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Foreign Relations of the United States



1932

Volume V

THE AMERICAN REPUBLICS



Department of State Washington

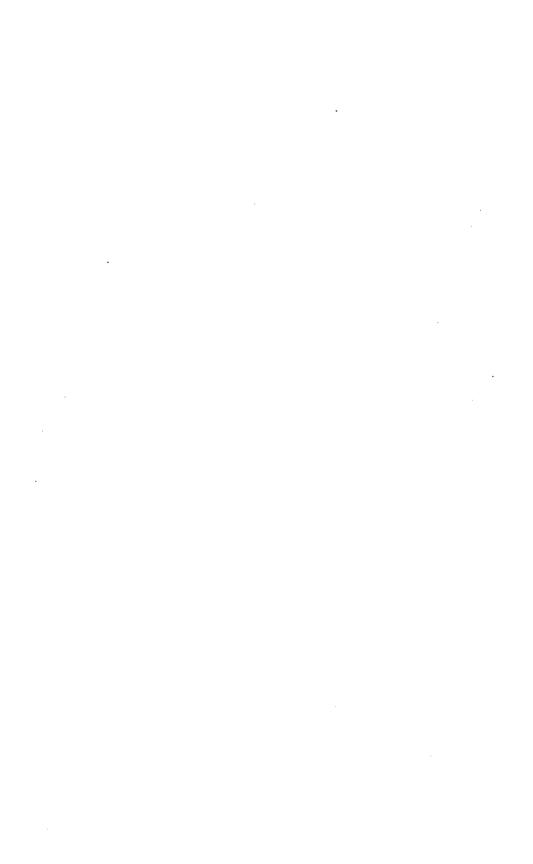
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ABADIE, George, Manager and part owner of Pablo Uhler and Company, Honduras.

ABELLI, Luis O., Bolivian Minister to United States.

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Acosta, Julio, Second Designate for Costa Rican Presidency.

ADAMS, Charles Francis, Secretary of the Navy.

AGUADO, Enoc, Vice President of Nicaragua; Liberal Party member.

AGUIAR, Miguel, Member of Cuban Congress.

AGUILAR MACHADO, Alejandro, Member of Castrista group, Costa Rica.

AGUILAR TRIGUERAS, Roberto, Personal Envoy to Guatemala for de facto President Martínez (El Salvador).

Aguirre, Leonel, Uruguayan Ambassador to Argentina.

Aguirre, Salvador, President, Honduran Supreme Court.

AGUIRRE APARICIO, Augusto, Ecuadoran Minister to Peru, 1907.

Alcorta, José Figueroa, Argentine Under Secretary for Foreign Affairs.

ALESSANDRI PALMA, Arturo, President of Chile.

ALFARO, Ricardo Joaquín, President of Panama.

ALVAREZ, Alejandro, Chilean authority on international law.

ALVAREZ, Araujo, Fiscal, Peruvian Superior Court.

ALVAREZ, Ramón, Chilean Minister of Labor.

ALVAREZ VIDAURRE, Antonio, Salvadoran Minister to Costa Rica.

AMARAL, Sylvino Gurgel do, Brazilian Ambassador to United States, 1925-31; to Japan, 1931.

AMEZAGA, Juan José, Special Uruguayan Envoy to Argentina; Chairman, Board of Directors, Banco de Seguros del Estado.

Anderson, Luis, Personal Envoy to United States for de facto President Martínez (El Salvador).

Araujo, Alfonso, Colombian Minister for Public Works.

ARAUJO, Arturo, President of El Salvador, 1931.

Araujo, Miguel Angel, Salvadoran Minister for Foreign Affairs.

Arbo, Higinio, Paraguayan Minister for Foreign Affairs.

ARCAYA, Pedro Manuel, Venezuelan Minister to United States.

Arguelles, Sr. and Jr., Eliseo, Cubans granted diplomatic asylum in Colombian Legation, Habana, Cuba.

Arguello, Leonardo, Nicaraguan Minister for Foreign Affairs; Liberal Party member.

Arguello, Rosendo, Member of Nicaraguan Patriotic Group (Grupo Patriotico).

Arguello Bolanos, Horacio, Conservative Party member, Nicaraguan National Board of Elections.

Armour, Norman, Minister to Haiti.

Arosemena, Juan Demóstenes, Panamanian Minister for Foreign Affairs, 1928. Arrieta Rossi, Reyes, Salvadoran Minister for Foreign Affairs, 1931. Assis Brasil, Dr. Joaquin Francisco de, Brazilian Ambassador to Argentina; Supreme Chief of Brazilian Liberator Party.

AVERHOFF, Octavio, Cuban Acting Minister for Foreign Affairs.

Avilla, Arturo Ramón, Salvadoran Under Secretary for Foreign Affairs under de facto President Martínez.

AYALA, Eusebio, President-elect; President of Paraguay.

Badani, Rosendo, Emissary of President Sanchez Cerro of Peru to the United States.

Baisley, Lieutenant H. K., U. S. Army Air Corps, aerial photographic survey, Guatemala-Honduras Special Boundary Tribunal.

Balcarcel, Miguel Angel, Guatemalan engineer, Guatemala-Honduras Special Boundary Tribunal.

Balmaceda Saavedba, Carlos, Chilean Minister for Foreign Affairs, to June 4.

Banados, Guillermo, Chilean Minister for Justice (Junta Dávila).

BARCELO, José, Governor of Oriente Province, Cuba.

BARON, Dr. José T., Counselor of Cuban Embassy in United States.

BARRANCO, Augustín P., Adviser, Honduran Commission, Guatemala-Honduras Special Boundary Tribunal.

BARREDA Y LAOS, Felipe, Peruvian Ambassador to Argentina and Uruguay.

BARREZUETA, Jorge, Acting Governor of El Oro Province, Ecuador.

Barrica Errazuriz, Luis, Chilean Minister for Foreign Affairs, Junta de gobierno (Dávila, Grove, Matte, Puga).

Barros Jarpa, Ernesto, Chilean Minister of Finance (Junta Dávila); Minister of Interior (under Provisional President Blanche); President, Credit Mortgage Bank.

BAUDRIT, Fabio, Costa Rican Minister of Finance, and of Interior; First Vice President.

Beaulac, Willard Leon, Second Secretary of Legation in Nicaragua.

BECKER, J., Bishop of Porto Alegre, Rio Grande do Sul, Brazil.

Bello Codesido, Emilio E., Chilean Minister to Cuba; Arbitrator, Guatemala-Honduras Special Boundary Tribunal.

Benard, Martin, Nicaraguan Conservative Party leader; Signer, pre-election agreements between Conservative and Liberal Parties.

Benitez, Justó Pastor, Paraguayan Minister for Foreign Affairs.

Berkeley, Randolph C., Brigadier General, Commanding 2d U. S. Marine Brigade in Nicaragua.

Bernardes, Artur da Silva, President of Brazil, 1922–26; Opposition political leader, Minas Geraes.

Biox, Adolfo, Argentine Minister for Foreign Affairs; Acting Minister of Justice and Public Instruction.

Birdseye, Sidney H., Senior Ground Control Engineer, Guatemala-Honduras Special Boundary Tribunal.

BLANCHE ESPEJO, General Bartolomé, Chilean Minister of Interior (under Provisional President Dávila); Provisional President, September 13-October 2.

BLANCHET, Albert, Haitian Minister for Foreign Affairs.

Blanco, Juan Carlos, Uruguayan Minister for Foreign Affairs.

Blanco Viel, Oscar, First Secretary of Chilean Embassy in United States.

BLISS, Robert Woods, Ambassador to Argentina.

Boggs, Samuel W., Geographer, Department of State.

Borah, William Edgar, U. S. Senator (Republican), Idaho; Chairman, Senate Committee on Foreign Relations.

Borja, Luis Felipe, Ecuadoran jurist.

Bosch, Ernesto, Chief Argentine Delegate, General Disarmament Conference.

Boule, Luis Quer, Spanish Chargé d'Affaires in Costa Rica.

Bousquet, Raymond, Second Secretary of French Embassy in United States.

Boyce, Richard Fyfe, Vice Consul at Nuevo Laredo, Tamaulipas, Mexico, 1928-31.

BRYAN, William Jennings, Secretary of State, 1913-15.

Bueno, Lucillo, Brazilian Minister to Paraguay.

BURDETT, William Carter, First Secretary of Embassy in Peru.

BURR SANCHEZ, Aureliano, Director, Central Bank of Chile.

BUSTAMENTE, Cecilio, Personal Envoy to Honduras for de facto President Martínez (El Salvador).

CABALLERO DE BEDOYA, R. V., Paraguayan Minister to France; Representative, League of Nations.

CABERO DIAZ, Alberto, Member, Junta Dávila (Chile).

CAFFERY, Jefferson, Minister to Colombia; Special Representative to El Salvador, 1931-32.

CAINAS, Fidel, Member, Cuban Conservative Party.

CALIX HERRERA, Manuel, Candidate for Honduran Presidency.

Calles, Plutarcho Elías, Mexican Minister for War; President, 1924-28.

CALVO Y HERRERA, Miguel, Chief, Cuban Expert Police.

CAMERON, Charles Raymond, Consul General at São Paulo, Brazil.

Canales Salazar, Felix, Technical Adviser, Honduran Commission, Guatemala-Honduras Special Boundary Tribunal.

CANELAS, Demetrio, Bolivian Minister of Finance and Industry.

CARAONA, Carlos, Personal Envoy to Nicaragua for de facto President Martínez (El Salvador).

CARDENAS, Dr. Catón, Ecuadoran Minister for Foreign Affairs.

CARDOSE DE OLIVEIRA, José Manuel, former Brazilian Minister of Justice.

CARIAS ANDINO, General Tiburcio, President-elect of Honduras, October 30.

Carillo, Alfonso, Secretary, Guatemalan Commission, Guatemala-Honduras Special Boundary Tribunal.

Carvalho, Colonel Herculano de, Commander, Força Publica, São Paulo, Brazil. Castaneda Castro, General Salvador, mentioned as possible First Designate, El Salvador.

Castillo C., Ramón, Signer, pre-election agreements between Nicaraguan Conservative and Liberal Parties.

Castillo, Colonel Ruben del, Commanding revolutionaries in uprising, Trujillo, Peru.

CASTLE, William R., Jr., Under Secretary of State; Acting Secretary of State, April 8-May 14.

Castro Beeche, Ruben, Adviser to Costa Rican President González Víquez.

CASTRO CERVANTES, Fernando, intermediary between Castristas and Costa Rican Government.

CASTRO OLIVEIRA, Javier, Chilean Minister of Health (under Vice President Oyanedel).

Castro Quesada, Manuel, Costa Rican Presidential candidate; Leader of abortive coup d'état.

CASTRO-URENA, Luis, Arbitrator, Guatemala-Honduras Special Boundary Tribunal.

CESPEDES Y DE QUESADA, Carlos Manuel de, Cuban Minister to France.

CHAMORRO, Emiliano, Nicaraguan Conservative Party candidate for Vice President; President 1916-21.

CHAMORRO, Miguel, Chilean Minister of Development (under Vice President Oyanedel).

CIFUENTES, Oscar, Chilean Minister of Hygiene; Minister of Public Welfare (Junta Grove and Matte).

CINTAS, Oscar B., Cuban Ambassador to United States; Member, Commission of Neutrals (Chaco Question).

CLARK, J. Reuben, Jr., Ambassador to Mexico.

CLAUDEL, Paul, French Ambassador to United States.

Coello, Augusto C., Adviser, Honduran Commission, Guatemala-Honduras Special Boundary Tribunal.

Cogliolio, Monsignor, Acting Papal Internuncio to Costa Rica.

COHEN GALLERSTEIN, Benjamin, Counselor of Chilean Embassy in United States; Secretary, Guatemala-Honduras Special Boundary Tribunal.

COLEMAN, William E., former U. S. citizen, leader of uprising in Tegucigalpa, Honduras.

COLINDRES, Vicente Mejía, President of Honduras.

CONNOLLY, Joseph, Acting President, League of Nations Council.

CORTINA, José Manuel, leader, Cuban Popular Party.

Cortes, León, Third Designate for Costa Rican Presidency.

COSTA DU RELS, Adolfo, Bolivian Representative, League of Nations.

CRUCHAGA TOCORNEL, Miguel, Chilean Ambassador to United States; Minister for Foreign Affairs,

CRUZ, Carlos Manuel de la, Leader, Orthodox Wing, Cuban Conservative Party.

CRUZ OCAMPO, Luis David, Chilean Minister of Education (Junta Dávila).

CUADRA PASOS, Carlos, Leader, Nicaraguan Conservative Party.

CUBAS TURCIOS, Colonel Napolean, Director, Honduran National Police.

Cue Y Abreu, Pedro, Cuban granted diplomatic asylum in Uruguayan Legation, Habana, Cuba.

CULBERTSON, William Smith, Ambassador to Chile.

DA CUNHA, Flores, Federal Interventor, Rio Grande do Sul, Brazil.

CURTIS, Charles B., Minister to El Salvador.

Davila, Carlos Guillermo, Member, Chile Junta de gobierno (Dávila, Grove, Matte, Puga), June 4-13; President, Junta Dávila, June 17-July 8; Provisional President, July 8-September 13.

DAVILA, Céleo, Honduran Minister to United States.

Davis, Roy Tasco, Minister to Panama.

Dawson, Allen, Second Secretary of Legation in Colombia.

Dawson, William, Minister to Ecuador.

DEBAYLE, Luis Manuel, Nicaraguan Chargé d'Affaires in United States.

DE LA RUE, Sidney, Financial Adviser and General Receiver of Haiti.

Denig, Lieutenant Colonel Robert L., U. S. Marine Corps, Jefe Director, Nicaraguan Guardia.

DE VALERA, Eamon, Irish Representative and President, League of Nations Council.

Diaz, Adolfo, President of Cuba, 1926-28; Conservative Party Presidential candidate.

DIAZ CHAVEZ, R., Vice President of Honduras.

DIAZ ZELAYA, Filiburto, Honduran revolutionary.

DIEZ DE MEDINA, Eduardo, Bolivian Delegate to Bolivian-Paraguayan Conference for Negotiation of Non-Aggression Pact, Washington.

Dolz, Ricardo, Rector, Universidad de La Habana.

DRUMMOND, Sir Eric, Secretary General, League of Nations.

Duenas, Francisco, Personal Envoy to Guatemala for de facto President Martínez (El Salvador).

Dufour von Feronce, Baron Albert, Acting Secretary General, League of Nations.

Duggan, Laurence, Division of Latin American Affairs, Department of State.

Duncan, Peter, Discoverer of guano, Navassa Island, 1857.

Dunn, James Clement, Secretary General, U. S. Delegation, General Disarmament Conference.

Duron, Jorge Fidel, Member, Honduran Commission, Guatemala-Honduras Special Boundary Tribunal.

ECHEVERRIA, Herman, Chilean Minister of Public Works.

Echeverria y Vidaurre, Manuel, Attorney, Guatemalan Commission, Guatemala-Honduras Special Boundary Tribunal.

EDWARDS BELLO, Emilio, Chilean Minister to Cuba.

Erickson, Arthur, American Pentecostal missionary in Peru.

Errazuriz, Matías, Chilean Ambassador to Argentina.

ESCALIER, Arturo Pinto, former Bolivian Minister to Argentina.

ESPIL, Felipe A., Argentine Ambassador to United States.

Espinosa, Rodolfo, Vice President-elect of Nicaragua.

ESTAY, Fidel, Leader, Chilean Democratic Party; Minister for Labor (under Provisional President Blanche).

Estigarribia, Lieutenant Colonel José Felix, Divisional Commander, Paraguayan Army.

ESTRADA, Genaro, Mexican diplomat; author of Estrada Doctrine; Ambassador to Spain.

FARRIS, H. V., Chief of Operations, Pan American Grace Airways, Lima, Peru. Fernandes, Raúl, Brazilian Representative, Permanent Investigating Commission (Leticia Dispute).

Fernandez, Josephus, Chilean Minister of Interior (under Provisional President Dávila).

Ferrara, Orestes, Cuban Ambassador to United States; Cuban Minister for Foreign Affairs.

FIGUEROA, Javier Angel, President, Chilean Supreme Court of Justice; Minister of Interior (under Vice President Oyanedel).

Finor, Enrique, Bolivian Delegate to Bolivian-Paraguayan Conference for Negotiation of Non-Aggression Pact, Washington; Minister to United States.

FLORES, Colonel Carlos Borromeo, Second Designate for Salvadoran Presidency; Under Secretary of Development.

FORBES, William Cameron, Chairman, President Hoover's Commission for the Study and Review of Conditions in Haiti, 1930.

FOSTER RECABARREN, Manuel, President Mortgage Credit Bank, Chile.

FREUNDT ROSELL, Alberto, Peruvian Minister for Foreign Affairs.

FREYRE DE ANDRADE, Gonzalo, Member of Cuban Congress.

FREYRE Y SANTANDER, Manuel de, Peruvian Ambassador to United States.

Fuller, Major General B. H., Commandant, U. S. Marine Corps.

Garay, Colonel Fidel Cristino, First Designate for Salvadoran Presidency; Commandant, Department of San Miguel.

GARCES GANA, Francisco, Director, Central Bank of Chile.

GARCIA, General Andres, Honduran Commandant at Amapala.

GARCIA CALDERON, Francisco, Peruvian Minister to Brazil.

GARCIA ORTIZ, Laureano, Head, Colombian Mission to Peru and other South American Governments.

GARCIA SALAZAR, Arturo, Peruvian Minister to Ecuador.

GARCIA SIERRA, Captain, Chief, Fourth Precinct, Cuban National Police.

GILBERT, Prentiss B., Consul at Geneva.

GIL Borges, Estebán, Assistant Director, Pan American Union.

GIRON, E., Guatemalan Under Secretary of State for Foreign Affairs.

Goes Monteiro, General Pedro Aurelio, Brazilian Minister for War.

Goldie, Robert George, British Consul at San Salvador.

Gomez, Alberto, Honduran agent to President Ubico (Guatemala) for Liberal Candidate Angel Züñiga Huete (Honduras).

GOMEZ, Juan Gualberto, Member, Cuban Conservative Party.

GOMEZ, Laureano, Colombian publicist; Leader, Conservative Party.

Gomez, Miguel Mariano, Mayor, Habana, Cuba, 1926.

GOMEZ ZARATE, Alberto, President, Salvadoran Supreme Court of Justice.

Gonzales, Eugenio, Chilean Minister of Education (Junta Puga).

GONZALEZ, Anatolio, Chilean Minister of Lands and Colonization.

GONZALEZ, Guillermo E., Costa Rican Chargé d'Affaires in United States.

GONZALEZ, L. L., Legal Adviser of Embassy in Cuba.

GONZALEZ VIQUEZ, Cleto, President of Costa Rica.

Gonzalez-Zeledon, Manuel, Costa Rican Chargé d'Affaires in United States.

Gracie, Samuel de Souza Leão, Counselor of Brazilian Embassy in United States, 1922-25.

Grau San Martin, Ramón, Member, Cuban Revolutionary Committee, New York.

Grove Vallejo, Colonel Marmaduke, Leader, Chilean revolt, June 4; Minister of National Defense, *Junta de gobierno* (Dávila, Grove, Matte, Puga) June 4-12; *Junta* Grove and Matte, June 12-16; unsuccessful Presidential candidate, October 30.

GUARDERAS, Francisco, Vice President, Ecuadoran Chamber of Deputies.

Guggiari, José Patricio, President of Paraguay, 1928-32.

GUTIERREZ, Julio A., Bolivian Minister for Foreign Affairs.

GUTIERREZ Y QUIROS, Juan, Chief Justice, Cuban Supreme Court.

Guzman, Pomponio, Special Colombian Representative to United States regarding Leticia Dispute.

HACKWORTH, Green Haywood, Legal Adviser, Department of State.

HAMLET, Rear Admiral Harry G., Commandant, U. S. Coast Guard.

HANNA, Matthew Elting, Minister to Nicaragua.

Hanrahan, Vincent, Assistant to Senior Ground Control Engineer, Guatemala-Honduras Special Boundary Tribunal.

HARPER, Oscar Cole, Vice Consul at Nuevo Laredo, Mexico.

HARRIS, Major Arthur Ringland, U. S. Military Attaché to Central American Republics.

Harris, Harold R., Vice President and General Manager, Pan American Grace Airways, Lima, Peru.

HAWKS, Stanley, Second Secretary of Embassy in Mexico.

HAYA DE LA TORRE, Augustin, Leader of Aprista uprising, Trujillo, Peru.

HAYES, Rutherford B., President of the United States, 1877-81.

HENRIQUEZ URENA, Max, Dominican Minister for Foreign Affairs.

HENRY, Jules, Counselor of French Embassy in United States.

HERRERA DE HUERTA, Pablo, Counselor of Mexican Embassy in United States; Member, Commission of Neutrals (Chaco Question).

HEVIA, Colonel Aurelio, Member, Cuban Unión Nacionalista.

Hidalgo, Manuel, former Chilean Communist Senator; Presidential candidate, 1931.

Higgins, Lawrence, Third Secretary of Legation in Guatemala.

HITLER, Adolf, Chairman, National Socialist German Workers' Party.

Hoover, Herbert Clark, President of the United States, 1929-33.

HSIEH CHIEH-SHIH, "Manchoukuo" Minister for Foreign Affairs.

HUERTA, General Victoriano, President of Mexico, July 5-15, 1914.

Hughes, Charles Evans, President, Guatemala-Honduras Special Boundary Tribunal; Chief Justice, U. S. Supreme Court.

Hurley, Patrick J., Secretary of War.

Hyde, Charles Cheney, Solicitor; Department of State, 1923-25; Consulting Attorney, Guatemalan Commission, Guatemala-Honduras Special Boundary Tribunal.

IBANEZ, General Carlos, President of Chile, 1927-31.

IBARRA, Rogelio, Paraguayan Minister to Peru.

Icaza, Francisco A. de, Mexican Chargé d'Affaires in Costa Rica.

IRIAS, Julian, Signer, pre-election agreements between Nicaraguan Conservative and Liberal Parties; Liberal Party Leader.

IRIGOYEN, Hipólito, President of Argentina, 1916-22; 1928-30.

IZAGUIRRE V., Carlos, Member, Honduran Commission, Guatemala-Honduras Special Boundary Tribunal.

JARAMILLO, Esteban, Colombian Minister of Finance.

Jaynes, H. A., U. S. Department of Agriculture Representative in Trujillo, Peru. Jimenez Oreamuno, Ricardo, President of Costa Rica.

Johnson, Captain Alfred Wilkinson, U. S. Navy, Chairman, National Board of Elections, Nicaragua, 1930; Personal Representative of President Hoover in Nicaragua.

JOHNSON, Herschel V., Chief, Division of Mexican Affairs, Department of State. JOHNSON, Hiram Warren, U. S. Senator (Republican), California.

JOUANNE, Admiral, Head of Military Junta, June 16; Director General, Chilean Navy.

JUDAH, Noble Brandon, Ambassador to Cuba, 1927-29.

Justo, Agustín Pedro, President of Argentina.

Kellogg, Frank Billings, Secretary of State, 1925-29.

KLINGER, General Bertholdo, Commander in Chief of São Paulo revolutionary forces; appointed Governor of Matto Grosso Province, Brazil.

KUNDT, General Hans, Chief of Staff, Bolivian Army.

LACAYO, Federico, Member, Nicaraguan Patriotic Group (Grupo Patriotico).

LAFFERTE, Elías, Secretary, Chilean Communist Party.

LAGARRIGUE, Alfredo, Chilean Minister of Finance (Junta Dávila).

Lagos, Colonel Pedro, Chilean Minister for War under Provisional President Dávila, and Provisional President Blanche.

LAMMERS, Commander Howard M., Island Governments and Central Division, Office of Naval Operations, Navy Department.

LANDA, Francisco, Chilean Minister of Labor (under Vice President Oyanedel).

LABA, Escolastica, Alternate Senator, Leon, Nicaragua,

LARREA R., Carlos Manuel, Ecuadoran Minister for Foreign Affairs, 1931; Member, Consultative Committee, Ministry of Foreign Affairs, 1932.

LAY, Julius Gareché, Minister to Honduras.

LEE, Samuel T., Consul General at Rio de Janeiro.

LEFEVRE DE LA OSSA, José Edgardo, Panamanian Minister to Costa Rica.

Leger, Abel Nicholas, Haitian Minister for Foreign Affairs.

Leguia, Augusto Bernardino, President of Peru, 1919-30.

LEITNER, Rudolf, Counselor of German Embassy in United States.

LEIVA, Carlos, Salvadoran Minister to United States.

Lester, Sean, Irish Representative, League of Nations Council and Assembly.

LIMA, Rafael, Personal Envoy to Nicaragua for de facto President Martínez (El Salvador).

Lima, General Waldomiro, Commander, Second Brazilian Military District.

LIMA E SILVA, Rinaldo de, Brazilian Ambassador to United States.

LINDSAY, Sir Ronald Charles, British Ambassador to United States.

Lira, Gustavo, Chilean Minister of Development (under Provisional President Blanche).

LOAYZA ZAVALA, Carlos, Peruvian Minister for Foreign Affairs.

LOPEZ, Alfonso, Colombian Minister to Great Britian.

Lozano, Alfredo, Private Secretary to Colombian President Enrique Olaya Herrera.

Lozano Torrijos, Fabio, Colombian Minister to United States.

Lozano y Lozano, Fabio, Colombian Minister to Peru.

MacArthur, General Douglas, Chief of Staff, U. S. Army.

McCafferty, William Joseph, Second Secretary of Legation in El Salvador.

McCox, General Frank Ross, U. S. Supervisor, Nicaraguan Presidential Election, 1928; Chairman, Commission of Inquiry and Conciliation (Bolivia-Paraguay), January-September, 1929.

McDougal, Colonel Douglas Cassel, U. S. Marine Corps, Commander, Nicaraguan Guardia Nacional, 1929–31.

McGurk, Joseph F., First Secretary of Legation in Haiti.

Machado y Morales, General Gerardo, President of Cuba.

MACIEL, Dr. Francisco Antones, Jr., Minister of Finance, Rio Grande do Sul, Brazil; appointed Minister of Justice and Interior.

MACWHITE, Michael, Irish Minister to United States.

Madariaga, Salvador de, Spanish Representative, League of Nations Council and Assembly.

MALONEY, Guy, Leader of Government troops against uprising at San Pedro Sula, Honduras.

Manzanilla, José Matias, President, Diplomatic Commission, Peruvian Assembly.

Mardones, Francisco, Chilean Minister of Finance (under Provisional President Blanche).

Maria Reina, General José, Leader, Honduran Liberal Party.

MARQUEZ STERLING Y LORET DE MOLA, Manuel, Cuban Ambassador to Mexico; attorney, U. S.-Mexico Mixed Claims Commission.

MARQUINA, Commander Guzman, Confident to President Sanchez Cerro of Peru; Emissary in Pocitos Island dispute with Ecuador; Director of Government.

MARTI, Augustin, Leader, Salvadoran Communist Party.

MARTIN, Albert, Mayor of Laredo, Texas.

MARTINEZ, Carlos Alberto, Chilean Minister of Lands and Colonization.

MARTINEZ, General Maximiliano Hernandez, de facto President of El Salvador.

MARTINEZ FRAGA, Pedro, Member, Orthodox Wing, Cuban Conservative Party.

Martinez Galindo, Arturo, First Secretary, Honduran Commission, Guatemala-Honduras Special Boundary Tribunal.

MARTINEZ MERA, Juan de Dios, President of Ecuador.

Matos, José, Guatemalan Representative and President, League of Nations Council.

MATTE GORMAZ, Jorge, Chilean Minister for Foreign Affairs (under Vice President Oyanedel).

MATTE HURTADO, Eugenio, Member, Chile Junta de gobierno (Dávila, Grove, Matte, Puga) June 4-12.

Matthews, Major General Calvin B., Director, Nicaraguan Guardia Nacional.

MATTHEWS, Harrison Freeman, Assistant Chief, Division of Latin American Affairs, Department of State.

MAURTUA, Victor M., Peruvian Representative before Permanent Investigating Commission (Leticia Dispute).

MELENDEZ, Roberto D., Special Salvadoran Representative, Governing Board, Pan American Union.

Mello Franco, Afranio de, Brazilian Minister for Foreign Affairs.

Mendez Penate, Colonel Roberto, Leader, Cuban Unión Nacionalista.

MENDIETA, General Pablo, former Chief of Police, Habana, Cuba.

MENDOZA ALMENABA, Juan, First Secretary of Peruvian Legation in United States.

Menendez, Colonel José Asensio, Salvadoran Under Secretary of War.

Menocal, Fausto, Former Cuban Senator; brother of Mario García Menocal.

MENOCAL, Mario García, President of Cuba, 1913-17; Leader of opposition to President Machado.

MERINO BENITEZ, Arturo, Chilean Under Secretary of Aviation, to June 12; Chief, Chilean Air Force.

MERINO ESQUIVEL, Manuel, Chilean Minister of Agriculture (under Vice President Oyanedel).

MERÍNO REYES, Rolando, Chilean Minister of Interior; successor to Dávila in Junta de gobierno, June 14.

MIRANDA, Joaquin, Personal Secretary to President Arturo Araujo (El Salvador, 1931).

MOLINA, Miguel Tomás, Salvadoran Minister of Finance.

Moncada, José María, President of Nicaragua.

Montalva, J. Manuel, Chilean Minister of Marine (under Provisional President Blanche).

Montero, Juan Esteban, President of Chile.

Montes, Ismael, President of Bolivia, 1904–09; 1913–17; President, Central Bank, 1932.

MOBALES, Carlos, Member, Nicaraguan Supreme Court; Personal Representative of President Moncada to President Hoover.

Morales, Virgilio, Chilean Minister of Lands and Colonization (Junta Dávila).

Moreno, Colonel Aristides, Executive Assistant, Agency of the United States General and Special Claims Commission, United States and Mexico.

Moreno, General Augusto, Chief, Santiago (Chile) garrison; Member, Military Junta, June 16.

Morgan, Edwin Vernon, Ambassador to Brazil.

Mobrow, Dwight Whitney, Ambassador to Mexico.

Muneo, Dana Gardner, Minister to Haiti.

NAVARRETE, Víctor, Chilean Minister of Development (Junta Dávila).

Nieto, Francisco, Chilean Minister of Marine (Junta Dávila).

Nolasco Cardenas, Pedro, Member, Chilean Junta Dávila, June 17-July 8.

Novoa Valdes, Nicolas, Chilean Ambassador to Brazil.

Obregon, José Emilio, Gubernatorial candidate, Habana Province, Cuba; son-inlaw of President Machado.

Ocon, Gonzalo, Signer, pre-election agreements between Nicaraguan Conservative and Liberal Parties.

OLAYA HERRERA, Enrique, President of Colombia.

OLIVEIRA, Pedro M., Peruvian Minister for Foreign Affairs, 1930.

ORELLANA, General Manuel, de facto President of Guatemala, 1930.

Orozco, Benjamin, Salvadoran Under Secretary of Public Instruction.

Ortiz, Major Arsenio, former military supervisor at Santiago de Cuba; Habana director, El Partido de la Porra (Bludgeon Party).

Osborne, Francis D'Arcy Godolphin, Counselor of British Embassy in United States.

OSEGUEDA, Felix, Personal Envoy to Guatemala for de facto President Martínez (El Salvador).

OSMIN, Aguirre, Salvadoran Director General of Police.

Osores, Hoyos, Peruvian Prefect at Iquitos; Special Commissioner.

OTERO, General Luis, Chilean Minister for War (under Provisional President Blanche).

OYANEDEL URRUTIA, Abraham, Chilean Vice President during interregnum, October 2-December 24.

PACHECO, Leonidas, Costa Rican Minister for Foreign Affairs.

PALMA, Baudilio, Provisional President of Guatemala, December 12-16, 1930.

Pani, Alberto J., Mexican Ambassador to Spain and Portugal; Minister of the Treasury.

PARAJA, Lieutenant Colonel, Commander of 4th Bolivian Division, Fortin Munoz in the Chaco.

PARDO Y BARREDA, José, President of Peru, 1904-8; 1915-19.

PAREDAS, Francisco, Liberal Party candidate for Vice Presidency of Honduras.

Paris, Leon, Haitian aviator.

PATINO, Simon I., Bolivian industrialist; owner, Patiño Mines Enterprises Co., Inc.

PAZ BARAONA, Dr. Miguel, President of Honduras, 1924–29; deputy, Department of Santa Barbara, 1932.

PAZ PAREDES, Miguel, Second Secretary, Honduran Commission, Guatemala-Honduras Special Boundary Tribunal.

Pena Villalon, Eliseo, Leader, Chilean Radical Socialist Party; Minister of Interior; Minister of Lands and Colonization (Junta Dávila).

Perez Canto, Julio, Chilean Minister of Finance (under Vice President Oyanedel).

Perez Pena, Santiago, Chilean Minister of Justice (Junta Dávila).

Perralta Lagos, General José María, mentioned as choice for President by Salvadoran Revolutionists, 1931.

PHELPS, S. T., Jr., Candidate for District Attorney, Webb County, Texas.

PINILIOS, Juan, Special Confidential Agent in El Salvador for President Ubico (Guatemala).

PINTO, General Alberto J., Commandant, Department of Santa Ana, El Salvador; Chief, Personnel Section, Ministry for War; named Third Designate for Salvadoran Presidency.

PLATA, General, Commander of Honduran expeditionary force to suppress bandit activity on Honduras-Nicaragua frontier.

Polo, Solon, Oficial Mayor, Peruvian Ministry for Foreign Affairs; Minister for Foreign Affairs, 1907.

PORTOCARRERO, Horacio, Candidate of General Agustino Sandino for Nicaraguan Presidency.

Powers, Sergeant Barron C., U. S. Army Air Corps, aerial photographic survey, Guatemala-Honduras Special Boundary Tribunal.

Powers, Patrick J., Vice Consul at Puerto Barrios, Guatemala.

Prado Valdes, Julio, Chilean Chargé d'Affaires in Ecuador.

Price, Lieutenant Colonel Charles Frederick Berthold, U. S. Marine Corps, Vice Chairman and Inspector, United States Electoral Mission to Nicaragua, 1932; Vice President, National Board of Elections.

Puga, General Arturo, President, Chile Junta de gobierno (Dávila, Grove, Matte, Puga) June 4-16; Minister of National Defense (Junta Dávila).

Puig Casauranc, José Manuel, Mexican Ambassador to United States; Member, Commission of Neutrals (Chaco Question).

Pumarejo, Alberto, Colombian Minister for Posts and Telegraph.

QUIJANO, Alfonso, Chilean Minister of Health (Junta Dávila).

Quiros, General Arturo, Costa Rican Minister for Public Safety.

RABELL, Julia, Cuban granted diplomatic asylum in Colombian Legation, Habana, Cuba.

RECINOS, Adrian, Guatemalan Minister to United States.

RENOUF, Captain Edward de Faye, Naval Attaché, British Embassy in Brazil.

Renwick, William Walter, Representative, Fiscal Agents for 1922 loan to El Salvador; Member, Salvadoran Commission for Organization of National Mortgage Bank, 1931.

RESTREPO, Antonio J., Colombian Representative, League of Nations.

Reyes, Antonio, Signer, pre-election agreements between Nicaraguan Conservative and Liberal Parties.

REYES, Cordero, Vice President, Nicaraguan Supreme Court.

RICHLING, José, First Secretary of Uruguayan Legation in United States.

Rios, Juan Antonio, Chilean Minister of Interior (Junta Dávila); Minister of Justice (under Provisional President Blanche).

Rios Gallardo, Conrado, Chilean Minister for Foreign Affairs, 1926-29.

RIVAROLA, Vicente, Paraguayan Minister to Argentina.

RIVERA PARGA, Augusto, Member, Chilean military Junta, June 16.

RIVEROS, Arturo, Chilean Minister of Agriculture (Junta Dávila).

ROBERTSON, Sir Malcolm Arnold, British Ambassador to Argentina, 1930.

Robles, Colonel Abel, Chief of Police, San José, Costa Rica.

Rodgers, David John, British Chargé d'Affaires in El Salvador.

ROMAN Y REYES, Albino, President, Nicaraguan National Board of Elections.

ROOSEVELT, Franklin Delano, President-elect of the United States; Governor, State of New York.

Root, Elihu, Secretary of War, 1899-1904; Secretary of State, 1905-9.

Rosales, General Eduardo, Commander of Government troops against uprising at San Pedro Sula, Honduras.

Rossetti, Juan B., Chilean Minister of Labor (Junta Dávila).

Rowe, Leo S., Director General, Pan American Union.

Rublee, George, Financial Adviser to Colombian Government.

Ruiz, Antonio, Governor of Habana Province, Cuba.

Ruiz Moffet, Arturo, Chilean Minister of Interior, successor to Merino Reyes in Junta de gobierno, June 14.

SAÄVEDRA, Juan Bautista, Leader of Saavedrist Party; President of Bolivia, 1921-25.

SAAVEDRA, Luis, Uruguayan Minister to Central American Governments.

SAAVEDRA LAMAS, Carlos, Argentine Minister for Foreign Affairs.

Saballos, Fernando, Signer, pre-election agreements between Nicaraguan Conservative and Liberal Parties.

Sacasa, Crisanto, Signer, pre-election agreements between Nicaraguan Conservative and Liberal Parties.

Sacasa, Juan Bautista, Nicaraguan Minister to United States, 1929–31; Presidentelect of Nicaragua, November 6, 1932; Liberal Party member.

SAEZ, General Carlos, Chilean Minister for War (under Vice President Oyanedel). SALAMANCA, Daniel, President of Bolivia.

Salazar, Carlos, Chairman, Guatemalan Commission, Guatemala-Honduras Special Boundary Tribunal.

Salomon Osorio, Alberto, Peruvian Minister for Foreign Affairs, 1921-23.

Salvatierra, Sofonías, Spokesman for Patriotic Group (Grupo Patriótico).

SANCHEZ BUSTAMENTE, Daniel, Bolivian Minister to Argentina.

SANCHEZ CERRO, Colonel Luis M., President of Peru.

SANCHEZ-LATOUR, Delfino, Guatemalan Chief of Protocol.

Sandino, Augusto César, Nicaraguan bandit leader.

Sandoval, Lisandro, Guatemalan engineer, Guatemala-Honduras Special Boundary Tribunal.

SANNON, Horace Pauléus, Haitian Secretary of Foreign Affairs.

Santos, Eduardo, Colombian Representative, League of Nations Assembly.

SAONA, Lieutenant Colonel Miguel, Head of Ecuadoran Commission to prevent incidents of Peru-Ecuador frontier (Pocitos Island).

SCHOENFELD, Hans Frederick Arthur, Minister to the Dominican Republic.

SCHREIBER, Dr. Ricardo Rivera, former Peruvian Minister to Ecuador.

Schweizer, Colonel Abraham, Milîtary Attaché, Argentine Legation in Paraguay.

Seligman, Edwin Robert Anderson, Financial Adviser to Cuba, 1931.

SEVILLA, Angel, Honduran Minister of Government and Justice.

SHEARD, Colonel Walter, Chief of Staff, Nicaraguan Guardia Nacional.

SHONE, Terence Allen, First Secretary of British Embassy in United States.

Sierra, Manuel J., Chief, Diplomatic Section, Mexican Ministry for Foreign Affairs.

Silva Vildosola, Carlos, Chilean journalist; director, El Mercurio (Santiago).

Simon, Sir John, British Secretary of State for Foreign Affairs; Representative, League of Nations Council and Assembly.

SKINNER KLEE, Alfredo, Guatemalan Minister for Foreign Affairs.

SMITH, Rear Admiral Arthur St. Clair, Commanding Officer, Special Service Squadron, U. S. Navy.

SMITH, Sydney Yost, Treaty Division, Department of State.

Soler, Juan José, Paraguayan Delegate to Bolivian-Paraguayan Conference for Negotiation of Non-Aggression Pact, Washington.

Somoza, Anastasio, Nicaraguan Acting Minister for Foreign Affairs.

Soto, Luis, Secretary of Uruguayan Legation in Nicaragua.

Soto Rengifo, Carlos, Chilean Minister of Education (Junta Dávila).

SPARKS, Edward J., Third Secretary of Legation in Chile.

SPEARS, Admiral William Oscar, Chief, U. S. Naval Mission to Peru.

STADHAGEN, David, Signer, pre-election agreements between Nicaraguan Conservative and Liberal Parties.

STIMSON, Henry L., Secretary of State, 1929–33; Member, Commission of Neutrals (Chaco Question).

Sugimura, Yotaro, Japanese Under Secretary General, League of Nations.

Summerlin, George Thomas, Minister to Honduras, 1925-29; to Venezuela.

SWETT, Arturo, Chilean Minister of Marine (under Vice President Oyanedel).

Talavera Crespo, Juan, Salvadoran Minister to Honduras.

Tamayo, Franz, Bolivian Minister for Foreign Affairs.

TEJADA SORZANO, Luis, Vice President of Bolivia.

Tellez, Manuel C., Mexican Minister for Foreign Affairs.

Terra, Gabriel, President of Uruguay.

Toledo, Pedro de, Federal Interventor, São Paulo, Brazil.

