various members of the Treasury, other British economists did not share them. I referred to the leading article in the *Economist* on May 14th¹⁷ as indicating a view which very nearly coincided with my own.

I informed the Ambassador that I understood that the interest of British bankers in German private credits was very large and that, judging from the views held by some American bankers similarly situated, I thought it likely that the views of these British bankers influenced the British Treasury, but I stated that the more farsighted American bankers held the opinion that cancellation which came by way of Germany's repudiation of her reparations obligations would so upset German credit as to do much more harm than good to the private investments in Germany.

I reminded the Ambassador that, in making these statements to him, I was speaking solely from the stand point of the Executive and that, as he very well knew, I could not, even by implication, make any commitment except that as already shown by the President's statements of last autumn, we would do our best to recommend a fair settlement, but that its ratification depended wholly upon Congress and that he knew the attitude last December. The Ambassador said he understood that perfectly.

We then briefly talked over, in general, the prospects of the Lausanne Conference. I called his attention to the *Economist* article which did contain a concrete program which seemed to me not very far distant from what I thought would be a wise course. I pointed out that, as regards the question of cancellation, I thought the British Treasury wrong and the French Treasury right, while as to the method of subsequently approaching this country we felt that the British stand for an individual approach was correct and the French stand for a joint approach incorrect.

¹⁷ "Reparations and War Debts," the second article in a series of four with the running-title "Factors in Recovery," *The Economist*, vol. cxiv (May 14, 1932), p. 1059.

I asked the Ambassador that, in whatever report he might make of our conversation, to center it about the misrepresentation of our views by the British Treasury as explained above and stated that my object was to prevent misunderstanding between the two countries. He said he would do so.

I am very anxious to have these views fully understood by the British Treasury and as I understand that Mr. Atherton is a close personal friend of Sir Warren Fisher, it might well be that Atherton could explain the situation informally but clearly to him. Naturally I do not want to commit this Government to any specific plan and for that reason chose the article in the *Economist* as a British statement on the subject. The Ambassador will, of course, cable a summary of what I said to him, but, in order that there may be no mistake I should be glad to have you, in whatever manner you see fit, convey these views to the British Treasury.

STIMSON

462.00R296A1/158 : Telegram

The Ambassador in Great Britain (Mellon) to the Secretary of State

LONDON, June 3, 1932—6 p.m.

[Received June 3—2:45 p.m.¹⁸]

196. By my direction Atherton saw Sir Warren Fisher who [*and?*] prepared the following memorandum of conversation which he asks may be regarded as strictly confidential and not to be mentioned in particular to any member of British Embassy.

[“In strictest confidence I discussed Department’s 163, June 1, 7 p.m., with Fisher this morning who, after consulting a telegram from Sir Ronald Lindsay reporting his conversation with the Secretary of State at Woodley, advised me that the British Ambassador had clearly understood and reported Colonel Stimson’s arguments. Fisher stated he knew of no basis in fact on which the French Finance Minister might write such a note as quoted in the Department’s telegram 163, June 1, 7 p.m., but that Sir William Tyrrell would be in London next week and he would take occasion to talk with him. Fisher then outlined certain aspects of Franco-British conversations as of interest.

Last year [when the?] Anglo-French experts began discussing the scope of the then proposed Lausanne Conference, the French stated their difficulty in considering readjustment of reparations unless the attitude of the American Government on debt payments was first determined. The British experts pointed out the French were beginning at the wrong end, in that the American Government had already taken its position and insisted that ‘Europe must set its

¹⁸ Telegram in four sections.

own house in order' before any approach was made to the United States for debt consideration. Fisher stated that British experts had pointed out to the French that the British Treasury had been consistent in advocating the abolition of reparation payments since Lloyd George wrote a note to President Wilson in 1920 setting forth the British opinion that the enforced payment of political debts 'would lead to damnation'. At the time of that note Fisher said, however 'astronomical the figures', what England was prepared to forego was not incomparable with the United States figures.

Fisher stated in his opinion, Germany at Lausanne would refuse categorically to resume reparation payments and added that Germany had been led to make promises in the past regarding future payments which she was unable to fulfill; that consequently while Germany might admit the possibility of being able to resume limited reparation payments at some future date she would in all probability be unwilling today to give any assurances as to dates or figures. In Fisher's opinion, any attempt now to force Germany to pay would have a most disastrous psychological effect the world over, as would likewise the ensuing state of world uncertainty if nothing were concluded at Lausanne. However, if Germany did refuse to pay, France would follow suit and if England adopted any different course it must certainly lead to Anglo-French discord. Fisher felt certain the United States would agree that accord between France and England, above all today, was essential for the restoration of confidence in Europe. The British taxpayer individually, according to Fisher, would not continue to pay taxes for debt payments to the United States if he were receiving no reparation payments on account from Europe. On the other hand, Fisher argued, provided Germany were willing to agree to pay a small sum at Lausanne, the distribution of this sum among the nations of Europe and the subsequent readjustment of debt payments to the United States, would, in Fisher's personal opinion, possibly cause more discord and upset further the psychology of Europe, thereby delaying a return to confidence than such a sum was worth in itself. Accordingly, Fisher argued, the British Treasury was not as yet convinced of any reason for departing from its position taken in 1920, that the payment of political debts was undermining Europe, and for a restoration of confidence had best be completely canceled. In Fisher's opinion, there was an increasingly important official element in France arriving at this point of view. Since America's injunction that 'Europe must set its own house in order' before any approach was made to the United States on debt questions, Fisher argued that Inter-European deliberations must take such form as seemed leading to a constructive European solution which the United States as well as Europe desired. Fisher understands the American point of view vis-à-vis Congress but did not have in his mind the full liberality of America's debt settlement with France with [which?] I pointed out to him at some length.

My personal deduction after talking with Fisher is that he is convinced Germany will refuse any further payments at Lausanne, but that after all if he is wrong in this forecast, England's position

for cancellation would probably persuade France to agree to some general compromise which Germany might likewise be willing to accept."

MELLON

462.00R296A1/158: Telegram

The Secretary of State to the Ambassador in Great Britain (Mellon)

WASHINGTON, June 4, 1932—3 p.m.

171. Your 196, June 3, 6 p.m. In second paragraph of telegram under reference you indicate that you understood from my cable that French Finance Minister had written a note to the effect stated in Department's 163, June 1, 7 p.m. In order to correct any misapprehension, the statement attributed to the French Finance Minister was not contained in any note but was merely made orally in the course of conversations with my informant. It might be well for you to correct any misapprehension that Fisher may have that the French Finance Minister has expressed himself formally in writing which is not the case. If there is any further comment on your telegram under reference, I shall inform you after an opportunity to give it thorough consideration.

STIMSON

462.00R296A1/175

Memorandum by the Under Secretary of State (Castle)

[WASHINGTON,] June 15, 1932.

The German Ambassador came to say that he was instructed to present to the American Government exactly as it had been presented to the French, British and Italian Governments the German attitude on the conference at Lausanne.

The German Government believes that there are two matters before the conference, one of which they call negative, the other positive. The negative consists in bringing about definite liquidation of reparations, meaning, of course, cancellation; Germany wished the conference to be held in January and at that time the German situation was a little better than it is now; the French prevented this on account of the coming French elections; the reason why Germany now demands definite liquidation of reparations is because of greatly diminished exports; in fact, the average of the excess of exports over imports during the first four months of the current year would not produce enough even to pay the interest and amortization on private debts; this amounts to one and one-half billion of marks a

year and unless there is an improvement in the trade situation it will produce only one and two-tenths billion during the current year; the German Government believes, however, that there would be given such an impulse to business should satisfactory agreements be reached at Lausanne that the psychological effect in it would increase production and exports. The positive aspect of the Lausanne Conference is, in the opinion of the German Government, the discussion of the economic difficulties under which the world is staggering. Here the real work should begin; this the German Government believes consists primarily in three phases, one the stabilization of currency, two a study of the question whether private debts should continue in these depressed times to pay the present rate of interest and three the restrictions in foreign trade and particularly on monetary exchanges.

W. R. CASTLE, JR.

462.00R296A1/184 : Telegram

The Consul at Basel (Cochran) to the Secretary of State

BASEL, June 23, 1932—4 p.m.

[Received 4 p.m.]

For Castle. Understand that little progress being made at Lausanne because of the entrenched positions of the French and Germans. Reparation question is the only one now under discussion. The British insist that a decision on principles should be accomplished and that resort should not be now made to naming technical committees. Some of the British including Leith-Ross favor MacDonald making a statement setting forth the position of the various delegates and then declaring the Conference adjourned leaving negotiations to be continued directly between the interested governments. In intermediary role the British have asked the Germans what the political and economic effects would be in Germany if that country were definitely to state at the Conference that further reparations are not to be paid. Von Papen replied that since he has been Chancellor only 2 weeks he could not answer but would summon Luther for advice who should reach Lausanne 24th. The French have not yet answered the British question as to what they would do if the Germans should so repudiate. Various delegations are split. The liberal French wing whose leader is the Minister of Finance¹⁹ arguing that after 14 years Germany cannot be expected to pay what is deemed a tribute to the stronger nation,

¹⁹ Louis Germain-Martin.

namely France. This wing recommends that after a limited moratorium Germany pay a certain balance into a general fund to help reconstruction in Eastern Europe. Such a fund would be administered by the B.I.S. or the financial committee of the League or committee of the treasuries. This plan would indirectly benefit France. Germany might reasonably ask that other countries agree to make individual contributions.

The Germans are being encouraged from some sources especially Italian definitely to repudiate if they cannot agree with the French. The Italians suggest the other alternative of France giving up reparations thus exonerating Germany in return for which move Great Britain and Italy would join France in a united front to the United States on the war debt question.

British today proposing that all questions before the Conference be decided by a majority vote. This proposition will be resented by the French who feel that the British are endeavoring to make them appear responsible for the deadlock while the French blame the American attitude therefor.

COCHRAN

462.00R296A1/189 : Telegram

The Consul at Basel (Cochran) to the Secretary of State

BASEL, June 27, 1932—4 p.m.

[Received 8:05 p.m.]

For Castle. In lieu of completely wiping out reparations British have proposed a compromise whereby Germany would pay annually 50 million dollars for 15 years to begin after complete moratorium of 3 or 5 years. So far the Germans oppose this plan as do the French, the latter considering the payment too small.

Germans think today or tomorrow likely to see a crisis in Lausanne discussions stating that in the 3 days' talk between the Germans and the French the vital question whether reparation payments should be continued was not touched upon and this must be determined soon. Since the belief is becoming widespread that Germany will make no more payments that could be considered tribute, especially in view of the British attitude of generosity towards Germany, the French are going further with alternative plans. Avenol has amplified the relief pool plan mentioned in my telegram June 23, 4 p. m. Into this Germany would be expected in return for wiping out of reparations to pay the largest share but other European countries would contribute a certain percent of their customs revenues for 3 years, these funds to be paid into the

B. I. S. or some other trustee. B. I. S. would partition the funding among needy countries for, firstly, monetary reconstruction and secondly, liquidation of standstill and other indebtedness. As a price therefor the beneficiary countries would give up restrictions on foreign exchange and foreign trade and would lower tariffs. Repayment through the trustee would be spread over perhaps 15 years. Funds for this plan would only accumulate within 3 years. Since certain countries need assistance immediately and since practically all European treasuries face deficits and the governments could not advance funds without borrowing it is suggested that the central banks of certain countries discount the obligations of the governments and in turn have assigned to them the custom revenues involved and also enjoy a joint guarantee from the respective governments. This would give business to the central banks such as Bank of England whose recent dividend shows a need for profitable activities. This plan has the approval of all of the principal countries except Great Britain. In the first place British will be faced in July with requests for loans on the part of practically all of their dominions. These requests could not be easily refused if Great Britain should agree now to lend assistance to various Danubian countries. Secondly, this pool would place Great Britain in the position of providing support for France in her alliance with the Danubian states. Germany and Italy favor pool idea, even Italy hoping to benefit therefrom. The outcome would probably be that the principal contributions at the beginning would be from England and France and to a lesser degree from the Netherlands and Switzerland. There is some doubt as to whether a plan is wise which merely continues existing credits by introducing fresh money to repay the old indebtedness. Some observers feel that the present liquidation should be permitted to continue. The French prefer that a committee of the treasuries act as trustee for such a fund rather than B. I. S. Italy opposes the French idea saying that this would leave the matter in the political realm. Since the central banks would be directly providing the funds these banks through the B. I. S. should control.

Another plan of one wing of the divided French delegates is that Young Plan should be left in force after placing the word non immediately before the word payments where it occurs in the Plan, that is unconditional payments would become unconditional nonpayments and conditional payments would become conditional nonpayments. The idea is that Germany would be expected to pay only what might have to be paid to the United States.

462.00R296A1/193 : Telegram

The Consul at Basel (Cochran) to the Secretary of State

BASEL, June 29, 1932—4 p.m.

[Received June 29—2:30 p.m.]

For Castle. Reichsbank today telephoned B. I. S. to state that in spite of the failure of the Lausanne Conference, Germany will not declare a general moratorium. Reichsbank denied that any plan had been discussed or was contemplated for scaling down German private indebtedness. Furthermore Germans will make no exceptional proposals at London Standstill meeting the first week in July although lowering of interest rates may be sought. In answer to the B.I.S. inquiry as to why the Reichsbank termed Lausanne a failure, Reichsbank replied that any solution of the problem which did not definitely assure the German people that they could work ahead toward their own salvation free from economic threats should be considered a failure. Bank of England telephoned today repeating wild rumors from London including one to the effect that the reichsmark would be devalORIZED as from tomorrow. Reichsbank assurances above stated are considered to refute this rumor.

It is understood here that the Lausanne Conference is today seeking agreement upon formula for the announcement of the position of the various delegations in such a manner that the Conference may appear to be a success. Committees will be appointed and if such a formula is found the Conference will probably be adjourned tomorrow night to meet at the call of the chairman. Among the committees would be one for deliveries in kind since this question is now proving vexatious due to the running contracts which no one is willing to finance to completion. B.I.S. has been requested to help on these contracts but for the present considers that such assistance would constitute extending credit to governments. Germans are trying to get the French to put up at least 50 percent of the balances required on these running contracts.

B.I.S. understands that the French last night offered perhaps unofficially to let the Germans off without further payments of any kind except if and to the extent the United States might insist upon war debts payments. The Germans refused this offer on three grounds.

First, this would leave the future open with the possibility of heavy payments. Secondly, the amount for which Germany thus would be liable might exceed the unconditional part under the

Young Plan and, thirdly, Germany is not willing to admit or assume the responsibility of underwriter of Allies war debts to the United States Government.

COCHRAN

462.00R296A1/202

Memorandum by the Under Secretary of State (Castle) of a Conversation With the German Ambassador (Von Prittwitz)

[WASHINGTON,] June 29, 1932.

The Ambassador said that he had received from his Government a summary of the conversation between Papen and Herriot in Lausanne. He said that Herriot had told Papen that even if it were possible to cancel German reparations he was estopped from doing this by the declaration of the American Government that, whatever was agreed to at Lausanne, there could be no rearrangement as to the Allied Debts owing to this country. I told him that I could not see anything on which Herriot could have based this statement, unless he quoted a reservation made by the Congress on the subject at the time the moratorium was passed. The Ambassador said he had no instructions from his Government to pass on this conversation, but that he had taken it on himself to do so since it was perfectly possible that the French might publicly make assertions of this kind after Lausanne was over. I told him we were glad to have the information. The Ambassador said that he felt this idea might have come from the statements made by the Secretary that the United States was, in general, not in favor of total cancellation of reparations since this would almost certainly envisage an attempt at cancellation of the debt. I told him that the statement would hardly be authority for Herriot to make the remark he was alleged to have made, but that it certainly stood as the truth in this country that it would never be possible to persuade the American people that they ought to assume the full burden of the war. The Ambassador said that it would hardly be fair to say that we would be assuming the full burden, since Germany had already made very extensive payments and that the Allies, out of those payments, had made payments to us. I told him I did not think the matter was one now of reparations or, as the Germans called it, "tribute", but that Germany certainly ought to be willing to put into a common pool its share of the liquidation of the cost of the war; that it seemed to me in the conversations at Lausanne Germany was probably taking an attitude quite as uncompromising as the attitude of the French in that the Germans appeared to be

refusing to consider anything except total cancellation. Prittwitz said that it would be political suicide for any German to do anything else. I countered with the statement that it would equally be political suicide for a Frenchman to agree to such cancellation. The Ambassador said he knew this, but that perhaps one reason why America was not willing to make some arrangement on the debt was that it would be considered political suicide here. I told him that what we wanted was to see first whether Europe had the courage to come to some reasonable arrangement on these questions; that he knew as well as I did that America would not be ungenerous when it came to a general liquidation, but that the grim fact remained that America was not willing, and presumably never would be willing, to assume the entire burden. The Ambassador said that he had not given up hope at all of some kind of successful outcome in Lausanne, and that even if the conference was adjourned temporarily, he felt that the conversations so far had been useful and that they would eventually lead to some result.

WILLIAM R. CASTLE, JR.

462.00R296A1/197: Telegram

The Consul at Basel (Cochran) to the Secretary of State

BASEL, June 30, 1932—6 p.m.

[Received 8:55 p.m.]

For Castle. Following the turn which occurred in Lausanne negotiations yesterday afternoon strenuous efforts are being made to reach a definite settlement of the reparation question. At 2 o'clock this morning Finance Ministers agreed to recommend to their Premiers that Germany be granted an absolute moratorium for from 3 to 5 years; that Germany now issue and deliver to B.I.S. as a final payment German railway bonds guaranteed by the German Government which would be mobilized at the end of the moratorium period provided that they would then be marketable on a 5 percent basis; that of this quantity of bonds one-half to two thirds be marketed only if the United States were claiming war debt payments to the equivalent of this amount; that the other fraction be employed for the European reconstruction fund. As to the total amount of the bond the French have suggested 7 billion reichsmarks and the German[s] 1 billion. It is understood that the British suggested a compromise on 3 billion. The Germans admit this is only the basis of negotiations and do not publicly concede the idea that they will make one final payment. Since these bonds could not

be mobilized before 3 or 5 years efforts are being made to ascertain how money can be procured thereon for the immediately necessary reconstruction. The central banks are considered the most likely sources. It is understood that Germany has said that European reconstruction is impossible unless disarmament transpires and they press for the Hoover proposal. The French are understood to be the ones now holding back on the above-mentioned plan for three reasons, first, the amount that could be possibly received would be comparatively small and not available for perhaps 5 years, secondly, France would be left uncovered vis-à-vis the United States for at least the moratorium period and the amount payable thereafter might be quite inadequate to meet American demands and, thirdly, the French would probably be called upon now to advance most of the money for the European reconstruction thus not only losing German payments but assuming new obligations.

COCHRAN

462.00R296A1/203 : Telegram

The Consul at Basel (Cochran) to the Secretary of State

BASEL, July 2, 1932—1 p.m.

[Received 2:55 p.m.]

For Castle. The plan discussed in my telegram June 30, 6 p.m., for final payment through German bond issue is progressing. The amount is considered most likely at slight[ly] under 4 billion marks although the Germans are insisting upon 2½ billion. The bonds would be issued to the public at 90 and at least 5 coupons of at least 5 percent and provided B.I.S. certified that the German economy at the time of prospective marketing would permit such issue.

MacDonald formally invited B.I.S. last night to send a representative to Lausanne presumably to advise whether the B.I.S. would be willing to accept the above mentioned responsibility. President McGarrah accompanied by legal adviser left here at noon for Lausanne. I believe B.I.S. would accept the responsibility.

Since the Germans oppose a conditional settlement and state that their permitting a connection between reparations and war debts would be an unkind gesture on Germany's part towards the United States and since France continues to seek some guarantee to cover possible future war debt payments the following proposal, presumably French, was made this morning: That a final reparation settlement now be reached without reference to the United States but that no parliament ratify this until it may be seen what the United

States demands on war debt payments. The agreement would be put into effect just as the Hoover agreement came into force and was executed without ratification. It now appears that the creditors are united in insisting that Germany shall not get off without some payment.

COCHRAN

500.A15A4/1252: Telegram

The Acting Chairman of the American Delegation to the General Disarmament Conference (Gibson) to the Secretary of State

GENEVA, July 6, 1932—midnight.

[Received July 6—8:52 p.m.]

307. After concluding the talk on disarmament, reported in our 306,²⁰ MacDonald told us that when the reparations meeting broke up last night at 12:30 it looked rather hopeless but that after his talk with Herriot this morning for over an hour preceding his meeting with us the situation was looking much brighter. The Italians he said were refusing to agree upon the proposed settlement of reparations unless the British agree now to wipe out the Italian debt to them irrespective of what subsequent arrangements are made with the United States. He said that while he was attempting to keep the question of Allied debts to us out of the picture here he did not dare face the House of Commons with an agreement unconditionally to cancel the debts of the Allied countries to England. He also said it was going to be difficult for him to get an agreement at Lausanne without some attempt probably to make that conditional upon a subsequent settlement on debts.

Davis told him that since they could not make any statement whatever or impose any conditions which could in the slightest way bind the United States and since any attempt to do so would merely have an irritating and adverse effect upon opinion in the United States he could not see what possible advantage the proponents of such strategy expected to get from it; and that furthermore any reference to the debt would most probably inject the question into the political campaign at home. MacDonald and Simon said that they both realized that perfectly and that in fact MacDonald had made exactly the same arguments last night but that their difficulty was that they were dealing with people who could not have the Anglo-Saxon point of view. They hoped, however, that the hurdles could be gotten over satisfactorily today but suggested that it would be helpful if we could

²⁰ Dated July 6, 5 p. m., p. 271.

indicate to Grandi that he should not put himself in the position of blocking settlement at Lausanne.

Later we saw Grandi in order to discuss disarmament procedure at the Conference. After explaining contemplated program he indicated his concurrence. He said it had been difficult for Italy to accept the President's Plan with regard to effectives but that they did so because they assumed they would not be expected to concur in this unless the other features of the Plan were adopted. We told him that the Plan was interdependent.

He then brought up the situation at Lausanne and seemed rather hopeful of reaching an agreement today. We told him that since Italy had gotten such a good strategic advantage at Geneva by endorsing unqualifiedly the President's Plan we hoped she would not be put in the position of blocking a settlement at Lausanne. He told us he did not intend to block it; that he had advocated a wiping clean of the slate in Europe without any reference to the debts to the United States but England demurred. We told him we hoped there would be a settlement because of the good effect it would have towards world recovery.

We then thought it would be good policy for us to call on Herriot, who was in the same hotel, primarily for the purpose of inviting him to the dinner being given to Mr. Kellogg tonight. He seemed hopeful about reaching a settlement at Lausanne but was quite concerned about his own situation at home. He said it was possible that he would be overthrown next week as a result of the discussion in the Chamber over his economy program upon which he intends to stand firm. He said there was opposition to the proposed reduction of a billion and a half francs in military expenditures and over a provision in the budget for the payment of debt to us. He said, however, that the discussion in the Chamber would last perhaps 3 or 4 days and that if he were not then overthrown he would come immediately to Geneva and do everything he could to help wind up this Conference in a satisfactory and successful way.

GIBSON

462.00R296A1/225 : Telegram

The Ambassador in Great Britain (Mellon) to the Secretary of State

LONDON, July 12, 1932—10 a.m.

[Received July 12—7:40 a.m.]

217. Despite Prime Minister's scheduled statement in Parliament this afternoon on Lausanne settlement Drummond [*Chamberlain*] felt it necessary last evening to meet criticisms expressed in Commons by stating:

“After all, we have been in touch at Lausanne not only with European representatives, but we have had opportunities of conversations with [the] representatives of the United States and I would ask the House to believe that in this rather delicate situation we have had no reason to think that the course we have taken is one which is going to lead to any of those unfortunate results which Mr. Churchill anticipates.”²¹

MELLON

462.00R296A1/226 : Telegram

The Acting Chairman of the American Delegation to the General Disarmament Conference (Gibson) to the Secretary of State

GENEVA, July 12, 1932—4 p.m.

[Received July 12—12:25 p.m.]

323. Paris edition *New York Herald* July 11th contains statement from Lausanne correspondent to effect that all delegations at Lausanne consider readjustment war debts inevitable and imminent since British and French kept in close touch throughout negotiations with Washington through conferences with Davis and myself. All statements made by Davis are fully and accurately reported in delegation's telegrams 260, June 20, noon,²² and 307, July 6, 8 p.m. [*mid-night*], and telephone conversation July 1, 11 p.m.²³ Any implication that our statements could give rise to belief that the relating of reparations settlements to readjustment of war debts, even in form so-called Gentlemen's Agreement,²⁴ is not only without justification but is the exact contrary of what was stated and from which there has been no deviations by either of us.

GIBSON

462.00R296A1/227 : Telegram

The Consul at Basel (Cochran) to the Secretary of State

BASEL, July 12, 1932—4 p.m.

[Received July 12—1:52 p.m.]

For Castle. The following is the text of the Gentlemen's Agreement of July 8:²⁵

²¹ For official text of Mr. Chamberlain's speech on July 11, see Great Britain, *Parliamentary Debates, House of Commons*, 5th series, vol. 268 (1931-32), pp. 972-984.

²² Not printed.

²³ Memorandum of conversation not printed.

²⁴ See *infra*.

²⁵ In the official British White Paper, this document is dated July 2 (Great Britain, Cmd. 4129, Misc. No. 8 (1932): *Further Documents relating to the Settlement reached at the Lausanne Conference*, p. 3).

"The Lausanne agreement²⁶ will not come into final effect until after ratification as provided for in the agreement. So far as the creditor governments, on whose behalf this *procès-verbale* is initialed,²⁷ are concerned, ratification will not be effected until a satisfactory settlement has been reached between them and their own creditors. It will be open to them to explain the position to their respective parliaments, but no specific reference to it will appear in the text of the agreement with Germany. Subsequently if a satisfactory settlement about their own debts is reached the aforesaid creditor governments will ratify and the agreement with Germany will come into full effect. But if no such settlement can be obtained, the agreement with Germany will not be ratified; a new situation will have arisen and the governments interested will have to consult together as to what should be done. In that event, the legal position, as between all the governments, would revert to that which existed before the Hoover Moratorium.

The German Government will be notified of this arrangement."

COCHRAN

462.00R296 B. I. S. Special Reports/60

The Consul at Basel (Cochran) to the Under Secretary of State (Castle)

[Extract]

BASEL, July 13, 1932.

[Received July 23.]

DEAR MR. CASTLE: I have pleasure in submitting the following data in continuation of my series of International Bank Notes.

Gentlemen's Agreement. In my cablegram dated July 12, 4 p.m., I gave you the complete text of the Gentlemen's Agreement, initialed at Lausanne on July 8. Before this Letter arrives, you will have seen much comment upon the policy involved in this secret diplomacy. According to American despatches now reaching here, the Department has already received evidence of the interest of Congress in this particular phase of the Lausanne negotiations.

For convenience, I am reproducing herewith the full text of the Agreement.²⁸

²⁶ Great Britain, Cmd. 4126, Misc. No. 7 (1932): *Final Act of the Lausanne Conference, Lausanne, July 9, 1932.*

²⁷ Initialed by Jules Renkin on behalf of Belgium; Edouard Herriot on behalf of France; Neville Chamberlain on behalf of Great Britain; and Antonio Mosconi on behalf of Italy.

²⁸ See *supra*.

From the above wording, it is not clear whether the countries whose representatives signed the above Agreement, namely, Belgium, Great Britain, France, and Italy, will individually or in a group approach the United States. Furthermore, it is not clear as to what may be considered a satisfactory settlement. There has been criticism of the Agreement in the English Parliament, as a measure likely to hurt the chances of the United Kingdom to procure from the United States favorable reconsideration of the British war debt. As a result of the demand for the exact terms of the Agreement, it is understood that publicity will be given thereto simultaneously in London and Paris tomorrow, July 14.

I kept you informed as to Germany's opposition to such a linking of reparations and war debts. France insisted upon a safeguard. Italy had to have this in lieu of outright all-around cancellation. The British are understood to have yielded reluctantly. In a letter dated July 8, addressed to the French Minister of Finance, Germain-Martin, the British Minister of Finance, Chamberlain, regretted that, in the absence of a general agreement concerning the cancellation of war debts and reparations, the British Government was also unable to cancel the French debt to Great Britain.²⁹ However, the British Government expressed its readiness to suspend the payment of annuities agreed upon in the Caillaux-Churchill Agreement³⁰ until the ratification of the Lausanne Act. While no official announcement to that effect has been seen, it is reported that Great Britain granted the same treatment to Italy. Great Britain thus gained the adherence of these two countries to the Lausanne compromise Act.

The French appear to consider the great result of the Conference the fact that France, after entering it as the isolated Power, came out in a unified line-up, as far as debts toward the United States are concerned, and, furthermore, with a much desired alliance with Great Britain which, as the Franco-British Pact of Confidence,³¹ has today been made known through the following announcement:

From the text of the Gentlemen's Agreement information was lacking as to the steps that the various countries would take in ap-

²⁹ On the same date, July 8, Mr. Chamberlain sent a letter of similar purport to the Italian Finance Minister, Antonio Mosconi; for text, see Great Britain, Cmd. 4129, Misc. No. 8 (1932), p. 5.

³⁰ Signed on July 12, 1926, by Winston Churchill, British Chancellor of the Exchequer, and Joseph Caillaux, French Minister of Finance; see Great Britain, Cmd. 2692, French War Debt (1926): *Agreement for the Settlement of the War Debt of France to Great Britain*.

³¹ See note from the British Embassy, p. 694.

proaching the United States. This second document, to which Belgium and Italy will at once become parties, throws considerable light on the plans.

Outlook. The Lausanne Agreement was received here as constituting a big move forward, principally because of France's yielding on the question of reparations to an extent that had not heretofore seemed probable. A compromise was the only possible solution, considering the opposing ideas with which the Powers entered the Conference, and the strength of political pressure behind several of the representatives.

Some observers are of the opinion that it is just as well that the real attitude of the Allied debtors in Europe toward their American obligations should be expressed as frankly as has been done at this time. One alternative was to draw the Conference out until December 15 and negotiate with America at the time payments were falling due, and decide the reparation question thereafter. The present scheme may at least be time-saving, unless it proves so distasteful to the United States that opposition to reconsideration of war debts is strengthened and final ratification of the Lausanne Act by the parties to the Gentlemen's Agreement is rendered impossible.

As to the acceptance by the European Powers concerned, the only doubt would appear to be on the part of Germany. With the Cabinet unanimously approving the Act and with such opposing leaders as Brüning and Schacht supporting von Papen's position, the outlook is favorable. Dr. Luther of the Reichsbank has expressed here the personal opinion that Germany will be willing to ratify.

Very sincerely yours,

H. MERLE COCHRAN

462.00R296A1/242 : Telegram

The Ambassador in Great Britain (Mellon) to the Secretary of State

LONDON, July 14, 1932—5 p.m.
[Received July 14—2:45 p.m.]

225. My 217, July 12, 10 a.m. Following official statement was issued at Treasury this afternoon:

"Misunderstanding has arisen regarding Mr. Chamberlain's reference in his speech in the House of Commons on Monday to conversations with representatives of the United States. He did not suggest, and of course had no intention of suggesting that representatives of the United States had approved, either tacitly or explicitly, what was done at Lausanne. The proceedings there were

throughout on the basis that the right course was to seek a European solution of reparations without involving the United States in the discussion".

MELLON

462.00R296A1/326

*President Hoover to Senator William E. Borah*³²

WASHINGTON, July 14, 1932.

MY DEAR MR. SENATOR: I have your inquiry this morning, through Secretary Stimson, as to the effect on the United States of recent agreements in Europe.

Our people are, of course, gratified at the settlement of the strictly European problem of reparations or any of the other political or economic questions that have impeded European recovery. Such action, together with the real progress in disarmament, will contribute greatly to world stability.

I wish to make it absolutely clear, however, that the United States has not been consulted regarding any of the agreements reported by the press to have been concluded recently at Lausanne and that of course it is not a party to, nor in any way committed to any such agreements.

While I do not assume it to be the purpose of any of these agreements to effect combined action of our debtors, if it shall be so interpreted then I do not propose that the American people shall be pressed into any line of action or that our policies shall be in any way influenced by such a combination either open or implied.

Yours faithfully,

HERBERT HOOVER

III. THE ANGLO-FRENCH DECLARATION OF JULY 13, 1932

741.5111 European Co-operation/1: Telegram

The Chargé in France (Armour) to the Secretary of State

[Extract]

PARIS, July 13, 1932—3 p.m.

[Received July 13—10:30 a.m.]

422. I have just learned from the British Embassy that a very important statement is to be issued by the Foreign Office of London and Paris simultaneously at 7 o'clock, Paris time, this evening the substance of which is as follows.³³

³² Issued as a press release by the White House on July 14.

³³ See p. 694.

I was shown the statement in confidence at the British Embassy today and the above represents my recollection of the contents. The official with whom I spoke at the British Embassy said that they wished above all to avoid the impression being given that this is anything in the nature of a Franco-British entente. However, it seems probable that in order to get as much benefit from this as possible particularly internally the French may give the impression that it is a definite revival of the entente.

An article has already been published in this morning's *Agence Economic and Financiere* to the effect that as a result of official conversations yesterday between Herriot and the British Ambassador and later with the President of the Republic³⁴ "a diplomatic event of the greatest importance is about to take place between France and Great Britain concerning the directives of Anglo-French *rapprochement* begun at Lausanne."³⁵ This event and the accord resulting from it will without doubt be communicated to the Council of Ministers which is being held this morning in Paris and will be made public this evening on the eve of the French national fete on the 14th of July."

As the official text is to be made public to the press at 7 o'clock this evening it undoubtedly will be cabled to the press in the United States but I shall transmit a translation of the official text as issued by the Foreign Office.

It may of course be that our Embassy at London or the British or French Ambassadors in Washington have already furnished the text to the Department in which case, and in order to avoid unnecessary expense, you may wish to notify me.

ARMOUR

741.5111 European Co-operation/11

*Memorandum by the Secretary of State of a Conversation With
the British Ambassador (Lindsay)*

[WASHINGTON,] July 14, 1932.

The British Ambassador presented a paper which he said contained the Franco-British Agreement, which was mentioned in the *Times* this morning, with some additional declarations added to it, and he handed me the paper which is attached to this memorandum.³⁶ I read it. The Ambassador said that his Government was most so-

³⁴ Albert Lebrun.

³⁵ For correspondence concerning the Lausanne Conference, see pp. 636 ff.

³⁶ *Infra*.

licitous that we should not suspect any combination between the French and the British against the United States which, he added, was an element that they always took into consideration whenever they had to establish any entente with the French. They always had in mind their sad trouble with the Franco-British Naval Agreement of 1928.³⁷

I replied that I thought his statement was correct as to this agreement, although when I read it in the *Times* I thought the language of the Covenant in the article marked "First" was a little obscure, but I added that the difficulty in this connection was not with this agreement but with the so-called "gentlemen's agreement".³⁸ This latter agreement did not alone seek to protect each individual nation from being bound to its covenants as to reparation until it had separately made a satisfactory debt settlement with us, but it seemed to provide that nobody could make a permanent settlement as to reparations, and possibly, as to its own debts to us, until every other nation had made such an arrangement. This seemed to be an attempt to make a common front against us and to compel us to give up the method of individual settlement with our debtor nations, which we had carried out originally and which Mr. Hoover had proposed in the moratorium agreement last year, and to compel us to sit down at a round table with all our debtors—a process which we had always declined to do. I told him frankly that this phase of the so-called "gentlemen's agreement" had excited a good deal of comment and criticism. The Ambassador admitted that he found that to be true. He asked me whether there was any likelihood of negotiations for a debt settlement being undertaken before election. I told the Ambassador that I could inform him that I did not see any likelihood of such negotiations being undertaken now, but I said that I had learned that it was dangerous to prophesy about what would happen after election because if we said that we could not negotiate before election, it would at once be assumed that we had made a secret agreement to negotiate after election and I told him that I had already been visited by one Senator this morning who had warned me against that. The Ambassador laughed and said he had not thought of that before.

H[ENRY] L. S[TIMSON]

³⁷ See *Foreign Relations*, 1928, vol. I, pp. 264 ff.

³⁸ *Ante*, p. 687.

741.5111 European Co-operation/11

The British Embassy to the Department of State

DECLARATION

In the declaration which forms part of the Final Act of the Lausanne conference³⁹ the signatory powers express how the task there accomplished will be followed by fresh achievements. They affirm further that success will be more readily won if the nations will rally to a new effort in the cause of peace, which can only be complete if it is applied in both the economic and political spheres. In the same document the signatory powers declare their intention to make every effort to resolve the problems which exist at the present moment or may arise subsequently in the spirit which has inspired the Lausanne agreement. In that spirit His Majesty's Government of the United Kingdom and the French Government decided themselves to give the lead in making an immediate mutual contribution to that end on the following lines:

First, in accordance with the spirit of the Covenant of the League of Nations they intend to exchange views with one another with complete candour concerning, and to keep each other mutually informed of, any questions coming to their notice similar in origin to that now so happily settled at Lausanne which may affect the European regime. It is their hope that other governments will join them in adopting their procedure.

Secondly, they intend to work together and with the other delegations at Geneva to find a solution for the disarmament question which will be beneficial and equitable for all the powers concerned.

Thirdly, they will cooperate with each other and other interested governments in careful and practical preparation of the world economic conference.⁴⁰

Fourthly, pending negotiation at a later date of a new commercial treaty between their two countries, they will avoid any action in the nature of discrimination by one country against the interests of the other.

The French and British Governments are bringing this declaration to the notice of the Governments of Germany, Italy and Belgium and are inviting them to adhere to paragraphs 1, 2 and 3.

The purpose of the declaration is to promote European appeasement by urging the principal countries of Europe to adopt the method of candid and open discussion if questions arise between

³⁹ Great Britain, Cmd. 4126, Misc. No. 7 (1932): *Final Act of the Lausanne Conference, Lausanne, July 9, 1932.*

⁴⁰ For correspondence regarding the preliminaries to the International Monetary and Economic Conference, see pp. 808 ff.

them under existing treaties. This effort aims at removing suspicion and encouraging general confidence, and it is strongly felt that it will excite the sympathy of the United States Government.

Sir R. Lindsay is instructed to make it plain to the Secretary of State that the object of the declaration is as above stated, and that the announcement is as to the spirit in which European nations should seek to improve their mutual relations and remove causes of friction.

With respect to the paragraph dealing with disarmament attention is called to the language used yesterday in the House of Commons by Sir J. Simon, in the following terms:—

“This is of course in no sense and at no point a special or exclusive declaration. We have already announced our own intention of co-operation with the United States in the work of disarmament at Geneva.⁴¹ I am going back there now to help in working out the principles of Mr. Hoover’s proposals.”

Sir John Simon has received M. Herriot’s express confirmation in saying that we are not seeking any exclusive or special relation, but a better method for us all.

[WASHINGTON,] July 14, 1932.

741.5111 European Co-operation/7: Telegram

The Acting Chairman of the American Delegation to the General Disarmament Conference (Gibson) to the Secretary of State

GENEVA, July 14, 1932—8 p.m.

[Received 8:44 p.m.⁴²]

329. Following is memorandum of conversation dictated by Davis:

“Sir John Simon called to see me at 10 o’clock this morning. He began by saying he was quite worried about the Prime Minister who was in bad shape and who was somewhat depressed because his speech in Parliament on the Lausanne Conference had not gone over well because of his physical condition and his failure to be more specific. He then said that he wished, first, to explain to me the origin and real purport of the accord with France which was announced yesterday and which he has asked Lindsay to explain fully to Secretary Stimson and, second, to assure me he was prepared to uphold the principles of the Hoover proposal⁴³ and to co-

⁴¹ For correspondence relating to this phase of the General Disarmament Conference, see pp. 225 ff.

⁴² Telegram in five sections.

⁴³ See pp. 76–83.

operate wholeheartedly with us in the formulation and adoption of a resolution marking the greatest measure of achievement that is possible. After reading to me the message which he had sent to Secretary Stimson, he said he wished to explain the origin of the accord to which he hopes that Germany, Italy and Belgium will also adhere. He said that MacDonald, realizing that a political appeasement in Europe would facilitate a settlement of reparations and a reduction in armaments, approached Von Papen thinking it better for Germany to take the initiative in view of the French fear of a German *démarche* with regard to the Corridor or the eastern frontiers.

The Germans were favorably inclined and at MacDonald's instigation they proposed a political truce. Herriot was suspicious of a proposal coming from Germany and the matter had to be dropped until the last day of the conference when MacDonald broached the question again but from an opposite direction, thinking it was better to have the French propose it. He accordingly talked to Herriot who was favorably inclined but nothing definite was done and it was agreed that further consideration would be given to it. Simon then began to meditate and when he returned to London on Monday he wrote down the four points and telegraphed them to Tyrrell for presentation to the French. The French first demurred over point 2 of the declaration on the ground that a beneficial and equitable solution of the disarmament question might be construed as a concession to Germany and wished to know what was meant by equitable. Simon replied it meant fair play and was intended to reassure Germany and must be maintained. France then accepted. Fearing that Herriot would attempt to construe the joint declaration of policy as an entente instead of an all inclusive method for promoting political appeasement in Europe he had warned them against such an attempt and had received a telegram from Herriot giving satisfactory assurance.

I told him my first off-hand personal impression was that if it were merely an effort to promote political appeasement and was in no sense to be a combination against any one, it might be a very constructive move but that since it grew out of the Lausanne Conference there was the danger of its being construed as cementing a united front with regard to debts and of degenerating into a political combination. He said that it was intended solely to promote peace in Europe and that he wanted to do everything to avoid any erroneous impression to the contrary. I then told him the secret gentlemen's agreement on debts had had a very adverse effect on American opinion and I was afraid that unless something is done to give the assurance that the accord does not mean a united front on debts and will not serve to block real achievement at the Disarmament Conference it may well prove to be more harmful than beneficial; that I had been astonished at Mr. Chamberlain's statements in the House of Commons⁴⁴ which had been construed to imply that American representatives had been kept informed and had tacitly ac-

⁴⁴ See telegram No. 217, July 12, 10 a. m., from the Ambassador in Great Britain, p. 686.

quiesced in the secret agreement regarding debts; that as he well knew if this were what Mr. Chamberlain meant to say it was untrue because we not only were not consulted or informed about such an agreement but on the contrary had most definitely told the Prime Minister and Sir John that any attempt to tie debts to reparations would be resented in the United States and would have a most harmful effect. He said I was quite right as to what had transpired but that he had not seen Chamberlain's statement to which I referred as he was not in the House when it was made. I then read it to him and he said that this was most unfortunate because it was open to an interpretation which he was sure Chamberlain did not intend and should be corrected. I told him that Gibson and I had refrained from a public statement categorically denying such an imputation but that Secretary Stimson had denied it and would no doubt continue to do so as long as may be necessary but that unless it is cleared up and denied by Chamberlain himself we may still have to do so. He said that he was glad I had called his attention to this and said he would send a wireless to Chamberlain and communicate with the Prime Minister at once and that this would be attended to.

2. He raised the question of disarmament stating that they had had a thorough discussion in the Cabinet that he was coming back to uphold wholeheartedly the principles of the Hoover proposal and to cooperate with us in getting a strong resolution; that as to the naval question, he was now satisfied we could ultimately work out a mutually satisfactory agreement but that since they cannot accept *in toto* the President's proposals he hoped we would not press for this in the General Commission to the extent of forcing them to oppose this phase of the proposal. I told him it was not our desire to press unduly for full acceptance at least now but that if it were distinctly understood that they would not try to press for their naval proposals which were wholly unacceptable to us particularly with regard to cruisers and battleship replacements we would cooperate in formulating a resolution on the other questions and endeavor later to reach an accord on the navy. This, he said, was quite satisfactory. He then said that he must go to meet another appointment but that he hoped to be able to agree to something really far reaching on aerial bombardment and that he would get together later to discuss the various agreements to be incorporated in the resolution including a reduction in effectives.

3. My own impression at first was that the British and French accord might degenerate into a method of protecting the British navy and preventing any reduction in the French army. Simon insists that such is not the case as they are in favor of substantial reductions in all branches of armaments.

4. Having met Simon at a luncheon later today he called me aside to say first that he had communicated to Chamberlain and the Prime Minister the wording of a statement to be issued rectifying the statement that Chamberlain had made in the House and that since the latter was at sea this might be issued by the Government; and second, that the Prime Minister would give out a statement this afternoon

which would also simultaneously be given by him to the press here at 5:30 explaining more fully the limited and true import of the Franco-British understanding that it was intended to facilitate rather than block any reduction in arms and that they intend to cooperate with us in upholding the principles of the Hoover proposal. I told him that if the understanding arrived at was a purely internal continental measure and had nothing to do with questions outside of Europe such as debts to the United States or the Far Eastern question it would be helpful to say so specifically. He said that those questions were of course not included and he would incorporate in the statement the clarification suggested by me."

GIBSON

741.5111 European Co-operation/8: Telegram

The Acting Chairman of the American Delegation to the General Disarmament Conference (Gibson) to the Secretary of State

GENEVA, July 14, 1932—11 p.m.

[Received July 14—7:50 p.m.]

331. Supplementing my 329, July 14, 8 p.m. Simon issued two statements here to journalists which were issued at the same time in London and which you have doubtless received through press. I quote his letter to Davis transmitting copies:

"My Dear Davis: I think you may like to see the two statements issued in London an hour ago correcting any misunderstanding about

1. The declaration made yesterday in London and Paris and
2. The "Gentlemen's Agreement".⁴⁵

This completely clears up the misunderstanding about Chamberlain and you will be glad to note that the language you suggested has been employed. I am very much obliged to you.

I repeated the same explanations to the journalists here and added (again following your suggestion) that the declaration made yesterday is an invitation to European powers to adopt as an internal continental rule the mode of open and candid discussion. I emphasized that it is neither the creation of a European bloc against anybody nor the creation of an Anglo-French compact against anybody.

Yours very truly,

John Simon".

GIBSON

741.5111 European Co-operation/12: Telegram

The Consul at Geneva (Gilbert) to the Secretary of State

GENEVA, July 15, 1932—9 p.m.

[Received July 15—5:04 p.m.]

219. At the convening of the Council this afternoon Sir John Simon made an announcement respecting the recent so-called Franco-British

⁴⁵ See telegram No. 225, July 14, 5 p.m., from the Ambassador in Great Britain, p. 690.

accord.⁴⁶ He cited the text of the accord as it has appeared in the press and added certain statements the chief of which were to the following effect:

1. There is no relationship between this arrangement and extra European matters;

2. The Italian and Belgian Governments have signified their adherence;

3. The invitation to other states is not limited to the "inviting states" of Lausanne but is addressed to any European state;

4. The accord does not envisage any organization and is made in the spirit of the Covenant and without prejudice to the League.

The representative of France⁴⁷ associated his Government with the foregoing.

GILBERT

741.5111 European Co-operation/17

The Ambassador in Italy (Garrett) to the Secretary of State

[Extract]

No. 1496

ROME, July 22, 1932.

[Received August 4.]

SIR:

In conclusion I may say that while Italian public opinion is thus favorable to the accord, an undercurrent of scepticism is perceptible. In some quarters it is rumored that a certain displeasure prevailed in higher official circles at the form in which the announcement of the accord was made suddenly and almost simultaneously from London and Paris. It is stated that this seemed to indicate a certain disregard for Italy's importance in European affairs. Such official disapproval, added to what is termed a partial failure of Italy's, or rather Mussolini's, policy at Lausanne when the "slate" was not "sponged clean" and when Italy's alleged efforts to prevent the "gentlemen's agreement" were circumvented, is rumored to have some connection with the resignation of Signor Grandi as Foreign Minister and Signor Mosconi as Minister of Finance (see my despatch No. 1498 of July 22, 1932).⁴⁸ Needless to say, no hint as to such a cause or to any possible failure has been allowed to creep into the news columns. Officially, at present as before, the Lausanne Conference is reported as a triumph of Mussolinian principles.

Respectfully yours,

JOHN W. GARRETT

⁴⁶ League of Nations, *Official Journal*, July, 1932, p. 1264.

⁴⁷ René Massigli.

⁴⁸ Not printed.

741.5111 European Co-operation/28

The Ambassador in Germany (Sackett) to the Secretary of State

No. 1870

BERLIN, August 10, 1932.

[Received August 20.]

SIR: With reference to my despatch No. 1849 of July 27,⁴⁹ I have the honor to report that, during the course of a conversation with the Foreign Minister the other day, I casually alluded to the diversity of German interpretation of the Government's action with regard to the Anglo-French Consultative Pact.

Baron von Neurath smiled significantly and, without attempting to state explicitly whether he considered Germany's action to constitute full or qualified adherence to the pact, he said that the Government found no difficulty in making a declaration of readiness to participate in future exchanges of opinion concerning European questions, inasmuch as this really meant nothing at all; the disparity between the French and British conceptions of the scope and meaning of the pact, and the unwieldy development which it had assumed as a result of the adherence of so many small Powers, had, as a practical matter, in his opinion, rendered the pact meaningless.

Respectfully yours,

FREDERIC M. SACKETT

IV. REQUESTS FOR SUSPENSION OF WAR DEBT PAYMENTS
PENDING A REVIEW OF THE QUESTION

Belgium

800.51W89 Belgium/203

*The Belgian Embassy to the Department of State*⁵⁰

[Translation]

The British and French Governments, moved by a desire to alleviate the serious difficulties resulting from the economic depression, have, in their notes dated the tenth and the eleventh, respectively, of the present month,⁵¹ proposed to the Government of the United States that it cooperate in a reexamination of the problems arising from the intergovernmental debts. Basing their action upon the principles adopted during the recent Conference of Lausanne,⁵² they suggested that the period of suspension on payments due to the United States be extended for the duration of this reexamination. The Belgian Government has the honor to make the same request in

⁴⁹ Not printed.⁵⁰ Handed to the Secretary of State by the Belgian Ambassador as an enclosure to his note No. 3639 of November 15.⁵¹ *Post*, pp. 754 and 727.⁵² See pp. 636 ff.

respect to payments due from Belgium. Although the rights of Belgium to obtain complete material restoration have been unanimously recognized from the beginning, the Belgian Government did not hesitate in July 1931 to accept the proposal for a moratorium which was made by the President of the United States.⁵³ A year later, in the interests of peace and economic recovery, it adhered to the Lausanne Agreement.⁵⁴ In so doing, it consented to make sacrifices which were particularly heavy and which have profoundly affected the financial situation of Belgium. The Belgian Government remains convinced that the difficulties with which the world is faced today cannot be overcome unless the nations pursue a resolute policy of cooperation and mutual assistance. With this idea in mind and in a spirit of friendship, the Belgian Government requests the Government of the United States to examine the proposals which it has the honor to submit.

[WASHINGTON, November 15, 1932.]

800.51W89 Belgium/203

The Secretary of State to the Belgian Ambassador (May)

WASHINGTON, November 23, 1932.

EXCELLENCY: I fully appreciate the importance of the situation presented by the request for an examination of the problem of the intergovernmental debts contained in the memorandum of the Belgian Government dated November 15, 1932. The fact that such a suggestion is made by your Government in itself makes this a matter meriting the most careful consideration. In a matter of such importance there must be allowed no opportunity for misunderstanding or failure to reach conclusions satisfactory to both Governments and peoples.

In this connection you will appreciate that your present suggestion goes far beyond anything contemplated or proposed at any time in the past either by President Hoover or by this Government. You will also permit me to recall very briefly some of the essential conditions and limitations which would control on the part of this Government any new study of the debt question and might affect its results. Not only is there reserved to the Congress of the United States the ultimate decision in respect to the funding, refunding or amendment of these intergovernmental obligations under considera-

⁵³ See telegram No. 262, June 20, 8 p.m., to the Ambassador in France, *Foreign Relations*, 1931, vol. I, p. 33.

⁵⁴ Great Britain, Cmd. 4126, Misc. No. 7 (1932): *Final Act of the Lausanne Conference, Lausanne, July 9, 1932.*

tion, but from the beginning the Congress has itself provided in the past the machinery in the shape of the World War Foreign Debt Commission for the investigation of the facts and for making recommendations upon which such action might be taken. The Executive might recommend, but the facts and evidence were submitted to and the decision made by the Congress, acting through this machinery.

Furthermore, from the time of their creation, under President Wilson, this Government has uniformly insisted that in its handling of these obligations running to itself, they must be treated as entirely separate from reparation claims arising out of the War. Its insistence upon this difference is quite natural in view of its refusal after the War to accept reparations for itself and also in view of the difference of its position as a creditor from that of all other nations. Not only did this Government not receive any compensation in the form of territory, economic privileges, or governmental indemnity at the close of the War, but from the fact that it owed no obligations of any kind to others, treatment of the debts and reparations as though they were connected could only operate to the disadvantage of the United States. No concession made in respect to a payment owed to it could either in whole or in part be set off or balanced against claims owed by it to any of its creditors. On the contrary, every such concession would result in the inevitable transfer of a tax burden from the taxpayers of some other country to the taxpayers in our own without the possibility of any recoupment from others. The debts owed to the United States thus naturally fell into the category of ordinary debt obligations between individual nations and were treated as such. The American Congress has made, with each of its debtors, settlements which were intended to be and were deemed to be liberal and wholly within the capacity of the debtor to pay without jeopardizing its finances and currency or preventing it from maintaining and, if possible, improving the standard of living of its citizens.

I appreciate the importance of the step mentioned in your memorandum which has been taken by the governments at Lausanne in respect to the reparations due them from Germany and the possible effect upon those creditor nations of the loss of that source of income. I am not oblivious to the fact, moreover, that the world-wide depression and the concurrent fall of prices has increased the weight of debts in many parts of the world; nor to the fact that the decrease in international trade has increased the difficulties of obtaining foreign exchange. I also recognize the relation which these facts may bear to the process of recovery. On the other hand, it must be remembered that these incidents of the depression have also fallen

with great weight upon the American people and the effects upon them directly as taxpayers or otherwise of any modification of an agreement with respect to debts due to this country cannot be disregarded. I assume that it was for the purpose of deliberately and carefully giving due weight to such conflicting elements in the world situation, differing as they would in various countries, that this Government adopted the system which I have described. I confess that I cannot see any controlling reasons which would be likely to induce the Congress of the United States to act upon the question any differently now from the manner and the principles upon which it has acted in the past. And I believe it would be inadvisable to attempt to enter into discussions on the subject except in that manner and under those principles.

The attitude of the President therefore is that for any suggested study of intergovernmental financial obligations as now existing, some such agency as I have referred to, should be created to consider this question individually with each government as heretofore. As he has several times said publicly, he also believes that some basis might be found for bringing to the American people some adequate compensation in forms other than cash payment. The President is prepared to recommend to Congress that it constitute such an agency to examine the whole subject.

As to the suspension of the installment of the Belgian debt due on December 15th, which is requested in your memorandum, no authority lies in the Executive to grant such an extension and no facts have been placed in our possession which could be presented to the Congress for favorable consideration under the principles to which I have referred. In the memorandum of the Belgian Government reference is made to the action of the Conference at Lausanne. It seems to me that the situation which confronted the conference at Lausanne in its consideration of the question of reparations by Germany was quite different from that presented here in that the conference had before it the report of the meeting of experts at Basle.⁵⁵

Such importance is attached by our Government and people to the maintenance of the original agreements in force by the payment on December 15th as to far outweigh any reasons now apparent for its suspension, and by such payments the prospects of a satisfactory approach to the whole question, in my opinion, would be greatly increased.

Accept [etc.]

HENRY L. STIMSON

⁵⁵ For text of report, see Great Britain, Cmd. 3995, Germany No. 1 (1932): *Report of the Special Advisory Committee convened under the agreement with Germany concluded at The Hague on January 30, 1930.*

800.51W89 Belgium/206

The Belgian Embassy to the Department of State

[Translation]

I. The Belgian Government has been pleased to note that the Government of the United States is disposed to take into consideration the proposal to submit the question of the settlement of the inter-governmental debts to a re-examination. On the other hand, with respect to the suggestion for extending the suspension of the payments due to the United States during this examination, the Government of the United States has observed that no new fact had been brought to its knowledge which might be submitted to Congress in justification of this suggestion. The Belgian Government accordingly believes that it is meeting the desire of the Government of the United States in setting forth its views on this subject.

II. Belgium cannot refrain from recalling in the first place her special situation. Her restoration was one of the fourteen points laid down by President Wilson and it was unanimously accepted by all the belligerents as one of the necessary bases of peace. From this fact she acquired a moral right which she desires hereby to reaffirm. The Belgian Government nevertheless found itself constrained to take account of economic realities. In view of these realities it consented to the moratorium proposed by the President of the United States, in June, 1931, and adhered to the Lausanne agreements. These economic realities have been authoritatively set forth by the experts of all countries who have made clear that debtors can, in the long run, meet their obligations with respect to foreign countries only by the exportation of goods or by services. The present paralysis of the money market hardly permits any other form of payment. But the obstacles in the way of exchange have increased and have resulted in the throttling of exportation. No country has suffered more in this respect than Belgium, whose national economy is principally based on international trade. She has continued to adhere to one of the most liberal tariff policies now in effect and for years she has continued to strive against excessive protectionism. Furthermore, after the failure of the attempts to organize international action to this end, she recently took the initiative in concluding a Convention with other States open to the adherence of all countries with a view to the progressive lowering of customs barriers. The American Government was good enough to express the sympathetic interest with which it followed this move. The Belgian Government is, therefore, in no wise responsible for the present paralysis of international commerce and it feels that it has done everything in its power to prevent it.

III. The depression made evident that the transfers necessary for the payment of the inter-governmental debts threatened to throw the balance of payments still further out of adjustment and to aggravate the disorganization in which the world is engulfed. In the hope of contributing thereby to economic recovery, the Belgian Government therefore accepted the moratorium which the Government of the United States proposed in June 1931. It abandoned temporarily, in a spirit of international solidarity, a claim which the country considered as sacred, notwithstanding the fact the consequences were certain to fall particularly heavily on Belgium. Before this, at the Conferences of London in 1924,⁵⁶ and at The Hague in 1929 and 1930,⁵⁷ Belgium had, in the same spirit, through her adherence to the Dawes Plan⁵⁸ and to the Young Plan,⁵⁹ accepted appreciable reductions in reparations.

The payments which were due to Belgium from Germany and of which she was deprived by the moratorium of 1931, amounted to nearly a billion francs, or about ten percent of the total budget of Belgium. This loss was, however, partially compensated for by the fact that, at the same time, Belgium was relieved of the obligation of paying the annuities due from her to the Government of the United States and to the British Government. Nevertheless, the net loss of which the Belgian Treasury was thus deprived remained high, amounting to almost a half billion francs.

IV. During the conference which met at Lausanne in the month of June last—the purpose of which was to seek by united action the final settlement of the financial problems bequeathed by the war, and to obviate the dangers which more and more menace the world—Belgium agreed to extend the suspension of the German reparations payments. In line with the proposal which the President of the United States had made the year before, it was her understanding that the suspension was to be extended to all the inter-governmental debts, and was in no case to involve for Belgium more onerous conditions than those which the moratorium of the preceding year had entailed. This understanding was based on the fact that since the month of June 1931 the economic and financial situation had become more and more disturbing and that consequently the measures which

⁵⁶ For proceedings of the London Conference and texts of agreements adopted, see Great Britain, Cmd. 2270, Miscellaneous No. 17 (1924): *Proceedings of the London Reparations Conference, July and August 1924*.

⁵⁷ Great Britain, Cmd. 3484, Misc. No. 4 (1930): *Agreements Concluded at the Hague Conference, January 1930*.

⁵⁸ Great Britain, Cmd. 2105 (1924): *Reports of the Expert Committees Appointed by the Reparation Commission*.

⁵⁹ Great Britain, Cmd. 3343 (1929): *Report of the Committee of Experts on Reparations*.

had seemed necessary at the time were, *a fortiori*, necessary under present conditions. These measures were in conformity with the conclusions submitted by the Consultative Committee which met at Basel in December, 1931; they were in harmony with the suggestions expressed after the interview between the President of the United States and M. Laval in October of that year.⁶⁰

V. The obligation to make the payments due the United States would add a new sacrifice to the loss which the Belgian treasury already suffered as a result of the moratorium of last year and would raise the total sacrifice which would be required of her to nearly one billion francs. The Belgian Government is not unaware that, in the opinion of the United States Government, the problem of war debts is distinct from that of reparations. But it does not see how, if Belgium is to pay her inter-governmental debts, she can avoid turning to her own debtor, claiming from the latter the payment of the sums due her. This action would lead to new international complications. In the last analysis, it would make it evident that while, on the one hand, it is impossible to bring about the transfer of the funds necessary for the payment of the inter-governmental debts without causing dangerous economic and political complications, it is, on the other hand, impossible to raise internally in Belgium the sums needed for the payment without dangerously increasing the dis-equilibrium of the budget and the difficulties of the Treasury. The Belgian Government has already emphasized how deeply the depression has affected the economic life of the nation by paralyzing international trade. Unemployment has increased alarmingly, affecting approximately 40% of the registered laboring population. As a result, expenditures for relief have increased, while the receipts of the Treasury have markedly declined. The deficit in the budget has increased considerably during the past two years, notwithstanding stringent measures of economy. The Belgian Government desires at this point to recall to mind that it did not hesitate to support the proposals made in July by the President of the United States in regard to the reduction of armaments.⁶¹ To cover the deficit, Belgium has had to resort to borrowing, both at home and abroad. New loans for large amounts will be necessary. Belgium could not resume service on her inter-governmental debts by her own resources and would be obliged to appeal to foreign credit. But that would be merely to substitute one creditor for another; and, moreover, the possibilities for a small country to borrow under present conditions are limited.

⁶⁰ For text of joint statement, see *Foreign Relations*, 1931, vol. II, p. 252.

⁶¹ See telegram No. 295, July 2, 10 a. m., from the Acting Chairman of the American delegation to the Disarmament Conference, p. 253.

The Belgian Government is convinced that a careful examination of the situation—for which it is prepared to furnish all necessary information—would show that the depression, by occasioning the collapse of its own debtors, has brought it face to face with serious difficulties and that Belgium would be exposed to grave dangers if she were asked to resume payments, the suspension of which was considered imperative a year ago.

WASHINGTON, December 6, 1932.

800.51W89 Belgium/207 : Telegram

The Ambassador in Belgium (Gibson) to the Secretary of State

BRUSSELS, December 9, 1932—2 p. m.

[Received December 9—12:08 p. m.]

86. I am submitting the following observations in connection with the second Belgian debt note as to [of?] possible interest to the Department in preparing its reply and not as support for the Belgian plea.

The financial condition here in so far as the Government is concerned is unsatisfactory as stated in their note and there is only slight prospect of improvement. The last several cabinets have had recourse to borrowing funds to meet budget deficits and now about 3 billion francs or one-third of the total budget is being borrowed annually to balance revenues with expenditures.

About one-half of this money is being obtained within the country and one-half abroad. The average rate of interest is 7 percent a surprisingly high figure for one of the few countries still on the gold standard.

Retrenchment in Government expenditures has begun and will undoubtedly be carried further; taxes have been increased and the Government is tightening up on certain leakages which are familiar phenomena in Latin countries.

Neither the present Cabinet nor the late Renkin Cabinet has dared to present Parliament with a budget for the forthcoming year.

For more detailed account of the Belgian financial situation see the Embassy's despatches numbers 1089, 1121, 1124, 1129, 1138, and 1142.⁸²

Business conditions throughout the country are similar to those in our own country although unemployment figures are only about half as high in proportion to the population as in the United States. There are one or two encouraging signs on the horizon; for example, foreign

⁸² None printed.

trade cooperation with Holland and the Scandinavian countries and the fact that for the last 3 months the National Railways have shown a slight operating profit.

GIBSON

800.51W89 Belgium/206

The Secretary of State to the Belgian Ambassador (May)

WASHINGTON, December 13, 1932.

EXCELLENCY: My Government has considered with the greatest care the note of December 6, 1932, from the Belgian Government, in which it has set forth at length the reasons it advances for a reconsideration of the whole question of intergovernmental war debts, and for the postponement of the payment due by the Belgian Government to the Government of the United States on December 15, next.

Whatever part debt payments may have played in the economic history of the post-war years, it is clear that in the present conditions of world-wide depression, accompanied by a sweeping fall of prices, their weight has greatly increased, and that they have a very definite relationship to the problem of recovery in which both the Belgian and the American people have so vital an interest.

The President of the United States is prepared, through whatever agency may seem appropriate, to cooperate with the Belgian Government in surveying the entire situation and in considering what means may be taken to bring about the restoration of stable currencies and exchange, the revival of trade, and the recovery of prices.

I believe that there are important avenues of mutual advantage which should be thoroughly explored. Such an examination does not imply cancellation.

My Government, however, has not been able to reach the conclusion that a postponement of the December 15th payment from the Belgian Government to the United States is necessary because of its effect on the problem of recovery. Although we recognize the serious economic and financial difficulties which the Belgian Government, in common with all other governments, is now facing, the maintenance of these agreements in their operation pending due opportunity for analysis of all matters bearing upon your request for revision and its consideration by the American Congress and people still appears to us to outweigh any reasons presented for a delay.

Accept [etc.]

HENRY L. STIMSON

800.51W89 Belgium/212: Telegram

The Ambassador in Belgium (Gibson) to the Secretary of State

BRUSSELS, December 13, 1932—10 p. m.

[Received December 13—8 p. m.]

92. My telegram No. 91, December 13, 8 p. m.⁶³ At the conclusion of the Cabinet meeting this evening Hymans asked me to call on him.

He began by saying that he wished to talk about the question of the debt payment and told me that the Cabinet had today concluded its discussions on the subject; that the matter had been considered with great thoroughness and with a preconceived idea in favor of payment but that after canvassing financial situation, hearing the Governor of the National Bank and the Treasury Committee, the decision was taken by unanimous vote not to make the payment on December 15. He said that before telegraphing May or issuing a communiqué to the press he desired to apprise me of the decision and the reasons for it.

He stated that the recent dissolution and political disturbances had been largely due to the Government's financial situation which is much worse than is generally known—it boils down to the fact that for some time they have been living beyond their means to the tune of 200 million francs a month and that the deficit is being filled up with borrowed money which is more and more difficult to secure. He cited old-age pensions, unemployment doles, and other forms of squandering which contribute to the difficulty. He assured me that all our arguments for the payment which have been persistently dinned into them here lately, had been given their full weight and that practically all the Cabinet favored the principle of settlement but that after hearing the true state of the Nation's finances they felt that the only way open to them was to withhold payment.

Hymans said that as soon as the new government was definitely constituted it proposed to tackle the financial problem with a view to getting back on a sound basis and that he expected that within a few months they would be prepared to discuss the entire matter of debt payments with us in a reasonable way.

It was clear that Hymans recognized the serious character of the statement he was making. He also recognized that the arguments in favor of payment had been very adequately brought home to the Government here and that the decision not to pay was taken only because of financial conditions which he described as "very grave." A note will be telegraphed to May tonight.

GIBSON

⁶³ Not printed.

800.51W89 Belgium/214

The Belgian Embassy to the Department of State

[Translation]

In his declaration of the 23rd of November last,⁶⁴ the President of the United States recalled the bases on which the debt agreements had been made. The settlements made, he said, took account of economic conditions and of the capacity to pay of each debtor nation. In his annual report for 1924-1925, the Secretary of the Treasury of the United States defined the idea of capacity to pay. Such capacity does not imply the obligation, on the part of the foreign debtor, to pay to the full limit of his present or future capacity. The debtor government, he said, must be able to preserve and improve its economic position, assure the balancing of its budget and place its finances, as well as its monetary system, on sound bases. It must also be able to maintain, and, if possible, improve, the standard of living of its citizens.

In its note of December 5th [6th], the Belgian Government set forth what were the effects for Belgium of the moratorium, the initiative for which was taken by the President of the United States in 1931, and of the Lausanne agreement which resulted therefrom. Actuated by a spirit of solidarity, Belgium, being desirous of contributing to general economic recovery, sacrificed a credit which was guaranteed to her by the most solemn engagements, and which constituted an essential element for the balancing of her public finances. This sacrifice to which she consented, added to the effects of the general paralysis of economic activity, has brought her face to face with the most serious financial difficulties. Belgium had hoped that a friendly arrangement taking account of this situation might have been reached before the payment date of December 15th. The Government of the United States has judged it to be impossible.

Under such conditions, the Belgian Government cannot but state that these circumstances prevent it from resuming, on December 15th, the payments which were suspended by virtue of the agreement made in July, 1931. Belgium is still disposed to collaborate fully in seeking a general settlement of intergovernmental debts and of the other problems arising from the depression.

WASHINGTON, December 14, 1932.

⁶⁴ Department of State, *Press Releases*, November 26, 1932, pp. 335-340.

800.51W89 Belgium/217 : Telegram

The Ambassador in Belgium (Gibson) to the Secretary of State

BRUSSELS, December 21, 1932—2 p. m.
[Received December 21—1:25 p. m.]

98. I have learned from a very confidential source how the Belgian default came about. A brief report may be useful in understanding possible future developments.

On December 13th it was informally decided by the Cabinet that the payment would be made the 15th. Technical arrangements were made to effect the payment and an official note to that effect appeared in the afternoon papers. The King was so informed and gave his approval in the afternoon.

The last meeting of the outgoing Cabinet was then held to record a definite decision on this and other matters. Theunis, Minister of War, claimed that he had not been consulted, completely lost his temper and set out to make the Cabinet reverse its decision. Having failed to win over his colleagues by financial arguments it appears that he threatened to overthrow the new ministry by appealing to Parliament sooner than face new governmental upsets. The entire Cabinet capitulated but only after angry interchanges which have left much bad feeling and resulted in Theunis being left out of the new Cabinet.

The Cabinet decision was communicated to the Belgian Ambassador in Washington before the King was informed. On learning of this he was indignant, first, because of the way he had been ignored in reversing a decision of such importance and, second, because of what he considers a decision disastrous to Belgian credit. He expressed himself forcibly on the whole subject and said he proposed to attend yesterday's Cabinet meeting and demand action and as far as possible remedy the harm already done. Unfortunately his anger seems to have cooled in the interval and, although he gave definite orders as to being consulted in the future and expressed himself as to the stupidity on the action taken, he did not as I am informed make any demands for remedial action.

GIBSON

Czechoslovakia

800.51W89 Czechoslovakia/194

The Czechoslovak Legation to the Department of State

MEMORANDUM

The Czechoslovak Government sharing the views and concerns of the British and French Governments, as expressed in their notes from

the tenth and eleventh of this month, in regard to the present serious situation arising from the difficult and complex problem of inter-governmental debts, particularly in its present acute stage in view of the next installments to be paid on December 15th, joins in the suggestions of the above mentioned governments for the reconsideration of this problem, and an extension of the suspension on payments for the duration of this reconsideration.

The Czechoslovak Government fully subscribing to all reasons and conclusions concerning the obstructive function and effect of this problem in the general economic situation, and in the world's recovery, cannot omit to stress some specific causes which aggravate the financial situation of Czechoslovakia, already suffering under the general repercussions of the universal world's economic crisis.

Situated in a part of Europe which has been most heavily afflicted by the collapse of prices of agricultural produces, by monetary and credit difficulties, Czechoslovakia has been unable to escape serious effects on her position as an exporting and creditor nation. The best evidence of this situation is the enormous decline of the Czechoslovak foreign trade, so vital to Czechoslovakia as an exporting nation, a decline which paralyzes beyond belief every effort to constantly meet larger obligations in foreign currency. All these difficulties and evils necessarily reflect themselves in the budgetary situation resulting, in spite of the most honest determination to the contrary, in an inevitable deficit.

In the humble opinion of the Czechoslovak Government, all these general and specific causes cannot reasonably be alleviated, and the way towards recovery and revival of prosperity through expansion of trade, both international and national, and through restoration of confidence, cannot be resumed without immediately approaching the problem of intergovernmental debts with utmost serenity, broad-minded foresight, understanding, and with a sense of mutual cooperation. It is in this spirit and hope that the Czechoslovak Government adheres to the request of preceding governments.

WASHINGTON, November 21, 1932.

800.51W89 Czechoslovakia/196

The Acting Secretary of State to the Czechoslovak Minister (Veverka)

WASHINGTON, November 26, 1932.

SIR: I fully appreciate the importance of the situation presented by the requests contained in the memorandum of the Czechoslovakian Government dated November 21, 1932. The mere fact that your Gov-

ernment suggests the necessity of a review of the intergovernmental financial obligations now existing between our two nations presents a circumstance which must be given most serious consideration. In a matter of such importance there must be allowed no opportunity for misunderstanding or failure to reach conclusions satisfactory to both Governments and peoples.

With this end in view, you will permit me to recall very briefly some of the essential conditions and limitations which would control on the part of this Government such a review and might affect its result. Not only is there reserved to the Congress of the United States the ultimate decision in respect to the funding, refunding or amendment of these intergovernmental obligations under consideration, but the Congress in the past has itself provided the machinery in the shape of the World War Foreign Debt Commission for the investigation of the facts and for making recommendations upon which such action might be taken. The Executive might recommend, but the facts and evidence were submitted to and the decision made by the Congress, acting through this machinery.

I am not oblivious to the fact that the world-wide depression and the concurrent fall of prices has increased the weight of debts in many parts of the world; nor to the fact that the decrease in international trade has increased the difficulties of obtaining foreign exchange. I also recognize the relation which these facts may bear to the process of recovery. On the other hand, it must be remembered that these incidents of the depression have also fallen with great weight upon the American people and the effects upon them directly as taxpayers or otherwise of any modification of an agreement with respect to debts due to this country can not be disregarded. I assume that it was for the purpose of deliberately and carefully giving due weight to such conflicting elements in the world situation, differing as they would in various countries, that this Government adopted the system which I have described.

The attitude of the President, therefore, is that for any suggested study of intergovernmental financial obligations as now existing, some such agency as I have referred to, should be created to consider this question individually with each government as heretofore. The President is prepared to recommend to Congress that it constitute an agency to examine the whole subject.

As to the suspension of the installment of the Czechoslovak debt due on December 15th, no authority lies within the Executive to grant such an extension, and no facts have been placed in our possession which could be presented to the Congress for favorable consideration.

Such importance is attached by our Government and people to the maintenance of the original agreements in force by the payment on December 15th as to far outweigh any reasons now apparent for its suspension, and by such payments the prospects of a satisfactory approach to the whole question, in my opinion, would be greatly increased.

Accept [etc.]

W. R. CASTLE, JR.

800.51W89 Czechoslovakia/197

The Czechoslovak Minister (Veverka) to the Secretary of State

WASHINGTON, December 5, 1932.

EXCELLENCY: The Czechoslovak Government gratefully appreciates that the Government of the United States is not on principle unsympathetic to the idea of re-examination of the debt problem and is at the same time seeking practical ways and means for the carrying out of this re-arrangement. The Czechoslovak Government welcomes also the suggestion implied in the note of November 26th, 1932, to submit additional facts and reflections which in its opinion tend to corroborate the request for the suspension of the payment due on December 15th, 1932.

The Czechoslovak Government desires to stress at the beginning that Czechoslovakia has always considered it as her duty to fulfill and meet all her obligations in the fullest measure and without hesitation, and that the present request does not cast the slightest doubt on the legality and validity of the existing agreement.

In the same spirit, Czechoslovakia, guided and moved by the gratitude towards the American nation who came first after the Great War to her aid and assistance, immediately and without bargaining accepted and bound herself in the debt settlement of 1925⁶⁵ to pay fully without any reductions or alleviations both the principal and interest as the terms of the settlement were laid before her by the World War Foreign Debt Commission. Czechoslovakia accepted also to pay the highest interest of all the debtor nations. From the time of the contracting of the debt, Czechoslovakia continued to meet her obligations in gold although the sums lent to her were entirely spent for goods manufactured and produced in the United States and bought at prices of the highest level in history, and although it was evident that the nature of these purchases, i.e. agricultural products, war materials and transport services, will prevent her

⁶⁵ For text of agreement, signed October 13, 1925, see *Combined Annual Reports of the World War Foreign Debt Commission, 1922-1926* (Washington, Government Printing Office, 1927), pp. 195-199.

from repaying in kind and thus enable her to take advantage of the decline in prices. And all this was done during a time when Czechoslovakia was laboring under the weight of an adverse balance of trade with the United States as a logical sequel to the system of the unconditional most favored nation clause which worked in favor of the United States trade in regard to Europe. Thus, in the last years the exports from the United States to Czechoslovakia, including indirect shipments via foreign transit ports, were approximately twice as large as the exports from Czechoslovakia to the United States.

In the light of figures, Czechoslovakia bound herself to repay her original indebtedness of \$91,879,671.03 in the funded sum of \$185,071,023.07 at a time when the favorable trade balance of Czechoslovakia amounted to approximately seventy-six million dollars, which, in this period of expansion of foreign trade did not represent an intolerable burden as it certainly does today when our trade balance became adverse during the first nine months of the current year.

This strict fulfillment of assumed obligations under such adverse conditions, a fulfillment which in fact represented with other payments to the United States the exporting of an integral part of the late excesses of favorable trade balances with other European countries to the United States, may be considered a conclusive proof that the Czechoslovak Government would not lay before the Government of the United States a request for postponement if the situation in which these obligations have been accepted and assumed had not substantially and fundamentally changed as to entitle it to a re-iteration of this request in view of the present insurmountable difficulties. Moreover, the interpretative statement of the Secretary of the Treasury made at a time of the settlement seemed to imply and foresee such a request under basically changed circumstances.

If, Czechoslovakia today is laying again before the Government of the United States the request that the payment of the December installment, which in the most candid opinion of the Czechoslovak Government could not be effectuated without endangering her present economic and financial structure, be transferred and included in the eventual rearrangement of the debt problem, she is acting in the spirit of this conception and interpretation of the capacity to pay.

If, however, this request of postponement be not granted, the tendency to restrict importation will fatally, spontaneously and immediately be imposed on nations importing from the United States in order to correct and counteract the menacing adverse trade balance, and in this vicious circle the volume of international trade will be again diminished creating further unemployment, which is the

most distressing and ominous phenomenon of the present crisis, and the way to recovery, both economically and psychologically, will be automatically barred.

This state of affairs would create exceptionally serious repercussions in Central Europe in the economic structure of which Czechoslovakia assumes an integral part as an industrial, exporting and creditor country.

Being wedged in the bloc of Central European states so heavily hit by the present world's crisis of credit so that they were compelled to introduce various exchange restrictions, transfer moratoriums, and agreements concerning postponements, and being geographically and economically so closely connected with Central and Eastern Europe, Czechoslovakia has been seriously affected by these external influences exceeding the extent of the effects of the general economic crisis. The economic depression in Central and Eastern Europe deprived Czechoslovakia of approximately \$180,000,000.00, which include frozen credits in the neighboring countries and payments on debts abroad. These two exigencies created by strict fulfillment of our obligations on one side, and the impossibility of collecting our credits abroad on the other side, compelled Czechoslovakia to face these difficulties in order to maintain her sound currency. The restoration of normal conditions is impossible as long as the Central European states, influenced by monetary and financial fears, see their economic salvation only in the drastic restriction of imports in order to maintain their balance of payments.

It is generally admitted that without the recovery of Central Europe, the whole process of economic restoration would be greatly impaired and delayed. Czechoslovakia undertook most drastic measures to reduce her budgetary expenditures and to maintain the soundness and stability of her currency in the interest of this part of Europe and in the interest of international trade. It is the profound conviction of the Czechoslovak Government that just now on the eve of the forthcoming World Economic Conference, it is in the common interest of all nations to maintain and support the stability of those currencies which remain in the present crisis intact and sound, based on gold standard.

In the face of the foregoing facts and observations, the question occurs whether not only the capacity to pay should be taken into most careful consideration, but also the advisability of receiving large transfers of payments without present consideration or any present equivalent in manufactured goods, raw-materials and services, especially in the actual state of the already so dislocated and paralyzed trade relations and world economy.

The Czechoslovak Government, therefore, ventures to hope that the United States Government in this most serious moment will not refuse to grant this present request.

Accept [etc.]

FERDINAND VEVERKA

800.51W89 Czechoslovakia/197

The Secretary of State to the Czechoslovak Minister (Veverka)

WASHINGTON, December 13, 1932.

SIR: My Government has considered with the greatest care the note of December 5, 1932, from the Czechoslovak Government, in which it has set forth at length the reasons it advances for a reconsideration of the whole question of intergovernmental war debts, and for the postponement of the payment due by the Czechoslovak Government to the Government of the United States on December 15, next.

Whatever part debt payments may have played in the economic history of the post-war years, it is clear that in the present conditions of world-wide depression, accompanied by a sweeping fall of prices, their weight has greatly increased, and that they have a very definite relationship to the problem of recovery in which both the Czechoslovak and the American people have so vital an interest.

The President of the United States is prepared, through whatever agency may seem appropriate, to cooperate with the Czechoslovak Government in surveying the entire situation and in considering what means may be taken to bring about the restoration of stable currencies and exchange, the revival of trade, and the recovery of prices.

I believe that there are important avenues of mutual advantage which should be thoroughly explored. Such an examination does not imply cancellation.

My Government, however, has not been able to reach the conclusion that a postponement of the December 15th payment from the Czechoslovak Government to the United States is necessary because of its effect on the problem of recovery. Although we recognize the serious economic and financial difficulties which the Czechoslovak Government, in common with all other governments, is now facing, the maintainance of these agreements in their operation pending due opportunity for analysis of all matters bearing upon your request for revision and its consideration by the American Congress and people still appears to us to outweigh any reasons presented for a delay.

Accept [etc.]

HENRY L. STIMSON

800.51W89 Czechoslovakia/198

The Czechoslovak Minister (Veverka) to the Secretary of State

WASHINGTON, December 15, 1932.

EXCELLENCY: In reply to Your Excellency's note of December 13th, 1932, and following the suggestion contained therein, I have the honor to state that the Czechoslovak Government, in view of circumstances presented in this note, has decided to pay the December installment.

In bringing this decision to your attention, I am instructed to recall and stress again all the considerations, conclusions and serious consequences mentioned in my previous notes.

I also take the liberty to point out that this payment constitutes in the utmost self-denial of the Czechoslovak people their final effort to meet the obligation under such extremely unfavorable circumstances.

It is, therefore, the profound conviction of the Czechoslovak Government that only negotiations entered into at the earliest possible date concerning the reconsideration and revision, and also the inclusion of this last installment into the forthcoming arrangement can bring some alleviation to the present most distressing situation.

Accept [etc.]

FERDINAND VEVERKA

800.51W89 Czechoslovakia/199

Memorandum by the Under Secretary of State (Castle) of a Conversation With the Czechoslovak Minister (Veverka), December 29, 1932

The Minister came in to ask whether there were any developments in the debt situation. I told him there were not. He said this was unfortunate from his point of view, because he was being rather violently attacked at home. The attitude of many people in Czechoslovakia is that the French and Belgians are in a better position to talk debts than are those who have paid, because they have a bargain point, where the others have not. I told him that he might make himself at ease on this point, as it was clear that neither the Congress nor the Executive would discuss the debt question at all with the nations which had not made their December 15th payment. The Minister said he was very glad to have this officially stated since it would make his own position easier.

W. R. C[ASTLE], JR.

Estonia

800.51W89 Estonia/92

The Chargé in Estonia (Carlson) to the Secretary of State

No. 158 (Diplomatic)

TALLINN, September 29, 1932.

[Received October 29.]

SIR: I have the honor to refer to despatch No. 140 (Diplomatic) from this Legation, dated September 7, 1932,⁶⁶ in which it was reported that the Estonian Government intended to make application for postponement of its payment not only of the principal but also of the interest due on the funded indebtedness of Estonia to the United States payable on December 15, 1932 under the terms of the Debt-Funding Agreement of October 28, 1925⁶⁷ between the two countries.

On September 16, 1932, it was reported in the Estonian press that Secretary Mills of the United States Treasury had announced the receipt of requests from Estonia, Latvia and Poland for the postponement for two years of the principal payment due on December 15, 1932,⁶⁸ from those countries under their respective debt funding agreements with the United States. The press comments on this announcement were limited to brief statements concerning the status of Estonia's funded indebtedness to the United States, in which it was pointed out that the sum of \$111,000 representing principal due on December 15 made up a relatively small amount of the total payable to the United States on that date, since the interest charges then due amount to \$245,370. The press reports also stated that Estonia intended to make a special request of the United States, outside the terms of the debt funding agreement, for a similar postponement of the interest charges due on December 15, 1932, although it was not known whether such a request would be granted. It was also pointed out that postponement of the combined principal and interest payments due on December 15 would reduce the Government budget by about 1,200,000 Kroons, which represents about $\frac{1}{4}$ of the currently foreseen budget deficit for the fiscal year ending March 31, 1933.

In connection with the press reports mentioned above, the Legation had occasion to mention this subject, among other matters, to Mr. Laretei of the Estonian Foreign Office, on September 17, 1932. He said that Estonia expected to delay its request for postponement of the interest charges due on December 15, until after the United States

⁶⁶ Not printed.

⁶⁷ *Combined Annual Reports of the World War Foreign Debt Commission, 1922-1926*, pp. 208-213.

⁶⁸ For text of press release issued by the Treasury Department, September 15, 1932, see U. S. Treasury Department, *Annual Report of the Secretary of the Treasury, 1932*, p. 308.

presidential elections in November. He added that although the Estonian Government realized perfectly that its proposed request for such a postponement lay entirely outside the terms of the debt-funding agreement, Estonia nevertheless had some hope that such a request might receive favorable consideration; one reason for such hope lay in the leniency shown by the United States Treasury to Great Britain in allowing the latter to delay until after the date set in its debt-funding agreement its decision on requesting a postponement of its debt to the United States payable on December 15, 1932.

As of possible interest in connection with the present despatch there is enclosed herewith an article which appeared in the Tallinn newspaper *Päevaleht* on September 16, 1932,⁶⁹ reporting the announcement of the United States Treasury, mentioned above, and setting forth the status of Estonia's funded indebtedness to the United States.

Respectfully yours,

H. E. CARLSON

800.51W89 Estonia/95

*The Estonian Minister for Foreign Affairs (Rei) to the
Secretary of State*⁷⁰

No. 6-R

TALLINN, November 28, 1932.

EXCELLENCY: I have the honour to submit to Your Excellency that the Agreement made the 28th October, 1925, at the City of Washington between the Republic of Estonia and the United States of America regarding the settlement of the indebtedness of Estonia incurred during her War of Independence, was mutually based on the capacity under normal conditions of Estonia to pay, as estimated at that time. The above basic principle has subsequently been authoritatively confirmed by public statements made by the United States President as well as by the approbation given by the Congress to well-known measures of the United States Government.

It is in these facts that the Estonian Government seeks authority to invite the friendly attention of the United States Government to the circumstance that as a result of the grave economic depression the basis of the settlement of 1925, contrary to the wishes and expectations, and to the greatest regret of the Estonian Government no longer exists.

⁶⁹ Not reprinted.

⁷⁰ Transmitted to the Department by the Estonian Acting Consul General at New York City, in charge of Legation, as enclosure to a note dated December 10; received December 12.

An earlier request to this effect was postponed by the generous proposition of the President of the United States of June 20, 1931, to suspend during one year all payments on intergovernmental debts, reparations and relief debts, a well-timed measure accepted by the Estonian Government with the sense of deepest appreciation and gratitude.

The many hopes raised in connection with the said initiative have unfortunately not been realized, and the universal depression, on the contrary, has still aggravated. In particular the depreciation of the sterling-pound and the subsequent universal restrictions of foreign trade and currency movement have placed the national economy of Estonia into many new difficulties, especially affecting the Bank of Estonia and restricting the exports of the country, which latter mainly give the means of meeting foreign commitments. In connection therewith the budgetary year of 1931/32, notwithstanding the suspension of payments to foreign Governments, ended on March 31, 1932, with a deficit of Kr. 3.381.276.71, gross expenditure amounting to Kr. 82.308.348.81 and gross receipts to Kr. 78.927.072.10.

Confronted with such difficulties the Estonian Government in June last requested the British Government to agree to a further suspension of payments due from Estonia on the 1st of July last and the 1st of November in respect of the Relief Debt and the Debt for War Supplies respectively, to which the British Government generously agreed until the 31st of December next, in spite of the letter of the corresponding agreements.

The economic and financial difficulties of the world and those of Estonia, however, have since then not been alleviated, and in particular the estimated state revenue of the current financial year has in reality already shown a decrease of no less than 20,5%. The Estonian Government has not failed to make, and is further making, most serious efforts to balance its budget, but is unfortunately not yet in a position to see a definite solution of this difficult task.

In view of all those circumstances, the Estonian Government now has the honour most earnestly to request the United States Government to see its way to enter into a friendly exchange of views regarding the position which arises from the unquestionable change of the capacity of Estonia to pay the debts incurred during her War of Independence, and to agree in the first place to the suspension of the payment due from Estonia on December 15, though this request in respect of interest may not be based on the letter of the Agreement of 1925.

I avail myself [etc.]

A. REI

800.51W89 Estonia/95

*The Secretary of State to the Acting Consul General of Estonia at
New York (Kuusik), in Charge of Legation*

WASHINGTON, December 15, 1932.

SIR: My Government has considered with the greatest care the note of November 28, 1932, from the Estonian Government, in which it has set forth at length the reasons it advances for a reconsideration of the whole question of intergovernmental war debts, and for the postponement of the payment due by the Estonian Government to the Government of the United States on December 15th next.

Whatever part debt payments may have played in the economic history of the post-war years, it is clear that in the present conditions of world-wide depression, accompanied by a sweeping fall of prices, their weight has greatly increased, and that they have a very definite relationship to the problem of recovery in which both the Estonian and the American people have so vital an interest.

The President of the United States is prepared, through whatever agency may seem appropriate, to cooperate with the Estonian Government in surveying the entire situation and in considering what means may be taken to bring about the restoration of stable currencies and exchange, the revival of trade, and the recovery of prices.

I believe that there are important avenues of mutual advantage which should be thoroughly explored. Such an examination does not imply cancellation.

My Government, however, has not been able to reach the conclusion that a postponement of the December 15th payment from the Estonian Government to the United States is necessary because of its effect on the problem of recovery. Although we recognize the serious economic and financial difficulties which the Estonian Government, in common with all other governments, is now facing, the maintenance of these agreements in their operation pending due opportunity for analysis of all matters bearing upon your request for revision and its consideration by the American Congress and people still appears to us to outweigh any reasons presented for a delay.

Accept [etc.]

HENRY L. STIMSON

800.51W89 Estonia/101

*The Estonian Minister for Foreign Affairs (Rei) to the American
Chargé in Estonia (Carlson)*⁷¹

Nr. 844-W

TALLINN, December 15, 1932.

MONSIEUR LE CHARGÉ D'AFFAIRES: On November 29 last I had the honour to hand you a copy of the note addressed the day before to the Secretary of State of the United States of America and requesting the United States Government to see its way to enter into a friendly exchange of views regarding the question which arises from the change of the capacity of Estonia to pay the debts incurred during her War of Independence, and to agree in the first place to a suspension of the next payment due from Estonia to the United States Government under the Debt Funding Agreement of 1925.

A reply of the United States Government having not yet reached the Estonian Government, but this day being the date on which the payment referred to is due to be made, I have the honour to present you herewith a memorandum setting forth the circumstances in which the Estonian Government does not see its way to effect the said payment, and feels justified in requesting the United States Government to agree to a friendly exchange of views regarding the possibility of a reconsideration of the Debt Funding Agreement of 1925.

I avail myself [etc.]

A. REI

[Enclosure—Memorandum]

In view of the fact that the Agreement made the 28th October, 1925, at the City of Washington between the Republic of Estonia and the United States of America regarding the settlement of the indebtedness of Estonia incurred during her War of Independence, was based on the capacity under normal conditions of Estonia to pay, as estimated at that time, and, moreover, thus as to permit Estonia as any other debtor country to preserve and improve its economic position, to bring its budget into balance, and to place its finances and currency on a sound basis, and to maintain and, if possible, to improve the standard of living of its citizens,—it is proposed to show below by presenting detailed figures the considerable and unforeseen changes that have taken place in the economic and financial position of Estonia, which conclusively prove that the basis of the settlement of 1925 no longer exists.

As international debts in general and those of Estonia in particular can only be paid in the form of exported goods, the foreign trade figures of Estonia in the first place deserve attention.

⁷¹ Transmitted to the Department by the Chargé as an enclosure to his despatch No. 226, December 15; received January 6, 1933.

TABLE OF GENERAL COMMODITY IMPORTS AND EXPORTS OF ESTONIA IN
1925-1932.

(In American dollars).

	<i>Imports to Estonia.</i>	<i>Exports from Estonia.</i>
1924	21,090,488.—	20,220,565.—
1925	25,953,225.—	25,980,108.—
1926	25,485,333.—	25,662,933.—
1927	25,711,200.—	28,206,933.—
1928	35,126,471.—	33,986,363.—
1929	32,791,200.—	31,325,600.—
1930	26,197,070.—	25,681,491.—
1931	16,296,414.—	18,918,085.—
1932 (9 months)	7,420,099	8,674,571.—

The above figures show a striking parallel with the course and phases of universal post-war economic developments. They prove that Estonia, while not failing to share the general economic progress of 1925-1929, has since fallen a victim of the collapse of world trade, the application of protectionist and mercantilistic principles, depreciation of currencies and heavy fall of commodity prices, for which Estonia herself, one of the smallest economic units of the world, bears no responsibility. The practical effect of these changes, however, has been that the value of commodity exports from Estonia has since 1928 fallen by about 8, 25, 45 and 67 per cent. in the years 1929, 1930, 1931 and 1932, respectively. Unfortunately at the present moment a further decline, rather than a recovery, must be anticipated.

Moreover, increasing objections are being raised against selling across the exchange obtained on the market of a given country in order to meet obligations elsewhere. It follows that a foreign debt can nowadays be paid indeed in the form of exports to the creditor country herself. The trade figures between Estonia and the United States of America are, however, as follows:

	<i>Imports to Estonia from U.S.A.</i>	<i>Exports from Estonia to U.S.A.</i>
(In American dollars)		
1924	2,532,133.—	72,493.—
1925	6,131,183.—	267,086.—
1926	3,056,533.—	355,200.—
1927	3,663,733.—	335,733.—
1928	6,309,358.—	800,535.—
1929	4,402,666.—	631,466.—
1930	3,317,177.—	516,644.—
1931	1,446,671.—	484,176.—
1932 (9 months)	787,367.—	320,558.—

These figures show a trade balance constantly adverse to Estonia. They further show that in 1932 the value of her exports to the United States is only about equal to the instalment due under the Debt Funding Agreement, leaving her without an American cent to pay for imported American goods. They also demonstrate that in the course of the last eight years about \$28,000,000 net, or twice as much as the total of the funded indebtedness, has been paid by Estonia to the American producer, in addition to the net balance of trade in favour of the United States also in earlier years, and in addition to the sum of \$1,001,441.88 already paid by the Estonian Treasury to the United States Treasury on account of the Estonian debt.

The heavy decline of Estonian general foreign trade referred to above has not failed to affect Estonian State budgets, which show an equally clear parallel with post-war world economic developments. Having shown for many consecutive years of recovery (1925-1929) a surplus of receipts, they have since 1929—the year marking the turning point from economic progress to universal depression—no more ended with balanced accounts. The decline of commodity exports having compelled the Estonian Government to resort to a drastic cut-down of imports, this could not fail to result in a considerable fall in custom duties. Again, the drop of prices having been particularly marked in agriculture, on which about two-thirds of the Estonian population depend for their livelihood and income, the purchasing power of the population has fallen to the extent of severely affecting receipts from state monopolies (spirit, railways, postal service, etc.) and from excise duties, which together with custom duties amount to about 70 per cent, of the total estimated income for the fiscal year 1932/33.

Taking as a basis the actual receipts of the last budgetary year, expenditure for the current year 1932/33 was fixed at Ekr. 82 millions. Actual receipts of this year, however, for reasons stated above, have during the first eight months shown a decline of no less than 20.5 per cent. This has placed the Estonian Government correspondingly before a prospective deficit of not less than about Ekr. 16 millions, whereof the sum of Ekr. 4,651,922.—required this year to settle payments due from Estonia to foreign governments represents approximately one quarter. The Estonian Government is sincerely endeavouring to balance its budget both by introducing new taxes and by curtailing even most urgent expenditures, but it is not in the position to see its way to balance definitely its accounts, if the suspension generously initiated in 1931 on debt payments due from Estonia to foreign governments can not be further extended. Even such favour, it will be noticed, will leave the Estonian Government with a pros-

pective deficit of about Ekr. 12 millions to be met by increased taxation and decreased expenditure at a time when expenditure has been allowed only for most pressing needs.

It must be added here that Estonian budgetary figures represent amounts of gross income and expenditure, whereof net budgetary figures for the current financial year will amount to no more than Ekr. 46 millions. Of this sum the Foreign Debt Service would require more than 10 per cent. The net budget for the coming financial year 1933/34 will be limited to Ekr. 40 millions, whereof the Debt Service would exact no less than 30 per cent.

In conclusion there remain to be taken into consideration the present serious exchange difficulties. In 1927/28 Estonia succeeded in carrying out a Banking and Currency Reform, stabilizing Estonian currency on a gold exchange basis. Owing, again, to the depression in world economic developments, the exchange reserves of the Central Bank, having been well over 50 per cent. and nearing 60 per cent. in proportion to current liabilities, began in their turn to decrease, and in September 1931 the Bank suffered heavy and unexpected losses on its sterling holdings. These losses amounted to more than Ekr. 7 millions, leaving the reserves on approximately Ekr. 19 millions today, or just above the legal minimum of 40 per cent. in proportion to current liabilities. The universal loss of confidence in currency values experienced everywhere since the last year was of course felt also in Estonia, and the value of national currency has since then been maintained only by severe restrictions and by application of the principle of selling no more foreign exchange than is coming in. It is relevant to recall here particularly the figures given above in respect to trade between Estonia and the United States of America. A claim at present on exchange reserves of the Central Bank on account of governmental debts to other governments would, therefore, seriously jeopardize the position of the Bank as well as that of the Government in their struggle for the maintenance of the national currency value, which is to be considered of primary importance, the Estonian population having already suffered all the disastrous consequences of the collapse of Russian, German and their own earlier currency.

It is in these circumstances which all the world hopes will be of a transient nature that the Estonian Government does not see its way to effect payment of the amount due to the United States Government from Estonia on this December 15, and feels justified in requesting the United States Government to agree to a friendly exchange of views regarding the possibility of reconsideration of the Debt Funding Agreement of 1925.

With regard to the latter request, the relative increase in the burden of Estonian obligations, in addition to the changes of Estonian capacity to pay, would seem of particular importance. The wholesale price index in the United States of America during the year when the Estonian debt was incurred was 199, and is now less than 94. The Estonian debt therefore represents at present in terms of goods more than twice the amount which was received in 1919. This is proved to be more than true by following figures relating to some of the goods received:

Goods sold to Estonia	Weight.	Price charged to Estonia	Price on 1/8 Oct. 1932	Total difference
Wheat flour	20,000,000 lbs.	\$0.09 lbs. [sic]	\$0.0306 lbs. [sic]	\$1,188,000.—
Lard	6,718,241 "	0.363	0.0675	1,985,240.—
Meat preserves	2,000,012	0.5195	0.0966	845,805.07
Reserve rations	997,979	0.80	0.1487	649,983.72
Margarine	499,960	0.40	0.0873	156,337.49
Rice	1,000,000	0.10	0.0160	84,000.—
Coffee	1,000,000	0.28	0.0975	181,200.—
Tobacco	499,999	0.82	0.0721	373,949.25
				\$5,464,515.53

France

800.51W89 France/733

*The French Embassy to the Department of State*⁷²

[Translation]

PARIS, November 10, 1932.

The French Government, seriously concerned with the effect that the problems arising from the intergovernmental debts are having on the world-wide depression, deems it of vital importance to approach the Government of the United States, asking it to cooperate in examining this question in a spirit of frankness and true friendliness.

During the months of June and July last, the Governments of Europe assembled in Lausanne with a view to averting to the very best of their ability the difficulties arising from the payments which these debts entail.

Basing its action upon the principles which were expressed in the joint communiqué issued on October 25, 1931, by President Hoover and Mr. Laval at the conclusion of their discussions, and which were the logical development of the proposal made by the President of the United States in June, 1931, the French Government, certain of be-

⁷² Handed to the Secretary of State by the French Ambassador, November 11 (see *infra*); copy transmitted to President-elect Franklin D. Roosevelt.

ing in close accord with the ideas of the American Government, voluntarily agreed to very heavy sacrifices at Lausanne, hoping thereby to appease resentment existing among nations, and at the same time to make a contribution toward economic recovery and toward the consolidation of peace.

Important as were the effects of the Lausanne Conference, it must be said that the economic and financial difficulties which stand in the way of a resumption of normal relations between nations are still present, and that a further effort must be made to put an end to them in the interest of all.

The attitude which France displayed at Lausanne and at Stresa ⁷³ is proof of the active interest which she attaches to the prompt economic recovery of Europe and of the effort which she still contemplates making toward fulfilling this task. France is no less anxious to cooperate in bringing about the success of the world-wide Economic and Monetary Conference.⁷⁴

It is in this very same spirit that the French Government today proposes to the Government of the United States to join with it in a further study of the debt question. Inasmuch as such a study will, by virtue of circumstances, require too much time for speedy conclusion to appear probable, the French Government asks that, in accordance with the process followed at Lausanne, an extension of the suspension of payments may be granted to the French Government in order that the study of the present serious problems now under discussion may be continued and completed in the necessary atmosphere of mutual trust. The French Government is further convinced that such a step would have the most helpful effect on the monetary crisis which threatens so many nations.

Trusting in the high wisdom and the spirit of justice of the American Government, the French Government is convinced that its point of view will be understood and that the request contained herein will be favorably received.

800.51W89 France/729

Memorandum by the Secretary of State of a Conversation With the French Ambassador (Caudel)

[WASHINGTON,] November 11, 1932.

The Ambassador handed me the note of France ⁷⁵ asking for a review of the debt obligation owed by that country. After handing it to

⁷³ Conference for the Economic Restoration of Central and Eastern Europe, September 5-20.

⁷⁴ For preliminary negotiations, see pp. 808 ff.

⁷⁵ *Supra*,

me, the Ambassador said he wanted to call to my attention the hard facts which existed, recognizing them, he said, as facts and not as justice. He recalled that the preamble of the French Law, ratifying the Berenguer Agreement,⁷⁶ made a direct connection between debts and reparations and that M. Herriot was under this strict mandate, as had been the other previous French governments. The Ambassador said that the present French Chamber was even stronger on the subject than the former one. He then pointed out to me that in spite of this, M. Herriot in his present note was more conciliatory than his instructions and did not simply say "No reparations, therefore no debts." The Ambassador said he wanted to point out to me the serious dangers that adhered to the situation:—first, the danger of a head-on conflict between the French Parliament and the American Congress; second, the danger of driving the situation into a position of default with its consequent effect upon the defaulting countries. He quoted Mirabeau on the subject of such dangers. The Ambassador referred to the possible bankruptcy of Europe caused by default as an "awful danger". At the same time he said that he recognized the position of the typical Congressman from Kansas who felt he could not go back to his constituents after giving up foreign debts without some *quid pro quo*. The Ambassador mentioned Disarmament as a proposition legitimately connected with debts as a *quid pro quo*. I then asked him what he had to say about the President's suggestion of concessions in debts in exchange for concessions in favor of our trade. The Ambassador said he was not very much taken with that, as he did not think it feasible. He then, of his own motion, mentioned the words "lump sum" as being a possible way, and he pointed out that a settlement which was final on this subject would have a very marked beneficial effect upon the world. He likened it to getting through the last line of breakers, and repeated this similarly [*simile?*] several times.

The Ambassador then urged that Mr. Hoover should endeavor to take up and settle this question of the debts within the remainder of his term, saying that it would be a final crown to Mr. Hoover's great work as President, and after this he urged upon me that I should use my influence in the same path. I pointed out to him the fact that this debt settlement could not even be negotiated except with the action of Congress and, in any event, that action was required for ratification. I pointed out that both the present Congress and the coming Congress were not under the control of the President's

⁷⁶ Debt agreement signed April 29, 1926. For text, see *Combined Annual Reports of the World War Foreign Debt Commission, 1922-1926*, p. 257. See also *Foreign Relations*, 1926, vol. II, pp. 91 ff. The agreement was ratified by France on July 27, 1929.

Party but were both under the control of the supporters of Mr. Roosevelt in both Houses. I said that under these circumstances I did not see how those debts could be settled without the influence and cooperation of Mr. Roosevelt, and I told the Ambassador that as soon as the British note came I had taken steps energetically to bring about such cooperation and I felt that was the only way it could be accomplished. We discussed the question of when the notes would be made public, and I told him I thought they should not be published until we all did it together and that the British had agreed with us to do this in the Monday's newspapers. He said this was very agreeable to him as his country was not anxious to do it before then.

H[ENRY] L. S[TIMSON]

800.51W89 France/724: Telegram

The Chargé in France (Marriner) to the Secretary of State

PARIS, November 12, 1932—noon.

[Received November 12—10:25 a. m.]

647. Bizot of the French Treasury states that the decision to request postponement of the December 15 payment was taken some time ago and action on it merely held up until after the election. The definite text of the note was completed at the Treasury on Wednesday and sent to the Foreign Office for editing and despatch on Thursday.

With reference to consultation with the British, Bizot stated that there has been no agreement on this subject but that in accordance with the spirit of the Gentlemen's Agreement⁷⁷ there had been a full exchange of information.

In this connection it is interesting to note that Sir Warren Fisher, Permanent Undersecretary of the British Treasury, spent about 3 weeks at the British Embassy in Paris from approximately October 7th to November 1st.

Bizot let it be known that Norman Davis had been *au courant* for some time of the decision and was familiar also with the British intentions.

I immediately telephoned Mr. Davis in Geneva who said that this did not correspond to his recollections on the subject and that he would send a telegram to the Department commenting on it.⁷⁸

MARRINER

⁷⁷ For text, see telegram of July 12, 4 p. m., from the Consul at Basel, p. 687.

⁷⁸ *Infra.*

800.51W89 France/726 : Telegram

The American Delegate to the Bureau of the General Disarmament Conference (Wilson) to the Secretary of State

GENEVA, November 13, 1932—7 p. m.

[Received November 13—4 p. m.]

37. From Norman Davis. See Marriner's 647 reporting conversation with Bizot. Neither the French nor British intentions as to the December 15th payment were known to me. The last time Bizot mentioned matter to me was some 5 or 6 weeks ago. I then gained clear impression that while they intended to request negotiations with regard to altering debt agreement they would make December 15th payment if we refused to grant delay pending result of negotiations. I have made it clear at all times that I have no authority whatever to deal with debt question. At the time of above conversation with Bizot I told him I had nothing to do with debts and could not in any way speak for the Government; that the Government itself had no power to agree to postponement without the approval of Congress; that to me it seemed almost impossible that Congress could act before December 15 even if it were so disposed; and that from a practical standpoint my personal opinion was that France should get ready and make December 15th payment. Bizot then indicated his belief that they should prepare to make December payment but that they would wait several weeks before announcing their decision and taking up the question of revision. [Davis.]

WILSON

800.51W89 France/727 : Telegram

The American Delegate (Wilson) to the Secretary of State

GENEVA, November 13, 1932—8 p. m.

[Received November 13—7 : 35 p. m.]

38. From Norman Davis. Last night Massigli came to see me to tell me Herriot had asked him to inform me of decision of the French Government and to read me the note they have sent with regard to debts. I told him to tell Herriot that while I appreciated the courtesy it was not necessary to read the note to me or keep me informed since I had nothing whatever to do with the question. He said that he would like to inform me at least of the substance of the note since Herriot had requested him to do so. After he had done this I reiterated that while I could not deal with the question I was rather surprised at the decision taken because I had thought France could and would make the December payment; that since

France had withdrawn in a few months this year enough gold from the United States to pay 10 annual installments on her debt it would be difficult to persuade the American people that she could not at least make the December payment if she wished. I also told him it seemed to me this was not a very appropriate time to bring the question head-on for a decision. He said in substance that the difficulty was in getting the approval of the Chamber of Deputies and intimated that it was feared it would cause the overthrow of the Herriot Government. I told him it was equally important to take into account the attitude of the American Congress. [Davis.]

WILSON

800.51W89 France/733

The Secretary of State to the French Ambassador (Claudel)

WASHINGTON, November 23, 1932.

EXCELLENCY: I fully appreciate the importance of the situation presented by the request for an examination of the problem of the intergovernmental debts contained in the memorandum of the French Government dated November 10, 1932. The fact that such a suggestion is made by your Government in itself makes this a matter meriting the most careful consideration. In a matter of such importance there must be allowed no opportunity for misunderstanding or failure to reach conclusions satisfactory to both Governments and peoples.

In this connection you will appreciate that your present suggestion goes far beyond anything contemplated or proposed at any time in the past either by President Hoover or by this Government. You will also permit me to recall very briefly some of the essential conditions and limitations which would control on the part of this Government any new study of the debt question and might affect its results. Not only is there reserved to the Congress of the United States the ultimate decision in respect to the funding, refunding or amendment of these intergovernmental obligations under consideration, but from the beginning the Congress has itself provided in the past the machinery in the shape of the World War Foreign Debt Commission for the investigation of the facts and for making recommendations upon which such action might be taken. The Executive might recommend, but the facts and evidence were submitted to and the decision made by the Congress, acting through this machinery.

Furthermore, from the time of their creation, under President Wilson, this Government has uniformly insisted that in its handling

of these obligations running to itself, they must be treated as entirely separate from reparation claims arising out of the War. Its insistence upon this difference is quite natural in view of its refusal after the War to accept reparations for itself and also in view of the difference of its position as a creditor from that of all other nations. Not only did this Government not receive any compensation in the form of territory, economic privileges, or governmental indemnity at the close of the War, but from the fact that it owed no obligations of any kind to others, treatment of the debts and reparations as though they were connected could only operate to the disadvantage of the United States. No concession made in respect to a payment owed to it could either in whole or in part be set off or balanced against claims owed by it to any of its creditors. On the contrary, every such concession would result in the inevitable transfer of a tax burden from the taxpayers of some other country to the taxpayers in our own without the possibility of any recoupment from others. The debts owed to the United States thus naturally fell into the category of ordinary debt obligations between individual nations and were treated as such. The American Congress has made, with each of its debtors, settlements which were intended to be and were deemed to be liberal and wholly within the capacity of the debtor to pay without jeopardizing its finances and currency or preventing it from maintaining and, if possible, improving the standard of living of its citizens.

I appreciate the importance of the step mentioned in your memorandum which has been taken by the governments at Lausanne in respect to the reparations due them from Germany and the possible effect upon those creditor nations of the loss of that source of income. I am not oblivious to the fact, moreover, that the world-wide depression and the concurrent fall of prices has increased the weight of debts in many parts of the world; nor to the fact that the decrease in international trade has increased the difficulties of obtaining foreign exchange. I also recognize the relation which these facts may bear to the process of recovery. On the other hand, it must be remembered that these incidents of the depression have also fallen with great weight upon the American people and the effects upon them directly as taxpayers or otherwise of any modification of an agreement with respect to debts due to this country cannot be disregarded. I assume that it was for the purpose of deliberately and carefully giving due weight to such conflicting elements in the world situation, differing as they would in various countries, that this Government adopted the system which I have described. I confess that I cannot see any controlling reasons which would be likely to induce the Congress of the United States to act upon the question any dif-

ferently now from the manner and the principles upon which it has acted in the past. And I believe it would be inadvisable to attempt to enter into discussions on the subject except in that manner and under those principles.

The attitude of the President therefore is that for any suggested study of intergovernmental financial obligations as now existing, some such agency as I have referred to, should be created to consider this question individually with each government as heretofore. As he has several times said publicly, he also believes that some basis might be found for bringing to the American people some adequate compensation in forms other than cash payment. The President is prepared to recommend to Congress that it constitute such an agency to examine the whole subject.

As to the suspension of the installment of the French debt due on December 15th, which is requested in your memorandum, no authority lies in the Executive to grant such an extension and no facts have been placed in our possession which could be presented to the Congress for favorable consideration under the principles to which I have referred. In the memorandum of the French Government reference is made to the action of the Conference at Lausanne. It seems to me that the situation which confronted the conference at Lausanne in its consideration of the question of reparations by Germany was quite different from that presented here in that the Conference had before it the report of the meeting of experts at Basle.

Such importance is attached by our Government and people to the maintenance of the original agreements in force by the payment on December 15th as to far outweigh any reasons now apparent for its suspension, and by such payments the prospects of a satisfactory approach to the whole question, in my opinion, would be greatly increased.

Accept [etc.]

HENRY L. STIMSON

800.51W89 France/749

The French Embassy to the Department of State

[Translation]

NOTE ADDRESSED BY THE FRENCH GOVERNMENT TO HIS EXCELLENCY,
THE SECRETARY OF STATE, IN REPLY TO THE LATTER'S NOTE OF
NOVEMBER 23, 1932

PARIS, December 1, 1932.

The careful and considered study of the problems raised by intergovernmental debts and the payments due on December 15 next, con-

tained in Your Excellency's note of November 23, has prompted the French Government to formulate certain statements of fact and considerations of principle which it has instructed me to present without delay for the careful scrutiny of the Federal Government.

My Government has noted with satisfaction, to begin with, that the President has declared his readiness to recommend to the Congress a new study of the question in its entirety, which implies that in his opinion such a study is called for.

The French Government is not unaware, moreover, of the reaction that a reduction of the debts contracted by the European Powers toward the United States might have on America's national economy. Finally, it is far from forgetting that a first readjustment of its debts was accorded it by the American Government in 1926.

On the other hand, it cannot be denied that since that date, the seriousness of the economic and financial crisis which has prevailed throughout the world has forced the interested governments to modify their attitudes with respect to the problem of inter-governmental debts; it has led them to take a series of concerted measures, related alike to reparations and debts and destined to meet the exigencies required by circumstances.

Without prejudice to the nature and form of a new study of the problems arising from a settlement of inter-governmental debts, my Government is glad to note the agreement of the Federal Government with its justifying reasons, namely: the reductions of revenue which the nations, creditors to Germany, agreed to at Lausanne, the increase in the burden of debts resulting from the world-wide economic depression and the parallel drop in prices, the difficulty of obtaining foreign exchange, and finally the influence which the settlement of this question could have on the development of the world crisis.

The weight of these reasons is so obvious and the need of a new arrangement is so urgent that it would be difficult to believe that, once a revision is agreed to in principle, the execution of an agreement which is no longer considered as applying to the situation should nonetheless be carried through.

The French Government desires to emphasize that it has never considered controverting the juridical validity of the various obligations by which the war debts originated.

Moreover, my Government desires to emphasize that the request for delaying payment which it made implies a mere postponement, leaving the rights of the parties untouched. It does not appear to my Government to go beyond the request made by President Hoover

himself in June, 1931. On the contrary, it seems, in its opinion, to be the normal, equitable and necessary sequel.

It was at the request of the President of the German Reich that President Hoover in June, 1931, made his proposal for postponing for the duration of one year all payments on inter-governmental debts, including reparations.

On this occasion the Federal Government specified that it would only contemplate a moratorium of debts due to it "on condition that there take place a similar postponement for one year of all payments of inter-governmental debts due to the important creditor Powers". The American memorandum specified that the fabric of inter-governmental debts, while supportable in normal times weighed heavily in the midst of this depression. This initiative, as the French Government pointed out, affected directly all existing agreements, and in particular suspended the working of the mechanism which the Young Plan had set up for taking care of the problem of reparations. Subsequent events have shown that this suspension, once it was granted, had to be extended beyond the period originally determined.

Furthermore, at the time of his trip to Washington, the French President of the Council agreed with the President of the United States on the terms of a communiqué,⁷⁹ stating that in the matter of inter-governmental debts, a new arrangement, covering the period of the depression might be necessary, provided that the initiative came from the European Powers principally concerned.

In conformity with this text, which seems to constitute a novation in equity in the regime of international debts, this initiative was taken. Within the sphere where only the European Powers were involved the arrangement provided for has been brought about.

Germany, as a debtor, in addition to a diminution of its debt to a lump sum of three billion marks, or a reduction in size of approximately ninety per cent, obtained a moratorium of three years.

As, in the opinion of the European creditor Powers, this settlement should be integrated in a general arrangement, they were unanimous in agreeing that in any event the payments due them by virtue of inter-governmental debts should be withheld pending the conclusion of a general settlement. It would create a very serious situation if a regime obtained with such difficulty at Lausanne should have to be reconsidered.

Would it not be equitable for the Federal Government, in a like spirit of international solidarity and with a view both to consolidating the results already obtained and to permitting the completion of

⁷⁹ *Foreign Relations*, 1931, vol. II, p. 252.

the task undertaken, in its turn to agree to the withholding of the payment of December 15?

The pressing need which prompts this action has surely not been unobserved by the Federal Government.

In making his proposal for a moratorium in 1931, the President of the United States stated that the attitude of the Federal authorities indicated their intention of contributing to the speedy reestablishment of world-wide prosperity in which the American nation is so deeply interested. "The duty of statesmen" said the Washington communiqué of October 1931, "is to neglect no means of practical collaboration for the common good. This principle is of particular importance at a time when the world awaits leadership to overcome the present depression which is destructive to so many homes."

The economic depression which motivated both the proposal of the President of the United States and his appeal for the collaboration of nations, has grown more serious since the Spring of 1931. Everywhere poverty and unemployment are increasing; this depression cannot but grow worse if the payment of inter-governmental debts must be resumed before the conclusion of a general arrangement.

The French Government is familiar with the formal reservations made at the time of the ratification of the Hoover Moratorium by the American Congress, whose prerogatives it fully recognizes. But it must recall that the approval of the French Parliament likewise was subordinated to its own interpretation of the moratorium proposed by President Hoover. It must further recall that the Committee of experts which met at Basle in December 1931, following the Washington interview, and which included in its membership an eminent American citizen, did not confine itself to recognizing the momentary impossibility of Germany to meet its reparations obligations. It unanimously and formally condemned as peculiarly damaging to the restoration of world-wide economic equilibrium, the transfers of funds without counterpart which the payment of war debts involved. The report concludes as follows:

"In the first place, transfers from one country to another on a scale so large as to upset the balance of payments can only accentuate the present chaos.

"It should also be borne in mind that the release of a debtor country from a burden of payments which it is unable to bear may merely have the effect of transferring that burden to a creditor country which, in its character as a debtor, it, in its turn, may be unable to bear.

"Again, the adjustment of all inter-governmental debts, reparations and other war debts, to the existing troubled situation of the world—and this adjustment should take place without delay if new

disasters are to be avoided—is the only lasting step capable of re-establishing confidence which is the very condition of economic stability and real peace.”⁸⁰

It was on the basis of this general consideration that the French Government, subject to the approval of the French Parliament, signed the Lausanne agreements.

Despite a budgetary deficit of nearly five hundred million dollars, and despite the very severe measures which have already been taken and will still have to be taken to balance its budget, France will have voluntarily given up in the interest of world-wide economic recovery a net annual balance, over and above the payment of its war debts, of nearly eighty-five million dollars.

France agreed to this heavy sacrifice in the belief that the payments provided for in existing agreements could not be made without producing profound financial and economic disturbances.

The situation in this respect, insofar as France is concerned, has often been misunderstood and should be clarified.

The inflow of gold to France which has taken place during the past years was caused or rendered inevitable, in the last analysis by virtue of conditions existing throughout the world.

This gold does not in any sense belong to the French Treasury. It is not a source of permanent wealth for France. It is the guarantee for all the deposits made in France whether by Frenchmen or foreigners. Its normal redistribution which is desirable can only follow a general recovery of confidence and the needs which will follow such a recovery.

The slight improvement which took place following the Lausanne agreements evidenced the hope of the nations for a world-wide settlement. The recovery that was then just perceptible could not be advanced further if the next payment of inter-governmental debts were to be insisted upon.

It is pertinent to observe that lacking a radical reversal of the trade balance between the United States and Europe—a balance which is today heavily in favor of the former—these payments in the face of progressive diminution of foreign revenues for the debtors, would become increasingly ruinous to the credit and exchange markets of the entire world.

The French Government cannot believe that in the last analysis the American people will consider their interests best served by the carrying out of an obligation, the strict application of which would result in creating further chaos and poverty throughout the world,

⁸⁰ Great Britain, Cmd. 3995, Germany No. 1 (1932), p. 17.

inasmuch as the transfer of sums without corresponding exchange cannot but unbalance yet more profoundly international relations. It was under the influence of these very serious preoccupations, and with a consciousness of the responsibility that devolves upon the great Powers for the maintenance of social and economic order, that the French Government asked the Federal Government on November 11 last to postpone the payment due on December 15.

In urging the American Government to reexamine its request in the light of the foregoing, the French Government believes that it is fulfilling not merely a national but an international duty.

It is fully conscious of the role which circumstances have called upon France to play in Europe. It has no intention of stressing as an argument the efforts it has already made for the recovery of economic stability and the improvement of business, nor the willingness it still manifests to cooperate toward this result in the future. But it queries, with apprehension, how France can continue along this path if, contrary to its expectation, the cooperation of the United States on which it has felt it could count to second its efforts, should be lacking. Such are the considerations which today lead the French Government to renew to Your Excellency through me its urgent and reasoned appeal to reconsider its request for the postponement of payments of December 15.

The reception which will be given this appeal is confidently awaited by my Government, which weighs all the consequences which the decision of the President of the United States may entail toward either improving or aggravating the situation which is a tragic legacy of the war.

800.51W89 France/749

The Secretary of State to the French Ambassador (Claudel)

WASHINGTON, December 8, 1932.

EXCELLENCY: My Government has considered with the greatest care the note of December 1, 1932, from the French Government, in which it has set forth at length the reasons it advances for a reconsideration of the whole question of intergovernmental war debts, and for the postponement of the payment due by the French Government to the Government of the United States on December 15, next.

Whatever part debt payments may have played in the economic history of the post-war years, it is clear that in the present conditions of world-wide depression, accompanied by a sweeping fall of prices, their weight has greatly increased, and that they have a very

definite relationship to the problem of recovery in which both the French and the American people have so vital an interest.

The President of the United States is prepared, through whatever agency may seem appropriate, to cooperate with the French Government in surveying the entire situation and in considering what means may be taken to bring about the restoration of stable currencies and exchange, the revival of trade, and the recovery of prices.

I believe that there are important avenues of mutual advantage which should be thoroughly explored. Such an examination does not imply cancellation. In such an examination there would necessarily be consideration of other forms of tangible compensation available for the expansion of markets for products of American agriculture and labor. And you will understand that the problem of foreign debts has in the American mind very definite relationship with the problem of disarmament and the continued burden which competitive armament places upon the entire world.

My Government, however, has not been able to reach the conclusion that a postponement of the December 15 payment from the French Government to the United States is necessary because of its effect on the problem of recovery. Although we recognize the serious budgetary difficulties which the French Government, in common with all other governments, is now facing, the sum involved in this case and the transfer thereof would hardly seem to my Government to be of disturbing weight or difficulty in respect to world economy or the reestablishment of prosperity. The maintenance of these agreements in their operation pending due opportunity for analysis of all matters bearing upon your request for revision and its consideration by the American Congress and people still appears to us to outweigh any reasons presented for a delay.

I appreciate the significance of your explanation with respect to the gold inflowing into France. The existence of these French gold holdings, however, does appear relevant to the present problem of meeting the immediate difficulties of transfer with special reference to the December 15 payment.

In view of the position which I feel my Government must take, I trust that the French Government will appreciate the importance of making the December 15 payment in accordance with its terms and thereby, in my judgment, bringing about a more favorable situation for any subsequent examination of the problem between our two Governments.

Accept [etc.]

HENRY L. STIMSON

800.51W89 Great Britain/358 : Telegram

The Ambassador in France (Edge) to the Secretary of State

PARIS, December 9, 1932—9 p.m.

[Received December 10—12:38 a. m.]

704. In view of MacDonalld-Herriot's conference in Paris yesterday on debt situation I called this evening on Lord Tyrrell to secure any details regarding the French position he felt like conveying.

The British Ambassador was very frank and stated Herriot had decided to wage the fight before Parliament Monday for authorization to make the December 15 payment but had frankly stated he would be unable to secure a confidence vote without some proviso or qualification that the whole debt situation must be reviewed before any further payments should be made. Tyrrell stated that Herriot was quite uncertain as to being able to carry Parliament even with this qualification but that the situation there had somewhat improved since the British had practically agreed to make their December payment.

Tyrrell felt that if Herriot could be given even confidential assurance that such a disposition would be acceptable in the United States it would help him greatly.

The British Ambassador was particularly concerned that the United States Government might misinterpret the interest the British Government had shown in consulting with France as collusion or as presenting the European debt front the United States frowns upon. He asked me to assure you that it was absolutely essential to consult with France in order to preserve the Lausanne Pact⁸¹ and must not be considered as any action directed against us. For that reason, he continued, Great Britain had repelled all efforts to go it alone in [dealing?] with the United States following suggestions that by so doing they could secure better terms. Using his words, "in view of the fact that the Lausanne agreement re German reparations at least has the blessing of the United States that his Government hoped that we would understand that Great Britain must keep on speaking terms with France".

In fact Tyrrell felt so strongly about the possibility of misunderstanding that he expressed the hope Washington would let Lindsay know that they thoroughly understood. I endeavored to assure Tyrrell that if both countries made the December payment there would not be any reason for American resentment but he insisted in view of the strained and uncertain position in France assurance to his home government would prevent possible misunderstandings.

⁸¹ Great Britain, Cmd. 4126, Misc. No. 7 (1932).

Among the projects which Herriot was seriously considering was the suggestion that the debt question be referred to arbitration basing the French case on the changes wrought by the moratorium and the Lausanne Pacts. The British succeeded in talking him out of this idea pointing out that there might be a case in equity but none in law.

EDGE

800.51W89 France/760 : Telegram

The Ambassador in France (Edge) to the Secretary of State

PARIS, December 13, 1932—11 a. m.

[Received December 13—9:15 a. m.]

713. The parliamentary situation here seems to indicate the imminent fall of the Herriot Government which will mean that the interim government cannot make the December 15 payment and no new government could be constituted in time to do so.

Although I have purposely consulted with no French official on this subject the Embassy has learned from sources close to the Prime Minister that it might be helpful to him to have even informal assurances of the nature of a reservation which might be acceptable to the United States.

In going over the possibilities for this purpose it seems to me that a reservation along the following lines which will be naturally purely unilateral might be acceptable to French public opinion and the French Parliament and at the same time be not inconsistent with American policy as expressed in the notes thus far exchanged.

“The Government of the French Republic makes the payment of the December 15 installment to the United States with the understanding that it is the last payment it will make before a satisfactory reconsideration of the whole problem in accordance with the December 8 note of Secretary of State Stimson in which it is stated that ‘The President of the United States is prepared through whatever agency may seem appropriate in cooperation with the French Government to survey the entire situation.’”

Notwithstanding the clarity of notes exchanged there has been so much comment here on alleged British-American understanding that it might be very helpful to Herriot in his final arguments this afternoon to be able to intimate that while he had no definite assurance or commitment, yet through his investigations he felt that the above would not be objectionable to the United States because as in the case of the British notes it would consist alone of a statement of the position of the French Government.

If it is your opinion that something on the order of the above should be unofficially brought to Herriot's attention to be of any service I should receive instructions by telephone on receipt of this telegram.

EDGE

800.51W89 France/760 : Telegram

The Secretary of State to the Ambassador in France (Edge)

WASHINGTON, December 13, 1932—noon.

435. Your 713, December 13, 11 a. m. It would be most unwise to have any understanding or commitment however informal as to any statement or reservation by the French Government.

The point to be constantly carried in mind is that if they make payment it must be solely under the terms of the Debt Funding Agreement, and without any conditions being added which might affect the character of the payment. Therefore any statements which they may choose to make must be wholly unilateral indicating solely their own position and without any guidance or commitment by us.

STIMSON

800.51W89 France/761 : Telegram

The Ambassador in France (Edge) to the Secretary of State

PARIS, December 13, 1932—4 p.m.

[Received December 13—2: 15 p.m.⁸²]

714. The following is the text of the Government's draft of a note to the United States which was rejected this afternoon by the Foreign Affairs Committee of the Chamber by 24 to 9.