Toro, Ignacio, Chilean Minister of Labor (Junta Dávila).

TORRIENTE Y PERAZA, Cosme de la, Cuban lawyer and diplomat.

TRUEBLOOD, Edward Gatewood, Third Secretary of Legation in Costa Rica.

TRUJILLO MOLINA, General Rafael Leonidas, President of Dominican Republic.

Turcios, Froylan, Principal Agent of Augusto César Sandino in Central America. Ubico, General Jorge, President of Guatemala.

UGARTE, Rafael, Bolivian Minister of Finance.

Ulloa, Antonio, Peruvian lawyer.

URDANETA ARBELAEZ, Roberto, Colombian Minister for Foreign Affairs.

URIARTE, Juan Ramón, Salvadoran Minister to Mexico.

URIBE GAVIRIA, Carlos, Colombian Minister for War.

Uriburu, Lieutenant General José F., President of Argentina.

VALENCIA, Absalón, Chilean Minister of Justice (under Vice President Oyanedel).

VALENCIA, Guillermo, Special Colombian Envoy to Ecuador.

Valls, John A., U. S. District Attorney, Webb County, Texas.

VANSITTABT, Sir Robert Gilbert, British Permanent Under Secretary of State for Foreign Affairs.

Varaona, Carlos, Personal Envoy to Nicaragua for de facto President Martínez (El Salvador).

VARELA ACEVEDO, Jacobo, Uruguayan Minister to United States.

Vargas, Colonel Amadeo, Commanding Officer, Buena Vista Barracks, San José, Costa Rica.

VARGAS, Getulio Dornellas, Provisional President of Brazil.

VASCONCELLOS, César, Paraguayan Delegate to Bolivian-Paraguayan Conference for Negotiation of Non-Aggression Pact, Washington.

VASQUEZ, Mariano, Chief Honduran Delegate, Guatemala-Honduras Special Boundary Tribunal.

VASQUEZ BELLO, Clemente, President of Cuban Senate and of Liberal Party.

Vasquez Cobo, Alfredo, Colombian Army officer, commanding operations Amazon-Putumayo area.

Velarde, Hernán, Peruvian Ambassador to United States, 1925.

VICUNA, Manuel Rivas, Leader, Chilean Conservative Party.

Vigil, Enrique, Peruvian property owner (la Victoria), Leticia area; former Private Secretary to President Sanchez Cerro.

VINCENT, Sténio Joseph, President of Haiti.

VIVOT, Eduardo L., Second Secretary of Argentine Embassy in United States.

Vogel, General Clayton B., Acting Commandant, Garde d'Haiti.

Volio, Arturo, President of Costa Rican Congress.

of State.

Volio, General Jorge, Commanding insurgent forces, San José, Costa Rica.

WARREN, Avra Milvin, Consul General at Buenos Aires.

Wasson, Thomas Campbell, Vice Consul at Puerto Cortes, Honduras.

Werlich, McCeney, Third Secretary of Legation in Costa Rica.

WHELPLEY, Medley Gordon Brittain, President, Compañia de Salitre de Chile (Cosach).

WHITE, Francis, Assistant Secretary of State; Chairman, Bolivian-Paraguayan Conference for Negotiation of Non-Aggression Pact, Washington; Chairman, Commission of Neutrals (Chaco Question).

WHITEHOUSE, Sheldon, Minister to Guatemala.

WHYTE, Neil, Consular Agent at Salaverry, Peru.

WILLIAMS, Arthur Rheaume, Vice Consul at Nuevo Laredo, Mexico.

WILLIAMS, General Richard P., U. S. Marine Corps, Commandant Garde d'Haiti. Wilson, Edwin Coulter, Chief, Division of Latin American Affairs, Department

Wilson, Hugh Robert, Minister to Switzerland; Alternate Delegate, General Disarmament Conference.

Wood, Major General Leonard, Military Governor of Cuba, 1899-1902.

Woodward, Rear Admiral Clark Howell, U. S. Navy, Chairman, U. S. Electoral Mission to Nicaragua; President, Nicaraguan National Board of Elections.

Wrong, Hume, Counselor of Canadian Legation in United States.

YEREX, Lowell, Owner and Chief Pilot, Taca Airline, Central America.

YNSFRAN, Pablo Max, Secretary of Paraguayan Legation in United States.

YRIGOYEN CANSECO, Pedro, Peruvian Ambassador to Chile.

ZALDIVAR, Rafael, Salvadoran Minister to France, 1901.

ZALDUMBIDE, Gonzalo, Ecuadoran Minister to United States.

ZALLES, Juan María, Bolivian Minister for Foreign Affairs.

ZANARTU PRIETO, Enrique, Chilean Minister of Finance (Junta Dávila).

ZAVALA LOAIZA, C., Peruvian Minister for Foreign Affairs.

ZELAYA, Salvador, Honduran Minister for Foreign Affairs, 1931.

ZULUERA ESCOLANO, Luis de, Spanish Minister for Foreign Affairs; Representative, League of Nations Council and Assembly.

ZUNIGA HUETE, Angel, Liberal Party candidate, Honduran Presidency.

ZUNIGA VEGA, Medardo, Engineer, Honduran Commission, Guatemala-Honduras Special Boundary Tribunal.

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

POSTPONEMENT OF THE SEVENTH INTERNATIONAL CONFERENCE OF AMERICAN STATES

Date and number	Subject	Page
1932 Feb. 27	To the Diplomatic Representatives in Argentina, Brazil, Chile, Peru, and Uruquay (circ. tel.) Information that the Brazilian Ambassador, at the request of Uruguay, inquired as to U. S. opinion on a postponement of the Seventh Pan American Conference, and the Secretary replied that the United States would be guided by the wishes of the other American Governments.	1
Mar. 1 (98)	From the Uruguayan Chargé Advice from the Foreign Minister that no change in date of the Pan American Conference is contemplated; that it will be held in Montevideo in December 1932 or January 1933.	1
Apr. 1 (20)	From the Minister in Uruguay (tel.) Opinion that Uruguay will not oppose the temporary postponement of the Conference, but will object to an indefinite postponement.	2
Apr. 6	From the Director General of the Pan American Union Discussion, at Governing Board meeting, of the possibility of postponing the Conference; and submission of a resolution to in- quire if Uruguay has any objections.	2
Apr. 7	Memorandum by the Assistant Secretary of State Conversation with the Argentine Ambassador, who stated that his Government advised against postponing the Conference in view of the situation in the Chaco; Assistant Secretary's comment that he did not see how the Conference could help the situation.	3
Apr. 12	From the Director General of the Pan American Union Transmittal of the resolution adopted by the Governing Board (text printed) requesting Uruguay to consider postponement of the Conference.	4
June 4	To the Diplomatic Representatives in Latin America Resolution adopted by the Governing Board of the Pan American Union (text printed) postponing the Conference.	5
TH	E CHACO DISPUTE BETWEEN BOLIVIA AND PARAGUAY I. Good Offices of the Commission of Neutrals	-
1932 May 6	Draft Pact of Non-Aggression of May 6, 1932 Draft text of non-aggression pact between Bolivia and Paraguay.	8
June 2 (445)	From the Minister in Paraguay Memorandum (text printed) from Arbo, Paraguayan Foreign Minister, expressing certain objections to the draft Pact of Non- Aggression. Report of various individual opinions and press com- ments.	13

THE CHACO DISPUTE

I. GOOD OFFICES OF THE COMMISSION OF NEUTRALS—Continued

Date and number	Subject	Page
1932 June 3 (27)	From the Minister in Bolivia (tel.) Foreign Minister's announcement of Bolivia's acceptance of the draft Pact of Non-Aggression with certain modifications.	18
July 6 (15)	To the Minister in Paraguay (tel.) Instructions to mention informally to Arbo that the United States hopes that after further study the pact will be received more favorably.	19
July 6 (41)	From the Minister in Paraguay (tel.) Information that the Paraguayan delegation is being instructed to retire from the conference at Washington (relative to non-aggression pact) because of the surprise Bolivian capture of Fortin Carlos Antonio Lopez, June 15.	20
July 7 (16)	To the Minister of Paraguay (tel.) Instructions to counsel moderation and patience to the Paraguayan authorities, as the Neutrals may be able to suggest a solution of the situation.	21
July 7 (17)	To the Minister in Paraguay (tel.) Information that Paraguay's note of withdrawal from the conference will not be made public. Instructions to advise the Government to ask the Neutrals to protest to Bolivia on Paraguay's behalf, instead of presenting the note.	22
July 8 (44)	From the Minister in Paraguay (tel.) Information that a statement on the Chaco situation was issued by the Ministry of the Interior, and that Arbo stated in a press interview that Paragauy would withdraw from the conference.	23
July 8 (18)	To the Minister in Paraguay (tel.) Instructions to point out to the Paraguayan Government the danger of breaking off negotiations and to endeavor to learn the real motives behind this action.	24
July 9 (46)	From the Minister in Paraguay (tel.) Advice to Arbo to consider the withdrawal of the delegates as a temporary suspension of pact conversations pending examination and adjudication of the Fortin incident; Arbo's promise to report the Government's decision July 12.	25
July 10 (47)	From the Minister in Paraguay (tel.) Opinion of certain Government officials that the political situation and the Cabinet's firm position for the delegation's withdrawal are hindering a solution. Indications of Paraguay's interest in a non-aggression pact with an arbitration proviso.	26
July 11	From the Commission of Neutrals to the Paraguayan Minister for Foreign Affairs (tel.) Request that Paraguay modify its intention to withdraw from the conference and send complete details of the Chaco incidents to the Commission. Information that Bolivia is being requested to furnish similar information.	27
July 15 (22)	To the Minister in Paraguay (tel.) Instructions to remind Arbo that his action in terminating negotiations contradicts his statements made before the House of Deputies June 15; and to explain that the proposed pact is composed of both Bolivian and Paraguayan suggestions.	28

THE CHACO DISPUTE

Date and number	Subject	Page
1932 July 16 (53)	From the Minister in Paraguay (tel.) Transmittal of Paraguayan note (text printed) refusing to revoke the decision to withdraw from the conference.	29
July 18	From the Commission of Neutrals to the Paraguayan Minister for Foreign Affairs (tel.) Request that Paraguay remain in the conference in view of Bolivia's promise to furnish the Neutrals with complete information regarding the incidents of June 15 and 29.	32
July 19 (37)	From the Minister in Bolivia (tel.) Information that a Bolivian fortin has been attacked by Paraguayan troops, and public demonstrations demand drastic action.	33
July 19 (54)	From the Minister in Paraguay (tel.) Transmittal of a communiqué from the Paraguayan Ministry of War (text printed) announcing the retaking of Fortin Carlos Antonio Lopez.	34
July 20 (39)	From the Minister in Bolivia (tel.) Indications that the press and public of La Paz believe a state of war with Paraguay now exists.	34
July 21	From the Commission of Neutrals to the Bolivian Minister for Foreign Affairs (tel.) Note requesting information regarding the incidents subsequent to June 15, and the suspension of all armed hostilities. Information that identic representations are being addressed to Paraguay.	35
July 22	From the Paraguayan Minister for Foreign Affairs (tel.) Reply to the Neutrals' note of July 21 advising that the Paraguayan delegates have been ordered to return to Washington, and that no act of armed hostility is being nor will be committed against Bolivia except in self-defense. (Footnote: Copy transmitted to the Bolivian Foreign Minister by the Commission of Neutrals in telegram dated July 22.)	36
July 24 (840)	From the Bolivian Minister for Foreign A ffairs (tel.) Reply to the Neutrals' note of July 21 explaining instructions to the Bolivian delegates to withdraw from the conference.	36
July 25	From the Commission of Neutrals to the Bolivian Minister for Foreign Affairs (tel.) Request that Bolivia follow Paraguay's example in stating that no acts of armed hostility are being, nor will be, committed; and that the Bolivian delegates be authorized to continue negotiations.	37
July 27	From the Commission of Neutrals to the Paraguayan Minister for Foreign Affairs (tel.) Petition that instructions be issued to refrain from hostile acts in the Chaco which might nullify the good offices of the Neutrals. Information that the same request is being addressed to Bolivia.	40
July 27	From the Paraguayan Delegate to the Chairman of the Commission of Neutrals Note disclaiming responsibility for co-authorship of the draft pact of non-aggression, which was received solely for information of the Paraguayan Government.	40
July 28	From the Chairman of the Commission of Neutrals to the Paraguayan Delegate Account of the history of the non-aggression pact negotiations.	41

THE CHACO DISPUTE

Date and number	Subject	Page
1932 July 28	From the Bolivian Minister for Foreign Affairs (tel.) Reply to the Neutrals' note of July 25 explaining Bolivia's attitude and reaffirming its decision to discontinue conversations.	46
July 28	From the Paraguayan Minister for Foreign Affairs (tel.) Reply to the Neutrals' petition of July 27 reaffirming Paraguay's promise not to commit hostile acts in the Chaco, and requesting that it be informed of Bolivia's response. (Footnote: Copy transmitted to the Bolivian Foreign Minister, July 28, by the Commission of Neutrals.)	47
July 29	From the Chairman of the Commission of Neutrals to the Paraguayan Delegate Acknowledgment of Paraguay's reply to the Neutrals' petition and request that the report of the incidents be forwarded promptly.	48
Aug. 1	From the Bolivian Minister for Foreign Affairs (tel.) Reiteration of Bolivia's intention to maintain an aggressive campaign in the Chaco so long as Paraguay does.	49
Aug. 1 (46)	From the Minister in Bolivia (tel.) Suggestion that the Neutrals propose that Bolivia and Paraguay accept an immediate armistice on the basis of present possessions.	50
Aug. 2	From the Commission of Neutrals to the Bolivian Minister for Foreign Affairs (tel.) Request that Bolivia state whether it will agree to an armistice on the basis of possessions maintained on June 1, and to immediate negotiation of a settlement of the controversy by arbitration or other amicable means.	51
Aug. 3 (23)	To the Minister in Bolivia (tel.) Information that an immediate armistice was suggested to Bolivia August 2.	52
Aug. 4	From the Paraguayan Delegate View of the progress of the non-aggression pact negotiations.	52
Aug. 4	From the Bolivian Minister for Foreign Affairs (tel.) Agreement to suspend hostilities in the Chaco on the basis of present possessions, and request that the Neutrals' proposal be modified accordingly.	57
Aug. 5 (49)	From the Minister in Bolivia (tel.) Foreign Minister's request that attempt be made to obtain a modification of the Neutrals' proposal in view of the danger of internal disturbances.	58
Aug. 5	From the Commission of Neutrals to the Bolivian Minister for Foreign Affairs (tel.) Refusal to modify the proposal, since recognition of acts of force in the settlement of controversies is contrary to the Declaration of Principles signed August 3; request that Bolivia reconsider its decision.	58
Aug. 5	From the Commission of Neutrals to the Paraguayan Minister for Foreign Affairs (tel.) Request that hostilities be immediately suspended on the basis of positions held by Bolivia and Paraguay on June 1, and that arbitration or other friendly means of settlement be essayed.	60

THE CHACO DISPUTE

I. GOOD OFFICES OF THE COMMISSION OF NEUTRALS—Continued

Date and number	Subject	Page
1932 Aug. 5	From the Paraguayan Minister for Foreign Affairs (tel.) Acceptance of the Neutrals' proposal.	60
Aug. 8	From the Commission of Neutrals to the Bolivian Minister for Foreign Affairs (tel.) Request that hostilities be suspended at daybreak August 10 in view of Paraguay's acceptance of an armistice and Bolivia's statement that its attitude would depend on Paraguay's.	61
Aug. 8	From the Bolivian Minister for Foreign Affairs (tel.) Repudiation of Paraguay's accusation that Bolivian forces have resumed hostilities.	61
Aug. 8	From the Bolivian Minister for Foreign Affairs (tel.) Reiteration of counterproposal to suspend hostilities on the basis of present possessions, and disposition to open negotiations, but not under pressure of force.	62
Aug. 9	From the Bolivian Minister for Foreign Affairs (tel.) Request for the decisions of Paraguay and the Neutrals on Bolivia's counterproposal.	63
Aug. 9	From the Commission of Neutrals to the Bolivian Minister for Foreign Affairs (tel.) Reasons for using the June 1st basis for the cessation of hostilities. Request for Bolivian statement agreeing to certain conditions for negotiation proceedings.	63
Aug. 10	From the Commission of Neutrals to the Paraguayan Minister for Foreign Affairs (tel.) Information that Bolivia has advised the Commission that hostilities have been temporarily suspended.	65
Aug. 12	From the Bolivian Minister for Foreign Affairs (tel.) Bolivia's refusal to agree to the conditions specified by the Neutrals for negotiation proceedings.	65
Aug. 13 (52)	From the Minister in Bolivia (tel.) Suggestion that an immediate proposal for arbitration, or for an arbitrary line such as the Ichazo-Benitez line, would eliminate the question of a basis for suspension of hostilities.	66
Aug. 13 (26)	To the Minister in Bolivia (tel.) Advice that the Neutrals can suggest no arbitrary line without prejudging the case, but could transmit a proposal to Paraguay on Bolivia's behalf.	67
Aug. 15 (32)	To the Minister in Paraguay (tel.) Instructions to discuss the Chaco situation with President Ayala and report his views and suggestions.	67
Aug. 17	From the Commission of Neutrals to the Bolivian Minister for Foreign Affairs Examination of the status of negotiations and request that a concrete proposal be submitted.	68
Aug. 17 (89)	From the Minister in Paraguay (tel.) Ayala's decision to withhold a suggestion for mutual retirement from the most advanced positions, as Bolivia's acceptance of the June 1 basis is expected.	71

THE CHACO DISPUTE

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1932 Aug. 18 (34)	To the Minister in Paraguay (tel.) Request for the immediate submission of the suggestion mentioned in telegram supra.	72
Aug. 19 (93)	From the Minister in Paraguay (tel.) Information that the General Staff refuses to consider the alternative suggestion because of a new Bolivian attack.	72
Aug. 20 (30)	To the Minister in Bolivia (tel.) Instructions to advise the Department when a reply may be expected to the Neutrals' telegram of August 17, and whether Bolivia might suggest the formation of a neutral zone to be observed by neutral representatives.	73
Aug. 20 (35)	To the Minister in Paraguay (tel.) Instructions to ascertain Paraguay's attitude toward the establishment of a neutral zone overseen by neutral representatives.	74
Aug. 21 (95)	From the Minister in Paraguay (tel.) President Ayala's statement that it is too late to consider a neutral zone; that all field commanders have been instructed to refrain from hostilities as long as possible. Transmittal of the President's statement (text printed) attesting to Paraguay's desire for a fair agreement.	75
Aug. 22 (60)	From the Minister in Bolivia (tel.) Foreign Minister's reluctance to discuss the Chaco situation because of popular feeling against so-called Neutral partisanship in favor of Paraguay.	76
Aug. 22 (61)	From the Minister in Bolivia (tel.) Information that an appointment has been made with the Foreign Minister.	77
Aug. 27	From the Bolivian Minister for Foreign Affairs to the Chairman of the Commission of Neutrals (tel.) Reply to the Neutrals' telegram of August 17 recapitulating Bolivia's position in regard to negotiations for a non-aggression pact.	77
Aug. 29	From the Commission of Neutrals to the Bolivian Minister for Foreign Affairs (tel.) Request that an agreement for a 60-day total suspension of hostilities, which will not alter the present legal position of the parties, be signed in Washington on September 1. (Footnote: The same telegram sent to the Paraguayan Foreign Minister, August 29.)	80
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July 26 (35)	To the Ambassador in Peru (tel.) Information that the United States would welcome representations to Paraguay and Bolivia from the neighboring states advising that negotiations in Washington be continued. (Footnote: The same telegram, July 26, to the diplomatic representatives in Argentina and Brazil.)	145
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1932 Aug. 6 (61)	To the Ambassador in Chile (tel.) Receipt of information that Zalles is attempting to wreck the work of the Commission of Neutrals. Attestation to Commission's cooperation with the states bordering Bolivia and Paraguay. (Footnote: Substantially the same telegram, August 6, to the diplomatic representatives in Argentina, Brazil, and Peru.)	163
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Aug. 9 (162)	From the Ambassador in Chile (tel.) Anxiety of Chilean officials at the possibility of war resulting from insistence on the June 1 date for cessation of hostilities.	169
Aug. 10 (82)	From the Chargé in Brazil (tel.) Foreign Office reiteration of Brazilian support of the Neutral Commission, and information that the ABCP Republics are suggesting that a 30-day renewable truce, on the basis of present positions, be proposed to Paraguay and Bolivia.	170
Aug. 10 (115)	From the Ambassador in Peru (tel.) Foreign Minister's statement that the ABCP Republics must cooperate fully with the Commission of Neutrals, whose suggestions to Bolivia and Paraguay, however, require some modification.	171
Aug. 11	To the Diplomatic Representatives in Argentina, Brazil, Chile, and Peru (circ. tel.) Information that the representatives of the ABCP Republics met with the Neutral Commission, were brought up to date on the Paraguay-Bolivia matter (including a proposal made to Bolivia on August 9 along lines of the August 3 declaration) and were requested to keep the Neutrals advised of any action.	172
Aug. 12	To the Diplomatic Representatives in Argentina, Brazil, Chile, and Peru (circ. tel.) Information that Argentina has proposed to Paraguay and Bolivia a 30-day renewable truce, on the basis of present positions. Instructions to request support of the Neutral Commission, especially of its proposal to Bolivia of August 9 (outlined in the telegram supra).	175

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Aug. 13 (72)	From the Ambassador in Argentina (tel.) Conversation with Saavedra Lamas, who states that no definite proposal has been made to Paraguay or Bolivia, althought he has suggested a one-month's suspension of hostilities as the best way to avoid war.	178
Aug. 13 (116)	From the Ambassador in Peru (tel.) Foreign Minister's statement that Peru will live up to the declaration of August 3 and cooperate with the Commission, and that there have been no separate negotiations since the signing of the ABCP manifesto.	179
Aug. 13 (52)	To the Ambassador in Argentina (tel.) Instructions to investigate an Argentine suggestion to Paraguay for a direct settlement, or an agreement that any arbitration settlement will provide a port on the river for Bolivia.	180
Aug. 13 (63)	To the Ambassador in Chile (tel.) Instructions to suggest to the Foreign Minister that cooperation with the Neutrals can best be accomplished by keeping them fully informed of conversations with Zalles.	181
Aug. 13 (87)	From the Chargé in Brazil (tel.) Foreign Minister's indication that several proposals for joint action in the Chaco question have been advanced, to which Brazil, favoring full support of the Neutral Commission, declined to adhere.	181
Aug. 15 (73)	From the Ambassador in Argentina (tel.) Indications that Argentina has endeavored to obtain Paraguayan acceptance of the status quo in order to overcome Bolivian suspicion of Argentine mediation.	182
Aug. 18	Memorandum by the Assistant Secretary of State Explanation that the wording of the declaration of August 3 is intended to prevent a retroactive interpretation.	182
Aug. 18	To the Diplomatic Representatives in Argentina, Brazil, Chile, and Peru (circ. tel.) Instructions to investigate a rumored Argentine proposal for Bolivian evacuation of positions occupied since June 1 and the possibility of its representing joint action of the ABCP Republics.	184
Aug. 18 (175)	From the Ambassador in Chile (tel.) Information that Chile is not a party to, and was ignorant of, the proposal referred to in the Department's circular telegram of August 18.	184

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Aug. 19 (121)	From the Ambassador in Peru (tel.) Information that Peru initiated the proposal mentioned in the Department's circular telegram of August 18, and the Peruvian Ambassador in Washington was directed to inform the U. S. Government and the Commission of Neutrals.	185
Aug. 19 (78)	From the Ambassador in Argentina (tel.) Conversation with Saavedra Lamas, who promised to study the Neutrals' telegram of August 17 to Bolivia (printed on page 68) in an attempt to find the best method of supporting the Neutrals.	186
Aug. 20 (55)	To the Ambassador in Argentina (tel.) Instructions to express the Department's appreciation of Argentina's offer of cooperation. Information that the Chilean Foreign Minister advised Zalles to comply with the Neutrals' request.	187
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Aug. 26	Memorandum by the Assistant Secretary of State Conversation with Espil in which White stated that the Neutrals do not favor Peru's proposal for a conference from which all but one of the Neutrals would be excluded, and outlined the Neutrals' program.	189
Aug. 31 (76)	To the Ambassador in Chile (tel.) Instructions not to discuss Chile's draft proposal with the Government, since it has been decided not to forward it through the Commission of Neutrals.	192
Sept. 3 (196)	From the Ambassador in Chile (tel.) Information that a new draft note presented by the Foreign Minister proposes a conference of all the Neutrals and the neighboring countries, and is intended to be forwarded to Paraguay and Bolivia by the Neutral Commission.	193
Sept. 3	Memorandum by the Chief of the Division of Latin American Affairs Report from the Minister in Argentina that Saavedra Lamas is making a proposal to Paraguay and Bolivia, which, if agreeable to both countries, will be transmitted to the Neutral Commission for submission to the two Governments.	194
Sept. 3	Memorandum by the Chief of the Division of Latin American Affairs Telephone conversation with the Minister in Argentina, who was informed of White's disapproval of Saavedra Lamas' independent action.	195

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Aug. 16	Memorandum by the Chief of the Division of Latin American Affairs Reply to the German Chargé's inquiry as to the effect of Euro- pean recognition of Salvador on the U.S. attitude, that it would remain unchanged, since it was taken on principle and in further- ance of the policy of promoting stability in Central America.	606
Sept. 17 (168)	From the Chargé in El Salvador Information that the British Chargé has been authorized to deal officially with the Martínez government, although no official note of recognition has been sent.	607
Sept. 20 (109)	From the Ambassador in Brazil (tel.) Receipt of information that Argentina wishes Brazil to recognize the de facto government in Salvador simultaneously.	608
Sept. 21 (101)	From the Chargé in El Salvador (tel.) Information that France has recognized the Martínez government and that two commercial treaties have been signed.	609
Sept. 22 (79)	To the Ambassador in Brazil (tel.) Explanation of U. S. policy in connection with recognition of the Martínez regime, and opinion that all American states should support the Central American position taken in an effort to promote stability and discourage revolutions.	609
Sept. 23	Memorandum by the Assistant Secretary of State of a Conversation With the Argentine Ambassador Explanation of U. S. policy in the question of recognition of the Martínez regime, and expression of regret that Argentina seems to be embarking on a different course.	610
Sept. 24 (103)	From the Chargé in El Salvador (tel.) Information that Spain has recognized the Martínez regime.	611

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Oct. 1 (86)	To the Ambassador in Brazil (tel.) Reference to Ambassador's telegram No. 117, September 28, and instructions to express appreciation to the Foreign Minister.	611
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Nov. 30 (691)	From the Minister in the Dominican Republic Conversation with the Foreign Minister, who stated that President Trujillo did not intend to recognize the Martínez regime as long as the other Central American governments and the United States do not do so.	612
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Jan. 23 (7)	From the Minister in Guatemala (tel.) Information that the Communists have taken possession of Sonsonate.	615
Jan. 23 (9)	To the Chargé in El Salvador (tel.) Information that British, Canadian, and U. S. warships are proceeding to Salvadoran waters.	615
Jan. 23 (16)	From the Chargé in El Salvador (tel.) Arrival of British destroyers at Acajutla.	616
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Jan. 23	Memorandum by the Assistant Chief of the Division of Latin American Affairs of a Conversation With the First Secretary of the British Embassy. British inquiry as to what the United States plans to do in the light of alarming reports from El Salvador, and the reply that, on the basis of present information, the United States has no plans other than to watch the situation carefully.	617
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Jan. 31 (25)	From the Chargé in El Salvador (tel.) Opinion that one American destroyer should remain at La Libertad.	620
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1932 Mar. 22 (171)	To the Minister in Haiti Transmittal of a note in reply to a note from the Haitian Government dated December 22, 1931, discussing certain questions relating to Haitian finances.	624
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Apr. 6 (42)	From the Minister in Haiti (tel.) Receipt of a note proposing negotiation of a new agreement for Haitianization of the Garde, the establishment of a Military Mission, and the early withdrawal of the American Scientific Mission and the U. S. Marines.	627
Apr. 12 (46)	From the Minister in Haiti (tel.) Haitian request that a phrase referring to refunding operation difficulties be omitted from the U.S. note delivered in accordance with the Department's No. 171, March 22, which it is desired to quote to Congress.	628
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June 27 (204)	To the Minister in Haiti, Temporarily in the United States Transmittal of the Department's modification of the draft agreement regarding financial control (text printed), and instruc- tions for discussion with the Haitian Government.	646
June 27 (205)	To the Minister in Haiti, Temporarily in the United States Transmittal of the Department's modification of Haiti's proposed agreement providing for the further Haitianization of the Garde (text printed) and instructions for its negotiation.	657
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Aug. 20 (51)	To the Minister in Haiti (tel.) Approval of the Foreign Minister's suggestion that the Garde agreement be dealt with as a treaty protocol. Approval of the Minister's recommendations in his telegram No. 92, August 19.	670

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Sept. 16 (108)	From the Chargé in Haiti (tel.) Information that the Haitian President issued a proclamation defending the treaty and pointing out the disadvantages to Haiti of its nonratification.	680
Sept. 19 (109)	From the Chargé in Haiti (tel.) Recommendation that Haitianization of the Military Department of the South be carried out by December 31, as planned.	680
Sept. 21 (110)	From the Chargé in Haiti (tel.) Foreign Minister's inquiry relative to further Haitianization and the possibility of negotiating a new treaty. Recommendation that the Department's reply state that all possible concessions were contained in the convention signed September 3.	681
Sept. 22 (62)	To the Chargé in Haiti (tel.) Text of note for communication to the Foreign Minister following the recommendation in the Legation's telegram No. 110, September 21. (Footnote: Note addressed to the Haitian Foreign Minister September 23, 1932.)	682
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Nov. 28 (12)	From the Minister in Haiti Report of conversation with the President concerning the treaty of September 3, and opinion that any new Haitian proposals will probably follow the lines set forth in the Haitian note of Sep- tember 26.	696

AGREEMENT BETWEEN THE UNITED STATES AND HAITI AMENDING THE CARDE AGREEMENT OF AUGUST 24, 1916; AMENDED MARCH 23, 1920, AND FEBRUARY 28, 1925

1932		
June 3 (60)	From the Minister in Haiti (tel.) Request for authorization to sign an agreement modifying the Garde agreement to provide for one additional First Lieutenant in the Garde to cover a special commission for a Haitian national hero.	697
June 4 (30)	To the Minister in Haiti (tel.) Instructions to submit proposed text of agreement to the Department before signing.	698
June 6 (61)	From the Minister in Haiti (tel.) Transmittal of text modifying the Garde agreement.	698
June 7 (31)	To the Minister in Haiti (tel.) Approval of the proposed modification of the Garde agreement and authorization to sign.	698
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Representations Against Arrest of Collector of Customs Without Prior Reference to Garde Headquarters

1932 May 7 (397)	From the Minister in Haiti Report of the arrest of the Collector of Customs at Glore and his release by order of the Minister. Transmittal of letter to the Commandant of the Garde (text printed) requesting him to instruct Garde officers not to execute orders of arrest against Customs Collectors without prior consultation with Garde headquarters at Port au Prince.	700
May 19 (194)	To the Minister in Haiti Approval of action reported by the Minister in his despatch No. 397 of May 7.	703

 ${\bf HAITI}$ Reservation by the United States of Rights to Navassa Island

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1932 June 15 (422)	From the Chargé in Haiti Information that Navassa Island is claimed as Haitian territory in a proposed amendment to the Haitian Constitution, and that the Foreign Minister has been informed that the island belongs to the United States.	704
July 5 (207)	To the Chargé in Haiti Information relative to the U.S. claim to Navassa Island for communication to the Haitian Government.	704
July 25 (455)	From the Minister in Haiti Advice that the information contained in the Department's instruction No. 207, July 5, was received after action had been taken by the Constituent Assembly; recommendation that a formal reservation of U.S. rights to the island be made.	706
Aug. 13 (218)	To the Minister in Haiti Authorization to make a formal reservation of U. S. rights to Navassa Island as suggested in the Minister's despatch No. 455, July 25.	706
Sept. 12 (489)	From the Minister in Haiti Transmittal of note to the Haitian Foreign Minister (text printed) in accordance with the Department's instructions.	707
	HONDURAS	
	Insurrection in Honduras	
1932 Apr. 28 (467)	From the Minister in Honduras Report of election campaigns and possibility of a coup d'état instigated by the Liberal candidate, Zuñiga Huete, if he fears defeat, or a Nationalist uprising should Huete win through a dishonest election.	709
May 20 (483)	From the Minister in Honduras Further report of the political situation in Honduras and opinion that a serious revolt is unlikely before the elections.	710
June 11 (62)	From the Vice Consul at Tela Report of border unrest and the declaration of martial law in the frontier provinces; also of the nomination of a Labor Party candidate for President.	712
Sept. 14 (613)	From the Minister in Honduras Report of unusually quiet election campaigns, but expectation of a coup d'état or revolution by the losing party after the elections, probably in December or January.	713
Oct. 14 (636)	From the Minister in Honduras Information that the political situation is deteriorating. Request for authorization to call upon the Navy for emergency assistance in case of imminent danger to the lives of Americans or other foreigners.	715
Oct. 20 (85)	From the Minister in Honduras (tel.) General expectation of a revolution between election and inauguration days. Request for advice as to whether it is intended that no U. S. naval force will be sent to Tegucigalpa under any circumstances.	717

HONDURAS INSURRECTION IN HONDURAS—Continued

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1932 Oct. 24 (47)	To the Minister in Honduras (tel.) Explanation of U. S. policy against sending armed forces into the interior of a foreign country except in the event of a most serious emergency.	718
Oct. 28 (86)	From the Minister in Honduras (tel.) Information that the President is taking extensive measures to insure orderly and free elections and has promised protection for the Legation and for American citizens.	719
Nov. 4 (651)	From the Minister in Honduras Information that the political situation continues peaceful; that the defeated Liberal candidate stated that he desired his party to accept defeat and work for victory in the next elections.	720
Nov. 7 (360)	To the Minister in Honduras Information that the Minister in Guatemala was instructed to make representations to President Ubico, who had indicated his willingness to loan arms and munitions to the Liberal candidate if he were successful, against non-observance of the terms of the Central American treaties; and that later the Guatemalan Government stated that the provisions of the treaties would be strictly observed.	721
Nov. 13 (91)	From the Minister in Honduras (tel.) Report of rebel attack on San Pedro Sula barracks and contemplated Government counterattack, and of arrangements for the safety of American citizens.	722
Nov. 14	From the Vice Consul at Puerto Cortes (tel.) Report of recapture of San Pedro Sula. Information that no foreigners were killed or wounded.	723
Nov. 23 (104)	From the Chargé in El Salvador (tel.) Information that arms and ammunition are being furnished the Honduran Government to suppress the revolution; that the impression is that the rebels are being aided by Guatemala.	723
Nov. 23 (668)	From the Minister in Honduras Transmittal of memoranda (texts printed) from the President- elect stating the domestic policy of his Government and guaran- teeing that international obligations will be respected.	723
Nov. 28 (103)	From the Minister in Honduras (tel.) Concern over possibility of attack on Tegucigalpa.	725
Nov. 28 (674)	From the Minister in Honduras Report of the progress of the insurrection and of conditions in the capital.	725
Nov. 30 (104)	From the Minister in Honduras (tel.) Report of Government counterattacks on the revolutionists.	727
Nov. 30 (989)	From the Minister in Nicaragua Arrival in Managua of Huete, who states that the Honduran revolution has become general and represents the opinion of many people whose desires were unlawfully frustrated in the elections.	728

HONDURAS Insurrection in Honduras—Continued

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1932 Dec. 11 (110)	From the Minister in Honduras (tel.) Information, in reply to a request from President Colindres that an American warship call at Amapala for the protection of American and foreign merchandise, that the United States is opposed to sending war vessels to foreign ports except in the case of imminent danger to American lives and property.	728
Dec. 12 (371)	To the Minister in Honduras Acknowledgment of Legation's despatch No. 668, November 23, and authorization to express to President-elect Carias U. S. appreciation for the information.	729
Dec. 13 (57)	To the Minister in Honduras (tel.) Approval of statement to President Colindres and opinion that the situation does not warrant the despatch of a war vessel to Amapala.	730
Dec. 23 (116)	From the Minister in Honduras (tel.) Receipt of information that a German merchant vessel has been ordered to call at Amapala to take off foreigners who wish to leave the island.	730
Dec. 29 (119)	From the Minister in Honduras (tel.) Information that Amapala has been retaken by Nationalist troops; that the insurgent forces are being pursued to the border; and that the Tegucigalpa garrison has been turned over to Nationalist troops.	730

MEXICO

Conventions Between the United States and Mexico Further Extending the General and Special Claims Conventions of September 8 and 10, 1923

1931 June 20 (284)	To the Ambassador in Mexico Transmittal of draft conventions (texts printed) extending the period allowed for the adjudication of the claims covered by the present General and Special Claims Conventions. Instructions for the negotiation of these agreements or for an en bloc settlement.	732
June 18 (110)	From the Ambassador in Mexico (tel.) Proposed procedure for the negotiation of an en bloc settlement to be discussed as soon as the claims convention renewals and protocols are signed.	739
June 18	Convention Between the United States of America and Mexico Extending the Duration of the General Claims Commission Provided for in the Convention of September 8, 1923 Text of Convention signed at Mexico City, June 18.	740
June 18	Protocol Concerning the Convention of June 18, 1932, Extending the Duration of the General Claims Commission Provided for in the Convention of September 8, 1923 Text of Protocol signed at Mexico City, June 18. (Footnote: A penciled notation on the cover page of the Protocol reads: "Not to be ratified. See protocol of April 24, 1934.")	742

MEXICO

Convention Between the United States and Mexico Further Extending the General and Special Claims Conventions of September 8 and 10, 1923
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1932 June 18	Convention Between the United States and Mexico Extending the Duration of the Special Claims Commission Provided for in the Convention of September 10, 1923 Texts of Convention and Protocol signed at Mexico City, June 18. (Footnote: This convention and the accompanying protocol not ratified (returned to the Department April 2, 1935); they were replaced by protocol of April 24, 1934.)	744
June 22 (84)	To the Ambassador in Mexico (tel.) Approval of procedure outlined in telegram No. 110, June 18, and authorization to proceed with discussions when expedient.	748
June 24 (1608)	From the Ambassador in Mexico Summarization of the claims conventions and protocols relating thereto signed at Mexico City, June 18, 1932, and report of certain points relative to their negotiation.	748
June 25 (114)	From the Ambassador in Mexico (tel.) Report of initial interview with the Foreign Minister in connection with the negotiation of an en bloc settlement, and recommendation that Colonel Moreno, of the Agency of the U. SMexican Claims Commission, remain during the negotiations.	754
June 28 (93)	To the Ambassador in Mexico (tel.) Permission for Colonel Moreno to remain in Mexico City during negotiation of the en bloc settlement.	7 55
[Nov. 5] (190)	From the Ambassador in Mexico (tel.) Information that Foreign Minister has stated that he cannot accept the amount proposed for an en bloc settlement and intimated that he did not care to discuss the question. Suggestion that the matter be allowed to rest for the present.	7 55
Nov. 14 (169)	To the Ambassador in Mexico (tel.) Concurrence in Ambassador's opinion that it might be advantageous to postpone the matter of an en bloc settlement.	756
Рвоте	ction of General Calles Against Threatened Arrest by Dist Attorney, Webb County, Texas	TRICT
1932 June 16 (104)	From the Ambassador in Mexico (tel.) Recommendation that a military guard of honor escort General Calles and his wife, who are traveling to New York, through Texas.	7 57
June 16 (105)	From the Ambassador in Mexico (tel.) Report of departure of Calles party and renewal of recommendation in telegram No. 104, June 16.	757
June 17	To the Consul at Nuevo Laredo (tel.) Instructions to report immediately whether District Attorney Valls is likely to create trouble on Calles' arrival, and to request the border officials to facilitate his crossing of the border.	758

MEXICO

PROTECTION OF GENERAL CALLES AGAINST THREATENED ARREST BY DISTRICT ATTORNEY, WEBB COUNTY, TEXAS—Continued

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1932 June 17 (79)	To the Ambassador in Mexico (tel.) Information that a War Department telegram (text printed) has been sent directing that the Laredo garrison extend appropriate honors to Calles, and that, if he wishes, an officer accompany him to San Antonio or Houston.	758
June 17	From the Consul at Nuevo Laredo (tel.) Information that the Calles party passed the border without difficulty.	759
June 20 (146)	From the Consul at Nuevo Laredo Report of the reception of General Calles, and of the steps taken to secure an assurance from District Attorney Valls that he would not occasion any trouble.	759
July 14	From the Consul at Nuevo Laredo (tel.) Valls' assurance that General Calles will encounter no difficulty on his return to Mexico via Laredo.	763
July 14	To the Secretary of War Request that arrangements be made for General Calles' safe journey across the Mexican border.	763
July 15	To the Consul at Nuevo Laredo (tel.) Information as to General Calles' diplomatic status to be used in the event of an emergency.	764
July 18 (153)	From the Consul at Nuevo Laredo Information that the Calles party passed through Laredo without encountering any difficulty, and that it was not necessary to use the confidential information furnished by the Department.	764

NICARAGUA

Adverse Opinion of the Department of State Regarding the Election of a Constituent Assembly

1931 Oct. 1	To the Nicaraguan Minister Opinion that the Constitution should be amended only if public opinion favors it; that U. S. Marines should supervise the election of the Constituent Assembly which should be held at the time of the presidential elections.	766
Feb. 3 (89)	From the Nicaraguan Chargé Transmittal of a letter from President Moncada (text printed) explaining his reasons for desiring a reform of the Nicaraguan Constitution.	767
Feb. 9 (21)	From the Chargé in Nicaragua (tel.) Information that Drs. Morales and Arguello are en route to Washington to discuss the constitutional reform proposal with the Department.	770

NICARAGUA

Adverse Opinion of the Department of State Regarding the Election of a Constituent Assembly—Continued

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1932 Feb. 12 (25)	From the Chargé in Nicaragua (tel.) Information that the Conservative Party desires the initiation of partial reform of the Constitution by Congress rather than convocation of a Constituent Assembly which would be illegal.	771
Feb. 15 (27)	From the Chargé in Nicaragua (tel.) Advice that it is feared that convocation of a Constituent Assembly may result in an endeavor to continue Moncada in power for two more years; that the President will abandon his proposal if the Department disapproves.	772
Feb. 23 (667)	From the Chargé in Nicaragua Opinions and recommendations against approving President Moncada's proposal for the convocation of a Constituent Assembly.	772
Mar. 21 (51)	From the Chargé in Nicaragua Denunciation of Dr. Morales' mission to Washington by the Grand Convention of the Liberal Party.	775
Mar. 23 (333)	To the Chargé in Nicaragua Transmittal of memorandum (text printed) to Drs. Morales and Arguello explaining the Department's refusal to supervise any other than the regular elections for supreme authorities, and suggesting that the present Constitution provides a method for its partial amendment.	775
Apr. 5	To the President of Nicaragua Explanation of the decision taken by the Department and communicated to Drs. Morales and Arguello in the memorandum of March 23, supra.	781
Apr. 27 (65)	From the Minister in Nicaragua (tel.) Information that, in a message to Congress, Moncada reviewed the history of the negotiations in Washington, pointing out that the Secretary of State said the matter was one for Nicaragua's decision.	784
May 6 (72)	From the Minister in Nicaragua (tel.) Receipt of information that, at a private meeting of Liberals, Moncada suggested using the Department's decision against su- pervising any but the regular elections in November to bring about the immediate withdrawal of American armed forces in Nicaragua. Conservative assurance that the total reform project will not have that party's support.	784
May 12 (74)	From the Minister in Nicaragua (tel.) Information that the Congress has recessed until May 31; that the constitutional reform matter is still pending.	7 85
(74)	pervising any but the regular elections in November to bring about the immediate withdrawal of American armed forces in Nicaragua. Conservative assurance that the total reform project will not have that party's support. From the Minister in Nicaragua (tel.) Information that the Congress has recessed until May 31; that	

1931 Dec 29 (223)	To the Chargé in Nicaragua (tel.) Designation of Rear Admiral Woodward as the President's representative in Nicaragua to head the American Electoral Mission, and instructions for discussion with Moncada concerning	785
	Admiral Woodward's appointment.	

Assistance by the United States in the Supervision of Elections in Nicaragua—Continued

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1932 Jan. 2 (1)	From the Chargé in Nicaragua (tel.) Advice that the Department's telegram 223, December 29, is being communicated to Moncada and details will be discussed later.	788
Jan. 6	From the Chargé in Nicaragua (tel.) Information that both Moncada and the Nicaraguan press have commented favorably on Admiral Woodward's appointment.	788
Jan. 12 (5)	To the Chargé in Nicaragua (tel.) Request for a report of Admiral Woodward's conference with the Marine and Guardia Nacional commanders.	7 89
Jan. 12 (5)	From the Chargé in Nicaragua (tel.) Report requested in the Department's telegram No. 5, January 12, recommending an additional 1800 marines for protection purposes during the electoral period.	789
Jan. 12 (6)	From the Chargé in Nicaragua (tel.) From Admiral Woodward: Notification of appointment as President of the National Board of Elections by the Supreme Court, and report of conference regarding security measures during electoral period.	790
Jan. 23 (8)	To the Chargé in Nicaragua (tel.) Instructions to confer again with the Marine and Guardia Nacional commanders on the possibility of the Guardia Nacional and municipal guards providing sufficient protection for the electoral period.	790
Jan. 28 (15)	From the Chargé in Nicaragua (tel.) Reiteration of necessity for additional marines during the electoral period after second conference with the Marine and Guardia Nacional commanders.	792
Mar. 30	To the Chargé in Nicaragua Transmittal of a proposed revision of the plan for supervision of the Nicaraguan elections and background information in con- nection with the revision.	794
Apr. 12	From the Chargé in Nicaragua Approval of the proposed revised plan for supervision of the elections.	797
Apr. 19	From the Minister in Nicaragua to the Chief of the Division of Latin American Affairs Transmittal of a modified plan of election supervision wherein the number of mesas under Nicaraguan supervision has been increased.	7 98
Apr. 29	Memorandum by the Division of Latin American Affairs Summarization of plans "A", "B", and "C" for supervision of the Nicaraguan elections.	799
Apr. 29 (42)	To the Minister in Nicaragua (tel.) Inquiry as to whether assurances have been received from the Nicaraguan Government that its share of the electoral expense will be made available.	800

Assistance by the United States in the Supervision of Elections in Nicaragua—Continued

Date and number	Subject	Page
1932 Apr. 30 (69)	From the Minister in Nicaragua (tel.) Opinion that a discussion of electoral expenses with the Nicaraguan Government is unnecessary and inadvisable due to the political situation; request for further instructions.	800
May 7 (44)	To the Minister in Nicaraqua (tel.) Acquiescence in the opinion expressed in the Legation's telegram No. 69, April 30. Admiral Woodward's request that Nicaraguan funds be deposited in five installments.	801
May 24 (49)	To the Minister in Nicaragua (tel.) Receipt of Nicaraguan note implying a moral obligation of the United States to help meet electoral expenses. Instructions to ascertain President Moncada's position in this matter.	802
May 25	From the Chairman of the United States Electoral Mission to Nicaragua Disapproval of electoral supervision plan, and request for suggestions as to how questions arising at mesas not supervised by American personnel are to be adjudicated.	803
Undated (Rec'd May 25) (79)	From the Minister in Nicaragua (tel.) Moncada's assurance that funds for the electoral expense in five installments will be made available, and solicitation of Department's aid in meeting expenditures.	805
May 28 (51)	To the Minister in Nicaragua (tel.) Information that plan "C" has been adopted and arrangements are being made to cover the U.S. share of expense.	805
June 21 (97)	From the Minister in Nicaragua Report of Admiral Woodward's arrival in Nicaragua.	806
June 21 (57)	To the Minister in Nicaragua (tel.) Advice that lack of appropriations makes it impossible to send additional marines to Nicaragua to supervise the elections. Request for revised estimates of electoral mission.	806
June 23 (98)	From the Minister in Nicaragua (tel.) Information that Admiral Woodward has taken oath of office as President of the National Board of Elections.	807
June 23 (60)	To the Minister in Nicaragua (tel.) For Admiral Woodward from the Secretary: Appreciation of difficulties to be expected in carrying out electoral supervision and assurance of full Department support.	807
June 24 (105)	From the Minister in Nicaragua (tel.) Admiral Woodward's revised estimate of personnel and funds necessary for electoral supervision.	807
June 28 (107)	From the Minister in Nicaragua (tel.) From Admiral Woodward for the Secretary: Acknowledgment of message transmitted in Department's telegram No. 60, June 23.	808
July 15 (124)	From the Minister in Nicaragua Report of attempts to obtain Nicaragua's allotment of electoral expenses.	808

Assistance by the United States in the Supervision of Elections in Nicabagua—Continued

Date and number	Subject	Page
1932 July 16 (129)	From the Minister in Nicaragua (tel.) Information that the possibility of securing additional funds needed by the Electoral Mission will be discussed with President Moncada.	810
July 18 (132)	From the Minister in Nicaragua (tel.) From Admiral Woodward. Transmittal of letter (text printed) sent to the rival factions of the Liberal Party suggesting that an attempt be made to settle their differences and elect a legal governing body for the presentation and certification of nominees.	810
July 22 (136)	From the Minister in Nicaragua (tel.) President Moncada's objections to Admiral Woodward's decision concerning the Liberal Party and Admiral Woodward's explanation (text printed).	812
July 23 (138)	From the Minister in Nicaragua (tel.) Information that the electoral law of 1930 has been placed in effect by executive decree.	815
July 23 (139)	From the Minister in Nicaragua (tel.) Nicaraguan note (text printed) outlining the objections to Admiral Woodward's decision relative to the Liberal Party plebi- scite.	815
July 27 (77)	To the Minister in Nicaragua (tel.) Request for further explanation of Admiral Woodward's decision concerning the Liberal Party, and advice that decisions of the Nicaraguan Electoral Board should not be referred to the Department for review.	817
July 31 (146)	From the Minister in Nicaragua (tel.) Admiral Woodward's argument for his decision on the Liberal Party plebiscite, and information that the Liberal Party's differences have been adjusted.	818
Aug. 3 (80)	To the Minister in Nicaragua (tel.) For Admiral Woodward: Acknowledgment of the detailed explanation of July 31 and congratulations for the successful settlement of the Liberal Party's differences.	820
Aug. 3 (81)	To the Minister in Nicaragua (tel.) Note in reply to the Foreign Minister's letter of July 23 explaining the Department's position concerning interference in the case of decisions in connection with elections.	821
Sept. 9 (172)	From the Minister in Nicaragua (tel.) From Admiral Woodward: Information that nominations have been completed and registrations will begin September 18.	822
Sept. 13 (175)	From the Minister in Nicaragua (tel.) Information that approval for a marine escort urgently required for transportation of supplies is being withheld by Navy Department on the ground that the State Department may object.	822
Sept. 15 (92)	To the Minister in Nicaragua (tel.) Information that the marine escort required is being authorized by the Navy Department.	823

NICARAGUA

Assistance by the United States in the Supervision of Elections in Nicaragua—Continued

Date and number	Subject	Page
1932 Sept. 17 (93)	To the Minister in Nicaragua (tel.) For Admiral Woodward: Request for report in connection with a telegram from President Moncada that an Electoral Board resolution provides for secret voting in contravention of the Constitution.	823
Sept. 20 (178)	From the Minister in Nicaragua (tel.) From Admiral Woodward: Defense of resolution adopted by the Board of Elections, and information that no protest has been filed by either party.	824
Oct. 3 (184)	From the Minister in Nicaragua (tel.) Information that the Conservatives are considering withdrawing from the elections.	825
Oct. 5 (100)	To the Minister in Nicaragua (tel.) Department's conviction that the Conservative Party will wish to reconsider abstaining from the presidential elections in view of its commitments.	826
Nov. 7 (204)	From the Minister in Nicaragua (tel.) From Admiral Woodward: Information that elections were quiet and orderly and that the ratio of voters to registrations compared with the 1928 elections.	82 9
Nov. 12 (117)	To the Minister in Nicaragua (tel.) Congratulatory message for President Moncada (text printed) on the election conditions which demonstrated Nicaragua's growing sense of civic responsibility.	829
Nov. 13 (207)	From the Minister in Nicaragua (tel.) From Admiral Woodward: Report of election results.	829
Nov. 16 (970)	From the Minister in Nicaragua Transmittal of Moncada's note (text printed) acknowledging the Department's congratulatory message.	830
Nov. 26 (222)	From the Minister in Nicaragua (tel.) From Admiral Woodward: Transmittal of list of successful candidates (President-elect Sacasa, Liberal; Vice President-elect Espinosa, Liberal).	831
Dec. 17 (243)	From the Minister in Nicaragua (tel.) From Admiral Woodward: Approval of National Board of Elections' report by Credentials Committee of Congress and declaration of election of Sacasa and Espinosa.	831
1933 Jan. 20	From the Chairman of the United States Electoral Mission Resignation, and transmittal of report.	832
Jan. 27	From Mr. Lawrence Duggan of the Division of Latin American Affairs Description and praise of Admiral Woodward's four-volume report.	832

Agreements for Cooperation Between the Two Political Parties to Effect the Pacification and to Insure the Peace of Nicaragua

Date and number	Subject	Page
1932 Oct. 8 (927)	From the Minister in Nicaragua Transmittal of an agreement dated October 3 (text printed) signed by political party leaders as a basis for discussion of a plan to insure peace and stability after the withdrawal of the marines in 1933.	833
Oct. 14 (934)	From the Minister in Nicaragua Transmittal of the plan (text printed) which accompanied the agreement of October 3 signed by the political leaders, and information that representatives of the two parties have met to discuss it.	836
Oct. 20 (941)	From the Minister in Nicaragua Transmittal of an agreement (text printed) signed on June 30 by party leaders obligating themselves to work toward minority representation in the new government and the maintenance of peace. Information that a draft agreement covering steps to be taken toward the pacification of the northern area is being considered.	838
Nov. 3 (202)	From the Minister in Nicaragua (tel.) Information that three agreements have been submitted to the national and legal governing boards of the political parties and are expected to be approved prior to election day.	841
Nov. 16 (118)	To the Minister in Nicaragua (tel.) Inquiry as to ratification of the three agreements submitted to the governing boards, and request for texts of the agreements.	841
Nov. 16 (969)	From the Minister in Nicaragua Transmittal of four agreements (texts printed) signed by representatives of the two parties and approved by their governing boards.	841
Nov. 17 (214)	From the Minister in Nicaragua (tel.) Information that the governing boards of the two major parties have ratified the agreements and are now taking preliminary steps to place them into effect.	850
Nov. 22 (217)	From the Minister in Nicaragua (tel.) Appointment by the National and Legal Governing Boards of the two parties of a commission to confer with Sacasa concerning the procedure to be followed to effect the pacification of Nicaragua.	851
Dec. 19 (1013)	From the Minister in Nicaragua Information that representatives of the two parties have been cooperating with Sacasa in an endeavor to initiate negotiations with the rebel leader, Sandino.	851

Transference of Control Over the Guardia Nacional to Nicaraguan Officers and Withdrawal of the United States Marines From Nicaragua

1932 Mar. 11 (26) To the Chargé in Nicaragua (tel.) Instructions to confer with the Commander of the Guardia Nacional and to report on the plans for turning over the Guardia to Nicaraguan control.	852
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Transference of Control Over the Guardia Nacional to Nicaraguan Officers and Withdrawal of the United States Marines From Nicaragua—Continued

Date and number	Subject	Page
1932 Mar. 16 (209)	From the Nicaraguan Chargé Transmission of a message from President Moncada expressing satisfaction with the Guardia Nacional and the desire that the marines be permitted to continue direction of the Guardia.	852
Apr. 2 (53)	From the Chargé in Nicaragua (tel.) Estimate of the number of Nicaraguan line officers expected to be on active duty when plans call for turning over command of the Guardia Nacional. Information that higher officers will be commissioned by the newly inaugurated President.	853
Apr. 5 (740)	From the Chargé in Nicaragua Transmittal of two letters (texts printed) from General Matthews, Jefe Director of the Guardia Nacional, concerning his plans for turning the Guardia over to Nicaraguan control, and the necessity of legislation being enacted which will maintain the Guardia in its comparatively nonpartisan status.	853
Apr. 16 (346)	To the Chargé in Nicaragua Instructions to advise the Nicaraguan Foreign Office that the Navy Department regrets that it will be unable to alter its plan to relieve Colonel Matthews from his Command of the Guardia Nacional.	859
Apr. 19 (62)	From the Minister in Nicaragua (tel.) Recommendation that General Matthews be permitted to retain command of the Guardia Nacional until all American officers are withdrawn.	860
Apr. 20 (354)	To the Minister in Nicaragua Instructions to discuss with President Moncada the legislation suggested by General Matthews.	861
Apr. 26 (763)	From the Minister in Nicaragua Opinion that the time is inopportune to discuss Guardia Nacional legislation.	862
May 2 (43)	To the Minister in Nicaragua (tel.) Instructions to inform the Nicaraguan Government that the Navy Department has arranged to retain Colonel Matthews in command of the Guardia until all American officers are withdrawn.	862
May 3	To the Chargé in Nicaragua Reply to Nicaragua's note No. 209 of March 16, outlining action leading up to the decision to withdraw all U. S. forces after the elections, and to turn the Guardia over to Nicaraguan control.	863
May 7 (365)	To the Minister in Nicaragua Approval of the opinion expressed in the Legation's despatch No. 763, April 26, and suggestion that a draft law to be held ready for presentation at the appropriate time be prepared by General Matthews.	864
May 13 (784)	From the Minister in Nicaragua Information that a draft law is being prepared and will be discussed with the Navy Department while Colonel Sheard, Chief of Staff of the Guardia Nacional, is on leave in Washington.	864

NICARAGUA

TRANSFERENCE OF CONTROL OVER THE GUARDIA NACIONAL TO NICARAGUAN OFFICERS AND WITHDRAWAL OF THE UNITED STATES MARINES FROM NICARAGUA—Continued

Date and number	Subject	Page
1932 June 21 (828)	From the Minister in Nicaragua Modification of General Matthews' plan for turning the Guardia Nacional over to Nicaraguan control.	865
July 19 (72)	To the Minister in Nicaragua (tel.) Disapproval of General Matthews' suggestion that the exodus of U.S. Marines from Nicaragua be delayed, and suggestion that the Nicaraguans who will hold high commands in the Guardia Nacional be selected immediately in order that they may have the maximum training.	866
Aug. 9 (865)	From the Minister in Nicaragua General Matthews' proposal (text printed) that a list of prospective Guardia Nacional officers be prepared by each presidential candidate and that immediately after the elections President Moncada make the appointments from the President-elect's list.	867
Aug. 26	Memorandum by the Assistant Secretary of State Conversation with a spokesman for Sacasa, the Liberal Party candidate for President, who expressed the hope that the U. S. Marines would be permitted to remain in Nicaragua, and to whom was explained the impossibility of changing the policy of withdrawal.	870
Aug. 30 (87)	To the Minister in Nicaragua (tel.) Instructions to inform President Moncada of General Matthews' proposal for the selection of Nicaraguan replacements for Marine officers of the Guardia Nacional.	871
Sept. 16 (176)	From the Minister in Nicaragua (tel.) President Moncada's approval of the proposed plan for appointing Nicaraguan officers of the Guardia and suggestion that the candidates be requested to sign an agreement to carry out the provisions of the plan.	873
Sept. 19 (95)	To the Minister in Nicaragua (tel.) Approval of President Moncada's suggestion for an agreement to be signed by the presidential candidates.	873
Oct. 28 (949)	From the Minister in Nicaragua Transmittal of letter (text printed) from General Matthews to the presidential candidates outlining his plan for replacements in the Guardia Nacional.	874
Nov. 4 (954)	From the Minister in Nicaragua Report of Nicaraguan opinion that the United States is shirking its responsibilities by withdrawing its forces, and the American Minister's attempts to explain the situation.	876
Nov. 5 (958)	From the Minister in Nicaragua Transmittal of letter (text printed) from General Matthews recommending legislative approval of the validity of courts-martial.	878
Nov. 7 (959)	From the Minister in Nicaragua Transmittal of a letter (text printed) to General Matthews outlining the negotiations which terminated in an agreement (text printed), signed by the presidential candidates, to preserve the non-partisan character of the Guardia Nacional.	881

TRANSFERENCE OF CONTROL OVER THE GUARDIA NACIONAL TO NICARAGUAN OFFICERS AND WITHDRAWAL OF THE UNITED STATES MARINES FROM NICARAGUA—Continued

Date and number	Subject	Page
1932 Nov. 7 (960)	From the Minister in Nicaragua Transmittal of General Matthews' draft (text printed) of a basic law for the foundation of the military structure of the Republic of Nicaragua.	888
Nov. 12 (962)	From the Minister in Nicaragua Information that Diaz, the Conservative candidate, has signed the Agreement for the maintenance of the nonpartisan character of the Guardia.	899
Nov. 21 (979)	From the Minister in Nicaragua Information that General Somoza has entered upon his duties as an officer of the Guardia and will take over the post of Jefe Director upon General Matthews' departure.	899
Dec. 1 (471)	To the Minister in Nicaragua Commendation for successfully concluding negotiation of the agreement for the maintenance of the nonpartisan character of the Guardia Nacional. Notation of inconsistency in draft law and agreement.	900
Dec. 2 (475)	To the Minister in Nicaragura Comments on the draft of the proposed basic law for the Guardia Nacional which is in general viewed with favor by the Department.	901
Dec. 5 (478)	To the Minister in Nicaragua Comments on a letter from General Matthews concerning disbursements made by the Guardia under the terms of the Guardia Agreement between the United States and Nicaragua.	905
Dec. 6 (997)	From the Minister in Nicaragua Report of criticism of the agreement for the maintenance of the nonpartisan character of the Guardia Nacional.	907
Dec. 7 (232)	From the Minister in Nicaragua (tel.) Information that officers commissioned for the higher grades in the Guardia are at their posts; arrangements for Nicaraguan officers to take command of certain posts to be evacuated by American officers on or about December 15.	907
Dec. 16 (239)	From the Minister in Nicaragua (tel.) Information that partial evacuation of American forces has been completed and the remainder will leave January 2.	908
Dec. 16 (241)	From the Minister in Nicaragua (tel.) Modifications to the draft of the proposed basic law for the Guardia Nacional.	908
Dec. 21 (1021)	From the Minister in Nicaragua Transmittal of the modified draft of the proposed basic law for the Guardia Nacional (text printed), omitting Part VII.	909
Dec. 22 (132)	To the Minister in Nicaragua (tel.) Concurrence with modifications indicated in Legation's telegram No. 241, December 16.	921
Dec. 23 (1030)	From the Minister in Nicaragua Transmittal of Part VII of the draft basic law for the Guardia Nacional and General Matthews' letter (text printed) submitting the complete project to President Moncada.	921

TRANSFERENCE OF CONTROL OVER THE GUARDIA NACIONAL TO NICARAGUAN OFFICERS AND WITHDRAWAL OF THE UNITED STATES MARINES FROM NICARAGUA—Continued

Date and number	Subject	Page
1932 Dec. 24 (247)	From the Minister in Nicaragua (tel.) Information that the basic law for the Guardia Nacional has been submitted to Congress.	922
Dec. 28 (137)	To the Minister in Nicaragua (tel.) Text of statement to be released to the Nicaraguan press for publication on the day the last marines depart from Nicaragua.	923
Dec. 30 (249)	From the Minister in Nicaragua (tel.) Information that the statement contained in the Department's telegram No. 137, December 28, will be released for publication January 3.	924
Jan. 2 (2)	From the Minister in Nicaragua (tel.) Report of evacuation of U. S. forces from Nicaragua.	924
Jan. 3	From the Nicaraguan Minister for Foreign Affairs (tel.) Expression of appreciation for the assistance given by the United States in maintaining peace and order and effecting free and fair elections in Nicaragua.	925
Jan. 4	To the Nicaraguan Minister for Foreign Affairs (tel.) Acknowledgment of Nicaragua's note of January 3.	925

Assistance by the United States in the Suppression of Bandit Activities in Nicaragua

1932 July 1 (305)	To the Chargé in Honduras Instructions to call to the attention of the President of Honduras the use of Honduran territory by Nicaraguan bandits and revolutionists and assistance given them by Honduran sympathizers.	926
July 10 (58)	From the Chargé in Honduras (tel.) Suggestion that the Honduran Government be requested to take certain specific measures to curb assistance to Nicaraguan bandits and to prevent their crossing the border.	928
July 12 (29)	To the Chargé in Honduras (tel.) Approval of the suggestion in Legation's telegram No. 58, July 10.	929
July 14 (61)	From the Chargé in Honduras (tel.) Information that a statement regarding the Nicaraguan bandit situation and incorporating the Legation's suggestion has been made to President Mejía.	929
July 18 (63)	From the Chargé in Honduras (tel.) Receipt of memorandum from President Mejía indicating compliance with the Legation's suggested action to curb Honduran assistance to Nicaraguan bandits. Suggestion that the American Chargé be authorized to express the Department's appreciation.	930
July 20 (32)	To the Chargé in Honduras (tel.) Authorization requested in the Legation's telegram No. 63, July 18.	930

NICARAGUA

Assistance by the United States in the Suppression of Bandit Activities in Nicaragua—Continued

Date and number	Subject	Page
1932 July 23 (65)	From the Chargé in Honduras (tel.) Report of action taken in accordance with the Legation's suggestion and President Mejía's memorandum.	931
July 30 (579)	From the Chargé in Honduras Résumé of Honduran efforts to cooperate with the Nicaraguan Government in combatting banditry, and suggestions for further steps to be taken by the two Governments and the American Legation.	931
Aug. 16 (875)	From the Minister in Nicaragua Comments occasioned by despatch No. 579, July 30, from the Legation in Honduras.	936
Aug. 19 (599)	From the Minister in Honduras Report of representations made to President Mejía concerning the smuggling of arms and munitions to Nicaraguan bandits.	937
Aug. 23 (600)	From the Minister in Honduras Measures being taken by the Honduran Government to prevent munitions smuggling pursuant to the Legation's representations.	938
Sept. 2 (40)	To the Minister in Honduras (tel.) Instructions to continue efforts to persuade Honduran authorities to prevent the smuggling of arms and munitions.	939

PANAMA

Convention Between the United States and Panama Modifying Claims Convention of July 28, 1926

1932 Dec. 17	Convention Between the United States of America and Panama Modi- fying the Claims Convention of July 28, 1926 Text of Convention signed at Panama.	940
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STATEMENT BY THE DEPARTMENT OF STATE THAT THE CLAIMS CONVENTION BETWEEN THE UNITED STATES AND PANAMA OF JULY 28, 1926, WAS RATIFIED BY PANAMA ON SEPTEMBER 25, 1931

1932 June 4 (1095)	From the Minister in Panama Advice that an apparent error as to the date of ratification by Panama of the Claims Convention appears in a Department publication.	941
June 28 (376)	To the Minister in Panama Explanation that the date of Panama's ratification of the Claims Convention appearing in the State Department publication is correct.	942

PERU INSURRECTION IN PERU

Date and number	Subject	Page
1932 July 7 (96)	From the Chargé in Peru (tel.) Report of uprising in Trujillo.	944
July 8 (97)	From the Chargé in Peru (tel.) Further report of uprising. Information that a Panagra plane was requisitioned to carry gasoline for government bombing planes.	944
July 8 (98)	From the Chargé in Peru (tel.) Further developments in Peruvian insurrection. Information that communications have been severed, but Americans are believed to be safe as the movement is not anti-foreign.	945
July 9 (99)	From the Chargé in Peru (tel.) Information that prominent citizens of Trujillo offered surrender of the city after aerial bombing; that revolt is expected to be subdued promptly if troops remain loyal.	945
July 9 (100)	From the Chargé in Peru (tel.) Suggestion that Department approval of Peruvian request for naval air bombs from Panama be deferred.	946
July 11 (101)	From the Chargé in Peru (tel.) Advice to Panagra to allow the Peruvian Government to requisition planes in accordance with their contract and to permit, but not to order, U. S. pilots to fly them at their own risk.	946
July 11 (31)	To the Chargé in Peru (tel.) Information that the Department will take no action on the Peruvian request for naval bombs until the matter is taken up by the Peruvian Embassy.	947
July 12 (103)	From the Chargé in Peru (tel.) Information that Trujillo is only partially occupied by Government forces and street fighting and sniping continue.	947
July 12 (104)	From the Chargé in Peru (tel.) Information that a formal note protesting the landing of a Panagra plane under fire at Trujillo was sent by the Embassy, which will endeavor to prevent American pilots flying under Peruvian army orders unless the Department instructs otherwise.	947
July 12	From the Peruvian Ambassador Note stating quantity of war material requested by the Peruvian Government.	948
July 13 (105)	From the Chargé in Peru (tel.) Further report of situation in Peru.	948
July 13 (106)	From the Chargé in Peru (tel.) Foreign Minister's threat to cancel Panagra contract unless material and personnel are placed at the disposition of the Government.	948
July 13 (107)	From the Chargé in Peru (tel.) Receipt of information concerning safety of Americans in Trujillo.	949
July 13 (33)	To the Chargé in Peru (tel.) Instructions to make any further representations to the Peruvian Government informally. Agreement with Embassy's views on the inadvisability of Americans taking part in military operations.	949
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PERU INSURRECTION IN PERU—Continued

Date and number	Subject	Page
1932 July 15	To the Peruvian Ambassador Note expressing the Department's regret that the War Department finds it impossible to deplete its reserve of bombs at the present time.	950
July 17 (109)	From the Ambassador in Peru (tel.) Report of developments in Peruvian situation.	950
July 18 (1938)	From the Ambassador in Peru Outline of the Embassy's actions in connection with the requisi- tion of Panagra airplanes and pilots and transmittal of notes (texts printed) exchanged between the American Chargé and the Peru- vian Foreign Minister.	950
Aug. 9 (40)	To the Ambassador in Peru (tel.) Authorization to state in a note to the Foreign Minister that the United States denies Peru's right to compel citizens of the United States to fly airplanes in military operations.	957
Aug. 31 (2058)	From the Ambassador in Peru Ambassador's opinion that the Government's prompt use of bombing planes at the beginning of the insurrection was influenced by the recent showing of the American film "Hell Divers".	957
Sept. 10 (2097)	From the Ambassador in Peru Transmittal of copies (texts printed) of the note mentioned in the Department's telegram No. 40, August 9, the Foreign Minister's reply of August 29, and the Ambassador's acknowledgment thereof.	959
Dec. 10 (423)	To the Ambassador in Peru Transmittal of memoranda referring to the legal aspects of Peru's requisitioning of American airplanes and pilots and instructions to transmit a note (text printed) to the Foreign Minister reiterating U.S. policy.	962

POSTPONEMENT OF THE SEVENTH INTERNATIONAL CONFERENCE OF AMERICAN STATES

710.G/65 : Circular telegram

The Secretary of State to the Diplomatic Representatives in Argentina, Brazil, Chile, Peru, and Uruguay

Washington, February 27, 1932—noon.

The Brazilian Ambassador called on the Secretary of State on the 25th and told him that Uruguay had asked Brazil to sound out the other Governments with a view to getting their concurrence in a postponement of the Seventh Pan American Conference. The Secretary said that this Government would be guided by the wishes of the other American Governments; that we have no particular reason for advocating that the Conference be held in December, and that we would of course acquiesce if the other Governments should desire a postponement. He made it very clear, however, that we are taking no initiative in the matter and are not suggesting in any way that the Conference be postponed.

The Ambassador intimated that he would discuss the matter with the other members of the Governing Board of the Pan American Union and, if they are in agreement, would make a proposal at the next meeting of the Governing Board that the Conference be postponed.

STIMSON

710.G/68

The Uruguayan Chargé (Richling) to the Secretary of State

No. 98

Washington, March 1, 1932.

Sir: I have the honor of informing your Excellency that I have received cable dispatches from the Minister of Foreign Relations of Uruguay advising me that no change in the date of the forthcoming Pan American Conference is contemplated and that the Conference will be held in Montevideo in December 1932 or January 1933.

I have [etc.]

J. RICHLING

710.G/90 : Telegram

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

Montevideo, April 1, 1932—4 p. m. [Received 5:45 p. m.]

20. I infer that Uruguay's attitude at meeting of the Board of Pan American Union April 5th will be that of no opposition to post-ponement of Conference for a definite period of from 6 months to 2 years if proposed by Brazil or any other country, but of objection to indefinite postponement as jeopardizing spirit of Pan-Americanism and objects of conferences.

WRIGHT

710.G/95 1/2

The Director General of the Pan American Union (Rowe) to the Assistant Secretary of State (White)

MEMORANDUM

At the informal meeting of the Governing Board held yesterday afternoon, the Ambassador of Brazil announced that it was his intention at the session of the Board this afternoon to move for the postponement of the Conference.

During the discussion that followed, the Ambassador of Cuba, the Ambassador of Chile and the Ambassador of Mexico expressed themselves in favor of postponement. The Ambassadors of Chile and Mexico had evidently in mind the postponement for a few months rather than a longer period. The only decided opposition to any postponement came from the Minister of Haiti. The Ministers of Colombia and Ecuador insisted that if any postponement were proposed good reasons for the postponement must be adduced.

Finally, after nearly three hours discussion the Minister of Colombia submitted a resolution which he suggested be presented at the meeting this afternoon and which provided that, in view of the motion presented by the Ambassador of Brazil, the Chargé d'Affaires of Uruguay should be requested to inquire of his government whether any objection would be raised to a postponement of not more than one year.

The Ambassador of Cuba then proceeded to ask each member present as to his attitude toward such a resolution. All those to whom the question was put voted in favor of the resolution except the Ministers of Haiti, Panama and the Dominican Republic who abstained from voting. The Ministers of the Dominican Republic and Panama refrained from voting because of lack of instructions from their governments.

The situation at the meeting this afternoon is that there is nothing on the agenda of the Board relating to the forthcoming Conference.

Should the Government of the United States desire postponement, I would strongly recommend a definite expression of this desire be made at the session this afternoon. One of the reasons which may be given for desiring such postponement is that one of the most important questions to come before the next Conference is that relating to the codification of international law. It is evident that neither the Commission of International Law at Rio de Janeiro nor the American Institute of International Law will have the projects prepared in time for careful study by the respective governments prior to the December Conference. It would therefore be entirely appropriate for the Secretary at the meeting this afternoon to suggest that, in view of the desirability of further preparation, inquiry be made of the Government of Uruguay whether it will be agreeable to the Government of Uruguay to postpone the Conference until December 1933.

APRIL 6, 1932.

L. S. R[owe]

724.8415/1723 544

Memorandum by the Assistant Secretary of State (White)

[Washington,] April 7, 1932.

Mr. Espil, the Argentine Ambassador, called and discussed the Chaco matter. 1 He had a telegram from his Government saying that in view of the situation in the Chaco they thought it inadvisable to postpone the Seventh Pan American Conference. Espil said that unfortunately the telegram arrived too late to take the matter up vesterday. He asked what I thought about the matter and whether I thought it would serve any useful purpose if the Uruguayan Government, in reply to the inquiry addressed to it yesterday, should suggest the inadvisability of postponing the Conference for this reason. I told him that if there is to be trouble in the Chaco it will undoubtedly occur before the Conference could be held in December. Mr. Espil assented. I also inquired just what the Conference could do. He mentioned that the Pan American Conference for Arbitration and Conciliation² had been in session when the matter broke out over three years ago and had been very helpful. I replied that that was of course true and that their action had been to offer their good offices and to set up a neutral commission to take the matter in

¹ See nn & ff

² See Foreign Relations, 1929, vol. 1, pp. 653-669 and 818-863.

hand. This commission is still functioning. I did not see what the Conference itself could do. I told him I thought the most practical results would come from an agreement among the four States bordering on Bolivia and Paraguay, namely, Argentina, Brazil, Chile and Peru, as to definite action. Mr. Espil said that he agreed that that would give the most practical results but he thought that any joint action would be very difficult to bring about. I inquired what his Government would be prepared to do and he evaded the question although I put it to him two or three times. He finally said that he did not know. I suggested that it might be well to sound out his Government on that point to find out what they would be prepared to do. I added that if there was anything we could do to help in the matter I should be glad to be advised thereof. Mr. Espil said that he would take it up with his Government and would keep in touch with me.

F[rancis] W[hite]

710 G/99

The Director General of the Pan American Union (Rowe) to the Assistant Secretary of State (White)

Washington, April 12, 1932.

My Dear Mr. White: I am sending you herewith the final formulation of the resolution adopted by the Governing Board of the Pan American Union on Wednesday, April 6th. At the meeting of the Board a resolution was first presented by the Ambassador of Brazil and a substitute resolution was submitted by the Ambassador of Chile. This substitute was accepted by the Ambassador of Brazil. Thereafter, a number of amendments were offered and the final formulation of the resolution was left to the Secretary of the Board. When this formulation was sent to the Chargé d'Affaires of Uruguay he suggested that the last paragraph be made a little less drastic as this change would be in closer harmony with what actually transpired at the meeting of the Board. To this all the members of the Board who participated in the discussion fully agreed.

I beg to request, therefore, that the resolution herewith be substituted for the one forwarded to you a few days ago.

Very sincerely yours,

L. S. Rowe

[Enclosure]

Resolution on the Convocation of the Seventh International Conference of American States, Adopted by the Governing Board of the Pan American Union, April 6, 1932

During the course of the last few weeks, and as a consequence of the circumstances which are profoundly occupying the attention of all Governments, there has been indicated by some countries of our Continent the desire of studying more deeply the various topics that appear on the program of the Seventh International Conference of American States, the convocation of which is entrusted to the Government of the Republic of Uruguay. For the purpose of uniting the ideas which have been expressed concerning this aspiration, of enabling the forthcoming Pan American assembly to achieve the practical results that are expected of it, permit me to suggest that we beg of our distinguished colleague the Chargé d'Affaires of Uruguay, that he be good enough to transmit to his Government the request of the Governing Board that, in definitely fixing the date of the opening of the Conference, the following facts be considered:

1. Various American countries desire to have at their disposal sufficient time to study, without haste, some of the principal topics of the program of the forthcoming Conference, and for this purpose cherish the hope that its convocation may be deferred.

2. Notwithstanding that a favorable atmosphere exists, no time or dates have been suggested as acceptable to all the interested countries, although it has been thought that a postponement for one year should be sufficient.

3. It is the general sentiment that in this matter, as in all of a Pan American nature, unanimous solutions be obtained.

Therefore, the Governing Board of the Pan American Union earnestly requests that the Government of Uruguay, in fixing the definite date of the convocation, be good enough to take into consideration the above circumstances, and the desire expressly manifested that the Conference be held in December 1933.

710.G/114

The Secretary of State to the Diplomatic Representatives in Latin America

Washington, June 4, 1932.

SIRS: Reference is made to the Department's confidential circular instruction of January 28, 1932 (File 710.G1A/66),³ and previous instructions concerning the Seventh International Conference of American States. You are now informed that the Governing Board

^{*} Not printed.

of the Pan American Union, at the meeting held on May 4, 1932, adopted the following resolution postponing the Conference until December, 1933:

"In view of the resolutions adopted by the Governing Board at the session of April 6th, and the approval by the Government of Uruguay 4 of the suggestion contained therein,

The Governing Board of the Pan American Union Resolves:

To fix the month of December, 1933, for the meeting in Montevideo of the Seventh International Conference of American States, and to request the Government of Uruguay to designate, at the proper time, the opening date."

The Governing Board adopted the following statement relative to the considerations which determined the postponement of the Conference:

"The program of the Seventh International Conference of American States contains many questions, especially under the heading of juridical and economic problems, which will require prolonged preparatory study prior to the assembling of the Conference. The Pan American Union has requested the preparation of technical studies and draft projects by the American Institute of International Law, the Permanent Committee on Public International Law at Rio de Janeiro, the Permanent Committee on Private International Law of Montevideo, and the Permanent Committee on Uniformity of Legislation and Comparative Legislation at Havana.

"It has become apparent to the Governing Board that even with the exercise of the greatest industry it will not be possible to complete these preparatory studies and projects in time to submit to the Governments sufficiently far in advance of the meeting of the Conference.

"Under the headings of Economic Problems, and Transportation, there are also a number of questions which call for submission of well-considered projects long in advance of the coming together of the delegations at Montevideo.

"Since the final formulation and adoption of the program by the Governing Board, considerable work has been done on these questions, but the projects in which will be embodied the results of these studies,

have not yet been formulated.

"The Governing Board has given much weight to these considerations, and after consultation with the Government of Uruguay, it has been determined that the postponement of the Conference until December 1933 is essential in order to complete the studies and permit the formulation of projects to be considered at the Conference."

With reference to the circular instruction dated October 10, 1930 (File 710.G/4A),⁵ the Department desires you to submit a supplementary survey by January 1, 1933, concerning the relations of the

For text of the communication from Uruguay, see Bulletin of the Pan American Union, vol. LXVI, No. 6 (June 1932), p. 388. Not printed.

United States with the other American republics and of their relations with one another. In case you have not yet submitted the comprehensive survey as requested in the circular instruction of October 10, 1930, you are instructed to do so by January 1, 1933. The foregoing surveys should be supplemented by subsequent reports from time to time if there appears to be occasion for such reports.