"1. The French Government acknowledges the December 8th reply wherein the United States admits the possibility to examine all elements whereon France bases her claims of revision which will be taken into consideration by Congress and the American people.

2. France asks that there be opened without delay negotiations tending to revise the regime hereafter incompatible with the situation created by the moratorium granted at the request of President Hoover also by consequent acts as a result of which reparation payments were suspended.

3. The French Government will pay \$19,261,432.50 on December 15. France asks that this payment be applied against any accounts created under the new debt agreement.

4. The French Government has the honor to inform the United States that so long as the situation provoked by the Hoover mora-

⁸² Telegram in two sections.

torium exists and if no new settlement of international debts occurs in the meantime France will in fact and law be wholly unable to support hereafter any charges under a regime which can no longer be honestly justified except by the payment of reparations".⁸²

Marin opened the debate in the Chamber of Deputies at 3 o'clock this afternoon with an attack on the United States which is continuing while the subcommittee of the Foreign Affairs Commission is drawing up a draft of reservations which are unlikely to be acceptable to Herriot and on the rejection of which the question of confidence will probably be placed.

EDGE

800.51W89 France/763 : Telegram

The Ambassador in France (Edge) to the Secretary of State

PARIS, December 14, 1932—noon.

[Received 3:10 p. m.⁸⁴]

717. Embassy's 716, December 14, 6 a. m.⁸⁵ While a detailed telegraphic summary of the views of the orators in last night's debate in the Chamber of Deputies would be impracticable the main themes stressed by the opposition were:

(1) The usual threadbare argument that the Hoover moratorium had created a *de facto* connection between debts and reparation had in fact destroyed the Young Plan and therefore France's signature to the Mellon-Bérenger Agreement, which was signed by France on account of the existence of the Young Plan, need no longer be strictly adhered to.

(2) The American note to the British of December 1st had made it useless to attempt to pay the December installment with conditions which the American Government had shown in advance it would not accept.

(3) The usual economic argument that restoration of world prosperity could only take place after a revision if not an annulment of the debts. The Socialists, who voted en bloc against the Government and whose desertion of their radical Socialist allies is chiefly responsible for Herriot's downfall, based their opposition to the December payment upon their traditional policy of having refused to vote for the Versailles Treaty or for the ratification of the Mellon-Bérenger Agreement. Their spokesman vehemently advocated annulment of all intergovernmental debts and held that France's refusal to pay the December installment would be the first step along this line.

⁸² For French text, see Journal Officiel de la République, *Débats Parlementaires: Chambre des Députés, Séance du 12 Décembre 1932*, p. 3550.

⁸⁴ Telegram in six sections.

⁸⁵ Not printed.

Herriot made a magnificent even though futile defence of the Government's thesis stating that France's whole theory of international relations was based upon her insistence upon the sanctity of signatures. He plead with the greatest earnestness that France should not now set an example to the rest of the world of treating her solemn covenants as scraps of paper. He scoffed at the validity of the juridical arguments advanced by the opposition to prove the soundness of France's case and solemnly warned the Chamber that refusal of France to uphold her treaty engagement at this time would seriously prejudice her case should such case ever be taken before an International Court at some future time. He especially warned the Chamber of the serious effect which a refusal to pay would have upon Franco-British relations, pointing out that 6 months ago France had been isolated diplomatically at Geneva and that he had striven since then in every way with the most complete success to secure British cooperation and amity. He gave unstinted praise to the "perfect loyalty" shown by the British in dealings with France regarding the debts and he urged that France, in order to save \$19,000,000 should not run the grave risk of losing a powerful friend the need of which he hinted might not be far off on account of the political developments the other side of the Rhine. As a last desperate effort to save the situation Herriot told the Chamber shortly before the vote was taken that he had information to the effect that the United States would accept the debt payment from the British in spite of the tenor of the American note of December 12⁸⁶ and that furthermore he had just received word from Ambassador Claudel that the Secretary of State had explained the willingness of the American Government to make a general survey of the debt situation in accordance with the terms of the American note of December 8. Herriot was given the closest attention and he received from time to time the warm applause of the majority of the Deputies but as events of course proved this was a tribute to the man rather than to the thesis he was defending. The spokesman for the Socialists in fact strongly urged Herriot not to place the question of confidence and merely to accept the joint resolution of the Finance and Foreign Affairs Committee of the Chamber as the considered opinion of the French Parliament on this grave international question. This Herriot flatly refused to do.

Shortly after 5 a. m. a vote was taken on the proposal of the Government which consisted of a project of law embodying the text of the note transmitted to the Department in the Embassy's 714 of December 13, 4 p. m. Immediately after the Government was over-

⁸⁶ Reference is apparently to the note of December 11, p. 778.

thrown and had left the Chamber as a result of the adverse vote on this proposition, the Chamber passed by a vote of 380 to 57 the resolution of the Finance and Foreign Affairs Committee referred to in the Embassy's 715 of December 13, 5 p. m.⁸⁷ The text of this resolution reads as follows:

“The Chamber:

Faithful to the common traditions which bind the people of the United States and the people of France.

Desirous of serving the interests of European reconstruction in agreements between Great Britain the principal debtor of the United States and creditor of France.

Anxious to adapt the international treaties and accords to present economic realities but anxious likewise to avoid a unilateral rupture of engagements freely agreed to and submit any differences which may arise to the conciliation of the parties concerned therein when their nature permits recourse to the pacific procedure provided for in international conventions.

Whereas

By virtue of a generally recognized principle of public international law treaties and conventions are governed by the doctrine *rebus sic stantibus*.

The decisive factor in the settlement of debts between France and the United States was unquestionably the regime of payments which France had a right to expect from Germany by virtue of existing treaties.

That principal was affirmed when the Franco-American accords were signed; it was reaffirmed on April 29, 1929, unanimously by the French Parliament when it was called upon to ratify the accords of 1926; it likewise exists as a determining factor of the Young Plan which establishes a definite liaison between the payments due from Germany to France and from France to its creditors;

Whereas

This decisive factor was radically disturbed by the suspension of all international payments in June 1931 and the Conference of Lausanne which was a consequence of that suspension;

That this change of circumstances was brought about by the initiative of President Hoover on June 20, 1931, and is therefore the work of the American Government;

That moreover the payment of further installments cannot be made by France unless the installments provided for in the Young Plan are renewed; that this renewal would cause the annulment of the Lausanne Agreement and would precipitate a general collapse profoundly prejudicial to the interests of the United States and smash the first attempts on European reconstruction and European *rapprochement*.

The Chamber declares, considering the fact that the fundamental factors involved have been wholly modified and should remain so changed lest the world crisis be dangerously aggravated, the

⁸⁷ Not printed.

agreements reached on the subject of debts are no longer executory and should form the subject of new negotiations;

Furthermore the Chamber:

Convinced that these legal and political factors are materially strengthened by economic considerations;

Believing that the transfer of intergovernmental payment without a counterpart undeniably constitutes one of the underlying causes of the depression which is paralyzing the economic activity of the entire world;

Agreeing moreover with the Basle experts that as concerns intergovernmental debts 'an adjustment of all debts (reparations as well as other war debts) to meet the troubled situation of the world—an adjustment which should take place without delay if further disasters are to be avoided—is the sole means capable of restoring confidence which is the condition *sine qua non* of economic stability and true peace'.

For these reasons

The Chamber invites the Government to convoke as soon as possible, in agreement with Great Britain and the other debtors, a general conference having as its object the adjustment of all international obligations and to put a stop to all international transfers not having any counterpart, a conference which will have a close connection with the World Economic Conference charged with the restoration of the monetary situation and of credit.

As concerns the problem of payment on December 15, the Chamber in spite of legal and economic considerations would have authorized the payment but on the previous condition that the United States agree to the reunion of the conference for the purpose outlined above.

The reply of the Secretary of State of the United States to the British Government on December 11 excludes the possibility of the Chamber maintaining this viewpoint.

As a consequence the Chamber pending general negotiations invited the Government to defer payment of the installment due on December 15th".⁸³

EDGE

800.51W89 France/777

The Secretary of the Treasury (Mills) to the Secretary of State

WASHINGTON, December 14, 1932.

DEAR MR. SECRETARY: I want to give you a brief report as to the events of the evening of December 13th. Shortly before eight o'clock M. Monick, the French Financial Attaché, called me up and told me that he had just talked to Paris by 'phone; that things were going very badly in the French Chamber of Deputies, and that in all probability the Herriot Government would be overthrown and the Cham-

⁸³ For French text, see Journal Officiel de la République, *Débats Parlementaires: Chambre des Députés, Séance du 12 Décembre 1932*, pp. 3584-3585.

bar would vote not to pay the December 15th installment. He thought that some further statement by you along the lines of your note of December 8th, if given to M. Claudel and telephoned to Paris, might possibly save the situation. I then called on M. Monick, ascertained the exact kind of statement which he had in mind, and telephoned to you, reading the proposed draft over the telephone.

Having received your approval, I submitted the proposed statement to the President and received his approval. I then saw Ambassador Claudel and explained the situation to him.

M. Monick transmitted the message over the transatlantic 'phone to M. Herriot through M. Bizot, of the French Treasury Department. M. Bizot expressed his appreciation of our efforts to help, but I have no information as to whether M. Herriot found occasion to make use of the statement.

I enclose herewith a copy of the latter.

Faithfully yours,

OGDEN L. MILLS

[Enclosure]

*Statement Given to M. Monick, the French Financial Attaché,
on Tuesday, December 13th, 1932*

In answer to the inquiry by Ambassador Claudel as to the willingness of the United States Government to reexamine the whole question of intergovernmental debts, the Secretary of State said:

Referring to my note of December 8th, I reaffirm the intention of the President of the United States to examine at an early date in full cooperation with the French Government the entire situation, including the debt question, and more particularly the relationship of intergovernmental debts to world economy and the problem of recovery.

800.51W89 France/773

The French Ambassador (Claudel) to the Secretary of State

[Translation]

WASHINGTON, December 14, 1932.

MR. SECRETARY OF STATE: The President of the Council requests me to inform Your Excellency that, as his Government was overthrown this morning by a vote of the Chamber refusing authorization to make the payment of December fifteenth in connection with the war debts, he is no longer able, under the terms of the Constitution, to continue the negotiations entered into with the American Government, as his authority now extends only to the despatch of current business.

Mr. Herriot requests me to express to Your Excellency his deep regret, together with his sincere thanks for your great courtesy in your diplomatic relations with him.

Please accept [etc.]

CLAUDEL

800.51W89 France/785 : Telegram

The Ambassador in France (Edge) to the Secretary of State

PARIS, December 23, 1932—8 p. m.

[Received 8:26 p. m.⁸⁹]

745. M. Paul-Boncour, Minister for Foreign Affairs, called at the Chancery this afternoon having made no previous engagement and for half an hour discussed the war debt situation. Marriner was present. I am giving below comprehensive report of the conversation.

Boncour said that he had come to pay the very first call to me on taking over his duties as Prime Minister and Minister for Foreign Affairs; that he wished to show his desire to find a solution of the present difficulties.

I replied that I was extremely pleased to receive him as he was not a stranger to me either in person or in accomplishment.

Boncour said that he would gladly take this occasion to discuss the difficulties now facing our two countries. His desire was to find a solution to them and he had made this abundantly clear in his declaration to the Chambers yesterday.

I said that I was equally anxious to find some means of doing so and that the first necessity to obtain this result would be for France to pay the installment due December 15th in order to be in the same position vis-à-vis the United States as the other debtor nations, notably England.

Boncour then said that he was of course faced with the situation that the Parliament by a very large majority had refused to make this payment and that what he sought was some new fact with which to return to it for the authorization for the immediate payment. He said that he did not wish it to be forgotten that the Parliament never in any way denied the validity of the debt, that they merely withheld payment until they could know the intentions of the United States with respect to the whole problem of international debts which had been raised in the beginning by the Hoover moratorium, and subsequently by the Lausanne Conference.

I inquired whether he had any suggestions as to the type of new fact that might be useful.

⁸⁹ Telegram in nine sections.

Boncour felt that for the moment there was no need of attempting to define this as Parliament would recess within a few days for the Christmas holidays and during that time he hoped, in conjunction with me, to explore this field, as time would be of some help in the problem. Boncour said that he had felt that the suggestions contained in President Hoover's declaration had contained a step in the direction of the Chambers' resolution, which, if it had gone through, might have given him the new facts necessary to ask a change in the decision of the Chambers but that in accordance with the news in the morning's papers and information from Ambassador Claudel, President-elect Roosevelt had refused his support, or that of his incoming Government, to any project of this nature and therefore this possibility was killed for the time being. Therefore, he was considerably at a loss to know what to do.

I then said that there was, however, one point on which there could be no question, which was the sentiment of the two parties, of the Administration and of the American Congress:

1. That there would be no way of conferring with nations who had not paid their December 15 installment, and,
2. That there would be no general conference confined to this subject.

Boncour then outlined what he felt was the sense of the Chamber without giving the idea that he necessarily agreed with it. He said that the Chamber felt that the moratorium had treated all international debts together; that the Lausanne Conference had attempted to treat the question without the United States and the present difficulty was an instance of the mistake that these had been; that therefore the general problem needed to be treated in a general conference not from the point of view of the united front against America which was to be sure the most general creditor but that France, England and the others were also creditors in different ways and in some ways shared that aspect of the problem.

I asked whether it was his idea that an international conference should be called to discuss the debt installment of France due on December 15 last and Boncour replied no, but that what he needed was some definite assurance of the intentions of the United States in this matter to give to the Chambers to induce them to change.

I then said one thought had occurred to me which was an entirely personal one, namely, whether declarations in the United States Senate by the Democratic and Republican heads on the interested committees, namely, Foreign Affairs and Finance, to the effect that America would give every debtor the right to be heard and to pre-

sent his case with respect to debts would be sufficient, that after all was said and done Congress had the final power.

Boncour said that he felt that this would be advantageous but that he did not think it would be sufficient at this time to be considered the new fact on which he could ask for Parliamentary reconsideration.

I then reiterated very emphatically my feeling that the first necessity, for France to enter into negotiations or discussions on the same plane as the others, was the payment of this installment; if the matter dragged until the new administration this would mean that the problem would come very close to the June 15 payment and the uncertainties would continue.

Boncour concluded the conversation by stating that he certainly understood this point of view and that he would do his best to overcome the difficulties, which were very great, since he felt that opinion in the Chamber had been even more pronounced than the vote, since many of the Deputies who voted for the payment were expressing their confidence in Herriot and had the question been put without a vote of confidence would have voted still more vigorously against payment.

Boncour said that he was altogether at my disposal on this matter at any time and that during the course of the Parliamentary vacation he hoped some progress might be made to obtain some measure that would serve as a turning point for Parliamentary opinion.

My own reaction to the interview is that if you can devise any plan which would help Boncour to make a new presentation to the Chamber even in the form of a conciliatory note which in no way would commit the United States Government beyond what it has already signified it would certainly be most helpful at this stage.

Of course I must return this call in the near future and I would like some expression from the Department in the meantime.

EDGE

800.51W89 France/785 : Telegram

The Secretary of State to the Ambassador in France (Edge)

WASHINGTON, December 27, 1932—7 p. m.

455. Your 745, December 23, 8 p. m. I approve of the position which you took in your conversation with Boncour. I have taken a similar position here with Claudel. Claudel seemed to be under the impression that Mr. Roosevelt in his correspondence with Mr. Hoover had taken the view that debts might be discussed immediately with any nation. I told Claudel that it did not seem to me

that Mr. Roosevelt had been as explicit on this subject as Claudel seemed to think. I pointed out that at any rate it was the position of the Administration and evidently of Congress that immediate discussions would only be had with nations who had met their obligations.

As to whether there is any new fact which can be used in a new presentation to the Chamber by Boncour, I can only refer to the events which have already transpired since the French Chamber voted on December 14th. But it would appear that since that date the situation has been very much advanced and the attitude of this and the incoming administration made much more definite by the events which have since occurred.

First, on December 16th, I received an informal letter from Claudel, which read as follows:

"As I had an opportunity to inform you this morning, Mr. Herriot, although he has no longer the responsibility of current affairs and although he has refused the task of forming a new cabinet, is quite ready to give as much personal help as possible for the solution of present difficulties.

"I think that a frank and friendly explanation of your views about the difference which exists between the American and French positions on the War debts should be a very valuable contribution to the cause of good understanding between our two nations which is as dear to your heart as it is to mine.

"All France considers you as an old and proven friend of our country. We have not forgotten that from the first moment you fought in the ranks of our soldiers.

"We have received proof of your understanding of our problems during your service as Secretary of State.

"I am sure that any statement from you would be received by our people with the greatest consideration."

To this I replied informally under date of December 17th as follows:

"I have been impressed by the friendly assurances which you have brought me from M. Herriot and by his inquiry in the same spirit as to whether anything can be done to resolve the unfortunate situation which has arisen. As an old friend of France I, like M. Herriot, am deeply concerned over any situation which may cause misunderstanding between our two nations and am actuated by a sincere desire that it may be resolved as speedily as possible. I answer M. Herriot's inquiry in that spirit.

"In the first place, I note with satisfaction that the principle of payment of the December 15 installment does not seem to be in question and that the difficulties which arose in the Chamber concerned chiefly the conditions which the Chamber desired to attach to such payment. I was obliged to point out to the British Government, in

my note of December 11, to which the Chamber called attention in its resolution, that the Secretary of the Treasury, who is the agent of the United States for the receipt of debt payments, has no authority to accept payment from any government upon conditions, or in any way except as provided under the terms of the Funding agreement, all changes in that Agreement being subject to the decision of Congress.

"But if at the time of the Chamber's action there existed in France any lack of clarity as to the willingness of the President to discuss with France the subject of the French debt, I think it should be sufficient to call to the attention of your governmental authorities his statement of November 23, that 'it is unthinkable that within the comity of nations and the maintenance of international goodwill our people should refuse to consider the request of a friendly people to discuss an important question in which they and we both have a vital interest, irrespective of what conclusions might arise from such a discussion'.⁹⁰

"In this spirit, and with the position of my Government made clear, as in our correspondence I have tried to make it, I still hope that a solution may be found by your Government, and, if so, I am confident it will be greatly to the interests of both the French and American people and to the welfare of the world."

A draft of my letter of December 17th was promptly sent to the French Government. These letters were exchanged on the suggestion of Herriot that some such step toward conciliation similar to the one you suggest might move the Chamber to reconsider its vote.

Second, the President sent his message to Congress on December 19 announcing the purpose and disposition of this Administration to discuss debts with any of our debtors who have sought to maintain their obligations to us.

Third, the correspondence between the President and Roosevelt,⁹¹ while it indicates that the President and the President-elect are not in accord as to the method or machinery of discussion, nevertheless clearly indicates that both are ready to have discussions begin.

The present administration stands ready to receive any views or facts which any of the debtor nations not in default desire to submit. Since it is obviously impossible to accomplish any definitive settlement during this administration any discussions between now and March 4th, would naturally be of an exploratory nature and the information or data resulting would be made available for the incoming administration. Under these circumstances any further steps seem to depend upon whether the debtor nations, not in default,

⁹⁰ See Department of State, *Press Releases*, November 26, 1932, p. 338.

⁹¹ *Ibid.*, December 24, 1932, pp. 453-459.

desire to initiate discussions at the present juncture or wait until after March 4th.

I told Claudel this morning that I had already informed the British Ambassador to the above effect. Claudel seemed to be under the impression that as a result of the correspondence between the President and Roosevelt matters were in a deadlock and there was nothing that could usefully be done. I said that I did not entirely share this view and that particularly in the case of France it seemed most desirable that the December 15th installment should be paid as soon as possible. I reminded him of the fact that Congress had so far been restrained in its expressions on the foreign debt situation and pointed out that it would be very helpful if France could pay before Congress proceeded to take any further action or indulged in an inflammatory debate.

In view of the fact that the whole subject seems to have subsided for the time-being in Congress, I think it would not be advisable to attempt to procure a declaration from the Senate committees as suggested in your cable under reference, particularly as it is very doubtful whether any such declaration could be obtained.

STIMSON

Great Britain

800.51W89 Great Britain/337

*The British Ambassador (Lindsay) to the Secretary of State*⁹²

No. 354

WASHINGTON, November 10, 1932.

SIR: It will be remembered that on June 22nd, 1931,⁹³ His Majesty's Government in the United Kingdom subscribed wholeheartedly to the principle of the proposal made by the President of the United States on the preceding day for the postponement during one year of all payments on inter-governmental debts. The object of this proposal, as stated at the time, was to relieve the pressure of the difficulties resulting from the fall in prices and lack of confidence in economic and political stability, and to assist in the re-establishment of confidence.

2. The hopes which were early raised by the President's initiative have unfortunately not been realised, and the economic troubles which it was designed to alleviate have not come to an end. Indeed in October of last year, the communiqué published at Washington on the occasion of Monsieur Laval's visit already recognized that

⁹² Copy transmitted to President-elect Franklin D. Roosevelt.

⁹³ See note from the British Ambassador, June 24, 1931, *Foreign Relations*, 1931, vol. I, p. 204.

“prior to the expiration of the Hoover year some agreement on inter-governmental obligations may be necessary covering the period of the business depression. The initiative in this matter should be taken early by the European Powers principally concerned within the framework of the agreements existing prior to July 15th [1st], 1931”.⁹⁴ To-day many thoughtful men throughout the world are convinced that if the depression is to be overcome, further remedial measures must be sought.

3. It was in accordance with the recommendation quoted above that in June last the European Creditor Powers met at Lausanne to agree on a lasting settlement of the problem created by inter-governmental payments in respect of reparations. The series of agreements reached on July 9th aims at the ultimate termination of all reparation payments. It represents the maximum contribution in the field of inter-governmental finance which the governments concerned have so far been able to make towards that early restoration of world prosperity in which the people of the United States, no less than those of the British Commonwealth of Nations, have so deep an interest, and for the achievement of which the co-operation of the United States is essential.

4. On the nature of the remedial measures that may have to be adopted it is not proposed now to say more than that, in the recent past, His Majesty's Government in the United Kingdom have frequently expressed their view, and that neither in the realm of theory nor in that of fact are they able to find any reason for amending it. They believe that the régime of inter-governmental financial obligations as now existing must be reviewed. They are profoundly impressed with the importance of acting quickly; and they earnestly hope that the United States Government will see its way to enter into an exchange of views at the earliest possible moment.

5. The immediate objective of the present note, however, is of a more limited nature. On December 15th the next instalment of the British war debt is due to be paid. It is not possible to hope that agreement can be achieved in five weeks on matters of such vast scope. Confronted last summer with a similar difficulty the Conference of Lausanne found it necessary, in order to allow its work to proceed undisturbed, to reserve, during the period of the Conference, the execution of the payments due to the participating Powers. His Majesty's Government in the United Kingdom hope that a similar procedure may now be followed, and ask for a suspension of the payments due from them for the period of the discussions now suggested, or for any other period that may be agreed upon.

⁹⁴ *Foreign Relations*, 1931, vol. II, p. 252.

6. His Majesty's Government in the United Kingdom believe that the proposed discussions could best begin in Washington and if this suggestion meets with concurrence, they are prepared to provide me with the necessary instructions. On this point, however, as well as on the other points touched upon in the present note, they await an expression of the views of the United States Government.

I have [etc.]

R. C. LINDSAY

800.51W89 Great Britain/337

The Secretary of State to the British Ambassador (Lindsay)

WASHINGTON, November 23, 1932.

EXCELLENCY: I fully appreciate the importance of the proposal contained in your note of November 10th and the seriousness of the situation upon which it is predicated. The mere fact that your Government suggests the necessity of a review of the intergovernmental financial obligations now existing between our two nations presents a circumstance which must be given most serious consideration. In a matter of such importance there must be allowed no opportunity for misunderstanding or failure to reach conclusions satisfactory to both Governments and peoples.

With this end in view, you will permit me to recall very briefly some of the essential conditions and limitations which would control on the part of this Government such a review and might affect its result. Not only is there reserved to the Congress of the United States the ultimate decision in respect to the funding, refunding or amendment of these intergovernmental obligations under consideration, but the Congress in the past has itself provided the machinery in the shape of the World War Foreign Debt Commission for the investigation of the facts and for making recommendations upon which such action might be taken. The Executive might recommend, but the facts and evidence were submitted to and the decision made by the Congress, acting through this machinery.

You will also appreciate that your present suggestion of a general review goes far beyond anything contemplated or proposed at any time in the past either by President Hoover or by this Government and that even the suggestion quoted in your note was not adopted by the Congress of the United States.

In view of these facts and in the light of the historic position of the United States that reparations are solely an European question in which the United States are not involved, I am sure that no inference can be intended that the settlement of German reparations at

Lausanne was made in reliance upon any commitments given by this Government.

I appreciate the importance of the step mentioned in your note which has been taken by the governments at Lausanne in respect to the reparations due them from Germany and the possible effect upon those creditor nations of the loss of that source of income. I am not oblivious to the fact that the world-wide depression and the concurrent fall of prices has increased the weight of debts in many parts of the world; nor to the fact that the decrease in international trade has increased the difficulties of obtaining foreign exchange. I also recognize the relation which these facts may bear to the process of recovery. On the other hand, it must be remembered that these incidents of the depression have also fallen with great weight upon the American people and the effects upon them directly as taxpayers or otherwise of any modification of an agreement with respect to debts due to this country cannot be disregarded. I assume that it was for the purpose of deliberately and carefully giving due weight to such conflicting elements in the world situation, differing as they would in various countries, that this Government adopted the system which I have described. I confess that I cannot see any presentation in your note which would be likely to induce the Congress of the United States to act upon the question any differently now from the manner and the principles upon which it has acted in the past.

The attitude of the President, therefore, is that for any suggested study of intergovernmental financial obligations as now existing, some such agency as I have referred to, should be created to consider this question individually with each government as heretofore. The President is prepared to recommend to Congress that it constitute an agency to examine the whole subject.

As to the suspension of the installment of the British debt due on December 15th, which is one of the objectives in your note, no authority lies within the Executive to grant such an extension, and no facts have been placed in our possession which could be presented to the Congress for favorable consideration.

Such importance is attached by our Government and people to the maintenance of the original agreements in force by the payment on December 15th as to far outweigh any reasons now apparent for its suspension, and by such payments the prospects of a satisfactory approach to the whole question, in my opinion, would be greatly increased.

Accept [etc.]

HENRY L. STIMSON

800.51W89 Great Britain/356

The British Embassy to the Department of State

1. In their note of November 10th His Majesty's Government in the United Kingdom put forward a request to the United States Government to enter upon discussions with a view to the adjustment of the British War Debt, and at the same time they suggested a suspension of the payment due on December 15th, their purpose being to avoid the financial and political unsettlement which must follow a resumption of war debt payments, to avert the intensification of the present world depression by the further disturbance of the exchanges, to foster the revival of commercial confidence—of which some hesitating signs have recently appeared—and finally to allow of a close examination between the United States and Great Britain of the whole subject in preparation for the International Economic Conference.⁹⁵

2. His Majesty's Government warmly welcome that part of the reply of the United States Government in which they express their willingness to facilitate such discussions and, noting that it does not appear to the United States Government that sufficient reasons have been given for their request for a suspension of the December instalments, they now propose to set out in greater detail the considerations which actuated them in presenting their previous note.

3. The war produced a profound disorder in the course of international trade and after fourteen years this disorder has culminated in a crisis of unparalleled severity. It has resulted in a general collapse of trade throughout the civilised world with widespread unemployment and a disastrous fall in all national incomes including those of both the United States of America and of the United Kingdom. The causes of the depression may be manifold but it has been generally recognized that war debts and reparations have been one of the major causes and that a settlement of these debts, which will relieve world anxieties under this head is an indispensable condition of a revival of general prosperity. As the Bâle Committee declared in December last, "the adjustment of all reparations and war debts to the troubled situation of the world is the only lasting step capable of establishing confidence, which is the very condition of economic stability and real peace". The Committee proceeded "We appeal to the Governments on whom the responsibility for action rests to permit of no delay in coming to decisions which will bring an amelioration of this grave crisis which weighs so heavily on all alike."⁹⁶

⁹⁵ See pp. 808 ff.

⁹⁶ For complete official text of this statement, see Bank for International Settlements, *Report of the Special Advisory Committee, December, 1931*, pp. 20 ff.

While in some respects it may be difficult for Governments to remedy the troubles of the world, there are certain steps which it is clearly within their powers and their responsibility to take.

4. The system of war debts was called into being by the war requirements of the belligerent nations. The resources in man-power and production of the Allied Countries had from 1914 been wholly employed in the prosecution of the war; their normal trading activities were to a large extent suspended and they had therefore less than their normal resources available for purchases abroad. But the vast requirements for war purposes in any case far exceeded any normal means to pay and could only be financed by means of loans from producing countries. The loans raised, whether they were market loans or government loans, were taken not in the form of money but in the form of goods and enormously augmented the volume of the exports of the lending countries. For example, before 1915 the United States export surplus normally varied from \$200,000,000 to \$600,000,000. In 1917 and 1918 it exceeded \$3,000,000,000 and in 1919 it was about \$4,000,000,000. The United States made loans to the Allies (including the United Kingdom) totalling approximately \$10,000,000,000 (£2,055,000,000 at par); the United Kingdom made loans to its European Allies amounting to £1,600,000,000 equivalent (at par) to \$7,800,000,000; the French Government had made similar loans equivalent (at par) to \$2,237,000,000. In the aggregate these loans reach the colossal total of approximately \$20,000,000,000 (equivalent at par to over £4,000,000,000).

5. If the course of commerce were deflected to the extent required to repay these war-time debts, it would entail a radical alteration in the economy both of debtor and of creditor countries. During the first few years after the war this was recognized and no attempt was made to collect them. But it proved impossible to secure a general agreement for their remission and the debtor Powers were called upon to fund their engagements. From 1923 onward a series of agreements were concluded providing for their repayment on varying terms, and in 1924 a provisional settlement was reached of German reparations on the basis of the Dawes Plan.⁹⁷ The annuities provided for in most of these agreements were low during the earlier years, and their payment was rendered possible by the flow of investment capital from the United States of America to the Continent of Europe, which was then taking place. But the prosperous period from 1923 to 1929 was to a large extent illusory and the seeds of future trouble had already been sowed.

⁹⁷ Great Britain, Cmd. 2105 (1924).

6. In the summer of 1929 the storm that was brewing was not yet visible, and it was hoped that conditions were sufficiently stabilized for a final settlement of reparations in the form of the Young Plan⁹⁸ under which Germany undertook to pay annuities of about \$500,000,000 (£100,000,000 at par) of which the major part was passed on as war debt payments. Unhappily almost before the ink had dried on the agreements embodying the Young Plan the storm had burst upon the world. Startled and alarmed, lenders who for five years so liberally poured their capital into the Continent of Europe withdrew such funds as were immediately recoverable. The debtors made desperate efforts to meet their liabilities, but confidence became more and more shaken and towards the middle of 1931 something like a panic prevailed. Since then the world has been living under the stress of repeated shocks which have completely undermined the confidence on which the system of investment depended. The process of disintegration has been pursued to the point where it has become an attempt to liquidate not only private fortunes and industries, but whole countries. Currencies are threatened with instability if not with collapse and controls and restrictions intended to remedy the trouble have merely aggravated it. Everywhere taxation has been ruthlessly increased and expenditures drastically curtailed and yet budgets are in deficit or are balanced with ever increasing difficulty. In all directions there are signs of paralysis of trade and the threat of bankruptcy and of financial collapse. The international monetary mechanism without which the modern world cannot effectively conduct its daily life is being broken into pieces with all the manifold forms of privation and distress which this involves. The countries of the world cannot even begin to consider how to restore this mechanism until the causes which undermined confidence have been removed. One of the most important of these is the system of inter-governmental debts.

7. These inter-governmental debts are radically different from commercial loans raised by foreign governments on the market for productive purposes. Such commercial loans are normally self-liquidating. The market loans thus raised during the last hundred years have converted whole territories from desolate swamps or uninhabited plains to flourishing provinces teeming with human life and producing great additions to the wealth of the world. Such productive loans directly afford means whereby the borrower can repay them with interest and at the same time become more prosperous. But reparations and war loans represent expenditure on destruction.

⁹⁸ Great Britain, Cmd. 3343 (1929); see also *Foreign Relations*, 1929, vol. II, pp. 1025 ff.

Fertile fields were rendered barren and populous cities a shattered ruin. Such expenditure instead of producing a slow and steady accumulation of wealth destroys in a few hours stored-up riches of the past. Like the shells on which they were largely spent these loans were blown to pieces. They have produced nothing to repay them and they have left behind nothing but fresh complications and perplexities.

8. Repayment of these war debts necessitates unnatural transfers which provoke widespread economic evil. In so far as they have been paid in the past their payment was made possible directly or indirectly by further foreign lending on the part of creditor countries which temporarily conceal but eventually aggravate the difficulties. In the long run international debts can only be paid in the form of goods or services. But as the Bâle report of August 18th, 1931 truly pointed out "In recent years the world has been endeavouring to pursue two contradictory policies in permitting the development of an international financial system which involves the annual payment of large sums by debtor to creditor countries while at the same time putting obstacles in the way of the free movement of goods. So long as these obstacles remain such movements of capital must necessarily throw the world's financial balance out of equilibrium".⁹⁹

9. The creditors in so far as they have refused acceptance of payment in goods have compelled their debtors to pay in gold. This has led to a drain on the gold reserves of many countries, and this in turn has forced up the price of gold in terms of commodities or in other words has forced down the price of commodities in terms of gold currencies. This fall in prices has caused widespread ruin to producers in debtor and creditor countries alike and threatens disastrous social and political repercussions. It has seriously increased the burden of commercial debts; but it has rendered intolerable the pecuniary burden of unproductive war debts.

10. The difficulties of maintaining payments fixed under existing agreements first became acute in the case of Germany and despite the moratorium adopted as the result of Mr. Hoover's initiative last year, apprehensions created by the situation in that country caused large withdrawals of credits which in turn involved London as a leading international centre. Consequent movements of capital forced the United Kingdom to abandon the gold standard and while sterling has remained more stable in terms of goods than gold currencies, the events of September, 1931 gave a profound shock to

⁹⁹ Quoted from Bank for International Settlements, *Report of the Committee appointed on the Recommendation of the London Conference, Basle [1931]*, p. 10.

confidence in the monetary system throughout the world. Thus the baneful effects of these unnatural transfers in respect of reparations and war debts have gravely accentuated the difficulties of all five continents including many countries which were neither debtors nor creditors in "the tragic bookkeeping" which resulted from the war. Confidence and credit cannot revive until an end has been put to these attempts to force the stream of capital to flow up-hill.

11. In this connection it is pertinent to recall the statement made by the Secretary of the United States Treasury in his annual report for 1924-1925 that the principle of capacity to pay does not require the foreign debtor to pay to the full extent of its present or future capacity. The debtor government must, he continued, "be permitted to preserve and improve its economic position, to bring its budget into balance and to place its finances and currency on a sound basis, and to maintain and if possible to improve the standard of living of its citizens. No settlement which is oppressive and retards the recovery and development of the foreign debtor is to the best interests of the United States or of Europe."¹ The resumption of war debt payments in present circumstances appears altogether inconsistent with the principles here laid down.

Experience has in fact shown that when dealing with international transfers of the character and of the unprecedented magnitude of the post-war intergovernmental obligations, the principle of "capacity to pay" of the debtor—even if thus applied—can only be regarded as of secondary importance compared with an even wider principle, viz: that of the capacity of the world to endure the economic and financial consequences which those transfers would involve.

12. It is in the light of these wider economic and financial consequences that successive British governments have framed their well-known policy on this question which is referred to in a later passage of this note. His Majesty's Government are aware that any remission of the war debts may be criticized as transferring liability from the taxpayer in the borrowing country to the taxpayer in the lending country, and in this respect taxpayers in the United Kingdom and in the United States are in much the same position. Both are already bearing a large share of the burden of the war debts and would continue to bear it even if all existing war debt arrangements between the governments could be maintained. For example in the case of the United Kingdom the effect of its reparation and war debt arrangements was to provide the sum sufficient to cover current payments to the United States Government. But this does not mean

¹Treasury Department, *Annual Report of the Secretary of the Treasury on the state of the finances for the fiscal year ended June 30, 1925*, p. 53.

that the British taxpayer was relieved from his burdens in respect of the advances made to the Allies during the war; on the contrary he was left to find over £80,000,000 a year (\$390,000,000 at par) for interest on internal loans out of which those advances had been made. For all the reparation and war debt receipts of the United Kingdom are required to cover the current payments due on its own War Debt to the United States Government and the United Kingdom taxpayer has had each year to find from his own resources the amount required for interest on advances made by the United Kingdom to the Allies which, as stated above, amounted to a total of about £1,600,000,000—\$7,800,000,000 at par. In the case of the United States the amount due from foreign governments in respect of War Debt payments is now \$270,000,000 a year, and if this were not received, it would increase by that amount the burden on the American taxpayer. It will be seen therefore that the policy which His Majesty's Government have consistently advocated is one which, if it involves sacrifices on the part of American taxpayers, has involved similar sacrifices on the part of their own taxpayers.

The interests of the two countries looked at from this standpoint are the same. But it would be taking altogether too narrow a view to regard those interests as being limited to securing payment of these War Debts from the borrowing Governments.

13. Payments across exchange, restricted as they are by the effect of tariffs and trade barriers, are essentially different from payments made by the taxpayer in his own currency, and the burden of these vast intergovernmental debts must be judged by comparison, not with the volume of internal revenue, but with the balance of trade. So long as the debtor nations are compelled by every means to augment their export surpluses in order to meet intergovernmental debt burdens they cannot play their part in the normal economic operations of commerce and their diminished purchasing power will reflect itself in diminished receipts for producers in the creditor country with consequent fall in prices, depression of industry and unemployment. Even a partial recovery of business activity in creditor countries as a consequence of the removal of these abnormal conditions would result in additional receipts from tax on the existing scale which would compensate the exchequers of creditor countries many times over for the loss of revenues involved in revision of the war debt settlements.

14. The loss which both the United Kingdom and the United States taxpayers would suffer from reconsideration of the war debts cannot be measured in the same scales as the untold loss of wealth and human misery caused by the present economic crisis. The value

of international trade had already six months ago decreased in three years by fifty per cent or by the equivalent of \$5,000,000 for every hour, night and day, that passes and the situation has since deteriorated even further. It will not profit a creditor country to collect a few million pounds or dollars if it thereby perpetuates a world disorder which reacting on itself involves losses of revenue many times greater; and a settlement, however generous it may seem, which relieves the economic machinery of the world by clearing up these inter-governmental payments, would be repaid again and again by the contribution which it would make to world revival.

15. For this loss and suffering is not due to the niggardliness of nature. The triumphs of physical science are ever growing and the vast potentialities of the production of real wealth remain unimpaired. It is in the power of the governments of the world and particularly of the United States and of the United Kingdom as the two greatest creditor nations, if they unite in cooperating, to make the first and essential step towards averting disaster, financial, economic and political.

16. For the reasons given in the preceding paragraphs His Majesty's Government base their request for a re-examination of the whole situation on the fact that payment of the war debts has in their view been proved to be inconsistent with the present economic organisation of the world and that any resumption of these payments is bound to accentuate the gravity of the present crisis and to compromise fatally all efforts to counteract it. But apart from these general considerations, His Majesty's Government hold the sincere conviction that this request is fully justified on the grounds of the past record of the United Kingdom in the matter of intergovernmental debts and of their present position.

17. In the first place they would draw attention to the unprecedented efforts which have been made by the United Kingdom. The total British war expenditure in the United States amounted to approximately \$12,000,000,000 (£2,400,000,000). Of this total only about one third was financed by borrowing from the United States Government. Approximately \$3,000,000,000 (£600,000,000) was obtained by the sale of gold and of securities representing available capital assets which His Majesty's Government had at its disposal the transfer of which has of course reduced the permanent wealth of this country. In addition His Majesty's Government raised commercial loans on the United States market before the entry of the United States into the war to the amount of about \$1,480,000,000 (£304,000,000 at par). The balance of the British war expenditure in the United States was financed by the export of British goods by the

reimbursement on the part of the United States Government of expenditure incurred by His Majesty's Government on behalf of the Allies and of sterling supplied by His Majesty's Government to the United States troops. Of these market borrowings \$1,340,000,000 (£275,000,000) have been repaid. In respect of the debt to the United States Government payments have been made amounting to \$1,352,000,000 (£278,000,000 at par), of which \$202,000,000 (£42,000,000 at par) were in respect of the principal of the debt as funded. Furthermore in addition to the payments under the funding agreement His Majesty's Government have paid \$233,000,000 (£48,000,000) in respect of war debt before funding and they have repaid in full both the loan for the purchase of silver amounting to \$122,000,000 and the debt of \$16,000,000 for relief supplies to Austria. The total of these debt payments which His Majesty's Government have made to the United States since the war amount to the sum of \$3,063,000,000 (£629,000,000).

18. Meanwhile the United Kingdom had claims on its Allies in respect of the war loans it had made. The advances made by this country amounted, as stated above, to £1,600,000,000 (\$7,800,000,000) and had increased subsequently by the addition of unpaid interest to the capital. Shortly after the war His Majesty's Government offered to join in any equitable arrangement for the reduction or cancellation of inter-allied debts provided it was of an all-round character. That proposal was not accepted and His Majesty's Government were called upon to fund their debt to the United States of America. They then announced that they would limit their demands on their own debtors to the amount that they were themselves required to pay to their creditor. The fact that His Majesty's Government were the first to fund their debt to the United States of America, and that some time elapsed before their debtors completed funding agreements with them, has resulted in their receipts from their debtors being less than half their payments to their creditor. The relative position is that the United States of America made loans amounting to \$10,000,000,000 (£2,055,000,000) and the United Kingdom made similar loans amounting to \$7,800,000,000 (£1,600,000,000); the United States have received for the benefit of their tax payers \$2,112,000,000 (£434,000,000) and the United Kingdom have received for the benefit of their taxpayers nothing, have passed on all their receipts to the United States and have paid out of the pockets of their taxpayers to the United States \$651,000,000 (£134,000,000). In fact when interest has been taken into account, some £200,000,000 (\$973,000,000 at par) has been found by the British taxpayer. It may be observed that while the British share of the total indebt-

edness to the United States is only 40%, of the total debt payments made to the United States 80% has come from Great Britain. The efforts which this has involved to the British nation, coming as they did after the losses resulting from the war, constitute in the view of His Majesty's Government a strong claim to consideration on the part of the United States Government.

19. Moreover His Majesty's Government feel justified in calling attention to the changes of circumstances which have increased the burden of their obligations.

In the first place the British debt is expressed in terms of gold but the burden on the British people is measured in terms of sterling. The payment due on December 15th is owing to this circumstance increased from 19¾ million pounds to approximately 30 million pounds. The importance of this from the national standpoint needs no emphasis. In fact however, as already stated, the discharge of all international debts must in the long run take the form of a transfer of goods or services. The average wholesale price index in the United States during the period when the debt was incurred was 189 and is now under 94 (taking 1913 as a basis in each case). The debt therefore represents today in terms of goods not less than twice the amount which was borrowed.

In this connection His Majesty's Government would point out that the effect of the American tariff has been to restrict rather than to facilitate the import of manufactured goods which the United Kingdom produces and the difficulties in this respect have not decreased in recent years. In 1923 when the British war debt was funded the war debt annuity amounted to £33,000,000 or approximately half the value of British domestic exports to the United States (£60,000,000).

From 1933 onward the annuity which we should have to pay in respect of the war debt would amount at the present rate of exchange to approximately £60,000,000, whereas British domestic exports to America amounted to only £18,000,000 in 1931 and are not likely to exceed £16,000,000 for 1932.

Imports into the United Kingdom from the United States show an equally remarkable fall from £211,000,000 in 1923 to £104,000,000 in 1931 and £59,000,000 in the first nine months of 1932. The total trade between the two countries from the time of the funding agreement has fallen from about £300,000,000 a year to £100,000,000.

20. If therefore war debt payments had to be resumed, it is apparent that the exchange position of this country would need to be strengthened by a reduction of the very heavy adverse balance of the visible trade of the United Kingdom and the United States which amounted to £78,000,000 in 1931. In present circumstances this

could only be done by adopting measures which would further restrict British purchases of American goods. The United Kingdom has up to the present generally been the best customer of the United States and the result of such restrictions would inevitably be to reduce specially the market in the United Kingdom for American farm products. To the extent therefore that payments were resumed to the United States Treasury a definite and unfavourable reaction must follow to the United States producer.

Moreover His Majesty's Government would also have to guard against the effects which would follow if the facilities offered by the British market were used by other debtors of America to obtain sterling which they would then sell across the exchange in order to meet their obligations to the United States Government. After the war the United Kingdom attempted to maintain its traditional trading system of free imports with the result that debtor countries throughout the world sold their goods on the British market and took the proceeds away over the exchange or in gold to meet their obligations elsewhere. Under the stress of the present crisis His Majesty's Government have had to modify their system and to adopt tariffs; but the United Kingdom still imports from abroad goods to the value of several hundreds of million pounds in excess of what it exports and it would be necessary to consider what action could be taken to secure that the sterling proceeds of these imports were used more largely for the benefit of the British market.

21. President Hoover in explaining his proposal for a suspension of intergovernmental payments for a year beginning July 1st, 1931, stated that its object was "to relieve the pressure of the difficulties resulting from the fall in prices and the lack of confidence in economic and political stability and to assist in the re-establishment of confidence thus forwarding political peace and economic stability in the world."² The action then taken gave a much needed respite but it was not sufficient to restore confidence. Depression still continues and a resumption of war debt payments to-day would for the reasons outlined above involve economic reactions which must intensify the instability of the world. If President Hoover's hopes are to be realized definite remedial action requires to be taken to deal not merely with the British war debt to America but with the whole system of intergovernmental obligations with which it is related.

22. The initiative in devising a settlement of reparations was taken by the creditor governments of Germany at Lausanne with the cognizance and approval of the United States Government. An

² See *Foreign Relations*, 1931, vol. I, p. 34.

arrangement was there signed under which Germany would be substantially relieved of a burden which had become intolerable and the participating creditors agreed provisionally among themselves to a waiver of their intergovernmental debts. It was in the nature of things inevitable that that settlement was provisional and that its completion was dependent upon a satisfactory settlement in respect of the debts for which the creditor Powers themselves were liable to the United States Government.

23. The United States Government have frequently reiterated that they do not admit any connection between reparations and war debts; but this differentiation in the matter of intergovernmental obligations arising out of the war is not accepted by other countries which have creditor claims on the German Government and whose ability to meet their own debt payments to the United States and to the United Kingdom is undoubtedly affected by the extent to which they themselves are paid by Germany. Whichever view is academically correct, there is a *de facto* connection between these two sets of inter-governmental obligations and this was by implication admitted by the United States Government when they proposed a moratorium on all intergovernmental obligations last year. Moreover His Majesty's Government take it for granted that preferential treatment would never be claimed for war debts due to the United States as compared with those due to this country: and a situation in which this country was required to continue war debt payments while foregoing war debt payments due to it would be admitted at once to be unthinkable. Thus if payment of the sums due in respect of the British war debt to the United States Government were to be resumed, His Majesty's Government would be obliged to reopen the question of payments from their own debtors—France, Italy, Portugal, Yugoslavia, Roumania, Greece, and also the British Dominions. The debtor countries would in turn have to demand payment by Germany of her obligations under the Young Plan and the United Kingdom would have to do likewise. Without a readjustment of war debt obligations the Lausanne agreement could not be ratified; the question of reparations would remain unsettled; the improvement in confidence which followed the Lausanne agreements would be undone and fatal results might well be found to have accrued to the solution of many grave political as well as financial problems now under discussion.

24. His Majesty's Government understand that the Government of the United States have already appreciated the force of these considerations in the light of which they have recognised the desirabil-

ity of a discussion of the major point stressed in a previous communication, namely, the revision of the existing debt obligations. But His Majesty's Government wish to emphasise their conviction that their proposal for a suspension of the December payment, a proposal which would in no way affect any ultimate settlement, is necessary in order to create conditions favourable to a successful issue of subsequent conversations. The difficulties of making transfer in present circumstances are so great and would involve such far-reaching reactions both financial and political, that the resulting doubts and anxieties in regard to the immediate situation would distract the attention of Governments and peoples when the chief need was an objective and systematic approach to the problem to be solved.

25. Allusion has been made in the last paragraph to the difficulty of any attempt to meet the payment on December 15th by transfer across exchange. It has been the object of His Majesty's Government to take all possible steps to mitigate fluctuations in the relative value of sterling and gold currencies. To this end, having in the first place repaid in full large temporary credits borrowed in connection with the financial crisis of the preceding year, they have acquired certain reserves in gold and in foreign exchange, but though these reserves are adequate for the purpose for which they were designed, they were not intended and would not suffice to cover as well the payment of \$95,500,000 due on December 15th. The Exchange difficulty would remain even if the device were adopted of payment in sterling to a blocked account; for the existence of a large sum awaiting transfer would affect the market almost as seriously as an actual purchase of exchange. The only remaining alternative would be payment in gold. Such a method of payment would involve the sacrifice of a considerable part of the gold reserves of the Bank of England which are widely regarded as no more than sufficient for the responsibilities of London as a financial centre.

26. His Majesty's Government trust that the full statement of their views which they have now made will demonstrate clearly the ground upon which their request was based, namely their own profound conviction that a resumption of the war debt payments as they existed before the Hoover moratorium would inevitably deepen the depression in world trade and would lead to further falls in commodity prices with disastrous consequences from which no nation would be exempt. They believe that a discussion between the United States Government and themselves upon these matters might bear fruitful issue for revival of world prosperity. They are convinced that the prospects of success would be materially improved by the postponement of the December instalment and they are prepared to

consider with the Government of the United States of America any manner in which that postponement might be most conveniently arranged.

WASHINGTON, 1 December, 1932.

800.51W89 Great Britain/366

The Ambassador in Great Britain (Mellon) to the Secretary of State
No. 531 LONDON, December 5, 1932.

SIR: According to the Department's circular instruction Diplomatic Serial No. 2092 of November 25, 1931,³ I have the honor to report a telephone call which I made to Washington on December 3. This call was in reply to a telephonic instruction from the President to see Mr. Baldwin relative to a tentative suggestion which had been made by the British Government to meet the debt settlement payment to the United States Treasury due December 15 by one-, two- and three-year British Treasury notes. In this telephone conversation I reported, under instructions, to the Secretary of the Treasury that I had seen Mr. Baldwin, who would consult with his colleague, the Chancellor of the Exchequer, who, in turn, would be able later in the day to give me the definite reply of the British Government. I further indicated in this telephone conversation the desirability of my being in a position to reply as to the President's attitude and future action, should Mr. Baldwin raise the question of whether these Treasury notes, if made commercial notes, would be acceptable to the Administration and Congress.

On the afternoon of December 3, I again called the Secretary of the Treasury to inform him that the British Government had given me their reply as regards the President's inquiry that they were unwilling to consider any payment in bearer notes.

Respectfully yours,

(For the Ambassador)

RAY ATHERTON

800.51W89 Great Britain/353 : Telegram

The Ambassador in Great Britain (Mellon) to the Secretary of State

London, December 7, 1932—5 p. m.

[Received December 7—1:30 p. m.]

337. I had confirmed to me today from a Foreign Office source that the Chancellor of the Exchequer in his visit to Paris will explain the British viewpoint to the French Government that should Great Britain pay the debt installment to the United States on December

³ Not printed.

15 it is to be regarded as merely a transitional payment on the part of Great Britain and does not reopen the question of French debt payment to Great Britain. In other words the British Treasury consider the Lausanne agreement binding until either a general reparation and war debt settlement has been reached or the agreement nullified by the interested governments.

I am led to believe that British have already expressed to the French their reasons for determining to make the payment due on December 15 and pointed out whichever course France adopts does not in great measure prejudice the British position.

MELLON

800.51W89 Great Britain/356

The Secretary of State to the British Ambassador (Lindsay)

WASHINGTON, December 7, 1932.

EXCELLENCY: My Government has considered with the greatest care the note of December 1, 1932, from the British Government in which it has set forth at length the reasons which it advances for a reconsideration of the whole question of intergovernmental war debts, and for the postponement of the payment due by the British Government to the Government of the United States on December 15th, next.

Whatever part debt payments may have played in the economic history of the post-war years, it is clear that in the present conditions of world-wide depression, accompanied by a sweeping fall of prices, their weight has greatly increased, and that they have a very definite relationship to the problem of recovery, in which both the British and the American people have so vital an interest.

The President of the United States is prepared, through whatever agency may seem appropriate, in cooperation with the British Government, to survey the entire situation and to consider what means may be taken to bring about the restoration of stable currencies and exchange, the revival of trade, and the recovery of prices.

I welcome the suggestion contained in the note of your Government of a close examination between the United States and Great Britain of the whole subject in preparation for the International Economic Conference, for I believe that there are important avenues of mutual advantage which should be thoroughly explored. Such an examination does not imply cancellation. In such an examination there would necessarily be consideration of other forms of tangible compensation available for the expansion of markets for products of American agriculture and labor. And you will understand that the

problem of foreign debts has in the American mind very definite relationship with the problem of disarmament and the continued burden which competitive armament imposes upon the entire world.

In order that you may understand more fully the attitude of the American people, I feel that I should refer briefly to certain implications in your note as to which the facts are viewed by our people differently from the understanding set forth by you.

Your note seems to carry the thought that the loans made by the United States Government represent in their entirety expenditures on destruction; that the payments heretofore made to the United States have been largely responsible for the existing world depression and the concentration of a large amount of gold in the United States; and that complete cancellation of war debts, as indicated in the Balfour Note, is essential to world recovery. We cannot agree with these conclusions.

Many of the loans made before the armistice and substantially all the loans made after the armistice were not for destruction. Of the amount expended in the United States by our debtors after we entered the war, both before and after the armistice, most of which was borrowed from the United States Government on war and relief loans, less than a third was spent for munitions and remounts. Very large amounts were spent for food, tobacco, etc., for cotton and exchange, for relief and surplus supplies sold on credit, for repayments of commercial loans, and for interest. Much of the food, tobacco, cotton, relief and other supplies sold on credit were resold by the governments for use of their own civilian population. In certain cases these supplies were actually resold and the funds turned into the treasury of the debtor governments. The amounts used to purchase exchange were in reality loans by the United States to the allied countries which were no doubt expended by them in part at least in countries other than the United States; they served to maintain the value of allied currencies. Some of the loans made after the armistice were vital to the recovery, and indeed, to the very existence of the borrowing nations.

It does not seem accurate, therefore, to treat all of what are termed in the United States "War Debts" as representing sums devoted in their entirety to expenditures on destruction and totally unproductive in so far as the borrowing governments are concerned.

The United States Government in reaching the settlements with its debtors has combined loans made during the war period and loans made after the armistice, including commercial credits, funding all in the debt agreements. It is our understanding that a different practice has prevailed in Europe. The figures cited in the note of

the British Government covering advances made by the United States of America and advances made by the United Kingdom, as well as receipts to date on these advances, are not therefore strictly comparable.

The note of the British Government also seems to us to over-emphasize the influence which war debt payments may have had in the past on world economy. With various observations and figures presented by the British Government in that regard the American Government is not in accord, but it does not desire to enter into detailed discussion in the face of the larger immediate issues. In general it is our view that the causes of this depression lie in much more potent forces than these debt transactions. We notice that similar conclusions have been indicated in the careful study published by the League of Nations entitled, "The Course and Phases of the World Economic Depression."⁴

Furthermore, in its inferences as to the difficulties of payment, the British Government treats merely some of the items of the balance of payments, leaving out of account service items. It may be pointed out that the expenditures of American tourists in foreign lands during the period 1924 to 1930 have totalled approximately \$3,900,000,000, and that during that period immigrant remittances have aggregated net \$1,495,000,000. This is in comparison to the total receipts of \$1,673,000,000 on account of debt settlements during the same period. Again in measuring the transfer question, account must be taken not only of trade directly with the United States but of the whole area of international dealings. In the total of receipts and outgo arising from the international transactions of both our debtors and ourselves, debt payments have been a relatively minor item.

The argument that the payment of these debts to the United States has drained the gold reserves of other countries to the United States, does not seem to us borne out by actual experience. The gold holdings of the United States at the time these payments upon debts began were about \$4,028,000,000, and they stand now at about \$4,338,000,000. It is true that our gold supply has at times exceeded this sum but this extra gold was demonstrably temporary deposits by other nations not related to debt payments. The main fault in the distribution of gold supplies seems to us to have occurred as between the different countries of Europe as the gold supplies of Europe increased from about \$3,018,000,000, on January 1st, 1924, to about

⁴ [Bertil Gotthard Ohlin,] *The Course and Phases of the World Economic Depression: Report presented to the Assembly of the League of Nations* (Geneva, Secretariat of the League of Nations, 1931).

\$6,963,000,000 at present; the distribution of which as between the countries of Europe cannot be attributed to forces originating in the United States.

I feel I must also call attention to the misunderstanding which might arise from the following statement in your note:

"The initiative in devising settlement of reparations was taken by the creditor governments of Germany, at Lausanne with the cognizance and approval of the United States Government."

The facts in this connection were more accurately set out in a statement issued by the British Treasury on July 14th last:

"Misunderstanding has arisen regarding Mr. Chamberlain's reference in his speech to the House of Commons on Monday, referring to conversations with representatives of the United States. He did not suggest, and of course had no intention of suggesting that representatives of the United States had approved, either tacitly or explicitly, what was done at Lausanne. The proceedings there were throughout on the basis that the course was to seek European solution of reparations without involving the United States in the discussion."⁵

In 1923 when the British Government sent a mission to settle the debt of Great Britain to the United States, the United States Treasury held demand obligations of Great Britain calling for interest at the rate of 5 per cent. As a result of the negotiations these obligations were refunded on an interest basis of $3\frac{3}{8}$ ths per cent, which was a lower rate of interest than the credit of either country at that time commanded. The policy adopted by the United States in its settlement was stated by the Debt Funding Commission:

"The Commission in its settlement with Great Britain, made on June 19, 1923, and in subsequent negotiations or settlements has adhered to the principle that the adjustments made with each government must be measured by the ability of the particular government to put aside and transfer to the United States the payments called for under the funding agreement. Nor does the principle of capacity to pay require the foreign debtor to pay to the full limit of its present or future capacity. It must be permitted to preserve and improve its economic position, to bring its budget into balance, and to place its finances and currency on a sound basis, and to maintain, and if possible, to improve the standard of living of its citizens. No settlement which is oppressive and retards the recovery and development of the foreign debtor is to the best interests of the United States or of Europe."⁶

The representatives of no country have set their hands to any agreement which they believed at the time did not fulfill this policy.

⁵ Statement telegraphed to the Department by the Ambassador in Great Britain in his telegram No. 225, July 14, 5 p. m., p. 690.

⁶ See *Combined Annual Reports of the World War Foreign Debt Commission, 1922-1926*, pp. 37-38.

While it seems desirable to state these facts from the standpoint of historical accuracy and as necessary to explain the point of view of the American people towards these obligations, the real question raised by the British note is how can the problems which arise from the existence of these obligations best be dealt with under the conditions in the world today.

As to the payment due on December 15th, I appreciate the cogency of the difficulties which you present as to the transfer of these monies in the present state of foreign exchanges. In an endeavor to meet this situation, it already has been suggested to you that the President might be willing to recommend to the Congress the acceptance of deposits in sterling in England, to be guaranteed as to dollar value and transferred at such time as would not interfere with the stability of exchange. This I understand your Government has declined in the belief that the existence of a large sum of sterling awaiting transfer would affect the exchange markets almost as seriously as the actual purchase of exchange. Accordingly further informal suggestions have been made to your government of methods of minimizing these difficulties which it has not been able to find acceptable.

Recognizing these difficulties of effecting transfer I am confident that the Congress will be willing to consider any reasonable suggestion made by your government which will facilitate payment of the sum due on December 15th.

Accept [etc.]

HENRY L. STIMSON

800.51W89 Great Britain/365

Memorandum by the Secretary of State of a Conversation With the British Ambassador (Lindsay), December 11, 1932

[WASHINGTON,] December 12, 1932.

Yesterday afternoon, shortly after two o'clock, the British Ambassador came to Woodley. As he entered the room he said he was bringing in his pouch 95 million dollars in gold. He then produced a note, which is attached hereto.⁷ I read the note carefully, and at once noticed the statements in paragraphs 5 and 6 and questioned the Ambassador in regard to his Government's purpose in making those statements, particularly the statement that they proposed to treat the payment as a capital payment of which account should be taken in any final settlement. I pointed out to the Ambassador that the Secretary of the Treasury, being a ministerial officer, would have no power to accept the payment except as a payment made under

⁷ *Infra.*

the debt agreement of 1923;⁸ that he had no power to vary it either by expression or implication; and I told the Ambassador I foresaw that there were likely to be very acrimonious debate and public statements in the United States as a result of this note. The Ambassador said that his Government had resolved to ask for no favors. He pointed out they could not give us notice in very explicit terms that they were not going to make any further payments in June without adversely affecting their credit now just as if they had defaulted. He also told me that this note was probably now in the hands of the British press because he had heard that his Government intended to give it to the press that afternoon by London time and that time had now arrived. I pointed out that this provoked a rather critical situation in which there was no time to discuss with his Government the dangers which I had pointed out. He replied that there was some constraining pressure upon his own Government to make this note public on account of the French, the nature of which constraint he did not fully understand. In my talk with him I had gone over the situation in very careful and meticulous detail, in an attempt to show him how impossible it was for the Secretary of the Treasury to accept a conditional payment, or himself to make any binding agreement as to future payments for our Government.

I also took this occasion to see whether the British Ambassador fully understood that we were willing to waive the notice on the principal payment of 30 million dollars. I explained to him that at one time we had had a little question as to whether we could do that without going to Congress, and we had decided we could do it. He said he fully understood that and had so reported to his Government.

H[ENRY] L. S[TIMSON]

800.51W89 Great Britain/365

The British Embassy to the Department of State

1. His Majesty's Government having received the note addressed to them by the United States Government on December 7th observe with satisfaction that the United States Government welcome the suggestion for a close examination between the two countries of the whole subject dealt with in the British Note of December 1st. His Majesty's Government feel that it will be appropriate to reserve for this joint examination their comments on certain of the views ex-

⁸ *Combined Annual Reports of the World War Foreign Debt Commission, 1922-1926*, pp. 106-111.

pressed in the United States note of December 7th, but they think it right to state that after further careful consideration they see no reason to modify their general conclusions set forth in their Note of December 1st.

2. His Majesty's Government will, therefore, in the present communication, deal only with the last portion of the United States Government's note which relates to the immediate question of the payment on December 15th. His Majesty's Government observe that the United States Government recognize the difficulties of effecting transfer but they remain convinced that no solution other than suspension would obviate these difficulties. They note therefore with profound regret that—notwithstanding the arguments contained in the British Note of December 1st—the United States Government have decided not to recommend this solution to Congress.

3. In view of this decision His Majesty's Government have determined to make payment of the amount due on December 15th under the Funding Agreement of June 18th, 1923 but they think it desirable to take the opportunity of stating clearly their position in regard to this payment and of explaining the circumstances in which they have arrived at that conclusion.

4. For reasons which have already been placed on record His Majesty's Government are convinced that the system of inter-Governmental payments in respect of the War Debts as it existed prior to Mr. Hoover's initiative on June 20th, 1931, cannot be revived without disaster. Since it is agreed that the whole subject should be re-examined between the United States and the United Kingdom this fundamental point need not be further stressed here.

5. In the view of His Majesty's Government therefore the payment to be made on December 15th is not to be regarded as a resumption of the annual payments contemplated by the existing agreement. It is made because there has not been time for discussion with regard to that agreement to take place and because the United States Government have stated that in their opinion such a payment would greatly increase the prospects of a satisfactory approach to the whole question.

6. His Majesty's Government propose accordingly to treat the payment on December 15th as a capital payment of which account should be taken in any final settlement and they are making arrangements to effect this payment in gold as being in the circumstances the least prejudicial of the methods open to them.

7. This procedure must obviously be exceptional and abnormal and His Majesty's Government desire to urge upon the United States Government the importance of an early exchange of views with the

object of concluding the proposed discussion before June 15th next in order to obviate a general breakdown of the existing inter-Governmental agreements.

WASHINGTON, December 11, 1932.

800.51W89 Great Britain/337

The Secretary of State to the British Ambassador (Lindsay)

WASHINGTON, December 11, 1932.

EXCELLENCY: I learn with satisfaction of the decision of your Government "to make payment of the amount due on December 15 under the Funding Agreement of June 18, 1923." But in view of the statement in your note that "in the view of His Majesty's Government therefore the payment to be made on December 15th is not to be regarded as a resumption of the annual payments contemplated by the existing agreement", I must call attention to the fact that the Secretary of the Treasury has no authority to accept payment from your Government except as provided under the terms of the Funding Agreement.

As I pointed out in my note of November 23, 1932, there is reserved to the Congress of the United States the ultimate decision in respect of the funding, refunding or amendment of those intergovernmental obligations under consideration. The Executive has no power to amend or to alter them either directly or by implied commitment. Accordingly, it should be understood that acceptance by the Secretary of the Treasury of funds tendered in payment of the December 15 installment cannot constitute approval of or agreement to any condition or declaration of policy inconsistent with the terms of the agreement. The sum so received must be credited to principal and interest as provided therein.

I therefore assume that in paragraphs five and six of your note you are not proposing to make this payment otherwise than in accordance with the terms of the Funding Agreement but that you are stating your views as to steps which your Government may desire to propose subsequently after a reexamination of the entire problem.

I have emphasized these facts with a view to avoiding any possible future misunderstanding. I believe that our future course as pointed out by our correspondence is clear. In your first note of November 13 [10?] you asked for an exchange of views at the earliest possible moment with respect to the regime of intergovernmental financial obligations and, in your second note, you welcomed the expression of our willingness to facilitate such discussions, and re-

ferred to the desirability of a close examination between our Governments of the whole subject in preparation for the International Economic Conference. In my last note of December 8 [7] I replied that the President of the United States was prepared through whatever agency may seem appropriate, in cooperation with your Government to survey the entire situation (in which the debt of the British Government to the United States necessarily plays a part) and to consider what means may be taken to bring about the restoration of stable currencies and exchange, the revival of trade and the recovery of prices.

But in the meanwhile, as I informed you in my note of November 23, great importance is attached by our Government and people to the maintenance of the original debt agreement in force and that a satisfactory approach to the whole question would be greatly increased by the pursuance of such a policy.

It would seem to me therefore to be undesirable that any steps be taken which, by causing misunderstanding, would increase the difficulties that must be overcome in finding an ultimate solution satisfactory to both nations.

Accept [etc.]

HENRY L. STIMSON

800.51W89 Great Britain/369

The British Embassy to the Department of State

In replying to the note of the United States Government of December 11th His Majesty's Government desire to emphasize that the purpose of their note of even date was to state clearly their own position in regard to payment on December 15th, and to explain the circumstances in which they had decided to make payment. It was not of course the intention of their note to touch upon any matter affecting the Constitutional position of the United States Government.

Their note should therefore be read solely as relating to their own position, which they have taken after mature consideration, viz: that they are prepared to make payment on December 15th in the light of the considerations set out in their note of December 11th, and they must reserve the right to recur to these considerations in the examination of the whole question to which the United States Government have agreed. They would again emphasize the importance of entering upon that examination without loss of time.

WASHINGTON, 12 December, 1932.

800.51W89 Great Britain/372

Memorandum of a Conversation Between President Hoover, Secretary Stimson, and Secretary Mills, Held at the White House, December 13, 1932, 11: 45 a.m.

[WASHINGTON,] December 13, 1932.

When I got to the White House, the President was alone. He asked me what I thought of the British note. I told him it was not very clear but that in the light of Mr. Neville Chamberlain's speech the night before,⁹ I thought its meaning was quite clear, and that if we accepted the payment we could not be held to any conditions or commitments but only to notice that subsequently, at the discussions which we proposed to hold with them on the debt question, the British intended there to present the proposal that this payment should be regarded as a credit on the amount at which the debt was ultimately settled. The President had not seen the Chamberlain speech, but when I showed it to him he said that it very much clarified the situation. When Secretary Mills came in we had a long discussion, Mills taking the position that it would be better to have a further statement made making the matter absolutely clear. We discussed various ways by which this statement could be made and finally we decided that I should make a verbal statement to the British Ambassador and hand him an *aide-mémoire* of it which would refer to the Chamberlain speech and say that in view of this I was satisfied that the Secretary of the Treasury's acceptance could not be interpreted as an acceptance of an amendment of the Debt Funding Agreement; also that this memorandum should not be published. I then came back to my Department; found the British Ambassador there on another matter; wrote out such a memorandum¹⁰ and, after we had talked, handed the memorandum to him, as shown in another *aide-mémoire*¹⁰ on the subject.

H[ENRY] L. S[TIMSON]

Hungary

800.51W89 Hungary/89

The Hungarian Legation to the Department of State

AIDE-MÉMOIRE

The Minister of Hungary has been instructed to bring the following to the attention of the American Government:

⁹ Speech delivered before the Midland Branch of the National Union of Manufacturers, Birmingham; see *London Times*, December 13, p. 8c.

¹⁰ Not printed.

The so-called Hoover Moratorium having expired, there will be due on December 15, 1932, the amount of \$40,729.35 on the funded indebtedness of the Hungarian Government to the United States, representing payment on principal and semi-annual interest.

On account of insurmountable difficulties in procuring the necessary foreign exchange for the service on Hungary's foreign loans, the Hungarian Government was forced to put certain measures into effect on December 23, 1931, with a view to accumulating the required foreign exchange for the payment of its foreign obligations. These measures, however, have not brought the hoped for results and no improvement can be noted as yet in this condition. Consequently, the Hungarian Government does not have at its disposal the necessary foreign exchange and it regrets exceedingly its inability to make the payment due on December 15, 1932.

WASHINGTON, November 1, 1932.

Italy

800.51W89 Italy/195 : Telegram

The Chargé in Italy (Kirk) to the Secretary of State

ROME, November 15, 1932—6 p. m.
[Received November 15—4:20 p. m.]

108. My 105, November 12, noon.¹¹ An official of the Italian Treasury has stated that the Italian Government decided some time ago that it would not pay the December debt installment but would make no declaration to that effect until England and France had done so. He added that now those countries had acted Italy was ready to notify the United States that it could not pay and that it was merely waiting to learn of the reception accorded in the United States to the British and French declarations in order to determine the form which its communication to them would take and the time when that communication should be delivered.

As a result of certain statements which have been volunteered by other officials, however, I have reason to believe that the Foreign Office has not yet definitely decided what action it should take, that it is awaiting the receipt of the texts of the British and French notes which are expected to arrive today or tomorrow, and that in the meantime it is following with the closest attention any indications or pronouncements from the United States which may assist it not only in determining the nature of any proposals it may make to the United States in regard to debt payments but possibly even the actual question of paying or defaulting on the December payment.

¹¹ Not printed.

In short at the present moment there appears to be a state of indecision in certain government circles as to whether Italy should follow England and France in this matter or stand alone on the fulfillment of its obligations.

In connection with the foregoing, I wish to emphasize the fact that the statements outlined above have been entirely unsolicited, that I have never broached the subject of debt payments and that any remarks which I may have been called upon to make have been confined to general references to the obligations under the debt agreements and the moratorium.

KIRK

800.51W89 Italy/201

The Italian Chargé (Diana) to the Secretary of State

The Chargé d'Affaires of Italy presents his compliments to His Excellency the Secretary of State and has the honor, by order of his Government, to inform the Department of State that, in conformity with the deliberation of December 5, 1932, by the Grand Council of Fascism, the Italian Ministry of Finance has remitted to-day to the United States Treasury the sum of \$1,245,437 (one million, two hundred forty five thousand, four hundred thirty seven dollars) being the amount of the quota of the Italian war debt towards the United States, due December 15, 1932.

WASHINGTON, December 15, 1932.

Latvia

800.51W89 Latvia/100 : Telegram

The Chargé in Latvia (Cole) to the Secretary of State

RIGA, September 14, 1932—10 a. m.

[Received 12:15 p. m.]

66. Legation's despatch No. 671, August 26.¹² Minister for Foreign Affairs today formally notified Legation that Latvian Government desires to take advantage of provision in article 2 of 1925 debt agreement¹³ and postpone payment due on December 15, 1932, for 2 years. In view of the unfavorable economic situation, hope is expressed that postponement of interest payment will also be agreed to. Consul General Lule has been instructed to communicate with appropriate officials in Washington.

¹² Not printed.

¹³ *Combined Annual Reports of the World War Foreign Debt Commission, 1922-1926*, pp. 184-189.

If postponement of both principal and interest is agreed to I suggest that Legation be authorized to inform Minister for Foreign Affairs that in view of such concession Legation expects future requests to transfer foreign exchange to the United States to be much more liberally treated than in the past.

COLE

800.51W89 Latvia/101: Telegram

The Secretary of State to the Chargé in Latvia (Cole)

WASHINGTON, September 23, 1932—1 p.m.

34. Your 66, September 14, 10 a. m. Reply formally to the Latvian Government that the United States takes due notice of the intention of that Government to postpone the principal payment in the amount of \$37,000 represented by Bond No. 10, dated December 15, 1922, maturing December 15, 1932, in accordance with the option granted under Paragraph 2 of the funding agreement. There is no authority under the debt funding agreement between Latvia and the United States to postpone the payment of Bond No. 2-A, dated December 15, 1930, maturing December 15, 1932, in the principal amount of \$9,200, representing a part of the matured debt funded under Paragraph 5 of the debt funding agreement, nor the interest accruing on the entire debt. It will, therefore, be necessary for the Government of Latvia to pay to the United States on December 15, 1932, the principal amount of Bond No. 2-A above mentioned and the semi-annual interest due that day in the amount of \$102,660. This last-mentioned sum is to be credited with the amount of \$7.88, representing an overpayment made by Latvia in connection with the interest payment due on June 15, 1931. The total amount to be paid, therefore, on December 15, 1932, will be \$111,852.12.

STIMSON

800.51W89 Latvia/105

The Latvian Consul General at New York (Lule) to the Secretary of State

NEW YORK, November 23, 1932.

[Received November 25.]

SIR: Under instructions from my Government, I have the honor to call your attention to the serious concern of the Government of Latvia, as to the possible effect on the country's financial and economic situation, of a transfer to the United States Treasury, of the

payment due December 15, 1932, of the semi-annual interest in the amount of \$102,660, as well as of the payment of a Bond maturing December 15, 1932, in the principal amount of \$9,200, which are not postponable under the terms of the debt funding agreement of September 24, 1925, between the Government of the Republic of Latvia and the Government of the United States.

My Government has already been necessitated to take advantage of the provision contained in Article 2 of the funding agreement, in declaring its intention to postpone the principal payment due on the same date, in the amount of \$37,000, but feels that the present precariousness of Latvia's situation as regards foreign exchange reserves, and the continued depressed condition of the country's export trade, dictate a necessity for further and full relief from its financial obligations under the aforementioned debt funding agreement, during the period of acute crisis,—which is still without noticeable abatement, notwithstanding the emergency measures which have been taken by the Latvian Government, to stem the abnormal outflow of foreign exchange, and to regulate and balance foreign trade. No doubt the United States Government is informed that the Government of the Republic of Latvia, since the beginning of the present crisis, has made drastic cuts in its budget expenditures also, and pursued a policy of strictest economy. It is to be feared lest further steps in this direction will serve only to undermine the vital forces of the country's financial and economic life.

If the earnest efforts of my Government, have not yet been adequate to overcome the crisis and to cope with the rising difficulties, it is because of reasons deeply rooted in the general World situation, which have obstructed the quick recovery of any single country, and have made it impossible for my country to attain such degree of restoration to normalcy of its finances, as would permit the resumption of its intergovernmental obligations, agreed upon under considerably more favorable circumstances, when the prospect was for uninterrupted progress on the road of recovery.

The Government of the Republic of Latvia has, with satisfaction, noted that the powers principally concerned in the matter of intergovernmental obligations, have taken the initiative in requesting the United States Government to further study the debt question with a view to finding additional remedies to alleviate the present situation. It is to be expected that some period of time would be required to find a satisfactory solution, and until the suggested remedial measures could be enacted. It is the earnest hope of the Government of the Republic of Latvia that, in the meantime, the Government of the United States of America will find it possible

to extend the beneficial effects of President Hoover's announcement of June 20, 1931, by granting a further moratorium for payments due under the debt funding agreement of September 24, 1925.

As of immediate urgency, I have the honor, Sir, to renew the request of my Government for a postponement of the whole amount payable on December 15, 1932, on the principal, as well as on the interest.

I trust that the United States Government will receive this request of the Government of Latvia, in a spirit of high understanding and comprehension of the exigencies of the present situation, and will grant it their favorable consideration.

With assurances [etc.]

ARTHUR B. LULE

800.51W89 Latvia/107

The Minister in Latvia (Skinner) to the Secretary of State

No. 947

RIGA, December 2, 1932.
[Received December 14.]

SIR: To complete the record, I wish to report that I saw the Minister for Foreign Affairs yesterday, who related that his Government, through the Latvian Consul General in New York, had again asked the United States Government for a postponement of the payment of the Latvian debt, due on December 15, and that no reply had been received. As Mr. Zarins expressed a good deal of interest in this matter I mentioned to him informally that the reply without doubt would be approximately identical with that addressed to the French Government,¹⁴ and I happened to have a newspaper copy of the note to France, which I left with him. He seemed to be a good deal concerned about the expectation of the American Government that a payment would be made on December 15, and said that only the Cabinet Council could take a decision on the matter. I gathered that the payment would be made on the due date. It was also made quite clear to me, rather by inference than by any positive statement which I could elicit, that the Baltic Governments had been in touch with each other and with the principal European Powers, and had certainly modelled their attitude upon the attitude assumed by the principal Powers.

Respectfully yours,

ROBERT P. SKINNER

¹⁴ Note of November 23, p. 732.

800.51W89 Latvia/112

*The Latvian Minister for Foreign Affairs (Zarins) to the American Minister in Latvia (Skinner)*¹⁵

In connection with the payment of the next instalment of the Latvian debt to the United States falling due on December 15th, and with reference to the Note No. R. 763.00 of the 13th September last¹⁶ and the reply of the American Chargé d'Affaires of September 24th,¹⁶ the Minister for Foreign Affairs has the honor to inform His Excellency, the American Minister, that Mr. Lule, Latvian Consul General in New York and in charge of the Latvian Legation in the United States, has been instructed to address himself once more to the Government of the United States with the request to postpone the payment of interest as well as principal.

The reasons for asking for such a postponement are the following:

Owing to the catastrophic fall of the prices obtained for Latvian agricultural produce, of which the exports are mainly composed, the influx of foreign currency into Latvia has diminished to such an extent that about a year ago already extraordinary measures had to be adopted to protect the small reserves of gold and foreign currency at the disposal of the Latvijas Banka. So, for instance, Latvian exports to the United States show the following figures:

January to September 1930	Ls. 1,609,000
During the same period in 1931 they fell to	1,033,000
While for that period in the current year they amount to barely	562,000

The total exports, which reached Ls. 225,000,000 during the first nine months of 1930, fell to Ls. 143,400,000 in 1931 and to Ls. 59,100,000 during the same period of the current year.

The reserves of foreign currency at the disposal of the Latvijas Banka have reached such a low level that, unless this downward movement can be stopped, it is to be feared that there will be no possibility in the near future to provide the necessary foreign currency to pay for the goods which have to be imported.

The above is illustrated by the fact that, according to the statement of the Latvijas Banka, the assets of foreign currency at the disposal of that Bank on

November 28th, 1932, amounted to	Ls. 11,355,232.88
While, on an average, in 1930	42,500,000
In 1929	68,200,000
And in 1928	72,500,000

were still available.

¹⁵ Transmitted to the Department by the Minister in Latvia as an enclosure to his despatch No. 970, December 8; received December 21.

¹⁶ Not printed.

Although these reserves at the disposal of the Latvijas Banka are so inconsiderable, there are still outstanding sums to be paid for previously imported goods. As the American Legation is aware, there have been many cases where the Currency Commission has been unable to satisfy in full the demands presented to it for the transfer of dollars to the United States.

In spite of the extraordinary measures taken by the Latvian Government in order to prevent the outflow of foreign currency during the last months and weeks, a constant decrease can be observed every week, and the only possible course of action seems to be the introduction of additional and severer restrictions than those that are in force already.

Notwithstanding the fact that the budget of the State has been reduced to the utmost and that the Government has even been obliged to cut down the salaries of the State officials which, in many cases, hardly reached the indispensable minimum, it seems that the Government will have to cope with a heavy budgetary deficit. They are, so far, at a loss to devise the means by which this deficit could be covered.

Contrary to comments in the American press, according to which the American people consider that many European nations are spending too much on unproductive armaments, in Latvia all expenditure for the requirements of the army has been reduced to the utmost. Her expenditure for the purposes of national defence is exceedingly moderate and even insufficient for protecting the country against any kind of unprovoked aggression.

The Latvian army does not, in fact, amount to 20,000 men, manifestly possessing insufficient equipment and war material.

Among others, the American Representatives at the World Disarmament Conference have recognized the point of view of the Latvian authorities on the subject.

Finally, the Latvian Government hope that the Government and the Congress of the United States, in dealing with the question of the Latvian debt, will also consider the devastations wrought in the country by wars and revolution. The most fertile parts of the country had to be evacuated by the Latvian population, while afterwards the economic life of Latvia had to be reconstructed without any help from abroad. The Latvian nation has not only sustained heavy material losses during the Great war and its fights for liberation, but it has also lost a proportionally very important number of human lives (about 40,000 killed), the country being in the direct line of battle the whole time the world war lasted. Even now, 18 years after the beginning of the war, there are regions in Latvia where,

owing to the lack of means, it has been impossible to remove all traces of the trenches and to turn the waste into arable land once more. Although the nation has been subjected to such severe sufferings, Latvia has received no reparations at all, unlike all the other nations of Western Europe that had been involved in a similar way during the world war.

It is the earnest desire of the Minister for Foreign Affairs that Mr. Skinner should kindly undertake to inform his Government of the above-mentioned facts. Mr. Zarins hopes that the particular circumstances existing in Latvia, which constitute a decided change for the worse since 1925, date when the debt agreement was made, will be taken into consideration, and that the Congress of the United States will find it possible to postpone the payment which falls due on December 15th on account of the Latvian debt to the United States for a period covering the business depression and until the question of the Latvian debt can be settled in all its aspects.

RIGA, December 3, 1932.

800.51W89 Latvia/115

*The Latvian Minister for Foreign Affairs (Zarins) to the American Minister in Latvia (Skinner)*¹⁷

R. 763.00—25882

RIGA, December 15, 1932.

EXCELLENCY: I have the honour to refer to my Note of the 13th of September last, to the Note which was handed over to the American Secretary of State on the 23rd of November and, lastly to the *Aide-Mémoire* I transmitted to you on December 3rd, concerning the payment of the next instalment due to the United States in virtue of the debt funding agreement concluded on September 24th, 1925.

I have the honour to inform Your Excellency that, taking into consideration the refusal of the United States Government to grant a postponement of the payment falling due to-day, which refusal was communicated to Mr. Lule, Latvian Consul-General in New York and in charge of the Latvian Legation in the United States, on the 10th of December by the Assistant Secretary of State and by Mr. Mills, Secretary of the Treasury, the Latvian Government have decided to pay the United States Treasury the sum of

\$111,852.12

which sum was mentioned as not to be postponed in the Note of the American Chargé d'Affaires in Riga of September 24th. The

¹⁷ Transmitted to the Department by the Minister in Latvia as enclosure to his despatch No. 998 of December 19; received January 4, 1933.

Minister of Finance has to-day advised the Federal Reserve Bank in New York by telegraph to effect the above payment.

In the name of the Latvian Government I have to declare in this connection that this payment has been made out of the inalienable reserves of the State, and only in view of the categorical demand of the United States Government.

Notwithstanding this, Latvia maintains the point of view expressed in the Notes of September 13th and November 23rd, and the *Aide-Mémoire* of December 3rd, and requests that the revision of the debt funding agreement of September 24th, 1925, be accomplished in any case before the next instalment falls due, i.e. before June 15th, 1933.

The payment in question has further been made out of the conviction of the Latvian Government that it will facilitate considerably a satisfactory approach to the settlement and the final liquidation of the whole question of war and intergovernmental debts.

Finally, I have the honour to state that this payment is not regarded by the Latvian Government as a resumption of the annual payments contemplated by the agreement of 1925. It is made, because there has not been sufficient time to discuss and explain to the United States Government and Congress the financial and economic situation of Latvia.

I avail myself [etc.]

CH. ZARINS

800.51W89 Latvia/110

*The Secretary of State to the Latvian Consul General at New York
(Lule)*

WASHINGTON, December 22, 1932.

SIR: By your note of December 15, 1932,^{17a} I have learned with satisfaction of the payment by your Government to the order of the Treasury of the United States of the sum due December 15 under the Debt Funding Agreement of September 24, 1925. However, in view of the statement in your note that "the Government of the Republic of Latvia do not regard this payment as a resumption of payments under the Debt Funding Agreement of September 24, 1925", I must call attention to the fact that the Secretary of the Treasury has no authority to accept payment from your Government except as provided under the terms of the Debt Funding Agreement.

There is reserved to the Congress of the United States the ultimate decision in respect of the funding, refunding or amendment of these intergovernmental obligations under consideration. The Executive has no power to amend or to alter them either directly or by implied

^{17a} Not printed.

commitment. Accordingly, it should be understood that acceptance by the Secretary of the Treasury of funds tendered in payment of the December 15 installment cannot constitute approval of or agreement to any condition or declaration of policy inconsistent with the terms of the agreement. The sum so received must be credited to principal and interest as provided therein.

I note the request of the Government of Latvia that a full survey of the matter of Latvia's indebtedness to the United States be made, and that a revision of the Debt Funding Agreement of September 24, 1925, take place before the next payment date. The President of the United States is disposed, through whatever agency may seem appropriate, in cooperation with the Latvian Government, to survey the entire situation. Such an examination does not imply cancellation but I believe that there are important avenues of mutual advantage which should be thoroughly explored. At an opportune time I shall communicate further with your Government in this regard.

Accept [etc.]

HENRY L. STIMSON

Lithuania

800.51W89 Lithuania/92

*The Lithuanian Legation to the Department of State*¹⁸

MEMORANDUM

The Lithuanian Government, fully conscious of its duty in relation to the fulfilment of international obligations and firm in its determination to discharge them to the best of its ability, heretofore has met faithfully its obligations under the terms of the Debt Funding Agreement entered into between the governments of Lithuania and the United States of America on September 22, 1924.¹⁹

The disintegrating forces, which originated from the World War activities and which seemed to be on a decline at the time of the above mentioned debt settlement, have reasserted themselves during recent years on such a wide scale and with such unexpected violence throughout the world that it is felt that the encouraging prospects of the early economic recuperation, so fondly hoped for at that time, now have to be all but abandoned. The general feeling seems to be that urgent and drastic corrective measures must be taken without further delay if the remnants of the economic structure are to be saved and the very hope for a better future is not to be abandoned.

It is in the light of these general circumstances and apprehensions that the Lithuanian Government feels itself moved, however un-

¹⁸ Transmitted to the Department by the Lithuanian Minister as enclosure to a note of December 10.

¹⁹ *Combined Annual Reports . . . 1922-1926*, pp. 144-149.

willingly, to respectfully submit to the Government of the United States, for its earnest attention and consideration, the greatly changed state of conditions by which the Government of Lithuania finds itself faced in its attempts to discharge the obligations undertaken by the terms of the above mentioned Agreement.

I. A brief review of the origin of the Agreement, as well as of some of the circumstances closely relating to it, may be helpful in clarifying the motives which prompt the Lithuanian Government in this matter.

In 1919, while the Lithuanian territory was still under the occupation of German troops and the Lithuanian Government was as yet unrecognized by the Allied and Associated Powers, and, as such, was deprived of the ability to enter into any direct binding agreements with other governments, the Government of the United States was in the process of disposing of various surplus war materials then stored in France.

The Lithuanian Government, through its Delegation to the Peace Conference in Paris, applied for some of these surplus war materials.²⁰ A request was made not for weapons or other strictly-termed war materials, but for food, clothing, medical appliances and like materials then urgently needed by the destitute population of Lithuania. This application was unsuccessful for the reason that the Lithuanian Government, still unrecognized by the Government of the United States, lacked the legal capacity to enter into a binding international agreement. The United States Liquidation Commission, in charge of the disposal of the above mentioned surplus war materials, though unable to grant the request of the unrecognized government, could dispose, however, of these surplus materials to private organizations and corporations.

To meet the said contingency, the co-partnership named "Vilnis" was organized and this organization negotiated with the United States Liquidation Commission to purchase of certain supplies to the total value of \$4,159,491.96. Payment for the said supplies was arranged in the following manner: a Special Treasury Note of the Lithuanian Government in the face value of five million dollars, due and payable on June 30, 1922, was given,—thus covering the principal and interest at the rate of five per cent per annum up to the date of maturity of the said note. (It is interesting to note here that the significant passage in the said Special Treasury Note read, in part, as follows: "This note shall be entitled to the security of, and shall constitute a charge upon, any payments or property which

²⁰ See *Foreign Relations*, The Paris Peace Conference, 1919, vol. iv, pp. 589 and 752-763 *passim*.

the Government of Lithuania may receive from Germany or any of its Allies, by way of reparation or cession.”)

In addition to the above mentioned supplies, Lithuania received a certain amount of supplies from the American Relief Administration, the original cost of which was \$822,136.07.

Thus the total indebtedness of the Lithuanian Government to the Government of the United States, arising out of the above two transactions, amounted to the original value of \$4,981,628.03. With the interest to date, accrued and unpaid, it was funded by the Agreement, signed on September 22, 1924, in the sum of \$6,030,000. on terms substantially similar to those of the settlement with Great Britain.

The above tends to indicate that Lithuania's indebtedness in some respects differs from the so-called "war debts" proper, as for instance:

a) The Lithuanian Government's indebtedness did not arise out of loans made before the Armistice, nor was it for any war materials or for war purposes generally. On the contrary, it was incurred for supplies of such a nature that it might be more properly classified under the head of Relief Assistance.

b) The Lithuanian Government in contracting this indebtedness did not receive one cent in cash, but acquired the various supplies at the prices then prevailing,—and it must be remembered that the prices of 1919, due to the exigencies of war, were the highest on record.

In this connection it may also be observed that the above mentioned temporary legal incapacity placed the Lithuanian Government, as a purchaser, in a disadvantageous position as compared to that of other purchasers whose legal status was not questioned and who, arriving on the scene at an earlier date, had a full opportunity for a free bargain and an ample selection while the Lithuanian purchaser, handicapped by the above circumstances, was glad to receive what could possibly be obtained.

It should be stated immediately that the above elucidation of the transaction, resulting in an indebtedness of Lithuania to the United States of America, is made here not in a spirit of any grievance whatsoever, but with the sole purpose of indicating that while all the debts, from a legal point of view, are of equal validity, still there may be certain circumstances, in connection with the process of contracting them, which would seem to justify their consideration, if not in law then at least in equity, in a somewhat different light from the straight loan transactions.

II. By the terms of the Funding Agreement of September 22, 1924, Lithuania undertook to repay this original indebtedness of

\$4,981,628.03 in the total funded sum (principal and interest) of over fourteen million dollars, to be paid during a period of 62 years.

With reference to the above settlement it may be permissible to mention a few additional circumstances which may illuminate more adequately the position of Lithuania. They are:

1) Lithuania is well advanced on the list of debt settlements, being the fourth nation to sign a debt funding agreement.

2) The interest payable, as accepted by Lithuania, is the same as that of Great Britain and is of the highest category.

3) In the meantime, the extent of reduction granted to Lithuania by the terms of the debt settlement happens to be of the lowest category, only a few other debtors leading her by an insignificant fraction of percentage.

4) Although between the beginning of the World War in 1914 and the date of the debt settlement with the United States in 1924, the Lithuanian people were twice made unwilling victims of the total devaluation of the currency imposed upon them (first the Russian rouble and then the German mark), yet Lithuania undertook to pay off her obligations as soon as she succeeded in establishing her national sound currency,—and she has already actually paid in cash on account of the said indebtedness the total sum of \$1,128,580.22.

5) Additional light may be thrown on the subject by mentioning the fact that Lithuania, although a victim of the very extensive damages done to her while her territory was a battlefield for the contending armies and of still more extensive damages resulting from a nearly five year occupation by German armies, received no appropriate compensation or reparations which could be applied toward payment of her own obligations contracted during dire necessity and thus lighten her own burden. In this respect the position of Lithuania greatly differs from the position of other debtors and her comparative capacity to pay is thereby affected.

It is hoped that the above observations may lay the foundation for the claim that, if Lithuania was eager to settle her obligations at the earliest possible opportunity, she was in no less a degree determined, regardless of all the difficulties and handicaps of a newly-born State, to carry out faithfully and to the best of her ability the obligations so undertaken.

III. It is assumed from the various statements repeatedly made by authoritative persons, at the time of the debt settlement and since, that the basic principle underlying the debt settlements with the various debtor countries was the debtor's capacity to pay. It must be recognized that it is a just and generous principle, and of undisputed practical value. Yet, since this principle, was laid as a foundation of the settlement, it may also be logically assumed that what was just and equitable at the time of settlement and of the initial payment must also be just and equitable at the time of any subsequent payment—in other words, that the same principle of the

capacity to pay, born at the inception of the transaction, was meant to live during the subsequent stages of the fulfilment of the same transaction. An eloquent confirmation of the above assumption was given by the Debt Funding Commission itself when the policy of the United States was defined in the following terms:

"The commission (Debt Funding Commission) in its settlement with Great Britain . . . and in subsequent negotiations or settlements has adhered to the principle that the adjustments made with each government must be measured by the ability of the particular government to put aside and transfer to the United States the payments called for under the funding agreement.

"Nor does the principle of capacity to pay require the foreign debtor to pay to the full limit of its present or future capacity.

"It must be permitted to preserve and improve its economic position, to bring its budget into balance, and to place its finances and currency on a sound basis, and to maintain and, if possible, to improve the standard of living of its citizens.

"No settlement which is oppressive and retards the recovery and development of the foreign debtor is to the best interests of the United States or of Europe."²¹

Prompted by the above stated considerations, the Lithuanian Government, while greatly regretting the necessity, nevertheless feels its duty to make a frank exposition of Lithuania's present economic and financial conditions which naturally control its "capacity to pay" and determine the ability to continue the fulfilment of its obligations.

IV. In order to show the difference between the economic conditions which prevailed in Lithuania at the time of the debt settlement and those existing at the present time, a statistical comparison of a few chief indicators of the national welfare will be necessary,—such as of the annual budgets, the trade balances and the currency circulation.

Annual Budgets. The annual budget of Lithuania for 1925, the first year of the debt payments to the United States, totaled in the sum of nearly \$26,000,000. During subsequent years the annual budgets gradually increased until in 1930 the sum of nearly \$35,000,000. was reached. Practically all of the budgets were balanced with a small favorable margin.

Then adverse economic and financial conditions proceeded to set it back. The current year's budget was balanced at a level of \$28,000,000, thus making a drastic reduction, in comparison with last year, of \$6,000,000. The figures available for the first nine months of the current year indicate a further alarming fall in revenue re-

²¹ Combined Annual Reports of the World War Foreign Debt Commission, 1922-1926, pp. 37-38.

ceipts and a considerable further reduction of the budgetary figures will be unavoidable. Thus the budget of the current year has dropped nearly to the level of that of 1925, and the modest degree of progress made during the intervening years was lost. Of greater significance is the apprehension that, regardless of drastic cuts in expenditures, a balance between revenue receipts and expenditures may not be maintained. For a small and new country with limited and very modest resources, the prospect of being thrown on the negative side of the ledger, is a matter not merely of apprehension but of real danger.

The above budgetary figures also demonstrate the extremely low level of incomes and expenditures per capita: about \$10.00 in 1924, \$14.00 in 1930, and again about \$10.00 in 1932. It is not difficult to see that the margin between the present level of the country's development and that of a minimum indispensable for its cultural and economic progress is so narrow that a further retrenchment would not only arrest the continuation of the very modest progress, but would simultaneously set into action those disintegrating forces which, if permitted to continue, would lead to an actual collapse of the economic structure.

Trade Balance. As already mentioned above, Lithuania undertook to repay her obligations to the United States of America shortly after the establishment of her own stable currency.

Having practically no gold reserve at the time and having to discharge her obligations to the United States in terms of gold currency, Lithuania could meet these obligations only from her foreign trade surpluses. The development of the foreign trade of Lithuania was as follows.

For the year of 1924, the value of exports was \$26,660,000; the value of imports—\$20,650,000, leaving a surplus of \$6,000,000.

For the year of 1930, the exports amounted to \$33,378,000, the imports to \$32,984,000, leaving a surplus of only \$394,000.

The catastrophic drop in the prices of agricultural products, which constitute practically the sole items of export, as well as various trade restrictions of recent origin, account for the following figures of exports for the last two years:

1931	\$27, 311, 910
1932	14, 246, 140 (for the first 9 months)

The sharp drop in exports compelled a corresponding curtailment of imports, as is shown by the following figures:

1931	\$27, 795, 910
1932	12, 434, 090

Of particular interest is the trade balance between Lithuania and the United States. It has always been very adverse to Lithuania, as the following figures show:

<i>Exports to the United States:</i>		<i>Imports from the United States:</i>	
1924	\$811, 560	1924	\$ 988, 460
1925	359, 380	1925	1, 831, 080
1926	208, 330	1926	1, 065, 240
1927	437, 870	1927	1, 450, 330
1928	241, 140	1928	2, 047, 860
1929	442, 140	1929	1, 672, 430
1930	264, 340	1930	1, 470, 370
1931	201, 360	1931	1, 077, 390
1932 (for the first 9 months)	23, 670	1932 (for the first 9 months)	393, 170
Total	\$2, 989, 790	Total	\$11, 996, 330

The above review of the development of the foreign trade of Lithuania clearly demonstrates two propositions:

First—that the catastrophic drop in prices of agricultural commodities, the numerous new and drastic trade restrictions introduced throughout Europe, and, finally, the abandonment of the gold standard by some countries which happen to be among the best trade customers of Lithuania, brought about the situation where it comes not only increasingly difficult, but almost impossible to build up the balances out of which her foreign obligations may be met;

Second—that the trade balance with the United States for the period from the time of the debt settlement up to the present date shows that Lithuania has actually paid to the United States of America in trade a net sum of \$9,006,540.

Money circulation. The Lithuanian national currency, the litas, was established at the end of 1922. In the beginning it was covered, almost exclusively, by stable foreign currencies—mostly the dollar and the pound sterling. Then a modest gold reserve was gradually built. The Lithuanian Government has this to its credit, that while the various European currencies, new ones as well as old ones, crashed or widely fluctuated, the newly-established Lithuanian national currency never went off its full par value, which was of a gold standard.

This was achieved at the cost of considerable hardships and sacrifices. The fixed determination of the Lithuanian Government is to continue to maintain her currency on the gold standard as it is considered to be the only reliable anchor for her economic and financial safety. Yet this is possible of achievement only when the annual budgets are adequately balanced and the trade and paying balances maintain a proper equilibrium. If it is deemed advisable to apply such a policy to any country,—in the case of a small and new country with limited resources and possibilities, a similar policy is imperative.

V. It is hoped that the above review, incomplete as it is, will sufficiently indicate the changed status of economic and financial conditions in Lithuania and demonstrate how gravely the events of recent years have affected her capacity to pay. In some respects this capacity is actually even below the level of the capacity existing at the time of the debt settlement.

In view of the above considerations, the Lithuanian Government has the honor to request, and ventures to hope that the Government of the United States will consent, to reexamine and to reconsider the question of the indebtedness of Lithuania to the United States, with a view of its more proper adjustment to the new and changed economic and financial conditions.

At the same time the Lithuanian Government desires to bring to the attention of the United States Government that the rapidly diminishing revenue receipts of the current year, the greatly reduced value of the foreign trade and the existing exchange difficulties, have created a situation whereby it becomes increasingly difficult for the Lithuanian Government to meet the payment due on the 15th day of December of the current year in the manner provided by the terms of the Funding Agreement of 1924. The Lithuanian Government, therefore, would greatly appreciate it if a postponement of this payment could be granted or an adequate relief from the strict compliance with the terms of the said Agreement could be arranged.

WASHINGTON, December 9, 1932.

800.51W89 Lithuania/93 : Telegram

The Chargé in Lithuania (Stafford) to the Secretary of State

KAUNAS, December 13, 1932—4 p. m.

[Received December 13—11:55 a. m.]

22. Minister for Foreign Affairs informs me despite request for revision or postponement preparations for payment of interest due on the 15 being made. Whether payment will be unconditional will depend upon action of other debtors particularly France.

STAFFORD

800.51W89 Lithuania/92

The Secretary of State to the Lithuanian Minister (Balutis)

WASHINGTON, December 15, 1932.

SIR: My Government has considered with the greatest care the note of December 10th, 1932, from the Lithuanian Government, in which it has set forth at length the reasons it advances for a re-

consideration of the whole question of intergovernmental war debts, and for the postponement of the payment due by the Lithuanian Government to the Government of the United States on December 15th, next.

Whatever part debt payments may have played in the economic history of the post-war years, it is clear that in the present conditions of world-wide depression, accompanied by a sweeping fall of prices, their weight has greatly increased, and that they have a very definite relationship to the problem of recovery in which both the Lithuanian and the American people have so vital an interest.

The President of the United States is prepared, through whatever agency may seem appropriate, to cooperate with the Lithuanian Government in surveying the entire situation and in considering what means may be taken to bring about the restoration of stable currencies and exchange, the revival of trade, and the recovery of prices.

I believe that there are important avenues of mutual advantage which should be thoroughly explored. Such an examination does not imply cancellation.

My Government, however, has not been able to reach the conclusion that a postponement of the December 15th payment from the Lithuanian Government to the United States is necessary because of its effect on the problem of recovery. Although we recognize the serious economic and financial difficulties which the Lithuanian Government, in common with all other governments, is now facing, the maintenance of these agreements in their operation pending due opportunity for analysis of all matters bearing upon your request for revision and its consideration by the American Congress and people still appears to us to outweigh any reasons presented for a delay.

Accept [etc.]

HENRY L. STIMSON

800.51W89 Lithuania/94

The Lithuanian Minister (Balutis) to the Secretary of State

WASHINGTON, December 15, 1932.

SIR: Referring to my note and Memorandum delivered to you on December 10, and the exchange of views on that occasion, I have the honor to inform you that the Lithuanian Government has decided to pay the next instalment due to the Treasury of the United States on December 15, as provided by the terms of the Debt Funding Agreement of September 22, 1924, and that the said payment will be made to the Secretary of the Treasury of the United States.

At the same time my Government desires to express a hope that by making this payment it is not placing itself in a less favorable

position than that which may result to any of the other countries from the eventual reconsideration of the general question of inter-governmental debts.

Please accept [etc.]

BRONIUS K. BALUTIS

Poland

800.51W89 Poland/81

The Polish Chargé (Sokolowski) to the Secretary of State

No. 537/32

WASHINGTON, September 14, 1932.

SIR: Acting upon instructions received from my Government, I have the honor to inform you that the Government of the Republic of Poland, in conformity with the provisions of paragraph 2 of the Agreement for the funding of the debt of Poland to the United States of November 14, 1924,²² postpones the payment of principal falling due on December 15, 1932, for two years, that is to December 15, 1934.

Accept [etc.]

WŁADYSŁAW SOKOŁOWSKI

800.51W89 Poland/82

The Secretary of State to the Polish Chargé (Sokolowski)

WASHINGTON, September 26, 1932.

SIR: Acknowledgment is made of the receipt of your note dated September 14, 1932, in which, acting upon instructions received from your Government, you informed me that the Government of the Republic of Poland, in conformity with the provisions of Paragraph 2 of the Agreement for the funding of the debt of Poland to the United States of November 14, 1924, would postpone the payment of principal falling due on December 15, 1932, for two years from that date.

The Government of the United States takes due notice of the action of the Polish Government in this regard.

The amount postponed is represented by Bond No. 10, dated December 15, 1922, due December 15, 1932, in the principal amount of \$1,125,000. This leaves to be paid on December 15, 1932, the principal of Bond No. 3-A, dated December 15, 1929, due December 15, 1932, in the face amount of \$232,000, representing a part of the matured debt funded under Paragraph four of the funding agreement and not subject to the postponement provisions of the debt agreement, together with semi-annual interest in the amount of \$3,070,980 due on the entire indebtedness of Poland to the United

²² Combined Annual Reports of the World War Foreign Debt Commission, 1922-1926, pp. 156-160.

States, making a total to be paid on December 15, 1932, of \$3,302,980.

Accept [etc.]

For the Secretary of State:
HARVEY H. BUNDY

800.51W89 Poland/85

*The Polish Embassy to the Department of State*²³

PRO MEMORIA

"On the occasion of the conference held today in Washington the Polish Government consider it their duty to notify the United States Government that owing to the general financial and economic situation of the world, the Polish Government foresee the necessity of asking for the postponement of the payment due from Poland to the Government of the United States on December 15, 1932.

At the same time the Polish Government declare they would welcome the opportunity of a conference with the Government of the United States in order to discuss conditions of the above postponement of the December payment and the reconsideration of the Agreement of November 14, 1924."

WASHINGTON, November 22, 1932.

800.51W89 Poland/85

The Acting Secretary of State to the Polish Ambassador (Filipowicz)

EXCELLENCY: I fully appreciate the importance of the proposal that you made to me on November 22nd and the seriousness of the situation upon which it is predicated. The mere fact that your Government suggests the necessity of a review of the intergovernmental financial obligations now existing between our two nations presents a circumstance which must be given most serious consideration. In a matter of such importance there must be allowed no opportunity for misunderstanding or failure to reach conclusions satisfactory to both Governments and peoples.

With this end in view, you will permit me to recall very briefly some of the essential conditions and limitations which would control on the part of this Government such a review and might affect its result. Not only is there reserved to the Congress of the United States the ultimate decision in respect to the funding, refunding or amendment of these intergovernmental obligations under consideration, but the Congress in the past has itself provided the

²³ Transmitted to the Department by the Polish Ambassador as enclosure to his note No. 730/tjn.32 of November 22; the memorandum confirms an oral declaration of the same date to the Secretary of State by the Ambassador.

machinery in the shape of the World War Foreign Debt Commission for the investigation of the facts and for making recommendations upon which such action might be taken. The Executive might recommend, but the facts and evidence were submitted to and the decision made by the Congress, acting through this machinery.

I am not oblivious to the fact that the world-wide depression and the concurrent fall of prices has increased the weight of debts in many parts of the world; nor to the fact that the decrease in international trade has increased the difficulties of obtaining foreign exchange. I also recognize the relation which these facts may bear to the process of recovery. On the other hand, it must be remembered that these incidents of the depression have also fallen with great weight upon the American people and the effects upon them directly as taxpayers or otherwise of any modification of an agreement with respect to debts due to this country can not be disregarded. I assume that it was for the purpose of deliberately and carefully giving due weight to such conflicting elements in the world situation, differing as they would in various countries, that this Government adopted the system which I have described.

The attitude of the President, therefore, is that for any suggested study of intergovernmental financial obligations as now existing, some such agency as I have referred to, should be created to consider this question individually with each government as heretofore. The President is prepared to recommend to Congress that it constitute an agency to examine the whole subject.

As to the suspension of the installment of the Polish debt due on December 15th, no authority lies within the Executive to grant such an extension, and no facts have been placed in our possession which could be presented to the Congress for favorable consideration.

Such importance is attached by our Government and people to the maintenance of the original agreements in force by the payment on December 15th as to far outweigh any reasons now apparent for its suspension, and by such payments the prospects of a satisfactory approach to the whole question, in my opinion, would be greatly increased.

Accept [etc.]

W. R. CASTLE, JR.

WASHINGTON, November 26, 1932.

800.51W89 Poland/87

*The Polish Embassy to the Department of State*²⁴

1. The Polish Government acknowledge the receipt of the note of the Department of State dated November 26, and highly appre-

²⁴ Original Polish text and English translation transmitted to the Department by the Polish Ambassador, December 9, as enclosure to the Ambassador's note No. 754/tjn. 32 of December 8.

ciate the desire of the American Government expressed therein of arriving at solutions which would be satisfactory to both Governments and Nations.

2. Poland, on her part, is mindful of the friendly action of the American people, who, by advancing on credit food articles, clothing and medical supplies, had assisted the Polish Nation in overcoming the difficult period following the conclusion of the Great War. To satisfy this obligation has been Poland's constant and earnest ambition.

3. The Polish Government has spared no effort in order to provide the country with a sound and permanent financial basis. The achievement of this object was fraught with great difficulties owing to the devastation of Polish territory by war, and by the presence of armies of occupation also to the fact that the country was entirely deprived of capital. The country's finances were, nevertheless, gradually put in order with the notable aid of private American capital, the currency was stabilized, and, thanks to the prudent policy of the Polish Government, which knew how to adapt itself to the exigencies of the world crisis, it was possible to avoid restrictions on the freedom of remittances payable abroad, although in most countries neighboring with Poland such restrictions have been imposed.

4. Poland is ready to do her utmost in order to fulfill her obligation. Yet, being aware of the practical sense guiding the United States and convinced that the permanent liabilities accepted in the agreement of November 14th, 1924, have been too burdensome,—as witness the fact that the rate of interest on Poland's debt is three per cent and three and one half per cent, while debts of several other countries whose capacity to pay exceeds that of Poland, bear considerably lower rates, amounting in some instances to one-eighth per cent,—requests that, until such time as the entire matter of Poland's indebtedness to the United States is reconsidered, the payment of interest due on December 15, next, be postponed.

5. In view of the tenor of the sixth paragraph of the State Department's note dated November 26, the Polish Government affirm that they are prompted to such action because of the grave effects which the remittance of such payment might produce on Poland's economic structure and balance. The danger of such consequences will be clearly apparent if the economic and financial situation in which Poland has found itself in consequence of the universal economic difficulties, are taken into consideration.

6. As a country of predominantly agricultural character Poland has been particularly severely affected by the present crisis. The decline in prices of farm products has made unprofitable a branch

of production, which forms a means of livelihood for over seventy per cent of Poland's population. The catastrophic condition of agriculture has reacted unfavorably on all other branches of national production, already affected by difficulties of disposal in foreign markets. The incomes of the vast majority of citizens are today considerably below those which should be regarded as a reasonable minimum for existence. The expenditures of the State and of local government bodies have been reduced to the very low limits.

7. The Polish Government are conducting a policy of strict economies. A monthly budgeting system which had been suggested by American experts is being applied. Far reaching economies have been effected in all branches of the budget. The number of officials has been reduced, several government departments, including two Ministries, have been suppressed. Salaries of government officials have been reduced by twenty to thirty per cent. As a result of these efforts the actual expenditure of the State—which in the budget period of 1929/30 amounted to 335 million dollars (2,991 million zlotys), and in the period of 1930/31 still reached the sum of 315 million dollars (2,810 million zlotys)—was reduced, in the budget year of 1931/32, to only 277 million dollars (2,466 million zlotys) and, in the first six months of 1932/33,—to 126 million dollars (1,128 million zlotys). Important economies have also been effected in the expenditures of local government bodies. But the decline in the revenue of the State and of local government bodies was even greater, notwithstanding the several new taxes which were introduced during that period. The actual revenue of the State for the budget period of 1929/30 was 339 million dollars (3,030 million zlotys), in the period of 1930/31—308 million dollars (2,748 million zlotys), while in the 1931/32 period it was 254 million dollars (2,262 million zlotys), and during the first six months of 1932/33—113 million dollars (1,007 million zlotys). It is apparent from the above figures that the deficit for the budget period of 1930/31 amounted to 7 million dollars (62 million zlotys), for the 1931/32 period—to 23 million dollars (204 million zlotys) and for the first half of the current budget year—to 13 million dollars (121 million zlotys) which necessitates the adoption of still further economies.

8. It is imperative for Poland to maintain a budget balance not only within the yearly but also within the monthly budget limits, firstly because of a shortage of cash reserves and, secondly, because of the condition of the Polish money market, disallowing, as it does, the coverage of expenditures by means of even short term credit operations—a remedy which is at the disposal of governments elsewhere. To a large extent this difficulty is caused by the withdrawal of short-

term foreign investments, which have hitherto been engaged in the country. As stated above, Poland did not impose currency restrictions; the imposition, however, of such restrictions in neighboring countries caused a comparatively considerable egress of foreign short term credits, amounting to over 30 per cent as compared with the year 1930. Under such conditions of the Polish money market any larger expenditure, resulting in an increase of the monthly budget deficit, would necessarily cause a disorganisation in the machinery of the State.

9. The continued stability of the currency necessitated and still necessitates a recourse to far reaching deflation. In accordance with this principle the Bank of Poland maintains the statutory ratio of cover to currency in circulation, thereby insuring the maintenance of the par value of the zloty and the capacity of meeting foreign commitments in the future. However, the balance in this field has been achieved on a very low level of both coverage and circulation; the value of Bank of Poland notes in circulation at the end of 1930 amounted to 183 million dollars (1,628 million zlotys), on November 20, 1932—to 108 million dollars (966 million zlotys); the coverage in gold and foreign exchange at the end of 1930 was 107 million dollars (957 million zlotys) and on November 20, 1932—60 million dollars (537 million zlotys); the ratio of cover to currency in circulation and obligations payable at sight was 63 per cent at the end of 1930 and 45 per cent on November 20, 1932. The maintenance of this ratio, on its present level at least, must be regarded as indispensable to the continued stability of the currency and to the capacity of making foreign payments. In this respect, the transfer of the sums due on December 15th might have very unfavorable effects.

10. In view of the complete stoppage of the international circulation of capital, Poland is able to cover its foreign payment only through the exportation of its produce. Polish exports meet with ever-increasing difficulties. The value of the Polish export trade which consists predominantly of agricultural products and raw materials is, because of the decline in prices, particularly depreciated. The figures of the Polish export and import trade illustrate this condition. Thus, the value of exports in 1928 amounted to 288 million dollars (2,508 million zlotys), in 1931—211 million dollars (1,879 million zlotys), for the first ten months of 1932—100 million dollars (890 million zlotys); the value of imports to Poland in 1928 was 377 million dollars (3,362 million zlotys), in 1931—165 million dollars (1,468 million zlotys) and for the first ten months of 1932—80 million dollars (713 million zlotys). In recent years favorable trade balances were attained by Poland only through a maxi-

imum limitation of consumption of imported merchandise. Thirty nine per cent of Polish exports are destined to markets where currency regulations are in force; twenty six per cent to markets, where, since 1931, currency has depreciated. It is important to note that the markets thus affected are those which form the natural outlets for Polish exports, the first as regards exports by land and the second as regards exports by sea. Import quotas and embargoes as well as high tariff barriers are encountered by Polish exports in practically all their markets.

11. The commercial relations between Poland and the United States are such that Poland buys ten times as much from, as she sells in, the United States. In the years 1927 and 1928 the resulting balance in favor of the United States was offset by the influx into Poland of long-term American investments. At the same time an important item in Poland's balance of payments was formed by remittances of Polish emigrants settling in the United States. Since 1929 the influx of American capital into Poland has ceased. The restrictions on immigration to the United States, which have existed since 1922, have been, apart from other important consequences for Poland, causing a decline in emigrant remittances. The service of market loans floated in the United States by the Polish Government and by local government bodies necessitates regular annual payments, amounting approximately to 14 million dollars (130 million zlotys) per year. Poland's balance of payments in respect of the United States shows a very considerable surplus in favor of the latter. During the three years from 1929 to 1931, inclusive, the surplus in favor of the United States amounted to 103 million dollars (919 million zlotys). This sum is composed as follows: balance of trade—84 million dollars (744 million zlotys); service of market loans—43 million dollars (388 million zlotys) and payments on account of Poland's indebtedness to the Government of the United States—14 million dollars (121 million zlotys), less the sum of Polish emigrant remittances during the same period which amounted to 38 million dollars (334 million zlotys). In the current year the balance of payments will remain in favor of the United States and will amount to 18 million dollars (162 million zlotys), of which the balance of trade is 11 million dollars (100 million zlotys), service of market loans—15 million dollars (133 million zlotys), emigrant remittances—8 million dollars (71 million zlotys). It is clearly apparent from these figures that, in order to cover its payments to the United States, which even without the installments on account of the indebtedness to the Government of the United States are already very considerable, Poland must obtain an equivalent in favorable balance

of trade with other countries. As has been pointed out above, this is at present becoming ever more difficult. The general tendency displayed by nations, which up to now have had a surplus of imports to equalize their trade balances, must also be taken into consideration.

12. The concern over the continued maintenance of the country's capacity to pay, and in particular over the safeguard for the future of the possibilities of further payments in full of all foreign obligations resulting from commercial relations and market loans—in the first place those contracted in the American market—forms the reason which prompts the present approach of the Polish Government to the Government of the United States on the subject of the postponement of the installment payment. In the light of the figures cited above, it becomes obvious that the benefits which will accrue therefrom to the citizens of the United States will exceed many times such burdens as might result for them from postponement. The Polish Government are deeply convinced that its attitude will meet with complete understanding in the United States and that the Government and Congress of the United States will be willing to consider favorably the postponement of the installment of interest due December 15th. The Polish Government express their readiness to communicate any further data and information, which might be found necessary, and will willingly consider with the Government of the United States, the form in which such postponement could be vested.

WASHINGTON, December 8, 1932.

800.51W89 Poland/88

The Secretary of State to the Polish Ambassador (Filipowicz)

WASHINGTON, December 15, 1932.

EXCELLENCY: My Government has considered with the greatest care the note of December 8, 1932, from the Polish Government, in which it has set forth at length the reasons it advances for a reconsideration of the whole question of intergovernmental war debts, and for the postponement of the payment due by the Polish Government to the Government of the United States on December 15th, next.

Whatever part debt payments may have played in the economic history of the post-war years, it is clear that in the present conditions of world-wide depression, accompanied by a sweeping fall of prices, their weight has greatly increased, and that they have a very definite relationship to the problem of recovery in which both the Polish and the American people have so vital an interest.

The President of the United States is prepared, through whatever agency may seem appropriate, to cooperate with the Polish Govern-

ment in surveying the entire situation and in considering what means may be taken to bring about the restoration of stable currencies and exchange, the revival of trade, and the recovery of prices.

I believe that there are important avenues of mutual advantage which should be thoroughly explored. Such an examination does not imply cancellation.

My Government, however, has not been able to reach the conclusion that a postponement of the December 15th payment from the Polish Government to the United States is necessary because of its effect on the problem of recovery. Although we recognize the serious economic and financial difficulties which the Polish Government, in common with all other governments, is now facing, the maintenance of these agreements in their operation pending due opportunity for analysis of all matters bearing upon your request for revision and its consideration by the American Congress and people still appears to us to outweigh any reasons presented for a delay.

Accept [etc.]

HENRY L. STIMSON

800.51W89 Poland/96

The Polish Embassy to the Department of State

The Polish Government has the honour to acknowledge receipt of the note of the United States Government of December 15th, 1932.

The Polish Government holds itself fully at the disposal of the United States Government for the survey of the problem of Poland's war debt to the United States with a view to safeguarding the general interests of our two countries.

WASHINGTON, December 21, 1932.

800.51W89 Poland/97

Memorandum by the Secretary of State

[WASHINGTON,] December 22, 1932.

The Polish Ambassador brought me the annexed note.²⁵ I told him that the United States Government was not contemplating any immediate initiative in that matter so far as I knew. I explained that if we took any initiative in the immediate future in regard to discussions on the subject of the settlement of any nation's war debt, it would probably be with those nations which, like Great Britain, had made a distinct sacrifice in meeting the December 15 payment.

H[ENRY] L. S[TIMSON]

²⁵ *Supra.*

PRELIMINARIES TO THE INTERNATIONAL MONETARY
AND ECONOMIC CONFERENCE TO BE HELD AT
LONDON IN 1933

550.S1/10 : Telegram

The Secretary of State to the Ambassador in Great Britain (Mellon)

WASHINGTON, May 26, 1932—4 p. m.

154. On May 13th the British Ambassador,¹ presumably under instructions from his Government, asked the Department to consider whether the time had not come for the convocation of an international monetary and economic conference and asked for an expression of our ideas on the subject and an indication of our attitude towards participation in such a conference. The subject has received the serious consideration of the Department and the President in an attempt to see what aims could be pursued and what benefits hoped for in the light of existing circumstances of every character.

Yesterday I, after discussion with the President, had a telephone conversation with Prime Minister MacDonald which was based on some mention of the topic by both of us in Geneva. I presented the following views:

(1) That it seems to the President and myself that despite the difficulty of circumstance and the limitations that would be imposed on various governments, it is our judgment that the early convocation of an international monetary and economic conference might achieve some useful purposes.

(2) That the two useful purposes in the forefront of our mind were (a) The consideration of joint action which might assist a recovery in commodity prices, and an elaboration of the measures necessary therefor. In that connection, and illustrating the type of monetary idea I had in mind, I made reference incidentally to the leading article in the May 7 issue of the *Economist* entitled "Factors in Recovery", subtitle "Monetary Policy", which article I thought MacDonald might have seen. (b) The encouragement of all economic groups throughout the world by indication of the fact that governments were again striving to find common means of meeting what are largely joint difficulties. The President's judgment is that serious as are the economic and financial factors governing our present situa-

¹ Sir Ronald Lindsay.

tion, still much of it is due to the exaggerated fears and doubts that continue to deepen and to stand in the way of the private economic undertakings which might ease the situation. He believes that a fresh effort on the part of the governments might have a substantial improving effect on the situation.

(3) The somewhat incomplete analysis of possible lines of action that the Department has made tend to the conclusion that a hope for real success lies in action taken in the monetary sphere. But the conference would be in a position to give consideration to various matters in the economic sphere in which also something might be worked out. Such, I mention by way of suggestion, might be plans for forestalling further tariff and trade retaliations and discriminations, plans for the development of series of comparatively free trade areas such as the Danubian region, plans for dealing with the exchange difficulties that at the present time are causing various countries further to strangle international trade.

(4) I said to MacDonald that of course he understood the United States could enter such a conference only within limitations and I recited as the two outstanding limitations that we would not be able to consider the question of debts and reparations, and questions of tariff rates which last Britain and the United States both consider purely domestic issues. MacDonald observed that Great Britain too, of course, would have to enter under strict limitations.

(5) Furthermore, I informed MacDonald that we would like to see the silver question find a place in the field of discussion of the conference. I stated that I had no conclusive ideas as to how that might be handled but that my general idea was that in relatively minor ways the position of silver in the world's monetary systems might be enhanced. I added of course that I made the statement without any wish to entrench on the position that Great Britain might assume as regards the silver position in British India. There is support for a silver conference² in responsible quarters in both Great Britain and America.

(6) I informed MacDonald that it was the President's opinion that the conference could most advantageously be summoned by the British Government and held in Great Britain. On the one hand, its meeting in Great Britain would assure a recognition of its importance. Furthermore, Great Britain having departed from the gold standard, would run no new risks and raise no new undesired and premature fears in summoning the conference. On the other hand, were the United States to call it, a wholly new set of speculations regarding American monetary policy might be born,

² For previous correspondence, see *Foreign Relations*, 1931, vol. 1, pp. 607 ff.

further disturbing our gold and monetary position. The Prime Minister appeared to understand this point.

(7) I stated further that in my judgment the conference should be one of important figures, such as responsible ministers. He agreed, remarking that the matters mentioned were matters for political leaders. Of course, there would have to be suitable preliminary discussions and expert preparation the method of which could be worked out if and as the conference is determined upon.

(8) I informed him that I wanted to communicate my ideas and interest personally to him and therefore I had telephoned, and that I was immediately cabling to you the whole situation and asking you to talk it over with him or whatever other members of the British Cabinet might be designated. Will you therefore immediately take up the matter with Mr. MacDonald and inform us fully as to the attitude of the British Government and also report any suggestion or ideas you may develop on the matter. Prompt and determined decision may immediately offset the gathering difficulties.

(9) The discussion should be kept strictly confidential. We have no desire to proceed without French cooperation at each and every stage. However, it is obvious that until Great Britain and ourselves have reached a decision as to whether there is advantage in summoning a conference, it would be a mistake to widen the discussion unnecessarily. Since our idea is that the British Government should convoke the conference, it is possible that the decision as to when and how to inform the French should be left to the British Government, all on the supposition that there is something positive to communicate. Of course nothing is to be communicated to them without prior agreement with us. We suggest that, if and when the consent to such a conference by France has been obtained, the British Government in calling the conference should state that it issues the call after previous conference and collaboration with both America and France.

(10) We can see possibilities of dangerous misrepresentation in the mere name of the conference and suggest that that should be handled very carefully. We see danger in the word "monetary" or "credits". Merely by way of suggestion, we do not see any such danger in a conference described in some way as a conference to deal with commodity prices, international exchange, trade impediments and kindred subjects.

STIMSON

550.S1/12: Telegram

The Ambassador in Great Britain (Mellon) to the Secretary of State

LONDON, May 31, 1932—10 a.m.

[Received May 31—8:25 a.m.⁴]

188. I discussed your 154, May 26, 4 p.m., with Foreign Secretary who stated the inference in your 155, May 26, 5 p.m.,⁵ was correct in that the instructions to Ambassador Lindsay had been sent at a moment when the details of your telephone conversation with the Prime Minister were unknown to the Foreign Office. The Foreign Secretary then outlined briefly steps leading to representations by British Ambassador on May 13 in that press cables to London have quoted a high Washington authoritative source as stating that United States would view favorably international consideration of world economic conditions. This was followed by the Foreign Secretary's reply to Winston Churchill's question in the House of Commons, as reported in my despatch No. 81, May 11th⁶ and the subsequent instructions to Ambassador Lindsay forwarded to Washington during Prime Minister's convalescence in Lossiemouth.

Foreign Secretary then read me terms of reference for the Lausanne Conference,⁶ and pointed out that the sentence in the latter half suggesting agreement "on the measures necessary to solve other economic and financial difficulties which are responsible for and may prolong the present world crisis",⁷ having been insisted upon by the British Government, would be an embarrassment to him if it were disregarded and an entirely unrelated conference called to meet in London to consider this very question. He added that the first part of the Lausanne Conference would deal with reparations, and he could understand the United States might be unwilling to join the second part; nevertheless Sir John felt that any monetary conference, or Lausanne dealing with world commodity prices, must presuppose expert's preparation. (See last sentence, paragraph 7 your telegram 154.)

Sir John then pointed out that with the Disarmament Conference already meeting,⁸ the Lausanne Conference called for June 16th and Ottawa Conference called for the middle of July the responsible British Ministers capable of taking decisions in an International

⁴ Telegram in two sections.

⁵ Not printed.

⁶ For correspondence concerning the Conference, see pp. 636 ff.

⁷ See telegram No. 97, February 13, 10 a. m., from the Chargé in France, p. 670; for text of communiqué as issued by the British Foreign Office, see *London Times*, February 15, 1932, p. 12.

⁸ For correspondence concerning the Conference for the Reduction and Limitation of Armaments, see pp. 1 ff.

Conference on commodity prices were not free before August at the earliest. Consequently, in thinking aloud Sir John wondered whether the experts assembled at Lausanne might not be instructed to prepare data under the terms of reference which could be used at a later conference to be invited to meet at London with the United States taking part when the responsible British Ministers concerned might attend. This Sir John felt might permit immediate study and in coordination with the Lausanne terms of reference open the way for a conference to be called in London at a convenient date on international commodity prices et cetera in which the United States would be included. Sir John then continued that he would welcome any suggestions including in particular: (1) any proposed date of this London Conference; (2) proposed agenda and, (3) in view of paragraph 9 of your telegram 154 and likewise of press publicity that has been given to the Lossiemouth-Washington telephone conversation and recent newspaper correspondent's reports from Lossiemouth that Prime Minister intends "turning Lausanne into conference on world trade", whether it might not be well to consider an early statement to French and Italian Governments that the advisability of international discussions on commodity prices had been broached between the British and American Governments.

MELLON

550.S1/15 : Telegram

The Secretary of State to the Ambassador in Great Britain (Mellon)

WASHINGTON, May 31, 1932—6 p.m.