Very truly yours,

For the Secretary of State: Francis White

THE CHACO DISPUTE BETWEEN BOLIVIA AND PARAGUAY ¹

I. GOOD OFFICES OF THE COMMISSION OF NEUTRALS 724.3415/1742 1/2

Draft Pact of Non-Aggression of May 6, 1932 2

PREAMBLE

The Presidents of Paraguay and Bolivia persuaded that their nations should always be inspired in solid cooperation for justice and the general good;

That nothing is so opposed to this cooperation as the use of violence; That there is no controversy between them, however serious it may be, which can not be arranged by a pacific settlement;

That war of aggression constitutes an international crime against the human species;

Have agreed to enter into a Pact of Non-Aggression, and for that purpose have appointed as their respective Plenipotentiaries:

The President of Paraguay, Señor Doctor Don Juan José Soler, and Señor Doctor Don César Vasconsellos;

And the President of Bolivia, Señor Doctor Don Eduardo Diez de Medina, and Señor Doctor Don Enrique Finot, who, having communicated to one another their full powers, found in good and true form, have agreed upon the following articles:

ARTICLE I

All aggression is considered illicit and as such is declared prohibited. Paraguay and Bolivia will employ all pacific means to settle

¹ Continued from Foreign Relations, 1931, vol. 1, pp. 715-807.

² Original in Spanish and in English; transmitted to the Bolivian and Paraguayan delegates on May 7, 1932.

For the report in Spanish of the inaugural session of the Bolivian-Paraguayan conference to study a pact of non-aggression, November 11, 1931 and the minutes of the several meetings, 1-6 (November 24, December 2, 9, 1931; January 18, February 25, April 15, 1932), see Republica del Paraguay, Ministerio de Relaciones Exteriores, Libro Blanco, I Parte, Documentos relativos a la conferencia de Washington para el estudio de un Pacto de no Agresión con Bolivia, a la actuación de la Comisión de Neutrales, y Trato de Prisioneros (Imprenta Nacional, Asunción, 1933). See also Republica de Bolivia, Ministerio de Relaciones Exteriores y Culto, Memoria presentada al Congreso de 1934, Conflicto del Chaco (La Paz, 1934), pp. 37 ff. These minutes are also in the files of the Department of State under 724.3415/1815 ½.)

For history of the authorship of the "Draft Pact of Non-Aggression of May 6,

1932", see note from Mr. White to Señor Soler, July 28, 1932, p. 41.

the territorial and boundary conflict which at present exists between them in the Chaco.

ARTICLE II

The Governments of Bolivia and Paraguay declare that the incident which caused the breaking off of diplomatic relations between them in July, 1931, is completely forgiven on both sides, as no offense was intended on either side, and consequently they agree to renew as soon as possible, and not later than two months after the signature of this instrument, diplomatic relations between them by mutually accrediting Ministers to one another.

Immediately upon the signing of this Treaty diplomatic relations will be *ipso facto* renewed between the two Republics with the same cordiality which existed before the breaking off of relations. The diplomatic agents accredited before the Governments of both countries can resume their functions without any other formality than the notification of its Government.

ARTICLE III

In fulfillment of their desire to remove all misunderstanding between them and to settle through pacific means the conflict regarding possessions in and dominion over the Chaco, both Parties agree to enter into negotiations not later than six months after the exchange of ratifications of this instrument for a Treaty of Arbitration which both Parties will exert every possible endeavor to conclude not later than two years after the exchange of ratifications of this Treaty.

It is understood that this Treaty will provide for a definitive settlement by arbitration of the territorial and boundary question existing between them in the Chaco, the limits of which will be agreed upon in that Treaty, and that both Parties are at liberty, in presenting their cases to the Tribunal, to submit the pleas, proofs, and documents of whatever kind they may deem expedient to support their points of view and claims in the boundary and territorial question and in the matter of possessions.

It is furthermore agreed that the award of the Arbitrator or Tribunal provided for in the said Treaty shall decide the boundary and territorial question in the Chaco controversy finally and without appeal and shall be faithfully executed by the Contracting Parties.

ARTICLE IV

It is agreed and declared by both Parties that this Pact of Non-Aggression in no wise affects, alters, or impairs the juridical positions which both maintain nor their different points of view respecting the

multiple aspects of the fundamental controversy nor their respective points of view regarding the status quo of 1907.

ARTICLE V

During the life of this Treaty neither Party will advance its extreme positions in the Chaco.

The present extreme positions of Bolivia in the Chaco are as follows:

The present extreme positions of Paraguay in the Chaco are as follows:

The above enumeration of the positions of the two parties is made solely for the purpose of maintaining peace and it is not, and can not be alleged to constitute, a recognition by either Party of the right of the other to occupy any such position or positions. This latter is a matter for determination by the arbitration referred to in Article III and this pact in no wise alters the juridical status of either Party as respects that arbitration.

Upon the signing of this Treaty, the Contracting Parties agree not to effect mobilizations or concentration of troops in the Chaco nor to engage in any act which could be considered as a preparation of hostilities.

Both Parties will immediately give categoric instructions to the commanders of their forces in the Chaco to prevent them from coming into contact with those of the other Party. If, on account of movements of troops, or for any other reason, an armed group belonging to one of the Contracting Parties should come face to face with an armed group belonging to the other Contracting Party, both must at once put up a white flag and each group must retire five kilometers in the direction of its own country, and the commander of each group shall communicate the occurrence to his respective Government.

ARTICLE VI

Should there unfortunately be conflicts between two armed groups of the two Parties or should either Party allege that the other Party is making advances in the Chaco, a joint civilian commission formed by a representative of each Government will investigate the matter on the ground not later than thirty days after one Party has received complaint from the other regarding the incident and a request to carry out such an investigation.

If, within fifteen days, this commission is unable to reach an agreement regarding the facts or to conciliate the incident, a mixed civilian commission of five members will be appointed to proceed to make an

investigation on the spot within thirty days thereafter and its report shall be definitive with regard to the facts. This commission will also endeavor to conciliate the two Parties regarding the incident.

ARTICLE VII

The mixed civilian commission referred to in the preceding Article will be appointed in the following manner: Each Government shall appoint two members, all nationals of American States, only one of whom may be a national of its country. The fifth member shall be chosen by common accord of the two Governments and shall perform the duty of Chairman; but a citizen of a nation already represented on the commission may not be so selected.

Unless, within five days, the two Governments are able to agree upon the fifth member, he will be designated by the President of In case of resignation, death, or any other vacancy, a substitute will be appointed in the same manner as the original appointee.

The decisions and final report of the mixed civilian commission shall be agreed to by the majority of its members.

Each Party shall bear its own expenses and a proportionate share of the general expenses of the commission.

The mixed civilian Commission shall itself establish its rules of procedure. In this regard there are recommended for incorporation into the said rules of procedure the provisions contained in Articles IX, X, XI, XII, and XIII of the Convention signed in Washington February, 1923, between the Governments of the United States of America and the Governments of the Republics of Guatemala, El Salvador, Honduras, Nicaragua, and Costa Rica, which appear in the appendix of this Treaty.³

ARTICLE VIII

The Contracting Parties shall furnish the antecedents and data necessary for the investigation. The commission shall render its report within a maximum of sixty days from the date of its inauguration. In case the recommendations of the Commission are not accepted by the Parties or by one of them, the commission will publish its findings in the matter and its opinion thereon. The report of this commission will be considered as establishing the responsibility for the incident and which has caused the aggression or the degree of fault which has been incurred.

⁹ Convention between the United States and the Central American States for the Establishment of International Commissions of Inquiry, signed at Washington, February 7, 1923, Foreign Relations, 1923, vol. 1, p. 321.

Any Party which may have advanced beyond the positions enumerated in Article V or which may have mobilized or concentrated troops in the Chaco or have carried on any act which may be considered as preparation for hostilities will be considered an aggressor.

ARTICLE IX

The Contracting Parties agree that if this Treaty is not ratified by one of them the burden of proof shall be on the Party not ratifying the agreement to show to the representatives of the Neutral Powers in Washington, in any incident which may arise in the future, that it was not the aggressor and, in the absence of such proof, the presumption in any given instance will be that that Party is the aggressor.

ARTICLE X

The present Treaty shall be signed in duplicate and shall be ratified by the Contracting Parties in conformity with their respective constitutional procedures, and the ratifications shall be exchanged at Washington as soon as possible.

This Treaty shall remain in effect for a period of two and a half years from the date of the exchange of ratifications. Thereafter it will remain in effect until four months after either Party has signified its intention to the other to terminate it.

In witness whereof, the above mentioned Plenipotentiaries sign this Treaty and affix their seal in the city of Washington on this day of May, in the year one thousand nine hundred and thirty-two.

APPENDIX

ARTICLE I

The Signatory Governments grant to all the Commissions which may be constituted the power to summon witnesses, to administer oaths and to receive evidence and testimony.

ARTICLE II

During the investigation the Parties shall be heard and may have the right to be represented by one or more agents and counsel.

ARTICLE III

All members of the Commission shall take oath duly and faithfully to discharge their duties before the highest judicial authority of the place where it may meet.

ARTICLE IV

The Inquiry shall be conducted so that both parties shall be heard. Consequently, the Commission shall notify each Party of the state-

ments of facts submitted by the other, and shall fix periods of time in which to receive evidence.

Once the parties are notified, the Commission shall proceed to the investigation, even though they fail to appear.

ARTICLE V

As soon as the Commission of Inquiry is organized, it shall at the request of any of the Parties to the dispute, have the right to fix the status in which the parties must remain, in order that the situation may not be aggravated and matters may remain in statu quo pending the rendering of the report by the Commission.

724.3415/1803

The Minister in Paraguay (Wheeler) to the Secretary of State

No. 445

Asunción, June 2, 1932. [Received June 20.]

SIR: In my telegram of today I have had the honor to transmit tne significant points of a memorandum handed me vesterday by Dr. Arbo giving Paraguay's view of the draft-Pact of Non-Aggression⁵ submitted by the Paraguayan and Bolivian delegations at Washington to their Governments and received here by air-mail on May 25th. I am enclosing, herewith, full text and translation.

The memorandum was at the same time handed to the other Neutral representatives here and later copies were given to the Ministers of Brazil and Argentina. Dr. Arbo informed me that he was not cabling the text to his delegation. I assume that it will go forward by airmail, if it was not already on its way when the copy was handed me.

On May twenty-eighth I had a conversation with him concerning the draft-Pact, which he said was being studied but that no decision had as yet been arrived at as to instructions to the Delegates. He considered the project "good in some respects", but was not yet prepared to discuss it in detail. Ayala had told me confidentially that he himself had already discussed it both with Arbo and with the President (Guggiari) and that the agreement had been reached that Paraguay would be justified in signing such a Pact only in case an effective guarantee be provided.

Avala's personal attitude toward the question was the subject of my telegram No. 29 of May 3.6 He believes strongly that the only effective guarantee that stands any chance of consideration by Bolivia

⁴ No. 35, June 2, 6 p. m.; not printed.

Supra.

Not printed.

⁶⁴⁶²³¹⁻⁴⁸⁻⁸

is the indirect one provided by a mutual reduction of the troops of both countries. That alone would tend to prevent clashes by the necessitated limitation of forces in the Chaco. He does not consider Vasconsellos' objection wholly ingenuous, and believes that he fears such a proposal would arouse popular protest here and injure him politically. Ayala tells me that, as the result of his country-wide speech-making since his return to Paraguay, in which he has repeatedly introduced this question without sign of popular resentment and with every indication of public approval, he is convinced that public opinion here, even if there should be some agitation by the opposition, would accept the proposal enthusiastically. Arbo, he assures me, would be for it, as would Guggiari, provided of course that the Government here is not put in the position of initiating the proposal. Avala's hope is that the Neutral and Associated Representatives at the proper moment may see their way clear to laying formally before the two Delegations a concrete proposal for troop-reduction; this the Delegations must of necessity refer to their two Governments and Avala is apparently confident that he could control the Cabinet decision here.

I must say that I do not feel so sure of this. Ayala's idea of troop-limitation has been so long misrepresented to the public and has so far proven so unpopular among the rank and file of the Army, that an immediate unfavorable reaction seems to me certain, and it remains to be seen whether this can be overcome within the limited period and with the Government's resources of propaganda. In view of this situation it seems to me by no means certain that the Ministers of War and of Interior would countenance the proposal, except in the event of Bolivia's declared approval.

Dr. Arbo, in our conversations, has avoided giving any suggestion as to the possible character of a direct guarantee which Paraguay would consider adequate or desirable. The two South American Powers contiguous, whose influence and ambitions more nearly balance, Argentina and Brazil, naturally suggest themselves in such a connection. Dr. Ayala is of opinion that Brazil independently would be willing to assume no responsibilities whatsoever, but that at the initiation of Argentina she would agree to take part in any joint action which the other favored. My Brazilian colleague here, however, is convinced that his Government would under no circumstances consider such a proposal.

The only newspaper comment so far on the draft-Pact is that of today's Orden (Independent) which holds that in Article V the Delegation exceeded its powers, that the Article is a tacit recognition

of Bolivia's usurped positions, and that no agreement can be accepted which does not provide for her withdrawal therefrom.

Tomorrow's El Liberal (Government) will say editorially: "The reading (of the draft) has caused us an unexpected disappointment. The good-will of the United States and the complete impartiality which animates the personages who have drafted it, and concerning whom it is not possible to entertain a moment's doubt, are not reflected in its contents. . . . ⁷ The Washington proposal has nothing of a Pact of Non-aggression except the name." It will take the attitude of the Foreign Office Memorandum, that if Paraguay signs a Pact it must provide either a guarantee or a provision for an arbitration on the basic question.

Respectfully yours,

Post Wheeler

[Enclosure—Translation]

The Paraguayan Minister for Foreign Affairs (Arbo) to the American Minister (Wheeler)

MEMORANDUM

The project offered by Mr. White as a basis of discussion during the verbal conferences to be held by the delegates of Paraguay and Bolivia suggests the following observations.

A) In it is considered the pact of non-aggression proposed by Bolivia; but it does not take into consideration the counter-proposal of Paraguay. Therefore, it does not seek an intermediate solution between both projects, as we hoped. This circumstance places the delegates of Paraguay in an unfavorable situation.

Notwithstanding the above, Paraguay with a spirit of good-will, will agree to study the project referred to.

B) Paraguay is willing to sign a pact of non-aggression if it offers effective guarantees that aggression will not occur. The pact should guarantee peace. The contrary would mean that it is one more diplomatic document to be added to those already negotiated between Paraguay and Bolivia, and which have not served to prevent the state of permanent aggression in which Bolivia has placed itself in having advanced its military positions from the year 1913⁸ for some time past, thus violating the pact of 1907.⁹

The pact of non-aggression should remove the possibility of clashes

Omission indicated in the original. See Foreign Relations, 1914, pp. 27 ff.

The Pinilla-Soler Protocol of January 12, 1907, ibid., 1907, pt. 1, p. 87.

of the armed forces of both countries, for only in this manner can a spiritual environment be created which will render practicable diplomatic negotiations. It should also offer the possibility of diminishing the armed forces of occupation of the fortines of the Chaco, for only in this fashion will both countries gain a substantial benefit from the pact which an effort is being made to subscribe, in being able to eliminate from their budgets that factor of disturbance or neglect of other absolute necessities of the nation. A Pact of non-aggression which obliges us to remain with guns on our shoulders, without the possibility of diminishing, without serious risk our military budget, offers us no advantage. Neither does it contribute anything to the peace of America.

To sum up: Paraguay requires that the pact of non-aggression be backed by a sufficient and effective international guarantee.

The word or signature of Bolivia alone does not merit our confidence because we have the unhappy experience that for her pacts are "Chiffon de papier".

Paraguay, in requiring "guarantees", "securities", is not to be understood as waiving any of the primordial rights of sovereignty, and in this it has for criterion mighty France in her discussion of the problem of disarmament.

C) Paraguay would also accept, almost without modifications, the proposal transmitted if simultaneously it could sign a protocol of arbitration, submitting to a legal arbitration the basic question, that is to say, that of limits, together with the other questions asserted by the parties in dispute, for in this case it would be justified in waiving the right of possession which it alleges in conformity with the pact of 1907 and its extensions, as a contribution to the peaceful solution of the dispute and to the peace of America.

What is the difficulty existing in the signing of a Protocol of Arbitration? The opposition of Bolivia. She demands that there be determined beforehand the zone which shall be submitted to arbitration, reserving from this moment a large part of the disputed territory. Paraguay also wishes, and with greater reason, because it has held the Chaco for approximately four centuries since the founding of Asunción in 1537, to establish beyond question its possession of all of the littoral; but convinced that she should neither impose her judgment upon Bolivia nor permit the latter's to prevail, she has suggested a double arbitration, to the end that there first be determined the specific subject-matter of the question in dispute, an honorable proceeding that none of the parties may reasonably reject.

D) Considering concretely the White proposal, it is sufficient to point out:

Article 1. It is harmless, unnecessary, inasmuch as Paraguay and Bolivia are adherents to the Pact of the League of Nations¹⁰ which covers the point in the article; to the Kellogg-Briand Pact;¹¹ to the Gondra Treaty;¹² and likewise the same obligation is contracted by both countries in the Díaz León-Gutiérrez Protocol of 1927,¹³ and in the final act of the Conferences of Buenos Aires of July, 1928,¹⁴ all of which, nevertheless, have not prevented military incidents in the fortines of the Chaco, and the repeated threats of aggression on the part of Bolivia. In spite of the above, Paraguay accepts article 1.

Article 2. Paraguay accepts the renewal of diplomatic relations with Bolivia, with the more reason because it did not cause their suspension. It was caused by a certain precipitancy of the Chancery of La Paz.

When the Argentine Chancery intervened in a friendly manner, before the two Governments, during the provisional presidency of General Uriburu, for the purpose of restoring relations, and when, not over two months ago, the present Chancellor of Argentina, Dr. Carlos Saavedra Lamas, made a suggestion to our Legation in Buenos Aires in the same tenor, Paraguay expressed, on both occasions, that it was disposed to renew relations.

As a proof of this good-will, the Paraguayan Government instructed its delegates in Washington to suggest immediate renewal of diplomatic relations, in a Protocol separate from the Pact under consideration; and in the proposed budget sent to the Congress, funds were included to provide for the Legation at La Paz.

Article 3. The agreement which this article imposes ought to be of a more concrete character. It should establish a clause such as the following, for example: "If this period expires (that of six months) and no agreement is arrived at, the Protocol of Arbitration to which the parties thereto subscribe on this date shall become effective. For this purpose it shall be considered as an integral part of this Pact".

As concerns the Protocol of Arbitration, it might be agreed to plan it in accordance with the bases of the "General Inter-American Treaty of Arbitration" of January 5, 1929.¹⁵

Article 5. Establishes a measure which jeopardizes the peace. Bolivia will endeavor, with a mere announcement of agreement on

¹⁰ Treaties, Conventions, etc., Between the United States of America and Other Powers, 1910-1923 (Washington, Government Printing Office, 1923), vol. III, p. 3336.

¹¹ Foreign Relations, 1928, vol. 1, p. 153.

 ¹² Ibid., 1923, vol. 1, p. 308; see also ibid., 1928, vol. 1, pp. 644 ff.
 13 Signed April 22, 1927; for text, see despatch No. 275, April 29, 1927, from the Chargé in Argentina, ibid., 1927, vol. 1, p. 316.

¹⁴ *Ibid.*, 1928, vol. I, p. 675. ¹⁵ *Ibid.*, 1929, vol. I, p. 659.

this point, to advance her positions, following her policy of desiring to seize by military occupation the territory which is in dispute. This is able to cause the aggression to avoid which efforts are now being made.

Article 6. Upon the initiation of the Conferences in Washington, and later at the request of the Neutrals, Paraguay and Bolivia gave an undertaking not to advance their present positions and not to effect any movement or concentration of troops. Nevertheless Bolivia alarmed all America by the concentration of troops and military supplies which it made in Villa Montes.

Hence, a mere promise of Bolivia, without an effective guarantee, cannot offer Paraguay any assurance that the promise given will be carried out. It is for this reason that Paraguay demands the effective guarantee of an international character, in order that it may rest secure in the Pact which is signed.

Article 7. This article establishes the procedure of investigation in those cases in which incidents might occur between the armed forces of one or the other of the countries. This provision is unnecessary, both countries being signatories of the Gondra Treaty which establishes the method, tribunal, and procedures to be followed in investigations of the nature referred to.

If the Commission of Investigation is to be composed of citizens of those countries engaged in the dispute, it is not to be doubted that no conciliatory solution can be expected from the said Commission.

The same objection may be made to articles 7 [8], 9, and 10.

724.3415/1792 : Telegram

The Minister in Bolivia (Feely) to the Secretary of State

La Paz, June 3, 1932—noon. [Received 3:25 p. m.]

27. The Minister of Foreign Affairs today informed me that the Draft Pact had been favorably received by his Government which was animated by a sincere desire of conciliation and that the Bolivian reply could be sent within the next 10 days, accepting in principle but [with?] certain minor modifications, among which he mentioned as the most important;

1. In establishing the extreme positions complete freedom of action should be left to both parties as to their activities behind those lines;

2. The reference to the Gutiérrez-Díaz de León Protocol to be replaced by a general statement of the same tentative arrangement without mentioning that protocol;

3. Bolivia will suggest that the fifth member be selected by the President of the United States.

As to the renewal of the relations he said that his Government had inquired from the Argentine Government as to the status of the latter's offer of mediation, and if the reply were that it is no longer open, the question of the renewal of relations would be left to the neutral powers.

FEELY

724.3415/1803 : Telegram

The Secretary of State to the Minister in Paraguay (Wheeler)

Washington, July 6, 1932-6 p. m.

15. As you know, there is divergence of views between the Foreign Office and the Paraguayan Delegation regarding the pact of nonaggression. Department understands that Minister for Foreign Affairs considers the Paraguayan Government bound by the memorandum enclosed in your despatch No. 445 of June 2 and that this may prevent the Paraguayan Government from modifying its instructions to the delegation permitting it to agree to the draft pact of nonaggression. It has been suggested to the Department that it request the Minister of Foreign Affairs to withdraw the memorandum in question. As you stated that this memorandum had been given to the representatives in Asunción of the Neutral Governments, as well as to the Brazilian and Argentine Ministers, the Department is inclined to feel that such a request might be embarrassing to the Paraguavan Government. It is however important that the Paraguavan Government should not feel that it is so bound by the views expressed in that memorandum that it can not modify them. The Department therefore desires you to take the earliest possible opportunity, without divulging any of the foregoing, to say discreetly to the Minister for Foreign Affairs that as no proposal was made by the Neutrals to either Paraguay or Bolivia, the draft pact having been sent by each delegation to its own Government on the basis of the oral discussions, this Government has looked upon the memorandum merely as the preliminary views of the Paraguayan Government when the draft pact was first received. The two Governments having agreed upon oral negotiations and no project having been given by the Neutrals to the two delegations, no written reply to the Neutrals is expected. It is understood that the considered views of both Governments will be communicated by each delegation to the other at the next meeting to be held shortly in Washington. This Government therefore looked upon the memorandum of June 1st merely as a courtesy on the part of the Paraguayan Government and as a sign of confidence on its part in this and the other Governments in advising them in advance of its preliminary views regarding the draft pact. You may say it is your own view that while this preliminary study apparently did not agree with all the points in the draft pact, you nevertheless hope that a further study, after an exchange of views with those concerned, may have led the Government to consider the pact more favorably so that when the views of the Paraguayan Government are finally expressed by the Paraguayan delegation in Washington you venture to hope that they will be found to be favorable to the pact.

Of course what you say should not be in the nature of representations but rather as divulging in casual conversation with the Minister for Foreign Affairs your and the Department's views in the matter. Please cable the result of your conversation.

STIMSON

724.3415/1811 : Telegram

The Minister in Paraguay (Wheeler) to the Secretary of State

Asunción, July 6, 1932—10 p. m. [Received July 7—4:40 a. m.]

41. Immediate for White. ¹⁶ Instruction is being sent to the Paraguayan delegation to retire from the pact conference. The Minister for Foreign Affairs informs me than on June 15 Bolivian troops in a surprise attack made without provocation took Fortín Carlos Antonio López. First information was carried by fleeing members of its garrison and reached the Government here from Commander Estigarribia of the 1st Division. The truth of the account was doubted and he was appointed head of a commission to establish the facts, the news being suppressed here in the interest of the conference at Washington. The Commission's report was received here last night and fully verifies details, stating that the Fortín was found to be occupied by 250 Bolivian soldiers.

Two Paraguayan soldiers of the Fortín are missing and it is suspected that they are the two men reported some 10 days ago as having been executed by Bolivian troops as alleged spies. I have just left the President who said that the breaking off of the conference is forced upon the Cabinet by the internal political situation here and that if it were not ordered there would probably be popular upris-

¹⁶ Francis White, Assistant Secretary of State; Chairman of the Commission of Neutrals from 1929 to 1933.

ings when the news is made public tomorrow that would endanger the safety of the Government. Arbo is ill abed. The President expressed regret that the situation was such that no other action was possible in the temper of the people and that no warning thereof could be given to you or to the neutrals. He thinks the instructions will probably not reach the delegates before this reaches you and expressed the opinion that if the neutrals desire to make any representation through them to the Government here it would carefully be considered. The formal note from the Foreign Office, given to me tonight, announcing the instruction to the delegates states that the decision is one which the Government "is obliged to adopt in preservation of the nation's dignity and its own self respect". It adds "however great this Government's good will toward every negotiation for conserving peace, it cannot remain indifferent to an act treacherous and without possible justification".

WHEELER

724.3415/1811 : Telegram

The Secretary of State to the Minister in Paraguay (Wheeler)

Washington, July 7, 1932—noon.

16. Your 41, July 6, 10 p. m. Paraguayan delegates are now decoding their instructions. They will confer with White this afternoon. In the meantime please counsel moderation and patience to the Paraguayan authorities and suggest informally that they do not make any irrevocable statements or take positions which it will be difficult, if not impossible, to recede from. Please keep Department fully informed of all developments. When the situation is more crystallized it should be possible for the neutrals to suggest a way out, possibly that both parties submit their evidence regarding this recent outbreak to the neutrals in Washington for conciliation pari passu with the negotiations for pact of non-aggression. In the meantime it is most important that Paraguavan Government should make no statements or address notes to the neutrals or others taking a position which it later might feel it would have to adhere to. This is apparently what has happened in the case of the memorandum to the neutral representatives in Asunción of June 1st, referred to in Department's cable yesterday, and should be avoided in this case.

STIMSON

724.3415/1811 : Telegram

The Secretary of State to the Minister in Paraguay (Wheeler)

Washington, July 7, 1932—6 p. m.

17. Your 41, July 6, 10 p. m. Paraguayan delegation in accordance with instructions presented note¹⁷ today withdrawing from the conference. The note attacks the attitude of the Bolivian Government and mentions Paraguayan protest in March against Bolivian concentration of forces at Villa Montes and protests in May against periodic flights of Bolivian airplanes over Paraguayan positions. It finally mentions the alleged incident of June 15.

The Paraguayan delegation will not make any statement to the press regarding the delivery of the note nor will the Department make any statement regarding its receipt. An endeavor was made to persuade Paraguayan delegation not to present the note but they felt their instructions were so categoric that they had no alternative. Mr. Soler, who brought in the note, agreed that the note was inexpedient, and is cabling his Government in the premises.

Please see Minister for Foreign Affairs and, if necessary, the President at once and point out (1) that opinion in the Americas is apt to feel, on account of the already well known reluctance on the part of Paraguay to agree to the pact of non-aggression, that this incident is being alleged as a motive for breaking up the conference when in reality Paraguay does not want to sign the pact of non-aggression. It must be borne in mind that Bolivia denied troop concentration and airplane flights over Paraguayan positions and that Paraguay presented no proofs; (2) it required 2 years of negotiation for Paraguay to persuade Bolivia to discuss the Chaco matter in Washington and now that this is being done and most encouraging progress made, it would seem contrary to Paraguay's best interest to break off the negotiations now when there is apparently good hope for a successful conclusion; and (3) the situation in the Chaco will not be bettered but rather much aggravated by this action. In withdrawing from the conference, Paraguay loses access to neutral intermediaries for the solution of this incident and others which might arise as the result of breaking off the negotiations.

Please say to the Paraguayan authorities that there has apparently been no knowledge of this incident outside of Paraguay until today and that Paraguay's action will naturally come as a great surprise to all who are following the negotiations closely. No complaint has been made to Bolivia nor has Bolivia been given an opportunity to

[&]quot; Not printed.

explain its side of the case, to disauthorize the local commander if in effect the attack did take place, and thus to give satisfaction to Paraguay. It would seem therefore to the best interest of Paraguay not to present the note in question but rather to state the full particulars of the incident complained of, ask the neutrals to protest on Paraguay's behalf to Bolivia, and to request explanations and satisfaction from the Bolivian Government.

As said above, no statements will be made in Washington either by the Department or the Paraguayan delegation regarding the presentation of the note so that it may be withdrawn without embarrassment.

Press despatches from Asunción already report regarding this incident. Department earnestly hopes that Paraguay will not make any statements which will put it in a position from which it can not withdraw and Department again renews the suggestions made in its No. 16 of July 7, noon.

STIMSON

724.3415/1816 : Telegram

The Minister in Paraguay (Wheeler) to the Secretary of State

Asunción, July 8, 1932—noon. [Received July 9—9:35 a. m.]

44. Your telegram No. 16, July 7, noon. I had anticipated its first instruction and urged moderation of the Government's statements and attitude. In agreement with this the statement made public last night was restrained in tone, was designated merely as "information" and was given out by the Ministry of Interior instead of the Foreign Office.¹⁸ The popular feeling here today goes far to justify the President's assertion that any lesser measure would have meant an immediate and serious attack on the Government. I saw Arbo an hour ago. He is most pessimistic as to the efforts of the neutrals. He has apparently come to the end of his patience with Bolivia and has no belief that the break can be patched up, though he assures me that he will be guided by the informal suggestions conveyed in your above telegram. I learn however that since his talk with me he has given a press interview in which he stated that on no condition would Paraguay's delegation be permitted to linger in Washington or would Paraguay continue the conference.

I am confidentially and officially informed that the Government is in possession of absolute knowledge of the intended Bolivian cam-

¹⁸ See Paraguay, Ministerio de Relaciones Exteriores, *Libro Blanco*, I parte, 1933, p. 172.

paign of which the recent incident is the first step and that an attack on a second fortin is daily looked for. It is currently believed that the Bolivian attack of June 15 was followed by a Paraguayan counterattack whose details have not yet reached here, but the War Office denies all knowledge of this.

WHEELER

724.3415/1814 : Telegram

The Secretary of State to the Minister in Paraguay (Wheeler)

Washington, July 8, 1932—7 p. m.

18. The Ambassador in Buenos Aires cables that President-elect Ayala yesterday told him that in his opinion only possibility of solving boundary controversy between Bolivia and Paraguay would be by strong pressure brought to bear on both Governments to submit the matter to arbitration. This is one more indication that perhaps Paraguay's present action is taken because it does not desire a pact of non-aggression. Other indications are length of time between supposed attack on the fort and knowledge of it being made public and the fact that the fort Carlos Antonio López does not appear on any of the maps of the parties and that the Bolivian delegation states that it has no knowledge of any fort of that name. Furthermore, this action follows on the heels of advice from the Bolivian Delegation received two or three days ago that it is ready to present the Bolivian point of view to the conference and that Bolivia accepts the draft pact with only suggestions for minor changes of no practical importance.

Has the Paraguayan Government fully considered the results of withdrawing from the conference? This action is a notice to the world that Paraguay does not desire to negotiate a pact of non-aggression with Bolivia and in view of the relations between the two countries is little short of a declaration of war. Have they considered how disastrous the latter might be?

If the attack on the fort actually did take place, the proper action for Paraguay is to send full particulars to the Neutrals and ask them to demand explanations and satisfaction from Bolivia. If Paraguay is dissatisfied with the draft pact, then it should make its point of view known and negotiate for modifications therein. The only indication as yet received here regarding Paraguay's views is that set forth in Arbo's memorandum to you of June 1st. There is nothing funda-

¹⁹ Ante, p. 15.

mental in those objections and does not give a basis for terminating the conference. The Neutrals have a right to expect that Paraguay will deal frankly with them as they are going to a great trouble on behalf of both countries to bring about a solution satisfactory to all.

While neither Arbo's memorandum to you referred to nor the Paraguayan Delegation have made any such statement to the Department, Department understands that it is perhaps felt in Paraguay that the draft pact of non-aggression establishes a new status quo line which will impair Paraguayan rights under the Soler-Pinilla Line of 1907. Article 4 definitely takes care of this point. Paraguay has in the past favored an arbitral settlement. Article 3 of the pact of non-aggression provides for such a settlement. Breaking off the negotiations will postpone and make the more difficult any such settlement.

Please discuss at once the matter frankly with the Paraguayan Government, pointing out the danger it runs in any such policy, and endeavor to learn what are the real motives back of their present action.

The matter has been discussed informally with the Neutrals who are in Washington and there will be a meeting Monday morning of all the Neutrals. Department desires as full information as possible before that time.

STIMSON

724.3415/1817 : Telegram

The Minister in Paraguay (Wheeler) to the Secretary of State

Asunción, July 9, 1932—6 p. m. [Received July 10—2:04 a. m.]

46. Your telegram No. 17, July 7, 6 p. m. This morning I discussed at length with Arbo the points of your telegram and again most strongly urged further consideration suggesting that the withdrawal the delegates, even if Paraguay felt bound to consider this a fait accompli, could readily be announced to be not a final cessation but a temporary suspension of their pact conversations pending examination and adjudication of the Fortín incident. I advised, as I had done in my conversation with the President on July 6, the forwarding of all facts and details for consideration of the neutrals. Arbo told me that recently there have been six instances, which have not been divulged, wherein Bolivian cavalry have driven Paraguayan outposts from their positions and have then retired to their own lines.

Following our conversation he went to consult the President. He promises to give me the Government's conclusion on July 12th, the

delay presumably being due to the necessity of a Cabinet meeting. I am not sanguine of the result.

Since the recent Bolivian concentration at Villa Montes pessimism as to Bolivia's intentions has been growing and there has been also an increasing dissatisfaction with the part played in the conference by the other neutrals who are considered to be lacking in interest and effort.

The press here today unanimously approves the action. Interviews with President-elect Ayala in Buenos Aires telegraphed here report his approval. His relations with the present Government however would seem to dictate such a public attitude.

WHEELER

724.3415/1818 : Telegram

The Minister in Paraguay (Wheeler) to the Secretary of State

Asunción, July 10, 1932—6 p. m. [Received July 11—6:35 a. m.]

47. This afternoon I had 2 hour's conversation with the President who summoned the Minister of Justice to take part, Arbo not being in Asunción. Factors in the way of solution are the political situation and the unanimity of the Cabinet that the withdrawal the delegates should be complete and final. I went very thoroughly into all phases of the matter with them. In my opinion it is impossible to gain the withdrawal the note and the only possible expedient would be the temporary suspension as outlined in the first paragraph of my telegram No. 46, July 9, 6 p. m. My neutral colleagues agree unanimously in this opinion. But though without instructions they are supporting officially and strongly my representation. The President is calling a special cabinet meeting tomorrow morning at 8 o'clock to reconsider the matter. He thinks it may require another Cabinet meeting Tuesday before decision is reached.

I have seen no indication that Paraguay does not at heart desire a pact of non-aggression provided a satisfactory one, containing a proviso for an arbitration, can be arrived at. None of my colleagues believes that the present action has been taken from such a motive. There are many indications to the contrary. Lapse of time between alleged attack and publication thereof is accounted for in my telegram 41, July 6, 10 p. m. The War Department declares the fort in question to be 35 miles west of the Paraguay River, 6 days' trip, without telegraph and telephone communications and to have been occupied by Paraguayan troops as an outpost during year past.

There appears to be no doubt that a Paraguayan counterattack to retake the fortin was made and the city is filled with rumors of its seriousness, most of which are no doubt exaggerated.

WHEELER

724.3415/1828a : Telegram

The Commission of Neutrals to the Paraguayan Minister for Foreign Affairs (Arbo)

[Translation]20

Washington, July 11, 1932.

The representatives of the five neutral countries, in two prolonged sessions this morning and afternoon, profoundly alarmed over the possible withdrawal of your delegates and the imminent danger to the peace resulting from that act, and animated solely by the desire to continue to secure a prompt, just and final solution of the Chaco question, earnestly request the Government of Paraguay to modify its intention to withdraw from the Conference and kindly to send as soon as possible to the Commission of Neutrals in Washington, complete details regarding the original incident of June 15 and the incidents which have followed. The neutrals are also requesting from Bolivia similar information in order that, when both countries have wished to present their complete information, the neutrals may be in a position to suggest solutions for said incidents. While that investigation is being carried out and in order not to lose more precious time in the negotiation of some satisfactory pact of non-aggression (a step preliminary to the definitive solution or the arbitration) the neutrals request the Government of Paraguay kindly not to interrupt the action of its delegates.

Henry L. Stimson

Secretary of State of the United States

J. M. Puig Casaurano

Ambassador of Mexico

Fabio Lozano T.

Minister of Colombia

José Richling

Chargé d'Affaires of Uruguay

José T. Barón

Chargé d'Affaires of Cuba

²⁰ Translation supplied by the editors.

724.3415/1831 : Telegram

The Secretary of State to the Minister in Paraguay (Wheeler)

Washington, July 15, 1932—1 p. m.

22. In a final endeavor to keep Government from breaking off negotiations, please call Minister of Foreign Affairs' attention to statements made by him before House of Deputies on June 15, as set forth in the second paragraph on page 10, first two paragraphs page 12, last paragraph page 15, and first paragraph page 16, of enclosure to your despatch No. 451 of June 16.²¹ His actions in terminating negotiations are directly contrary to these categoric statements to House of Deputies.

It should also be clearly understood that the proposed pact was not drafted by the Neutrals at all. Suggestions of both delegations were put together in a preliminary draft for the object of discussion. At the meeting of Bolivian and Paraguayan Delegations on May 6th this draft was completely gone over, revised, and rewritten by the two delegations themselves and the draft pact as presented on May 7th was the literal word for word copy of the pact as drafted and agreed to by the two delegations on May 6th.

Your 52, June [July] 14, 2 p. m., just received.21 Dept is gratified by Arbo's statement that Paraguayan retirement need not necessarily close the door to future conferences. If, without giving the Neutrals a chance to take action, Paraguayans withdraw, they will make it most difficult for the Neutrals to take any effective action thereafter. The normal course for Paraguay would have been to complain to the Neutrals regarding Bolivia's action and ask the Neutrals to obtain explanations and satisfaction from Bolivia. Paraguay however withdrew at once and as soon as the conference is broken up the effectiveness of the Neutrals will certainly be impaired. If delegates withdraw from the conference and sail for their own country at once, with whom are the Neutrals to deal on behalf of Paraguay? Paraguay's action in this matter and your No. 51 of July 13, 3 p. m., 21 last sentence make it evident that Paraguay is determined to take military measures. It would be well for Arbo and the rest of the Paraguayan Government to weigh carefully the heavy responsibility they will incur by any such action.

STIMSON

²¹ Not printed.

724.3415/1833 : Telegram

The Minister in Paraguay (Wheeler) to the Secretary of State

Asunción, July 16, 1932—1 p.m. [Received 3:55 p. m.]

53. Your telegram No. 22 of July 15, 1 p. m., was received at 10 o'clock last night and I made the instructed representation this morning. The following note in reply to the neutrals' cable of July 11 was sent. I transmit it:

[Translation]

"His Excellency Henry Stimson,

Secretary of State of the United States of America, Washington.

Excellency: I have the honor to address Your Excellency and through you Their Excellencies the members of the Commission of Neutrals in reply to your telegraphic note of the 11th instant, with the request that you be good enough to send this reply to the said Commission.

My Government, Excellency, appreciates at its high value the noble effort of the Commission of Neutrals to prevent the closing of the conference for the negotiation of a pact of non-aggression because I understand that by means thereof there would perhaps have been obtained the signature of the pact which would have constituted a guarantee for peace without diminution of the honor to which my country aspires, but regrets its inability to defer to the request to revoke the decision to withdraw its delegates from the above-mentioned conference because the offense committed against the nation by the attack in the midst of peace on Fortín Carlos Antonio López (Pitiantuta) by regular troops of the Bolivian Army prevents it from continuing to treat with the aggressor without the latter's first giving a satisfactory explanation of the fact and just reparation of the damage caused.

However great our love of peace and our desires to settle the boundary dispute with Bolivia through juridical and conciliatory procedure, we cannot continue in that conference which was organized precisely at the initiative of the same Government which has just made an aggression upon us in a manner treacherous and wholly

unjustified under law and international morality.

For the better comprehension of the attitude of my Government, I shall make a brief statement of the facts which form the basis for it

In the morning of the 15th day of June of the current year the small garrison of five privates and a corporal of the above-mentioned Fortín Carlos Antonio López (Pitiantuta) was attacked by surprise by a detachment of regular troops of the army. In the assault the corporal at the head of the small garrison and one private disappeared, the remainder, pursued by the aggressors, buried themselves in the deep woods of the region and after three days of privations arrived at the quarters of the regiment, Colonel Toledo, situated

about 150 kilometers from the place. According to the dispersed soldiers, the attackers remained in possession of the fortin and of

the equipment, tools, food and some rifles.

The above-mentioned soldiers communicated the news to the headquarters of the above-mentioned regiment. The commander of the division, Lieutenant Colonel Estigarribia, in view of the unusual character of the news, ordered a patrol under the command of Lieutenant Scarone to go to the place of the action to verify the information. The reconnaissance made by this officer on June 29, which cost the loss of two more soldiers of our army, verifies the sad truth that the fortin was in fact occupied by a detachment of about 200 men of the Bolivian Army.