159. In view of press reports from London that we broached to London the idea of a conference to stabilize world commodity prices, I think you should suggest that Sir John Simon immediately get in touch with the French and Italians so that they may understand that the British were merely asking us whether, if it is decided to hold such a conference, we might participate. You will realize how important it is that the French particularly should not feel that we are planning anything behind their backs.

In view of these reports from London, I have given the following statement to the press:

"The suggestion that there should be called an international conference for the purpose of considering methods to stabilize world commodity prices first came to the attention of this Government by an inquiry of the British Ambassador in Washington as to whether we should be interested and would participate in such con-

ference. The suggestion was that it should be called by the **British** Government in London. After due consideration, this Government has replied, through Mr. Mellon, that it felt that the early convocation of such a conference might be of real value in the present depression. As was stated in the press messages from London, the proposed conference would have nothing to do with war debts, reparations, disarmament, or any other than purely economic subjects. It is our understanding that the British Government is also approaching on the same subject France, Italy and the other powers."

STIMSON

550.S1/18: Telegram

The Secretary of State to the Ambassador in Great Britain (Mellon)

WASHINGTON, June 1, 1932—8 p.m.

164. Your 188, May 31, 10 a.m. This Government is willing to agree to the general ideas for the international economic conference that Sir John Simon suggests although there seems to be compelling reasons which make it impossible for us to send representatives to Lausanne. You will realize that the Lausanne Conference in this country means reparations in the public mind. If it is considered advisable to hold such a preparatory conference—and we are inclined to feel it would be—might it not be held elsewhere.

This Government is unable at the present moment to suggest a definite date for the subsequent conference, especially because the views and wishes of the French, Italian and other Governments have not yet been sounded, and the other conferences to which various European Governments, especially the British, are pledged to attend. Our preliminary idea is that the conference should meet in August or as early thereafter as existing arrangements of the interested Governments and the necessary preparations for the conference permit.

On the matter of the agenda, this Government will defer suggestions until we have had time for conference between interested Departments of this Government. In the meantime, we will, of course, be interested in receiving such suggestions as may be worked out by the British and other interested Governments.

Repeat to Paris, Rome and Berlin for their confidential information.

STIMSON

550.S1/89 : Telegram

The Consul at Geneva (Gilbert) to the Secretary of State

GENEVA, July 13, 1932—3 p. m.

[Received July 13—12:35 p. m.]

217. Have learned informally from the Secretariat the present status of the plan for an economic conference, this plan being subject to modification.

1. Project for the Conference is based on previous direct conversations between certain governments and on annex V of the Final Act of the Lausanne Conference⁹ (text of which it is assumed is available to the Department).

2. The British Government, on behalf of the Lausanne Conference, will invite six other governments, including the United States, to send two representatives each to serve respectively on the two subcommittees envisaged in annex V. The "organizing" committee of the Council (see paragraph 4) will designate three members in their individual capacities for each subcommittee and the Bank for International Settlements, two members to serve on the financial subcommittee only. The financial subcommittee will thus have 12 members i.e. 6 from states mentioned in annex V, 1 from the United States, 2 from the Bank for International Settlements, and 3 appointed by the Council Committee, presumably nationals of states not mentioned in annex V. The economic subcommittee will consist of 10 members i.e. 6 from states mentioned in annex V, 1 from the United States, and 3 appointed by the Council Committee, presumably nationals of states not mentioned in annex V.

3. It is contemplated that the subcommittees will meet in Geneva about the beginning of September. The expenses of the government representatives will be borne by their respective governments while the League will assume the expenses of its appointees. Experts representing governments may or may not be government officials. The subcommittees will be assisted by the directors of the economic and financial sections of the Secretariat.

4. The Council will appoint a committee of the Council as an "organizing" committee, composed of representatives of those governments members of the Council which issued invitations to the Lausanne Conference and Council members who are *rapporteurs* for economic and financial questions i.e. Great Britain, Germany, France, Italy, Japan and Norway. This committee will be empowered to obtain the participation of other states and will invite only the

⁹ Great Britain, Cmd. 4126, Miscellaneous No. 7 (1932): *Final Act of the Lausanne Conference, Lausanne, July 9, 1932*, p. 15.

United States and Belgium to send representatives. The invitation to the United States will thus be issued by the chairman of the committee and not by the Council. The functions of the Organizing Committee will be to supervise the work of two subcommittees and formulate plans for the Conference including its composition, place and time of meeting and agenda. It will probably be composed of Cabinet ministers with MacDonald as chairman and will obviously have a more political slant in contrast to the more technical character of the subcommittees. Either the Council will delegate authority enabling the Organizing Committee to make final decisions regarding the Conference or the Committee will render a report with recommendations for action. In practice the Committee's decisions will be adopted and subsequent Council action *pro forma*.

The expenses of members as government representatives on the Organizing Committee will be paid by their respective governments. It is planned that the Committee meet as soon as possible after establishment by the Council.

5. It will be observed from the foregoing that the subcommittees, although set up by the Lausanne Conference, do not report to the Lausanne Conference but to a Council committee thus tying the Conference to the League. Furthermore, it is contemplated that many standing League projects will be incorporated in the Conference.

6. The Council will probably meet Friday, July 15.

7. Opinion is divided as to whether the Conference will meet in Geneva or London. Geneva is favorable position as more economical. London is favored as a better atmosphere for economic and financial discussion, for the psychological reason that representatives are in general "weary" of Geneva, and also for certain political reasons particularly as it might serve to commit the British Government to the success of the meeting.

It is thought at the Secretariat that the Conference will not meet before the middle of November or the beginning of December.

8. The Secretariat appears to have been advised by an undiscoverable British source that Washington "insists" that the Conference be held in London.

9. The Conference will not be termed World or General Economic Conference due I believe to preoccupations respecting Russia. It will presumably be termed simply Economic and Financial Conference.

500.S1/91 : Telegram

The Minister in Switzerland (Wilson) to the Secretary of State

GENEVA, July 14, 1932—5 p.m.
 [Received July 14—12:40 p.m.]

100. Please refer Gilbert's No. 217, July 13, 3 p.m., paragraph 4. Drummond summoned me today and pointed out that the Organizing Committee which will have full powers as to place, agenda, date, et cetera, of the Conference will also have full powers to invite other states to become members of the Committee. It is contemplated to invite the United States and Belgium.

Drummond has asked me to state that he would be happy to obtain from you a word of advice for his own information as to the more convenient course to pursue in issuing an invitation to the United States. He can either summon the Organizing Committee within the next few days and cause the Committee to issue such an invitation immediately or he can postpone the summoning of the Organizing Committee for this purpose for 2 or 3 weeks and issue the invitation at that date.

I should appreciate an expression of opinion from you as soon as convenient which I may pass on to Drummond.

WILSON

550.S1/95 : Telegram

The Consul at Geneva (Gilbert) to the Secretary of State

GENEVA, July 15, 1932—7 p.m.
 [Received 8 p.m.]

218. Sir John Simon presented to the Council this afternoon a draft resolution for the convoking of a conference which was couched as indicated in the pertinent portions of paragraph 4 of Consulate's 217, July 13, 3 p.m.

Other representatives on the Council, particularly those of the smaller European powers, stressed the maintenance of the sovereignty of the Council in this matter and a broader representation on the subcommittees of experts to present the views of the smaller powers and of certain international organizations. This resulted in the following modifications of the draft resolution.

1. The two subcommittees are now termed jointly the Commission of Experts. This Commission will "keep in touch" with the Committee of the Council (the Organizing Committee) and the latter will in turn report to the Council as it may be necessary to do so.

2. The Committee of the Council will have the power, in consultation with the Commission of Experts, to add to the number of experts.

3. The Council invites the International Labor Office and the International Institute of Agriculture to place at the disposal of the Commission of Experts, insofar as the latter deems it necessary, the services of their technical organizations.

The resolution thus amended was adopted.¹⁰ The British representative was designated as President of the Committee of the Council. No day was set for the meeting of this Committee.

The United States is not mentioned by name in the resolution but its membership in the Committee of the Council is envisaged by the following provision:

“The Committee of the Council shall have the power, if and when it considers it desirable, to invite other countries to appoint representatives to the Committee”.

The title of the proposed conference now appears to be “Conference on Monetary and Economic Questions”.

GILBERT

550.S1/99 : Telegram

The Secretary of State to the Minister in Switzerland (Wilson)

WASHINGTON, July 16, 1932—1 p.m.

99. Your 100, July 14, 5 p.m.

(1) We feel that before we could accept participation in the organizing committee to which Drummond refers, it would be necessary to assure ourselves and make it a matter of record, that the General Monetary and Economic Conference will not consider the questions of debts and reparations, nor questions of tariff rates, (as distinguished from general policy) which we consider purely domestic issues.

(2) These conditions I set forth last May to MacDonald when the question of an international conference first came up, and subsequently repeated to the French and Italian Ambassadors at Washington. I likewise included them in a press announcement which I issued on May 31.

(3) We wish to do nothing that would embarrass the organizing committee or the League and accordingly feel that it would be wise for you to inform Drummond orally and in strictest confidence that it will be necessary for us to limit our acceptance of an invitation to participate in the organizing committee by asking assurances on these points. Drummond will undoubtedly be in a position to discuss this element of the situation with the chairman of the or-

¹⁰ For text, see League of Nations, *Official Journal*, July, 1932, p. 1273.

ganizing committee who can govern his actions accordingly and thus prevent any embarrassment or misunderstanding.

(4) It would further be important for us in view of the resolutions of Congress and of the terms of the appropriation bill for our participation to have it specifically stated in any invitation that the Conference will deal with "monetary matters, including silver".

STIMSON

550.S1/115 : Telegram

The Acting Chairman of the American Delegation to the General Disarmament Conference (Gibson) to the Secretary of State

GENEVA, July 25, 1932—10 p. m.

[Received July 25—6:10 p. m.]

372. In pursuance of telephone conversation with you today Davis telephoned Simon telling him he had reported to you his conversation of Saturday with him and that you had authorized him to tell Simon that you would be prepared to accept an invitation to participate in the Organizing Committee and Monetary and Economic Conference upon assurance that the Conference will not consider the question of debts and reparations nor questions of tariff rates as distinguished from general policy and furthermore that it be understood that the Conference will deal with "monetary matters including silver". Simon said that he was in a thorough accord with the exclusions and inclusions indicated, that he would call in Hankey and others tomorrow to prepare invitations but that he would give you the assurance you desire before despatching the invitation so that you could accept without any hesitation or qualification which he deemed advisable.

GIBSON

550.S1/117

The British Chargé (Osborne) to the Secretary of State

No. 238

WASHINGTON, July 28, 1932.

SIR: I have the honour under instructions from His Majesty's Principal Secretary of State for Foreign Affairs to transmit to you herewith two notes on the subject of the World Economic Conference.¹¹ These notes invite the United States Government to be represented on the Committee of the Council of the League of Nations which is charged with the task of convoking the Conference and to

¹¹ For texts of notes, see Department of State, *Press Releases*, July 30, 1932, pp. 82-83.

appoint two experts to sit on the Committee charged with the preliminary examination of the financial and economic questions referred to in Resolution V.¹² attached to the Final Act of the Lausanne Conference.

I have further the honour to inform you that these invitations are extended on the understanding that the questions of Reparations, of Debts and of specific tariff rates (as distinguished from tariff policy) will be excluded from the scope of the Conference and that among the monetary matters within its scope will be the question of silver.

I have [etc.]

D. G. OSBORNE

550.S1/119

The Acting Secretary of State to the British Chargé (Osborne)

WASHINGTON, August 2, 1932.

SIR: I have the honor to acknowledge the receipt of your note No. 238 and, as enclosures thereto, your note No. 239 and the note of the Honorable Ramsay MacDonald, dated July 13, 1932, inviting the Government of the United States to be represented on the Committee charged with the task of convoking the Conference on Monetary and Economic Questions, and to appoint two experts to sit on the Committee charged with the preliminary examination of these questions.

I have noted your statement of the understanding as to topics on which the invitation is extended.

In reply I have the honor to accept the invitations thus extended. When information as to the time and place of meeting of the organizing committee for the Conference has been received, the Government of the United States will be glad to designate a representative on this committee. This Government will also proceed, as soon as occasion arises, with the appointment of experts to the preparatory committee.

Accept [etc.]

W. R. CASTLE, JR.

550.S1/137

The British Embassy to the Department of State

AIDE-MÉMOIRE

His Majesty's Government in the United Kingdom are anxious to push on as quickly as possible with the preliminary preparations for

¹² For text, see Great Britain, Cmd. No. 4126, Misc. No. 7 (1932); see also Department of State, *Press Releases*, July 30, 1932, pp. 83-84.

the International Economic and Financial Conference and to ensure coordination in these preparations between the work of the organizing committee of the Council of the League of Nations, of which His Majesty's Principal Secretary of State for Foreign Affairs is chairman, and of the preparatory committee of experts, with its financial and economic sub-committees, to be set up in accordance with Resolution 5 of the Conference of Lausanne. They are therefore proposing to suggest to the Inviting Powers to the Lausanne Conference (namely, France, Italy, Germany, Japan and Belgium), that the Council of the League should be requested (1) to allow the preparatory committee of experts to meet at Geneva, (2) to permit the Secretariat General of the League of Nations to undertake the secretariat of this expert committee and (3) to fix a date for the meeting of the committee to suit the convenience of the League and of the Powers interested.

His Majesty's Government are anxious to learn at the earliest possible date whether the United States Government, who have agreed to nominate representatives on both organizing and expert committees, are in agreement with the course of action proposed. They will await the reply of the United States Government before proceeding.

Sir John Simon, who greatly hopes that the United States Government will be in entire agreement with His Majesty's Government, would be particularly grateful for an early reply.

WASHINGTON, August 13, 1932.

550.S1/131 : Telegram

*The Acting Secretary of State to the Chargé in Great Britain
(Atherton)*

WASHINGTON, August 15, 1932—6 p. m.

220. This Government has, as you know, accepted membership on the Organizing Committee of the Monetary and Economic Conference and is now considering the nomination of its representatives. The President is considering the nomination of Ambassador Sackett. We understand, however, that Sir John Simon expressed a strong wish that Norman Davis be appointed on this committee. His experience and wide acquaintance would seem to us to be very valuable. On the other hand, the appointment of an individual not a part of the Administration as the sole representative of this Government on the Organizing Committee might give rise to criticism and political difficulty. The suggestion has been made that Davis might be appointed to serve as an associate or alternate to Sackett

and if this could be done both the President and the Department would be inclined to appoint him.

I wish you would call on Sir John Simon and talk the matter over with him informally and confidentially to find out from him whether there would be any objection to such a double nomination on the part of the American Government. You will, of course, warn Sir John to keep this matter entirely confidential since we should wish to announce the appointment of Sackett or, if it proves feasible, the appointment of both Sackett and Davis in Washington.

CASTLE

550.S1/138

The Acting Secretary of State to the British Chargé (Osborne)

WASHINGTON, August 15, 1932.

SIR: I have the honor to acknowledge the receipt of your *Aide-Mémoire* of August 13, 1932, in which His Majesty's Government proposes to suggest to the Inviting Powers to the Lausanne Conference that the Council of the League of Nations should be requested (1) to allow the preparatory committee of experts of the Monetary and Economic Conference to meet at Geneva, (2) to permit the Secretariat General of the League of Nations to undertake the secretariat of this expert committee and (3) to fix a date for the meeting of this committee to suit the convenience of all interested elements.

In response to your inquiry, I wish to state that the Government of the United States is in agreement with the course of action proposed. In regard to the date of the first meeting of the preparatory committee, it appears to this Government that sometime during the second half of September would be a suitable date. This Government would find it difficult to be represented before September 15, and subject to this reservation, would be glad to agree upon a date acceptable to other Powers concerned.

Accept [etc.]

W. R. CASTLE, JR.

550.S1/141 : Telegram

The Chargé in Great Britain (Atherton) to the Secretary of State

LONDON, August 20, 1932—3 p.m.

[Received August 20—11 a.m.]

245. I discussed your 220, August 15, 6 p.m., with Simon today who said there would be no difficulty. He explained "Organizing Committee is really a committee of states rather than a committee of nominated individuals, and consequently in view of the fact that

United States Government has agreed to join the Organizing Committee an announcement from Washington that United States Government nominates as its representative Ambassador Sackett with Mr. Norman Davis as alternate or associate would be quite in order".

Simon spoke of third week in September either Geneva or London as possible date for first meeting of Organizing Committee.

Sir John is en route to Lossiemouth and then to Balmoral before returning to London.

ATHERTON

550.S1/157: Telegram

The Acting Secretary of State to the Ambassador in Great Britain (Mellon)

WASHINGTON, September 2, 1932—7 p.m.

232. For Atherton. Your No. 236, August 4, 3 p.m.¹³ As to the place and date of the Monetary and Economic Conference, the American Government feels that, if agreeable to the British Government, the Conference ought to be held in London. This has in general been the understanding since the beginning of the discussions.

As to the date, the American Government would, of course, prefer not to have the conference meet before the 15th of November at the earliest. It would seem difficult to make full preparations necessary even by that date. If the conference were held in December, there would be the Christmas holidays ahead and if the British Government would prefer to have it postponed until January, as has been rumored, we should have no objection.

You may use the above if you see fit informally in your conversations with Sir John Simon.

There have been various press rumors that this Government wanted the conference held in Washington. This is not true. For various reasons we should be greatly opposed to any such suggestion.

CASTLE

550.S1/172: Telegram

The Ambassador in Great Britain (Mellon) to the Secretary of State

LONDON, September 10, 1932—2 p.m.

[Received September 10—12: 35 p.m.]

260. For Norman Davis. Simon leaves for Geneva September 19 and expects to be there through early October. In compliance with your telegram No. 237 September 9, 6 p.m.,¹⁴ Simon will "work for"

¹³ Not printed.

¹⁴ *Ante*, p. 528.

Organization Committee to assemble Monday October 3d in Geneva where many of the members will already be gathered. Simon would welcome a preliminary talk with you in Geneva upon the work of the Organization Committee any time in the week previous to October 3d; at the same time Simon would be very happy for a discussion of those naval matters referred to in paragraph 2 of your 237 September 9th, 6 p.m.

MELLON

550.S1/174 : Telegram

The Minister in Switzerland (Wilson) to the Secretary of State

BERNE, September 12, 1932—noon.

[Received September 12—8:35 a.m.]

77. Letter dated August 30 from MacDonald¹⁵ as President of Lausanne Conference to Secretary General of League requests, on behalf of inviting powers of that Conference, that League Council should agree to certain steps connected with preparation of World Economic and Financial Conference and transmits list of members of present Committee of Experts.

The final paragraph of Deputy Secretary's transmitting letter reads as follows:

"As I understand your Government have already appointed two experts on the present Committee for the Conference I should be glad if you would be so good as to inform me as soon as possible of the views of your Government as to the time suggested for the meeting of the Committee."

The time suggested in MacDonald's letter is the latter half of September.

The Deputy Secretary General has requested me to ascertain from you as urgently as possible your views as to whether this time is satisfactory.

MacDonald's letter document C-622-M-306 sent with Geneva list 284, September 7.

WILSON

550.S1/182 : Telegram

The Secretary of State to the Minister in Switzerland (Wilson)

WASHINGTON, September 14, 1932—2 p.m.

61. You are authorized to inform Secretary-General of the League in response to his letter that this Government has appointed Ambassador Sackett and Norman Davis as representatives on the Commit-

¹⁵ League of Nations, *Official Journal*, November 1932, p. 1861.

tee of Arrangements for the Economic and Financial Conference. The Department assumes that it is this Committee to which the Secretary's letter refers.

The United States Government prefers that the first meeting of the Organizing Committee be held not before the first week of October.

Repeat to Berlin, London and Paris.

STIMSON

550.S1/235 : Telegram

The Secretary of State to the American Representatives on the Organizing Committee for the International Monetary and Economic Conference (Sackett and Davis)

WASHINGTON, October 3, 1932—6 p.m.

16. Despatch 349 Political from American Consul, Geneva, September 20,¹⁶ informs Department that Secretary General of League has taken up question of terminology for projected conference and that in the future the title of the conference will be "The Economic and Financial Conference".

The Department observes the substitution of "financial" for "monetary" with some concern. The appropriation for expenses voted by the American Congress was specifically voted for a "monetary" conference and there is a possibility the omission of this word from the title might involve embarrassment as expenditures of money are controlled by the Comptroller General whose interpretations of appropriation acts are not subject to Executive reversal.

Is not the Organizing Committee of the Council the competent body to settle this matter of terminology? If so, you are requested to present this situation to it and explain that in the light of the foregoing circumstance it appears advisable to the Department that the word monetary be restored to the title.

STIMSON

550.S1/232 : Telegram

The Minister in Switzerland (Wilson) to the Secretary of State

GENEVA, October 3, 1932—9 p.m.

[Received October 3—7:03 p.m.]

18. From Sackett and Davis. Organizing Committee this afternoon reached following decisions:

1. That Preparatory Committee of Experts should meet in Geneva October 31st.

¹⁶ Not printed.

2. That Conference should be held in London as soon as work of Preparatory Committee permitted (question of fixing definite date to be further considered by Organizing Committee at its next meeting fixed for November 14. Proposal to fix meeting of Conference for early part of January debated and rejected on ground unwise to prejudice extent of preparatory work necessary).

3. That Secretary General of the League should issue invitations to the Conference to all nations of the world including both members and non-member states.

The list of all experts designated by governments, except our own experts, was circulated as follows:

Germany, Warmbold, Minister of Economy, and Vocke, member of the Reichsbank Board.

Belgium, Emile Francqui and Van Langenhove, Secretary General of the Foreign Office.

France, Charles Rist and Jean Parmentier.

Italy, Alberto Beneduce and Giuseppe Tassinari, President National Agriculture Association.

Japan, Kawai, Minister at Warsaw, and Tsushima, Financial Attaché at London.

Great Britain, Leith-Ross and Layton.

We stated that we expected to communicate names of our experts within 10 days.

The six experts at large¹⁷ whose names were cabled to you some time ago were definitely approved by the Organizing Committee today. With two experts from Bank for International Settlements¹⁸ this completes list with the exception of Norwegian expert added because Norwegian member of League Council is *rapporteur* for financial and economic questions.

Organizing Committee also decided that Experts Committee should consult with designated experts of International Labor Bureau and International Institute of Agriculture on subjects where those institutions particularly competent.

German representative, seconded by Italian, urged that Soviet Government nominate two additional experts but this proposal defeated on the ground that any addition to existing numbers would

¹⁷ Léon Baranski (Poland), Director of the Bank of Poland; Jan Dvoracek (Czechoslovakia), former Minister of Commerce, and Director of the Zivnestenska Banka at Prague; Jean Musy (Switzerland), Chief of the Federal Department of Finance and Customs; Alfred de Nickl (Hungary), Director of Commercial Agreements in the Ministry for Foreign Affairs; Risto Rytli (Finland), Governor of the Bank of Finland; Raul Prebitch (Argentina), former Under Secretary of State to the Minister of Finance, National Bank of Argentina.

¹⁸ Leonardus J. A. Trip (Netherlands), President of the Bank of the Netherlands; Leon Fraser (United States), Vice-President of the Bank for International Settlements.

open door to increasing Experts Committee to point where useful work impossible.

We find that it is the idea here to leave to the Experts Committee the entire work of preparing the agenda. Last night we told Simon that our idea had not been to leave this entirely to experts as questions of policy are involved. Sackett will talk this over with you to determine just how we should proceed. The type of men being designated by other governments for the Experts Committee is rather striking.

Sackett sails *Europa* tomorrow, arriving New York October 9 and will give you personally our views regarding work of Experts Committee. [Sackett, Davis.]

WILSON

550.S1/241 : Telegram

The Minister in Switzerland (Wilson) to the Secretary of State

GENEVA, October 5, 1932—5 p. m.

[Received 6:49 p. m.]

20. From Davis. Your 16, October 3, 6 p. m., was received after adjournment of Organizing Committee but matter was immediately taken up with League Secretariat. They advised me that as a matter of convenience and to harmonize divergent terminology used in Lausanne resolution and correspondence of British Government regarding Conference the League Secretariat had employed term "economic and financial conference", this title being used in the resolution of Organizing Committee described my 18, October 3, 9 p. m., which is circulated to all states invited to Conference. They state, however, that as Organizing Committee has taken no formal action they see no insurmountable obstacle to reconsideration by that Committee at next meeting in November.

League officials point out that term "monetary" is hardly broad enough to cover all questions which will be considered by Conference and they obviously prefer maintenance of present title unless we insist upon a change.

If question of title involves solely question of appropriation I trust that matter can be worked out in Washington without insisting upon change in name. If you anticipate serious congressional difficulties I believe that we could effect the change you desire. In this connection it should be pointed out that correspondence with British Government of July 13 and 28 and Lausanne Conference resolution employs both titles and that we can hardly take question up on the basis that League or British authorities have changed Conference

title. All they have done is to select one of the names set forth in the original invitation to us. From consultation with League officials, I find that League has never formally received British note to us advising that invitation to Conference is extended on the understanding that certain questions, viz, reparations, debts, tariff rates, will be excluded from its scope and silver included. Hence League has never communicated this correspondence to other participating states. If you feel that communication of this correspondence is necessary or desirable I suggest you take the matter up with the British Foreign Office. You may consider that our position is sufficiently a matter of public record as a result of press statements to make such communication unnecessary. Further, our representatives on the Agenda Committee can safeguard our position. I felt that you should know above situation. I am leaving with Gilbert at Consulate a copy of your cable [No.] 16, October 3, 6 p. m., and this reply. [Davis.]

WILSON

550.S1/259

Memorandum by the Consul at Basel (Cochran)

[Extract]¹⁹

WASHINGTON, October 6, 1932.

EUROPEAN VIEWS ON THE CONFERENCE

A. Identity of Experts

Several of the European Experts on the Preparatory Committee will be either B. I. S. Directors or financial and economic authorities who have cooperated closely with the B. I. S., on international committees meeting at Basel, and otherwise. All of the European countries except Spain and Portugal are now shareholders in the B. I. S., and these two States were prevented from joining the B. I. S. only by their exchange difficulties. At the Annual Meetings of the B. I. S. in May 1931 and 1932 the Central Bank Governors of more than twenty European countries assembled at Basel where they listened to and discussed technical papers upon many of the financial subjects that are likely to come before the Preparatory Conference. The B. I. S. Platform, which has been outlined, separately, was presented

¹⁹ The extracted portion of this memorandum refers to problems of the Conference as anticipated in the published reports of the Bank for International Settlements (1932); the Foreign Creditors Standstill Committee (2d. meeting, January 23, 1932); Final Act of the Third Regular Session of the Permanent Committee for Economic Studies of the Agricultural Countries of Central and Eastern Europe, Warsaw, August 24-27, 1932; Conference for the Economic Restoration of Central and Eastern Europe, Stresa, September 5-22, 1932.

to the Directors at the regular Meeting on September 19, 1932. These Directors represented the Central Banks of: Great Britain, France, Germany, Italy, Belgium, The Netherlands, Switzerland, Sweden, and private banking groups in the United States and Japan. While each of the European countries will have its individual political viewpoint on the discussions at London, and while there are known to be differences of opinion among the various Experts who will be at Geneva, including those who have served together previously, it is likely to be found that the B. I. S. Platform, together with the pronouncements of the B. I. S. and of the International Committees hereinafter cited, will have the general support of the countries of Western Europe at the coming Conferences. The two B. I. S. delegates to the Financial Subcommittee, Messrs. Fraser (American) and Trip (Dutch), represent the best informed and most conservative element of the B. I. S.

Of the three League Experts to the Financial Subcommittee, two, Ryti (Finland) and Baranski (Poland) are Central Bank officials well known to the B. I. S., and the third, Musy, Swiss Finance Minister, has had dealings with the Basel institution. Francqui, one of the most widely known B. I. S. directors, will be one of the Belgian experts. There is likely to be associated with him, at London if not at Geneva, Paul van Zeeland of the National Bank of Belgium, who was prominent at Stresa, and whose brother is a resident B. I. S. official. Paul van Zeeland is also an alternate B. I. S. Director. Sir Walter Layton, who served at Basel on two international committees in 1931, will be one of the two British Experts. His colleague, Sir Frederick Leith-Ross of the British Treasury, has long been associated with reparation and war debt problems and is constantly in contact with the B. I. S. For the French there will be Parmentier and Professor Rist. The latter served on the Special Advisory Committee, and has rendered extensive service in studying the financial problems of many European countries. Vocke of the Reichsbank, who substitutes for Governor Luther on the B. I. S. Board, will be one of the German Experts, along with Dr. Warmbold, the German Minister of Economics. Beneduce, the B. I. S. Vice Chairman, who is usually the Italian Expert at such gatherings, will serve along with Tassinari. It is likely that the Italian policy will be consistent with that heretofore displayed, since the Italian Conference delegation is always accompanied by a young man from the Foreign Office who is constantly in touch with Rome and keeps the delegates properly in line.

The American Experts dealing with this group of professional European Experts will be under certain handicaps. Many of those

above mentioned have worked together at most of the important Conferences held since the War. They not only possess thorough understanding of their own national problems, and policies, but have background information on the problems, policies, and history of their neighbors. Irrespective of their high individual qualifications, the Americans will not be sufficiently "expert" to assist in developing an American position that will command respect at London unless they may be definitely instructed as to our Government's policy.

Europe's best experts are on the Preparatory Committee. It will be the plan of these men to go as far at Geneva as possible toward writing a complete program for acceptance at London. The qualifications of the European experts and the extent to which they are associated with Government policy should make clear the importance attributed by the European Powers to the Preparatory Conference. If the United States hopes to have appear in the final Conference Report or Resolutions any positive American doctrines, every precaution should be taken to see that the Experts at Geneva work toward this end. To begin only at London, or to be obliged there to disavow acts of our Experts at Geneva, would be disastrous. We shall come in for enough criticism at best, and we certainly should not expose ourselves to an undue amount through assuming ill-advised positions at Geneva.

H. *Attitudes of Various Powers*

I. *Germany.* The European country which at present appears to be most active in preparing its program for the World Conference is Germany. Various plans have been advocated there for improving the financial situation of the country, now that Lausanne has gone so far in adjusting the reparation issue. It is likely to be the German position that real progress towards world recovery can not be achieved until goods move again. Goods can not move as long as existing exchange regulations are in effect. Germany can not lift its exchange regulations as long as the present standstill agreement must be observed with respect to Germany's private creditors. The first move, therefore, is to solve the standstill problem, perhaps through some scheme to be submitted to the Conference for a long-time funding of the obligations involved. These obligations are, in their present form, usually discountable by the Central Banks, since they do not exceed the legal limit of ninety days prescribed by most of the Central Banks. Should these obligations be made long-term, there would arise, however, the question of a suitable means for

realizing thereon. For this purpose it is possible that recommendation may be made for expanding one of the existing institutions, such as the B. I. S., or creating an institution along the plans of Kindersley or Francqui, to provide facilities for discounting the German obligations in question, as well as similar obligations in other countries. Such an institution might have some of the features of the Reconstruction Finance Corporation or of the Swiss Federal Loans Office, the latter just now being created to handle frozen paper which the Swiss National Bank can not accept. The above remarks concern Germany's short term indebtedness. Another move will probably be to secure a reduction in rates on Germany's long-term bonds.

Both Von Papen and Luther have affirmed the German determination to meet foreign obligations to the extreme limit of Germany's ability. The Germans are, however, now pleading transfer difficulties. With their export balance continually declining, with unemployment large, with the Reichsbank cover low, with the official discount rate down to four per cent, with the present steps toward reducing other internal interest rates, and with a political situation which forces the Government to favor drastic steps for improving Germany economy, it is to be expected that Germany will present as strong case as possible for relief from foreign debts, other than reparations. Germany feels that her position, in assuming that a country can only meet its foreign obligations by exports of goods and services, has been strengthened by Warsaw and Stresa. Germany will strive to avoid another experience of inflation. Germany is willing to consummate bi-lateral treaties to meet the Stresa pool plan, such treaties to be given a monetary valuation, but not to contribute cash. Germany favors the return to the gold standard, particularly on the part of its customers and its industrial competitors. Germany will oppose any Danubian plan which denies her any benefits of access to the Danubian markets. Germany favors the creation of any and all institutions destined to convert short term obligations into long term obligations, or offering new middle and long term credits. Germany has taken up the quota system as a last economic resort, and in opposition to much German opinion.

II. *France.* France took the lead at Stresa. She is becoming reluctant to grant any further financial assistance to her friends in Eastern Europe until some plan is achieved for their economic and financial reconstruction. France is willing to contribute to pools, both for revalorization of cereals and for normalization of currencies in the countries of Central and Eastern Europe, and was the strongest proponent of the Geneva Agricultural Bank.

France's objections to the Francqui and Kindersley Plans have been indicated. If she is called upon to make a big investment, she desires to be free to make her own terms as she has done heretofore. She looks upon loans as political, as well as trade means, and desires her independence of action. She is not willing to help the British or Americans retrieve bad loans, unless her own funds also are involved.

France adheres firmly to the gold standard and condemns the risks of any other standard. (See Report of Bank of France for Year 1931).

Rist, the French delegate, opposes lowering cover rates of Central Banks. His ideas on the futility of intervention toward achieving a return of prices to the 1929 level have been mentioned.

France favors bargaining tariffs and opposes the most-favored-nation idea. She utilizes preferences, quotas, et cetera, although terming quotas temporary expedients. France would like multi-lateral treaties that would give her united allies in Eastern and Central Europe. The French viewpoint will always be nationalistic. The French idea of security, economic and otherwise, may be extreme to us, but it is religion to them. Coercion will not be effective.

III. *Great Britain.* Just as France took the initiative at Stresa, Great Britain may be expected to endeavor to set the program for London. Of the three great problems, unemployment, loss of trade and cost of debt service, the British have only made headway on the last—through the recent conversion operation. Unemployment figures are still at their peak and foreign trade at its lowest. With such conditions obtaining, there would appear to be no possibility of an early return to the gold standard.

The British tariff position is uncertain, following the unfortunate experiences at Ottawa, the dissension in the present Government over this subject, and the failure of import duties to yield the expected results. There is a tendency to bargain, not only with the Dominions, but with important outside traders, such as Argentina and Denmark.

The British still complain against the maldistribution of gold and some attribute low price levels to the scarcity of the metal. They will favor the creation of new institutions for setting capital movements in operation, particularly from the gold-rich countries.

They will be disposed to make terms with their debtors, as in the recent arrangement with Greece.

They will favor every means of protecting League Loans.

They are flatly opposed to all plans for revalorization of cereals or otherwise artificially maintaining commodity prices, and will

not contribute to pools for that purpose. They do not want British funds utilized in plans which France will dominate for aiding her Eastern allies. Only a few British authorities, such as Sir Robert Horne, favor bimetalism. Most of them think any attempts to stabilize the price of silver would be futile. What monetary plans they may have for the sterling club are not known.

IV. *Italy.* To overcome the world crisis Jung, the Minister of Finance, holds that it is necessary: to solve the reparations and interallied debt problems by wiping out reparations and cancelling debts; to suppress restrictions upon international trade exchanges before such restrictions strangle the trade of all countries.

This is the Mussolini policy, who also holds that high taxes with trade are preferable to low taxes and no trade. Italy favors bilateral treaties, as opposed to the multilateral ideas of France, which Italy says would tend to divide Europe into blocs.

Italy has about the same idea as Germany toward the Danube, opposing any plan that would shut Italy out from advantages of trading with her natural customers in that area.

Italy has consistently endeavored to avoid inflation of her currency, and will support B. I. S. ideas on finance. The Italians are not optimistic as to the results of the Conference if the United States adheres to its ban upon the discussion of war debts, tariff rates, et cetera.

V. *Belgium.* With a budget deficit, unemployment difficulties and strikes, low prices of colonial products, keen competition from Germany and Great Britain in manufacturing and in the coal trade, and threatened depreciation of its currency, Belgium will favor early stabilization of currencies and return of conditions which will permit her foreign trade to recover. Important national borrowing has been resorted to, and economic conditions are not good.

The progressive and sometimes daring ideas of Francqui have already been mentioned. He is one of the severest critics of the American attitude on war debts, and is against all long drawn out debt settlements, preferring prompt liquidation, even at a capital sacrifice.

VI. *The Netherlands.* Conservative; supports gold standard; desires access to foreign markets; favors facilities for capital movements. Trip's B. I. S. paper represents the Dutch viewpoint.

VII. *Switzerland.* Favors gold standard; likes bargaining treaties, with preferences and quotas, but would prefer to give up quota system if better outlets for Swiss goods can be obtained. Interested in institutions for thawing international credits, Switzerland having considerable amounts frozen in Central Europe. Swiss trade suffering through depreciation of foreign currencies, especially

sterling. Few tourists; poor export markets for luxury goods; high domestic costs; unfavorable trade balance; now experiencing considerable withdrawals from large gold supply, and unduly nervous about it.

VIII. *Eastern Europe.* The problems and attitudes of the European countries east of Germany, Switzerland and Italy were demonstrated at Warsaw and Stresa. They are insistent in their demands for assistance and threaten complete default in the absence thereof. The situation is so serious with many of them that starvation and strife might even enter the picture. They have all over-borrowed; most of them are chiefly dependent upon crops for which there is no remunerative market; their trade is strangled by restrictions; and their currencies held back from devalorization or collapse only by measures that can not be continued indefinitely. These countries want their economic and financial conditions improved. Means to this end were discussed at Warsaw and Stresa. From American creditors they will seek radical reductions on their debts.

IX. *Scandinavia.* The northern countries figure in the "sterling group" and may follow the British lead.

550.S1/245 : Telegram

The Secretary of State to the Consul at Geneva (Gilbert)

WASHINGTON, October 7, 1932—7 p. m.

152. Wilson's 20, October 5, 5 p. m. The appropriation for participation in an "international monetary conference" was adopted in amendment of the Executive's recommendation for one for "an international economic conference" after a considerable debate in which several leading Senators favored the substitution as a limitation on the President's possible action.²⁰ "Monetary and Financial Conference" appeared to be definitely adopted at Lausanne, in the Council resolution, and other League and international documents. In all the circumstances the apparent change omitting "monetary" may excite embarrassing congressional criticism.

Quiet reestablishment of "monetary" at suitable opportunity would appear desirable. In the meantime Department will consider title unsettled.

Discuss informally with Secretariat.

STIMSON

²⁰ See *Congressional Record*, vol. 75, pt. 13, pp. 14241-14251.

550.S1/247 : Telegram

The Consul at Geneva (Gilbert) to the Secretary of State

GENEVA, October 10, 1932—6 p. m.
[Received October 10—2:10 p. m.]

294. Department's 152, October 7, 7 p. m. After explaining situation to Avenol today he assured me that name "Monetary and Economic Conference" would immediately be resumed.

GILBERT

550.S1/254 : Telegram

The Secretary of State to the Consul at Geneva (Gilbert)

WASHINGTON, October 12, 1932—5 p. m.

158. Department is announcing appointment of Mr. Edmond E. Day, Director of Social Science, Rockefeller Foundation, and Professor John H. Williams, Harvard University, as American representatives on preparatory committee of experts for the Monetary and Economic Conference. They will sail on Steamship *Exeter* October 18th and should reach Geneva October 29.

Please inform Secretary General.

STIMSON

550.S1/283

The Acting Secretary of State to the American Representatives on the Committee of Experts for the International Monetary and Economic Conference (Day and Williams)

WASHINGTON, October 18, 1932.

GENTLEMEN: The President has appointed you to represent the Government of the United States on the Committee of Experts established pursuant to Resolution No. V of the Lausanne Conference and entrusted thereby with the preliminary examination of the questions to be considered by a Conference on Monetary and Economic Questions and further invited by resolution of the Council of the League of Nations, adopted July 15, 1932,²¹ to prepare a draft annotated agenda for the Conference.

I enclose copy of the above-mentioned Resolution of the Lausanne Conference as transmitted to the Government of the United States by the British Embassy at Washington July 28, 1932, and of the above-mentioned Resolution of the Council of the League of Nations.

²¹ For text, see League of Nations, *Official Journal*, July, 1932, p. 1273.

The British Embassy in its note of July 28, 1932, inviting the Government of the United States to be represented on the Organizing Committee for the Monetary and Economic Conference and on the preparatory Committee of Experts stated that these invitations were extended on the understanding that the questions of reparations, of debts and specific tariff rates (as distinguished from tariff policy) will be excluded from the scope of the Conference and that among the monetary matters within its scope will be the question of silver. The Acting Secretary of State, in his note of August 2, 1932, accepting the invitations thus extended took note of the British Embassy's statement of the understanding as to topics on which the invitation was extended. The American experts should bring this understanding to the attention of the Committee of Experts in some appropriate manner and should be guided thereby.

The Department does not desire at this time to give you specific instructions as to the position you should take on any question before the Committee of Experts. In the absence of such specific instructions you are not authorized in any way to bind the Government of the United States and will not be qualified to act as spokesmen of definite official policy. You are qualified, however, to participate in an expert capacity in the discussion of questions before the Committee and to state your understanding of the American point of view, taking care to avoid any action that might be regarded as committing the Government of the United States. Should you desire to ascertain the position of the Government of the United States toward any question before the Committee you should address telegraphic inquiry on the matter to the Department of State.

The resolution adopted by the Council of the League of Nations provides that the preparatory Committee of Experts will keep in touch with the Organizing Committee for the Monetary and Economic Conference. The American members of the Organizing Committee are the Honorable Frederic M. Sackett, American Ambassador at Berlin, and the Honorable Norman H. Davis, who will be available for consultation with you. The officials of governmental departments who will accompany you will be able to supplement your information as to matters before the Committee and to give you such other assistance as their special knowledge of the subject matter makes possible.

Very truly yours,

W. R. CASTLE, JR.

550.S1/327

The Chargé in Switzerland (Riggs) to the Secretary of State

No. 2750

BERNE, October 29, 1932.

[Received November 8.]

SIR: I have the honor to enclose herewith Circular Letter No. 170 (a) dated October 28, 1932,²² signed by Sir Eric Drummond, Secretary General of the League of Nations, and referred to in the Legation's telegram No. 85 of October 29, 11 a.m., 1932.²² This communication invites the United States to be represented at the proposed Monetary and Economic Conference to be held in London, the date of which will be decided by the Organizing Committee at its session in November.

Respectfully yours,

B. REATH RIGGS

550.S1/340 : Telegram

The Minister in Switzerland (Wilson) to the Secretary of State

GENEVA, November 15, 1932—3 p.m.

[Received November 15—11:15 a.m.]

40. From Davis. Feis and our representatives on the Preparatory Committee for Economic Conference will be reporting to you personally, but as they may not reach Washington before the next meeting of the Organizing Committee which will probably be held shortly, I would appreciate your instructions as to attitude I should take regarding date for holding Economic Conference. It is my personal view and the same opinion is shared by our representatives on the Preparatory Commission, that Conference should not be held until next April or May, exact date to be fixed later. The preparatory work has barely begun and we all feel that the Conference should not meet until ground work has been so thoroughly prepared that some concrete results are assured. [Davis.]

WILSON

550.S1/343 : Telegram

The Secretary of State to the Consul at Geneva (Gilbert)

WASHINGTON, November 16, 1932—4 p.m.

33. For Davis. Your 40, November 15th 3 P. M. The President is to confer with Mr. Roosevelt within near future as to Economic Conference. Suggest, if possible, postponing decision as to time of Conference until that meeting.

²² Not printed.

While appreciating certain advantages of delaying until April or May do not wish to decide yet definitely against early meeting which might be of benefit to the world and which apparently is much favored by British. Will wire further as soon as possible.

STIMSON

550.S1/354 : Telegram

The Minister in Switzerland (Wilson) to the Secretary of State

GENEVA, November 22, 1932—6 p.m.
[Received November 22—5:43 p.m.]

46. From Davis. Organizing Committee for Monetary and Economic Conference met this morning and approved communication to the chairman of the Preparatory Commission of Experts stating that Organizing Committee was anxious that Conference should be convoked at a date as early as compatible with successful execution of task of Preparatory Commission and with the necessary interval to be allowed between despatch of the draft agenda to participating states and actual meeting of Conference; that Organizing Committee hoped Preparatory Commission could prepare annotated draft agenda in time to enable its transmission to interested governments at next meeting of Organizing Committee, probably to be held latter part of January, on the understanding that despatch of such agenda would not necessarily terminate work of Preparatory Commission if not then concluded as later additions to agenda could be made if results of experts subsequent work made this necessary.

Actual date for meeting of Preparatory Commission will be fixed by the president of that Commission and will presumably be some time prior to middle of January.

Organizing Committee, at my suggestion and without opposition, decided that as question of silver was among those to be considered by the Conference suggestion be made to Preparatory Commission that it add to its membership a representative of China, the largest silver using country.

Before their departure Day, Williams and Feis had emphasized to me that work of Preparatory Commission had been blocked at almost every turn by the fact that the Commission was composed largely of government functionaries who were hesitant to permit discussion of a wide range of economic policies adopted by their particular governments, such as quotas, exchange restrictions and the like, which were the basic obstacles to taking constructive steps to improve present economic conditions. I gathered that they felt that

unless this situation were changed next meeting of experts might be equally unproductive of results. In view of this situation and after consultation here I suggested that the minutes of meeting of Organizing Committee contain a statement along the lines quoted below and that this expression of views be brought to the attention of the Preparatory Commission.

"We desire in no way to encroach upon the province of the Preparatory Commission which has been allotted the task of drawing up the agenda for the Conference but we think it right to record our opinion that questions which are within the scope of the Conference should not be omitted from that agenda on the ground that they are likely to prove politically difficult of solution. The seriousness of the depression must be attributed in length to unsound economic theories and commercial policies in the past, and real alleviation can only be expected if bold measures are taken to modify or reverse such policies. It is for the statesmen at the Conference to take the necessary decisions."

Repeated to Berlin for Ambassador Sackett. [Davis.]

WILSON

550.S1/355 : Telegram

The Minister in Switzerland (Wilson) to the Secretary of State

GENEVA, November 22, 1932—8 p.m.

[Received 8:03 p.m.]

47. From Davis. Referring to my telegram No. 46, November 22, 6 p.m., it is proposed to call a meeting of the Preparatory Commission about January 5th. It occurs to us that this might be a few days early for American experts and we would appreciate your ascertaining and cabling us what date prior to January 15th would be satisfactory for experts meeting; also please confirm for communication to president of Preparatory Commission that American members of Preparatory Commission agree to inclusion of Chinese expert. [Davis.]

WILSON

550.S1/361 : Telegram

The Acting Secretary of State to the Ambassador in France (Edge)

WASHINGTON, November 26, 1932—2 p.m.

418. For Mr. Norman H. Davis. Your 46 and 47, November 22, have been discussed with Day and Feis.

(1) The American experts agree to the inclusion of a Chinese member upon the Preparatory Committee.

(2) The statement included in the minutes of the Organizing Committee at your suggestion should serve a most useful purpose.

(3) As for the next meeting of the Preparatory Committee in January, you are fully aware that before the Committee assembles again it is highly desirable that its members have clearer indications of the measures their governments will be prepared to undertake. The position of the American representatives at any January conference is, as you know, apt to be difficult because of the change of Administration. Day and Williams are coming to Washington on December 2 and the Department intends to suggest to the President that he authorize Day to present your letter to President-elect Roosevelt and to see what headway may be made in securing the definition of future policy.

On the assumption that the next meeting of the Preparatory Committee has been definitely set for January, it would be more convenient for the American members if the day were fixed later.

It is now apparent that the Conference itself cannot be held until after March 4th.

Please repeat to Sackett.

CASTLE

550.S1/3724

The American Representatives on the Preparatory Committee of Experts for the International Monetary and Economic Conference (Day and Williams) to the Secretary of State

[WASHINGTON?] December 1, 1932.

SIR: We have the honor to submit herewith our report²⁴ as American representatives on the Preparatory Committee of Experts for the World Monetary and Economic Conference.

As we present it to you, one thought is to the forefront of our minds as a result of the experiences and conclusions related in the report. That thought is that every power must be exerted to convince our people that their own vital welfare is at stake in the current world depression, and that recovery from that depression requires adjustments in the relations between this country and the rest of the world. It must be brought home to all sections of the United States that the movement of prices and income which govern prosperity or depression for them is connected with the world situation. Therefore they must be brought to understand that in that

²⁴ Not printed. For the report of the Chairman of the Preparatory Committee of Experts upon the work of the Committee, October 31–November 9, see League of Nations Document C.764.M.361.1932.II.

world situation the United States must play an open-minded and vigorous role, and that if it does not take the necessary actions promptly even worse conditions than those now existing are in prospect.

As indicated in our report, certain fairly definite conclusions can be stated. In the existing world situation there are three central features: (1) the instability of certain primary monetary systems; (2) the burden of public and private foreign indebtedness; (3) the strangulation of the international movement of goods. These three forms of obstruction are inextricably interwoven and constitute a vicious circle of infringements upon a normally constituted world order. The most promising means of breaking this circle, in the opinion of the experts, lies in a direct attack upon the problem of monetary instability. This means in particular the restoration of the gold standard in the key countries, England and Germany. The problem thus becomes initially one of determining the conditions under which this objective can be attained. In our report we deal with these conditions in considerable detail. In brief, they relate to: (1) the necessity of an early settlement of the war debt question; (2) a thorough exploration of the means of stabilizing and, if possible, raising world prices; and (3) the possibilities of improving trade relations. As stated in our report, our experiences at Geneva have led us to the conclusion that an Anglo-American understanding on these questions would be the most constructive next step toward assuring the success of the World Monetary and Economic Conference.

Depreciation of currencies depresses world prices which in turn steadily increases the burden of debts and leads to defensive measures which block the channels of trade. It seems clear that decisive cooperative action is necessary to break this cumulative deadlock and that the various governments must be prepared to take the strongest possible coordinated steps.

Very truly yours,

EDMOND E. DAY
JOHN H. WILLIAMS

550.S1/374: Telegram

The Minister in Switzerland (Wilson) to the Secretary of State

GENEVA, December 3, 1932—9 p.m.

[Received December 3—5:22 p.m.]

54. From Davis. Your 418 November 26, 2 p.m. to Paris. League Secretariat has been advised of views of American experts regarding inclusion China member on Preparatory Commission and regarding

their desire for some delay in fixing actual date in January for next meeting. In view of necessity of prompt notification of other members of Preparatory Commission would appreciate early cabled advice regarding date. [Davis.]

WILSON

550.S1/381 : Telegram

The Secretary of State to the American Representatives on the Organizing Committee for the International Monetary and Economic Conference (Davis and Sackett)

WASHINGTON, December 7, 1932—11 a.m.

46. For Davis. Your 54, December 3, 9 p.m. As regards next meeting Experts Committee, although we have held many interesting discussions on the report submitted and on the problems before the Experts Committee, no actual decisions regarding prospective American policy have been formulated. You appreciate the difficulty of doing this quickly, in view of the change of Administration. It is likely therefore that if the experts meet again in January the American representatives will not be in any better position to present official decisions than they were at the first meeting. The Department feels that other governments should understand this situation.

However, if the decision of the Organizing Committee for a January meeting be maintained it would be helpful to have the meeting as late in January as may be acceptable to the other members of the Preparatory Commission.

STIMSON

550.S1/386 : Telegram

The Minister in Switzerland (Wilson) to the Secretary of State

GENEVA, December 8, 1932—10 p.m.

[Received December 8—8:10 p.m.]

60. From Norman Davis. Referring to your 46, December 7, 11 a.m., I fully realize your difficulties regarding Preparatory Commission for Economic Conference. At the same time I feel it is important to avoid creating the impression among the other governments represented on the Commission and in the League circles that we are delaying the preparatory work for the Conference. On the basis of your 46, I stated that we would like to have the meeting as late in January as may be acceptable to the Preparatory Commission. League officials now tell me that after consultation with Trip they

are sending out notices calling the meeting for January 9th which is 4 days later than originally planned. They state that this is the latest date for meeting which would permit Experts Committee to carry out its mandate to prepare a tentative agenda for next meeting of the Organizing Committee. Latter meets at the same time as the meeting of the League Council in the third week January as personnel of Organizing Committee is the same as that of League Council with the exception of ourselves and one or two other members.

We could hardly get a change in the decision of the Organizing Committee (no meeting of that Committee prior to January is now scheduled) without assuming responsibility for delaying the Conference. This I feel should be avoided as some of the states are lukewarm about the Conference and might seize upon any suggestion of delay on our part.

It should be borne in mind that while certain of the experts are government representatives this task at the January conference is not formally to commit the various governments on questions of policy but rather to prepare an agenda. This should be possible without final commitment as to the position to be taken when the agenda comes before the Conference for consideration. I agree that it is desirable to provide either through expert committees or by conversations between governments that the answers to the agenda should be formulated as definitely as possible before the Conference finally meets but this can hardly be achieved to any great extent at the January experts meeting. [Davis.]

WILSON

550.S1/392 : Telegram

The Secretary of State to the American Representatives on the Organizing Committee for the International Monetary and Economic Conference (Davis and Sackett)

WASHINGTON, December 9, 1932—5 p.m.

47. For Davis. Your 60, December 8, 10 p.m. The American representatives will be present at the next meeting of the Preparatory Commission on January 9. The Department accepts your judgment that it would be unwise to try to postpone this date now. The experts will have to carry through as best they can, guarding at a later time against the convocation of the Conference itself until the chances of success are clear.

STIMSON

550.S1/441 : Telegram

The Acting Secretary of State to the Ambassador in France (Edge)

WASHINGTON, December 29, 1932—6 p.m.

456. Your 751, December 29,²⁵ Davis informs Department that he believes Fraser to be mistaken and that the Chinese expert was appointed in a full and regular capacity. He states that the first record of the meeting of the Organizing Committee was erroneous and that after a talk with Sir John Simon the matter was arranged as stated and the record corrected. Please have Cochran, if feasible, check this up with Fraser.

For your information only Davis and Sackett have been consulted regarding Indian representative. They will consent to addition provided Chinese member with regular powers has been added. We have instructed Consul at Geneva to so inform Avenol if after inquiry the addition of a Chinese member is confirmed. In the event that uncertainty as to the full participation of the Chinese expert still remains the Consul has been instructed to withhold consent to the appointment of the Indian representative.

CASTLE

550.S1/444 : Telegram

The Acting Secretary of State to the Consul at Geneva (Gilbert)

WASHINGTON, December 29, 1932—6 p.m.

190. In response to inquiry which Avenol forwarded to Norman Davis regarding addition of Indian representative to the Preparatory Committee, both Davis and Sackett are prepared to consent to the addition. But in cable just received from Cochran in Paris it would appear that Fraser still believes there is some uncertainty as to whether the Organizing Committee finally decided to add a Chinese representative to full membership on the Committee.

It has been Davis's understanding and ours that full agreement had been reached on this point. Davis states that the first record of the proceedings of the Organizing Committee was erroneous in that it stated that the Chinese expert was to attend only on the silver question but Davis talked with Sir John Simon and this was corrected.

Please see Avenol and ascertain whether the appointment of a Chinese expert in full capacity is settled as we understand. If so you may please inform him that the American representatives have no objection to the appointment of an Indian representative. If

²⁵ Not printed.

there is still any question regarding the appointment of the Chinese in full capacity withhold any statement as regards the Indian representative.

CASTLE

550.S1/445 : Telegram

The Consul at Geneva (Gilbert) to the Secretary of State

GENEVA, December 30, 1932—5 p.m.
[Received December 30—3:45 p.m.]

372. Department's 190, December 29, 6 p.m. Avenol informs me as follows: decisions of this character are customarily taken jointly in common agreement by the Organizing Committee and the Preparatory Committee. After the Organizing Committee had suggested that China be invited to participate in the Preparatory Committee the Secretariat consulted the members of the latter Committee by telegraph. All replied favorably and without reservations except the British and Japanese members who accepted with the reservation that the Chinese representative should take part only with respect to silver. As there were obvious objections to such a procedure, Simon and the Japanese delegate, after their conversations with Davis and after communicating by telephone with their respective experts on the Preparatory Committee, informed the Secretariat verbally that at their request the British and Japanese experts respectively had withdrawn their reservation. No written communication was received on this point but a notation to that effect was made in the Secretariat's dossier on the subject. With this understanding the Secretariat addressed an invitation to the Chinese Government under date of December 19. Although reference is made in the opening paragraph to the special interest of China in silver, the invitation places no limitation on the participation of the Chinese representative. Consequently it is the understanding of the Secretariat that the Chinese expert is entitled to full membership and the invitation was communicated by the Secretariat to the Chinese Government on that basis.

Nevertheless not knowing the basis of the Department's information from Paris I shall refrain from making any statement as regards the Indian representative until further instructed.

Communicated to Paris Embassy.

GILBERT

550.S1/451 : Telegram

The Secretary of State to the Consul at Geneva (Gilbert)

WASHINGTON, January 4, 1933—11 a.m.

2. Your 372, December 30, 5 p.m. You are authorized to inform Avenol that the Americans on the Organizing and Preparatory Committees are agreeable to invitation to representative of Indian Government on the same terms as that extended to Chinese representative.

You may also tell Avenol that Davis states that he was informed that written notice was being forwarded to the Secretariat of the change in the minutes confirming the fact that Chinese representative be invited to full membership.

Repeat to Paris.

STIMSON

PROPOSAL FOR AN ECONOMIC CONFEDERATION OF
DANUBIAN STATES

660F.6331/53

The Minister in Austria (Stockton) to the Secretary of State

No. 397

VIENNA, October 21, 1931.

[Received November 11.]

SIR: With reference to the prevailing rumors concerning a possible customs union of Austria, Hungary, and Czechoslovakia, I have the honor to inform the Department that yesterday I discussed this probability with Mr. Vavrecka, the Czechoslovak Minister to Austria, Dr. Schober, and Dr. Schüller, Chief of the Economic Division of the Foreign Office.

Mr. Vavrecka expressed the opinion that it would be difficult to find a satisfactory basis upon which Czechoslovakia and Hungary might develop a closer economic relationship because of the great political animosities between them. When I suggested the advantages which might accrue to Czechoslovakia through the opening up of the Hungarian market on advantageous terms to manufactured products from Czechoslovakia, he shook his head and said there were still more important things in the world than commerce. He added that the nations of Central Europe would have to go through much more purgatory before they would be willing to drop their political differences and concentrate their attention on economic objectives. He went on to say that Czechoslovakia was in fair shape economically, and that a nation which entered into a partnership with two other nations on the verge of bankruptcy might soon be bankrupt itself.

When I questioned Dr. Schüller about these rumors of a customs union he told me that there had been no practical progress made. He went on to say that when he was in Geneva for the meeting of the League of Nations Assembly, the representatives of both Czechoslovakia and Hungary had expressed the pious hope that an economic *rapprochement* might be brought about between the three nations. Dr. Schüller added, however, that he did not think the Hungarian representatives really desired the inclusion of Czechoslovakia in any kind of a customs union to which Hungary might become a party. He continued that he had regarded the expressions made at Geneva in this connection as so much verbiage, and that

where were so many practical problems requiring his attention he did not intend to give the matter any consideration until he was presented with a concrete proposal.

Dr. Schober informed me that Beneš, the Czechoslovak Minister for Foreign Affairs, had recently approached Dr. Marek, the Austrian Minister at Prague, with regard to the possibility of establishing some kind of a customs union, and that the latter had come to Vienna to discuss the matter. Dr. Marek stated Beneš had suggested that Schober take the initiative in the matter. Dr. Schober instructed Dr. Marek to reply that in its proposal for a customs union with Germany,¹ Austria had expressed its readiness to enter into such a relationship with any other nation. He had also reiterated Austria's position in the speech at Geneva in which he had renounced for Austria the proposed Austro-German customs union. Dr. Schober added, whimsically, he had also instructed Dr. Marek to say to Beneš that the Austrian Minister for Foreign Affairs had been sufficiently punished for one year for exercising his initiative in such matters and that similar proposals should in the future come from other quarters.

I had discussed this possibility some time ago with Count Ambrozy, the Hungarian Minister in Vienna, who told me that Hungary was open-minded towards all schemes for the alleviation of the desperate economic situation of Central Europe, but that the antagonistic feeling between Czechoslovakia and Hungary would make it difficult for them to arrive at any satisfactory conclusion. Hungary, he added, also felt Austria would be a weak partner in any combination confined to the two countries.

These somewhat conflicting statements are difficult to reconcile. However, I feel that they may be of interest to the Department in connection with Beneš' speech yesterday before the Foreign Affairs Committee of the Czechoslovak Parliament, in which he referred cordially to the possibility of economic cooperation between Austria, Hungary, and Czechoslovakia, provided a thorough understanding could be reached by France, Germany, and Italy. He also explained that Czechoslovakia was sympathetically interested in the welfare of Austria and Hungary and that his country would be seriously affected if disaster should befall her neighbors to the south.

Respectfully yours,

G. B. STOCKTON

¹ See *Foreign Relations*, 1931, vol. I, pp. 565 ff.

640.0031 Danube/2: Telegram

*The Minister in Austria (Stockton) to the Secretary of State*²

VIENNA, January 27, 1932—3 p.m.

[Received January 27—11:35 a.m.]

10. Schober informed me yesterday German Government had advised him that British Ambassador at Berlin had asked German Minister for Foreign Affairs what Germany's attitude would be toward an economic federation of six Danube states not named but presumably Czechoslovakia, Austria, Hungary, Yugoslavia, Rumania and Bulgaria. Bruening replied that he would consider the matter and immediately asked Schober for his opinion. Schober said he had not yet replied and was non-committal to me as to relations. See my despatch No. 397, October 21, 1931. However, he has told me frequently he regarded the inhabitants of Austria and Germany as one people, although two nations, and that Austria could not enter into any combination of states from which Germany was excluded. He also advised me that the Italian Minister to Hungary who had called with the Italian Minister here to present Mussolini's compliments, had informed him that the British Ambassador at Rome had asked the same question of the Italian Minister of Foreign Affairs but that the Italian Minister to Hungary had not stated how the Italian Foreign Office had replied. Schober feels that Great Britain is acting in this matter as a stalking horse for France.

STOCKTON

640.0031 Danube/28

The Minister in Yugoslavia (Prince) to the Secretary of State

No. 1264

BELGRADE, February 11, 1932.

[Received March 16.]

SIR: Referring to telegram No. 10, of January 27, 1932, from Vienna, stating that the British Ambassador to Germany had suggested the feasibility of some sort of Danubian Federation between Austria, Hungary, Czechoslovakia, Yugoslavia and Bulgaria, I have the honor to report as follows:

When I questioned Mr. Kramer, the Acting Foreign Minister here, as to the possibility of such an agreement, he said seriously, that his Government hopes "some time in the future" to effect an "economic agreement" between the countries mentioned, which, however, should not be in any way connected with politics.

²The Minister in Austria was instructed by Department's telegram No. 2, January 28, to send a paraphrase of this telegram to the European Information Center for distribution to the interested missions (640.0031 Danube/9).

He added that the object of the recent visits here of two Hungarian statesmen, Messrs. Gratz and Friedrich, had been to try to pave the way for a closer entente with Hungary, but that the Hungarians had sought to infuse a political tone into the matter, especially referring to the frontier question which Yugoslavia must regard as settled for all time.

Mr. Kramer concluded by saying, that an economic arrangement, especially bearing upon crops, between the six nations alluded to would be probably highly desirable, provided political entanglements could be avoided, which he seemed at present to doubt.

I did not mention to the Minister the source of my information on this subject.

Respectfully yours,

JOHN DYNELEY PRINCE

640.0031 Danube/8

*Memorandum by the Assistant Secretary of State (Rogers) of a
Conversation With the Italian Ambassador (De Martino)*

[WASHINGTON,] March 9, 1932.

The Italian Ambassador, after talking about Sino-Japanese events, asked whether we would take any part in connection with the plan for a confederation of the five Danube states and read me a statement issued by Grandi as to the Italian attitude. The statement, part of which was published this morning in the papers, said the Italians reserved judgment and had doubts particularly as respects whether or not a customs union of the Danube states would not affect commercial relations with other states. The Ambassador said that this was an obvious warning that Italy was on her guard, but the real preoccupation was a political one. The move was an effort of France to strengthen the Little Entente by adding the other three states to the Czechoslovakian and Rumanian combination. England had joined with France from economic and financial motives. Germany was not a party to the plan, but would be expected to resist the drawing away of Austria from her. Hungary and Czechoslovakia were too bitter enemies to successfully combine. I gathered that Italy was keenly concerned by the prospect of a political union under French auspices and would resist.