In spite of the fact that to date your honorable Commission has not informed my Government of the cause, pretext, or motive which Bolivia adduces to explain or justify the action whereby she angrily broke off the Conference, this chancelry has learned from the publications of the Press that the Bolivian delegates presented a memorial to your honorable Commission in which they state that a detachment of troops of the Bolivian Army, under the command of Major Oscar Moscoso, while looking for water approached a small lake near Fortín Mariscal Santa Cruz, that the detachment found to the east of the lake an old abandoned cabin and, believing that it might be of Paraguayan ownership, went to the west of the lake to prevent any possible attack, that the detachment remained in that position from June 15 to June 29, on which date it had to face a surprise attack by a force of 50 Paraguayan soldiers, etc.

This communication, Excellency, in which the truth is twisted in an ignoble and perfidious manner, is demonstrating that Bolivia upon beginning the new adventure, which is pregnant with peril for the peace between the two countries, premeditated and carried it out with the deliberate object of putting an end to the conference, since, being able to give an explanation more in harmony with the reality of the facts and the geographic characteristics of the region, she

chose another in which insult is added to injury.

The aggressors know that the building which they call an abandoned cabin is Fortín Carlos Antonio López located at 60° 20' approximately from the meridian of Greenwich to the north of the parallel passing through Fort Olimpo and on the shore of Lake Pitiantuta, a fortin which was occupied by the small detachment of regular forces of the Paraguayan Army which was attacked. Nevertheless in the memorandum in reference Bolivia affirms with most reprehensible audacity that the above-mentioned lake is found near the Bolivian Fortín Mariscal Santa Cruz, a fortín which, according to Bolivia's own maps is situated more than 100 kilometers to the northwest of the point mentioned. Neither do the aggressors mention in their memorandum that in the surprise attack of June 15 the corporal and private disappeared, and we do not know whether they are dead or alive in the power of the Bolivian Army. Neither do they state that the encounter of June 29 with the Paraguayan patrol, to which they refer, occurred when the latter was going to Fortin Carlos Antonio López, the reoccupation of which was opposed by the attacking Bolivian detachment.

With respect to the assertion that the position in which is located Fortín Carlos Antonio López was not occupied by Paraguay, it is also false since on the maps which accompanied the last memorial of reply of the delegation of Paraguay in the conferences of Washington it is clearly shown that all that region, as well as the greater part of the Chaco, is under the possession of Paraguay and that Bolivia holds only a part of this territory, thanks to the military advance of the last few years in violation of the statute established in the pact of 1907.

Paraguay, with the purpose of preventing clashes with the Bolivian Army, especially during the course of the conferences which were being held, ordered that the advanced positions should not be protected except with small detachments of not more than six to ten soldiers, but Bolivia instead of responding with like nobility to this conduct took advantage of it to attack us with very superior forces at Fortín Carlos Antonio López and possess herself of it after having organized, to the alarm of all America, a showy military concentration at Villa Montes hardly two months ago.

In view of the facts briefly set forth the members of the honorable Commission of Neutrals, jealous defenders of the honor and dignity of their respective countries, will understand fully the right my Government has to withdraw its delegates from the present Washington Conference.

What prospect of a reasonable and trustworthy agreement can be offered by a conference held in an atmosphere of shocks and anxiety constantly provoked by the bad faith, which is not even dissimulated, of one of the Parties. But the decision to which my Government sees itself obligated by the latest aggression which has caused the noble efforts of the Neutral Governments to fail does not mean that Paraguay considers closed the peaceful path which may lead to the solution of the long controversy. Paraguay does not deem that conciliatory procedures for the settlement of the dispute have been exhausted and is now, as always, disposed to hear and study any reasonable proposal suggested by the Neutrals whose earnest good will she does not cease to appreciate and be grateful for, which may tend to tranquilize spirits, either by the conclusion of a pact of non-aggression which is satisfactory because of its provisions and because of the dependability and honorability of the nations which guarantee its execution, or by a study of the fundamental question of the Chaco dispute to try to find for it a legal solution through the procedure of arbitration to which civilized countries appeal to put an end to their differences.

Paraguay, during the course of her boundary dispute with Bolivia, consistent with her history of clean diplomacy has given unequivocal proofs of her peaceful sentiments, has accepted all the conciliatory procedures, hitherto unfruitful, but her love of peace and harmony among nations will not prevent her from acting to safeguard her sovereignty and her dignity in harmony with the dictates of honor and the pride characteristic of her historical tradition.

Thanking once more the very worthy representatives of the Neutral Countries for their noble efforts to prevent the sky of America from

being darkened with the clouds of an international conflict, I have the honor to offer to Your Excellency the assurances of my highest and most distinguished consideration. (Signed) Higinio Arbo."

WHEELER

724.3415/1835a : Telegram

The Commission of Neutrals to the Paraguayan Minister for Foreign Affairs (Arbo)

[Translation] 24

Washington, July 18, 1932.

The representatives of the five neutral countries have read carefully the important message from the Minister for Foreign Affairs of Paraguay of the 16th of the present month.²⁵

They regret that Paraguay believes herself unable to assent to the request that she do not withdraw her delegates from the Conference of Washington, considering that the incident of June 15th prevents her from continuing to treat with Bolivia unless this country previously give a satisfactory explanation of the act.

In order to settle the incident the neutral representatives require time to obtain the indispensable information, and this would be impossible if Paraguay should close the door now by withdrawing her delegates without waiting.

After their message of the 11th, the neutral representatives requested greater details than those already presented to the Bolivian Delegation, and they have the satisfaction to inform the Government of Paraguay that the Delegates of Bolivia have emphatically stated to the Chairman of the Commission of Neutrals, that they have already requested, and await, new and complete information regarding the incidents of the 15th and 29th of June and all that relates to the settlement of these incidents, to be placed in the hands of the neutrals.

These statements are a basis of explanation and honorable solution, which the neutrals submit for the consideration of the Government of Paraguay. Basing its opinion on the new plane of the question and on the noble statement of Paraguay that she is disposed to listen to and study new proposals of the neutrals, they politely suggest that Paraguay do not withdraw her Delegates from the United States, in order to see if within a reasonable period the aforesaid incidents may be settled; the negotiations now very much advanced be resumed; the conclusion of a pact reached which shall honor and serve equally

²⁴ Translation supplied by the editors.

²⁵ See telegram No. 53, July 16, 1 p. m., from the Minister in Paraguay, supra.

Paraguay and Bolivia, which the Continent awaits with the most friendly and brotherly spirit.

As the Delegates of Paraguay leave tomorrow from Washington for New York and will embark on Saturday, the Government of Paraguay is earnestly requested to give them instructions not to absent themselves from the United States, while the neutral representatives try for a satisfactory settlement.

Henry L. Stimson

Secretary of State of the United States

Fabio Lozano T.

Minister of Colombia

José Richling

Chargé d'Affaires of Uruguay

José T. Barón

Chargé d'Affaires of Cuba

P. Herrera de Huerta

Chargé d'Affaires of Mexico

724.3415/1835 : Telegram

The Minister in Bolivia (Feely) to the Secretary of State

La Paz, July 19, 1932—noon. [Received July 19—11:55 a. m.]

37. The Bolivian General Staff received on July 18th at 9:45 p.m. the following report from the Commander of the 4th Division located at Fortin Munoz in the Chaco:

"The following communication was received today at 4 p. m. from the Commander of Fortín Santa Cruz:

'On July 15th at 12 noon our Fortín Mariscal Santa Cruz was surrounded by more than 300 Paraguayan troops. The combat continues.

The courier who brought this news to Fortin Munoz states that one Bolivian officer was wounded and two soldiers killed and adds that artillery fire could be heard. No other details available. (signed) Lieutenant Colonel Pareja'."

Rumors of further activity in the Chaco were current on July 17th and although a denial was issued by the General Staff, a demonstration of about 200 persons, mostly students, paraded the streets that night demanding drastic action by the Government.

It is probable that further demonstrations will be held today, and although the press is calm, it will now be difficult to avoid a major conflict in the Chaco.

FEELY

724.3415/1837 : Telegram

The Minister in Paraguay (Wheeler) to the Secretary of State

Asunción, July 19, 1932—10 p. m. [Received July 20—5:22 a. m.]

54. A communiqué given out by the Ministry of War states as follows:

"The commander of the 1st Division reports that a Paraguayan detachment has retaken Fortín Carlos Antonio López, capturing two heavy machine guns and a large quantity of munitions and rifles. Casualties 3 dead, 8 wounded, enemy losses more numerous. Fuller report is expected tomorrow or next day."

News telegraphed here from La Paz of popular demonstrations in favor of war has produced like demonstrations here. Tonight students, after holding mass meetings in the squares, marched to the station to meet Ayala returning from Buenos Aires, and to the house of the President who addressed them. He declared Paraguay's counterattack the logical consequence and the legitimate punishment of an unjustified crime on the part of Bolivia. When Paraguay's fortin was assailed she was confidently assisting at conferences at Washington to bring about a non-aggression pact proposed by Bolivia herself. Paraguay's honor had been avenged and satisfaction taken and with this the nation was satisfied. She would never provoke a war but if Bolivia insisted on her policy of aggression and illicit and violent penetration into Paraguayan territory Paraguay would rise as one man. He closed with an appeal for calmness and confidence in the Government. A Cabinet meeting has been called for WHEELER tomorrow.

724.3415/1839 : Telegram

The Minister in Bolivia (Feely) to the Secretary of State

La Paz, July 20, 1932—9 p. m. [Received 10:18 p. m.]

39. The Minister for Foreign Affairs informed me today that news had been received of the death of five Bolivian soldiers at or near Fort Mariscal, Santa Cruz, but that no further details were available.

The Government yesterday inaugurated censorship of mails and telegrams, and has obtained an advance of 5,000,000 bolivianos from the Central Bank with interest at 5 percent.

While the city is quiet today, the feeling of the press and the public is that a state of war now exists.

It is estimated that 15,000 people participated in last night's orderly demonstration to the two regiments that left for the Chaco.

The military authorities are requisitioning foodstuffs, motor trucks, gasoline and other supplies, and the 1930 reservists have been ordered to report for duty.

FEELY

724.3415/1847a : Telegram

The Commission of Neutrals to the Bolivian Minister for Foreign Affairs (Zalles)

[Translation]

Washington, July 21, 1932.

The representatives of the five neutral countries have the honor to communicate to the Government of Bolivia that on the 18th instant they informed the Government of Paraguay that the Bolivian delegation had requested of its Government complete information regarding the incidents which occurred since the 15th of June and that Bolivia placed itself in the hands of the neutrals for the settlement of those incidents.

They ask, therefore, the Bolivian Government to send to its delegates, by cable as quickly as possible, this information.

The neutral representatives request of the Bolivian Government the immediate suspension of all acts of armed hostilities which might aggravate exceedingly the actual situation and render nugatory the efforts being made for peace.

At this moment they are addressing the Government of Paraguay²⁶ making identic representations and requesting data and explanations necessary for the study of the incidents which have occurred in the Chaco from the 15th of June on.

Henry L. Stimson

Secretary of State of the United States
Fabio Lozano T.

Minister of Colombia

José Richling

Chargé d'Affaires of Uruguay

José T. Barón

Chargé d'Affaires of Cuba

P. Herrera de Huerta

Chargé d'Affaires of Mexico

²⁶ Telegram not printed.

724.3415/1850 : Telegram

The Paraguayan Minister for Foreign Affairs (Arbo) to the Secretary of State²⁷

[Translation]

Asunción, July 22, 1932. [Received 1:10 p. m.]

I reply note 21st instant from Your Excellency and members Commission of Neutrals²⁸ advising you that I have today telegraphed Paraguayan delegates ordering them to return your city to consider Your Excellency's suggestion. Consistent with peaceful policy my Government I advise Your Excellency that Paraguay is not committing and will not commit any act of armed hostility against Bolivia, this statement not to be construed as renouncing legitimate defense to which she must pay attention in view of the warlike preparations of the opponent, and to which she is entitled by elemental principles of self-defense and sovereignty recognized in solemn international treaties.

Again thanking Your Excellency for your noble interest in the preservation of peace, which my country greatly desires, I greet Your Excellency [etc.]

HIGINIO ARBO

724.3415/1870 : Telegram

The Bolivian Minister for Foreign Affairs (Gutiérrez) to the Secretary of State

[Translation]

La Paz, July 24, 1932. [Received 12:10 p. m.]

840. My Government has received the cablegram signed by the representatives of the neutral countries²⁹ in which cablegram they request that we send to our delegates information on the incidents in Chaco of the 29th of June and the subsequent ones. In the same cablegram they request of Bolivia the immediate suspension of every act of hostility. They add that they have addressed the Government of Paraguay with identic recommendations. A second cable of the 22nd30 transcribed to us the reply of the Republic of Paraguay in-

²⁷ Copy transmitted to the Bolivian Minister for Foreign Affairs by the Commission of Neutrals in telegram dated July 22.

²⁸ Not printed; see last paragraph of telegram to the Bolivian Minister for Foreign Affairs, supra.
29 Dated July 21, p. 35.

³⁰ See footnote 27.

structing her delegates to return to Washington. My Government is grateful for the interest in peace which is displayed by the representatives of the five neutral countries which had charge of the negotiations on the pact of non-aggression proposed by Bolivia and formulates the following declarations: our pacific attitude has been fully proved by our initiating the pact together with our stay at Washington until the attack of Paraguay in Chaco and more specifically by having accepted with slight modifications the draft of Mr. White³¹ which contained the basic points of every non-aggression convention not to advance, not to attack, and to submit any incident which might arise to a commission of neutrals. Paraguay did not accept these bases and attacked us on the 29th of June, causing us various casualties. It created the pretext for retiring from the conferences, categorically setting aside the earnest request of the neutrals, to return to them. Subsequently it repeated the aggression on a large scale the 15th of July by attacking with 500 soldiers our post on the western shore of the Chuquisaca lagoon. Paraguay did not accept any investigation of the events of June 29. It could have brought to the conferences of Washington any observations. It withdrew from the conference in order to attack us without previous declaration of war. After the attack, she presents herself again at Washington, making a show of pacific intentions (pacifismo). This is mockery of the reality of events and a mockery not only for us but for the neutrals themselves. The aggression of the 15th of July has deeply moved the whole republic in an extraordinary way. Bolivia is weary of these Paraguayan aggressions so often repeated, and does not desire to lend herself to new simulations. Already in cable of the 20th, we stated to our delegates that in view of the repeated acts of violence of Paraguay we cannot continue in conversations without diminishing the dignity of our country.

I greet your Excellency [etc.]

Julio A. Gutiérrez

724.3415/1870 : Telegram

The Commission of Neutrals to the Bolivian Minister for Foreign Affairs (Gutiérrez)

[Translation]

Washington, July 25, 1932.

The representatives of the five neutral countries have received the cablegram of the Minister of [Foreign] Relations of Bolivia of July 24. They are very sorry to know that the Government of Bolivia

⁸¹ Presumably the Draft Pact of Non-Aggression of May 6, p. 8.

on July 20 informed the delegates of Bolivia that it did not think it could continue conversations with Paraguay without prejudice to the dignity of Bolivia.

The representatives of the neutral countries believe that the interests of Bolivia and Paraguay as well as also those of the whole Continent would be better served by a continuance of the negotiations, already well advanced, for a non-aggression pact.

They are convinced that if both countries would submit full details to them on the incidents that have occurred in the Chaco from June 15 to date a solution could be found, and at the same time the signature of a non-aggression pact could be reached.

The neutral representatives were pleased to find these same points of view expressed in the memorandum of June [July] 9 which was presented to them by the delegates of Bolivia.³²

In that memorandum it is said:

"After the peaceful happening of the 15th day of June, when Major Moscoso took his position in an unoccupied place, a protest would have been admissible on the part of the Government of Paraguay, if it deemed its right infringed, and the Government of Bolivia would have hastened to explain the occurrence. . . . 33

Notwithstanding the new and unjustified Paraguayan aggression, Bolivia thinks that there is no sufficient reason for breaking off the negotiations. On the contrary, she believes that there is greater and more urgent need of arriving at an agreement which may avoid so abnormal and dangerous a situation as the one which now prevails in the Chaco."

Besides, the neutrals could not but be pleased with the declaration made by the delegates of Bolivia on July 18 in the sense that the Delegation was placing itself in their hands for the conciliation of the incident of July 15 and the subsequent incidents. On the basis of all these declarations the neutral representatives addressed themselves to Paraguay and obtained her [consent for] her Delegation to return to Washington, which it did on the 23rd instant, to consider our suggestions.

Although it is true, as your cablegram says, that Paraguay has not as yet accepted the bases of a non-aggression pact laid down in the draft prepared by the delegates of Bolivia and Paraguay on May 6, the neutral representatives have asked the Government of Paraguay to give instructions to its Delegation by cable permitting it to sign a non-aggression pact which may honor and serve Bolivia and Paraguay equally and avoid further armed conflicts.

²² Not printed.

^{*} Omission indicated in the original telegram.

The neutral representatives have full confidence that these instructions will arrive soon.

With reference to your declaration that Paraguay has not accepted any investigation of the events of June 29, the neutral representatives have the honor to inform you that in their cablegram to the Government of Paraguay of July 21 they asked that there be sent by cable as soon as possible complete information on the incidents which had occurred in the Chaco from June 15 to date and in his reply of the following day the Minister of [Foreign] Relations of Paraguay said that the Paraguayan delegates had been ordered to return to Washington "to consider Your Excellency's suggestion".

The neutral representatives understand from this that Paraguay will soon transmit complete details concerning all these incidents in order that they may be able to find a solution for them.

In view of the foregoing, as well as the declaration made in the cablegram of the Minister of Foreign Relations of Paraguay which was transcribed to you on July 22, that Paraguay is not committing nor will it commit any act of armed hostility against Bolivia, the neutral representatives again urgently request the Government of Bolivia to make an analogous declaration. They ask also that Bolivia send to her delegates by cable, as soon as possible, complete details on all the incidents which have occurred in the Chaco from June 15 to date, which may permit the neutrals to find a satisfactory solution of the said incidents. They request of the Government of Bolivia also to authorize its Delegation in Washington to continue the negotiations concerning a non-aggression pact in order to prevent future incidents.

Henry L. Stimson

Secretary of State of the United States

Fabio Lozano T.

Minister of Colombia

José Richling

Chargé d'Affaires of Uruguay

José T. Barón

Chargé d'Affaires of Cuba

P. Herrera de Huerta

Chargé d'Affaires of Mexico

724.3415/1870 : Telegram

The Commission of Neutrals to the Paraguayan Minister for Foreign Affairs (Arbo)

[Translation]

Washington, July 27, 1932.

In view of the rumors which have reached us concerning warlike preparations which are being carried out in the Chaco region, we earnestly beg the Government of Paraguay to be good enough to give its instructions to the appropriate person that no hostile acts be carried out in the Chaco region which might aggravate the present situation and render ineffective the good offices of the Neutrals.

We are addressing the same request to the Government of Bolivia.

Henry L. Stimson

Secretary of State of the United States

Fabio Lozano T.

Minister of Colombia

José Richling

Chargé d'Affaires of Uruguay

José T. Barón

Chargé d'Affaires of Cuba

P. Herrera de Huerta

Chargé d'Affaires of Mexico

724.3415/1821 1/2

The Paraguayan Delegate (Soler) to the Chairman of the Commission of Neutrals (White)

[Translation]

Washington, July 27, 1932.

Mr. President: In accordance with our telephone conversation of yesterday, I have the pleasure to confirm to you in a note, the remarks which are suggested to me by the paragraph of the last cable from the Neutrals to the Government of Bolivia,³⁴ in which it is affirmed that the draft pact of non-aggression of May 6, last, was drawn up by the delegates of Bolivia and Paraguay.

The delegation of Paraguay could not accept the authorship of the draft, without manifest injustice. Neither Dr. Vasconsellos nor the undersigned did any more than collaborate, in our character as negotiators, in the changes made in the draft before its official submission to both delegations. At the time, the draft seemed to us absolutely

[&]quot; Dated July 25.

unacceptable, and if we received it, it was for the sole purpose of sending the text thereof to our Government, which needed to know it in order to send us instructions.

At the time of receiving it, we gave it a rapid reading, especially to correct the form of it, subject to the privilege of taking advantage of the opportunity to improve the draft in accordance with our points of view, in so far as we were permitted to do so by the opposition of the delegates of Bolivia, but we never gave the draft our acceptance. On the contrary, more than once, both in our informal conversations with Your Excellency and in those held under your presidency with the delegation of Bolivia, we clearly made known our lack of agreement on certain points. With respect to the *status quo*, we declare, for example, today as yesterday, that we will never sign any agreement which does not contain a reservation expressing the rights of our country to the *status quo* of 1907.

The White draft, as it is called, doing justice to its illustrious author, contains the bases which are to form the subject of discussion in the following conferences, provided that both delegations receive the necessary authorization and instructions to study it. It is in that sense that we received it and transmitted it to our Government.

My colleague, Dr. Vasconsellos, is absent,³⁵ but I make these explanations in his name and my own, because I am sure of interpreting the scope of his ideas and his words, which have always been as categorical as those herein stated.

I avail myself [etc.]

Juan José Soler

724.3415/1821 1/2

The Chairman of the Commission of Neutrals (White) to the Paraguayan Delegate (Soler)

Washington, July 28, 1932.

My Dear Mr. Soler: I received today your letter of the twenty-seventh in which you referred to a telephone conversation of July twenty-sixth in which you made certain observations to me regarding the statement that the pact of non-aggression of May sixth was drafted by the Delegates of Paraguay and Bolivia. This matter, you will recall, was also discussed by us in conversation in my office yesterday, at which time I went over with you the history of the negotiation of that pact, and also learned from you, for the first time, certain facts regarding the attitude of your Government in the matter. In order to avoid any possible misunderstanding in the future, I will set forth these statements herewith:

⁸⁵ For personal reasons, Vasconsellos had returned to Asunción.

At the sixth formal meeting of the two Delegations on April fifteenth, I suggested that we set aside the written exchanges between both Governments and enter at once into an oral discussion of the bases of a pact of non-aggression. Both Delegations said that they would consult their Governments on this point and, having been authorized to do so, the first meeting of this sort was held on April twenty-second.

At that meeting I suggested that we try then and there to draft the various articles of a pact of non-aggression. The opinion was expressed, however, that any proposal suggested by either of the parties would be objected to by the other and I was asked to draw up a draft. I stated that before doing so I should like to know the views of both Delegations regarding the scope of the pact and just what should be included therein. You will recall that you suggested the inclusion of a statement similar to the resolution drawn up at the Sixth International Conference of American States³⁶ and this was agreed to by the Bolivian Delegation. Mr. Finot suggested an article bringing about the reestablishment of diplomatic relations and this was assented to by you and Mr. Vasconsellos. Mr. Finot likewise suggested reference to a settlement of the definitive question by arbitration and this was accepted by the Paraguayan Delegates. I asked for further suggestions but Mr. Vasconsellos thought it would be better if each Delegation would meet separately with me. I asked if we could not start drafting the text of the articles covering the matters which had already been proposed but this also was objected to by the Paraguayan Delegation. We consequently adjourned and during the next two weeks the two Delegations met practically daily with me.

In the course of these meetings with me, the Paraguayan Delegates stated that they wanted to put in a statement regarding the status-quo line of 1907. I discussed the matter with the Bolivian Delegates and found that they were opposed thereto. I then suggested to both Delegations, as a way out, that the pact of non-aggression should not alter the juridical position of either party in any manner whatsoever. The object of the non-aggression pact was to bring about an effective cessation of hostilities while the controversy was being settled by arbitration. It was not the object of the pact to change the juridical status of the parties so that they would either be benefited or prejudiced in submitting the matter to arbitration. Article IV of the pact was drawn up with this object in view.

I first drew up a rough draft of the pact in English. You and Mr. Vasconsellos said that you would like to see a Spanish text. To the

³⁶ Resolution of February 18, 1928, concerning aggression, Sixth International Conference of American States, Havana 1928, Final Act, p. 179.

best of my ability I translated what I had drawn up into Spanish. I discussed this informally with you. You stated that you wanted to take notes in order to communicate with your Government and you therefore, in my office, jotted down a summary of every article in the pact and you took down textually the whole of Article IV and the parts of Articles III and V which you thought pertinent in order to communicate with your Government. After doing so, you came back to see me on several occasions and asked for modifications in the wording itself. Each time you did so, I took note of what you desired and discussed the matter with the Delegation of Bolivia. Certain of the changes were conceded by them and others were not. The Bolivian Delegation, on the contrary, made counter proposals and these I discussed with you and when the two Delegations were then in agreement upon the text of the essential portions of the pact a meeting was held on May sixth, at which a copy was given to each member of both Delegations, and it was completely rewritten and revised by them. This revision had to do not only with corrections in the Spanish text but also with the subject matter. At no time during that meeting or in our subsequent discussions did you or Mr. Vasconsellos state that the project appeared to you absolutely inacceptable and your statement to that effect in your letter under acknowledgment is the first indication I have had in that regard.

After you had taken copious notes regarding the pact, had told me that you had communicated with your Government by cable, and had then taken part in the revision and drafting of the pact in its final form on May sixth without stating that you were opposed to the pact but merely saying that you were referring it to your Government for instructions, and in view of the fact that the Delegates of Paraguay had told me in previous meetings that if the wording of Article IV could be changed, as it was in effect changed, you would then be able to support the pact with your Government, I naturally understood that the Paraguayan Delegation was in favor of the pact, and that in view of your consultation with your Government by cable, and in the absence of any statement to the contrary, your Government also was in accord with the general principles thereof. I naturally thought there might be suggestions for changes of wording here and there but that in the main the basic principles were accepted.

It was only in our conversation in my office yesterday that I learned from you that your Government, when you consulted them by cable, had asked for the text of the agreement. In our conversations between April twenty-second and May sixth you had asked me for a copy of the draft pact and I had stated my readiness to call a meeting at any time to discuss the matter between the two Delegations and sub-

mit the text to both. You stated that you wanted a copy of the text before the meeting with the Bolivian Delegation. I told you that I would be willing to give you such a text but that I would of course immediately give a copy of the same text to the Delegation of Bolivia. You demurred at this but I stated quite frankly that I always had in the past and would continue to treat both Delegations on exactly the same basis and that if I gave you a copy I would give a copy also to the Bolivian Delegation. I read the pact through orally to both Delegations so that they could make any suggestions they wished and let both Delegations take any notes they desired. You took copious notes but the Bolivian Delegation did not, saying that they were content to wait until the text should be elaborated finally between the two Delegations.

In our meeting on the twenty-seventh instant you told me that when you cabled to your Government the summary of the pact and the wording of portions thereof and requested instructions regarding additions or deletions to the pact, while the negotiations were still in a formative informal stage, your Government replied that it would not send instructions until it had the full text of the pact. You stated that that was the reason why you had said that you were ready to meet with the Bolivian Delegation to draw up with them the final text of the pact to be submitted to both Governments.

The statement made by the Neutral Representatives that the pact of May sixth was drawn up by both Delegations is strictly in accordance with the truth. It was not known, until your explanation of July 27 was made, that you collaborated in the drafting merely to have a text on which your Government could base its instructions and, had the facts which you told me on July twenty-seventh been known earlier, the wording of the telegrams referring to this pact would have been changed in order to have avoided causing you any possible embarrassment. I have never referred to the pact as the White draft because I obviously did not want to be credited with work done by others who should have received the credit. I am in complete accord with the pact, however, and feel that it offers an honorable basis of a solution to both countries. If it would have avoided any embarrassment to either of the Delegations concerned, I would of course gladly have accepted full responsibility for the draft. Hereafter we will refer to the draft as the Pact drawn up on May sixth or the Pact of May 6, 1932.

Not having received your explanation as above set forth until July twenty-seventh, you can well imagine my surprise when I learned that there was opposition to the pact in Paraguay, as the only facts which I had certainly tended to indicate that the pact was agreeable

not only to the Paraguayan Delegation but to the Paraguayan Government and also to the Bolivian Delegation.

In closing, it may be well to run over briefly the pact, which you now, to my intense surprise, say is absolutely inacceptable to you:

The preamble and Article I are taken from the Resolution of the Sixth International Conference of American States. This was suggested by you.

Article II deals with the renewal of diplomatic relations and this topic was assented to by you and Mr. Vasconsellos at the April twenty-second meeting.

Article III is an agreement of the parties to enter into a direct arrangement and, if that should not be possible, then to submit the solution of the Chaco controversy to arbitration. The subject matter of this article was proposed by Mr. Finot in the meeting of April twenty-second and agreed to by you and Mr. Vasconsellos. You took notes regarding the wording of the important sentences in this article and, at your suggestion, modifications therein were made which were accepted by you.

Article IV, as stated above, was put in to maintain unchanged and unaltered, without benefit or prejudice to either party, the existing juridical status of the fundamental controversy. You wrote down in my office the complete text of this article, apparently consulted your Government regarding it, and suggested modifications. The extreme modifications suggested by you, which were designed to reestablish the status quo line of 1907, and which the Bolivian Delegation felt would modify the juridical status of the matter to your advantage, were not accepted by them but certain modifications in phraseology were accepted as well as other counter proposals made by them. The wording finally used was that agreed upon by the two Delegations as maintaining unchanged, without benefit or prejudice to either party, the juridical status of both, so that this pact will not affect in any way their case to be submitted to arbitration.

Article V was drafted after consultation and agreement with both Delegations in order to make easier the fixing of responsibility for any future aggression in the Chaco. The last paragraph of this article, in addition to article IV, was designed to maintain unimpaired the juridical status of the parties in the Chaco.

Articles VI, VII, VIII and IX have to do with the preservation of peace in the Chaco and the investigation of any future conflicts or incidents. As there are at present no treaties or conventions in effect to this end between Paraguay and Bolivia, the Hague Conventions,³⁷

^{**} Of July 29, 1899, and October 18, 1907, Foreign Relations, 1899, p. 521 and ibid., 1907, pt. 2, p. 1181.

the General Convention of Inter-American Conciliation, 38 the General Treaty of Inter-American Arbitration,39 and the Treaty to avoid or prevent conflicts between the American States (the so-called Gondra Treaty),40 not having been ratified by both the parties in conflict, it was necessary to draw up some machinery for this purpose. These articles were drafted with that end in view and you will note that they are an adaptation of the so-called Gondra Treaty which has already been ratified by Paraguay.

Article X is the usual article regarding ratification.

I am glad to note your statement that the draft pact of May 6 offers a basis of discussion in coming conferences when I trust that it will be possible promptly to arrive at a text agreeable to both Governments.

I am [etc.]

FRANCIS WHITE

724.3415/1882 : Telegram

The Bolivian Minister for Foreign Affairs (Gutiérrez) to the Secretary of State

[Translation]

La Paz, July 28, 1932. [Received 10:10 a. m.]

My Government has received the new cablegram from the representatives of the neutral countries, dated the 25th instant, in which they repeat their request that we return to Washington and submit the Chaco incidents to the cognizance of the neutrals. They remind us of the communication of July 9 from our delegates,41 in which they stated that the occupation of the Chuquisaca Lagoon by Major Moscoso on June 15 and the first Paraguayan attack of June 29, might be a subject for the cognizance of the neutrals, as it was the opinion of Bolivia that, notwithstanding the unwarranted aggression of June 29, negotiations as to the pact of non-aggression should not be suspended. They also remind us of the statement of our delegates on July 18, offering to place in their hands the matter of conciliation in connection with the incidents of July 15 and thereafter. They add that Paraguay consented on July 23 to the return of her delegates to Washington. We reply in the following terms:

"First, it is necessary to clear up a few facts mentioned in the cable referred to. It is true that our delegates, in a memorandum of July 9,

vol. 1, p. 644.
⁴¹ Not printed.

Signed at Washington, January 5, 1929, Foreign Relations, 1929, vol. 1, p. 653.
 Signed at Washington, January 5, 1929, ibid., p. 659.
 Signed at Santiago, May 3, 1923, ibid., 1923, vol. 1, p. 308; see also ibid., 1928,

stated that with regard to the occupation of the west shore of the Chuquisaca Lagoon on June 15 and the attack of the 29th of that month, the former might be made the subject of a Paraguayan claim and the second a subject of cognizance by the neutrals, thus giving on our part the best proof of pacific intentions in offering to continue the conferences, notwithstanding the Paraguayan aggression which

took place on June 29.

Second, the verbal statement of our delegates to Mr. White on July 18 offering to place in the hands of the neutrals the settlement of the incident of July 15 is not in conformity with the facts and the dates. That statement of the 18th still referred to the attack of June 29 and not to that of July 15. Our delegates could hardly on July 18 submit for conciliation, the armed attack of the 15 of this month, as it was only on the 19 that the news of this second Paraguayan attack was received. According to communications from our delegates on the 20 and 21 of July, in that conversation with Mr. White, reference was made to the incidents of June 15 and 29 and not to the powerful aggression of July 15. We desire to have this explanation perfectly clear.

Third. If our proved pacific intentions led us to continue in the conferences notwithstanding the first attack of June 29, the most elementary (considerations of) dignity demanded that we declare the conversations at Washington at an end upon the repetition of

Paraguayan aggression on a large scale.

Fourth, Paraguay opposed continuing the conferences after attacking us on June 29. She broke them off in order to carry out with premeditation the aggression of July 15. After it on July 23 she showed herself very determined to continue them, declaring that she would not commit any act of armed hostility against Bolivia. This declaration would have been timely and significant before committing the two acts of aggression (but when) made subsequently it amounts to adding insult to injury. However great may be the sentiments of gratitude we owe to the neutral Governments which so generously intervene in this dispute Bolivia can do no less than to reaffirm the ideas expressed in our cablegram of the 24th instant."

I greet Your Excellency [etc.]

Julio A. Gutiérrez

724.3415/1889 : Telegram

The Paraguayan Minister for Foreign Affairs (Arbo) to the Secretary of State 42

[Translation]

Asunción, July 28, 1932. [Received 4:25 p. m.]

I am replying to the telegraphic note of yesterday from Your Excellency and members of the Commission of Neutrals in which it

⁴² Copy transmitted to the Bolivian Minister for Foreign Affairs by the Representatives of the Neutral Countries in telegram of July 28.

is requested that Paraguay commit no hostile act in the Chaco which may aggravate the present situation and make good offices ineffective. In accordance with pacific purposes my Government I confirm promise made my despatch 22nd instant that Paraguay will not commit any act of hostility against the Bolivian forces and that at present she is limiting herself to taking precautions to defend herself in view mobilization two classes reserves decreed by Bolivian Government and active concentration elements on the Chaco which is being carried on. In requesting from us for the second time paralysation military activities, we assume Your Excellency has some confidence that Bolivia also will accede request, for which reason I ask that Your Excellency be good enough to give me an answer as soon as possible, as it would not be just that our love of peace prejudice defense of our country, which might occur if Bolivia turns a deaf ear to the call for peace while our country heeds it.

HIGINIO ARBO

724.3415/1873 1/2

The Chairman of the Commission of Neutrals (White) to the Paraguayan Delegate (Soler)

Washington, July 29, 1932.

DEAR MR. Soler: I have received your letter of July twenty-ninth⁴⁸ and presented it to my Neutral Colleagues in a meeting which we had this afternoon.

I am directed by them to thank you for advising us that you received last night by cable a report with the details requested by the Neutrals regarding the recent occurrences in the Chaco on June 15 and 29 and July fifteenth. I am directed by them to request you to forward to the Neutral Commission as quickly as possible the report⁴⁴ with the details above mentioned.

With reference to your statement that the Neutral Commission has been constituted into an investigating commission, I am directed to point out to you again, as I did in our conversation of July 23, that the Neutral Representatives have been functioning since the eleventh of last November and that no further organizing was or is required. I am directed to point out to you, as I did on that date, that the Neutral Representatives expressly did not go into any subtle distinctions as regards mediation, conciliation, investigation, good offices,

⁴⁸ Not printed.

[&]quot;Not found in Department files.

et cetera, but merely requested the Paraguayan and Bolivian Governments to send us information regarding everything that has happened in the Chaco from June 15 to date in order that the Neutral Representatives in Washington might be able to find a solution of the difficulties. In our conversation of that date, I read you the Spanish text of a telegram which was sent to the Minister of Foreign Affairs of Paraguay on July 11 in which we requested complete details regarding the original incident of June 15 and the incidents which have followed it in order that when the information requested from both Governments had been received "los neutrales puedan estar en posicion de sugerir soluciones a dichos incidentes".

I am [etc.]

Francis White

724.3415/1915 : Telegram

The Bolivian Minister for Foreign Affairs (Gutiérrez) to the Secretary of State

[Translation]

La Paz, August 1, 1932. [Received 5:16 p. m.]

I have the honor to acknowledge receipt of the cables of the 29th and 30th of July 45 which representatives of neutral countries addressed to us with relation to the conflict with Paraguay, requesting, from us, reports on the most recent events and asking us whether we would be disposed to accept an investigation of them, and a reply on the request to give orders to prevent acts of hostility in the Chaco. At the same time they communicate to us that Paraguay has denied the attack on our Fortín Florida. It is our duty to reply as follows: We have been giving information on the occurrences in the Chaco since the conferences on the pact were closed, for the purpose of making known the historical truth, without having submitted the said events for conciliation. We have acceded to continuing the discussion of the pact even after the attack of June 29. But the aggression of July 15 changed the situation. Paraguay, who did not accede to continuing the negotiations after the attack of the 29th of June, attacked us anew on the 15th of July. This aggression obliged us to send reinforcements to the Chaco to make ourselves respected. In the denunciation which we made on account of the attack on Fortín Florida, we referred to the despatch of the commandant of the

^{**} Not printed; for Spanish text of cables, see Bolivia, Ministerio de Relaciones Exteriores, *Memoria*, 1934, pp. 73–74.

Fortin. That attack took place on the 25th of July after a previous incursion of the Paraguayans at the same place. Investigations which do not define the fundamental question do not interest us. Bolivia desires the final solution of the controversy. It does not desire to be perennially on guard in the Chaco checking the advances of Paraguay. It is for this reason that the country has reacted with all its forces resolved to liquidate the controversy even by arms. We are defending a territory which we consider historically ours. We have a right to the littoral on the river Paraguay. Subsequently to the 15th of July Paraguay attacked us at Fortin Florida. We have seen ourselves obliged to take reprisals for these attacks and have occupied three Paraguayan fortines. In the year 1928 Paraguay attacked us likewise. The country desires to stop such proceedings. At the present time Paraguay is concentrating troops in the Chaco. While she maintains this aggressive campaign, we reply categorically that we shall maintain the same attitude.

I greet Your Excellency [etc.]

Julio A. Gutiérrez

724.3415/1912 : Telegram

The Minister in Bolivia (Feely) to the Secretary of State

La Paz, August 1, 1932—5 p. m. [Received 6:28 p. m.]

46. As Bolivia has repeatedly stated in its replies to the neutral governments, that it has no faith in negotiations and investigations that do not attack the fundamental question, and as the whole country is ready to make the maximum sacrifice in order to terminate at once the dispute with Paraguay even if it must be by force of arms, I would respectively [respectfully] suggest that the time is now opportune for the neutrals to propose to Bolivia and Paraguay that they accept an immediate armistice on the basis of present possessions, and that in the meantime a plan for the settlement of the fundamental question be prepared for later submission to the two Governments.

There exists a national demand for war, but I am convinced that an active action on the part of the neutrals in the sense I have suggested would be accepted by Bolivia.

I informed the Minister for Foreign Affairs this morning that I was making an important suggestion to the neutrals today, which if

accepted, might lead to a cessation of hostilities, and asked him to give me the assurance that there would be no further attacks until a reply to this telegram was received. He gave me this assurance at noon today after a conference with the President.

FEELY

724.3415/1915 : Telegram

The Commission of Neutrals to the Bolivian Minister for Foreign Affairs (Gutiérrez)

[Translation]

Washington, August 2, 1932.

The representatives at Washington of the neutral nations acknowledge the receipt of the cablegram from the Minister of Foreign Relations of Bolivia in reply to their cablegrams of July 29 and 30. They regret to note that Bolivia is not interested in investigations of the recent occurrences, and will not give orders to her troops not to commit hostile acts in the Chaco. Bolivia states that she is not interested in investigations which do not define* the fundamental question. The neutrals established no connection between the investigation of the present conflicts in the Chaco and a definitive settlement, being of the opinion that the first step necessary is to clear up the present misunderstanding and take measures to prevent further clashes, while the question is being definitively settled. They cherish the hope that the declaration of Bolivia expresses the desire for a final solution of the controversy.

It seems unnecessary to recall once more the efforts made by the representatives of the neutrals since December, 1928,⁴⁶ to reach a definitive solution.

The representatives of the neutrals, encouraged by those declarations, and in order that they may be certain that they understand Your Excellency correctly in this matter, request the Government of Bolivia to send them as soon as possible a declaration as to whether it agrees (1) to a suspension of hostilities on the basis of the possessions maintained by Bolivia and Paraguay on June 1, 1932, and (2) to enter immediately thereafter into negotiations with Paraguay for the submission of this controversy at once to settlement by arbitration or by other amicable means which may be acceptable to both.

If the representatives of the neutrals have correctly understood

^{*} Translator's Note: The word in the third sentence which has been translated above as "define" (definan) can mean either "define" or "decide". The former is the primary meaning. [Footnote in the file translation.]

* See Foreign Relations, 1928, vol. 1, pp. 685 ff.

the Government of Bolivia, which they trust they have, they would immediately make the same proposals to the Government of Paraguay.

Francis White

For the Secretary of State of the United States Fabio Lozano T.

Fabio Lozano T.

Minister of Colombia

José Richling

Chargé d'Affaires of Uruguay

José T. Barón

Chargé d'Affaires of Cuba

P. Herrera de Huerta

Chargé d'Affaires of Mexico

724.3415/1912 : Telegram

The Acting Secretary of State to the Minister in Bolivia (Feely)

Washington, August 3, 1932—3 p. m.

23. Your 46, August 1, 5 p. m. Suggestion for immediate armistice was made in telegram sent by the Neutrals to Minister of Foreign Affairs of Bolivia yesterday.

CASTLE

724.3415/1947 1/2

The Paraguayan Delegate (Soler) to the Assistant Secretary of State (White)

[Translation]

Washington, August 4, 1932.

My Dear Mr. White: I acknowledge receipt of your kind letter of the 28th ult. in reply to my note of the 27th. From it I see that you are entering into details which I wanted to avoid, precisely for the sake of brevity. But I shall follow your initiative with much pleasure, hoping that it will be useful in bringing to light the meaning of many acts and proceedings in the current negotiations.

You know very well, because we have always spoken with the most noble frankness, that I am not in agreement with some of your ideas and reservations. But this difference in opinion has not prevented and will not prevent us from being cordial co-workers in this joint work for the peace of America. The best way to know each other and to respect each other is by making our thoughts known with all correctness, without annoyance or insults toward anybody, as we have always done in our conversations.

Within this mutual respect it is impossible to lay claim to a mo-

nopoly of truth. If even in written communications, a difference in interpretation is not a matter for surprise, it must even less surprise us in a series of verbal and informal conferences. Therefore, I shall not be precipitate in telling you that my statement "is strictly in accordance with the truth," because that would wound your veracity, which I respect. I have limited myself and do limit myself to informing you that the delegation of Paraguay can not accept the authorship of the draft, without obvious injustice.

For the better understanding of the matter, I will make a brief review, subject to amplification, if this should be necessary. The meaning which I attach to the acts which preceded and followed the draft of May 6, is not always in accordance with the views which you express, but it is the reflection, both of my "Diary" of the conferences and of the official documents to which I refer.

On April 22 last we began this second stage of the conferences, putting into practice the suggestion you made in the meeting of the 15th to undertake at once the study of a pact of non-aggression in verbal and informal conversations. This second stage lasted until May 6, the date of final revision and delivery of the draft to both delegations.

In our first conference with the delegation of Bolivia we talked about three points: non-aggression, the reestablishment of diplomatic relations, and arbitration. We did not proceed to study any other point, because the atmosphere began to warm up a little when the status quo of 1907 was touched upon, which is the sore point in the dispute and it was at that time, that we decided to entrust to you the drafting of three articles on these three points which we had discussed. We sought in this way to have you, as a disinterested party in the drafting, do us the favor of saving us a discussion which was becoming disagreeable. In those days the press had given an account of the opinion expressed by the American Ambassador to Chile on the Treaty of 1904, and Mr. Finot, as you will recall, appeared much excited.

We also agreed at that time, as a procedure for avoiding unnecessary incidents, that you should consult separately with each delegation on the text of the articles, and as soon as you had obtained the agreement of both, you would be good enough to call us to a joint meeting to continue the study which we had begun.

We arrived at your office on April 27, and the exhibition which you made to us of the draft was an agreeable surprise for us. It represented a great effort and high-minded interest. I remarked to you that it was a complete draft, even with an appendix, and you were good enough to tell me by way of explanation that you had entrusted the Departmental Legal Advisers with the work.

Both at that meeting and at the following meetings you desired to deliver us the draft so that we might study it. We had to refuse, and the reason was, as I informed you, "because the draft, in its present form, is absolutely unacceptable to us." It was on that occasion that I used the phrase to which my note of the 27th refers.

It was then, too, that we asked for an individual copy for the sole purpose of sending it to the Government for study. You told us in reply that you had the copies for both delegations prepared, and that if you delivered one to us you would have to deliver the other one to the delegation of Bolivia. We did not raise any question, and therefore, there was no reason for you making any declaration to us as to the footing of equality upon which you wanted to place both delegations.

Naturally, we have never claimed more favorable treatment in our negotiations before the Neutrals, because this would amount to creating an inequality to which we have no right. Our own sense of propriety would have prevented us from making such stipulation. Our purpose was to avoid acceptance, officially, of the draft, and if we agreed to the simultaneous delivery of the copies, even if they were private, we exposed ourselves to the very danger which we wished to prevent.

The draft was absolutely unacceptable to us, not because it contained points other than those which we had discussed and agreed upon beforehand, but because it did not take into consideration any of our just demands. It not only did not mention the withdrawal from the fortines nor from the Hayes zone,⁴⁷ but it did not even reserve our rights to the *status quo* of 1907.

For that reason we preferred, before giving it course, to limit ourselves to reading the draft and taking notes. And here begins the work of changing and improving the draft, which work is not yet completed.

It is possible that the delegation of Paraguay employed more time and work in taking notes than that of Bolivia. The draft covered the Bolivian demands more fully than it did ours, which circumstance made a greater effort necessary. To this circumstance, and not to an inequality which we did not desire, must be attributed the greater abundance of notes and of text which we had to prepare, as compared with the lack of interest, which is explicable on the part of our colleagues at the conference.

These modifications centered chiefly about Articles II, III and IV. With respect to the renewal of diplomatic relations we called attention to the fact in the first place that we had no instructions. We

⁴⁷ Zone awarded by President Hayes in boundary dispute between Argentina and Paraguay; see Foreign Relations, 1878, p. 711.

talked over the matter of Argentine mediation with you and even admitted the possibility of a separate protocol. You proposed to us two different texts of the said Article II, and we preferred the simplest one, but without stating any reason. We again modified the said text in the final revision of May 6.

With respect to Article III, the tendency of our changes was to make the arbitration complete, that is, to have it include all the points of the controversy.

It was, doubtless, the tendency of the text which you proposed to us, but we desired and do desire, that in this juridical arbitration there shall be settled both the fundamental question and the various questions as to possession and as to interpretations of treaties which have arisen in the course of diplomatic exchanges on the difference. One of these questions would be the *status quo*.

In your first draft it was said that the parties agreed to submit to arbitration the disagreement on possessions and dominion. But, of course, as a result of the opposition of the Bolivian delegates, it was not possible to keep the matter of the arbitration in that concrete form as was proper. We proposed various changes, but not all were successful, and then we reserved the right to insist upon those omitted in the conferences following the official delivery of the draft.

With regard to Article IV, you proposed to us at the meeting on May 3 two different texts in place of the original one. I took note of all these formulae, some of which I copied word for word, and at the time suggested some changes. Dr. Vasconsellos suggested others, all of them tending to reserve the *status quo* of 1907 and as you told us that it was absolutely impossible to secure the acceptance of our modifications by the delegation of Bolivia, we asked you to state what you had already obtained to that effect, as we reserved to ourselves the task of continuing our effort in the conversations to be conducted after the presentation of the draft.

Not only Article V but Articles VI, VII, VIII, IX and X were the subject of modifications suggested by one or the other delegation, but to make modifications in a draft, that is, to modify it, is not the same as drafting it. In a body made up of representatives, any project is at times the subject of profuse revision, and in such a case, it is not customary to call the author of an amendment the author or editor of the draft. This would require another substitute draft. Even more so on this occasion, as two-thirds of the amendment related to a subject not discussed nor agreed upon previously in the meeting of April 22.

I do not mention this lack of previous agreement, as a charge, because your effort deserves all my respect and my gratitude, but in order to corroborate my assertion that the delegation of Paraguay

did not draw up a project but worked upon a draft which was already prepared.

The fact that we, up to the present, did not consider ourselves as authors or editors of the draft is proved by our communications with the Chancellery. In our cablegram 21 we informed the Ministry textually: "Mr. White prepared a draft pact of non-aggression. We are not transmitting the text because we refused to receive it as we considered it unacceptable. We worked upon modification of it, and for this purpose visited Mr. White almost daily, obtaining modification of some articles." In cablegram 22, in giving a summary of the draft, we said textually: ["]Mr. White's draft contains ten articles. The five articles of the regulation referred to in Article VI appear as an annex to the treaty." In cablegram No. 24 we stated: "As was agreed upon in conference this afternoon, we are sending by air mail the text proposed by Mr. White." And in the note of May 7, 1932, we repeated: "We have the honor to send Your Excellency the text of Mr. White's draft, the general lines of which we communicated in our cablegram 22."

The Government of Paraguay did not understand it otherwise. This is proved by its cablegrams and notes to this delegation and its communications to the Neutrals. In the memorandum delivered June 1 to the Minister of the United States at Asunción, it is called the White draft. I do not officially know this document, but I make the statement on the authority of Dr. Vasconsellos, who told me that he had in his possession, for his private information, a copy with which you had been good enough to provide him.

The Government of Bolivia understood it in the same way. The communications of her Chancellery likewise refer to the White draft.

Finally, the newspapers of the world, in giving an account of the submission of the draft, did not say that it was the work of the delegations. It published the account, assigning to it an author. And from that time, until July 26, when for the first time the authorship of the draft is attributed to both delegations, no one corrected the newspaper account. Hence the surprise which it gave me and the surprise it will cause tomorrow, when it is learned that this worthy brain child, deserving of all praise for what it is worth as a capable effort and an expression of an honorable purpose, is of doubtful paternity.

I accept your suggestion to call in the future the draft with which we are dealing, the draft of May 6, and believe me, my dear Mr. White, that in the midst of these differences of opinion, which never separate men of conviction but only draw them closer, there is always a strong current of admiration and esteem for you.

Yours cordially,

JUAN JOSÉ SOLER

724.3415/1958 : Telegram

The Bolivian Minister for Foreign Affairs (Gutiérrez) to the Assistant Secretary of State (White)

[Translation]

La Paz, August 4, 1932. [Received 4:42 p. m.]

I have the honor to acknowledge receipt of and to reply to the cablegram of the 2nd instant which the representatives of the neutral Governments addressed to my Government. We once more express our thanks for the good offices of the neutrals, who, since 1928, have been making generous efforts for the pacific solution of our dispute with Paraguay. In having stated that Bolivia has no greater (sic) interest 48 in prosecuting the investigations of the latest incidents, we must emphasize that we were disposed to accept that recourse even after the Paraguavan aggression of June 29, it being well known, as is evident to the neutrals, that at that time the contender refused to return to the conferences. At the proper time we pointed out to the Commission that such withdrawal was a menace of new aggression and thus it was that on the 15th of July we suffered a second attack, this time prepared on a larger scale. This attack placed matters on the ground of facts on which ground we have taken the reprisals required by the dignity of the country and permitted by international law, there being nothing left, in our judgment, to clear up further on this point. We must correct the idea which is attributed to us in stating that we have refused to issue orders for the suspension of hostilities. What we stated was that our future attitude would depend on the attitude which Paraguay might observe. We understand that in order to treat concerning definitive settlements it is necessary to anticipate and prevent new acts of hostility. We therefore, out of respect for peace, find acceptable the idea of a suspension of hostilities which would permit consideration of the basis of the Chaco question. But we believe that to take as a basis therefor, the restoration of things to the status of June 1 is not reasonable because it imposes a condition which renders impossible the settlement which is proposed to us. Every armistice, by its very nature, is founded on the state of things existing at the moment of the agreement. Consequently, we take the liberty also of inquiring of the neutrals whether they would deem fit to modify their proposal in accordance with the said suggestion. counting on our good will for coming to an agreement on the other details. When suspension is agreed to, the basis of the controversy

⁴⁸ Spanish text reads: "no tiene mayor interés".

would be taken up for consideration, it being understood that it would be left to the parties to discuss their interests.

I renew [etc.]

Julio A. Gutiérrez

724.3415/1965 : Telegram

The Minister in Bolivia (Feely) to the Secretary of State

La Paz, August 5, 1932—9 p. m. [Received August 6—1:52 a. m.]

49. The Minister of Foreign Affairs sent for me tonight at 7 p. m., and with considerable anxiety requested that I use my good offices to obtain a modification of the neutrals' proposal, for a suspension of hostilities, urging that it be based on present possessions rather than on those of June 1st. He explained that the Bolivian public and especially the opposition party were objecting strenuously to the cessation of hostilities, and if the agreement implied even a temporary return to Paraguay of the three fortines taken by Bolivia, he feared serious internal disturbances or worse.

He said that he had sounded out the Government of Uruguay, Chile and Peru and that those Governments agreed with the Bolivian thesis, viz. present possessions.

I expressed the fear that it would hardly be possible to modify the proposal, inasmuch as it had already been accepted by Paraguay, but promised to inform my Government. He then expressed the hope that Mr. White, in whom he had the utmost confidence, might find some solution.

I regard the internal situation as critical, and can confirm the Minister's statements as to the danger to the Government. F_{EELY}

724.3415/1958 : Telegram

The Commission of Neutrals to the Bolivian Minister for Foreign Affairs (Gutiérrez)

[Translation]

Washington, August 5, 1932.

The representatives of the neutral nations have had the honor to receive Your Excellency's cablegram dated the 4th instant in which you answer their cablegram of the 2nd instant, to which reply they have given the most careful attention.

The representatives of the neutral nations believe that in order to arrive, on this subject, at prompt and effective solutions, it is necessary first of all to establish with absolute clearness the facts concerning the incidents which have occurred, and, for this reason, they take the liberty of pointing out to Your Excellency that when they said.

in their cablegram of the 2nd instant: "they regret to note that Bolivia is not interested in investigations of the recent occurrences, and will not give orders not to commit hostile acts in the Chaco" they based themselves on the following categorical words of Your Excellency's cablegram of August 1 "Investigations which do not define the fundamental question do not interest us. Bolivia desires the final solution of the controversy. It does not desire to be perennially on guard in the Chaco checking the advances of Paraguay. It is for this reason that the country has reacted with all its forces resolved to liquidate the controversy even by arms". In reply to the inquiry which Your Excellency is good enough to make of the neutral representatives as to whether they would deem fit to modify their proposal in the sense of accepting for the suspension the [of] hostilities "the state of things existing at the moment of the agreement" they fulfill the duty of stating to Your Excellency that they cannot consider it because that would imply the recognition of acts of force in the settlement of controversies between the American nations, which is contrary to their rooted convictions and to the Declaration of Principles which 19 nations of America have just formulated on the 3rd day of the present month in the following words "The American nations further declare that they will not recognize any territorial arrangement of this controversy which has not been obtained by peaceful means nor the validity of territorial acquisitions which may be obtained through occupation or conquest by force of arms".49

These necessary explanations having been made, the representatives of the neutral countries trust that Your Excellency's Government will desire to order the immediate suspension of hostilities on the basis of the positions of Bolivia and Paraguay of June 1, 1932, and to submit the Chaco dispute, immediately afterwards, to a settlement by arbitration or other friendly means which may be acceptable to both. They are addressing today the same views to the government of Paraguay.

Henry L. Stimson

Secretary of State of the United States

Fabio Lozano T.

Minister of Colombia

José Richling

Chargé d'Affaires of Uruguay

José T. Barón

Chargé d'Affaires of Cuba

P. Herrera de Huerta

Chargé d'Affaires of Mexico

^{*} For complete text of the declaration of August 3, see p. 159.

724.3415/1958 : Telegram

The Commission of Neutrals to the Paraguayan Minister for Foreign Affairs (Arbo)

[Translation]

Washington, August 5, 1932.

The representatives of the neutral nations have the honor to communicate to Your Excellency that in their constant desire to save Paraguay and Bolivia from the misfortune of a war, they are addressing the Government of Your Excellency and also the Government of Bolivia, requesting that the immediate suspension of hostilities be ordered on the basis of the positions of Bolivia and Paraguay on the 1st of June, 1932, and that the Chaco dispute be submitted, immediately thereafter, to a settlement by arbitration or other friendly means which may be acceptable to both.

They request that Your Excellency give them an immediate reply on these same points.

Henry L. Stimson

Secretary of State of the United States
Fabio Lozano T.

Minister of Colombia
José Richling
Chargé d'Affaires of Uruguay
José T. Barón
Chargé d'Affaires of Cuba
P. Herrera de Huerta
Chargé d'Affaires of Mexico

724.3415/1975 : Telegram

The Paraguayan Minister for Foreign Affairs (Arbo) to the Secretary of State

[Translation]

Asunción, August 5, 1932. [Received 10:47 p. m.]

My Government agrees to suspension hostilities on the basis of the positions of Paraguay and Bolivia on June 1, 1932, and to submit the Chaco dispute immediately thereafter to an arrangement by arbitration or other friendly means. My Government appreciates laudable efforts of your Commission in favor of peace.

HIGINIO ARBO

724.3415/1974 : Telegram

The Commission of Neutrals to the Bolivian Minister for Foreign Affairs (Gutiérrez)

[Translation]

Washington, August 8, 1932.

Your Excellency's cablegram of the 4th of this month in regard to the suggested suspension of hostilities says verbatim: "what we stated was that our future attitude would depend on that which Paraguay might observe." On the 6th 50 we sent to Your Excellency declaration of the Minister of Foreign Relations of Paraguay assenting to the suspension of hostilities.

We therefore consider that the two countries are agreed on the suspension of hostilities and we venture to request that they be actually suspended at daybreak on the 10th day of this month and we shall appreciate an immediate reply to inform Paraguay of it, to whom we are giving notice of the present despatch.

We venture to insist on immediate suspension of hostilities because we are informing [sic]* Government Paraguay today that Bolivian forces attacked Paraguayan fortín Carlos Antonio López, Pitiantuta, the Paraguayan garrison withdrawing.

Francis White
For the Secretary of State of the United States
Fabio Lozano T.
Minister of Colombia
José Richling
Chargé d'Affaires of Uruguay
José T. Barón
Chargé d'Affaires of Cuba
P. Herrera de Huerta
Chargé d'Affaires of Mexico

724.3415/1999 : Telegram

The Bolivian Minister for Foreign Affairs (Gutiérrez) to the Assistant Secretary of State (White)

[Translation]

La Paz, August 8, 1932. [Received August 9—1:30 a. m.]

I have just received the cable of tonight in which we are asked to suspend hostilities on the 10th and which communicates the accusa-

⁵⁰ Telegram not printed.

^{*} Spanish "Avisamos". This is doubtless a typographical error for "avisanos" which would make the passage read in translation, "Government Paraguay informs us today..."—Translator's note. [Footnote in the file translation.]

tion of Paraguay that Bolivian forces have attacked the Paraguayan fortín Carlos Antonio López. This accusation surprises us as we suspended hostilities several days ago. Today at noon, already knowing of the Paraguayan accusation, we asked for a report from the commander of the garrisons of the fortines who now replies by radio that the Paraguayan accusation of the capture of fortín López or Pitiantuta is entirely false and considers it due entirely to Paraguayan panic. There is no need for us to give further orders for the suspension of hostilities.

I renew [etc.]

Julio A. Gutiérrez

724.3415/2001 : Telegram

The Bolivian Minister for Foreign Affairs (Gutiérrez) to the Secretary of State

[Translation]

La Paz, August 8, 1932. [Received August 9—2:10 a. m.]

I acknowledge receipt of the cabled note of the 5th instant in which the representatives of the five neutral countries who had charge of the conferences on the pact of non-aggression state that they cannot consider our inquiry as to whether they would see fit to modify their formula in the sense of accepting as a basis for the suspension of hostilities the state of things existing at the moment of the agreement because it is contrary to their rooted convictions and to the Declaration of Principles which 19 American states have just formulated on the 3rd day of the present month.⁵¹ They conclude by reiterating their confidence that the Government of Bolivia will desire to order the immediate suspension of hostilities on the basis of the positions of Bolivia and Paraguay on June 1, 1932, and to submit the Chaco dispute immediately thereafter to arbitration or other friendly means which may be acceptable to both. My Government, in proposing the existing situation as a basis for the suspension of hostilities did not intend to decide questions of territorial sovereignty. The legal situation of the fortines captured from one and the other country touches the fundamentals of the subject. Ideas being thus clarified we on our part regret that the representatives of the neutral countries cannot consider the inquiry which we made of them in our cable of the 4th instant. I must note that it is desired to try the application of the new peace doctrine launched into the world scarcely 5 days ago in the Chaco conflict with a retroactive character to June 1, last. If retroactivity attends that doctrine from its inception there would

⁵¹ Post, p. 159.

be no reason for not extending its effects back to September, 1888, and include in the suspension of hostilities the immediate return to Bolivia of Puerto Pacheco. My Government therefore persists in its counterproposal of taking the present possessions as a basis for maintaining the suspension of hostilities. Hostilities suspended temporarily. As to proposals on the fundamentals of the controversy we have repeatedly declared that we are disposed to open negotiations on reasonable bases but in no case under the pressure of force.

I greet Your Excellency [etc.]

Julio A. Gutiérrez

724.3415/2000 : Telegram

The Bolivian Minister for Foreign Affairs (Gutiérrez) to the Assistant Secretary of State (White)

[Translation]

La Paz, August 9, 1932. [Received 9:13 a. m.]

Supplementing note of yesterday relative to temporary suspension of hostilities we should like to be informed specifically whether neutral mediators and Paraguay agree to our proposal basis present possessions to maintain on our part suspension hostilities.

Sincerely,

Julio A. Gutiérrez

724.3415/2001: Telegram

The Commission of Neutrals to the Bolivian Minister for Foreign Affairs (Gutiérrez)

[Translation]

Washington, August 9, 1932.

We Neutrals have received the two cablegrams from Your Excellency of the 8th instant and another one of the 9th, in which you announce to us that your Government "in proposing the existing situation as the basis for the suspension of hostilities did not intend to decide questions of territorial sovereignty. The legal situation of the fortines captured from one and the other country touches the fundamentals of the subject", that "we suspended hostilities several days ago" and that "hostilities suspended temporarily" which we did not know until today, and which we are very glad to know.

It is now incumbent upon us to state to Your Excellency the reasons we had in mind in proposing the positions held on the 1st of June as the basis for the cessation of hostilities. The first incident reported to the Neutrals was that of June 15th. Without the complete details of this and the following combats which have never been furnished to

us it has been impossible for us to make suggestions for their solution, for which reason we have indicated a basis which implies no judgment in advance.

Futhermore, on the 3rd of August, the American nations clearly stated to Bolivia and Paraguay that they were opposed to force and renounced it both for the solution of their controversies and as an instrument of national policy in their reciprocal relations. On this basis every attack in the Chaco, whether original or by way of reprisals, is considered by the American nations as illegal, and they have declared categorically that no territorial position won by arms would be recognized by them.

In view of the express assent of Your Excellency to these principles, and particularly your declaration contained in the cable of the 8th instant that your Government, in proposing the existing situations as the basis of the suspension of hostilities did not intend to decide questions of territorial sovereignty, and that the legal situation of the fortines taken from one and the other country touches the fundamentals of the subject, we respectfully ask Your Excellency:

First, whether your Government proposes the immediate cessation of hostilities on the basis of the present positions with the understanding that such positions do not alter the legal situation of Bolivia and Paraguay of the 1st of June 1932; Second, whether it agrees to submit immediately the controversy concerning the Chaco to an arbitration, by means of negotiations, which will begin before the 15th of September next; Third, whether it agrees that by the 15th of June, 1933, the positions taken in the territory of the Chaco subsequently to June 1, 1932 shall have been abandoned, unless a different arrangement on this point is concluded between the two countries in dispute, and agrees to maintain therein only the minimum guard personnel in the meantime; and Fourth, whether it agrees to give facilities to the representatives of the Commission Neutrals whom the latter may desire to send to the Chaco territory for the investigation which may be pertinent.

Henry L. Stimson

Secretary of State of the United States
Fabio Lozano T.

Minister of Colombia
José Richling
Chargé d'Affaires of Uruguay
José T. Barón
Chargé d'Affaires of Cuba
P. Herrera de Huerta
Chargé d'Affaires of Mexico

724.3415/1999 : Telegram

The Commission of Neutrals to the Paraguayan Minister for Foreign Affairs (Arbo)

[Translation]

Washington, August 10, 1932.

With reference our cable 8th instant Bolivia informs us that "we suspended hostilities several days ago" and that "hostilities suspended temporarily."

Henry L. Stimson

Secretary of State of the United States

Fabio Lozano T.

Minister of Colombia

José Richling

Chargé d'Affaires of Uruguay

José T. Barón

Chargé d'Affaires of Cuba

P. Herrera de Huerta

Chargé d'Affaires of Mexico

724.3415/2038: Telegram

The Bolivian Minister for Foreign Affairs (Gutiérrez) to the Secretary of State

[Translation]

La Paz, August 12, 1932. [Received 1:23 a. m.]

We have received the cablegram dated the 9th instant, in which the representatives of the five neutral countries, after some observations concerning statements in previous cables, ask us four questions as bases for the immediate cessation of hostilities. Without entering into the examination of said considerations, with not all of which we are in agreement, we reply in the following terms:

First: Bolivia reaffirms her counterview of taking as a basis for the cessation of hostilities the state of things existing at the moment of the agreement in conformity with the practices of international law, and takes the liberty of observing that on June 1, 1932, there was no juridical situation in the Chaco, as Their Excellencies, the representatives of the neutral governments appear to believe.

Second: A pact having once been made for the suspension of hostilities, Bolivia agrees to open negotiations for the solution of the fundamentals of the controversy by means of an arbitration juris concerning limited zone, or other friendly arrangement within the

period proposed by the neutrals.

Third: Bolivia does not agree to abandon the fortines taken from Paraguay. Neither the government nor the sentiment of the nation can consent to such abandonment until a final solution modifies the sovereignty of the said positions. As to the number of effectives serving as a guard, only such would be retained as would appear to Bolivia indispensable to her security.

Fourth: In anticipation of the friction which might occur subsequent to the agreement for cessation of hostilities and prior to the settlement of the fundamentals of the controversy, Bolivia might agree to the establishment of some impartial entity which would

eliminate the possible difficulties.

Julio A. Gutiérrez

724.3415/2050 : Telegram

The Minister in Bolivia (Feely) to the Secretary of State

La Paz, August 13, 1932—10 a. m. [Received 10:55 a. m.]

52. The reply of the Bolivian Government to neutrals' telegram of August 9th was sent last night. The Department's telegram No. 25, August 11, 2 p. m.⁵² was received August 11, 7 p. m., but owing to many garbles has not yet been completely deciphered.

However I discussed the matter with the Minister of Foreign Affairs last evening and found him greatly disturbed at the outlook, in view of Bolivia's inability to accept the four points in their entirety, principally because of its fear of public opinion and the danger of internal disturbances if the arbitral decision should not be made within the period stipulated.

As the Minister in recent conversations has stressed the desirability of avoiding prolonged negotiations, could not the question of possessions be obviated by an immediate concrete proposal for arbitration, or by the proposal by the neutrals of an arbitrary line such for example as the Ichazo-Benítez line⁵³ as definitive solution?

While suspension of hostilities exists and large purchases of supplies have been suspended, the concentration of troops continues, and a hostile press is creating a current of opinion distinctly unfavorable to the mediation of American nations, and even to a peaceful settlement.

FEELY

⁵² Not printed.

so Benítez-Ichazo Treaty, signed at Asunción, November 23, 1894; postponed indefinitely by Paraguayan Congress, May 19, 1896. See Republica del Paraguay, Subsecretario de Relaciones Exteriores y Culto, Colección de Tratados Históricos y Vigentes (Imprenta Nacional, Asunción, 1934), vol. 1, pp. 256–257.

724.3415/2050 : Telegram

The Secretary of State to the Minister in Bolivia (Feely)

Washington, August 13, 1932—3 p.m.

26. Your 52, August 13, 10 a.m. Department desires you to discuss the situation frankly and fully with Minister of Foreign Affairs to see what concrete suggestions he may have. As you have been informed, the Neutrals can not agree to any proposal that in effect scraps the declaration of the 19 countries of August 3. The Bolivian proposal to cease hostilities on the basis of actual occupations would scrap the declaration of August 3. To help the Bolivian Government out the Neutrals inquired whether Bolivia would recognize the principles of that declaration by a statement to that effect and by fixing a definite date on which, in the absence of direct agreement with Paraguay, the positions taken since June 1st would be returned.

Department is advised by Paraguay that it rejects the suggestion made to both countries by Argentina that there be a truce on the basis of actual positions. This proposal runs counter to the declaration of August 3 and can not be supported by the Neutrals. Discuss the matter with the Minister of Foreign Affairs, find out what his ideas are and cable the Department fully and please keep it currently advised by cable of any changes in the situation. The Department wants to know whether there is a real desire for settlement on the part of the Bolivian authorities, what their ideas regarding the settlement are, and the state of public opinion in the country.

The Neutrals can not suggest an arbitrary line as the definitive solution without prejudging the relative merits of the cases of the two countries. They would of course be glad to act as a transmission agency in sounding out Paraguay regarding any proposal that Bolivia may desire them to make to Paraguay on Bolivia's behalf. Was the Ichazo-Benítez line proposed by Bolivian authorities or have you definite reason to believe it would be acceptable to Bolivia?

STIMSON

724.3415/2073a : Telegram

The Acting Secretary of State to the Minister in Paraguay (Wheeler)

Washington, August 15, 1932-6 p.m.

32. Please discuss fully and frankly with President Ayala and his Government the Chaco situation and cable fully his views regarding it and any suggestions they may have to make regarding a settlement.

CASTLE

724.3415/2038 : Telegram

The Commission of Neutrals to the Bolivian Minister for Foreign Affairs (Gutiérrez)

[Translation]

Washington, August 17, 1932.

The representatives of the neutral countries have received Your Excellency's cablegram of the 12th instant, and consider that, in order to avoid contradictory interpretations, it is necessary to make a complete and frank examination of the situation.

The representatives of the neutral countries wish first of all to assure Your Excellency that their only purpose in this matter is to arrive at a solution which will be just for both Bolivia and Paraguay, that is, which will satisfy both countries and leave uninjured the permanent interests of this hemisphere.

Your Excellency complains that the Neutrals apply the doctrine of August 3, retroactively. Let us examine the case. Conflict and blood-shed were occurring in the Chaco. American Nations unanimously declared that they were opposed to such methods and would not recognize any territorial adjustment "of this controversy" not obtained by pacific means, nor the validity of territorial acquisitions obtained by means of occupation or conquest by force of arms. Therefore the neutrals have agreed upon the American declaration and have not even suggested the application of retroactivity which Your Excellency believes is found therein.

In the cablegram to which we refer, Your Excellency declares that Bolivia does not agree to abandon the fortines taken from Paraguay unless a final settlement of the dispute "modifies the sovereignty of these positions". This declaration that such positions carry with them the right of sovereignty, is not only opposed to the declaration of the American Nations of August 3, but also to Your Excellency's own declarations. In your cablegram of August 5th⁵⁴ in reply to that of the 3rd from the nineteen countries, Your Excellency stated that the declarations contained in the latter "interpret with perfect exactness Bolivian thought" and "they are inspired by the ideas underlying American public law which does not admit occupation by usurpation as a title of ownership". Your Excellency stated also that Bolivia "receives with enthusiasm the new doctrine being initiated in America, that force does not confer rights" and that "in the Chaco dispute the same thesis is applicable". In addition to this acceptance of the doctrine of the American Nations, in the cablegram of August 8, Your Excellency gave it a very definite and specific

⁵⁴ Post, p. 161.

application to the Chaco when you said "my Government in proposing the existing situation as a basis for the suspension of hostilities did not intend to decide questions of territorial sovereignty. The juridical situation of the fortines taken from one and the other country touches the fundamentals of the subject".

Since there seems to exist in your country the belief that the American declaration is directed especially against Bolivia, it should be made known that the Commission of Neutrals began to consider and draw up a message of consultation to the American nations which afterwards became the declaration of August 3, since the time that Paraguay, without requesting explanations or investigation, announced its intention to terminate the conference on account of the reported Bolivian advances. It was at that moment that the Bolivian delegation in Washington placed itself in the hands of the Commission of Neutrals for the solution of the incidents and declared that after the incident of June 15 "a claim would have been justified on the part of the Government of Paraguay if it considered that its rights had been violated and the Government of Bolivia would have hastened to explain what had occurred", and "notwithstanding the unjustified and new aggression of Paraguay, Bolivia believes that there is not sufficient reason to break off the negotiations. On the contrary, she believes that there is a greater and urgent necessity for arriving at an agreement that will prevent a situation so abnormal and perilous as that which prevails in the Chaco today". This was the position which Bolivia took when Paraguay reported Bolivian advances. Paraguay announced her intention to leave the conference. and then the Neutrals prepared the declaration which later came to be that of August 3. Paraguay, before her delegates had embarked, changed her instructions and ordered the Delegation to return to Washington, expressing her willingness to consider the suggestions of the Neutrals, and declaring that no act of armed hostility would be committed against Bolivia. The Neutrals were naturally very pleased because in view of these declarations and of those just cited from the communication from the Bolivian Delegation, they considered that a solution was near at hand. At that moment, however, Bolivia reported Paraguayan attacks on Bolivian fortines, and declared that she could not continue in the conversations at Washington without lowering her dignity.

It is not necessary to remind Your Excellency of the numerous cablegrams exchanged between the Commission of Neutrals and Your Government attempting to persuade Bolivia to send to the Neutrals in Washington the details of the occurrences, in order that they might find a solution, and that the Bolivian Government might

order a cessation of hostilities and arrive at an adjustment of the fundamental question by arbitration or other pacific means. When it became impossible for the Commission to achieve these ends, it addressed itself to the countries of America, with a request for their cooperation, the declaration of August 3, resulting therefrom.

Although the Neutrals can not depart from the principle established on August 3, nevertheless, in order to find a means of harmonizing the Bolivian suggestion with the points of view of the rest of the continent, they asked Your Excellency on August 9, whether Bolivia, in making the suggestion for maintenance of present positions, would fix a date on which both countries would return any positions taken by force of arms since June 1.

This requirement was necessary in order that the American nations might be certain that if unfortunately, for any reason an adjustment was not effected, such failure would not imply the indefinite retention of those positions, contrary to the doctrine of August 3. The question was asked with the object of obtaining a satisfactory solution in collaboration with the Government of Bolivia.

Your Excellency expressed in the second paragraph of your cable of the 13th [12th], your desire for a solution of the matter "by means of an arbitration juris concerning limited zone". The conditions desired by both countries should be discussed when they are negotiating an arbitration or direct adjustment.

With reference to Your Excellency's statement that there was no juridical situation in the Chaco on June 1 the Neutrals wish to clarify proposals made by them in cablegram of August 9. It has been their opinion that the positions subsequent to June 1 do not alter the de facto situation existing between Bolivia and Paraguay, on that day.

To sum up, the situation is as follows:

First. All the countries of the continent have made the declaration

of principles of August 3.

Second. On August 4 Bolivia suggested that there be taken as a basis for the suspension of hostilities the existing positions in the Chaco, which is contrary to the declaration of August 3.

Third. Bolivia, in her reply of the 5th, adhered to the American

declaration.

Fourth. The Neutrals, on the 5th declared that they could not accept the Bolivian proposal of the 4th as it was contrary to the declaration of principles of the 3rd.

Fifth. On the 8th Bolivia said, "in proposing the existing situation as a basis for the suspension of hostilities she did not intend to decide questions of territorial sovereignty" but that "Bolivia persists in her counter proposal".

Sixth. The neutrals, on the 9th, tried to harmonize the Bolivian

proposal with the American declaration, suggesting that Bolivia fix a date for the return of positions taken subsequently to June 1.

Seventh. On the 12th Bolivia rejected the solution proposed, changing her declarations of the 5th and 8th above cited, to another in which she states that she cannot abandon positions "until a final solution of the controversy modifies the sovereignty of said positions".

In view of the foregoing, and as the neutrals persist in the desire that Bolivia and Paraguay reach an agreement in the serious matter of the Chaco, as well as in the desire that the Bolivian proposal may be harmonized with the doctrine of August 3 and Bolivia's declarations of the 5th and 8th of the same months, they earnestly request Your Excellency to be good enough to tell them what is your concrete proposal which may lead to such agreement, which proposal they will study most carefully.

Francis White
Chairman of the Committee of Neutrals
Fabio Lozano T.
Minister of Colombia
José Richling
Chargé d'Affaires of Uruguay
José T. Barón
Chargé d'Affaires of Cuba
P. Herrera de Huerta
Chargé d'Affaires of Mexico

724.3415/2090 : Telegram

The Minister in Paraguay (Wheeler) to the Secretary of State

Asunción, August 17, 1932—7 p. m. [Received August 18—1:50 a. m.]

89. Your telegram No. 32 of August 12 [15], 6 p. m. If the neutrals do not find it practicable to insist on positions of June 1st the President can suggest nothing at present. We have been working out details of the suggestion of a mutual retirement from most advanced positions of both sides, whereby the evacuated strip would contain the fortines recently taken by Bolivia, as a possible alternative. This would have been sent you tomorrow. Tonight, however, Soler cables that reluctance of Argentina and Chile has been overcome by the neutrals, that in all probability June 1st positions will be insisted on and that it is believed Bolivia must yield. For this reason the President prefers that this alternative suggestion be not forwarded you at present.

The military situation here is acute. There have been recent

Bolivian plane flights and attacks on observation posts that have not been made public on account of popular excitement. War Department's reports indicate that the Bolivian concentration west of the Mennonite Colony now numbers a force that in 10 or 15 days more may be overwhelming and the high command is violently urging the necessity of striking before it is completed. The President is opposing this but greatly fears longer delay as, if the colony is cut off, he believes no contrary orders would prevent the Army from beginning general action.

WHEELER

724.3415/2090 : Telegram

The Acting Secretary of State to the Minister in Paraguay (Wheeler)

Washington, August 18, 1932—2 p. m.

34. Your 89, August 17, 7 p. m. Please cable alternative suggestion referred to as quickly as possible.

CASTLE

724.3415/2109 : Telegram

The Minister in Paraguay (Wheeler) to the Secretary of State

Asunción, August 19, 1932—8 p. m. [Received August 20—7:20 a. m.]

93. Your telegram 34, August 18, 2 p. m. General Staff, on account of Bolivian attack on Caraya, tonight definitely refuse to favor alternative suggestion. The four fortines taken from the Caraya are posts established for the protection of the Mennonite Colony and the railroad and the attack on Caraya has convinced them that the Bolivian intention is to seize the Colony and that this will be attempted before such provisions could be applied. The Caraya fight is believed to have been much more serious than is officially admitted here.

The situation in short is this: There are practically only four spheres of conflict, first, the Pilcomayo line, second, the line of Nanawa and Concepción, third, the line of Puerto Casada and, fourth, the line of Bahía Negra. The first is not considered dangerous on account of the difficulty of moving large bodies of troops in the present season. On the second, Bolivian attack could occur but Paraguayan retreat could not be followed on account of impossible swamps. The fourth is now flooded and can be disregarded. It is the third that is Paraguay's weak point. It includes the Mennonite Colony and the railroad and must be protected. While Bolivia could

not use the railway through lack of rolling stock its system of roads to the river make it easy of invasion and it is only here that Bolivia could operate forces of more than 10,000 men. The mutual retirement plan which the President and I have been working on with the head of the General Staff considered only this line. The plan embraced immediate evacuation of the Paraguayan fortines Toledo, Corrales, Boquerón and Cacique Ramón and the Bolivian fortines Arce and two others in that sector, none of these to be reoccupied by either side, Paraguay to be permitted police force of say 50 soldiers, whose number could be determined by the neutrals, to continue protection of the Colony and railroad.

The war fever has been steadily growing here and mobilization is being rapidly completed. I have just left the President who is clearly hopeless that war can be averted unless the neutrals can bring about Bolivian retirement from the four captured fortines. He said to me "If I opposed the Army further I should have no army".

He showed me a telegram received on the 18th reporting a conversation between Bustamente and the Peruvian Ambassador in Buenos Aires wherein Bustamente had stated that Bolivia would accept no proposal for truce before she knew the bases of the prospective arbitration, which Ayala takes as indicating a knowledge of her intention to demand as a sine qua non a footing on the river. The Ambassador replied that the two matters should be considered apart from one another.

Today's Liberal publishes a caustic statement of Vasconsello's, evidently issued for political effect, in which he pictures the neutrals as determined to keep peace at whatever cost to either disputant, declaring "till now we have supported the situation of the weaker nation and as such binding the object of the neutrals' pressure to cause us to yield in homage to peace. This situation does not suit us, and we hope this time to show the world that Paraguay is a nation strong when the defense of her honor and the support of her rights are concerned".

724.3415/2110a : Telegram

The Acting Secretary of State to the Minister in Bolivia (Feely)

Washington, August 20, 1932—3 p. m.