The Ambassador asked whether we would take any active steps to preserve our commercial and trade rights. I said we would watch them carefully, but we would not take any part in any European political problem. He said that he felt we had some sympathy with the necessity of breaking down the trade barriers in eastern Europe.

I said we had, but it would not develop into any policy which would affect the situation.

He said Italy also had sympathy with the economic difficulties of the new small countries and was willing to make concessions in that direction.

I gathered that Italy was alarmed at the growth of the project, expected to fight it, and was wondering whether we would take any part. Indeed, the Ambassador suggested that our substantial interests would be affected.

J. G. R[OGERS]

640.0031 Danube/7: Telegram

The Ambassador in France (Edge) to the Secretary of State

PARIS, March 14, 1932—6 p.m.
[Received March 14—3:15 p. m.]

168. After a conference in Paris on Saturday between Monsieur Tardieu and Sir John Simon a communiqué was issued, the relevant portion of which reads as follows:

“They examined in particular the question of the economic position of Central Europe and the Danube region. They agreed that in this matter as in all others the cooperation between France and Great Britain should cover a wide field with a double object of calming political rivalries in Europe and hastening economic reconstruction.”

I learn from the British Embassy that the two Ministers decided that it was advisable for the four most important European countries, Great Britain, France, Italy, Germany, to invite the five principal Danubian countries to participate in a conference in the near future for the purpose of considering what measures could be taken to improve the general economic and financial situation of the Danubian states. In this connection it is understood that the action of the great powers will be confined to offering such assistance and advice as they can consistently furnish.

It appears that several conversations on this same subject have taken place in Geneva between representatives of the French and British Governments.

EDGE

640.0031 Danube/30

Memorandum by the Under Secretary of State (Castle) of a Conversation With the Czechoslovak Minister (Veverka)

[WASHINGTON,] March 24, 1932.

Mr. Veverka came in to talk about the proposed Danubian Confederation. He said that he could not believe that this country would oppose some such confederation if it were brought about in a way that would obviously increase the prosperity and stability of that part of Europe.

I told him that I could only repeat what I had always said, that the greater the prosperity of Europe, the better off we should be. I also told him that I thought our attitude toward a customs agreement between two comparatively small countries would strike us as a very different matter from a similar agreement between one of the great countries and a smaller country, which might as a result merely become a "hanger on" of the big country. I told him that ten or twelve years ago when Mr. Beneš in Prague had told me about the Little Entente, I immediately answered that it was only a step toward an eventual Danubian Confederation and that it could never do much good until Hungary and Austria were included. I said that Mr. Beneš at the time answered that I must not say such things aloud, because anything that looked to the reconstitution of the Austro-Hungarian Empire was treason in Czechoslovakia, but that he himself felt that some final arrangement under a very different name was inevitable for the prosperity of Central Europe. Mr. Veverka said that Beneš had said much the same sort of thing to him. He said that the only thing that troubled him about the present plan was that it was constituted under the aegis of France; that it would be better for all if it had been a voluntary coming together of the States concerned. He admitted, however, that perhaps some compulsion was necessary at the beginning and said that although he was not very optimistic of an immediate successful conclusion of the negotiations, he felt it very important that the matter was being seriously considered and in a friendly way by the governments of the different States.

640.0031 Danube/132

The Minister in Rumania (Wilson) to the Secretary of State

No. 864

BUCHAREST, April 4, 1932.

[Received April 25.]

SIR: As reported in the Legation's despatch No. 858, of March 27, 1932,³ the Government has been attacked both in Parliament and

³ Not printed.

by the press for its silence concerning the Tardieu Plan for a Danubian Union and the silence on the part of Prince Ghika has been unfavorably compared with the statements made on this subject by the Ministers for Foreign Affairs of Yugoslavia and Czechoslovakia. A few days ago, Mr. Mihalache, the leader of the Peasant Party in Parliament, called upon the Government to make its attitude clear. The reply to Mr. Mihalache was made, not by the Minister for Foreign Affairs, but by Mr. Argetoianu, Minister of Finance, and a translation thereof is enclosed.⁴ It cannot be said that Mr. Argetoianu's remarks cast much light on Rumania's attitude beyond indicating in general terms that she views the Tardieu Plan with favor but is doubtful as to what degree it can be carried out.

In conversation with me a few evenings ago, Mr. Argetoianu practically repeated his remarks in Parliament. He said that a union of the grain-producing countries (Rumania, Hungary and Yugoslavia) could not increase the grain-consuming powers of the two remaining industrial countries (Austria and Czechoslovakia) of the proposed union, or provide a greater market for grain than exists at present. What Rumania and the other agricultural countries need are not restricted markets but broader ones and he referred especially to Germany, which is capable of consuming a great part of the surplus grain of Eastern Europe. He was, therefore, strongly of the opinion that before negotiations can usefully begin between the countries of the proposed Danubian Union, an agreement must first be reached by the four Great Western Powers, which are grain-importing and grain-consuming countries.

Respectfully yours,

CHARLES S. WILSON

640.0031 Danube/67

*Memorandum by the Under Secretary of State (Castle) of a
Conversation With the Italian Ambassador (De Martino)*

[WASHINGTON,] April 5, 1932.

The Italian Ambassador said that one of the matters which the Secretary would probably discuss in Europe was the Danubian Confederation. I said this was not a matter in which this Government could take any strong stand, that we looked, of course, very benevolently on the plan because an attempt by five small nations to improve their own condition, when it did not mean special concessions to any one powerful nation, would be to the advantage of that part of Europe and, therefore, through increased prosperity, to the rest of the world. The Ambassador said that Italy had certain fears in

⁴ Not printed.

connection with such a confederation, but that it was open to talk on the subject, that what Italy was really afraid of was that it would mean a French financial domination of the entire region, a financial domination which would inevitably lead to economic concessions to the disadvantage of all the rest. I told him that, so far as we knew, there was no danger of anything of this sort and that I felt it would be very unfortunate if Italy refrained from taking a helpful part as a result of such a rumor.

W. R. CASTLE, JR.

640.0031 Danube/78

*Memorandum by the Under Secretary of State (Castle) of a
Conversation With the Polish Ambassador (Filipowicz)*

[WASHINGTON,] April 5, 1932.

The Polish Ambassador asked what we thought of the scheme for a Danubian Confederation and I told him that we were very sympathetic in that we felt agreements and understandings between these five countries might well lead toward the improvement of economic conditions in that part of the world, that we should be entirely sympathetic unless special concessions were given to specific larger countries. The Ambassador said that his country was in a rather difficult position, that before the War Polish trade had been east and west, that now there were barriers against trade with Russia and against trade with Germany, that Polish trade now tended to go north toward Finland and the Scandinavian countries and south to the Danubian countries, that it would be most unfortunate for Poland if the southern exits were closed. I told him that I saw no reason why this should happen and that it was obvious that increased prosperity in the Danubian countries would result in stimulating trade with all outside nations, Poland included.

W. R. CASTLE, JR.

640.0031 Danube/97

*Memorandum by the Under Secretary of State (Castle) of a
Conversation With the Rumanian Minister (Davila)*

[WASHINGTON,] April 5, 1932.

The Rumanian Minister asked me what the Department thought of the proposed Danubian Confederation. I told him that we felt a good understanding economically between these five smaller nations would lead to a revival of prosperity in that part of Europe and that the economic understanding would lead to better political

understanding. He asked me whether, if these nations had special agreements with each other as to tariff matters, we would refuse to accept the agreement. I said that I could not, of course, answer such a question directly since I did not know upon what bases the arrangements would be made, but that I believed it would be the wish of this Government to help on such an agreement in every way possible, on condition, of course, that treatment by the Confederation of all the great powers should be the same. The Minister asked me whether the American Government would join in the program of financial relief. I told him that, as he must know already, the American Government did not advance money itself, but that if the scheme proceeded in the way we hoped it would, the American Government would not oppose the participation in this program of American banking houses.

W. R. CASTLE, JR.

701.60F11/193

Memorandum by the Chief of the Division of Western European Affairs (Boal) of a Conversation With the Czechoslovak Minister (Veverka)

[WASHINGTON,] April 5, 1932.

The Czechslovak Minister called this morning to present the new Secretary of Legation, Mr. Otakar Kabelac. In the course of the conversation he mentioned the Danubian Federation idea. I asked him what he understood the plan to be and he said that he thought it would consist of a series of preferential rates between the different countries. I asked him whether he thought this would lead to an eventual disappearance of the general run of customs barriers between the countries and he said that he thought it might but that in his country the agrarian interests which dominated the Parliament would be very much opposed to the abolition of protective rates on cereals since other countries produced cereals and other agricultural products at lower costs and the net result of such a lowering of tariffs would be to lower the Czech farmers' standard of living.

He asked whether this Government would be disposed to give up unconditional most-favored-nation treatment with states taking part in such a confederation. I told him that we really could not say in advance. That, of course, we realize that a group of nations joining together into something resembling a customs union might present a different problem when it came to preferences between them, from that of a country which alone extended special preferences on certain commodities; that of course a good deal might depend on whether

all nations were treated equally and on the same basis, by nations forming such a federation. That all of this for the moment, however, seemed to be in the future and I could not say what the attitude of this Government on the matter might be.

The Czechoslovak Minister seemed to be very favorable to the idea of a Federation and expressed the sincere hope that it would succeed and the belief that it was practicable.

PIERRE DE L. BOAL

640.0031 Danube/109

The Chargé in Poland (Flack) to the Secretary of State

No. 1433

WARSAW, April 6, 1932.

[Received April 19.]

SIR: With reference to despatch No. 1367 of March 9, 1932⁵ reporting Poland's early attitude toward the French proposal of a Danube Federation, I have the honor to add that the Polish press and the Polish official world have as yet scarcely recovered from the shock to Poland's prestige at not having been summoned to consult with the Great Powers of Europe concerning the evolution of this idea.

It was announced in the press this week that following the forthcoming Four Power Conference in London, Poland and other countries which might be interested would be called to a wider conference. In this connection I called on M. Roman, Economic Adviser of the Foreign Office and asked if this announcement was correct. In reply he informed me of Poland's general position as follows:

"Poland approves of and would assist an arrangement which would increase the purchasing power of the Central European States. It could not approve of the formation of a self-sufficient group. Poland sends 25% of its exports to the Danubian Group mentioned and imports therefrom 15% of its incoming goods. Poland has a favorable trade balance with this group which it would have the greatest difficulty in replacing in the event of the constitution of an economically self-sufficient Federation. Poland's action will depend on the outcome of the Four Power Conference at London and the examination of the financial affairs of the Danube States by the League of Nations on April 12. It is felt that Poland must protect its economic interests in Central Europe."

It is evident that should the Tardieu plan evolve in such a way as to ignore Poland's economic interests, that Poland would endeavor to secure some compensation for a loss in trade with the Danubian

⁵ Not printed.

countries, and should such compensation be guaranteed would be more heartily in favor of the plan than at present seems to be the case.

There is enclosed a copy of a translation of an interview granted by Dr. Roman to the official P.A.T. Agency⁶ indicating the reserve with which Poland views the Tardieu plan.

Respectfully yours,

JOSEPH FLACK

640.0031 Danube/72

Memorandum by the Secretary of State of a Conversation With the Austrian Minister (Prochnik)

[WASHINGTON,] April 7, 1932.

The Austrian Minister came to ask about our attitude regarding the Danubian Union. He asked me pointedly whether we would raise our most-favored-nation treaties. I told the Minister no, provided that the five Danubian countries treated all outside countries alike. He asked me whether our Government took more than a platonic interest in it and I said that, if that meant we would assist them financially, I was afraid we would not as it was contrary to our policy. As to our bankers' position, I could not say except that it was very hard to make a loan anywhere now. In reply to the Minister's inquiries, I told him, in general, that we regarded the move sympathetically as one which was sound, economical and designed to help out those countries. The Minister told me that their proposal for a reciprocal concession of only ten per cent was probably not large enough to offset the competition of the powerful industries in the larger nations outside, and I told him I thought that was true; that they would have to make larger concessions than that in order to be of real value it seemed to me.

H[ENRY] L. S[TIMSON]

640.0031 Danube/71

Memorandum by the Secretary of State of a Conversation With the Italian Ambassador (De Martino)

[WASHINGTON,] April 7, 1932.

The Italian Ambassador came in to say good-bye and to ask about my journey. I told him I would reach Geneva April fifteenth, going straight through, and that I hoped Signor Grandi would be there then or soon after as I was only going to be there a short time.

⁶Not printed.

The Italian Ambassador brought up the question of the Danubian Union and said that if there were no political engagements in it, but it was purely economical, Italy would be inclined to look on it favorably, but if it was to be a mere strengthening of the Little Entente, no. I told the Ambassador our position, namely, that if it was an arrangement between the five small powers, without any preferences to any of the large powers outside as against one another, I thought it would be a very useful thing for the recovery of Europe, but that if there were preferences we would stand on our most-favored-nation treaties. The Ambassador said that he himself was inclined to be guided by the attitude of Great Britain. Of course, Great Britain did not like to see a single large power built up on the Continent, but rather a balance of powers.

H[ENRY] L. S[TIMSON]

640.0031 Danube/98

The Chief of the Division of Near Eastern Affairs (Murray) to the Under Secretary of State (Castle)

[WASHINGTON,] April 8, 1932.

MR. CASTLE: During the course of a call which the Bulgarian Minister made on me this morning he remarked that his Government had been much disappointed at the apparent determination of M. Tardieu to exclude Bulgaria from participation in the proposed Danubian Union and that the Bulgarian Minister in Paris had been instructed to communicate formally to the French Government the hopes of the Bulgarian Government that favorable action would even yet be taken with regard to Bulgaria's desire to participate.

Mr. Radeff went on to say that the present situation of Bulgaria is very unenviable since she is apparently being forced into a position of opposition to the British and French governments and of being sponsored by the Germans and the Italians. He said the Bulgarian Government desired, above all, to keep out of disputes of this kind and to avoid being tied up too closely with any rival European group of powers.

When I remarked on the press reports that consideration might be given to a customs union between Bulgaria, Greece and Turkey, he said that such a combination would be useless since the three countries do not complement each other sufficiently to warrant such a plan. While it was true, he said, that Bulgaria could supply Greece with cereals, it was to be remembered that all three countries produce tobacco and have to seek foreign markets for that commodity.

WALLACE MURRAY

640.0031 Danube/68 : Telegram

The Ambassador in Great Britain (Mellon) to the Secretary of State

LONDON, April 8, 1932—11 p.m.

[Received April 8—8:20 p.m.]

137. The Danube Conference ended this afternoon. Sir John Simon informed me that he felt the free exchange of views of the four powers around the conference table had been useful although no agreement had been reached. Bülow strongly emphasized the German viewpoint that if Czechoslovakia was included in a Danube Customs Union or preferential tariff agreement it would mean the exclusion of Germany from a market to which now she exported about one tenth of her manufactured products. Italy agreed on much the same lines pointing out the loss of her market in Yugoslavia for the probable benefit of Austria.

In conclusion each country agreed to address to the other three as soon as possible a considered statement of their views on the points reserved and mode of further advance. Sir John felt that these three official statements would each demonstrate a need for urgent action and further discussion between the four powers would result. Simon said the English might have put forward similar selfish views to those expected by Italy and Germany but instead was willing to accept any feasible solution for the benefit of the Danube countries and increased stabilization in Central Europe. His remarks appeared to further confirm British policy as reported in Embassy's 119 March 24, 1 p. m.⁷

Sir John stated the date for the Lausanne Conference⁸ has been fixed for June 16th owing to French insistence that they could not accept an earlier date.

It is reported here Paris considers failure of conference as a rebuff, however, not unexpected due to London's convening the meeting just before German elections.

MELLON

640.0031 Danube/120

Memorandum by the Under Secretary of State (Castle) of a Conversation With the Swedish Minister (Boström)

[WASHINGTON,] April 13, 1932.

The Swedish Minister brought up the question of the proposed Danubian Confederation. He said that he could not see how this

⁷ Not printed.⁸ For correspondence pertaining to the Lausanne Conference, see pp. 636 ff.

could be brought about unless in some way Germany could be included as it would be disastrous for Germany. I told him that I did not agree with this because anything that would increase the prosperity of Europe would, in the end, be useful to Germany. He asked whether we would approve some kind of arrangement between these Danubian states. I said we would, on condition that the great powers did not receive special consideration, that the question of a Customs Union between Germany and Austria was different, since that would mean the practical absorption of Austria into Germany, but an agreement between the smaller powers would obviously be for the purpose of developing the economic resources of all of them. The Minister seemed to understand this and said that, in other words, I agreed with the old saying that the Austro-Hungarian Empire, if it did not exist, would have to be constituted. I said that I most emphatically did agree, not politically, of course, but that all the region was an economic entity which could not, for the good of the world, be broken up.

W. R. CASTLE, JR.

640.0031 Danube/131

The Minister in Czechoslovakia (Ratshesky) to the Secretary of State

No. 721

PRAGUE, April 13, 1932.

[Received April 25.]

SIR: I have the honor to report that the collapse of the Four Power Conference called in London to discuss the proposed Danubian Federation has caused no surprise in Prague. While willing to cooperate in any feasible plan Czechoslovakia has regarded as improbable the successful presentation of any new scheme at present. All parties seem united in the theory that Czechoslovakia must not depend on outside help and that up to the present she can stand alone. It is felt, however, that some such economic federation is inevitable sooner or later and that Czechoslovakia, while she can afford to wait, would much prefer to see some action taken before the bankruptcy of Austria or Hungary which would cause an unfortunate repercussion here. Later conferences on this subject will be regarded with calm scepticism until there appears to be some change in the German attitude which Czechoslovakia accepts at present without rancor.

Respectfully yours,

A. C. RATSHESKY

640.0031 Danube/153

Memorandum by the Secretary of State of a Conversation With the Rumanian Minister (Davila)

[WASHINGTON,] May 19, 1932.

During the call of the Rumanian Minister today he asked me about the Danubian matter. I told him I had talked it over with Tardieu and Beneš and several others. The Minister said he thought it was important to get Germany in; that Germany needed the help of the rest and they needed Germany; that originally it had been proposed as a Danubian affair, but he had begun to think that the interest of Germany would be important.

H[ENRY] L. S[TIMSON]

640.0031 Danube/175

Memorandum by the Assistant Secretary of State (Rogers) of a Conversation With the Bulgarian Minister (Radeff)

[WASHINGTON,] August 29, 1932.

In a conversation with the Bulgarian Minister in connection with the Economic Conference,⁹ he said he hoped the Conference would work out a solution of the Danubian situation; that things were progressively bad in Bulgaria and the other Danubian states; that if no solution of the economic problems was reached the Danubian states would be driven to turn to Germany for an economic arrangement and he thought this unfortunate. It would make the great weight of Germany felt not merely in economic but in political phases in Eastern Europe, build up her strength, lead to her domination, and increase the instability of the political balance in Europe. The turn to Germany for relief was natural because Great Britain was preoccupied at home and endeavoring more and more to keep out of European entanglements, and France was in such economic distress that she was forced to cease support of Rumania and her other Eastern European associates. He felt the United States was not disposed to waive her treaty provisions to strengthen the economic position of Germany, but she could and should waive them for a readjustment of Eastern Europe if detached from any large power.

J. G. R[OGERS]

⁹ For correspondence relative to the preliminary negotiations for the Economic and Monetary Conference, see pp. 808 ff.

TENSION ARISING FROM GERMAN-POLISH RELATIONS
WITH RESPECT TO THE POLISH CORRIDOR AND
DANZIG ¹

860K.00S/3

*Memorandum by the Secretary of State of a Conversation With the
Polish Ambassador (Filipowicz)*

[WASHINGTON,] May 26, 1932.

During the call of the Polish Ambassador today he told me about the situation at Danzig. He assured me that Poland had the matter in control with a strong hand but that there were great elements of tension and excitement; that for example, at the time of the disbandment of the Hitler troops, the German Minister of War, Groener, had felt obliged to read publicly an order which had been issued by the Hitler party to its troops in reference to Danzig; that this was read by Gen. Groener as a justification of the disbandment of those troops, but it nevertheless created excitement in Poland, particularly as the portion of the Hitler troops in Danzig were not disbanded and are still there making trouble. I urged upon the Ambassador the very great importance of keeping cool this summer when there is so much tension, and he assured me that the Polish authorities had the matter in hand.

H[ENRY] L. S[TIMSON]

760C.60K/191

*Memorandum by the Secretary of State of a Conversation With the
Polish Ambassador (Filipowicz)*

[WASHINGTON,] June 9, 1932.

The Polish Ambassador told me that the agitation in Germany of propaganda accusing Poland of having aggressive intentions against Danzig had continued to such an extent that his Government had felt compelled to send a message to several countries on the subject, in order to caution them with respect to these biased rumors against Poland and that, consequently, they were sending these *aide-mémoires* to London, Paris, Rome, Washington, and possibly some others, though I don't remember the names, and he handed me the

¹ Continued from *Foreign Relations*, 1931, vol. 1, pp. 595-604.

aide-mémoire which is annexed to this paper.² I told the Ambassador that I was glad to say that, so far as our American press was concerned, I had seen none of these rumors for the past two or three weeks and that the matter seems to have subsided, but that I would read this *aide-mémoire* with care. The Ambassador said that Mr. Breuning had agreed that steps should be taken to check this propaganda in Germany but that since his going out of office, this assurance had failed; that otherwise affairs in Poland were going on as well as could be expected, and that the deposits in some seven banks in Warsaw, I think he said, have actually increased.

H[ENRY] L. S[TIMSON]

The Polish Ambassador (Filipowicz) to the Secretary of State

AIDE-MÉMOIRE

For several months the public opinion of Germany and especially that of its eastern provinces has been continuously agitated by rumors of alleged aggressive intentions on the part of Poland. These rumors have found their expression in news items launched in the German press, in sensational publications as well as in speeches of public men. The campaign has been considerably intensified during the last elections to the Presidency and to the Prussian Diet, since certain political parties have played up the menace of an alleged external danger as an argument in favor of their program.

This has manifested itself particularly among the nationalist groups.

At the same time, it became evident that moderate German elements, fearful of being outdistanced in their electoral campaign by such demagogical arguments, have become involved in their turn in such propaganda. This resulted only in increasing among the masses the atmosphere of unrest and hostility. Since these activities, in spite of the corrections made from Polish sources, have not ceased to grow in proportions, and became reflected even in parliamentary debates and in pronouncements of leading German statesmen, the Polish Government found itself obliged to draw the attention of the government of the Reich to the detrimental consequences to mutual relations between the two countries which might result. A statement to that effect was delivered in Berlin on March 30, last.

During his conversation with Mr. Bruening which took place in Geneva on April 26, Mr. Zaleski, having again mentioned the subject,

² *Infra.*

was able to note the Chancellor's disapproval of such methods. Nevertheless, it should be stated that in spite of these efforts the campaign imputing to Poland aggressive tendencies has not yet ceased to make itself felt in Germany and this [has?] resulted even in misleading the opinion of certain circles abroad.

Under such circumstances the Polish Ambassador believes it his duty to draw the attention of the Government of the United States to the above in order to caution it against biased rumors which are or may be launched in regard to Poland.

A résumé of facts in support of the above statement is attached.³

JUNE 7, 1932.

760C.62/181

*Memorandum by the Under Secretary of State (Castle) of a
Conversation With the Polish Ambassador (Filipowicz)*

[WASHINGTON,] June 23, 1932.

In the course of his conversation the Polish Ambassador said to me that he was becoming more and more worried over the situation vis-à-vis Germany; he said that several years ago the German fleet made a visit to Danzig, that this was done with the usual notification to the Polish Government and that the visit of the fleet was a great success; this time no notification whatever has been made to the Polish Government, but the fleet is proceeding to Danzig unannounced; he said this was just one more of the many irritating instances; he said just a day or two ago some Polish Marines, proceeding from Danzig to Warsaw, were attacked by men wearing the Hitler insignia, that when the men started to go out a great many shots were fired, many of them penetrating the compartment where the Marines were sitting; he said his Government was keeping calm and trying to prevent any excitement in Poland, but there was no doubt that the Hitlerites were becoming more and more provocative. I told the Ambassador that I hoped the Polish Government would continue to keep calm because there would be no advantage to anybody if they got into a row with the Germans.

W. R. CASTLE, JR.

³ Not printed.

760C.60K/228

*Memorandum by the Secretary of State of a Conversation With the
Polish Chargé (Sokolowski)*

[WASHINGTON,] September 22, 1932.

The Polish Chargé said he was glad to report that the situation of Danzig, where they had anticipated disturbances was better, and the agreements between the Free City of Danzig and Poland in regard to their commercial matters and the visits of their warships had been signed without any disturbances.

The Chargé spoke also of the statement of General von Schleicher expressing the fear that Poland would attack East Prussia, and said that while it had subsided apprehension in Poland had not passed.

H[ENRY] L. S[TIMSON]

PARTICIPATION OF THE UNITED STATES IN THE
INTERNATIONAL RADIOTELEGRAPH CONFERENCE,
MADRID, SEPTEMBER 3-DECEMBER 9, 1932¹

574.G1/795

*The Secretary of State to the Chairman of the American Delegation
(Sykes)*

WASHINGTON, August 13, 1932.

SIR: Your credentials as Chairman of the American delegation² to the International Radio Conference and as Chairman of the American representatives to participate in the International Telegraph Conference, both of which conferences are to convene at Madrid, Spain, on September 3, 1932, have already been delivered to you.

In all matters not covered specifically by these instructions, the delegation should be guided by the proposals submitted by the Government of the United States for consideration by the conference.³

One of the major problems which will confront the two conferences is that of a possible amalgamation of the radio and telegraph conventions. The International Telegraph Conference at Paris in 1925 adopted a resolution looking towards such an amalgamation.⁴ The

¹ The Conference at Madrid was the fourth of the International Radiotelegraph Conferences. The first met at Berlin in 1906; see *Foreign Relations*, 1912, pp. 444 ff. and *Documents de la Conférence Radiotélégraphique Internationale de Berlin, 1906* (Berlin, Publiés par le Département des Postes de l'Empire d'Allemagne, 1906). The second met at London in 1912; see *Foreign Relations*, 1913, pp. 1375 ff. and *Documents de la Conférence Radiotélégraphique Internationale de Londres* (Berne, Bureau International de l'Union Télégraphique, 1913). The third met at Washington in 1927; see *Foreign Relations*, 1925, vol. 1, pp. 297 ff.; *ibid.*, 1927, vol. 1, pp. 288 ff., and Senate Executive Document B, 70th Cong., 1st sess. For the annexes and proceedings of the Madrid Conference, see Department of State Treaty Series No. 867 and *Documents de la Conférence Radiotélégraphique Internationale de Madrid* (1932), Tome II, (Berne, Bureau International de l'Union Télégraphique, 1933). For Report of the American Delegation, see Department of State Conference Series No. 15, *International Radiotelegraph Conference, Madrid, 1932: Report to the Secretary of State by the Chairman of the American Delegation, With Appended Documents* (Washington, Government Printing Office, 1934).

² The members of the American delegation were: Eugene O. Sykes, Chairman, Acting Chairman of the Federal Radio Commission; Charles B. Joliffe, Chief Engineer of the Federal Radio Commission; Walter Lichtenstein, Executive Secretary of the First National Bank of Chicago; Irvin Stewart of the Department of State.

³ See *Propositions pour la Conférence Télégraphique Internationale de Madrid, 1932* (Berne, Bureau International de l'Union Télégraphique, 1931), pp. 19-20.

⁴ See "Summary of Various Resolutions Passed by the Paris Conference, 1925" in *International Telegraph Convention of Saint-Petersburg* (London, His Majesty's Stationery Office, 1926), p. 136.

International Radio Conference at Washington in 1927 adopted a somewhat similar resolution which envisaged a possible eventual amalgamation of the two conventions.⁵ The position of the United States with respect to the proposed amalgamation is somewhat peculiar in that this Government is a party to the International Radio Convention but is not a party to the International Telegraph Convention.

An unofficial draft of a text of a proposed combined convention was published in the *Journal Télégraphique* for June, 1930.⁶ That draft was made the basis for the submission of proposals on the subject of a combined convention for the Madrid Conference. The committees appointed by the Department of State to do the preliminary work in preparation for the Conference studied whether this Government could sign or adhere to a combined communication convention, and if so, upon what conditions. As a result of the deliberations of those committees, the United States submitted proposals for such a convention accompanied by a general statement setting forth clearly the conditions upon which American participation in it would be possible.

The general statement referred to was based upon experience at other radio conferences. At the International Radio Conference of Washington there developed a distinct divergence of views as to the proper scope of the convention and regulations as between Governments owning and operating communication facilities on the one hand and Governments within whose territories such facilities were privately owned and operated on the other. Acceptance of the convention by both groups of Governments was made possible through the device of setting up a Convention stating only matters of general principle, General Regulations containing matters of less fundamental importance but of a public character properly permitting of Government regulation, and Supplementary Regulations containing matters pertaining to operation and management. Governments operating communication facilities accepted all three documents while those, as the United States, in whose territories communication facilities were privately owned and operated, accepted only the first two.

It is believed that the device adopted at Washington affords the most satisfactory basis for a combined convention. If the Madrid conferences decide to draft a combined convention, the delegation should make every possible effort to have the convention and regulations follow the Washington plan. The United States can accept a

⁵ See S. Ex. Doc. B, 70th Cong., 1st sess., pp. 271-272.

⁶ *Journal Télégraphique* (Berne, Bureau International de l'Union Télégraphique), vol. LIX, juin 1930, pp. 117 ff.

combined convention only if it is drafted in such a manner as to make it possible for the Government to assume obligations with respect to matters of a public and Governmental character without intruding into the fields of operation and management which have been left to private operating companies.

One of the questions which will confront the conference at the outset will be that of voting. While the matter of voting at international radio conferences has had no great significance in practice, it has been the occasion of long drawn out discussions in previous conferences. After lengthy debate at the International Radio Conference of London in 1912 a plan of plural voting for certain countries was adopted. That plan was incorporated in Article 12 of the International Radio Convention of 1912,⁷ copies of which have been furnished you. The Washington Conference in 1927 was unable to agree to a continuation of this plan but could find no acceptable substitute for it. The radio convention as drafted by that conference contains no mention of voting. The United States was charged with the task of attempting to obtain an agreement on the question before the Madrid Conference should convene. This Government circulated to other interested Governments for their approval a plan providing for a single vote for each independent Government party to the convention and including within that term the British Dominions and India. There is attached as Annex 1⁸ a copy of an instruction setting out the exact terms of the proposal made by this Government. While a large majority of the Governments replying to the suggestion were in favor of it, unfortunately unanimity was not obtained. There are attached as Annex 2⁸ copies of the replies of the various Governments as well as a table showing the replies which have been made to the proposal. Annex 3⁸ contains a list of countries which have ratified or adhered to the Washington Convention.

While it is believed that the proposal outlined is fair to all Governments concerned and offers the best opportunity for an agreement on the subject of voting, this Government does not desire to insist upon it if it becomes apparent that the plan will not be accepted by the Conference and that another plan might be adopted. Any plan which will give to the United States as many votes as any other country will probably be acceptable to this Government.⁹

Another question which will confront the Conference at the outset is that of an official language. No radio convention, and it is believed

⁷ *Foreign Relations*, 1913, p. 1375.

⁸ Not printed.

⁹ For Conference action upon this subject and comment by Chairman of the American Delegation, see *Report to the Secretary of State by the Chairman of the American Delegation, With Appended Documents*, pp. 9, 15-17.

no telegraph convention, has contained any provision on the subject. French was used as the language of the earlier radio and telegraph conferences; but with the growth of the use of English as an official language of international conferences, a demand has steadily arisen for the use of English as an official language at radio conferences. While the Washington conference of 1927 did not adopt English as an official language, it did adopt a provision which permitted the free use of English during the conference. That provision is contained in Article 5 of the internal regulations of the conference and will be found at page 113 of the document entitled Executive B, 70th Congress, 1st Session, a copy of which has already been given you. At the two meetings of the International Technical Consulting Committee on Radio Communication held at The Hague in 1929 and at Copenhagen in 1931, provisions likewise were adopted which permitted the use of English during the meetings.¹¹

Article 42 of the draft¹² used as the basis for proposals for a combined convention provides that the documents of the conference shall be drawn up in French. This Government is strongly opposed to the adoption of any such convention provision. It is believed that English should be adopted as an official language. Even should English not be adopted as an official language by the Madrid Conference, the door should not be closed against its possible future adoption as an official language. The delegation should endeavor to procure the insertion in the internal regulations of the conference of a provision making English an official language on the same footing with French for all purposes. If that cannot be done the minimum should be provision for a free use of English upon condition of its being translated into French together with provision for translation from French into English. The delegation should most earnestly oppose the insertion in the convention itself of any provision which would foreclose the use of English in connection with future international conferences or in connection with the work of the International Bureau of the Telegraph Union.

Probably the most important technical problem which will confront the radio conference is that of the table allocating frequencies to services. The Department desires the delegation to have the freedom necessary for participation in such compromises as may be

¹¹ For the 1929 understanding, see footnote on p. 67 of the *Report of the Delegation of the United States of America and Appended Documents to the International Technical Consulting Committee on Radio Communications* (Washington, Government Printing Office, 1930). For the 1931 provision, see Article 3 of "Règlement Intérieur de la deuxième réunion du C. C. I. R." in *Documents du Comité Consultatif International Technique des Communications Radioélectriques, Deuxième Réunion Copenhague, mai-juin 1931* (Berne, Bureau International de l'Union Télégraphique, 1931), p. 41.

¹² See *Journal Télégraphique*, vol. LIV, juin 1930, p. 124.

necessary to enable the deliberations with respect to the allocation of frequencies to be brought to a successful conclusion. In general, where there are conflicting interests of major importance in the United States, the delegation should endeavor to have left open for regional agreement in North America at least those parts of the spectrum where inter-continental interference should not result from the use of the same frequencies by different services in different parts of the world.

In view of the important contributions which radio amateurs have made in the advancement of radio, and of the present congestion in the amateur bands, the delegation should vigorously oppose all attempts further to restrict the bands allocated for use by amateurs. The delegation should exert every effort to leave the amateur bands unchanged. Should it prove to be impossible to reach an agreement on the allocation table without making changes in the amateur assignments, the delegation should telegraph the Department for its approval before agreeing to any such changes.

The International Radio Convention of 1927 authorized the creation of an International Technical Consulting Committee on Radio Communication. The delegation of the United States at the 1927 Conference opposed the creation of the Committee; and this Government has consistently opposed all efforts to expand its functions. The Madrid Conference will be confronted with proposals to extend the activities of the Committee and to make it a continuing body. Such proposals should be vigorously opposed by the delegation. This Government would prefer to have the Committee abolished, although it will have no serious objection to the continuation of the Committee with approximately the same composition and functions as at present.

A conference of experts on aeronautical radio was held in Paris, July 5-8, 1932, under the auspices of the International Commission for Air Navigation. There is appended as Annex 4,¹³ for the information of the delegation, a copy of the report made by Mr. John J. Ide, the American observer at the meeting.

It is possible that an effort may be made to insert in the convention or regulations drafted by the Conference, provisions looking toward the establishment of a censorship of messages, particularly of press messages. This Government is strongly opposed to any such provisions. The delegation should vigorously combat every proposal which is designed to give the sanction of the convention or regulations to the establishment of a censorship of messages.

The International Telegraph Conference will concern itself largely with matters considered by this Government to be matters of opera-

¹³ Not printed.

tion and management. The provisions drafted by that Conference should almost in their entirety be inserted in service regulations to which this Government will not be a party. Proposals have been made on two points, however, which directly affect the users of communication facilities in the United States. The first of these pertains to the question of code language. You have been furnished with a copy of the documents¹⁴ containing the material assembled by the Department on this point in preparation for the International Telegraph Conference of Brussels in 1928, and also with a copy of the report of the American delegation to that conference.¹⁵ The Department has received a large number of letters from American users of communication facilities protesting against any changes in the code language provisions which might result in an increase in rates. Those letters indicate that a very substantial body of users of communication facilities in the United States favor the retention of the *status quo* with respect to code language.

Several of the larger American communication companies jointly prepared proposals based on the telegraph service regulations, which were submitted through the Department of State. Those proposals contain no provision for significant changes in the rules governing the composition of code language. As the companies proposed changes where they believed changes to be desirable, it is apparent that they did not contemplate any important changes in the composition of code words or in the rules governing code language messages. In view of the expressed attitude of the companies and of a group of the users of communication facilities, the delegation should support the retention of the present code language provisions without any changes which might operate to increase cable charges.

The second proposal before the International Telegraph Conference referred to above is one to fix a minimum number of words for messages of various categories. You will be given an analysis of the number of words in a typical group of telegrams sent by various users in the United States. Fixing a minimum number of words higher than that in the present practice would operate to increase cable charges for messages which otherwise would contain a smaller number of words. The Department has received no evidence to indicate that the regulations governing international messages should be changed to provide for a minimum number of words in telegrams in the international service. In the absence of a showing

¹⁴ Documents not printed.

¹⁵ *Report of the American Delegation to the International Telegraph Conference of Brussels, September 10-22, 1928*, accompanied by a translation of documents of the Conference as published by the International Office of the Telegraph Union and other related documents (Washington, Government Printing Office, 1929).

of a real need for the establishment of a minimum higher than that now established by practice, the delegation should support the present situation. Should such a need be shown, the delegation should telegraph the Department for further instructions. The request for instructions should indicate the recommendation of the delegation upon the basis of the showing made.

In the event the radio and telegraph conferences merge their activities at Madrid, it may be appropriate for the representatives of this Government officially to participate in the discussion of the questions of code language and minimum word count for telegrams. If the sessions of the two conferences are held separately, the fact that this Government is not a party to the telegraph convention will result in the inability of the representatives officially to participate in the proceedings of the committees considering these subjects.¹⁶ It is believed, however, that the representatives unofficially will be able to exert influence which may affect the conclusions adopted by the committees.

Very truly yours,

For the Secretary of State:
W. R. CASTLE, JR.
Under Secretary

574.G1/873 : Telegram

*The Chairman of the American Delegation (Sykes) to the
Secretary of State*

MADRID, October 4, 1932—5 p.m.
[Received October 4—2:28 p.m.]

21. (1) Delegation confidentially informed that Soviet delegates are planning to invite next combined conference to meet in Russia. Please instruct whether delegation should endeavor to prevent such invitation from being extended or accepted and what position it should take if invitation is extended.

(2) At the time of signature of convention should delegation make statement relative to unrecognized regimes similar to that made at London Safety of Life at Sea Conference?¹⁷

SYKES

¹⁶ Some sessions were joint meetings; others were separate. American delegates participated in the plenary sessions, as well as the committee meetings, of both the Radio and the Telegraph Conferences.

¹⁷ See instruction of March 28, 1929, to the American delegation, *Foreign Relations*, 1929, vol. I, p. 375.

574.G1/883 : Telegram

*The Secretary of State to the Chairman of the American Delegation
(Sykes)*

WASHINGTON, October 13, 1932—6 p.m.

29. Your 21, October 4, 5.00 p.m.

1. The delegation should not endeavor in any formal way to prevent such an invitation from being extended or accepted. However, if the delegation should consider it practicable, with due informality and discretion, to encourage the delegation of some other participating government to deal with the matter in such a manner as to prevent the extension of such an invitation, the delegation might well take such measures. In case the invitation should nevertheless be extended the delegation should communicate immediately with the Department for further instructions.

2. The delegation should make no statement regarding unrecognized regimes. For its information and discreet use, the delegation is informed that this Government considers that the signature or adherence by an unrecognized regime to a multilateral treaty of which the United States is a signatory or to which it is a party entails no recognition by the United States of such regime. It should be evident that a contrary view would place it within the power of a non-recognized nation or regime to compel recognition by other powers parties to a multilateral treaty, whether by signature or by adherence, against their will. This is not legally possible, in view of the United States Government. Recognition is primarily a matter of intention. Intention on the part of the United States to recognize another government cannot be imputed to the United States by a unilateral act of such other government. Signature or accession by such other government to a multilateral treaty is considered to be its unilateral act. For the above reasons it is deemed unnecessary that any statement should be made on the subject at the time of signing the convention.

STIMSON

574.G1/1114 : Telegram

*The Chairman of the American Delegation (Sykes) to the
Secretary of State*

MADRID, December 10, 1932—10 a. m

[Received 11:35 a.m.]

147. Convention, general radio regulations, and final radio protocol signed 7 p.m. December 9 by delegation. Those documents were signed by 64 delegations. Supplementary radio regulations and

European protocol also signed by interested delegations December 9, Telegraph regulations, telephone regulations, and final telegraph protocol will be signed December 10.

Delegates and most of staff leave Madrid night of December 10.

SYKES

Treaty Series No. 867

*Convention Between the United States of America and Other Powers,
Signed at Madrid, December 9, 1932*¹⁸

[Translation]

INTERNATIONAL TELECOMMUNICATION CONVENTION

Concluded Among

the Governments of the Countries Listed Hereinafter:

Union of South Africa; Germany; Republic of Argentina; Commonwealth of Australia; Austria; Belgium; Bolivia; Brazil; Canada; Chile; China; Vatican City State; Republic of Colombia; French Colonies, protectorates and territories under French mandate; Portuguese Colonies; Swiss Confederation; Belgian Congo; Costa Rica; Cuba; Curaçao and Surinam; Cirenaica; Denmark; Free City of Danzig; Dominican Republic; Egypt; Republic of El Salvador; Ecuador; Eritrea; Spain; United States of America; Empire of Ethiopia; Finland; France; United Kingdom of Great Britain and Northern Ireland; Greece; Guatemala; Republic of Honduras; Hungary; Italian Islands of the Aegean Sea; British India; Dutch East Indies; Irish Free State; Iceland; Italy; Japan, Chosen, Taiwan, Karafuto, Kwantung Leased Territory and the South Sea Islands under Japanese mandate; Latvia; Liberia; Lithuania; Luxemburg; Morocco; Mexico; Nicaragua; Norway; New Zealand; Republic of Panama; Netherlands; Peru; Persia; Poland; Portugal; Rumania; Italian Somaliland; Sweden; Syria and Lebanon; Czechoslovakia; Tripolitania; Tunisia; Turkey; Union of Soviet Socialist Republics; Uruguay; Venezuela; Yugoslavia.

The undersigned, plenipotentiaries of the governments listed above, having met in conference at Madrid, have, in common agreement and subject to ratification, concluded the following Convention:

¹⁸ In French; English translation reprinted from the 1941 issue of Department of State Treaty Series No. 867. Ratification advised by the Senate, May 1 (legislative day of April 26), 1934; ratified by the President, May 19, 1934; ratification of the United States deposited at Madrid, June 12, 1934; proclaimed by the President, June 27, 1934.

CHAPTER I

ORGANIZATION AND FUNCTIONING OF THE UNION

ARTICLE 1

Constitution of the Union

§ 1. The countries, parties to the present Convention, form the International Telecommunication Union which shall replace the Telegraph Union and which shall be governed by the following provisions.

§ 2. The terms used in this Convention are defined in the annex to the present document.

ARTICLE 2

Regulations

§ 1. The provisions of the present Convention shall be completed by the following Regulations:

the Telegraph Regulations,
the Telephone Regulations,
the Radio Regulations (General Regulations and Additional Regulations),

which shall bind only the contracting governments which have undertaken to apply them, and solely as regards governments which have taken the same obligation.

§ 2. Only the signatories to the Convention or the adherents to this document shall be permitted to sign the Regulations or to adhere thereto. The signing of at least one of the sets of Regulations shall be obligatory upon the signatories of the Convention. Similarly, adherence to at least one of the sets of Regulations shall be obligatory upon the adherents to the Convention. However, the Additional Radio Regulations may not be the subject of signature or adherence except when the General Radio Regulations have been signed or adhered to.

§ 3. The provisions of the present Convention shall bind the contracting governments only with respect to the services governed by the Regulations to which these governments are parties.

ARTICLE 3

Adherence of Governments to the Convention

§ 1. The government of a country, in the name of which the present Convention has not been signed, may adhere to it at any time. Such adherence must cover at least one of the sets of annexed Regulations, subject to the application of § 2 of article 2 above.

§ 2. The act of adherence of a government shall be deposited in the archives of the government which received the conference of plenipotentiaries that has drawn up the present Convention. The government with which the act of adherence has been deposited shall communicate it to all the other contracting governments through diplomatic channels.

§ 3. Adherence shall carry with it as a matter of right, all the obligations and all the advantages stipulated by the present Convention; it shall, in addition, entail the obligations and advantages stipulated by the particular Regulations which the adhering governments undertake to apply.

ARTICLE 4

Adherence of Governments to the Regulations

The government of a country signatory or adherent to the present Convention may at any time adhere to one or more of the sets of Regulations which it has not undertaken to observe, taking into account the provisions of article 2, § 2. Such adherence shall be notified to the Bureau of the Union which shall inform the other governments concerned thereof.

ARTICLE 5

Adherence to the Convention and to the Regulations by Colonies, Protectorates, Overseas Territories, or Territories under Sovereignty, Authority, or Mandate of the Contracting Governments

§ 1. Any contracting government may, at the time of its signature, its ratification, its adherence, or later, declare that its acceptance of the present Convention is valid for the whole or a group or a single one of its colonies, protectorates, overseas territories, or territories under sovereignty, authority, or mandate.

§ 2. The whole or a group or a single one of these colonies, protectorates, overseas territories, or territories under sovereignty, authority, or mandate may, respectively, at any time, be the subject of a separate adherence.

§ 3. The present Convention shall not apply to colonies, protectorates, overseas territories, or territories under sovereignty, authority, or mandate of a contracting government, unless statement to this effect is made by virtue of § 1 of the present article, or a separate adherence is made by virtue of § 2 above.

§ 4. The declarations of adherence, made by virtue of § 1 and § 2 of this article, shall be communicated through diplomatic channels to the government of the country on the territory of which was held the conference of plenipotentiaries, at which the present Convention was

drawn up, and a copy thereof shall be transmitted by this government to each of the other contracting governments.

§ 5. The provisions of §§ 1 and 3 of this article shall also apply either to the acceptance of one or more of the sets of Regulations, or to the adherence to one or more of the sets of Regulations, within the terms of the provisions contained in article 2, § 2. Such acceptance or adherence shall be notified in conformity with the provisions of article 4.

§ 6. The provisions of the preceding paragraphs shall not apply to the colonies, protectorates, overseas territories, or territories under sovereignty, authority, or mandate which appear in the preamble of the present Convention.

ARTICLE 6

Ratification of the Convention

§ 1. The present Convention must be ratified by the signatory governments and the ratifications thereof must be deposited, as soon as possible, through diplomatic channels, in the archives of the government of the country which received the conference of plenipotentiaries that has drawn up the present Convention; this same government shall, through diplomatic channels, notify the other signatory and adhering governments of the ratifications, as soon as they are received.

§ 2. In case one or more of the signatory governments would not ratify the Convention, the latter shall none the less be valid for the governments which shall have ratified it.

ARTICLE 7

Approval of the Regulations

§ 1. The governments must, as soon as possible, submit their decision concerning the approval of the Regulations drawn up by the Conference. This approval shall be reported to the Bureau of the Union which shall inform the members of the Union accordingly.

§ 2. In case one or several of the governments concerned would not report such an approval, the new regulatory provisions shall none the less be valid for the governments which shall have approved them.

ARTICLE 8

Abrogation of Conventions and of Regulations Prior to the Present Convention

The present Convention and the Regulations annexed thereto¹⁹ shall abrogate and replace, in the relations between the contracting

¹⁹ Regulations superseded by General Radio Regulations (Cairo Revision, 1938), which are printed in Treaty Series No. 948.

governments, the International Telegraph Conventions of Paris (1865), Vienna (1868), Rome (1872), and St. Petersburg (1875), and the Regulations annexed thereto, as well as the International Radiotelegraph Conventions of Berlin (1906), London (1912), and Washington (1927), and the Regulations annexed thereto.

ARTICLE 9

Execution of the Convention and of the Regulations

§ 1. The contracting governments undertake to apply the provisions of the present Convention and of the Regulations accepted by them, in all the offices and in all the telecommunication stations established or operated by them, and which are open to the international service of public correspondence, to the broadcasting service, or to the special services governed by the Regulations.

§ 2. Moreover, they agree to take the steps necessary to enforce the provisions of the present Convention and of the Regulations which they accept, upon the private operating agencies recognized by them and upon the other operating agencies duly authorized to establish and operate telecommunications of the international service whether or not open to public correspondence.

ARTICLE 10

Denunciation of the Convention by the Governments

§ 1. Each contracting government shall have the right to denounce the present Convention by a notification, addressed, through diplomatic channels, to the government of the country in which was held the conference of plenipotentiaries that has drawn up the present Convention, and announced by these governments to all the other contracting governments, likewise through diplomatic channels.

§ 2. This denunciation shall take effect at the expiration of the period of one year, beginning with the day on which the notification was received by the government of the country in which the last conference of plenipotentiaries was held. This effect shall apply only to the author of the denunciation; the Convention shall remain in force for the other contracting governments.

ARTICLE 11

Denunciation of the Regulations by the Governments

§ 1. Each government shall have the right to terminate the obligation which it has undertaken to apply one of the sets of Regulations, by notifying its decision to the Bureau of the Union which shall inform thereof the other governments concerned. Such notification shall

take effect at the expiration of the period of one year, beginning with the day on which it was received by the Bureau of the Union. This effect shall apply only to the author of the denunciation; the Regulations in question shall remain in force for the other governments.

§ 2. The provision of § 1 above shall not annul the obligation for the contracting governments to enforce at least one of the sets of Regulations, covered by article 2 of this Convention, taking into account the reservation contained in § 2 of the said article.

ARTICLE 12

Denunciation of the Convention and of the Regulations by Colonies, Protectorates, Overseas Territories, or Territories under Sovereignty, Authority, or Mandate of the Contracting Governments

§ 1. The application of the present Convention to a territory, by virtue of the provisions of § 1 or of § 2 of article 5, may terminate at any time.

§ 2. The declarations of denunciation provided for in § 1 above shall be notified and announced according to the conditions stated in § 1 of article 10; they shall take effect according to the provisions of § 2 of the latter article.

§ 3. The application of one or more of the sets of Regulations to a territory, by virtue of the provisions of § 5 of article 5, may terminate at any time.

§ 4. The declarations of denunciation provided for in § 3 above shall be notified and announced in accordance with the provisions of § 1 of article 11 and shall take effect under the conditions set forth in the said paragraph.

ARTICLE 13

Special Arrangements

The contracting governments reserve the right, for themselves, for the private operating agencies recognized by them, and for other operating agencies duly authorized to that effect, to conclude special arrangements on service matters which do not concern the governments in general. However, such arrangements must remain within the terms of the Convention and of the Regulations annexed thereto, as regards interference which their application might be likely to cause with the services of other countries.

ARTICLE 14

Relations with Noncontracting Governments

§ 1. Each of the contracting governments reserves the right, for itself and for the private operating agencies which it recognizes, to

determine the conditions under which it will admit telecommunications exchanged with a country which has not adhered to the present Convention or to the Regulations which contain the provisions relative to the telecommunications involved.

§ 2. If a telecommunication originating in a nonadhering country is accepted by an adhering country, it must be transmitted and, so far as it uses the channels of a country adhering to the Convention and to the respective Regulations, the mandatory provisions of the Convention and of the Regulations in question, as well as the normal rates, shall be applicable to it.

ARTICLE 15

Arbitration

§ 1. In case of disagreement between two or more contracting governments concerning the execution of either the present Convention or the Regulations contemplated in article 2, the dispute, if it is not settled through diplomatic channels, shall be submitted to arbitration at the request of any one of the governments in disagreement.

§ 2. Unless the parties in disagreement agree to adopt a procedure already established by treaties concluded between them for the settlement of international disputes, or the procedure provided for in § 7 of this article, arbitrators shall be appointed in the following manner:

§ 3. (1) The parties shall decide, after mutual agreement, whether the arbitration is to be entrusted to individuals or to governments or administrations; failing an agreement on this matter, governments shall be resorted to.

(2) In case the arbitration is to be entrusted to individuals, the arbitrators must not be of the same nationality as any one of the parties concerned in the dispute.

(3) In case the arbitration is to be entrusted to governments or administrations, the latter must be chosen from among the parties adhering to the agreement, the application of which caused the dispute.

§ 4. The party appealing to arbitration shall be considered as the plaintiff. This party shall designate an arbitrator and notify the opposing party thereof. The defendant must then appoint a second arbitrator, within two months after the receipt of plaintiff's notification.

§ 5. If more than two parties are involved, each group of plaintiffs or of defendants shall appoint an arbitrator, observing the same procedure as in § 4.

§ 6. The two arbitrators thus appointed shall agree in designating an umpire who, if the arbitrators are individuals and not govern-

ments or administrations, must not be of the same nationality as either of them or either of the parties involved. Failing an agreement of the arbitrators as to the choice of the umpire, each arbitrator shall propose an umpire in no way concerned in the dispute. Lots shall then be drawn between the umpires proposed. The drawing of lots shall be done by the Bureau of the Union.

§ 7. Finally, the parties in dispute shall have the right to have their disagreement settled by a single arbitrator. In this case, either they shall agree on the choice of the arbitrator, or the latter shall be designated in conformity with the method indicated in § 6.

§ 8. The arbitrators shall be free to decide on the procedure to be followed.

§ 9. Each party shall bear the expenses it shall have incurred in the investigation of the dispute. The cost of the arbitration shall be apportioned equally among the parties involved.

ARTICLE 16

International Consulting Committees

§ 1. Consulting committees may be formed for the purpose of studying questions relating to the telecommunication services.

§ 2. The number, composition, duties, and functioning of these committees are defined in the Regulations annexed to the present Convention.

ARTICLE 17

Bureau of the Union

§ 1. A central office, called the Bureau of the International Telecommunication Union, shall function under the conditions stated hereinafter:

§ 2. (1) In addition to the work and operations provided for by the various other articles of the Convention and of the Regulations, the Bureau of the Union shall be charged with:

(a) work preparatory to and following conferences, in which it shall be represented in an advisory capacity;

(b) providing, in cooperation with the organizing administration involved, the secretariat of conferences of the Union, as well as, when so requested or when so provided for by the Regulations annexed to the present Convention, the secretariat of meetings of committees appointed by the Union or placed under the auspices of the latter;

(c) issuing such publications as will be found generally useful between two conferences.

(2) On the basis of the documents put at its disposal and of the information which it may gather, it shall publish periodically a

journal of information and documentation concerning telecommunications.

(3) It must also, at all times, hold itself at the disposal of the contracting governments to furnish them with such opinions and information as they may need on questions concerning international telecommunications, and which it is in a better position to have or to obtain than these governments.

(4) It shall prepare an annual report on its activities, which shall be communicated to all members of the Union. The operating account shall be submitted, for examination and approval, to the plenipotentiary or administrative conferences provided for in article 18 of the present Convention.

§ 3. (1) The general expenses of the Bureau of the Union must not exceed, per year, the amounts specified in the Regulations annexed to the present Convention. These general expenses shall not include:

(a) the expenses pertaining to the work of plenipotentiary or administrative conferences,

(b) the expenses pertaining to the work of duly created committees.

(2) The expenses pertaining to the plenipotentiary and administrative conferences shall be borne by all the governments participating therein, in proportion to the contribution which they pay for the operation of the Bureau of the Union, in accordance with the provisions of the following subparagraph (3).

The expenses pertaining to the meetings of the committees regularly created shall be borne in accordance with the provisions of the Regulations annexed to the present Convention.

(3) The receipts and expenses of the Bureau of the Union must be carried in two separate accounts, one for the telegraph and telephone services, the other for the radio service. The expenses pertaining to each of these two divisions shall be borne by the governments adhering to the corresponding Regulations. For the apportioning of these expenses, the adhering governments shall be divided into six classes, each contributing at the rate of a certain number of units, namely:

1st class: 25 units
2d class: 20 units
3d class: 15 units
4th class: 10 units
5th class: 5 units
6th class: 3 units

(4) Each government shall inform the Bureau of the Union, directly or through its administration, of the class in which its coun-

try is to be placed. This classification shall be communicated to the members of the Union.

(5) The amounts advanced by the government supervising the Bureau of the Union must be refunded by the debtor governments with the briefest possible delay, and, at the latest, at the end of the fourth month following the month during which the account was rendered. After this period, the amounts due shall bear interest, accruing to the creditor government, at the rate of six percent (6%) per annum, counting from the date of expiration of the above-mentioned period.

§ 4. The Bureau of the Union shall be placed under the high supervision of the Government of the Swiss Confederation which shall regulate its organization, supervise its finances, make the necessary advances, and audit the annual accounts.

CHAPTER II CONFERENCES

ARTICLE 18

Conferences of Plenipotentiaries and Administrative Conferences

§ 1. The provisions of the present Convention shall be subject to revision by conferences of plenipotentiaries of the contracting governments.

§ 2. Revision of the Convention shall be undertaken when it has been so decided by a preceding conference of plenipotentiaries, or when at least twenty contracting governments have so stated their desire to the government of the country in which the Bureau of the Union is located.

§ 3. The provisions of the Regulations annexed to this Convention shall be subject to revision by administrative conferences of delegates from the contracting governments which have approved the Regulations to be revised, each conference itself determining the place and time for the following meeting.

§ 4. Each administrative conference may permit the participation, in an advisory capacity, of private operating agencies recognized by the respective contracting governments.

ARTICLE 19

Change of Date of a Conference

§ 1. The time set for the meeting of a conference of plenipotentiaries or of an administrative conference may be advanced or postponed if request to this effect is made by at least ten of the contracting

governments to the government of the country in which the Bureau of the Union is located, and if such proposal is agreed to by the majority of the contracting governments which shall have forwarded their opinion within the time indicated.

§ 2. The conference shall then be held in the country originally designated, if the government of that country consents. Otherwise, the contracting governments shall be consulted through the government of the country in which the Bureau of the Union is located.

ARTICLE 20

Internal Regulations of the Conferences

§ 1. Before any other deliberation, each conference shall establish Internal Regulations containing the rules according to which the debates and the work shall be organized and conducted.

§ 2. For this purpose, the conference shall take as a basis the Internal Regulations of the preceding conference, which it may modify if deemed advisable.

ARTICLE 21

Language

§ 1. The language used in drafting the acts of the conferences and for all the documents of the Union, shall be French.

§ 2. (1) In the discussions of conferences, the French and English languages shall be permitted.

(2) Speeches made in French shall immediately be translated into English, and vice versa, by official interpreters of the Bureau of the Union.

(3) Other languages may also be used in the discussions of the conferences, on condition that the delegates using them provide for the translation of their own speeches into French or into English.

(4) Likewise these delegates may, if they so desire, have speeches in French or in English translated into their own language.

CHAPTER III

GENERAL PROVISIONS

ARTICLE 22

Telecommunication as a Public Service

The contracting governments recognize the right of the public to correspond by means of the international service of public correspondence. The service, the charges, the guarantees shall be the same for all senders, without any priority or preference whatsoever not provided for by the Convention or the Regulations annexed thereto.

ARTICLE 23

Responsibility

The contracting governments declare that they accept no responsibility in regard to the users of the international telecommunication service.

ARTICLE 24

Secrecy of Telecommunications

§ 1. The contracting governments agree to take all the measures possible, compatible with the system of telecommunication used, with a view to insuring the secrecy of international correspondence.

§ 2. However, they reserve the right to communicate international correspondence to the proper authorities, in order to insure either the application of their internal legislation, or the execution of international conventions, to which the governments concerned are parties.

ARTICLE 25

Constitution, Operation, and Protection of the Telecommunication Installations and Channels

§ 1. The contracting governments, in agreement with the other contracting governments concerned, shall establish, under the best technical conditions, the channels and installations necessary to carry on the rapid and uninterrupted exchange of telecommunications in the international service.

§ 2. So far as possible, these channels and installations must be operated by the best methods and procedures which the practice of the service shall have made known; they must be maintained constantly in operating condition and kept abreast of scientific and technical progress.

§ 3. The contracting governments shall insure the protection of these channels and installations within the limits of their respective action.

§ 4. Unless other conditions are laid down by special arrangements, each contracting government shall, at its own expense, establish and maintain the sections of international conductors included within the limits of the territory of its country.

§ 5. In the countries where certain telecommunication services are operated by private operating agencies recognized by the governments, the above-mentioned obligations shall be undertaken by the private operating agencies.

ARTICLE 26

Stoppage of Telecommunications

§ 1. The contracting governments reserve the right to stop the transmission of any private telegram or radiotelegram which might appear dangerous to the safety of the state or contrary to the laws of the country, to public order, or to decency, provided that they immediately notify the office of origin of the stoppage of the said communication or of any part thereof, except when it might appear dangerous to the safety of the state to issue such notice.

§ 2. The contracting governments likewise reserve the right to interrupt any private telephone communication which might appear dangerous to the safety of the state or contrary to the laws of the country, to public order, or to decency.

ARTICLE 27

Suspension of Service

Each contracting government reserves the right to suspend the service of international telecommunication for an indefinite time if it deems necessary, either generally or only as regards certain connections and/or certain classes of communications, provided that it immediately so advise each of the other contracting governments, through the intermediary of the Bureau of the Union.

ARTICLE 28

Investigation of Violations

The contracting governments undertake to inform each other concerning violations of the provisions of the present Convention and of the Regulations which they accept, in order to facilitate the action to be taken.

ARTICLE 29

Charges and Franking Privileges

The provisions relating to the charges for telecommunications and the various cases in which the latter enjoy franking privileges are laid down in the Regulations annexed to the present Convention.

ARTICLE 30

Priority of Transmission for Government Telegrams and Radiotelegrams

In transmission, government telegrams and radiotelegrams shall enjoy priority over other telegrams and radiotelegrams, except in the case when the sender expressly waives such right or priority.

ARTICLE 31

Secret Language

§ 1. Government telegrams and radiotelegrams as well as service telegrams and radiotelegrams, in all relations, may be written in secret language.

§ 2. Private telegrams and radiotelegrams may be sent in secret language between all the countries, except those which previously, through the intermediary of the Bureau of the Union, have announced that they do not permit such language for these categories of messages.

§ 3. Contracting governments which do not permit private telegrams and radiotelegrams in secret language from or to their own territory must permit them to pass in transit, except in the case of suspension of service provided for in article 27.

ARTICLE 32

Monetary Unit

The monetary unit used in the composition of international telecommunication rates and in setting up the international accounts shall be the gold franc of 100 centimes, weighing $10/31$ of a gram, and of a fineness of 0.900.

ARTICLE 33

Rendering of Accounts

The contracting governments must account to one another for the charges collected by their respective services.

CHAPTER IV

SPECIAL PROVISIONS FOR RADIO

ARTICLE 34

Intercommunication

§ 1. Stations carrying on radio communications in the mobile service shall be bound, within the scope of their normal operation, to exchange radio communications with one another irrespective of the radio system they have adopted.

§ 2. In order not to hinder scientific progress, however, the provisions of the preceding paragraph shall not prevent the use of a radio system incapable of communicating with other systems provided that this inability is due to the specific nature of the system and that it is not the result of devices adopted solely for the purpose of preventing intercommunication.

ARTICLE 35

Interference

§ 1. All stations, regardless of their purpose, must, so far as possible, be established and operated in such a manner as not to interfere with the radio services or communications of either the other contracting governments, or the private operating agencies recognized by these contracting governments and of other duly authorized operating agencies which carry on radio-communication service.

§ 2. Each contracting government which does not operate the radio facilities itself undertakes to require the private operating agencies recognized by it and the other operating agencies duly authorized for this purpose, to observe the provisions of § 1 above.

ARTICLE 36

Distress Calls and Messages

Stations participating in the mobile service shall be obliged to accept, with absolute priority, distress calls and messages regardless of their origin, to reply in the same manner to such messages, and immediately to take such action in regard thereto as they may require.

ARTICLE 37

False or Deceptive Distress Signals—Irregular Use of Call Signals

The contracting governments agree to take the steps required to prevent the transmission or the putting into circulation of false or deceptive distress signals or distress calls, and the use, by a station, of call signals which have not been regularly assigned to it.