30. Please keep in close touch with Minister of Foreign Affairs and advise Department when a reply may be expected to Neutrals' telegram of the 17th as well as the nature thereof. Please endeavor discreetly to have Bolivia make some suggestion which fits in with the declaration of August 3. Bolivia up to now has limited herself to

rejecting the suggestions of the Neutrals. The Neutrals earnestly hope Bolivia will now help them by dealing frankly with them, telling them her problems and making suggestions for meeting them.

Do you think Bolivia would accept and possibly suggest, in answer to the telegram of the 17th, that the forts taken by her since June 1 will be evacuated if not reoccupied by Paraguay, thus forming in effect a neutral zone, and would Bolivia agree that neutral representatives be sent to report how the neutrality of the zone is being observed?

Of course if you discuss this matter with the Bolivian authorities do so most discreetly and as coming from yourself and not as coming from this Government or Neutrals. We of course do not know whether Paraguay would accept such a suggestion if made and are therefore not making any suggestion to Bolivia. If Bolivia, however, should make such a suggestion in reply to the telegram of the Neutrals, the Neutrals would endeavor to have Paraguay accept and feel confident that the neighboring countries would do so also.

The important thing now is that Bolivia make some definite suggestion as to how her position can be reconciled with the statement of principles of August 3 which Bolivia has also said she accepts. The problem therefore is really trying to reconcile Bolivia's own differing statements of position. The Neutrals have tried to be helpful in this, offering a way out, but suggestion was not accepted. Bolivia should now be helpful by making a concrete suggestion. Also it would have been helpful had Bolivia given some reasons for rejecting the Neutral proposal of August 9th. If Bolivia has good reasons for doing so it would naturally help the Neutrals to know what those reasons are as with a knowledge of Bolivia's problems they could perhaps be more helpful. Bolivia should realize that the Neutrals are trying to work with her and not against her and are trying to find a solution satisfactory to both Bolivia and Paraguay.

WHITE

724.3415/2109 : Telegram

The Acting Secretary of State to the Minister in Paraguay (Wheeler)

Washington, August 20, 1932—3 p.m.

35. Your 93, August 19, 8 p. m. received much garbled and not fully worked out as yet. Soler called this morning with a cable from Ayala indicating that he might not be able longer to hold back the army from trying to retake Boquerón. I told him that it is obviously to Paraguay's advantage to work with the Neutral Commission and the other American nations rather than against them. The Neutral Commission

has been holding long sessions considering all phases of the matter and is doing everything possible to bring about a definite cessation of hostilities. He was told that it would seem to be to Paraguay's advantage to work with the other American countries rather than to start another military adventure now which might well prove disastrous and would certainly overnight cause Paraguay to lose any moral advantage she now has.

Bolivia has told the Neutral Commission that she has some time ago stopped hostilities temporarily. These statements were transmitted textually to Paraguayan Government on August 10. If Paraguay has any information to the contrary, full details should be sent to the Neutral Commission at once in order that the Neutral Commission can take the matter up with Bolivia. It was Paraguay's failure to work through the Commission early in July that greatly aggravated the situation. It is hoped that you can persuade the Paraguayan Government that now is the time to exercise patience and calm, attempt to quiet and not to inflame the war spirit, and to cooperate with the Neutrals and through them with all the other nations of America.

In this connection it is important to know just what solution Paraguay would accept in order that the Neutrals may know better how to handle the matter in discussions with Bolivia. Would Paraguay agree not to reoccupy the three forts taken by Bolivia if Bolivia should agree to evacuate them, thus establishing a neutral zone? Would Paraguay agree to having observers sent up to see that the neutral zone is respected? It is naturally hardly likely that Bolivia will agree to Paraguay policing this zone alone. Is the suggestion you make in your telegram under acknowledgment that the Paraguayan police force be used in the neutral zone or only in the Mennonite colony? If the neutral zone is policed by both countries further conflicts will inevitably occur. As much information as you can send regarding possible solutions acceptable to Paraguay will be most helpful.

WHITE

724.3415/2110 : Telegram

The Minister in Paraguay (Wheeler) to the Secretary of State

Asunción, August 21, 1932—8 p. m. [Received August 22—4:42 a. m.]

95. Your telegram No. 35 of August 20, 3 p. m.., was received this morning. The President today cabled Soler and all Paraguayan Legations that Paraguay's unchangeable position is that the fortines

last taken by Bolivia must be evacuated by her troops and Paraguay will reoccupy them. A message was sent yesterday to all field commanders calling on them to refrain from all attack in any case till end of this week and as much longer as possible, on the chance that the Neutrals may be able to gain Bolivia's agreement to the *status quo* of June 1st. The President states that, to his regret, in view of the extent of the Bolivian concentration, it is too late to consider now a plan for a neutral zone, and inasmuch as Paraguay's obligation to refrain from all hostilities was based on a return to the positions of June 1st, he hopes that as soon as the Neutrals are convinced that Bolivia's agreement thereto is not to be gained they will release Paraguay from her obligation. He asks me to send you the following statement:

"Paraguay's situation is that Bolivia is intentionally making it impossible for the Neutrals, who are not represented on the ground by observers, to judge the evident final details exacted which Paraguay might send them, of Bolivian aggressions almost daily occurring. Bolivia's custom is, when she has made an attack on a Paraguayan post, to give out a statement at La Paz wherein she calls the post by another name, claims it her own, and alleges that it has been attacked by Paraguayan troops. Meanwhile she is holding the Paraguayan posts she has taken in the Casada sector while she is strengthening steadily her concentration behind them. Paraguay's delay at resisting this growing concentration is daily becoming more perilous for her. She hopes the Neutrals will realize her situation and will believe that she is willing to assent to any agreement that is not one-sided and would not tend to cripple her defense should war eventually be forced upon her."

WHEELER

724.3415/2112 : Telegram

The Minister in Bolivia (Feely) to the Secretary of State

La Paz, August 22, 1932—10 a. m. [Received 9:55 a. m.]

60. Department's telegram No. 30, August 20, 3 p.m. The situation here is tense and because of the violent attacks of the press and a growing popular sentiment against what is termed the intromission and pressure of the Neutral Commission on Bolivia in favor of Paraguay, the Minister of Foreign Affairs has been reluctant to discuss any suggestions with me since August 15th. I shall see him today and report the result of this evening.

The Foreign Office has sent a circular telegram to Bolivian Legations citing six cases of Paraguayan aggression since July 25th.

FEELY

724.3415/2120 : Telegram

The Minister in Bolivia (Feely) to the Secretary of State

La Paz, August 22, 1932—10 p. m. [Received 10:04 p. m.]

61. In further reference to Department's No. 30, August 20, 3 p. m., it is apparent that the Minister of Foreign Affairs is studiously avoiding any discussion of the Chaco situation with any of the American representatives here. I asked for an appointment early this morning and was informed at 6 p. m., that he would receive me tomorrow at 10 a. m.

The Argentine Minister was instructed August 20th to express verbally to the Minister for Foreign Affairs the earnest desire of his Government that a peaceful solution be arrived at, but had not been able to see the Minister up to 7 p. m., today.

The situation continues tense and the press continues its attack on the neutrals' activities. I doubt that any suggestion I may make will have favorable consideration.

The Bolivian reply to the last note will be sent tomorrow but I have no idea of its tenor.

FEELY

724.3415/2175 : Telegram

The Bolivian Minister for Foreign Affairs (Gutiérrez) to the Chairman of the Commission of Neutrals (White)

[Translation]

La Paz, August 27, 1932. [Received August 28—2:45 a. m.]

We received on the 18th the cablegram dated the 17th from the representatives of the five neutral powers in which they make a complete study of the situation in order to avoid contradictory interpretations. They then recapitulate the argument believing that they find contradictions on the part of Bolivia. In reply we make a similar recapitulation pointing out that such contradictions do not exist. We wish to make it clear that in order to facilitate pacific settlements it was Bolivia who proposed a pact of non-aggression on reasonable bases which if carried to a successful conclusion would have insured peace, making it possible to take up the settlement of the basic problem. The obstacles to this arrangement were not the work of Bolivia. The partial occupation of Chuquisaca Lagoon having occurred on June 15th, Paraguay suddenly withdrew from the conferences on the pact in order to act on her own account in the territory.

The neutrals did not succeed in inducing Paraguay to return to the conferences, whereas Bolivia remained in Washington, prepared to continue them. Paraguay dealt a perfidious and cruel blow on June 29th to a small detachment of seven men, only one of whom survived. Notwithstanding this fact, Bolivia declared that she still believes in the necessity for the pact and that the Paraguayan complaints could be dealt with in Washington. Paraguay persisted in her absence, notwithstanding the suggestions of the neutrals and made a second attack on Bolivia on July 15th, dislodging the Bolivian forces from Chuquisaca Lagoon. The two blows having been struck, Paraguay returned to the conferences prepared to continue them. The stratagem was obvious and no country which values its dignity would have been deceived by it. Bolivia withdrew from the conferences, not in order to repeat that stratagem, but definitively. We must point out that during this period when Paraguay abandoned the negotiations of the pact with the quite obvious intention of making two attacks on Bolivia, the American continent maintained silence. Paraguay had placed the issue in the field of arms and then attempted to flee from that field by resorting to diplomatic stratagems. Bolivia with full right and in accordance with international rules made reprisals and captured three fortines of the many which Paraguay has established on Bolivian territory. It was then that 19 American nations appeared on the scene to proclaim the principle that might does not create right, a principle which all of them had forgotten in times which were unfortunate for many American nations which were the victims of force. It is proper to note at this point that the new doctrine refers solely to the case of the Chaco, ignoring all past acts of violence and making allowance for all future injustices outside that territory. It is presented as a doctrine ad hoc for the case of Bolivia. Notwithstanding this fact and although Bolivia had not been called as a party to the agreement of the American nations proclaiming it, it was natural that she should receive it with approval. In view of the imminence of a conflict the representatives of the neutral Governments took active steps to secure a suspension of hostilities in the Chaco. We do not believe it necessary to mention in detail the cablegrams exchanged on this subject, as it is sufficient to give here their substance and indicate the point of disagreement. Bolivia accepted the suspension of hostilities, taking as a basis the state of affairs existing at the time of the agreement. The neutrals rejected that proposal and endeavored to impose as a basis the return of affairs to their status as of the first of June previous. That is the whole question that is to be cleared up. Bolivia was basing her policy on the practices of international law and on the very nature of things. In a state of latent

war or of declared war hostilities are suspended, that is to say, they are stopped at the moment of the armistice to make room for final settlements, leaving things temporarily in status quo. The question involved is that of a suspension of hostilities and not of their return to a previous status. Unfortunately, the neutrals, carried away by an excessive enthusiasm for the new doctrine, wished to apply it retroactively. They desired and almost demanded restoration of things as they were at a time previous to the proclamation of the new Pan-American doctrine without considering that this retroactive application logically extended, would necessitate remaking the geography of America. As Bolivia objected to such retroactive application, believing it to be contrary to all law, the most excellent neutrals reply that the proclamation of the doctrine took place on the 3rd of August and that the Bolivian proposal was made on the 4th. We might reply that Bolivian approval of the new doctrine was given on the 5th. 55 But without dwelling on these accessory circumstances it is sufficient for us to observe that the substance of the doctrine consists in denying that the facts are of sufficient effect to constitute a right and that in that sense the doctrine is applied to the facts, denying their validity, and not to the date of the proposals which refer to them. Neither is there any contradiction on our part relative to the possession of the fortines. We have maintained that this possession is subject to the final settlement of the dispute, whether the proceedings last a vear or more. A final settlement which definitively establishes sovereignty must come. For that reason we said that we did not mean to define questions of sovereignty by our proposal. Any modification in the present state of things which we propose as a basis for the suspension of hostilities will be made by that final settlement. These are, in short, the reasons exchanged by the two parties on which public opinion will pass judgment. Bolivia considers that her attitude has been reasonable and in accordance with law. And regrets to add that the extremist attitude of the neutrals is what has brought us to this difficult point. We venture to believe that Paraguay would have been more inclined to receive the Bolivian proposal if, as would have been natural, the reply had been left to her. The Bolivian proposal having once been rejected by the neutrals, it is not strange that Paraguay should also refuse it, feeling herself supported by them. Finally my Government does not discover the discrepancy which their Excellencies the neutrals believe they find between the Pan-American declaration of the 3rd of August and the Bolivian counterproposal of the 4th. The former relates to the essentials of the matter, estab-

⁵⁵ Post, p. 161.

lishing that the validity of territorial acquisitions obtained by occupation or conquest will not be recognized, while the Bolivian counterproposal refers to the *modus operandi* of stopping hostilities on the basis of the positions occupied at the time precisely in order to reach a settlement in which the principle of justice shall have full application in accordance with the rights of the parties. On the contrary, this Government believes that there is a discrepancy between the declaration of the 3rd of August and the proposal of the most excellent representatives of the neutrals. In proposing the restoration of the situation existing on the 1st of June they forget that the status quo on that day was the result of mere occupations also condemned by the declaration of the 3rd of August. The error committed consists in having transposed the periods of time in attempting to apply at once to a state of quasi-belligerency the principles which must be applied to the settlement of the fundamental question after a complete study of the matter. In view of the foregoing considerations, the Government of Bolivia reiterates: first, that it is still disposed to agree to a suspension of hostilities on the basis of the present positions in the Chaco; second, that it is likewise disposed to an immediate settlement of the fundamental question either by arbitration or by some other amicable means, in accordance with what has already been stated in her note dated the 12th. This is an opportunity to eliminate the prejudice which attributes to Bolivia the purpose of disturbing the peace. The half century of history of this dispute proves the contrary. Bolivia has persistently sought a pacific solution and has signed three treaties granting increasing concessions which treaties Paraguay has deliberately allowed to lapse. Bolivia, in the course of that period has repeatedly proposed a pacific settlement of the dispute by arbitration without attaining her aim.

Julio A. Gutiérrez

724.3415/2185a: Telegram

The Commission of Neutrals to the Bolivian Minister for Foreign Affairs (Gutiérrez)⁵⁶

[Translation]

Washington, August 29, 1932.

In view of the extreme gravity which the situation in the Chaco has reached, the Commission of Neutrals, in the interest of the peace of America, requests the Governments of Paraguay and Bolivia immediately to authorize their delegates in Washington to sign on the

⁵⁶ The same telegram, August 29, to the Paraguayan Minister for Foreign Affairs.

1st of September and for the brief period of 60 days a total suspension of hostilities.

During this period a pacific solution of the various problems will be discussed. In making this suggestion, the Neutrals maintain in its entirety the doctrine of the 3rd of August, accepted by Bolivia and Paraguay, and declares that this proposal does not alter the present legal position of both parties.

A prompt reply would be greatly appreciated by the Commission of Neutrals.

Francis White
President of the Commission of Neutrals
J. Varela
Minister of Uruguay
Fabio Lozano T.
Minister of Colombia
José T. Barón
Chargé d'Affaires of Cuba
P. Herrera de Huerta
Chargé d'Affaires of Mexico

724.3415/2186 : Telegram

The Paraguayan Minister for Foreign Affairs (Benitez) to the Chairman of the Commission of Neutrals (White)

[Translation]

Asunción, August 29, 1932. [Received August 30—2:15 a. m.]

In reply to the suggestion of the Neutrals of this date ⁵⁷ I have to state to Your Excellency that any provisional arrangement on the basis of retention of Paraguayan fortines in the power of Bolivia would constitute a serious danger for our Army and civil populations in that zone and consequently cannot be accepted by us. Bolivia will not accept any solution which is not adverse to Paraguay and during the negotiations will complete preparations for an offensive which are progressing with intense activity. The Neutrals have just seen the irreconcilable attitude of the Bolivian Government and will surely not wish to aid indirectly her warlike plans. Only abandonment of fortines can give us the security required in order to negotiate. We regret we cannot accede to the Neutrals' request. We must take care of our own security which we consider seriously threatened.

Justo Pastor Benítez

⁵⁷ See footnote 56, p. 80.

724.3415/2188 : Telegram

The Bolivian Minister for Foreign Affairs (Gutiérrez) to the Chairman of the Commission of Neutrals (White)

[Translation]

La Paz, August 30, 1932. [Received 10:27 p. m.]

136. In reply to your cablegram of the 29th, we have to advise you that the Government of Bolivia is disposed to enter into a truce proposed for a brief period of 30 days, understood to be on the basis of present positions. During the truce, efforts would be made to bring about settlements of fundamentals, favored by the good offices of the most excellent neutrals. We wish to make it clear that the doctrine that force does not confer rights has always been that of Bolivia, at all times and with respect to all territorial controversies. For this reason we made a formal objection to that of August 3rd, which is presented as of an exceptional character solely with respect to the Chaco question. We shall authorize our delegates at Washington to enter into a truce as of September 1st, on the foregoing basis.

Julio A. Gutiérrez

724.3415/2188

The Commission of Neutrals to the Bolivian Minister for Foreign Affairs (Gutiérrez)

[Translation]

Washington, August 31, 1932.

The Commission of Neutrals has received with pleasure Your Excellency's reply in which you accept the suspension of hostilities for 30 days, and which it is transmitting to Paraguay.

The opportunity is taken to advise you, in reply to Your Excellency's cablegram, that the doctrine of August 3 does not have an exceptional character but is applicable to this and to all other future cases.

Francis White
President of the Commission of Neutrals
J. Varela
Minister of Uruguay
Fabio Lozano T.
Minister of Colombia
José T. Barón
Chargé d'Affaires of Cuba
P. Herrera de Huerta
Chargé d'Affaires of Mexico

724.3415/2191 : Telegram

The Minister in Paraguay (Wheeler) to the Secretary of State

Asunción, August 31, 1932—8 p. m. [Received September 1—12:32 a. m.]

104. Your telegram No. 40, August 31, 2 p. m.⁵⁸ I have just come from the President and regret to say he feels Paraguay cannot change its decision as to the truce. For him to favor acceptance, he states, would mean open revolt in the Cabinet and in the Army and the signing of any agreement of whatever sort accepting for any period of time Bolivia's retention of the three captured fortines would be considered by the people a defeat for Paraguay and the result would be disastrous for the Government. I shall talk with him again before the Cabinet passes on the reply but I do not believe this attitude can be changed.

The General Staff has no intention at present of beginning a general offensive or of attempting to invade the Chaco west of the line of the Bolivian fortines but as soon as a Bolivian advance to the east of Boquerón seems imminent it must be opposed. Instructions to this effect have been given to field commanders and they will act when it becomes necessary without further orders from Asunción.

Bolivia's acceptance of a 30 days' truce is interpreted here as indicating the time she considers necessary to complete her mobilization and it is assumed her plan is thereafter to utilize the short period remaining before the October rains in an attack whose objective will be her establishment at a point further to the east from which she cannot be dislodged this year and from which she can break through to the river next season.

The new Chilean Minister who presented his letters yesterday broached to the President the idea of transferring the negotiations from the Neutrals to the Argentina, Brazil, Chile, group but the President stated to him that Paraguay could not consider it.

WHEELER

724.3415/2186 : Telegram

The Commission of Neutrals to the Paraguayan Minister for Foreign Affairs (Benítez)

[Translation]

Washington, August 31, 1932.

The Commission of Neutrals has received with deep regret Your Excellency's cablegram ⁵⁸ stating that you cannot fully accept a truce of 60 days. We wish to inform you that the Government of Bolivia is disposed to authorize its representatives in Washington to sign at

⁵⁹ Not printed.

once a truce for 30 days, as it informs us in cablegram of today [yesterday.] In view of this circumstance we beg Your Excellency to examine the situation again, taking into consideration the immense responsibility which would, before the conscience of America, rest upon the country which should begin hostilities or render impossible a friendly agreement on the basis of the doctrine of August 3. Paraguay, in accepting this brief truce, would be faithful to the formal declaration in its cablegram of July 28 stating that "Paraguay will not commit any act of hostility against the Bolivian forces". The interests of both parties would be protected during the negotiations for the settlement of the pending problems, as abstention from any hostile act or movement would be solemnly promised. During the truce efforts would also be made, the Government of Bolivia having consented thereto, to bring about settlements of fundamentals, favored by the good offices of the Neutrals. We trust that we shall receive an early and favorable reply, the only requisite which would be lacking in order to sign a truce eagerly desired by all America.

Francis White
President of the Commission of Neutrals
J. Varela
Minister of Uruguay
Fabio Lozano T.
Minister of Colombia
José T. Barón
Chargé d'Affaires of Cuba
P. Herrera de Huerta
Chargé d'Affaires of Mexico

724.3415/2199 : Telegram

The Paraguayan Minister for Foreign Affairs (Benítez) to the Chairman of the Commission of Neutrals (White)

[Translation]

Asunción, September 1, 1932. [Received 1:10 p. m.]

In reply to Your Excellency's telegram I must repeat to the Commission of Neutrals that in not accepting the truce on the basis of the retention of our fortines in the possession of Bolivia my country believes that it is exercising a legitimate right in guarding its security, threatened by the concentration of Bolivian troops, which continues to be intensified in that sector. We have no guarantee that the truce cannot be utilized by Bolivia to complete her mobilization and to realize her military objective which consists in overcoming our resist-

ance and reaching the Paraguay river. We cannot understand what reasons can be acceptable to the Neutrals which Bolivia can adduce for continuing to hold three fortines, as it is consequently Bolivia who is thus obstructing the work of conciliation. Paraguay has conformed to the declaration of August 3rd and the basis of August 5th, having received expression of the gratitude of the neutrals which could not be changed today into condemnation of her conduct, which consists precisely in remaining faithful to the proposal of the Commission of Neutrals. My country has no intention of altering its conduct, but it cannot renounce means for its own protection. We believe that the massing of troops and the occupation of positions in places dangerous to our defense are real acts of hostility which cannot be carried out with impunity by Bolivia under the truce. Bolivia is counting upon a month for the completion of her organization. In 2 months the rainy season will arrive, as is admitted. Paraguay will not oppose the truce once de facto security has been obtained not subject to contingencies of diplomatic negotiations which can be broken at any time in spite of the good will of the neutrals.

JUSTO PASTOR BENÍTEZ

724.3415/2199 : Telegram

The Commission of Neutrals to the Bolivian Minister for Foreign Affairs (Gutiérrez)

[Translation]

Washington, September 2, 1932.

The Government of Paraguay advises us that it will not oppose a truce once it has obtained actual security not subject to contingencies of diplomatic negotiations but considers the massing of troops and the occupation of positions in dangerous places should not be carried out under the truce. The Commission of Neutrals also believes that all movements of troops should cease and mobilization should be suspended during the truce. Your Excellency's agreement in this respect would facilitate the progress of negotiations and would be received with pleasure.

Francis White
President of the Commission of Neutrals
J. Varela
Minister of Uruguay
Fabio Lozano T.
Minister of Colombia
José T. Barón
Chargé d'Affaires of Cuba
P. Herrera de Huerta

Chargé d'Affaires of Mexico

724.3415/2229 : Telegram

The Bolivian Minister for Foreign Affairs (Gutiérrez) to the Chairman of the Commission of Neutrals (White)

[Translation]

La Paz, September 4, 1932. [Received 2:45 p. m.]

In replying to the cablegram dated the 2nd, we must state that Paraguay has already mobilized her forces in relation to place of danger. Bolivia, on account of distance and obstacles would need much time to place herself in equality of conditions. Therefore, proposal to suspend mobilization is inadmissible, as it would leave us at the discretion of Paraguay. We take the liberty of observing that delays in these proceedings are seriously prejudicial to Bolivia.

Julio A. Gutiérrez

724,3415/2267b: Telegram

The Commission of Neutrals to the Bolivian Minister for Foreign Affairs (Gutiérrez) 60

[Translation]

Washington, September 10, 1932.

The representatives of the neutral countries have received with regret the refusal of Paraguay to accept a truce, and of Bolivia to suspend the mobilization of her troops at this time, and desire to point out once more the great responsibility incurred by any country which refuses to accept pacific means under such circumstances.

The representatives of the neutral countries, in order to make one more effort to discover some practical basis, not only for the cessation of hostilities but also for the settlement of the Chaco conflict, wish to ask whether Bolivia and Paraguay are disposed to stop hostilities immediately and enter into an arrangement which shall definitively lead to a settlement of the conflict by arbitration.

In order to be in position to present a clear and definite proposal, in accordance with the ideas set forth, the Neutral Commission has the honor to ask whether Bolivia and Paraguay agree that, if after 3 months of negotiations, which would begin at the latest on October 1, 1932, and the two governments have not been able to reach an agreement, either as to a direct arrangement of the difficulties or else with regard to the manner of submitting the conflict to arbitration, the

^{**} The same telegram, September 10, to the Paraguayan Minister for Foreign Affairs.

different points of view of the two governments in regard to the arbitration compromise shall be submitted to the Seventh Pan American Conference, which will be held in Montevideo in 1933, or to the Permanent Court of International Justice of The Hague, in order that the Conference or the Court, as the case may be, may draw up the arbitration compromise which they consider will be the most equitable and just for both parties.

The Commission of Neutrals has viewed with deep anxiety the latest acts of hostility in the Chaco, which cause such serious injury to the interests of peace and to the good name of America.

It earnestly recommends that immediate orders be given to stop all military aggression and movement of troops.

Francis White
President of the Commission of Neutrals
J. Varela

Minister of Uruguay
Fabio Lozano T.
Minister of Colombia
José T. Barón
Chargé d'Affaires of Cuba
P. Herrera de Huerta
Chargé d'Affaires of Mexico

724.3415/2269 : Telegram

The Paraguayan Minister for Foreign Affairs (Benitez) to the Chairman of the Commission of Neutrals (White)

[Translation]

Asunción, September 12, 1932. [Received 1:15 p. m.]

In reply to your cable of the 10th,⁶¹ I have the honor to inform you that my country has not refused to accept truce previously proposed, as it limited itself to making conditional on suspension of mobilization, without which it is ineffective and dangerous, as proved by subsequent facts. In accordance with her peaceful policy, Paraguay has, up to the present, accepted all methods of conciliation and is disposed to accept suspension of hostilities, provided she is granted de facto guarantees of security to eliminate danger of further combats, and also accepts juridical proceedings for definitive settlement of boundary controversy. Paraguay deeply regrets conflict which

⁶¹ See footnote 60, p. 86.

causes profound and justified emotion among American nations and wishes to express her firm intention of terminating it as soon as possible, while safeguarding her honor and fundamental interests.

JUSTO PASTOR BENÍTEZ

724.3415/2276 : Telegram

The Bolivian Minister for Foreign Affairs (Gutiérrez) to the Chairman of the Commission of Neutrals (White)

[Translation]

La Paz, September 13, 1932. [Received 6:14 p. m.]

In reply to cablegram Commission of Neutrals dated the 10th, I have the honor to advise you that Bolivia at this moment is limiting herself to resisting the Paraguayan offensive. Suspension hostilities does not depend on the party attacked, which cannot abandon its defense. My Government, in accepting in the note of August 30th, the proposed truce, understood that immobilization of troops could not be an antecedent but a consequence thereof, subject to a special agreement, in view of the unequal situation of the two countries. Bolivia never refused pacific means consistent with her dignity, and accepted truce proposal without distrust in order to take up settlement of fundamentals. In repeating now the same attitude, I have to advise you that once a truce has been agreed upon, an attempt would be made to effect a direct arrangement or establish the bases of arbitration under the friendly auspices of the representatives of the neutral powers.

Julio A. Gutiérrez

724.3415/2288f : Telegram

The Commission of Neutrals to the Bolivian Minister for Foreign Affairs (Gutiérrez) 62

[Translation]

Washington, September 14, 1932.

The Commission of Neutrals notes with satisfaction that the Governments of Bolivia and Paraguay express their decision to accept pacific means for the settlement of the conflict.

In proof whereof, at this time, it transcribes to Your Excellency the reply of Paraguay to the latest cablegram from the neutrals: [Here

⁶² The same telegram, *mutatis mutandis*, September 14, to the Paraguayan Minister for Foreign Affairs.

follows text of telegram of September 12, printed on page 87.] 63 Under such circumstances it is inconceivable and deserving of the most severe censure that blood should flow on American soil.

The Commission of Neutrals makes a new, urgent appeal to the antagonists to:

First. Order the immediate cessation of hostilities, and Second. Order the withdrawal of their troops to 10 kilometers behind the line which they at present occupy in the Chaco, the zone being demilitarized.

The commission would send representatives in order that they might certify that such withdrawal, which should be initiated on the 16th of September, had been carried out. The possibility would thus be assured of stopping the shedding of blood, and undertaking the negotiations for the arrangement of the fundamental problem, the pacific settlement of which is desired by both contenders and is demanded by the prestige and the humanitarian sentiments of all America.

Francis White

President of the Commission of Neutrals

J. VARELA

Minister of Uruguay FABIO LOZANO T. Minister of Colombia José T. Barón Chargé d'Affaires of Cuba P. Herrera de Huerta Chargé d'Affaires of Mexico

724.3415/2291 : Telegram

The Bolivian Minister for Foreign Affairs (Gutiérrez) to the Chairman of the Commission of Neutrals (White)

[Translation]

La Paz, September 16, 1932. [Received 9:55 a. m.]

In reply cable of the 14 we answer as follows: Bolivia again states that she is disposed to suspend hostilities but points that, facing a strong Paraguayan offensive, she cannot lay down her arms nor withdraw to 10 kilometers without compromising her situation. There should be a mutual agreement. Moreover, with regard to the

[&]quot;In the Neutrals' note to Paraguay, substitute: [Here follows text of telegram of September 13, printed supra.]

withdrawal, we point out that it is impossible in view of the circumstances of the terrain. We consider that when once the suspension of hostilities has been accepted there can be no fear of further encounters because neither of the parties would fail to keep its pledged word and if any guaranties were deemed necessary they could be given. We confirm our proposal to enter into negotiations on the settlement of the fundamentals of the controversy.

Julio A. Gutiérrez

724.3415/2301 : Telegram

The Commission of Neutrals to the Bolivian Minister for Foreign Affairs (Gutiérrez) 64

[Translation]

Washington, September 17, 1932.

The Commission of Neutrals, noting that both parties consider difficult the withdrawal without delay of their troops to the distance proposed, and continuing in its efforts for assuring peace, has the honor to propose the immediate cessation of hostilities and the appointment of a delegation of neutral military men to oversee in the Chaco the fulfillment of the agreement of non-aggression and non-mobilization of forces with powers to move to a distance the contender who may be the aggressor in the future. Hostilities would cease absolutely in accordance with the doctrine of August 3, while a study is being made of arbitration or other pacific means of solution of the conflict.

Agreement with this proposal would honor both parties and would be grateful to all America.

Francis White

President of the Commission of Neutrals
J. Varela
Minister of Uruguay
Fabio Lozano T.
Minister of Colombia
José T. Barón
Chargé d'Affaires of Cuba
P. Herrera de Huerta
Chargé d'Affaires of Mexico

⁴⁴ The same telegram, September 17, to the Paraguayan Minister for Foreign Affairs. •

724.3415/2302 : Telegram

The Bolivian Minister for Foreign Affairs (Gutiérrez) to the Chairman of the Commission of Neutrals (White)

[Translation]

La Paz [undated]. [Received September 18, 1932—1:05 p. m.]

from the representatives of the neutral countries. My Government, consistently with its previous declarations and particularly with the terms of its note of the 16th, accepted the immediate cessation of hostilities, conformity with it having first been obtained from the adversary. As to the guarantees of non-aggression, my Government believes that, the agreement to the cessation of hostilities having first been made, such agreement will be loyally carried out. It believes that a civil commission of neutrals would function with greater advantages of all kinds in guaranteeing non-aggression and in establishing, if the case should arise, the violation of the agreement. With respect to non-mobilization in the Chaco, it considers it should be agreed upon on the basis of equality of conditions on the terrain for both parties.

Julio A. Guttérrez

724.3415/2317a : Telegram

The Commission of Neutrals to the Bolivian Minister for Foreign Affairs (Gutiérrez)

[Translation]

Washington, September 21, 1932.

In reply to a request for clarification which this Commission of Neutrals addressed to him the delegate of Paraguay at Washington, by instructions of his Government, states to us that the following conditions for the cessation of hostilities would be acceptable to his Government:

"First. The day and the hour of the suspension of hostilities are to be fixed in advance by Neutrals and accepted by the parties.

"Second. The date of the suspension will be fixed with sufficient margin so that it may be possible for the pertinent orders to reach the various detachments of troops, some of which are mobile, or lack a telegraph station.

"Third. Taking as line of reference the meridian 60 degrees from Greenwich, the withdrawal of each army to be made to 70 kilometers on each side of the said meridian, respectively, within the time limit of 3 days, starting from the date on which the suspension of hostilities is ordered.

"Fourth. Immediately after the foregoing withdrawal has been

effected, there will be initiated another one for which a time limit of two weeks will be accorded, which withdrawal will consist in the withdrawal of the Bolivian troops to the west of meridian 62½ from Greenwich, and of Paraguayan troops on its fluvial littoral.

"Fifth. Within the same time limit a plan of equitable demobil-

ization to be agreed upon.

["]The Government of Bolivia has not yet declared itself regarding these conditions, but it is to be hoped that it [will] accept them, as soon as the honorable Commission deigns to bring them to its knowledge. The Government of Bolivia has expressed repeatedly its pacifism, and therefore cannot fail to agree to measures tending both to the suspension of hostilities and to the radical elimination of all possibility of war in the Chaco."

The Commission of Neutrals fulfills the mission of transmitting them to Your Excellency, and will appreciate your prompt reply.

Francis White

President of the Commission of Neutrals

J. VARELA

Minister of Uruguay

Fabio Lozano T.

Minister of Colombia

José T. Barón

Chargé d'Affaires of Cuba

P. HERRERA DE HUERTA Charaé d'Affaires of Mexico

724.3415/2321 : Telegram

The Bolivian Minister for Foreign Affairs (Gutiérrez) to the Chairman of the Commission of Neutrals (White) 65

[Translation]

La Paz, September 22, 1932. [Réceived 2 p. m.]

The Government of Bolivia has received the cable note of the 21st instant in which the representatives of the neutral countries transcribe to it the clarifications of the delegate of Paraguay regarding the bases for the cessation of hostilities which we (have) already rejected by note of the 16th. In the name of my Government I have to state the following:

First. Points 1 and 2 of those clarifications have the manifest intention of protracting the negotiations while awaiting some Paraguayan military success.

Second. The datum that the field of operations covers hundreds of kilometers and that it is not possible to give immediate orders

^{*}Copy transmitted to the Paraguayan Minister for Foreign Affairs by the Commission of Neutrals in telegram dated September 22.

which would reach the various detachments of troops is not in agreement with the truth. The points of contact and combat are limited to 70 kilometers in the sectors of Boquerón and Agua Rica, whence news comes to Asunción within a few minutes. In the rest of the extensive line there are enormous vacant stretches without any contact of troops. In reality Paraguay is giving a false impression to the neutrals, trying to confuse their judgment with the intention of gaining time and not suspending hostilities despite her apparent desire to do so.

Third. The withdrawal of our troops to 70 kilometers from meridian 60 is another condition with a purpose analogous to the former. What Paraguay is seeking by the withdrawal of our fortines and troops up to that limit is to remain practically mistress of the Chaco. Her withdrawal up to the river does not constitute disoccupation since her civil possessions remain up to about meridian 60. Furthermore, mistress of the river and of railways which penetrate into the interior of the Chaco, her demobilization is nominal, she being able at any moment to concentrate her forces with great facility and swiftness. The withdrawal of our fortines would mean for Bolivia the abandonment of the Chaco since they being located in the arid and waterless part, our civil positions are reduced on those points. In this way Paraguay would follow her dilatory policy in order to effect no agreement on the final solution of the dispute.

Fourth. We confirm our note of the 16th instant.

Julio A. Gutiérrez

724.3415/2327a : Telegram

The Commission of Neutrals to the Bolivian Minister for Foreign Affairs (Gutiérrez) 66

[Translation]

Washington, September 22, 1932.

The Commission of Neutrals has received cablegrams from the Governments of Bolivia and Paraguay indicating that they are disposed to terminate hostilities.

They have, however, proposed various conditions, as a prerequisite to such termination and this has resulted in the continuation of the struggle in the Chaco for many days. If one or both countries really desire the cessation of hostilities, there is no excuse for requiring that conditions of the kind indicated to the neutrals be a sine qua non for the restoration of peace. That one country should continue the struggle when the other desires to put an end to hostilities will mean that it is using force as an instrument of national policy in its relations with that other country, which is absolutely contrary to the declaration of the American Nations of the 3rd of August last, a declaration which was accepted by Bolivia and Paraguay.

⁶⁶ The same telegram, September 22, to the Paraguayan Minister for Foreign Affairs.

In order to put an end to this anomalous situation in which both parties give assurances that they desire to terminate the combats, but fail to specify the date on which this would be accomplished, the Commission of Neutrals appeals both to Bolivia and Paraguay in order that they may accept an unconditional termination of hostilities and the immediate initiation of negotiations for the settlement of their differences by means of an arbitration without reservations.

The Commission of Neutrals will immediately send a delegation to the Chaco to verify the effective termination of hostilities, and informs the parties that if its delegation advises it that one of them has violated the engagement to terminate the struggle, the Commission of Neutrals will declare that such country is the aggressor and will suggest that all the Governments of America withdraw their diplomatic and consular representatives from that country.

The foregoing stipulations offer all necessary guarantees to both parties and they can accept them with dignity and without prejudice to their right, especially because of the fact that in accordance with the doctrine of the 3rd of August, military movements or positions do not in the least affect the juridical situation of either of the contenders.

Francis White

President of the Commission of Neutrals
J. Varela

Minister of Uruguay

Fabio Lozano T.

Minister of Colombia

José T. Barón

Chargé d'Affaires of Cuba

P. Herrera de Huerta

Chargé d'Affaires of Mexico

724.3415/2328 : Telegram

The Bolivian Minister for Foreign Affairs (Gutiérrez) to the Chairman of the Commission of Neutrals (White)

[Translation]

La Paz, September 23, 1932. [Received 5:06 p. m.]

185. In reply to today's [yesterday's?] cablegram from the Commission of Neutrals I have the honor to state that my Government is disposed to give order for suspension of fire in the Boquerón sector for tomorrow, September 24, at 12 o'clock, provided Paraguay gives the same order for the same hour and place and that we are

notified of her acceptance by 21 o'clock today. My Government is making this last effort for peace as it believes that if this opportunity is lost, it will be impossible for it to check the course of events.

Julio A. Gutiérrez

724.3415/2328 : Telegram

The Commission of Neutrals to the Bolivian Minister for Foreign Affairs (Gutiérrez)

[Translation]

Washington, September 23, 1932.

The Commission of Neutrals in reply to your cablegram of today states that its proposal of yesterday referred to the termination of hostilities in all the Chaco and not only in one sector, and that it also includes as an integral part the acceptance of the immediate initiation of negotiations for the arrangement of your differences by means of an arbitration without reservations.

As soon as the Government of Bolivia accepts that which was proposed by the Neutrals in their cablegram of the 22nd they will take great pleasure in communicating the fact to the Government of Paraguay.

The Commission also expects a reply to the other proposals of its cablegram of the 22nd.

Francis White
President of the Commission of Neutrals
J. Varela
Minister of Uruguay
Fabio Lozano T.
Minister of Colombia
José T. Barón
Chargé d'Affaires of Cuba
P. Herrera de Huerta
Chargé d'Affaires of Mexico

724.3415/2407

The Paraguayan Delegate (Soler) to the Chairman of the Commission of Neutrals (White)

[Translation]

Washington, September 26, 1932.

Mr. President: I have the honor to bring to Your Excellency's knowledge the reply to the cabled note of the twenty-second of the current month, addressed to my Government by the honorable Commission of Neutrals.⁶⁷

⁶⁷ See footnote 66, p. 93.

The literal text of the said reply is as follows:

"Mr. President of the Commission of Neutrals: Paraguay accepts the latest suggestion of Your Excellency with the following bases: First—Cessation of hostilities on the date and at the hour which may be fixed by the Neutrals for both parties with reasonable advance notice. Second—Immediate and simultaneous withdrawal of both armies until the Chaco is entirely demilitarized, within the period of two and three weeks, under supervision of the Neutrals and after agreement of the parties. Third—Reduction of the military effectives to the minimum required for the internal security of each country, to be determined and supervised by the Commission of Neutrals. Fourth—Submission of the controversy to international justice.

Justo Pastor Benítez, Minister of Foreign Relations."

I avail myself [etc.]

JUAN JOSÉ SOLER

724.3415/2345a : Telegram

The Commission of Neutrals to the Paraguayan Minister for Foreign Affairs (Benítez)

[Translation]

Washington, September 26, 1932.

The Commission of Neutrals has learned with pleasure of the acceptance by Your Excellency of its latest suggestion relative to the sending of a mission of neutrals to the Chaco and the submission of the controversy to arbitration without reservations.

It notes, however, that in numbers 2 and 3, points are presented as prerequisites for the termination of hostilities which the Commission of Neutrals in the Chaco will have to take under advisement in order best to perform its duty. In order that we may transmit to the Government of Bolivia the unconditional acceptance of the proposal of the Commission of Neutrals of the 22nd of this month, it would be much appreciated if Your Excellency would promptly state your acceptance in view of the preceding explanations.