ARTICLE 38

Limited Service

Notwithstanding the provisions of § 1 of article 34, a station may be assigned to a limited international telecommunication service, determined by the purpose of such telecommunication or by other circumstances independent of the system.

ARTICLE 39

Installations of National Defense Services

§ 1. The contracting governments retain their full freedom in regard to radio installations not covered by article 9 and, particularly, the military stations of land, maritime, or air forces.

§ 2. (1) However, these installations and stations must, so far as possible, comply with the regulatory provisions concerning aid to be

rendered in case of distress and measures to be taken to avoid interference. They must also, to the extent possible, comply with the regulatory provisions concerning the types of waves and the frequencies to be used, according to the nature of the service performed by the said services.

(2) Moreover, when these installations and stations exchange public correspondence or engage in the special services governed by the Regulations annexed to the present Convention, they must, in general, comply with the regulatory provisions for the conduct of such services.

CHAPTER V
FINAL PROVISIONS

ARTICLE 40

Effective Date of the Convention

The present Convention shall become effective on the first day of January, nineteen hundred and thirty-four.

—

In witness whereof the respective plenipotentiaries have signed the Convention in a single copy which shall remain deposited in the archives of the Government of Spain and one copy of which shall be forwarded to each government.

Done at Madrid, December 9, 1932.

For the Union of South Africa :

H. J. LENTON
A. R. McLACHLAN

For Germany :

HERMANN GIESS
DR. ING. HANS CARL STEIDLE
DR. PAUL JÄGER
DR. HANS HARBICH
PAUL MÜNCH
MARTIN FEUERHAHN
SIEGFRIED MEY
DR. FRIEDRICH HERATH
RUDOLF SALZMANN
ERHARD MAERTENS
CURT WAGNER

For the Argentine Republic:

D. GARCIA MANSILLA
R. CORREA LUNA
LUIS S. CASTIÑEIRAS
M. SÁENZ BRIONES

For the Commonwealth of Australia:

J. M. CRAWFORD

For Austria:

RUDOLPH OESTREICHER
ING. H. PFEUFFER

For Belgium:

B. MAUS
R. CORTELL
JOS. LAMBERT
H. FOSSION

For Bolivia:

GEORGES SÁENZ

For Brazil:

LUIS GUIMARAES

For Canada:

ALFRED DURANLEAU
W. ARTHUR STEEL
JEAN DESY

For Chile:

E. BERMUDEZ

For China:

LINGOH WANG

For the Vatican City State:

GUISEPPE GIANFRANCESCHI

For the Republic of Colombia:

JOSÉ JOAQUÍN CASAS
ALBERTO SÁNCHEZ DE TRIARTE
W. MACLELLAN

For the French Colonies, Protectorates and Territories under
French Mandate:

G. CAROUR

For the Portuguese Colonies:

ERNESTO JULIO NAVARO

ARNALDO DE PAIVA CARVALHO

JOSÉ MÉNDES DE VASCONCELLOS GUIMARÃES

MARIO CORREA BARATA DA CRUZ

For the Swiss Confederation:

G. KELLER

E. METZLER

For the Belgian Congo:

G. TONDEUR

For Costa Rica:

A. MARTIN LANUZA

For Cuba:

MANUEL S. PICHARDO

For Curaçao and Surinam:

G. SCHOTEL

HOOGWOONING

For Cyrenaica:

G. GNEME

GIAN FRANCO DELLA PORTA

For Denmark:

KAY CHRISTIANSEN

C. LERCHE

GREDSTED

For Danzig Free City:

ING. HENRYK KOWALSKI

ZANDER

For the Dominican Republic:

E. BRACHE (JUNIOR)

JUAN DE OLÓZAGA

For Egypt:

R. MURRAY

MOHAMED SAID

For the Republic of El Salvador:

RAOUL CONTRERAS

For Ecuador :

HIPÓLITO DE MOZONCILLO
ABEL ROMEO CASTILLO

For Eritrea :

G. GNEME
GIAN FRANCO DELLA PORTA

For Spain :

MIGUEL SASTRE
RAMÓN MIGUEL NIETO
GABRIEL HOMBRE
FRANCISCO VIDAL
J. DE ENCIO
TOMÁS FERNÁNDEZ QUINTANA
LEOPOLDO CAL
TRINIDAD MATRES
CARLOS DE BORDONS

For the United States of America :

EUGENE O. SYKES
C. B. JOLLIFFE
WALTER LICHTENSTEIN
IRVIN STEWART

For the Empire of Ethiopia :

TAGAGNE

For Finland :

NILO ORASMAA
VILJO YLÖSTALO

For France :

JULES GAUTIER

For the United Kingdom of Great Britain and Northern
Ireland :

F. W. PHILLIPS
J. LOUDEN
F. W. HOME
C. H. BOYD
J. P. G. WORLLEDGE

For Greece :

TH. PENTHEROUDAKIS
STAM NICOLIS

For Guatemala :

VIRILIO RODRÍGUEZ BETATA
ENRIQUE TRAUMANN
RICARDO CASTAÑEDA PAGANINI

For the Republic of Honduras :

ANTⁿ GRAIÑO

For Hungary :

DR. FRANÇOIS HAVAS
ING. JULES ERDÖSS

For the Italian Islands of the Aegean :

G. GNEME E. MARIANI

For British India :

M. L. PASRICHA
P. J. EDMUNDS

For the Dutch East Indies :

A. J. H. VAN LEEUWEN
VAN DOOREN
G. SCHOTEL
HOOGWOONING

For the Irish Free State :

P. S. OH-EIGEARTAIGH
E. CUISIN

For Iceland :

G. HLIDDAL

For Italy :

G. GNEME
G. MONTEFINALE

For Japan, For Chosen, Taiwan, Karafuto, the Leased
Territory of Kwantung and the South Seas Islands under
Japanese Mandate :

SAICHIRO KOSHIDA
ZENSHICHI ISHII
SATOSHI FURIHATA
Y. YONEZAWA
T. NAKAGAMI
TAKEO IINO

For Latvia :

B. EINBERG

- For Liberia:
LUIS MA. SOLER
- For Lithuania:
ING. K. GAIGALIS
- For Luxemburg:
JAAQUES
- For Morocco:
DUBEAUCLARD
- For Mexico:
G. ESTRADA
EMILIO TORRES
AUGUSTIN FLORES, JR.
S. TAYABAS
- For Nicaragua:
JOSÉ GARCÍA PLAZA
- For Norway:
T. ENGSET
HERMOD PETERSEN
ANDR. HADLAND
- For New Zealand:
M. B. ESSON
- For the Republic of Panama:
M. LASSO DE LA VEGA
- For the Netherlands:
H. J. BOETJE
H. C. FELSER
C. H. DE VOS
J. A. BLAND VD BERG
W. DOGTEROM
- For Peru:
JUAN DE OSMA
- For Persia:
MOHSEN KHAN RAÏS
- For Poland:
ING. HENRYK KOWALSKI
ST. ZUCHMANTOWICZ
KAZIMIERZ GOEBEL
K. KRULISZ
KAZIMIERZ SZYMANSKI

For Portugal :

MIGUEL VAZ DUARTE BACELAR
JOSÉ DE LIZ FERREIRA, JUNIOR
DAVID DE SOUSA PIRES
JOAQUIM RODRIGUES GONÇALVES

For Roumania :

ING. T. TANASESCO

For Italian Somaliland :

G. GNEME

For Sweden :

G. WOLD

For Syria and Lebanon :

M. MORILLON

For Czechoslovakia :

ING. STRNAD
DR. OTTO KUČERA
VÁCLAV KUČERA
ING. JAROMIR SVOBODA

For Tripolitania :

G. GNEME
D. CRETU

For Tunis :

CROUZET

For Turkey :

FAHRI
I. CEMAL
MAZHAR

For the Union of Soviet Socialist Republics :

EUGÈNE HIRSCHFELD
ALEXANDRE KOKADEEV

For Uruguay :

ad referendum du Gouvernement de l'Uruguay
DANIEL CASTELLANOS

For Venezuela :

CÉSAR MÁRMOL CUERVO
ANTONIO REYES

For Yugoslavia :

D. A. ZLATANOVITCH

ANNEX

(See article 1, § 2)

DEFINITION OF TERMS USED IN THE INTERNATIONAL
TELECOMMUNICATION CONVENTION

Telecommunication: Any telegraph or telephone communication of signs, signals, writings, images, and sounds of any nature, by wire, radio, or other systems or processes of electric or visual (semaphore) signaling.

Radio communication: Any telecommunication by means of Hertzian waves.

Radiotelegram: Telegram originating in or intended for a mobile station, transmitted on all or part of its route over the radio-communication channels of the mobile service.

Government telegrams and radiotelegrams: Those emanating from:

- (a) the head of a government;
- (b) a minister; member of a government;
- (c) the head of a colony, protectorate, overseas territory, or territory under sovereignty, authority, or mandate of the contracting governments;
- (d) commanders in chief of land, naval, or air military forces;
- (e) diplomatic or consular officers of the contracting governments;
- (f) the secretary general of the League of Nations,

as well as the replies to such messages.

Service telegrams and radiotelegrams: Those emanating from the telecommunication administrations of the contracting governments, or from any private operating agency recognized by one of these governments, and which refer to international telecommunications, or to matters of public interest determined by agreement among the said administrations.

Private telegrams and radiotelegrams: Those other than a service or government telegram and radiotelegram.

Public correspondence: Any telecommunication which the offices and stations, by reason of their being at the disposal of the public, must accept for transmission.

Private operating agency: Any individual, company, or corporation, other than a governmental institution or agency, which is recognized by the government concerned and operates telecommunication installations for the purpose of exchanging public correspondence.

Administration: A government administration.

Public service: A service for the use of the public in general.

International service: A telecommunication service between offices or stations subject to different countries, or between stations of the mobile service except when the latter are of the same nationality and

are within the limits of the country to which they belong. An internal or national telecommunication service which is likely to cause interference with other services beyond the limits of the country in which it operates, shall be considered as an international service from the standpoint of interference.

Limited service: A service which can be used only by specified persons or for special purposes.

Mobile service: A radio-communication service carried on between mobile and land stations and by mobile stations communicating among themselves, special services being excluded.

General Radio Regulations

annexed to the

International Telecommunication Convention²⁰

Final Protocol

to the General Radio Regulations

annexed to the

International Telecommunication Convention²¹

Additional Radio Regulations

annexed to the

International Telecommunication Convention²²

Madrid 1932

²⁰ The General Radio Regulations (Madrid, 1932), with Appendices and English translation, printed in the 1934 issue of Treaty Series No. 867 (49 Stat., pt. 2, 2444-2651) were superseded by the General Radio Regulations and Appendices (Cairo Revision, 1938), which are printed in Treaty Series No. 948.

²¹ The Final Protocol (Madrid, 1932), with English translation, printed in the 1934 issue of Treaty Series No. 867 (49 Stat., pt. 2, 2652-2657) was superseded by the Final Protocol to the General Radio Regulations (Cairo Revision, 1938), which is printed in Treaty Series No. 948.

²² The Additional Radio Regulations (Madrid, 1932) were not signed on the part of the United States. The French text, which was the only official text, and an English translation were printed in the 1934 issue of Treaty Series No. 867 in order that the texts of all the instruments of the Madrid Conference applicable to radio generally might be available in a single document. The Additional Radio Regulations (Madrid, 1932) were superseded by the Additional Radio Regulations (Cairo Revision, 1938), which were not signed on the part of the United States. The official French text and an English translation are printed in Treaty Series No. 948 in order that the texts of all the instruments of the Cairo Conference applicable to radio generally may be available in a single document.

DESIRE OF THE UNITED STATES FOR EARLY IMPLEMENTATION OF THE CONVENTION FOR LIMITING THE MANUFACTURE AND REGULATING THE DISTRIBUTION OF NARCOTIC DRUGS, CONCLUDED AT GENEVA, JULY 13, 1931¹

511.4a6/592

*The Acting Secretary of State to Certain Diplomatic Officers*²

WASHINGTON, August 4, 1932.

SIRS: In 1931, the United States participated with other nations in a conference held at Geneva for the purpose of considering limitation of the manufacture of narcotic drugs. As a result of the deliberations of that conference, a Convention for Limiting the Manufacture and Regulating the Distribution of Narcotic Drugs was drawn up and signed by the plenipotentiaries of forty-four nations. This Convention was ratified by the United States on April 28, 1932.

It is desired that you bring formally and officially to the attention of the Government to which you are accredited the following observations in regard to this Convention.

Under the terms of its Article 30, the Convention is to come into force ninety days after the Secretary-General of the League of Nations has received the ratifications or accessions of twenty-five nations, including any four of the following: France, Germany, United Kingdom of Great Britain and Northern Ireland, Japan, Netherlands, Switzerland, Turkey and the United States of America.

The protocol of signature provides that "if, on July 13, 1933, the said Convention is not in force in accordance with the provisions of Article 30, the Secretary-General of the League of Nations shall bring the situation to the attention of the Council of the League of Nations, which may either convene a new conference of all the Members of the League and non-Member States on whose behalf the Convention has been signed or ratifications or accessions deposited, to consider the situation, or take such measures as it considers necessary."

¹Continued from *Foreign Relations*, 1931, vol. 1, pp. 646-699; for text of convention, see *ibid.*, p. 675.

²This circular instruction was sent to all American missions except those in Chile, El Salvador, Morocco, Nicaragua, and Peru, the latter two countries having already acceded to the convention. A special instruction was sent to the mission in Chile.

The necessary ratifications and accessions to bring the Convention into force by July 13, 1933, must, under the terms of Article 30, be received by the Secretary-General of the League of Nations by April 13, 1933.

The Government of the United States regards this Convention as an important forward step in the cooperation between nations to combat the abuse of narcotic drugs and hopes to see it come into force by July, 1933.

This Government is constantly made aware of the fact that its efforts to prevent the abuse of narcotic drugs within territories subject to its jurisdiction are continually being hampered by the activities of smugglers who still appear to find little difficulty in acquiring abroad large quantities of these drugs for the purpose of introducing them into the illicit traffic.

Having no doubt but that other Governments have similar experience, this Government, in the belief that the measures contemplated by the Convention are calculated to strengthen the hands of all nations in dealing with that traffic, desires to urge upon the Governments signatory to the Convention and upon all others the importance of proceeding to ratify the Convention as soon as possible, at any rate by a date which will admit of the deposit of ratification before April 13, 1933.

There are enclosed herewith two copies of the Message of the President transmitting the Convention to the Senate,³ in which will be found the complete texts of the Convention, of the Protocol of Signature and of the Report of the American Delegation to the Conference. This document is now public and you may, in your discretion, use it in explaining to the Government to which you are accredited the importance which the United States attaches to this Convention and the advantages expected to accrue to all nations party to the Convention as a result of its coming into force.

You are requested to report, in due course, the attitude of the Government to which you are accredited in regard (a) to ratification of the Convention or accession thereto by it and (b) to the possibility of its urging upon other Governments the desirability of ratification or accession by them. Replies to this instruction should be transmitted in triplicate.

Very truly yours,

W. R. CASTLE, JR.

³ For text of the message, dated March 4, 1932, see S. Doc. Exec. G, 72d Cong., 1st sess.

511.4a6/712

The Consul at Geneva (Gilbert) to the Secretary of State

No. 396 Political

GENEVA, October 31, 1932.

[Received November 9.]

SIR: I have the honor to refer to the Department's telegram No. 161 dated October 13, 7 p. m. and to the Consulate's reply thereto, No. 301, October 15, 11 a. m.,⁴ with particular reference to paragraph "2" of the telegram last cited, and to state that due to Sir Eric Drummond's recent absence from Geneva I was unable until today to take up this matter with him.

In pursuance of the Department's directions I have now, however, informally made known to the Secretary-General the position of the American Government as follows: (1) That the American Government desires very much that the Convention for the Limitation of Manufacture and Regulating the Distribution of Narcotic Drugs be made operative in 1933 and that it is thus hoped that the League will use every effort to bring about the Convention's early implementation; (2) That in case financial considerations enter into the question of the League's action in the premises, the American Government as a party to the Convention will be prepared to defray its proportionate share of the expenses incident to implementing and administering the Convention.

Sir Eric declared that he was fully acquainted with the action taken by the Supervisory Commission of the League respecting the non-inclusion in the League budget of expenses connected with the Limitation Convention and the statement which was made in the Commission in explanation of this action. This matter was discussed in this Consulate's telegrams No. 256, September 21, 6 p. m., No. 286, October 6, 10 p. m., and 295, October 11, 9 a. m. [*p. m.*],⁵ to which reference is hereby made. Sir Eric then stated that it was he who had inspired the position taken in the Supervisory Commission, inasmuch as he thought that there had been too much indifference on the part of the powers respecting their ratification of the Convention in question, and that a statement in the Commission indicating the Secretariat's knowledge of this attitude would bring the matter into the open and would serve a useful purpose. He expressed himself as gratified by the discussions which this had evoked and he said that he felt that the subsequent expression of an intention to ratify the Convention on the part of a number of governments was a direct result of the incidents described.

Respectfully yours,

PRENTISS B. GILBERT

⁴ Neither printed.

⁵ None printed.

511.4a6/742

The Secretary of State to the Consul at Geneva (Gilbert)

WASHINGTON, December 10, 1932.

SIR: The Department has given careful consideration to the suggestion of certain League officials, reported in your despatch No. 404 (Political), of November 8, 1932,⁶ that your conversation with Sir Eric Drummond regarding this Government's position on the Narcotics Limitation Convention be made the subject of a League communiqué.

To authorize the League to make public the attitude of the United States on a particular question on the basis, not of a formal note, but of a conversation with the Secretary General or of a call at the Secretariat, would constitute a new departure in this Government's relations with the League which would be likely to be seized upon as a significant precedent and magnified out of all proportion to the immediate issue. It might, moreover, become difficult for us to refuse to sanction similar releases on other subjects in the future, once the method has been adopted.

In any case, the desire of the United States to see the Narcotics Limitation Convention ratified within the prescribed time has been made known to all other Governments through diplomatic channels. Mr. Fuller's statements in the Model Code Sub-Committee on the subject of financing the implementation of this Convention have undoubtedly been made known to most of the Governments concerned and are understood to have been given considerable publicity.

The Department therefore does not favor the issuance of any communiqué as suggested.

Very truly yours,

H. L. STIMSON

⁶ Not printed.

CONDITIONAL PROMISE BY THE UNITED STATES NOT
TO OBJECT TO THE ADHESION OF THE SOVIET UNION
TO THE SPITZBERGEN TREATY OF FEBRUARY 9, 1920 ¹

857H.01/95

The French Ambassador (Claudel) to the Secretary of State

[Translation]

WASHINGTON, November 17, 1931.

MR. SECRETARY OF STATE: In a note dated February 2, 1926,² the Honorable Frank B. Kellogg, then Secretary of State, made known to my predecessor Mr. Henry Bérenger that the Federal Government did not see the necessity of modifying the Spitzbergen Treaty, signed at Paris February 9, 1920,³ in a manner permitting the Russian Government to adhere thereto.

Since that time the international situation has undergone important changes: The Union of Soviet Socialist Republics has been permitted to adhere to the Pact of Paris,⁴ to which the United States is a signatory, together with several other countries which have not recognized the Government of the Soviets.

Under these circumstances, my Government wonders whether the Federal Government still adheres to its former views concerning the possible adherence of the U.S.S.R. to the Spitzbergen Treaty. I would be grateful if Your Excellency would be good enough to make known to me your sentiment on this subject.

Please accept [etc.]

CLAUDEL

857H.01/95

The Secretary of State to the French Ambassador (Claudel)

WASHINGTON, December 21, 1931.

EXCELLENCY: Reference is made to your note of November 17, 1931, regarding the adherence by the present regime in Russia to the Spitsbergen Treaty, signed at Paris February 9, 1920. As your Government is aware, the Government of the United States has not

¹ For previous correspondence concerning the adherence of the Soviet Union to the treaty, see *Foreign Relations*, 1925, vol. I, pp. 201 ff.

² *Ibid.*, p. 208.

³ *Ibid.*, 1920, vol. I, p. 78.

⁴ *Ibid.*, 1928, vol. I, p. 153.

recognized the regime now functioning in Russia and the adhesion of that regime to the Pact of Paris has not altered this situation in any respect.

Should other parties to the Spitsbergen Treaty desire to permit the present regime in Russia to adhere to this Treaty, the Government of the United States would not raise any objection, provided it is clearly understood that the absence of such an objection should not be construed by any party to the Treaty or by the present regime in Russia as constituting the recognition of that regime by the Government of the United States.

Accept [etc.]

HENRY L. STIMSON

857H.01/98

*The French Ambassador (Claudel) to the Secretary of State*⁵

[Translation]

WASHINGTON, February 20, 1932.

MR. SECRETARY OF STATE: By your note of the 21st of December last, relative to the possible adherence of the Union of Soviet Socialist Republics to the Spitzbergen Treaty, you were good enough to inform me that the Federal Government would perceive no objection to the adherence of Soviet Russia to the Treaty in question provided that it were well understood that such attitude should not be considered as implying recognition by the Government of the United States of the regime which now prevails in Russia.

My Government, which I did not fail to advise of Your Excellency's reply, requests me to inquire immediately of Your Excellency whether the Federal Government would be prepared to subscribe to an arrangement drawn up by all the signatory powers, which arrangement would permit the Union of Soviet Socialist Republics to accede to the Treaty of February 9, 1920. The text of the future arrangement might be either that which was communicated to the Department of State in 1925, or a text amended in the sense indicated at the time by the Department of State, that is to say, with the substitution, in the sixth line of the preamble, of the words "political organization designated by the name of the Union of Soviet Socialist Republics" for the expression "federation designated by the name Union of Soviet Socialist Republics".⁶

Accept [etc.]

P. CLAUDEL

⁵ No record of a reply to this note has been found in the files.

⁶ See *Foreign Relations*, 1925, vol. 1, pp. 207-208.

SUGGESTED AMENDMENTS TO THE REGULATIONS
PROPOSED BY THE INTERNATIONAL CONFERENCE
ON SAFETY OF LIFE AT SEA, 1929 ¹

580.7A3/622

The British Ambassador (Lindsay) to the Secretary of State

No. 455

WASHINGTON, 31 December, 1931.

SIR: I have the honour to refer to my note No. 428 of December 3rd² regarding the Revised Collision Regulations proposed by the International Conference on the Safety of Life at Sea, 1929, and under instructions from His Majesty's Principal Secretary of State for Foreign Affairs to transmit to you herewith a copy of a memorandum embodying certain suggestions put forward by the Governments of Belgium and Japan and the Netherlands, and by His Majesty's Government in the United Kingdom for the amendment of the revised text of the regulations proposed at the Conference.

I am to inform you that as the suggested amendments are only such as would appear to be desirable in order to make the intention of the regulations clear or to give formal sanction to existing practices in the interests of safe navigation, and as they would only affect comparatively few vessels of special types, His Majesty's Government in the United Kingdom would propose that they should be embodied in the Revised Regulations. It is hoped that the United States Government will feel able to concur in the amendments proposed.

The majority of the Governments concerned have already, either directly or indirectly, signified their acceptance of the Revised Regulations and certain Governments have, moreover, intimated their desire to be informed of the date of operation proposed by His Majesty's Government in sufficient time to enable the adoption of the

¹ For previous correspondence relating to the International Conference on Safety of Life at Sea, see *Foreign Relations*, 1929, vol. 1, pp. 368 ff. For text of the International Convention and Regulations for Promoting Safety of Life at Sea, signed at London, May 31, 1929, see Department of State Treaty Series No. 910, or 50 Stat. 1121. Ratification of the convention was advised by the Senate, subject to understandings, June 19 (legislative day of June 15), 1936; it was ratified by the President, subject to said understandings, July 7, 1936; ratification of the United States was deposited at London, August 7, 1936; and the convention was proclaimed by the President, September 30, 1936. For amendment of the convention, proclaimed by the President, September 3, 1937, see Department of State Treaty Series No. 921, or 51 Stat. 13.

² Not printed.

Revised Regulations to be announced at least six months before they are to become operative. I am to inform you that in the opinion of His Majesty's Government in the United Kingdom the 1st January 1933 might well be fixed as the date for the simultaneous adoption of the Revised Regulations, including the additional amendments suggested in the enclosed memorandum.

His Majesty's Government in the United Kingdom hope that the proposed date for bringing the Revised Regulations into force will be agreeable to the United States Government and they would be glad to receive the views of the United States Government on this matter at latest by the 1st March 1932.

I have [etc.]

R. C. LINDSAY

[Enclosure]

International Regulations for Preventing Collisions at Sea

SUGGESTED AMENDMENTS TO THE REVISED TEXT PROPOSED BY THE INTERNATIONAL CONFERENCE ON SAFETY OF LIFE AT SEA, 1929

Naval Vessels.

Article 2.—Proposed by the Government of the United Kingdom of Great Britain and Northern Ireland, that the following addition should be made to the note at the end of this article:—

“and naval vessels in which it is not practicable to carry the second white light referred to in sub-division (b) of this article shall not be required to carry it.”

There was considerable discussion on the Navigation Committee of the International Conference on Safety of Life at Sea, 1929, as to whether certain classes of naval vessels could comply with the new requirement in article 2 (b) of the revised Regulations that vessels of 150 feet or more in length should carry a second steaming light. One delegation was definitely of opinion that the practical difficulties in the way of compliance were such that naval vessels should be exempted entirely from the requirement but this opinion was not pressed, and, with a view to meeting these and other difficulties affecting naval vessels, it was agreed to add the note at the end of article 2, which permits, in the case of naval vessels of special construction, a departure from the requirements of the article as to the position of lights or their range of visibility. The entire omission of the second steaming light would, however, not be in accordance with the note.

Exhaustive trials, which have since been made by His Majesty's Government in the United Kingdom, have shown that in certain classes of naval vessels, particularly submarines and the older

destroyers, the carrying of the second steaming light would endanger the safe navigation of the vessels or would involve very extensive and unduly costly alterations to them. It is believed that the naval authorities of certain other countries also take the view that such vessels could not reasonably be expected to comply with article 2 (*b*) of the revised Regulations. The amendment now proposed will obviate any difficulty in this respect.

Article 10.—Proposed by the Netherlands Government that to this article should be added a note similar to that proposed by the International Conference on Safety of Life at Sea, 1929, for inclusion at the end of article 2 of the revised Regulations, namely:—

“In naval vessels of special construction in which it is not possible to comply with the provisions of this article as to the position of lights or their range of visibility, those provisions shall be followed as closely as circumstances will permit.”

The Netherlands Government point out that, as the revised article now stands, submarines have to comply with the general requirement that a vessel when under way shall carry a white light at her stern. While it is possible for a submarine to carry the prescribed light, under certain circumstances a light affixed to the very low after-part would be submerged, and for this reason the light is often carried on the turret.

When the matter was under consideration at the International Conference on Safety of Life at Sea, 1929, the original intention was that all the regulations relating to navigation lights should be included in one article (article 2), and in that case the special exception now embodied in article 2 as regards steaming and side lights of naval vessels would have applied also to stern lights. Finally however, in order to avoid renumbering all the articles following the existing article 10, it was decided to retain the original arrangement of the articles, but the Conference omitted to include in article 10 the intended exception in favor of naval vessels. The amendment now proposed will rectify this omission.

Fishing Vessels.

Article 9 (*b*) and (*c*).—Proposed by the Government of Japan, that the words “and Korea” should be omitted from the phrase “in the seas bordering the coasts of Japan and Korea,” which appears in paragraph (*b*) and again in paragraph (*c*) of article 9.

In explanation of this proposal the Japanese Government state that the phrase is intended to cover the seas washing all the shores of Japan, and they think that the retention of the words “and Korea” may give rise to some doubt as to whether its application is

not confined to the seas bordering the coasts of Japan proper and Korea to the exclusion of other parts of the Japanese Empire, such as Formosa and Saghalien.

It will be noted that the proviso of which the phrase in question forms part, only applies to sailing fishing vessels of less than 20 tons gross tonnage.

Pilot Vessels.

Article 15.—Proposed by the Belgian Government that the footnote to this article should be amended so as to commence:—

“Dutch and Belgian steam pilot vessels”

The Belgian Government explain that they consider it would be useful to introduce for use by Belgian steam pilot boats the same special fog signal as that used by Dutch steam pilot boats which are engaged in the same waters.

The footnote appears to be intended merely to give information as to the distinctive manner in which the steam pilot vessels in question comply with the requirements of article 15 regarding sound signals for steam vessels under way in fog, &c., and no departure from or alteration in the Collision Regulations themselves is involved.

Position of Forward Anchor Light.

Article 11.—Proposed by the Netherlands Government that the words “and not exceeding 40” should be omitted from the second paragraph of this article, which requires the forward anchor light of a vessel of 150 feet or upwards in length to be carried at a height not less than 20, and not exceeding 40, feet above the hull. In support of the amendment, it is stated that, on occasions, a height of 40 feet above the hull is insufficient, presumably because, on vessels with extensive superstructures, the latter would obstruct an anchor light placed 40 feet above the hull and would prevent it from showing all round the horizon.

It is understood that, in practice, the anchor light on vessels having high superstructures is placed at a height of more than 40 feet above the hull, if this is necessary to secure its visibility all round the horizon. The amendment now proposed thus harmonises with existing practice.

BOARD OF TRADE, November 1931.

580.7A3/653

The British Ambassador (Lindsay) to the Acting Secretary of State

No. 138

WASHINGTON, April 19, 1932.

SIR: In my note No. 113 of March 30th last ³ I enquired whether the United States Government would agree to the proposal that outstanding ratifications of the International Convention for the Safety of Life at Sea signed at London in 1929 should be deposited simultaneously on October 1st, 1932. Under instructions from His Majesty's Principal Secretary of State for Foreign Affairs I now have the honour to transmit to you the further observations of His Majesty's Government in the United Kingdom on this proposal.

2. The date for the simultaneous deposit of ratifications has been proposed so that the Convention may be brought into operation simultaneously over as wide an area as possible on the 1st January, 1933. As stated in my note under reference the dates suggested are two months later than those proposed for the bringing into operation of the International Load Line Convention ⁴ since the Safety of Life at Sea Convention covers a much more diverse field and it may therefore be more convenient to many of the Governments concerned to have a longer period available for the preparatory work required. It is also hoped that the postponement of the date of operation until the 1st January, 1933 will enable a large number of Governments to come into the present scheme for the simultaneous deposit of ratifications.

3. In this connection I am to refer to the various dates which are specified in the Convention for the coming into force of particular provisions. Thus, in Articles 4 and 11, definitions are given of "new" ships, to which the provisions of Chapters 2 and 3 of the Convention apply in full, such new ships being defined as those the keels of which are laid on or after the 1st July, 1931. This definition was inserted in the Convention in the expectation that it would come into operation on the 1st July, 1931, but it is clearly not affected by the postponement of the date of operation, and His Majesty's Government take the view that as the provisions of the Convention have been published for some time, and are well-known in all the maritime countries, no serious difficulty or inconvenience is likely to be caused by adhering to the 1st July, 1931, for the purpose of the definition of "new" ships.

4. Article 37 specifies various dates in relation to the North Atlantic Ice Patrol, but these only concern the particular Govern-

³ Not printed.

⁴ *Foreign Relations*, 1930, vol. I, p. 261.

ments mentioned in the Article with whom separate negotiations are already in progress.

5. It has not been possible to adhere to the date laid down in Article 40 for the entry into force of the Revised International Regulations for Preventing Collisions at Sea, namely the 1st July, 1931, but separate negotiations are at present proceeding not only with the Governments which are parties to the Convention but also with the numerous other Governments which have adopted the International Regulations now in force; as you are aware from my note No. 455 of December 31st last, it has been proposed that the amended Regulations should come into force on the 1st January, 1933.

6. Further, it has not been possible to adhere to the date fixed for the taking effect of Article 41, and this will now be governed by the date on which the Convention as a whole comes into operation.

7. Under Article 51, the contracting Governments undertake to communicate one to another a sufficient number of specimens of the certificates which they propose to issue under the Convention, and this exchange was to have been made, if possible, before the 1st January, 1932. As matters now stand, the contracting Governments will no doubt complete the circulation of their specimen certificates as early as possible after the date on which the Convention comes into operation. The matter is, however, only one of administrative convenience, and there appears to be no necessity to fix definitely a new date in place of that laid down in Article 51.

I have [etc.]

R. C. LINDSAY

580.7A3/654

The British Ambassador (Lindsay) to the Acting Secretary of State

No. 139

WASHINGTON, April 19, 1932.

SIR: With further reference to my note No. 455 of December 31st last regarding the Revised Collision Regulations proposed by the International Conference on the Safety of Life at Sea in 1929, I have the honour, under instructions from His Majesty's Principal Secretary of State for Foreign Affairs, to emphasize the international importance of an early notification of the views of the United States Government on the proposal that the revised regulations should be brought into force on the 1st January, 1933.

In this connection I am to state that although the text of the Revised Collision Regulations is annexed to the International Convention for the Safety of Life at Sea, acceptance of the Revised Regulations in no way implies acceptance of the Convention itself

and that the date of operation of the Revised Regulations need not be the same as that on which the Convention is brought into force by the country concerned.

I am to enquire whether an expression of the views of the United States Government can be conveyed to His Majesty's Government in the United Kingdom before May 30th next.

I have [etc.]

R. C. LINDSAY

580.7A3/662

The Acting Secretary of State to the British Ambassador (Lindsay)

WASHINGTON, April 29, 1932.

EXCELLENCY: I have the honor to refer to your note No. 455 of December 31, 1931, regarding the Revised Collision Regulations, Annex II of the Convention for Promoting Safety of Life at Sea, and enclosing a copy of a memorandum containing certain suggested amendments to the Revised Text of the regulations.

With reference to the suggested amendments the views of this Government are as follows:

Article 2

The United States Government has conducted a number of tests with regard to the location on submarines of the two steaming lights required by Article 2 (a), (b), and (c). While it has not been found practicable to comply with the requirements of Article 2 (c) as to the vertical height of the forward of these two lights, it has been found practicable to install a forward range light on all submarines of the United States Navy, now in active service, and it is the opinion of the Navy Department that the fitting of such forward range lights is especially desirable for the safe navigation of vessels of this type.

In the case of some of the cruisers, it has not been possible to install the after range light so as to prevent its being obscured for a small angle on each bow by the structure of the foremast. In no type of naval vessel, however, has it been found impracticable to fit the two steaming lights in question.

This Government is of the opinion that it is in the interests of safe navigation that the two steaming lights required by Article 2 (a), (b), and (c) should be fitted on naval vessels as well as on merchant vessels and that every effort should be made to meet the provisions of this article "as closely as circumstances will permit."

Article 10

The proposal of the Netherland Government is satisfactory and thoroughly desirable. In our Navy we are providing a standby stern light on the conning tower fairwater ("turret") which is used in the event of failure at sea of the low stern light, which is placed "at the stern".

Article 9 (b) and (c)

The change proposed by the Japanese Government is acceptable.

Article 15

The change in this article proposed by the Belgian Government is acceptable.

Article 11

The change in this article proposed by the Netherlands Government is satisfactory. There are some advantages in not having the anchor light too high since the areas in which the vessel may be anchored are frequented by small craft. It is, however, preferable that the lights should be visible around the horizon than that they should be especially conspicuous to small boats.

Accept [etc.]

W. R. CASTLE, JR.

580.7A3/680

The British Ambassador (Lindsay) to the Secretary of State

No. 200

WASHINGTON, June 14, 1932.

SIR: I have the honour to refer to your Note No. 580.7A3/649 [662?] of April 29th last regarding the Revised Collision Regulations which form Annex II of the Convention for Promoting Safety of Life at Sea, and to inform you, under instructions from His Majesty's Principal Secretary of State for Foreign Affairs, that as regards the suggested amendment to Article 2 of the Regulations (a copy of which was transmitted to you under cover of my Note No. 455 of December 31st, 1931) the competent authorities of His Majesty's Government in the United Kingdom find two difficulties in applying this article as it stands. These difficulties are (1) that a steaming light fitted forward of the bridge would dazzle the officer navigating and nullify its benefits, and (2) that such a light would be, except in calm weather, frequently awash. These objections apply in respect of British submarines and to a less extent in respect to the older destroyers.

I am to add that all the other principal maritime powers have accepted the suggested amendment and that some have indicated that they also anticipate difficulties if a second steaming light had to be carried on some of their naval vessels. I am to express the earnest hope that in these circumstances the United States Government will also accept the amendment which only applies to naval ships in which it is not practicable to carry a second steaming light.

I am further to inform you that all the other principal maritime powers have notified their willingness to put the amended regula-

tions into operation on January 1st, 1933, and I am to enquire whether the United States Government agree to this date. In this connection I am to remind you that these regulations are quite separate and distinct from the International Convention for Promoting Safety of Life at Sea. His Majesty's Government in the United Kingdom do not consider it necessary to open a formal protocol to bring the revised regulations into operation since they feel that it will be sufficient if governments communicate their assent to them. They will notify all the governments concerned.

Several governments wish to give six months notice to mariners of the revision of the regulations and it is therefore necessary for His Majesty's Government to inform all the governments concerned within the next few days whether January 1st, 1933, is generally acceptable. I am therefore to request that I may receive the views of the United States Government at the earliest possible date.

I have [etc.]

(For the Ambassador)

C. J. W. Tow

580.7A3/683

The Secretary of State to the British Ambassador (Lindsay)

WASHINGTON, June 25, 1932.

EXCELLENCY: I have the honor to refer to the Embassy's note No. 200 of June 14, 1932, informing this Government that all of the other principal maritime powers have notified His Majesty's Government of their willingness to put into force on January 1, 1933, the collision regulations, as shown in Annex II of the Convention on Safety of Life at Sea.

In reply I regret to inform your Excellency that the United States Government is not prepared at this time to set a date as to when it will be ready to adopt the revised collision regulations.

This Government is in entire accord with the views of your Government that the regulations may be adopted independently of the ratification of the convention for the safety of life at sea. The regulations, however, as now in force, were adopted in the United States by act of Congress and under the constitutional system of this country changes may be made therein only by treaty or by act of Congress. Inasmuch as the present session of Congress is nearing adjournment and the next regular session will not convene until December next, I regret that it may not be expected that the revised regulations could be brought into force in the United States before January 1, 1933.

With reference to the proposed amendment to be added to Article 2 of the Revised Text of the International Regulations for Preventing Collisions at Sea (Annex II of the Convention), also discussed in the Embassy's note of June 14, 1932, I am glad to inform you that it is acceptable to this Government, as follows:

“and naval vessels in which it is not practicable to carry the second white light referred to in subdivision (b) of this article shall not be required to carry it.”

Accept [etc.]

For the Secretary of State:
W. R. CASTLE, JR.

580.7A3/693

The British Chargé (Osborne) to the Secretary of State

No. 247

WASHINGTON, August 8, 1932.

SIR: I have the honour to refer to your Note No. 580.7A3/681[683] of June 25th last regarding the Revised Collision Regulations forming Annex II of the Convention for the Safety of Life at Sea signed at London in 1929 and, under instructions from His Majesty's Principal Secretary of State for Foreign Affairs, to state that His Majesty's representatives in the countries concerned have been instructed to address to the Governments to which they are accredited a communication in the following sense.

2. The great majority of the maritime countries have accepted the proposals of His Majesty's Government in the United Kingdom concerning the International Regulations for Preventing Collisions at Sea, though a few countries have not signified their assent, and the United States, while accepting the suggested additional amendments to the revised Regulations, are unable at present to state when they will be ready to bring the amended Regulations into operation.

3. In the opinion of His Majesty's Government in the United Kingdom it would be unwise, having regard to considerations of safety of navigation for the countries which have already agreed to the above-mentioned proposals, to bring the amended Regulations into operation until such time as it is possible to arrange for them to be adopted almost universally.

4. His Majesty's Government therefore suggest that the revised Regulations should not be brought into operation by any country until a date later than the 1st January, 1933, which will be recommended by His Majesty's Government as soon as they feel confident that their recommendation is likely to be generally acceptable.

5. The revised text of the Regulations (embodying the various additional amendments already agreed to) will be circulated to all the countries concerned at an early date.

I have [etc.]

D. G. OSBORNE

580.7A3/715

The British Ambassador (Lindsay) to the Secretary of State

No. 350

His Majesty's Ambassador presents his compliments to the Secretary of State and, with reference to Mr. Osborne's Note No. 300 of September 28th last,⁵ regarding the ratification of the International Convention for the Safety of Life at Sea, signed at London in 1929, has the honour to inform him that instruments of ratification, in respect of the countries mentioned below, of that Convention, were duly deposited in the archives of the Foreign Office at London on October 1st last:—

Canada.
Finland.
France.
Germany.
United Kingdom of Great Britain
and Northern Ireland.
Italy
Norway
Sweden.

2. The Convention, having previously been ratified by the Governments of Denmark, the Netherlands, and Spain, will come into force in accordance with the provisions of Article 65 thereof on January 1st, 1933.

WASHINGTON, November 5, 1932.

⁵ Not printed.

REPRESENTATIONS BY FOREIGN GOVERNMENTS REGARDING CERTAIN CONGRESSIONAL SHIPPING BILLS DEALING WITH "TOURIST CRUISES" AND "FIGHTING SHIPS"

811.801/470 : Telegram

The Chargé in Great Britain (Atherton) to the Secretary of State

LONDON, February 11, 1932—10 a.m.

[Received February 11—9:10 a.m.]

60. The Undersecretary of State for Foreign Affairs sent for me last evening for "very serious" presentation of certain views of the British Government in connection with proposed legislation by Congress under Congressional Bills H. R. 8874 and H. R. 8875.¹ Vansittart reminded me that in the Spring of 1931 when not unusual legislation was pending he had discussed the matter with General Dawes. Since then, in his opinion, Congressional deliberations on this subject had been followed by interested concerns in this country and he gave as his personal opinion that recent questions as to British trade with the United States had been asked in Parliament as a possible preface to a motion before Parliament for some sort of retaliation if the Congressional Bills first above referred to did in fact become law. Vansittart continued in substance as follows.

The effect of the two Bills, and particularly of the cruises Bill H. R. 8875, is virtually to extend to the British and other territories adjoining the United States seaboard the principal effects of the United States coastwise shipping legislation.

Vansittart wished to represent the unwisdom, even in the interests of the United States themselves, of introducing measures still further restricting the freedom of navigation. Such measures might appear attractive if regarded as isolated provisions, but it should not be overlooked that, if other countries should adopt the same principle, international shipping would be threatened with a complete standstill. The definition of a fighting ship in Bill H. R. 8874 is such that almost any United States vessel could be so described. He mentioned that, while the greater part of American

¹ *Congressional Record*, vol. 75, pts. 3, 4, and 5, pp. 3389, 3629, and 5395. Identical bills S.3501 and S.3502 were introduced in the Senate the same session; see *ibid.*, pt. 3, p. 3354.

shipping services are run between United States ports and foreign ports, there are a steadily increasing number of services conveying traffic between two or more foreign ports, e. g. the Dollar Line, which carries an appreciable trade between Hong Kong and other British ports, and certain subsidiaries of the Matson Line, which have recently engaged in trade between Fiji, New Zealand and Australia; the general consequences must be considered in setting such a precedent of general application merely in order to deal with local conditions. In his opinion it was only natural so long as the policy of subsidizing (uneconomic) shipping services is maintained by the American Government foreign shipping lines affected should seek to compensate themselves for the detriment in which they are involved by looking for new openings.

These Bills, no less than the recently reintroduced King Bill,² he felt were bound to cause very considerable feeling in shipping and commercial circles in England, who will ask that steps be taken to protect their interests, and accordingly there is envisaged the risk of adding to the existing obstacles in the commercial relations between the United States and British Empire, a result which Vansittart felt could not be desired by either Government. Vansittart pointed out that in discussing the LaFollette Bill in 1931 he had indicated to General Dawes that a demand for retaliation would almost inevitably arise, and he felt his observations then were more to the point today in view of present Parliamentary sentiment; it must be remembered that while Washington has to consider Congress and the special interests represented there, so the present government has to consider the greatly increased powers of Parliament and the interests in question here.

In closing Vansittart expressed the hope, in view of the economic policy of the British Government and in the views generally held here today on questions of this general nature, that I would convey this matter to my Government for its careful consideration "at this time".

I may add that, evidently to avoid confusing issues, Vansittart did not wish to discuss the King Bill but nevertheless he could not conceal his general view that this measure involved an "interference in the domestic legislation in this country".

ATHERTON

² S.7 "To provide for the Deportation of Certain Alien Seamen, and for other Purposes"; see *Foreign Relations*, 1931, vol. 1, pp. 815 ff., and *post*, pp. 944 ff. See also *Congressional Record*, vol. 75, pt. 1, p. 768.

811.801/514

*Memorandum by the Under Secretary of State (Castle) of a
Conversation With the German Ambassador (Von Prittwitz)*

[WASHINGTON,] February 11, 1932.

The German Ambassador told me that he was very much worried about the bills which had been introduced in Congress which would apparently put a stop to the winter cruises made by foreign boats to the Caribbean. He said this seemed a very unfair interference and pointed out that, in these days when all trans-Atlantic Lines were hard pressed, it would be a great blow to German shipping interests. He said that, of course, he had no sympathy with the 24 hour cruises now being made, but that he hoped most earnestly that no legislation would be adopted which would put a stop to the regular cruises.

I told the Ambassador that I did not know much about the situation, but that I fully sympathized with what he had said and that I knew the matter was being discussed in the Department. I said I would bring what he had said to the attention of the proper officials.

W[ILLIAM] R. C[ASTLE, JR.]

811.801/477

The British Embassy to the Department of State

MEMORANDUM

On February 4th two bills were introduced into the House of Representatives dealing with "Tourist Cruises" and with "Fighting Ships". They were referred to the Committee on Merchant Marine, Radio and Fisheries, have been reported out, the former with an amendment, and now await further action. Identical bills were simultaneously introduced in the Senate. His Majesty's Embassy desire to draw the earnest attention of the State Department to these proposed measures.

H. R. 8875.

Cruises for tourists in ocean liners were first organized some thirty years ago in Europe. At that time there were some English, and later some German companies who in the summer months conducted tours to the fiords of Scandinavia and to the Arctic Seas north of Sweden. It was found that a latent demand existed for these pleasure tours on the ocean and developments soon followed. Cruises were organized in the winter months from England to the

Mediterranean and to the West Indies, and before the Great War a certain number of tours were arranged from New York to the Mediterranean. It was indeed natural that in winter travellers should seek the sunshine and the diminution of traffic in the North Atlantic made the services of large ships available to meet the demand.

Until after the war there was no development of this pleasure-cruise traffic from the ports of the Atlantic seaboard to the tropical seas of America. There had of course for many years been a regular traffic to the Bermudas, conducted by British lines sailing on regular schedules, and there were also regular lines, both British and American, serving the traffic between American ports and the Bahamas and West Indian Islands, but these lines mainly served ordinary business and commercial purposes, and, though travellers might take the voyage for pleasure only, no effort was made till recent years to cater to the desire of those travellers who could not afford the time for a Mediterranean voyage, who yet desired a cruise in a warm climate, or who, when visting a foreign winter resort, might prefer to travel on a large and luxurious ship. The efforts of British and other ships in these directions have to a large extent created a demand by furnishing the means of satisfying it. The business so created is honourable and unexceptionable, and has assumed large proportions both here and in other parts of the world. So far as British ships are concerned the share of this traffic that has fallen to them has been won in open competition, free and fair, with the ships of many other nations, and without the help of any form of subsidy.

According to the House Committee's Report the bill H. R. 8875 is designed to stop the so called "cruises to nowhere" (which are not interesting); to prevent these foreign ships, in the course of a tour, from landing their passengers for a few hours on American soil (a practice which has been incidental and infrequent only); and, apparently, to diminish competition with American ships. In effect the Bill makes the cruises now conducted to foreign ports completely impossible. Except under a prohibitive penalty a British ship is debarred under the bill from embarking passengers at an American port, carrying them to foreign ports, and returning them to American territory. A traveller might embark on one of the regular British vessels plying to Bermuda, but if he returned on the same vessel and on the same trip he would involve her owners in a fine of \$200.

The bill involves legislative principles of a new and striking character. Laws relative to Coastwise Shipping are usually re-

garded as of a domestic nature, indeed their provisions are unaffected by the stipulations of Treaties prescribing free navigation. The proposed law in substance simply extends the limitative effects of the Coastwise Shipping Law, a domestic law, so as to make it embrace British territories. Such a measure could hardly fail to arouse deep resentment even if it did not also inflict serious material injury, both to those territories and to a legitimate shipping interest.

H. R. 8874.

This bill extends the definition of a "fighting ship" by including foreign ships used so as to produce excessive and unwarranted competition with American ships in any particular trade. The United States Shipping Board shall determine, finally and without appeal, whether a foreign vessel is a fighting ship, and the foreign vessel so certified by the Board shall be refused clearance in that trade. His Majesty's Embassy must question whether in a matter touching so closely to the rights of property, an Administrative Board, such as the United States Shipping Board, is a proper body to discharge such judicial functions as those of pronouncing final decisions in so important a case. Apart from this it appears doubtful whether any body or any Court could justly construe "unwarranted and excessive competition", or the effect of putting additional ships into certain trades.

To strengthen the legislation relative to fighting ships must, among other effects, have that of establishing a practical monopoly for present shipping companies on certain routes. This must not only restrict the freedom of shipping to find the trades where its services at any moment are desired, but it must operate also to the serious disadvantage of shippers, who cannot wish to find themselves at the mercy of particular lines or conferences. It would seem that under the proposed legislation, in any given trade from an American port, either the clients of that trade must for ever be content with existing facilities, or the privilege of improving those facilities is liable to be restricted to American ships only. Yet surely it is to the interest of all trade in general, and of shippers and travellers in particular that the latter should be able to enjoy improvements of their facilities with the least possible limitation.

His Majesty's Embassy must point out that, in the spirit of commercial nationalism which at present so unfortunately prevails among the nations of the world, the introduction of new restrictive principles in international commerce, or the strengthening of old ones, has an unfortunate tendency to provoke the enactment of

similar measures by other Governments and so to increase further the disastrous commercial paralysis from which the world is now suffering. There is nothing in logic or in law to prevent the adjective "fighting" as used in the Bill from being applied to other things than ships—to manufactures, to raw materials, or to any commodity which is a subject of international trade. It cannot surely be desired to open the door to this kind of legislation.

Again, the present unparalleled freight depression is largely due to the great excess tonnage over the world's needs. The world's shipping amounts to some 70 million gross tons as compared with some 49 million gross tons before the war. The greatest increase has taken place in the American Mercantile Marine which now amounts to some 13½ million gross tons (including idle tonnage and excluding shipping on the lakes) as against 2 million tons in 1913. In view of these facts, and supposing for a moment that a few years ago other nations had passed laws similar to H. R. 8874, there would hardly be a trade in which it might not have been said that the American ships engaged were fighting ships.

The object however of the present representation is to urge a different spirit. All nations are suffering acutely under the present depression and it is not by fighting ships or by any other sort of fighting that relief can be found. The trade between the United States and the United Kingdom is still vast. Even in 1931 America's exports to the United Kingdom amounted to \$455,000,000 while her imports from the United Kingdom totalled \$135,000,000. It is the desire of His Majesty's Government and surely of the United States Government also to develop and increase this valuable exchange, but no commerce can flourish except in a spirit of mutual forbearance. His Majesty's Embassy submits that the legislation proposed in H. R. 8874 and H. R. 8875 contravenes this spirit and earnestly begs the State Department to take what measures are possible to prevent the enactment of these measures.

[WASHINGTON,] February 15, 1932.

811.801/476

The Netherlands Minister (Van Royen) to the Secretary of State

No. 536

The Netherland Minister presents his compliments to the Secretary of State and, acting upon instructions from the Netherland Government, has the honour to respectfully draw Mr. Stimson's attention to a bill, H. R. 8875, which by its intended extension of

the scope of the term Coastwise Trade would, if enacted, forcibly terminate a branch of trade in which a Netherland shipping Company has been engaged for years, *videlicet* the carrying of passengers on round trip cruises from New York to various non-American ports in the West Indies (the Netherland ports of Curaçao and Paramaribo included) and from there back to the point of departure in the United States.

The Netherland Government does not think of trying to deny that a Government is fully entitled to reserve the coastwise trade to its own national ships but the universally accepted meaning of Coastwise Trade is transportation from one port to another in the same country.

Now the Netherland ships in question do not convey passengers from one United States port to another, the cruises only having non-American ports of call, and it would therefore seem contrary to the well established rules of international law to consider the trips in question as constituting coastal trade which should be reserved for American ships only.

The proposal of law under consideration even goes so far as to make it unlawful for a Netherland vessel to take passengers on a trip from New York to the Netherland West Indies and back and my Government fails to see how voyages of this kind could possibly be termed Coastwise Trade.

Mr. van Roijen begs leave to point out further that pleasure voyages like those aimed at by bill H. R. 8875 were started long before any American vessels engaged in this particular branch of shipping and it cannot be contended therefore that Netherland ships invaded a field which theretofore had been the exclusive domain of United States vessels.

The Netherland Minister trusts that the United States Government will give earnest consideration to the above made representations and that enactment of the measure in question with its disastrous effect on Netherland shipping and international shipping in general will be averted.³

WASHINGTON, February 16, 1932.

811.801/477

The Netherlands Minister (Van Royen) to the Secretary of State

The Minister for the Netherlands presents his compliments to the Secretary of State and, acting on instructions from the Nether-

³ In a supplementary note of March 2, the Netherlands Minister stated that his objections to H.R.8875 applied "in equal measure" to S.3502 (811.801/485).

land Government, begs leave to respectfully draw Mr. Stimson's attention to the bill H. R. 8874, at present before the House of Representatives which intends to give the United States Shipping Board the power to declare any foreign vessel, which in the opinion of the Board produces unwarranted and excessive competition with United States vessels, a fighting ship within the meaning of the "Shipping Act 1916"⁴ as amended by section 20 of the "Merchant Marine Act 1920";⁵ the result of such declaration being that the foreign ship in question will be refused clearance by the United States Authorities and thus forced to cease the voyages objected to by the Shipping Board.

Enactment of the bill in question would, in the opinion of the Netherland Government, constitute a serious menace to the freedom of international shipping, threatening, as it does, the existence of every possible shipping line or vessel which transports goods and passengers between this country and foreign ports in competition with American ships.

The absolute power which the bill is designed to confer on the Shipping Board would entitle this body to even prevent a foreign vessel from carrying cargo and passengers to the ports of the country to which the ship belongs without the possibility of an appeal to a higher Authority.

If the principle underlying the bill in question were adopted by all other nations, the freedom of international shipping would cease to exist and the Netherland Government therefore trusts, that the United States Government will not enact a measure which may so seriously affect the peaceful development of free international shipping, without which fruitful economic relations between the nations of the world would be impossible.⁶

WASHINGTON, February 16, 1932.

811.801/482

The Swedish Minister (Boström) to the Secretary of State

WASHINGTON, February 24, 1932.

SIR: In the House of Representatives a bill (H. R. 8875) was introduced on February 4, 1932, to amend Section 8 of the Act of June 19, 1886,⁷ as amended by Section 2 of the Act of February 17, 1898,⁸ entitled "An Act to amend the laws relating to navigation".

⁴39 Stat. 728.

⁵41 Stat. 996.

⁶In a supplementary note of March 2, the Netherlands Minister stated that his objections to H.R. 8874 applied "in equal measure" to S.3501 (811.801/486).

⁷24 Stat. 79.

⁸30 Stat. 248.

The proposed amendment reads as follows:

"Sec. 2. No foreign vessel shall transport passengers between ports or places in the United States or its possessions, now or hereafter embraced within the coastwise laws, either directly or by way of a foreign port, or for any part of such transportation, nor on a continuous voyage terminating at the port of departure or at any other port in the United States or its aforesaid possessions, notwithstanding that said vessel enters or touches any foreign port on such voyage, under a penalty of \$200 for each passenger so transported and landed".

The competent committee of the House has proposed the insertion of the word "near-by" before the words "foreign port" on page 2, line 1, and before the word "foreign" on page 2, line 5.

It is understood that the proposed legislation is intended to prevent any attempt to evade the exclusive right to coastwise trade, which in accordance with international law and practice is reserved for American shipping. But the text of the bill seems to give room for the interpretation that it would prevent a foreign ship from starting on a cruise from one American port to the West Indies and back to the port of departure, even if it does not touch at another American port and thus does not carry passengers between two or more American ports or places.

If this interpretation of the bill is correct, it will, if enacted, in the opinion of my Government extend the coastwise trade beyond the international definition of this term.

Upon instructions of my Government I, therefore, have the honour to express the hope that the bill, if enacted, may be so worded that it does not extend the coastwise trade beyond the meaning of this term according to international law.⁹

With renewed assurances [etc.]

W. Boström

811.801/484

The French Ambassador (Claudel) to the Secretary of State

[Translation]

The Ambassador of France has the honor to invite the kind attention of His Excellency the Secretary of State to two bills which have been introduced in the Senate under the numbers 3501 and 3502 and of the House of Representatives under the numbers 8874 and 8875, the adoption of which would be susceptible of causing a seri-

⁹ On March 18 the Swedish Minister advised Mr. Bundy, Assistant Secretary of State, that his Government considered H.R. 8874 "also objectionable in so far as the Shipping Board might have control under the Bill of shipping other than coastwise shipping." (811.801/508)

ous prejudice to French merchant marine interests and would mark a profound modification in maritime international law.

The bill numbered S3501-HR8874 has for its purpose the amending of the "Shipping Act" of 1916 by establishing a difference of treatment between American and foreign ships. It, in effect, gives to the term "fighting ship" of the 1916 law the following supplementary definition: . . . "a foreign vessel used or proposed to be used in a particular trade so as to produce unwarranted and excessive competition in such trade with vessels documented under the laws of the United States which engage in such commerce."

It does not seem that it would be giving these provisions of the bill an exaggerated interpretation in thinking of them as making the act of competition by foreign ships a criminal offence, taking into consideration the difficulty of giving the terms "unjustifiable and excessive" a judicial definition. The operation of this amendment would therefore exclude the foreign vessels from the ports of the United States each time that competition with the American vessels seemed undesirable to the Shipping Board, since by the provisions of the bill, the decision of the Board would be final and without an opportunity for an appeal. Only the American agency, interested as it is in maritime commerce, would have the absolute power of defining a "fighting ship". Its decision would have the force of law and from such a decision the foreign shipping companies would have no appeal open to them.

It appears that the bill in question does not take into consideration the principle of international law under which foreign vessels have free access to the ports of all countries for the carrying on of commerce on the same basis as the national vessels, a principle incorporated into many treaties actually in force between the United States and a certain number of foreign countries.

It is not unreasonable to assume, for instance, that the General Trans-Atlantic Company might see the new ship that it is at this moment building denied access to the harbor of New York, if it is called a "fighting ship" by the Shipping Board. Although the intentions of the American Government certainly must not be to create a situation of this sort, the bill nevertheless would give the agency this power.

The bill numbered S3502-HR8875 has as its object the amending of the law of June 19, 1886 by including in the definition of coast-wise shipping the practice of continuous voyage terminating at the point of departure or at any other port of the United States with or without stopping at a foreign port.

It is the introduction of the words "point of departure" in the bill that makes it an innovation, without these words the amendment would be considered a tautology. These words clearly indicate that the practice that the bill seeks to prohibit is not the ordinary transportation of passengers from one American port to another, already reserved for American craft by the provisions of the original act of 1886 regulating coastwise navigation, but the transportation of tourists, because it is not conceivable of considering as transportation the bringing back of passengers to the point of their departure. Now the carrying of passengers on the high seas, with stops in foreign ports, is essentially an act of international commerce.

Thus the General Trans-Atlantic Company, which has for some time been carrying tourists to the Bermudas, the Bahamas, the West Indies, Martinique and Guadeloupe, etc., having New York as a point of departure and of arrival, would in the event of the adoption of this proposed law find it impossible to continue this practice.

Consequently, all the reservations which might be made in the event of the adoption of bill S3501-HR8874 would also apply to bill S3502-HR8875.

In calling these divers points to the attention of His Excellency the Secretary of State, the Ambassador of France would be happy if the Secretary would have the kindness to call to the attention of the competent committees of the two Chambers the point of view of the French Government.

Mr. Paul Claudel is glad to take this opportunity to again express to the Honorable Henry L. Stimson the assurances of his high esteem.

WASHINGTON, February 25, 1932.

811.801/484½

The German Embassy to the Department of State

[Translation]

MEMORANDUM

On February 4th of this year, two bills regarding navigation were introduced in the Congress of the United States which present grave dangers for German shipping.

S. 3501 and H. R. 8874 call for an extension by law of the concept of "fighting ship" and S. 3502 and H. R. 8875 for an extension of the concept "coastwise navigation", which would mean a serious prejudice to the principle of freedom of navigation.

The bill concerning "fighting ships" would, on the one hand, seriously hinder any further development of international navigation, as every new installation of a ship in a service, every change in passenger or freight rates, in fact, even every change in the time of sailing could be declared by the United States Shipping Board, as a unilateral act, and without granting a hearing to the parties, as unjustified competition, and punished by refusal of outward clearance. According to the tenor of the bill, there is even a possibility that the defensive measures taken by a foreign navigation line, with regard to freight and passenger rates, against an American ship newly entered into competition, might be considered by the Shipping Board as "unjustified competition", within the meaning of the law, and prosecuted.

The provision of law, as at present proposed, presents the danger of eliminating from navigation between other countries and the United States, all competition, without regard as to whether it is healthy or unhealthy, to the greatest disadvantages of American and foreign firms and individuals interested in commerce and relations with the United States.

The bill, which is intended to subject transportation of passengers from an American port via a nearby foreign port, back to an American port, to the existing restrictions on coastwise navigation, would, on the other hand, materially prejudice or make quite impossible the cruises developed by foreign navigation companies during long years of practice, which form a legitimate branch of international navigation.

Furthermore, it has always been a recognized principle of international law, that the transportation of passengers and freight on the high seas should be free and open to the ships of all nations on equal terms. By the contemplated extension of the coastwise navigation concept a considerable portion of the transportation of passengers and freight, which has hitherto been unrestricted, would be claimed as the special privilege of a specific national flag.

Aside from these general considerations of international law, weighty objections may be raised based on treaty rights against the proposed extension of the concepts of "fighting ships" and "coastwise navigation".

The contemplated provision of law with regard to a new interpretation of the concept, "fighting ship", is in conflict with Article VII of the German-American Treaty of Friendship, Commerce, and Consular Rights,¹⁰ according to which the liberty is granted to the nationals of one contracting party, to visit without hindrance, with

¹⁰ Treaty of December 8, 1923, *Foreign Relations*, 1923, vol. II, p. 29.

their ships and cargoes, all places, ports, and waters of all kinds, within the territorial limits of the other party, which are now or may be in the future open to foreign flags, commerce, and shipping. It would be inconsistent with this provision, if outward clearance were refused to a German ship, on the ground of an alleged infraction, concerning which the Shipping Board, alone, and as a unilateral act, would pass judgment.

The extension of the concept of coastwise navigation, on the other hand, is inconsistent with Article XI of the German-American Treaty of Friendship, Commerce and Consular Rights, the basis of which was the concept of coastwise navigation as accepted at the time of the conclusion of the treaty. A unilateral extension of this concept cannot be approved. The value of these provisions concerning navigation contained in the said Treaty would be considerably diminished for Germany by such an extension. The fine of \$200 per passenger, which would be required in the case of round trips, which hitherto under the treaty were not considered as coastwise navigation, must be regarded as a violation of this treaty.

In conclusion, it may be pointed out, in the regard to the bills discussed above, that German shipping has contributed in a high degree to bring about the surplus in German balance of trade, the transoceanic service maintained by it being not the smallest factor in this respect. It cannot be the intention of the United States to limit this possibility on the part of Germany by restricting to unreasonable limits the freedom of movement of her ships on the high seas in a long established legitimate trade, in violation of the Treaty existing between the two countries.

The German Embassy would appreciate it if the Department of State of the United States would see to it that the above-mentioned points are taken into consideration by the competent American officials in the discussion of the bills.

WASHINGTON, February 27, 1932.

811.801/498‡

The Canadian Legation to the Department of State

MEMORANDUM

Bills were introduced in both Houses of Congress on February 4th to amend the shipping laws of the United States with respect to tourist cruises and the definition of the phrase "fighting ship". The bills introduced in the House of Representatives (H. R. 8874 and 8875) were favorably reported on February 9th by the Com-

mittee on Merchant Marine, Radio, and Fisheries, with the addition of an amendment to H. R. 8875. The identical bills introduced in the Senate (S. 3501 and 3502) have been referred to the Committee on Commerce.

The Canadian Legation has been instructed to commend to the earnest consideration of the Department of State the effect of these measures, the enactment of which, at any rate in their present form, would be seriously detrimental to Canadian shipping interests. The Canadian Legation desires to urge that legislation so widely extending the principle of coastwise shipping laws is not only contrary to long established and widely accepted practice, but must also tend to intensify and extend the restrictions imposed on shipping generally, to the serious detriment of travel facilities between nations. Furthermore, the measures would increase so widely the scope of the coastwise shipping laws of the United States as to make them extend in certain important respects to Canadian ports as well. Moreover, the bills as they are now drafted would embrace regular services long maintained by Canadian lines with which they are undoubtedly not intended to interfere; and these services, convenient and necessary as they are to the regular commerce of both countries, would be hampered and restricted, if not actually eliminated, should the bills be passed without amendments exempting them from their scope.

H. R. 8875 and S. 3502 are designed to restrict to vessels of United States registry tourist cruises from ports of the United States. According to the Report of the House Committee, the particular objects are:

(1) to eliminate the so-called "cruises to nowhere" by foreign liners, an unimportant aspect of the cruising traffic which is not participated in by Canadian vessels;

(2) to prevent foreign vessels in the course of a cruise from touching at a port in Florida, an infrequent practice which is also not carried on by Canadian vessels; and

(3) to diminish competition during winter months with United States shipping engaged in regular services. The passage of the measure, however, would bring results far beyond the attainment of these limited purposes.

Tourist cruises have been developed out of United States ports since the Great War in response to a widespread and increasing public demand for an opportunity to visit foreign ports, especially during the winter season, while enjoying the comfort of ocean travel on large liners. The demand has been created and in large part served by foreign shipping companies, and Canadian companies have shared in meeting it. The traffic, which has grown up not only in

the United States, but also in many other parts of the world, is generally recognized as an entirely legitimate mercantile enterprise. This appears to be admitted by the House Committee on Merchant Marine, Radio, and Fisheries, which amended the terms of H. R. 8875 so as to narrow its application to cruises between a port of the United States and "a nearby foreign port", with the object of avoiding any interference with cruises to European and other distant waters. It is not clear whether the language of this amendment would exclude from the operation of the bill long cruises to Caribbean waters such as have been maintained for some years by a Canadian shipping company from New York to ports in Venezuela, Panama, the British, French, and Dutch West Indies, Cuba, and Porto Rico. These cruises are of three or four weeks' duration, and are conducted on a regular schedule during the winter season. A similar cruising service is operated by another Canadian company from Boston to Panama and West Indian ports. It is not believed that cruises of this type are in any way competitive with regular all-year services maintained by United States lines.

The measure, as at present drawn, would not only affect regular cruising services of this sort, but would bear most heavily on a large number of regular shipping lines engaged in ordinary passenger traffic between ports of Canada, the United States, and neighbouring British colonies. None of these lines was established with a view to the cruising traffic in the usual sense; frequently, however, passengers desire to take a round-trip voyage, for example from New York to Montreal, or across Lake Ontario from Lewiston to Toronto, or from Seattle to Victoria and Vancouver. Any Canadian ship carrying a passenger from a port of the United States on such a round-trip would appear to be engaged "on a continuous voyage terminating at the port of departure", and would therefore be liable under the proposed legislation to a penalty of \$200 in respect of each passenger so transported.

On the Atlantic Coast the Canadian National Steamships maintain an all-year service, starting at Montreal in summer and at Halifax in winter, between Canada, Bermuda, and the British West Indies, and these vessels regularly call at Boston. A proportion of the passengers joining the vessels southbound at Boston return on the same ship after visiting the regular ports of call in southern waters. The same company maintains a weekly service in winter between Boston and Bermuda. Another Canadian company has a regular winter service between New York and Bermuda and a regular summer service between New York and Montreal. These are all international services of exactly the same nature as services to European ports.

Long-established services on the Great Lakes would be placed in the same difficulty. For many years a popular and frequent passenger service has run from Toronto across Lake Ontario to ports two or three hours distant at the mouth of the Niagara River, including Lewiston, New York. Another short international route is from Cobourg to Rochester, New York. If a passenger embarked on one of these vessels at Lewiston or Rochester and chose to return on the same trip of the same vessel (a common practice, especially in hot weather), the vessel would become liable for the prescribed penalty of \$200. Several other Canadian lines on the Great Lakes would be similarly affected, and it is believed that such a consequence is entirely foreign to the purpose of the proposal. It may be mentioned that it would not be feasible on brief voyages such as these and those on the Seattle-Victoria-Vancouver run for shipping companies so to examine the passengers as to eliminate all round-trip travellers.

On the Pacific Coast a service, inaugurated in 1904, has been maintained for many years by a Canadian company between Victoria, Vancouver, and Seattle; two trips are made daily on an all-year schedule, and by mutual arrangement, tickets of this line are honoured on vessels of a United States line which participates in the traffic. Though this is a stable passenger service, it is also used for excursion purposes and for round-trip traffic on business or pleasure; the passage of this measure would gravely interfere with its operation.

Two Canadian lines maintain services between Vancouver and Skagway, Alaska. One, an all-year service, was inaugurated in 1898; the other, started in 1912, is an extension in summer months of a service between Vancouver and Prince Rupert. (United States vessels participate in the traffic between Canada and Alaska by calling at Vancouver and Victoria.) This measure would forbid foreign vessels from transporting passengers between ports in the United States or its possessions "either directly or by way of a foreign port, or for any part of such transportation". This might be construed as prohibiting, for example, a Canadian ship from carrying a passenger going from Alaska to the United States for a part of his journey from Skagway to Vancouver, under penalty of being fined \$200 on its return to Skagway, since this voyage would be part of a trip between two United States ports. Bookings on these lines in the United States might also be prevented, in spite of the fact that transshipment invariably takes place at Vancouver or Victoria.

H. R. 8874 and S. 3501 would amend the definition of a "fighting ship": (a) by providing that a vessel entering a particular trade in order to increase competition (as well as to exclude, prevent, or reduce competition, as at present provided) is a fighting ship; and (b) by

adding a new definition aimed only at foreign vessels "used, or proposed to be used, in a particular trade so as to produce unwarranted and excessive competition in such trade with vessels documented under the laws of the United States". The Shipping Board would be given final and complete authority to decide whether a foreign vessel was a fighting ship; and clearance would be refused to vessels so certified by the Board.

The enactment of this measure would place in the hands of the Shipping Board, without the possibility of an appeal or of any judicial determination of the issue, the right to prevent any foreign shipping line from maintaining an existing service, or from establishing a new service, between a United States port and a foreign port, if the existing or proposed service was competitive with one maintained by a United States line. It could be employed, for example, to cut off the Canadian services of many years' standing on the Pacific Coast between Vancouver and Skagway, and between Vancouver, Victoria, and Seattle. The bill would tend towards the establishment of a monopoly on certain routes, and could be used so as to operate to the serious disadvantage of shippers and of the travelling public. The measure does not appear to give due recognition to the undoubted right of a foreign country to secure for its shipping a reasonable share of the traffic between its own ports and those of the United States; and in this respect it is not only discriminatory but is also in principle an extension to foreign territory of the coastwise laws of the United States. It is avowedly aimed at a particular situation on the Atlantic Coast, but its sweeping language would permit its provisions to be applied to all services between Canadian and United States ports now existing or to be established in the future, as well as to trans-Atlantic and trans-Pacific ocean services.

The Canadian Legation finally submits that the passage of these bills at a time when trade is acutely depressed would tend to prolong the period of recovery, and could not fail to arouse resentment abroad by reason of the material losses inflicted on legitimate shipping interests and by the extension to foreign territories of principles of legislation which are regarded as of domestic application only.

WASHINGTON, March 2, 1932.

811.801/498

*Memorandum by the Assistant Secretary of State (Bundy) of a
Conversation With the British Ambassador (Lindsay)*

[WASHINGTON,] March 2, 1932.

I had a long talk with the Ambassador about the Shipping Bills, during which I told him that there was a lot of energy behind the Bills and that most of the fire seemed to be caused by the Cunard's action on the Cuba Line. I said that it seemed to me the Shipping Lines interested had better settle the matter between themselves. I suggested that he consult with the British interests to see whether this could be done. I told him I thought there would be no immediate passing of the Bills and that there would be time to work out some amicable adjustment.

I told the Ambassador that it was our plan not to send his memorandum to the Senate Committee unless he specially requested it, but that we hoped that our letter to the Committee would cover the points he had mentioned sufficiently. He stated that he would leave this decision to us.

H[ARVEY] H. B[UNDY]

811.801/487

The Italian Embassy to the Department of State

MEMORANDUM

The attention of this Embassy has been called upon the two Bills H. R. 8874 and H. R. 8875, having reference to matters pertaining to proposed maritime legislation: a careful examination of said Bills has given source to some considerations which I have the honor to submit to your Department, merely from the standpoint of the Commercial relations between the United States and Italy.

While I understand that the proposed Bills are still the object of study on the part of American legislative Committees, however it seems proper on my part to call your attention at this time upon the consequences which would arise from said proposed legislation, in the instant case.

It would seem that Bill H. R. 8874, known as the "Fighting Ship Bill",—intended to offset an unwarranted and excessive competition which has occurred and which could occur in World Tours Traffic with the West Indies, and intended to benefit the American Merchant Marine engaged regularly in the traffic with said West Indies—, could in reality, according to the literary interpretation of the meaning of the "fighting ship" as worded in the Bill, be construed as a

possible obstacle to all traffic between the United States and Italy as it would not only injure the principles of International Law but also the rights reciprocally guaranteed in the existing treaties of Commerce and Navigation.

To define competition the way it is expressed in the above mentioned Bill, it is to grant the theoretical possibility to exclude entirely foreign vessels from American ports whenever their competition with American vessels is deemed undesirable, and to cause similar measures to be adopted by foreign States in the same matter.

In connection with the foregoing, I take this opportunity to explain what was mentioned on February 8th, at the hearing of the Committee of the House of Representatives, by one of those present who was seeking the provisions included in Bill H. R. 8875, that "similar action has been taken in Italy". The provision to which he alluded does not constitute a discrimination of Flag: such measure, which demands that embarkation in foreign ports must first have been authorized and places a very slight tax, is meant only in the interest of emigrants, in order to assure to them the embarkation on board ships which have regular licenses (ships which are authorized to transport emigrants) without restrictions whatever as to the ships flags.

As a matter of fact, the licenses may be granted or denied to national or foreign Navigation Companies.

But, the point which I wish chiefly to explain is this: In our Commerce and Navigation Treaty¹¹ (strengthened by the provisions of the most favored Nation treatment, article XXIV), American vessels are expressly given the same rights within our borders as are enjoyed by Italian vessels, in return for a like treatment granted to Italian vessels in the ports of the United States.

This provision of reciprocal treatment has had bearing and has now bearing in the specific case of World Tours. In fact, foreign vessels, having the necessary requisites for the transportation of passengers, are allowed in Italy to operate a regular service between Italian ports and foreign ports that are not of the Country to which the ships belong.

Naturally, the coastwise traffic and the transportation of emigrants, as above pointed out, if said vessels have not the necessary licenses, are not permitted.

Furthermore, there are no provisions which prohibit any Ameri-

¹¹ Treaty of February 26, 1871, William M. Malloy, *Treaties, Conventions, etc., Between the United States of America and Other Powers, 1776-1909* (Washington, Government Printing Office, 1910), vol. 1, p. 969.

can Flag vessels to carry class passengers or tourists on a cruise from an Italian port to a non-American foreign port coming back to the same Italian port.

WASHINGTON, March 3, 1932.

811.801/510

*Memorandum by the Assistant Secretary of State (Bundy) of a
Conversation With the British Ambassador (Lindsay)*

[WASHINGTON,] March 30, 1932.

The British Ambassador called with respect to the Shipping Bills. He stated that as a result of the conversation with me on March 2nd, in which I suggested that the shipping lines interested might work the matter out between themselves and that possibly he would wish to consult with the British interests, he had conferred with the Cunard Line and apparently urged them to reach some amicable agreement. He stated that he wrote several stiff messages to London to bring the home office of the Cunard into line. Negotiations have been carried on and the Cunard was apparently willing to drop the passenger traffic to Cuba.

The Ambassador is now very much exercised over the fact that Mooney and the American interests are insisting that the Cunard also drop all other cruises lasting less than seven days. The Ambassador seemed to think that negotiations would probably break down and Mooney was threatening that legislation would be carried through, at least with respect to the "Fighting Ship" Bill. The Ambassador stated that he was very irate over having injected himself into a situation to attempt to reach an amicable arrangement only to find that the American interests were completely unreasonable in their terms.

I stated to the Ambassador that I had not followed the negotiations and had taken no part in them and that I had not intended to do more than suggest the advisability of an amicable adjustment if possible. I stated that I would confer with the Secretary of Commerce to see whether there is anything constructive that we could do to help in the situation. I told the Ambassador that the Bills had apparently been slowed up in their legislative career and that some people felt that the Bills would not pass the House. However, I said I could make no predictions in this matter.

H[ARVEY] H. B[UNDY]

811.801/511

*Memorandum by the Assistant Secretary of State (Bundy) of a
Conversation With the British Ambassador (Lindsay)*

[WASHINGTON,] April 7, 1932.

The British Ambassador called to state that the negotiations between the various shipping interests had broken down two days ago because the Cunard Line, while willing to give up the Cunard passenger service to Cuba, was not willing to restrict their cruises to voyages not less than seven days. I told the Ambassador that I had received this information through the Department of Commerce and that I greatly regretted the breakdown of the negotiations and understood that the American interests were proposing to push the hostile legislation now pending before Congress. I stated to the Ambassador that this might result in a very difficult situation; that legislation also attacking the right of foreign ships to carry liquor might be the result. I stated that I did not feel that the State Department could urge the Ambassador to make any further concessions because I did not feel inclined to support the pending legislation as the proper weapon under the conditions. I made it entirely clear that I was not prepared to commit the Administration as a whole to any future action for or against the legislation which might develop and that it would be for the British to determine whether under the circumstances it was wise to attempt a further settlement of the matter. The Ambassador stated that he did not see how the British Lines could not conduct round trip voyages to Bermuda, a British possession.

H[ARVEY] H. B[UNDY]

811.801/513½

*The British Ambassador (Lindsay) to the Assistant Secretary of
State (Bundy)*

WASHINGTON, April 11, 1932.

DEAR BUNDY: The Fighting Ship Bill having now been redrafted by its promoters and renumbered H. R. 10674,¹² I am sending you the enclosed Memorandum to put on record that the objections which I had previously urged against H. R. 8874 apply with equal force to the Bill in its new form.¹³ It was favourably reported to the House I understand on April 6th.

¹² Introduced on March 19, by Mr. Ewin L. Davis, Chairman of the Committee on Merchant Marine, Radio, and Fisheries. See *Congressional Record*, vol. 75, pt. 6, p. 6514.

¹³ Except for Italy, all the countries that lodged formal representations against H. R. 8874 and H. R. 8875 and S. 3501 and S. 3502 (i.e., Great Britain, the Netherlands, Sweden, France, Germany, Canada, and Italy) likewise expressed objections to H. R. 10674.

I also enclose, in case it should be of interest to you, a copy of a letter addressed by the Agent for the Trans-Atlantic Passenger Conference to Mr. Mooney, summing up what transpired at the abortive Conference between the Lines, which sought to reach a compromise.

Yours sincerely,

R. C. LINDSAY

[Enclosure 1]

The British Embassy to the Department of State

On February 15th His Majesty's Embassy addressed to the State Department a memorandum on the subject of two bills—H. R. 8874 and H. R. 8875, dealing with tourist cruises and fighting ships. H. R. 8874 sought to extend the definition of a fighting ship, the use of which is declared illegal by the United States Merchant Marine Act so as to make it cover ships used so as to produce excessive and unwarranted competition with American ships in any particular trade.

A new bill has now been introduced by Mr. Davis—the originator of the Fighting Ship Bill—No. H. R. 10674. His Majesty's Embassy understand that this bill is intended as a substitute for the original Fighting Ship Bill. Though its wording is different from the latter its legislative effect would appear to be identical and the objections to the original bill set forth in the Embassy's above-mentioned memorandum of February 15th apply with equal force to the new Bill H. R. 10674. His Majesty's Embassy understand that this Bill was favourably reported by the House Committee on April 6th.

WASHINGTON, April 11, 1932.

[Enclosure 2]¹⁴

*Mr. Joseph Mayper of the Trans-Atlantic Passenger Conference to
Mr. Franklin D. Mooney, Chairman of the Committee of American
Steamship Lines*

NEW YORK, April 5, 1932.

DEAR SIR: The foreign flag Lines interested in cruises and services from United States Atlantic ports to the West Indies and other nearby ports, regret exceedingly to learn that the meetings which their committee has been holding with your committee of the American flag Lines interested in similar services, and which have been continuing since March 15, have been terminated without having reached a cooperative working agreement—due, primarily, to the insistence of the American flag Lines that no cruise of less than a certain number of days' duration shall be operated by any foreign

¹⁴ Filed separately under 811.801/517.

flag Line, even though the cruise vessel calls at a foreign port, and even though such port, as is frequently the case, is a port of the country whose flag the cruise vessel flies. So that there should be no misunderstanding regarding the position taken by these foreign flag Lines, they have requested me to confirm the statement already informally presented to your committee at our last joint meeting.

Reports of the hearings held before Committees of the Senate and House of Representatives on certain pending bills as well as statements appearing in the public press, had indicated that certain of the American flag Lines felt that they had a grievance against the foreign flag Lines in that, while none of the activities of the foreign flag Lines were claimed to be illegal, it was alleged that they were in some respects unfair.

Particular reference had been made to so-called "cruises to nowhere," calls by cruise ships at Port Everglades, Florida, and winter services to Havana by trans-Atlantic ships in competition with the regular services of the Ward Line.

The purpose of the joint meetings was to determine exactly what were the points at issue and whether or not some understanding or agreement could be arrived at between all the Lines concerned which would be mutually acceptable.

As a result of the numerous meetings held, it was developed that there were, as a matter of fact, six main items which the American Lines felt must be dealt with:—First, cruises to nowhere; Second, calls at Florida or other United States Atlantic Coast ports by cruise ships; Third, Havana winter direct services; Fourth, short cruises; Fifth, calls at Porto Rico by foreign flag cruise ships, and Sixth, that in the case of port to port passengers between the United States Atlantic and West Indies port or between two West Indies ports carried by cruise ships, where there was an established American flag service, the foreign flag Lines to agree in principle to charge a differential rate over the rate charged by such American flag services.

All of these points called for a concession by the foreign flag Lines and no consideration was offered in exchange by the American flag Lines.

While the discussions were necessarily tentative and subject to approval and ratification by the Principals of the representatives of the foreign flag Lines in New York, it was agreed by those representatives to recommend to their Principals the acceptance forthwith of five of the six demands made by the American Lines. These were:—

1. Discontinuance of cruises to nowhere.
2. Discontinuance of calls by cruise ships at Florida or other United States Atlantic Coast ports.
3. Elimination of calls by cruise ships at Porto Rico.
4. Discontinuance of direct one-way business between New York and Havana.
5. Agreement in principle to charge a higher rate, the exact amount to be mutually agreed upon, in the case of port to port passengers on cruise ships.

The only question remaining was the demand for a restriction on cruises by foreign flag Lines, even though they touch at a foreign port. The American flag Lines proposed that no cruises shall be permitted, even though a foreign port is touched, of less than a certain number of days' duration. It was also proposed by the American flag Lines that no foreign flag ships shall make a cruise on which the first port of call is Havana, irrespective of what other ports may be touched subsequently and notwithstanding the latter's agreement not to carry passengers one way, that is, that all passengers will make the full cruise and be returned to New York in the same ship. It was further demanded that when Havana is the last port of call for a West Indies cruise ship, a number of other ports must be touched first, and the cruise is to be of two weeks' or more duration.

As noted above, the foreign flag Lines were and are still prepared to recommend acquiescing in the demands of the American flag Lines in five of the six points at issue but, after full consideration, they feel it is unreasonable and impracticable to attempt to arbitrarily place restrictions on legitimate cruises touching at foreign ports irrespective of their length or the number of ports of call.

With regard to week-end cruises (to foreign ports) it is the very definite opinion of the foreign flag Lines that these do not compete with or draw business from any regular American service. An entirely new class of passenger is attracted—the two important factors being the short time involved and the cheap rate. The majority of these cruises are from four to five days' duration including a week-end, so that people are away from business one and a half or possibly two business days only, and investigation has developed that this time factor is a governing one in the great majority of cases. These people would not take a trip to Halifax, Bermuda or Nassau, for example, by a regular service with a stay between ships. It is further felt that these short cruises encourage many people who never before have taken a sea trip, to do so, and will awaken a desire in them for sea voyages and that subsequently they will take longer trips by regular services.

As regards calls at Havana by cruise ships, it must be borne in

mind that while other West Indies ports have attraction, the main attraction in the West Indies is undoubtedly Havana. Very few, if any, West Indies cruises could be successful if a call at Havana were not included.

The complaint was that the putting on of a direct service for one-way passengers between New York and Havana during the winter months only, by trans-Atlantic steamers, when the season was at its height, was unfair to the Ward Line, as the volume and the quality of the business throughout the year, including the summer months, was not such as to justify the maintenance of ships of a similar type, regularly in that service. Without touching on the right of any ship to trade between two ports of different nations, which right has not, we believe, been questioned, this complaint has been met, so far as these discussions are concerned, by the undertaking of the foreign flag Lines to recommend that any foreign flag New York-Havana service during the winter, and even one-way business by cruise ships between New York and Havana, be discontinued.

In a spirit of friendly business cooperation the foreign flag Lines were and still are quite willing to enter into an agreement with the American flag Lines on cruises and services to the West Indies as to fares and their maintenance, differentials, agency commissions, rules and practices to govern the trade, responsibilities of charterers, arbitration of disputes, etc., so that vessels in these trades can be operated on an equitable business basis for all Lines concerned.

The foreign flag Lines have endeavoured to deal with the situation with the utmost fairness and consideration but beyond the foregoing they do not feel that they can go, or that they could fairly be asked to go.

As suggested by us just before our joint conference terminated this afternoon, we are writing to the principals abroad setting forth the present situation in detail, and if they have any further suggestions we shall be glad to communicate with you again.

Very truly yours,

JOSEPH MAYPER

811.801/521

*Mr. Franklin D. Mooney, Chairman of the Committee of American Steamship Lines, to Mr. Joseph Mayer of the Trans-Atlantic Passenger Conference*¹⁵

NEW YORK, April 15, 1932.

DEAR MR. MAYPER: I have received your letter of April 5th¹⁶ with reference to the meetings which the Committee representing

¹⁵ Copy transmitted to the Department by Mr. Mayer under covering letter of April 22; received April 23.

¹⁶ *Supra*.

the Foreign flag Lines interested in cruises and services from United States Atlantic ports to the West Indies and other nearby ports have held with the Committee of the American flag Lines interested in similar services, and which meetings have been terminated due to inability to agree upon the minimum number of days' duration that a cruise vessel shall be operated by any Foreign flag Line.

These meetings, which have been held at the suggestion of the Foreign flag Lines, were to determine what the points at issue were and whether or not a satisfactory understanding could be reached between all Lines concerned.

There are six (6) principal points involved as follows:

- 1—Discontinuance of cruises to “nowhere”;
- 2—Discontinuance of calls by “cruise” ships at Florida or other United States Atlantic Coast ports south of Cape Hatteras;
- 3—The elimination of calls by “cruise” ships at Puerto Rico;
- 4—Discontinuance of direct one-way business between New York and Havana and/or Mexican Gulf ports;
- 5—Agreement in principle that for the port to port one-way transportation of a passenger on a vessel making a “cruise” from an Atlantic port of the United States to the West Indies (other than Havana and/or Mexican Gulf ports) and/or Bermudas and Bahamas or between ports in the West Indies and/or the Bermudas, Bahamas and/or Mexican Gulf ports, to establish a differential minimum fare to be agreed upon in favor of any party to the agreement regularly engaged throughout the year in the operation of vessels in such port to port trade.
- 6—Minimum duration of “cruises” or “cruising voyages”.

It is the understanding of the American flag Lines that as a result of the meetings above referred to and for the reasons discussed at the various conferences, the Foreign flag Lines tentatively agreed to recommend to their principals the acceptance forthwith of five of the six items.

At the last meeting the American flag Lines, while unwilling to agree that Havana should be the first port of call by a Foreign flag cruise ship, stated that they were entirely willing that that port might be the last one before sailing for a U. S. Atlantic port if the foreign flag ship cared to make it so.

The American flag Lines do not share the view of the Foreign flag Lines that the short cruises by the large trans-Atlantic Foreign flag ships from U. S. Atlantic ports to nearby Foreign ports do not compete with or draw business from any of the regular American services.

The American flag Lines regard the placing of trans-Atlantic liners, which were never intended for such services, on these short

voyages as most prejudicial and unfair to the regularly established Lines engaged in the West Indies and nearby Foreign trades and in the Atlantic coast wise services of the United States. It is not a question of the right to trade between two ports of different nations, but of unfair competition. It is the latter which the American Lines are seeking to eliminate.

While the American flag Lines appreciate the friendly spirit shown by the Foreign flag Lines at the various meetings held, they believe that cruising voyages of less than seven days' duration by the large ships are a distinct menace to them, and for that reason must continue their efforts to protect American flag Lines from such unfair competition.

It is believed that if an agreement is reached as to fares and their maintenance, differentials, agency commissions, rules and practices to govern the trade, responsibilities of charterers, arbitration of disputes, etc., it will prove decidedly beneficial to all.

The American flag Lines, while in no way relaxing their efforts to accomplish a result which it is believed by them will be mutually advantageous, will always be glad to hear from the Foreign flag Lines.

Very truly yours,

FRANKLIN D. MOONEY

811.801/522G

*The Acting Secretary of State to the Ambassador in
Great Britain (Mellon)*¹⁷

No. 14

WASHINGTON, April 25, 1932.

SIR: Having reference to your telegram No. 60, dated February 11, 1932, concerning Congressional Bills H. R. 8874 and H. R. 8875, I wish to inform you that these bills have caused a number of protests from European Governments, among these the British Government. The British Ambassador at Washington called on February 15, 1932, and presented a note containing the views of his Government. I enclose a copy of the note left at the Department by Sir Ronald Lindsay.¹⁸

The substance of this note, together with the substance of notes received from other foreign representatives in Washington, was duly transmitted to the Senate Committee on Commerce, the Chairman of which committee, the Honorable Hiram Johnson, had requested com-

¹⁷ The substance of this instruction was sent, on April 25, to the American representative at the capital of each of the countries that lodged representations against H. R. 8874 and H. R. 8875 and identic S. 3501 and S. 3502.

¹⁸ *Ante*, p. 916.

ment from the Department. A copy of the Secretary's letter of March 3, 1932, to Senator Johnson is enclosed.¹⁹

I enclose also copies of H. R. 8874 and H. R. 8875.²⁰ Identical bills were introduced in the Senate containing the numbers 3501 and 3502.

The bills in question have been dropped, but a substitute bill for H. R. 8874 has been introduced, on March 19, 1932, in the House of Representatives under the number H. R. 10674. A copy of this bill is enclosed.²¹ I understand that this bill is still pending in the House of Representatives.

I am informed that pressure by United States shipping interests for the passage of this or similar legislation will again be increased since the negotiations designed to reach a compromise with foreign shipping interests seem to have become deadlocked. It is, however, possible that an agreement may still ultimately be reached. In this connection I enclose a copy of the memorandum of conversation between Mr. Bundy and the British Ambassador held on March 30, 1932.²²

I propose to keep you informed of developments in this matter and should be glad if you will let me have any information which may reach you on the attitude of the Cunard and other interests in Great Britain.

Very truly yours,

W. R. CASTLE, JR.

811.801/524

The Danish Legation to the Department of State

MEMORANDUM

On February 4th 1932 identical bills S. 3501 and H. R. 8874 with respect to the so-called "fighting ships" and S. 3502 and H. R. 8875 regarding the so-called "cruises" were presented respectively in the Senate and the House of Representatives.

Further, on March 19th a bill H. R. 10674 proposing an amendment to section 20 of the Merchant Shipping Act 1920, and exclusively referring to foreign vessels, was introduced in the House.

The Danish Legation has been instructed to inform the Department of State that the Danish Government would greatly regret if provisions such as the ones contained in the said bills should be carried into law, inasmuch as these provisions would seem to entail considerable risk for discretionary treatment of Danish shipping and

¹⁹ Not printed.

²⁰ *Congressional Record*, vol. 75, pts. 3, 4, 5, pp. 3389, 3629, and 5395.

²¹ *Ibid.*, pt. 6, p. 6514.

²² *Ante*, p. 933.

hardly to be in accordance with international principles generally recognized. The Legation is further instructed to state that the Danish Government is of the opinion that the provisions of the said bills are not in conformity with the principles laid down in the Convention of friendship, commerce and navigation between Denmark and the United States of April 26, 1826,²³ see its Article 2.

WASHINGTON, May 7, 1932.

811.801/528

The Ambassador in Great Britain (Mellon) to the Secretary of State

No. 78

LONDON, May 11, 1932.

[Received May 21.]

SIR: I have the honor to acknowledge the receipt of the Department's instruction No. 14, dated April 25, 1932, transmitting a copy of a note received by the Department from the British Ambassador at Washington relating to certain Congressional bills (H. R. 8874 and H. R. 8875) to amend the Merchant Marine Act, and directing the Embassy to forward any information which may be obtained regarding the attitude of the Cunard and other British shipping interests.

The Embassy has discussed the questions raised by the two bills under reference with representatives of American shipping in Great Britain. A great deal of what they said in description of the views of British ship-owners and operators with regard to the effect of the two bills was merely a repetition of the opinion already brought to the Department's attention through the Embassy's telegram No. 60, February 11, 10 a. m., and the note above-mentioned of the British Ambassador at Washington.

The point on which they placed the greatest emphasis was that British shipping interests have long resented the mercantile shipping policy of the United States. They are represented as feeling that while the practice of granting subsidies by government to private ship-owners is one of long standing, the amounts so paid have never been so great that the owners were relieved of the duty of operating their vessels as economically and efficiently as possible. Captain Lughton, of the British firm of Lughton and Stelp, said that the subsidies paid by the United States, as well as the rules under which they may be paid, are so generous that American owners and operators are not constrained to exercise efficiency and economy, and are thus enabled to maintain ships in circumstances which would prevent

²³ Malloy, *Treaties*, 1776-1909, vol. I, p. 373.

operation by British vessels, even when subsidized. In this sense, it might be contended, in their view, that all American vessels receiving subsidies on the present scale might be termed "fighting ships" as defined by H. R. 8874, for they have the effect of driving foreign vessels out of competition. The Embassy's informants agree that British shipping interests are, therefore, inclined to revise their traditional attitude of opposition to the placing of restrictions on foreign vessels engaging in British coastwise trade—an attitude arising from the conviction that the efficiency of British operation need fear no competition in home waters—and are now in a particularly receptive mood to suggestions for reprisals against "Governments in the shipping business".

In this relation, the Embassy was informed that unusual interest is being shown in the movements of the Shipping Board vessel *Yomachichi*, operated by the Roosevelt Steamship Company, which is asserted by one American shipping representative as having been set up by the British Kerr interests as an agency for the operation of American vessels. The *Yomachichi* is reported to have been chartered at 18 pence below the prevailing charter rate to carry a cargo of wheat from Australia to United Kingdom ports. It is considered quite possible in American circles here that the Shipping Board authorized the diversion of this vessel from its usual routes and the acceptance of the charter to "cut" costs, but the possibility is not being overlooked that the voyage is being undertaken—perhaps quite innocently so far as the Roosevelt Steamship Company is concerned—to create an instance of the use by Americans of a "fighting ship", and thus open the way to legislation analogous to bill H. R. 8874.

The Embassy is keeping in touch with representatives of American shipping interests, and I shall not fail to transmit as it is obtained further information regarding the attitude of British shipping interests.

Respectfully yours,

(For the Ambassador)
RAY ATHERTON
Counselor of Embassy

REPRESENTATIONS BY FOREIGN GOVERNMENTS REGARDING CONGRESSIONAL BILLS FOR THE DEPORTATION OF CERTAIN ALIEN SEAMEN ¹

150.071 Control/113

The Netherlands Minister (Van Royen) to the Chief of the Division of Western European Affairs (Boal)

No. 4385

WASHINGTON, 22 December, 1931.

MY DEAR COLLEAGUE:—With reference to our conversation of last night concerning the King Bill (“S 7, a bill to provide for the deportation of certain alien seamen and for other purposes”),² which the author reported to the Senate on December the 18th, I enclose a copy of the Memorandum I left at the Department of State in February of this year,³ when it looked as if the same bill, which was then numbered S 202, was about to come up for final action in the Senate.

You will realize from the contents of the Memorandum how seriously the Netherland shipping interests would be affected if the bill in question were to become law and I would appreciate it very much if the Authorities concerned would give full consideration to this matter.

If you can suggest any other steps which I could take or if you consider that I should send a new memorandum to the Department of State on the subject, will you be good enough to let me know?

I may add that Representative Schneider introduced a bill, No. H. R. 4648, identical to that of Mr. King, in the House of Representatives,⁴ which bill had been referred to the Committee of Immigration and Naturalization.

Yours sincerely,

J. H. VAN ROYEN

¹ Continued from *Foreign Relations*, 1931, vol. I, pp 815–821. These representations were transmitted by the Department to the Chairmen of the Senate Committee on Immigration and the House Committee on Immigration and Naturalization.

² See *Congressional Record*, vol. 75, pt. 1, p. 768.

³ *Foreign Relations*, 1931, vol. I, p. 816.

⁴ *Congressional Record*, vol. 75, pt. 1, p. 162.

150.071 Control/109

The Swedish Legation to the Department of State

MEMORANDUM

Swedish shipowners operating vessels on the United States have voiced their deep concern on account of Senate Bill 7, introduced by Senator King during the present session, regarding the deportation of certain alien seamen ("Alien seamen Act"). The provisions of the bill seem to give room for such a strict interpretation as to exclude seamen of a kind that masters of ships very often have to employ in traffic between North and South America on account of a shortage of such seamen as would ordinarily come within the category "bona fide seamen".

The passage of the bill would undoubtedly create great difficulties in securing the necessary crews and cause many hardships and considerable losses to Swedish shipowners.

The provisions in the bill which prescribe that all vessels entering ports of the United States manned with crews the majority of which, exclusive of licensed officers, have been engaged and taken on at foreign ports shall, when departing from the United States ports, carry a crew of at least equal number, may also create great difficulties for the Swedish shipowners.

From an international point of view objection can also be raised against the provision of the bill, according to which a seaman, even if he never went ashore, could be taken off a foreign ship—by force if necessary—and sent home on another ship. It would cause particular hardship to this individual if he, as the bill authorizes, should be deported as an immigrant, although he never intended to enter the country as an immigrant, thereby being prevented from legally entering the United States at any future time.

Furthermore, in case a seaman deserted the ship immediately before its departure, the ship would be forced, according to the provisions in the bill, to postpone its departure until another seaman was signed on to fill his place, which might take a long time and cause considerable loss.

WASHINGTON, December 23, 1931.

150.071 Control/114

The German Embassy to the Department of State

[Translation]

St. D. A. 48

The German Embassy has the honor to lay the following before the State Department.

Senate Bill No. 7, introduced by Senator King on the 9th instant and entitled "A bill to provide for the deportation of certain alien seamen, and for other purposes", will be up for deliberation before the United States Senate on January 4 next, having already been discussed and approved in the proper Senatorial Committee.

A bill of similar purport, also introduced by Senator King occupied the attention of Congress before. At that time the German Government had introduced [*instructed*] the Embassy to call the attention of the United States Government to the fact that the enactment of the bill into law would have the effect of entailing an extraordinary burden upon German shipping interests.⁵ It has now repeated these instructions. The grave objections in this regard and which are known to the State Department should have all the more weight because the economic situation has meantime become much worse, so that all measures to this effect deserve especially earnest consideration.

The German Embassy therefore has the honor to urgently request the State Department to use its influence to the end that the bill may be given a thorough reexamination, especially since, so far as known, it recently left the Senate Committee without any hearings having been held on it.

While emphasizing the economic objections as above, the Embassy does not wish to omit pointing out how greatly material features of the bill in its opinion, deviate also from the rules that have hitherto obtained in international practice.

WASHINGTON, December 24, 1931.

150.071 Control/115

The Norwegian Minister (Bachke) to the Secretary of State

The Minister of Norway presents his compliments to the Secretary of State and has the honor to refer to the memorandum of the Norwegian Legation, dated January 28, 1928,⁶ dealing with the bill (S. 717), introduced in the United States Senate by Senator King and in the House of Representatives by Representative Schneider (H. R. 7763) and providing for the deportation of alien seamen and cited as "the Alien Seamen Act of 1926".

In the said memorandum, the Norwegian Legation, acting under instructions of the Norwegian Government, had the honor to point out some of the difficulties and hardships to which the enactment of

⁵ See *Foreign Relations*, 1931, vol. I, p. 818.

⁶ *Ibid.*, 1928, vol. I, p. 844.

the bill would give rise and which would be detrimental to Norwegian ships in American ports.

The bill, after having been reintroduced during the last Congress, failed to pass the House of Representatives, but has now been submitted anew to the Senate (S. 7) and the House (H. R. 4648).

Norwegian shipowners looking with the same great concern at the possibility of the bills being enacted into law as before, the Norwegian Government has instructed the Minister to approach the Secretary of State and to again call his kind attention to the provisions of the bill which his Government considers to be of a very drastic character and which in its opinion undoubtedly will create difficulties for Norwegian vessels in American ports.

In this connection the Minister takes the liberty to mention :

1) the provision of the bill providing for examination of the crew of every alien seaman on board of a vessel in order to determine whether or not he is a bona fide seaman. If he is determined to be a non bona fide seaman, he is to be regarded as an immigrant and be subjected to the immigration laws with removal from the ship and deportation as a consequence. A measure of this character would consequently mean that seamen of the said class arriving in Norwegian vessels will be taken off the vessels and sent home on another vessel. In the opinion of the Norwegian Government the measure mentioned appears to be contrary to the universally recognized rule which leaves it to the home country to decide what provisions are to apply with reference to the composition of the crews of its national vessels.

2) the provision according to which no vessel, unless in distress, shall bring as a member of its crew any so-called barred-zone alien inadmissible as an immigrant, provided that vessels of any of the barred-zone countries shall be permitted to bring in its own nationals as members of the crew. Norwegian vessels, operating for instance in far oriental waters, would, under this provision, when chartered for American ports, be prevented from having among its crew oriental seamen from the barred-zone countries which for them in many instances amounts to a necessity, considering existing conditions in these countries. On the other hand, vessels with their home ports in the barred-zone countries, may freely bring in the same kind of seamen among their crews. It does not seem doubtful that such a difference in the treatment of the vessels will signify discrimination against vessels sailing under the Norwegian flag.

3) the provision stating that seamen, removed from the crew of a foreign vessel, shall be deported on a vessel other than that on which he was brought, at the expense of the vessel by which brought. This provision will result in many cases in considerable expenses to the owners. As the deportation of these seamen in many cases could as well take place on board the vessels which brought them, it seems

difficult to understand for which reason such unnecessary expenses should be imposed upon the shipowners.

WASHINGTON, December 28, 1931.

150.071 Control/118

The Italian Embassy to the Department of State

MEMORANDUM

The attention of the Italian Embassy has been called upon the two Bills S. 7 and H. R. 4648 introduced recently in the Senate and Congress, respectively, by Messrs. King and Schneider, in the matter of alien seamen who desert their ships.

The Italian Embassy wishes to point out that the clause relative to the "full crew" in these Bills would seem to create a hardship in the event that it be put into effect in the future.

In accordance with said clause, all steamers docking at United States Ports, with a crew which enlisted in non-American ports, are not allowed to depart unless carrying, on their return trip, a number of seamen equivalent to that with which they docked at American Ports.

It is hereby stated that Italian ships, even merchant ships, are usually manned with crews the number of which is somewhat larger than that established by the regulations which are generally observed to insure the safety of human life at sea; moreover, particularly for passenger ships, the servant-personnel is very large in order to insure to passengers every possible comfort.

The provision made by the "full crew" clause therefore would cause considerable hardship to Italian shipping business for the reason that, in the case there would occur eventual desertions at the last moment, it would not always be possible to substitute the missing seamen without causing serious loss of time. It could as a matter of fact happen that, in the absence of proper elements for the substitution, the Captain of the ship would be forced to stop in the port for a much longer time than allowed, which fact would upset the regularity of the schedules and he might moreover be forced to embark individuals who are ignorant of duties required of seamen and engage them with perhaps contracts more onerous than normal ones.

Such a legislative measure, aside from the inconveniences—as above shown—which it would cause to maritime traffic with the United States, would also upset the control which at present is as-

signed by the Italian Laws, especially in reference to the crew, to Italian Consular Authorities.

As regards the other feature of the King Bill to bring additional strictness to the practice now in use, with reference to the inspection of seamen on the part of Immigration and Medical Authorities at the time of arrival of a steamer in the United States and to the fact that if a seaman is found to be not bona fide he will be detained and treated as an immigrant, it is hereby pointed out that: Italian regulations prescribe in the strictest and surest manner that the identity of each single member of the crew of national ships be firmly established. As a matter of fact, no one is allowed to embark for service on Italian national ships unless he has been entered in the register of one of the branches of the maritime service and unless he has been furnished with a regular Seaman-Service-Book (*Libretto di Navigazione*) upon which, apart from all necessary data relative to the personal identity of the holder and of the duties performed in the Merchant and Military Marine, his photograph is attached after a thorough examination has been conducted by the Maritime Authorities. Furthermore, the Authorities proceed to grant the permission which is necessary for embarkation on ships going abroad only when there are no reasons of a political, penal or even of a simple moral character against the seamen. This permission stamped on said "libretto di navigazione" to the effect that everything is in order, gives to this document the character of a passport, which has always been accepted in the case of seamen.

This final permission of the Authorities is granted only after very strict investigations have been conducted regarding the seamen.

From the foregoing, it may readily be observed that the crew of an Italian ship arriving from a port of the Kingdom, has been formed, in its entirety and in an absolute manner, of bona fide seamen. There may occur, naturally, an exceptional case of a clandestine who succeeds in substituting himself to a seaman, but such a possibility becomes more or less a theoretical hypothesis, when the actual mechanism employed for the issuance of the Seaman Service Book is considered.

WASHINGTON, December 28, 1931.

150.071 Control/116

The Netherlands Legation to the Department of State

No. 8

MEMORANDUM

In view of the fact that, the "Bill to provide for the deportation of certain alien seamen, and for other purposes (S 202)", referred

to in this Legation's memorandum No. 634, of February 25 last,¹ upon which project of law no final action was taken by the Senate in the previous session of Congress, has now been revived under number S 7 and will probably come up for consideration in the Senate shortly, the Royal Netherland Legation begs leave to point out once again to the Department of State, that the proposed legislation if enacted, would have a most detrimental effect on the Netherland mercantile marine in general and in the case of certain companies would even seriously jeopardize the position of their services to United States ports.

The first provision which, if passed by Congress, would affect Netherland shipping interests is that of section 7 of the bill in question which prohibits any vessel from bringing into a United States port among her crew certain aliens who are racially excluded from coming to this country as immigrants.

Now a considerable number of Netherland steamships, especially those which ply between the Netherland East Indies and Western ports, are to a great extent manned by Javanese, Malays etc. all subjects of the Netherlands and by Chinese and other Asiatics, who are in many cases also Netherland subjects.

These vessels would, if the provision in question should come into force, be compelled to either cease calling at United States ports or discharge all the Asiatic members of their crews even those who are Netherland subjects and replace them by non-Asiatics, which would in many cases be impossible as there is not always a sufficient number of white seamen obtainable in the Netherland East Indian homeports of the ships in question.

Apart from the hardships and injustice the application of this provision would cause it would hardly seem reasonable that a vessel flying the Netherland flag and being governed by the Netherland laws should not be allowed to have certain of the subjects of her own country among her crew when entering a port of the United States.

The second clause which will affect, if enacted, Netherland shipping is that, contained in section 6, prescribing that clearance will be refused to any ship manned with a crew the majority of whose members have been engaged and taken on at foreign ports, which, on leaving the United States, carries a smaller crew than at the time the vessel arrived in this country.

It is obvious that this provision will in many cases cause delay and considerable pecuniary loss to Netherland vessels and it would seem hardly fair to force the latter to engage a number of, in certain

¹ *Foreign Relations*, 1931, vol. I, p. 816.

cases, undesirables merely in order to bring the crew up to its full complement, the more so as it is impossible for the masters of the ships to guard against the desertions which cause these vacancies, the United States law not allowing them to take legal action against the culprits.

In view of the above stated reasons the Royal Netherland Government would highly appreciate it if full consideration could be given by the United States Government and Congress to the very important Netherland interests, which would be endangered by the enactment of the bill in question.

The Royal Netherland Legation begs leave to add that all the above considerations apply in equal measure to the bill H. R. 4648, which was introduced by Mr. Schneider in the House of Representatives.

WASHINGTON, 2 January, 1932.

150.071 Control/117

The British Embassy to the Department of State

MEMORANDUM

A bill introduced by Senator King, numbered S-7 and entitled "a bill to provide for the deportation of certain alien seamen and for other purposes" has been favourably reported by the Immigration Committee of the Senate. It is identical with previous bills of the same title which in past years have passed the Senate but failed to pass the House. Last spring, however, under the number S-202 it both passed the Senate and was approved by the Immigration Committee of the House of Representatives,^a though the House itself did not find time to vote on it; and now under the number H. R. 4648, an identic bill introduced by Mr. Schneider, has been laid before the House Committee simultaneously with the introduction of S-7 in the Senate.

2. The avowed purpose of this bill is to reinforce the existing measures which exclude certain categories of aliens from the United States. In practice its effect would go much further. It is the general international understanding and practice and in accordance with international comity, that when private ships of a foreign state are in port the territorial authorities refrain from interference with their internal economy. The bill in question, however, provides for interference with the composition of the crews of foreign vessels

^a See *Foreign Relations*, 1931, vol. 1, p. 815.

while in United States ports and is therefore in conflict with a well-established, well-recognized and useful international practice. Moreover it lays down that certain categories of aliens shall not be employed as seamen on foreign ships calling at United States ports. The British Embassy under instructions from His Majesty's Government in the United Kingdom have not failed to draw attention to this aspect of the bill in past years.

3. From the practical point of view also certain features of the bill would create many and grave difficulties for shipowners and masters. Section 6, for instance, provides that clearance shall be refused to vessels departing from United States ports unless they carry out a crew of at least the same number that they brought in. This provision, as again the British Embassy has pointed out in the past, would be extremely difficult to comply with and might easily result in long and costly delays and make the punctual fulfillment of sailing schedules impossible. At the same time the Assistant Secretary of Labor himself testified before the House Committee on Immigration in February last⁹ that from his Department's view point also the bill was in certain important particulars unworkable.

4. But it is Section 7 of this Bill which causes the gravest concern to His Majesty's Government in the United Kingdom. This section of the bill lays down that no vessel shall bring into a United States port any alien seaman excluded on racial grounds from the right of immigration to the United States, unless he be a citizen of the country under whose flag the ship sails. Thus in practice all vessels with Asiatic elements in their crews, save only the vessels of Asiatic countries with crews consisting of their own citizens and—it seems—United States ships with Filipinos, would be debarred from entry to United States ports unless at the cost of deliberately incurring the penalties which the bill provides for its violation. All other ships in which Chinese and Lascar seamen were employed would be gravely embarrassed by such a provision; but the measure would bear particularly hard on British tramp steamers trading with American ports in the course of their world voyages. For these especially the technical difficulty of eliminating from their crews the Asiatic elements in question would be so great as possibly to result in the necessity of their omitting United States ports from their sailing schedules; for the bill would leave them with no alternative but to submit on arrival to the removal of the Asiatics in question to a United States immigration station for deportation in a ship other

⁹ *Deportation of Alien Seamen*: Hearings before the Subcommittee of the Committee on Immigration and Naturalization, 71st Cong., 3d sess., on S-202 (Washington, Government Printing Office, 1932.)

than that in which they were brought and at the cost of the vessel in which they came.

5. In the circumstances described above it can hardly be disputed that, though the avowed object of the bill is merely a reinforcement of the existing immigration restrictions, its virtual effect, if not its actual object, is to impose a handicap on foreign shipping. In effect it would dictate to other countries in what manner they shall man ships which convey passengers and goods to and from the United States. If other countries should adopt similar and perhaps even mutually conflicting measures international shipping would be brought to a complete standstill. His Majesty's Government are prepared to cooperate in every reasonable way with the United States authorities to prevent the illicit entry into the United States of seamen not eligible for citizenship but they must earnestly trust that some alternative can be devised to a measure open to such grave objections as the present bill. Moreover, the proposals of that measure, in so far as they are concerned with immigration control, would seem capable of being equally well served by a strict enforcement of existing legislation; for Sections 19 and 20 of the United States Immigration Act of 1924¹⁰ already provide that alien seamen ineligible for citizenship may be debarred from landing in United States ports upon order from the Immigration authorities. These provisions would seem to furnish ample safeguard and to make further legislation superfluous.

6. There remains one aspect of the bill to which the British Embassy are instructed to draw particular attention. Operating as it does to debar British ships from employing as seamen even the natives of British colonies and dependencies, Indian Lascars for instance and other British subjects who by reason of their race are debarred from the privilege of immigration to the United States, it conveys the impression of being specifically directed against the British Empire. As has been pointed out, it would involve a discrimination in favour of Japan in as much as by specific exception from the general provisions of its article 7 it permits the ships of any sovereign nation to be manned with subjects of that nation but not with racially excluded citizens of its colonies or dependencies. Therefore Japanese ships with Japanese crews would still be able freely to enter United States ports but the British steamers which, competing with them, seek to equalise the costs of operation by employing oriental crews, would be debarred from entry. At the same time British shipping would also be placed at a disadvantage compared with United States

¹⁰ 43 Stat. 153.

shipping; who would not be debarred by the bill from employing for instance, Filipinos, the inhabitants of United States dependencies not being affected by the bill. To this extent therefore the bill denies national treatment to British shipping. Nevertheless the beneficiaries would be not so much the United States as Japan.

7. In the circumstances above described, it will be appreciated that this bill, if passed would deal a grievous blow to British shipping and could not fail to cause very considerable feeling in British shipping and commercial circles who would naturally ask that steps be taken to protect their interests. His Majesty's Government therefore earnestly trust that the measure, being open to such grave objections as those above enumerated, will not be proceeded with at any rate in its present form.

WASHINGTON, January 5, 1931 [1932].

150.071 Control/119

The Danish Legation to the Department of State

96.E.a/4

MEMORANDUM

The bill S.7 introduced in the Senate and the bill H. R. 4646 [4648] of the same tenor, which are similar to bills introduced in former Congresses, would seem, if passed, to entail serious hardships—among others to Danish ships trading to ports of the United States.

1) Sec. 3, prescribes that an alien shipped on board a foreign ship, if found not to be a "bona fide" seaman, should be deported as a passenger on a vessel other than by which brought, etc.

It seems a fact established by experience that the distinction between "bona fide" and "mala fide" seamen is extremely difficult to make and that therefore the risk of an erroneous judgment in this respect should not be taken by the ship. To obtain the purpose of the bill and at the same time avoid the serious consequences for the ship it would, therefore, at any rate seem preferable if before the departure of the ship from the foreign port it could be established e.g. by the local American Consul that all members of the crew were "bona fide" seamen.

If nevertheless a prescription of the character outlined—to the effect of examining seamen at the port of arrival—should be found necessary, it would seem that Sec. 3 with its present tenor imposes a considerable additional burden on the foreign ship in providing that the alien shall be deported on another ship at the expense of the vessel by which brought, instead of allowing deportation on the same ship that brought the alien.

2) Sec. 6, provides *inter alia* that all vessels when departing from the United States' ports shall "carry a crew of at least equal number" (as when arriving).

Such a provision would cause great difficulties to foreign ships, not least passenger ships. This would seem obvious considering the fact that steamers usually clear before the Customs authorities the day prior to their sailing. In the case of desertion of any members of the crew just before sailing, the vessel would be held up awaiting the replacement of the deserters, which would necessarily occasion great inconvenience and large expenses.

3) Sec. 7, forbids the bringing into an American port as a member of a ship's crew any alien who, if applying for admission as an Immigrant, would be subject to exclusion under subdivision (c) of Section 13 of the Immigration Act of 1924.

In so far as this prescription will apply to aliens racially excluded this provision would seriously affect Danish ships using oriental crews, such as in particular ships trading to American ports at the Pacific Ocean.

The Danish Minister would greatly appreciate if through the good offices of the State Department the above considerations may be brought to the notice of the proper Committee of Congress and that the said Committee may be informed of the concern felt by the Danish shipping circles with regard to this proposed legislation.

WASHINGTON, January 9, 1932.

150.071 Control/128

The Belgian Embassy to the Department of State

[Translation]

AIDE-MÉMOIRE

The Embassy of Belgium has been charged by the Government of the King with the honor of calling the kind attention of the Department of State to certain provisions of a bill introduced in the Senate by Senator King and in the House by Mr. Schneider and which is entitled "A bill to provide for the deportation of certain alien seamen and for other purposes".

Without entering into the details of this bill the apparent aim of which is to enforce the present regulations in immigration matters, the Embassy of the King takes the liberty to observe that it seems to go contrary to certain customs generally accepted in international law and that its application would create the most serious difficulties for Belgian ships frequenting United States ports.

WASHINGTON, January 15, 1932.

150.071 Control/130

*Memorandum by the Under Secretary of State (Castle) of a
Conversation With the British Ambassador (Lindsay)*

[WASHINGTON,] January 22, 1932.

The British Ambassador asked if I could tell him what, if anything, the Government was going to do about the King Bill. I said that, of course, this Department was very strongly opposed to the Bill, that I understood the hearing before the Committee of the Senate was to be on Tuesday and that this Department would certainly be represented in opposition. I told him I thought the Department of Commerce would undoubtedly also be represented. I said that it was impossible to prophesy as to what action would be taken by Congress, but there was no doubt that the Government would do all it could to prevent the passage of the Bill.

W. R. CASTLE, JR.

150.071 Control/131

The Canadian Legation to the Department of State

MEMORANDUM

Senate Bill No. S. 7, entitled "A Bill to provide for the deportation of certain alien seamen, and for other purposes", is today being considered by the Senate of the United States. An identical measure, H. R. 4648, has been referred to the Committee on Immigration of the House of Representatives. This Bill repeats the provisions of other measures of the same title which in recent sessions of Congress, while making some legislative progress, have failed of enactment.

Though the object of the Bill is to amend certain provisions of the immigration laws relating to alien seamen, in practice its results would be far more extensive than its title implies. The Canadian Legation has received instructions to draw attention to the serious effect which the enactment of the Bill would have upon Canadian shipping.

In general terms, the Bill would require the Immigration authorities to exercise a control over the composition of the crews of foreign vessels in United States ports to a degree which does not accord with the well established international understanding and practice that the territorial authorities shall refrain from interference with the internal economy of private vessels of foreign States.

In effect the Bill would discriminate against foreign vessels trading to United States ports, and this discrimination would be espe-

cially marked in the case of vessels employing a proportion of Oriental seamen in their crews. Under Section 7 of the Bill a vessel of Asiatic registry would be permitted to enter a United States port carrying a crew made up of its own nationals, whereas vessels registered in Canada and in other maritime countries would be prevented from employing any Asiatic labour. These provisions could not fail to operate in favour of Japan and other Asiatic countries at the expense of shipping registered in Canada and in other maritime countries.

Under Section 6 of the Bill, clearance would be refused to vessels departing from the United States unless they carried a crew of at least the same number as they carried on arrival. Compliance with this provision would often be a matter of extreme difficulty; it could not fail to lead to much unnecessary inconvenience, in many cases involving the alteration of sailing schedules and serious loss of business.

Particularly severe inconvenience to and interference with the daily international traffic on the Great Lakes and other constant services between nearby Canadian and United States ports would result from the enactment of the measure.

For these reasons it will be appreciated that His Majesty's Government in Canada are especially disturbed by the possible passage of this legislation. They feel that it will cause great disruption of shipping facilities and trade between the United States and Canada and other countries without in fact effectively serving the purpose for which the Bill is sponsored in Congress. The Canadian Legation is therefore desired to express the earnest hope that the Bill will not become law.

WASHINGTON, January 27, 1932.

150.071 Control/135

The French Ambassador (Claudel) to the Secretary of State

[Translation]

WASHINGTON, February 15, 1932.

MR. SECRETARY OF STATE: By a note dated October 6 last,¹¹ Mr. J. Henry, Chargé d'Affaires in my absence, had the honor to invite Your Excellency's attention to the disadvantages for the French merchant marine that might be involved in the "Alien Seamen's Act" bill, commonly called the "King Bill".

¹¹ *Foreign Relations*, 1931, vol. I, p. 819.

I take the liberty today of adding the following to the considerations set forth in the said note:

The provisions of the "King Bill" are in opposition to French legislation relative to the composition of the crews of French vessels. In truth, under the terms of this legislation, only French vessels whose crews are, at least to the extent of three-fourths, composed of French citizens, can be considered as French vessels. Now, with respect to the application of this rule, all the natives of the French colony of Indo-China, whether they are French subjects or protégés, are considered to be French. It is proper to point out that many of these natives are used in the engine rooms, the hard conditions of which they are better suited to support than are Europeans.

In submitting this point to the kind attention of your Excellency, I am happy to avail myself [etc.]

P. CLAUDEL

REPRESENTATIONS BY FOREIGN GOVERNMENTS WITH
RESPECT TO SENATE BILLS RELATING TO PAYMENT
OF ADVANCE WAGES TO SEAMEN ON FOREIGN
VESSELS ¹

196.6/1148

The Swedish Legation to the Department of State

MEMORANDUM

A bill has been introduced by Senator LaFollette, numbered S. 1559 and entitled:

"A Bill relating to the payment of advance wages and allotments in respect of seamen on foreign vessels, and making further provision for carrying out the purposes of the Seamen's Act, approved March 4, 1915." ²

The effect of this bill in practice would be to give jurisdiction to the courts of the United States, even in case of a contract legally entered into between Swedes on a Swedish vessel while in Sweden. By thus extending the limits over which a law-making power has jurisdiction the bill, should it become law, would be contrary to international comity and to fundamental principles of law commonly acknowledged among nations.

WASHINGTON, January 14, 1932.

196.6/1149

The British Embassy to the Department of State

No. 36

The British Embassy present their compliments to the Department of State and beg to draw their attention to Senate Bill No. S-1559 introduced by Senator LaFollette. This bill is identical with Senate Bill No. S-314 introduced during the last session of Congress. In these circumstances the British Embassy venture to draw attention to the memorandum on the subject addressed by Sir Ronald Lindsay to the Secretary of State in his letter of February 28th, 1931,³ and to

¹ Continued from *Foreign Relations*, 1931, vol. I, pp. 808-814.

² Introduced December 14, 1931; see *Congressional Record*, vol. 75, pt. 1, p. 440.

³ *Foreign Relations*, 1931, vol. I, p. 811.

the previous memorandum on the subject addressed to Mr. Gilbert on March 19th, 1930.⁴

The British Embassy are instructed that the views expressed in these memoranda regarding the serious objections to which the bill is open from the point of view of His Majesty's Government in the United Kingdom still hold good.

WASHINGTON, January 29, 1932.

196.6/1152

The Swedish Legation to the Department of State

A bill has been introduced by Senator LaFollette numbered S. 1558 and entitled:

"A Bill to amend certain laws relating to American Seamen, and for other purposes".⁵

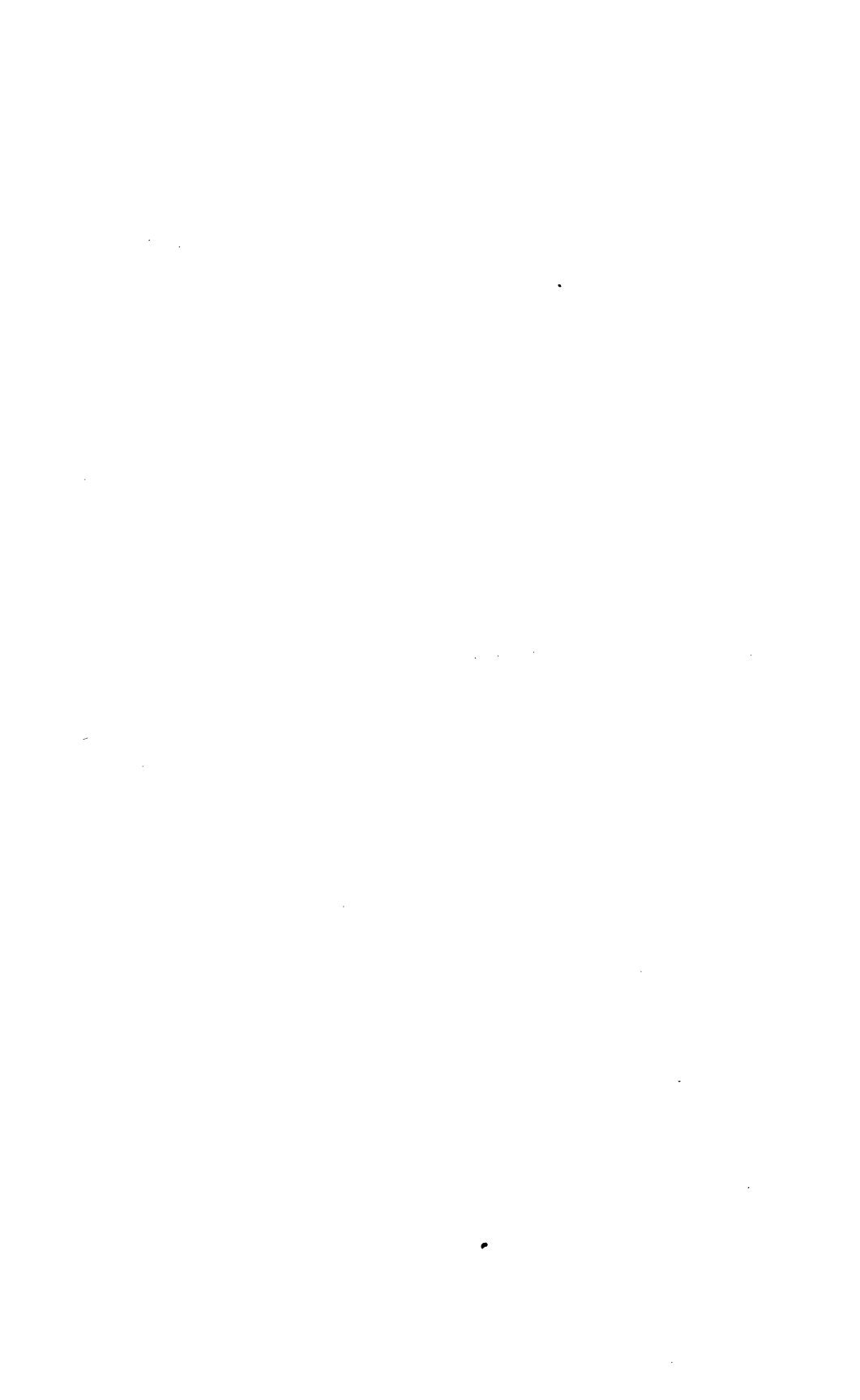
Reference is made to the memorandum of this Legation dated January 14, 1932, concerning the bill 1559, introduced by Senator LaFollette. It would seem that the same arguments set forth in that memorandum can be applied in opposition to the passage of the above mentioned bill No. 1558.

WASHINGTON, April 4, 1932.

⁴ *Foreign Relations*, 1931, vol. I, p. 808.

⁵ Introduced December 14, 1931; see *Congressional Record*, vol. 75, pt. 1, p. 440.

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