The mission of neutrals now accepted by both parties is ready to start for the Chaco, with the certainty that it can insure the reconciliation of the combatants, thus contributing to the final settlement of all the differences by means of arbitration.

Francis White
President of the Commission of Neutrals
J. Varela
Minister of Uruguay
Fabio Lozano T.
Minister of Colombia

José T. Barón Chargé d'Affaires of Cuba P. Herrera de Huerta

Chargé d'Affaires of Mexico

724.3415/2341 : Telegram

The Bolivian Minister for Foreign Affairs (Gutiérrez) to the Chairman of the Commission of Neutrals (White)

[Translation]*

La Paz, September 26, 1932. [Received 9:30 p. m.]

198. My Government replies to the cabled notes of the Commission of Neutrals dated the 22nd and 23rd of this month in the following explanatory terms: in view of the urgency with which the neutrals requested the cessation of hostilities Bolivia agreed to suspend them on the following day at a set hour provided that Paraguay also agreed and that the said agreement be communicated to her on the same day. The neutrals observed that such suspension should be in the whole Chaco and not only in the Boquerón sector and that moreover it should be integrated with the immediate initiation of negotiations by means of an arbitration without reservations. Bolivia spoke of the Boquerón sector and its vicinity because that is where a combat is now taking place, understanding that in the rest of the Chaco there were no hostilities to suspend. In the explanation which she formulated on the same date, the 23rd, through her Minister in Washington 68 she stated that the suspension would naturally include the whole Chaco, an explanation of which the neutrals had cognizance. As to the delegation which the neutrals would send to the Chaco to verify the actual termination of hostilities my Government has already stated its opinion in note dated 18th. Bolivia calls attention to the fact that at no time has she demanded impossible conditions for the cessation of hostilities showing herself always disposed, once hostilities were suspended, to take steps for a basic arrangement or an arbitration. The conditions previous that have stood in the way of the armistice have not come from her. Thus it is that in the latest cablegrams the requirement to submit beforehand to an arbitration without reservations is one of those requirements which hinder agreement and which therefore favor the prolongation of hostilities.

Julio A. Gutiérrez

^{*}Translator's note: Part of the Spanish original lacked punctuation marks, which have been supplied in the translation. [Footnote in the file translation.]

68 Not printed.

724.3415/2408

The Paraguayan Delegate (Soler) to the Chairman of the Commission of Neutrals (White)

[Translation]

Washington, September 28, 1932.

Mr. Charman: I have the honor to transmit to the Commission under your worthy Presidency the following cabled note from my Government in reply to the last despatch ⁶⁹ from the honorable Commission of Neutrals:

"Mr. President of the Commission of Neutrals: The Paraguayan Government is prepared to begin steps of conciliation and broad arbitration, but it judges indispensable the termination of hostilities and not a mere truce. To this end it insists on the necessity for establishing as a prerequisite a régime of reciprocal security, consisting in the total demilitarization of the Chaco and the reduction of the armies. Once an agreement has been reached on these points the creation of a commission of neutral military men will be contemplated in order to see to the faithful execution of the said agreement. Paraguay will suspend hostilities, once both conditions have been accepted by Bolivia, under the guarantee of the Neutrals. It is superfluous to dwell upon the fact that the Paraguayan proposals constitute an organic whole, which it is impossible to dismember, because they answer to the necessity of fixing conditions of security before beginning the steps toward arbitration of suspending hostilities.

Justo Pastor Benítez, Minister of Foreign Relations."

I avail myself [etc.]

Juan José Soler

724.3415/2376 : Telegram

The Minister in Paraguay (Wheeler) to the Secretary of State

Asunción, September 30, 1932—2 p. m. [Received 8:50 p. m.]

122. The President this morning told me that the temper of the Army was such that the taking of Boquerón and Toledo could not be delayed. He thinks the same is likely to happen at Samaklay which has been greatly strengthened by the Bolivians since it was taken by them. He believes that thereafter may come a lull and that at the beginning of the rains Bolivia will find her hands more than full in extricating her troops from their untenable positions. If there is any possibility of truce he believes it will be most likely at

^{*}Dated September 26.

that time, but he realizes that the difficulties in the way will now be very great at La Paz. The fighting at Boquerón is considered to have demonstrated that the Bolivian rank and file are poor soldiers unable to withstand trench fighting and bayonet work although splendidly led by foreign trained officers.

Ayala is bitter at Argentina whose intrigues he blames for the apparent reluctance of the neutrals to enforce Bolivian retirement and agreement for arbitration, and who, he considers, contrary to her asseverations, is now desirous of seeing the League usurp the place of the neutral powers in order that the prestige of the United States be diminished in Latin America.

WHEELER

724.3415/2414 3/13

Memorandum by the Assistant Secretary of State (White)

[Washington,] October 3, 1932.

Mr. Soler telephoned me on Monday morning, October 3, to say that he had received a reply from his Government in answer to the two questions which the Neutral Commission put to it last Friday. He said that his Government considers the limits of the Chaco to be to the north and west of the River Paraguay. To the north, up to the Xauru, and to the west, to the Parapití. To the south, the Pilcomayo, and to the east, the Paraguay River. Mr. Soler added that the limits of the Chaco are also set forth in the first Paraguayan memorandum accompanying the Paraguayan counterproposal for a pact of non-aggression.⁷⁰

With respect to the second question, whether Paraguay thought it could now stop hostilities, he said that his Government did not feel that it could do so on account of the fact that it was being attacked by two Bolivian armies in the Chaco. I told Mr. Soler that I would communicate this negative reply to the Neutral Commission—that I personally could not escape the conviction that, Bolivia for the past two weeks having expressed its readiness to terminate hostilities and enter into negotiations for a settlement, Paraguay would have to be considered the aggressor in view of her refusal to accept. I said that I could not find much sympathy with the statement that Paraguay was being attacked in view of the fact that Bolivia had expressed its readiness to stop hostilities and the fact that it was the Paraguayans who are now advancing. I advance, as my purely personal views, that Paraguay is playing a very dangerous game. Paraguay

 $^{^{70}}$ Notation on original: "I read and showed this paragraph to Dr. Soler on Oct. 4 and he said it sets forth correctly the Paraguayan position. F[rancis] W[hite]."

is at the present time winning a military victory. The fortune of arms may well turn against her, however, and then Bolivia may not wish to stop hostilities, although Paraguay will then undoubtedly be urging the Neutrals strongly to do something to stop Bolivia. Paraguay will thus have lost its opportunity and will have to take the consequences.

Mr. Soler said that he had instructions to transmit to his Government at once any views or suggestions that the Neutrals might wish to make and asked if there was anything I wanted him to transmit to his Government. I told him that I would communicate his reply to the Neutral Commission and if they have anything which they wish him to communicate to his Government I would advise him thereof.

F[RANCIS] W[HITE]

724.3415/2391 1/2

The Paraguayan Delegate (Soler) to the Commission of Neutrals

[Translation]

MEMORANDUM

In obedience to the request of the Commission of Neutrals which desires to know whether Paraguay is disposed to submit to arbitration without reservations, that region of the Chaco included within the boundaries which I have indicated, i.e., the Jaurú, the Parapití, Pilcomayo and Paraguayan Rivers, being sufficiently authorized by my Government, I reply:

The question which Paraguay is prepared to submit to arbitration without reservations is the question of boundaries between the two countries, Paraguay and Bolivia, and not a specified zone, as Paraguay does not admit any territorial dispute nor any question of recovery over the Chaco. More properly, the arbitration must be one of boundaries and not of territory.

Juan José Soler

Washington, October 6, 1932.

724.3415/2398 : Telegram

The Minister in Paraguay (Wheeler) to the Secretary of State

Asunción, October 7, 1932—2 p. m. [Received 6:06 p. m.]

126. The Government here considered that a neutral military commission, whatever the facilities given it, unless retirement of troops took place, would find it impossible on account of the geography of the Chaco, its great forest, wide waterless areas and great distances

between the fortines of either side, to carry out successfully its purpose. Encounters might occur anywhere at any time and the commission would have to be omnipresent. In case of a mutual retirement, however, it could by a mere air tour of the fortines ascertain that they were deserted. The President who has just returned from Boquerón expressed regret to me today that the neutrals did not seek advice on this point by asking of one of the A. B. C. Powers, say, of Argentina, a confidential report from its Military Attaché here who with other Military Attachés has been observing operations at the front.

Bolivia's reservation from the field of arbitration of the entire Chaco except the small portion covered by the Hayes Award has confirmed this Government in its conviction that no peaceful agreement can be arrived at with her and that Paraguay has no choice but to continue fighting till she is in another mind.

WHEELER

724.3415/2399 1/2

The Bolivian Legation to the Commission of Neutrals [Translation]

MEMORANDUM

Although the Bolivian Government cannot understand the purpose of the steps which the Honorable Commission of Neutrals has been taking in order to propose a plan of arbitration, when Paraguay is beginning a general offensive in the Chaco, with the manifest intention of settling the territorial controversy by force of arms, it wishes to yield once more to the requests of the said Commission and has instructed its confidential agent in Washington to communicate to it the explanations which are requested on the "area of the Chaco".

The Bolivian Government presumes that what the Commission of Neutrals wishes to know is the area of the Chaco which is subject to dispute or controversy, according to the judgment of Bolivia, because the term "Chaco" is too inexact and may embrace regions belonging to the unquestioned sovereignty of Bolivia, on which Bolivia does not admit of discussions with Paraguay. Parguayan diplomacy and propaganda have for some time exaggerated the area of the Chaco, extending their claims to inconceivable limits, with the sole object that an equitable settlement may assign to Paraguay the greater part or the whole of the zone which is really controversial. Against such tactics Bolivia cannot employ the same method, both because it disdains such procedure, and because the Chaco has, on the east, a fixed natural boundary constituted by the Paraguay River.

To speak definitely in this respect, the maximum claims of Paraguay in the past did not go farther than Bahía Negra. This is shown by official Paraguayan maps and by their plans for the census of the Chaco. The greater claims are only recent and are due to the tactics mentioned above.

As to Bolivia, bearing in mind the fact that the Chiquitos missions, which belong to the bishopric of Santa Cruz, extended in colonial times as far as San Ignacio de Zamucos, situated on parallel 21° 30′, no greater area on the north can be considered as disputable than that which is bounded by the parallel corresponding to the mouth of the Apa.

With respect to the western boundary of the controversial Chaco, the Argentine-Paraguayan Treaty of 1876⁷¹ determined that the western boundary of the territory which both nations claimed from the other, was determined by the meridian which passes through the sources of the principal branch of the Pilcomayo, approximately 59° 25′ (west) of Greenwich. The Bolivian territory situated to the west of the diagonal line drawn from Bahía Negra to the principal branch of the Pilcomayo was covered by that treaty, in which Bolivia did not intervene. Bolivia, therefore, could hardly consider as controversial that which Paraguay itself has recognized as being undeniably Bolivian.

Nevertheless, in spite of this favorable circumstance, Bolivia would accept, for a zone of arbitration, the limit 59° 50′, to which corresponds the meridian of the source of the Verde River.

Such are the Bolivian viewpoints with relation to the area of the controversial Chaco, which the Commission of Neutrals should take into account for any proposal of settlement by arbitration which it may see fit to suggest to the parties.

Washington, October 9, 1932.

724.3415/2425 : Telegram

The Minister in Bolivia (Feely) to the Secretary of State

La Paz, October 15, 1932—11 a. m. [Received 12:40 p. m.]

104. Ex-President Montes, now President of the Central Bank, returned on October 13 from a 3 weeks' visit to the Bolivian positions in the Chaco, and at the meeting held on that day at the Palace, was instrumental in temporarily preventing an open break between

[&]quot;Signed at Buenos Aires, February 3, 1876, British and Foreign State Papers, vol. LXVIII, p. 97.

the Government and the Army, although he apparently could not convince the President of the necessity of organizing a coalition and left the meeting.

Invited to secret plenary session of Congress yesterday he described the situation of the Bolivian troops in the Chaco as appalling, and declared that he was opposed to the prosecution of a war for which Bolivia was entirely unprepared, although he warned that internal disturbances would only make the situation worse, and urged support of the administration in spite of its errors in the past.

His remarks made a deep impression and reflect the sentiment of a large sector of Bolivian opinion, which for lack of leadership and fear of criticism has not made itself felt up to the present time. Under the circumstances and because of the critical internal situation I am of the opinion that the Government would seize upon any pretext to extricate itself from the dilemma and that forcible measures by the neutrals would be welcomed as offering such a pretext although there would be a storm of protest.

The feeling against Argentina is so strong that the inclusion of Argentina in any concerted action of the American countries would prejudice Bolivia against it.

FEELY

724.3415/2425 : Telegram

The Secretary of State to the Minister in Bolivia (Feely)

Washington, October 17, 1932—1 p. m.

39. Your 104, October 15, 11 a. m. Neutrals on October 12th requested Bolivian and Paraguayan delegates⁷² to ask their Governments by telegraph to authorize them to come to a meeting of the Commission of Neutrals to discuss, draw up, and sign with the delegate of the other country an agreement covering the following points: (1) separation of troops in the Chaco; (2) demobilization of the reserve troops of both countries, and (3) reduction and limitation for a stated period of the regular army in both Bolivia and Paraguay.

They were informed that it is understood of course that a commission of neutral military officers will be provided for in the agreement to verify compliance with the above conditions. The agreement should also provide that the controversy between the two countries will be settled solely by arbitration and provide for the opening within a reasonable period, say a fortnight after the signing of the agreement, of negotiations for an arbitral settlement of the Chaco dispute.

¹² Proposal of October 12 not printed.

Paraguayan delegate on 14th received authorization from his Government in the sense requested. Bolivian delegate still has no such authorization. This proposal would seem to offer the Bolivian Government the pretext you mention to extricate itself from its present dilemma and it is hoped that it will promptly authorize Finot to attend the conference.

STIMSON

724.3415/2455a: Telegram

The Chairman of the Commission of Neutrals (White) to the Secretary of State, at Pittsburgh, Pennsylvania

Washington, October 26, 1932.

Bolivia accepted this afternoon neutral proposal already accepted by Paraguay that the two delegates enter into a conference under the auspices of the Neutral Commission to stop hostilities and settle Chaco dispute. First meeting will take place at 3 o'clock tomorrow afternoon. Above released to press.

WHITE

724.3415/2480 1/2

The Paraguayan Delegate (Soler) to the Chairman of the Commission of Neutrals (White)

[Translation]

Washington, November 1, 1932.

MY DEAR MR. WHITE: In order that the negotiations of which you have charge may obtain the success which we desire in the interest of peace, which is the interest of all, I beg you to give consideration to the following viewpoints.

What Paraguay desires is not a mere truce, a period of waiting between hostilities, but a final peace which will permit the countries in conflict to work for their welfare and growth, free of suspicion and concern on the score of an unfriendly neighbor.

Looking at the question with which we are concerned from this point of view any solution would be difficult if not impossible for Paraguay, unless provision is specifically made for the total withdrawal from the Chaco of the Bolivian army and for guarantees capable of preventing any further aggression. At your request I do not insist upon the use of word demilitarization, because the important thing is not the words but the ideas. One assurance which I can give you, is that Paraguay, even if victorious, for you have probably observed that I did not draw argument from our advantageous mili-

tary situation at the last meeting nor do I do so now, Paraguay, I repeat, will not fail to submit her boundary dispute with Bolivia to arbitration, and in general, to any juridical means of settlement.

As to the clause relative to compensation charged to Bolivia, for the families of the victims and the disabled veterans of this war which we did not desire nor provoke, I have to inform you that according to new instructions received, I cannot withdraw it. I ask that you be good enough to convey this reply to the knowledge of all those who formulated and supported the request at the last meeting. The reasons which the Government of Paraguay had for this clause have not changed and instead of becoming weaker tend very justly and obviously to become stronger.

Receive again, Mr. White, the assurances of my high consideration and great personal esteem.

Juan José Soler

724.3415/2493 1/2

The Bolivian Legation to the Commission of Neutrals

[Translation]

Acceding to the request formulated by the Honorable Commission of Neutrals, the Government of Bolivia would be disposed to withdraw its troops to the general line of fortin Vargas, Madrejón, Camacho, Platanillos, Muños and Esteros. As may be seen on the attached map,⁷³ this line signifies a more than sufficient withdrawal in order to assure the absolute separation of the opposing troops, which separation, furthermore, would be guaranteed by the supervision of the proposed Neutral Commission. The Paraguayan troops should withdraw in such case to a proportional distance, bearing in mind the inequality in the means of transportation and mobilization. The map indicates also the location of the advanced fortines which Bolivia now occupies and which it would have to abandon in order to withdraw to the line indicated above.

The proposal to reduce the military effectives of the countries in the controversy for a given period is not acceptable to Bolivia whose extensive frontiers require protection. The necessity for guaranteeing its independence, in view of its special geographic situation, oblige it to maintain an indeterminate number of military effectives. Furthermore, an elemental juridical consideration forces it to think that it is not possible to require a country, without the sacrifice of its dignity and sovereignty, to agree to the limitation of its military forces, except in the case of a general or joint agreement, in which

[&]quot; Not reproduced.

may be invoked what the treaty makers call the "auto-limitation" of sovereignty, by a spontaneous decision or due to mutual convenience. It must be borne in mind that Bolivia and Paraguay are not the only two nations which exist in South America whose rights and interests may be found to conflict at the present time or in the future. The fact that the point concerning the limitation of military effectives is a Paraguayan suggestion, according to the statement of the Minister of Uruguay at the meeting of October 27, last, leads one to think that it will not be sustained by the Honorable Commission of Neutrals, in view of the fundamental objections which were opposed at that meeting by the Plenipotentiary of Bolivia and which are confirmed in the present memorandum.

The Bolivian representative hopes that the fundamental good faith with which his Government is proceeding in these negotiations will be duly recognized and appreciated by the Honorable Commission of Neutrals, which is called upon by the nature of its duties to have the other interested party eliminate evidences of distrust which are as unfounded as they are injurious to Bolivia's dignity. The idea of "demilitarizing" the Chaco, suggested by Paraguay and not favored by the members of the Commission of Neutrals, according to explicit statements formulated at the meeting of October 27, is not only unfair and prejudicial but is included among those demonstrations of distrust which the Bolivian representative would like to see suppressed, in the desire of assuring the success of the present conference.

Washington, November 4, 1932.

724.3415/2483 : Telegram

The Minister in Paraguay (Wheeler) to the Secretary of State

Asunción, November 4, 1932—7 p. m. [Received November 5—12:12 a. m.]

145. The public demand that Paraguay break off conversations with the Neutrals has been growing in strength. Yesterday after a group of Senators and Deputies had called on him to urge retirement from Washington the President cabled Soler asking whether there was hope of any action in the near future. Ayala has been hampering further military advances so far as he is able, aware that the more reverses Bolivia suffers the more difficult it will be for her to recede from her position, but this Government has reached the point where it must either negotiate or go forward. The General Staff asserts that Muñoz can be taken any day its fall is desired. Ayala told me

today that if the military party continues to gain in strength he may, against his desire and efforts, even be forced to refuse arbitration.

There is increasing resentment here at the reported coming of General Kundt from Germany to Bolivia, as a move calculated to stiffen the Bolivian Government against any agreement for the cessation of hostilities. Penz has cabled a strong protest to the German Government as has also the German Minister here in the name of all German organizations, commercial and social, of Paraguay. The President hopes very strongly that the Neutrals may find it possible to register disfavor of his coming, not only on the specific ground above indicated but on principle, as amounting to an undesirable interposition of an European militarism in a matter whose solution should be left to the Americas. My Argentine and Chilean colleagues also have asked me to transmit this suggestion to you. They have cabled their Governments today recommending an expression by the latter to the German Government of a similar disapproval.

WHEELER

724-3415/2483:Telegram

The Acting Secretary of State to the Minister in Paraguay (Wheeler)

Washington, November 5, 1932—3 p. m.

46. Your 145, November 4, 7 p. m. There is every prospect that with patience and good sense on the part of Bolivia and Paraguay an agreement can be arrived at. The conduct of the military campaign and the continuance of Paraguay in the conference here are matters which naturally only Paraguay can determine. This Government can express no opinion regarding the first. Regarding the second, it feels that Paraguay would certainly be making a most serious mistake to withdraw from the conference. This controversy has existed between Paraguay and Bolivia for many years and to break off the conversations after the first meeting, at which Paraguayan and Bolivian delegates met and discussed the matter, would seem to be unreasonable and it is not seen on what grounds it could be defended. Since that meeting Neutral Commission has been discussing the first topic in its proposal of October 1274 to the two countries, namely the separation of the troops in the Chaco, and very favorable progress is being made with the Bolivian delegate. At the first meeting on October 27 Soler suggested that Paraguay withdraw its troops to the River and Bolivia withdraw to Villa Montes, a far greater distance away. Furthermore, the disadvantage to Bo-

⁷⁴ Not printed.

livia is enhanced by the greater difficulty in communications. Soler admitted privately, after the conference, that this was his first demand and is susceptible of modification. He has since receded to meridian $62\frac{1}{2}$.

The Neutral Commission desires to bring about a termination at once and for all of hostilities and not merely to arrange for a truce and it is therefore endeavoring to have the troops on both sides withdrawn as far as possible and to have both sides demobilize down to a small reasonable figure. These two conditions, joined with the supervision of the withdrawal of the troops and supervision of the maintenance of the withdrawal by a Neutral commission should give ample guarantees to both sides that the other will not resume hostilities. Please take the matter up on this basis with the Paraguayan authorities, pointing out that favorable progress is being made and that it certainly does not appear reasonable to talk about withdrawing from the conference when there has so far been but one meeting of the two delegations at which they naturally put forth their major demands and resisted those of the other. With moderation and good sense on both sides, the prospects are most favorable for a settlement.

In order to aid the negotiations, please endeavor to find out the minimum withdrawal of Bolivian troops acceptable to Paraguay and the minimum number of troops Paraguay will want to retain under arms and the number of Bolivian troops which would be acceptable to Paraguay. You may state that this information will be kept strictly confidential and will not be communicated either to the Bolivian delegate or to the other Neutrals; it will be maintained in confidence but as an aid in the negotiations. If the Paraguayan Government will be moderate in its requests an agreement should be arrived at very shortly.

What is the reason for the public demand that Paraguay break off conversations with the Neutrals and who is responsible for inciting such a demand? If it is the militarists they should not forget the declaration of August 3. The only way Paraguay can get title in the Chaco which will be recognized by the other American nations is through a peaceful settlement. The way to a peaceful settlement is now in Paraguay's grasp if she will be moderate and cooperate with the Neutral Commission. Paraguay's best interests would seem to indicate that this is what she should do.

CARR

724.3415/2487b : Telegram

The Acting Secretary of State to the Minister in Bolivia (Feely)

Washington, November 5, 1932—3 p. m.

47. In order to help in the negotiations now going on by the Neutrals with the Bolivian and Paraguayan delegates, please endeavor to find out for confidential use and not to be communicated to the Paraguayans or to the other Neutral members how far Bolivia will agree to withdraw her troops in the Chaco and the minimum number of troops that Bolivia wants to retain under arms. The Neutrals feel that the best chances for success in bringing about an agreement between the parties and, after that is accomplished, in bringing about an arbitral settlement once and for all of the Chaco dispute lies in the greatest possible separation of the troops in the Chaco and the demobilization of the largest number of troops. This will of course help the economic condition in both countries also.

One consideration which you may discreetly use in your talks with the Bolivian authorities, if in your discretion you consider such action to be advisable, is the advantage to Bolivia of withdrawing troops as a result of her own free will and agreement rather than under the compulsion of Paraguayan forces. The Neutrals' suggestion of last July to withdraw to the line of June 1 has been shown by events to have been highly advantageous to Bolivia. Bolivia declined the suggestion and has now been forced back far beyond that line. Paraguayan troops appear still to be advancing in the Chaco and it would appear to be the part of good statesmanship to agree to a withdrawal of Bolivian forces voluntarily, obtaining at the same time the withdrawal of Paraguayan forces from her advanced positions, rather than to have hostilities continue with perhaps further forced retirement on the part of Bolivia. The Department realizes the delicacy of broaching this subject and leaves the matter entirely to your discretion but hopes that you will be able to influence the Bolivian Government to agree to a very substantial retirement. Finot proposed that Bolivia keep Fort Muñoz but if Paraguay is to give up her forts in the Chaco she will certainly not agree to Fort Muñoz being retained by Bolivia. Is there any possibility of getting Bolivia to withdraw to say the 63rd meridian?

CARR

724.3415/2488 : Telegram

The Minister in Bolivia (Feely) to the Secretary of State

La Paz, November 7, 1932—11 a. m. [Received 11:55 a. m.]

116. As the resignation of the present Cabinet is already in the hands of the President pending results of Tejada's efforts to organize a coalition Cabinet under the paragraph [parliamentary?] system, I consider it advisable to delay action on the Department's telegram No. 47, November 5, 3 p. m., until the Cabinet situation is defined, because the possibility of obtaining definite replies to the first two questions will be greatly increased if he is successful.

As to the last question, I feel sure that Bolivia will not now voluntarily consent to such withdrawal because Muñoz is her key position in the Chaco, and all the terrain and forts to the west of that position would be untenable if Muñoz were lost or given up. An offensive with Muñoz as a base is planned for March or April of next year, but I question whether the financial situation will permit of maintaining her present forces for so many months.

FEELY

724.3415/2493 : Telegram

The Minister in Paraguay (Wheeler) to the Secretary of State

Asunción, November 8, 1932—4 p. m. [Received 9 p. m.]

148. Your telegram No. 46, November 5, 3 p. m. The President assures me that he will oppose withdrawal from the conference by every means in his power and as long as he is able. This Government's determination is very strong to accept no mutual retirement of troops that will not mean demilitarization virtually of the entire Chaco. That being agreed to it will accept any estimate the neutral powers may determine upon as to the number of men Paraguay and Bolivia shall retain under arms. Paraguay will insist, however, on a right to maintain such police as are necessary to protect her Mennonite Colony, the railroad and her greater agricultural and cattle establishments against the Indians. In peace times she employed for this purpose about 100 men all told which number after demilitarization should normally be sufficient, but she will insist on the right to vary this number if at any time necessary. Her contention is that since Bolivia has only military establishments in the Chaco she has no need for this privilege and if it is granted her the way would

remain open for clashes to occur. The President is displeased at the publication from Washington of the matter of the indemnity, which Soler cables leaked from the State Department.

The Minister for Foreign Affairs is at the front. A third army, of 7,000 men, is being organized to supplement the first army now in the sector of present hostilities, the second army remaining in the North. A large movement will be begun in a few days.

WHEELER

724.3415/2491 : Telegram

The Secretary of State to the Minister in Paraguay (Wheeler)

Washington, November 9, 1932—5 p. m.

47. Your 148, November 8, 4 p. m. As Paraguay and Bolivia do not agree on the limits of the Chaco endeavor discreetly to find out minimum distance for Bolivian withdrawal that would be satisfactory to Paraguay. It will be most helpful if you can get some definite information on this point. Of course the more moderate Paraguay's demands the greater the chance of success in the negotiations.

You may categorically assure President that no information leaked from the Department of State regarding matter of indemnity. As Soler discussed this matter openly in the meeting of October 27 the Bolivian or one of the other neutral members may have said something about it but nothing whatsoever has gone out of the Department regarding it and there has been nothing in the American press regarding it. STIMSON

724.3415/2498 : Telegram

The Minister in Bolivia (Feely) to the Secretary of State

La Paz, November 9, 1932—7 p. m. [Received 7:52 p.m.]

117. The Vice-President's 75 efforts to organize a parliamentary system Cabinet have failed because of the refusal of the Socialist Republicans to participate, and it is not likely that the President will accept the Vice-President's offer to organize a Cabinet under the old system, so that no progress toward political unity of administration has been made.

The evacuation of Fort Platanillos has been admitted and there are unconfirmed rumors that Forts Florida and Bolivar have been captured by Paraguay. FEELY

¹⁶ José Luis Tejada.

724.3415/2542 : Telegram

The Secretary of State to the Minister in Paraguay (Wheeler)

Washington, December 2, 1932—6 p. m.

53. The position of Paraguay appears to be that she requires some guarantee that Bolivia will not attack her again if hostilities are stopped and for that reason she is asking for demilitarization of the Chaco and demobilization of forces on both sides. Bolivia appears to take the position that she will not demobilize unless she has definite assurances that the Chaco matter will be disposed of for good and all and she wants arbitration within defined limits. The two countries have so far not been able to agree on the limits of the Chaco and Bolivia is opposed to so-called double arbitration, that is, submitting to arbitration first of all what are the limits of the Chaco and then within those limits have the arbitrator determine the boundaries between the two countries.

In order to obtain the withdrawal of the troops and the demobilization desired by Paraguay it is necessary to get some definite agreement regarding an arbitral settlement and for that reason we have been working on the basis of trying to find, if possible, limits to the Chaco that will be acceptable to both parties. Paraguay, on account of internal political conditions, is apparently reluctant to define the Chaco except on the extreme limits mentioned in your 156 of November 23, 9 a. m. ⁷⁶ Bolivia, likewise for internal political considerations, can not agree to any such limits but might accept the 21st parallel or the parallel 20° 30′. So far it has not been possible to get Paraguay to agree to such a limitation. In order to find a fair basis which would meet the views of both parties it is hoped that something along the following lines would be accepted by both parties and would be fair to both:

1. Withdrawal of Paraguayan forces to the Paraguay River.

2. Withdrawal of Bolivian forces to the line running from Fortín Ballivián to Fortín Vitriones. The line would pass through Fortines

Camacho, Madrejón and Vargas.

3. South of that line and west of parallel 60° 30′ to be policed by not more than 100 Bolivian civilian police and south of that line and east of parallel 59° 30′ to be policed by not more than 100 Paraguayan civilian police. The zone between parallels 59½ and 60½ to be completely neutral zone to avoid any possible encounters between the police forces of either side.

4. The two parties to provide in the same agreement that they will immediately request the American Geographical Society of New

⁷⁶ Not printed.

York, the Royal Geographical Society of London, and the Geographical Society of Madrid to appoint each one qualified expert geographer and these three will meet and render a decision on the sole point of defining the area of the Chaco after hearing both sides.

5. As soon as this decision is handed down the Arbitral Tribunal will then immediately take jurisdiction and after hearing both sides will determine the territorial limits of both countries within the Chaco area as defined by the commission mentioned in No. 4.

It is hoped that such a proposal might overcome the Bolivian objections to so-called double arbitration. Please discuss this with President Ayala on the same basis as set forth in second paragraph of Department's No. 48 of November 18, 4 p. m.⁷⁷ and endeavor to have this accepted. The advantage of it of course from Paraguay's point of view is that it brings about virtual demilitarization of the Chaco. Paraguay is now trying to drive the Bolivians out of the Chaco by force of arms. Whether she will be successful or not no one can tell but even if successful it will be at great loss of life and at great cost. It could be accomplished immediately without further cost or loss of life by this agreement. Furthermore, the Bolivians would probably withdraw still further than that line as it would be difficult to maintain their forces there. Some such line has to be specified however in order to appease popular opinion in Bolivia. Paraguay has of course been demanding that policing of the whole territory evacuated militarily be turned over to Paraguay. It would be just as difficult for Bolivia to accept Paraguayan policing of Bolivian civilian groups around Fortín Muñoz, et cetera, as it would for Paraguay to accept Bolivian policing of their Mennonite Colony and other civilian settlements. Under this proposal Paraguay would police all Paraguayan settlements, Bolivia would have the right to police Bolivian settlements along the Argentine frontier and around Fortin Muñoz, and the area where fighting is now going on and has recently been going on, namely around Saavedra, Agua Rica, Boquerón, et cetera, would be made neutral territory.

Paraguay in the past has advocated submission to arbitration of the question of what constitutes the Chaco and then of establishing a boundary between the two countries within that territory. This is accomplished in the suggestion set forth above. The above proposal is eminently fair and it is hoped that President Ayala will promptly accept it in order to terminate the costly fighting now going on. Please cable results of your interview as soon as possible.

STIMSON

¹⁷ Not printed.

724.3415/2542 : Telegram

The Secretary of State to the Minister in Paraguay (Wheeler)

Washington, December 3, 1932—11 a.m.

54. Department's 53, December 2, 6 p. m. Of course the agreement will provide that it in no wise affects the juridical status of either party. The division of the territory into zones for police purposes is therefore merely a device to aid and promote peace and will in no wise affect the claims of either party to the territory which will be unimpaired by this agreement and which will be settled of course by the arbitration.

Stimson

724.3415/2585a : Telegram

The Secretary of State to the Minister in Bolivia (Feely)

Washington, December 3, 1932—3 p. m.

52. In order to try to find a fair basis which will meet the views of both parties, Finot has been asked to cable his Government to see whether something along the following lines would be acceptable to Bolivia as it is believed that this proposal is fair to both:

[Here follows text of points 1 to 5 inclusive contained in telegram No. 53, December 2, 6 p. m., to the Minister in Paraguay, printed

on page 112.]

6. The agreement will of course provide that nothing therein affects in any way the juridical position of either country. The withdrawal of the troops to the lines mentioned and the fixing of zones for policing are therefore devices for maintaining peace and do not affect the rights of either party. The limits of the Chaco, as stated above, would be decided by a group of three geographers and the rights of both parties within the Chaco will then be determined by arbitration.

7. The forces of both sides will be demobilized down to a figure to

be agreed upon in each case.

It is hoped that the proposal for the expert geographers will overcome the Bolivian objection to so-called double arbitration. The advantage of this proposal from Bolivia's point of view is that it brings about the immediate stopping of hostilities, permits Bolivia to demobilize her troops and hence cut down enormous expenses of maintaining such great forces so far from their bases. It protects all Bolivia's juridical rights in the Chaco and it provides for a definite settlement of the Chaco question. Bolivia has stated in the past that she could not demobilize until she knew that there would definitely be an arbitral settlement of this question. Bolivia has stated that once the troops were withdrawn and demobilized Paraguay would

not agree to arbitration and would carry on with Bolivia having withdrawn and demobilized. This difficulty is overcome by the present proposal which provides for a definite determination of the limits of the Chaco and an arbitral decision as to the territorial limits between the two countries therein.

The above proposal appears to be eminently fair and it is hoped that Bolivia will promptly accept in order to terminate the costly fighting now going on. Please discuss the matter discreetly with the Bolivian officials and cable results of the interview as soon as possible.

Washington Post this morning publishes Associated Press despatch from La Paz giving text of instructions cabled to Bolivian Legation in Washington regarding proposals now under consideration. Please point out discreetly that if these negotiations are to be successful there should be as little publicity as possible until an agreement has been obtained by both sides. Department very much fears that premature publicity may cause difficulties. Please advise accordingly that no further publicity be given this matter for the present.

STIMSON

724.3415/2585 : Telegram

The Minister in Paraguay (Wheeler) to the Secretary of State

Asunción, December 4, 1932—10 a.m. [Received December 5—9:06 a.m.]

at noon. The main features of its proposal including the line suggested were sent tentatively about 2 weeks ago by Soler here. The President then cabled that on no account could the line be considered. Nevertheless I spent 2 hours with him last night in an endeavor to bring him to change his decision. I regret to say that his reaction to the proposal is one of deep resentment. He stated that it is of such a character that he cannot afford even to lay it before his Cabinet.

His position is as follows: the Ballivián-Vitriones line practically divides the disputed Chaco territory in halves and the proposed retirement of Paraguay to the river and Bolivia to the line leaves Paraguay entirely out of the Chaco and Bolivia in possession of approximately half of it. Moreover as the line runs through two of Bolivia's chief points of concentration, namely, Fortines Ballivián and Camacho the plan would leave Bolivia not only occupying half the Chaco but in a strategic position to occupy the whole of it when she has reformed her army under Kundt and is ready to declare the truce at an end on the ground that agreement cannot be reached as to the bases for an arbitration. Paraguay has mobilized at enormous expense and

sacrifice and to leave Bolivia in military occupation of half the Chaco would necessitate Paraguay's maintaining her forces indefinitely which she cannot afford to do. She has no faith in Bolivia's honesty or intentions or in the ability of the neutral powers to restrain her under any agreement whatsoever from making another overt attack. Paraguay will not cease hostilities or make any agreement for an arbitration except under a specific guarantee and only guarantee which she at present believes would be effective and could be accepted is demilitarization of the entire Chaco and not merely the half of it which borders on Paraguay. In no case would she accept the neutralization of territory awarded to her in an arbitral court by a President of the United States.⁷⁸

Apparently as a result of Soler's cables this Government long ago, as reported in my telegram No. 46, July 9, 6 p. m., became convinced that four of the neutrals were lacking in interest and effort. Since that time the feeling has grown that they are merely figureheads, that the United States dictates the Commission's actions and that she is so greatly under the influence of Bolivian propaganda that she cannot be fair. My conviction remains that this Government will not vield on the point of virtual demilitarization of the entire Chaco whatever the consequences. Since my telegram 145, November 4, 7 p. m., my efforts have been largely directed toward preventing Soler's recall and the breaking off of the conversations. The matter was discussed yesterday in a somewhat stormy Cabinet meeting in which the President as usual opposed such action not however in the hope that the neutral powers would accomplish anything but on the ground that withdrawal would seem to indicate to the world that Paraguay did not desire a peaceful settlement.

The President tells me that confidential information from other South American capitals indicates that some 120 German officers mainly [from?] Argentina, Brazil and Chile have been selected by Kundt and will proceed to Bolivia at the end of the present rainy season.

WHEELER

¹⁸ Decision of President Hayes in boundary dispute between Argentina and Paraguay; see *Foreign Relations*, 1878, p. 711.

724.3415/2585 : Telegram

The Secretary of State to the Minister in Paraguay (Wheeler)

Washington, December 5, 1932—5 p.m.

55. Your 166, December 4, 10 a. m. Neutrals are very much surprised at position Ayala takes. Soler's letter to the Neutral Commission of September 16,79 transmitting textually the reply of the Paraguay Government to the Neutral suggestion of September 14, proposed that Paraguayan troops withdraw to the river and that Bolivian troops withdraw to parallel 62° 30′. Soler has led Neutrals to believe that a retirement to parallel 62½ would be acceptable. The Neutrals have so far succeeded in having Bolivia accept nearly the whole Paraguayan proposal. Ballivián is not quite at parallel 62° 30′ but it is not far therefrom. After obtaining about 98 or 99 per cent of what Paraguay asked, including the very important consideration of the evacuation of Muñoz to say nothing of Forts Saavedra, Agua Rica, et cetera, it is most discouraging to have Ayala take the position he does now.

It is beside the point to speak of the Ballivián-Vitriones line as dividing the Chaco in half when there is no agreement between the parties as to what constitutes the Chaco. The withdrawal of the Bolivians behind the Ballivián-Vitriones line brings about the evacuation by them of all the territory mentioned in the Treaties of 1879,80 188781 and 189482 plus a good deal of territory as well and it brings about the virtual evacuation of all the territory within the line of the Pinilla-Soler line of 1907 plus considerable other territory.

If President Ayala will consider again carefully points 4 and 5 of the Department's 53, December 2, 6 p. m., he will see that the agreement provides definitely for the arbitral division of the Chaco and as these provisions will be part of the agreement signed now there will be no possibility for Bolivia to declare the truce at an end on the ground that an agreement cannot be reached as to the bases for an arbitration. The bases for the arbitration would be agreed to

⁷⁹ Not printed; the terms contained therein were transmitted to the Bolivian Minister for Foreign Affairs by the Commission of Neutrals in telegram dated September 21, p. 91.

So Decoud-Quijarro Treaty, signed at Asunción, October 15, 1879; Bolivia, Ministerio de Relaciones Exteriores, Memoria, 1893, pp. 246-250; Paraguay, Subsecretario de Relaciones Exteriores, Colección de Tratados, vol. 1, p. 239.

st Aceval-Tamayo Treaty, signed at Asunción, February 16, 1887; Bolivia, Ministerio de Relaciones Exteriores, *Memoria*, 1893, pp. 252–258; Paraguay, Subsecretario de Relaciones Exteriores, *Coleccion de Tratados*, vol. 1, pp. 248–252, 254–255.

⁸² Benítez-Ichazo Treaty, signed at Asunción, November 23, 1894; postponed indefinitely by Paraguayan Congress, May 19, 1896; Paraguay, Subsecretario de Relaciones Exteriores, Coleccion de Tratatos, vol. 1, p. 256.

now in the arrangement proposed and thereafter the settlement would be automatic as the territory would be defined by the geographers and then the Arbitral Tribunal would render its decision as to its division. This is the only way by which it appears that Paraguay can prevent the Bolivians from reorganizing their army under Kundt.

The criticism of the Neutrals is most unfair and unjust. What the Neutrals have succeeded in doing if Paraguay accepts this agreement is to have Fort Muñoz and the other strong forts which Paraguay has so far been unable to take evacuated by Bolivia. It will put an end to the war so that both sides can and must demobilize and provides for a definite settlement of the fundamental question without the possibility of either side blocking such a settlement by refusing to agree on the bases thereof.

Bolivia committed a costly error in not accepting the Neutral proposal last August to go back to the line of June 1. They have now been driven very much further back. Paraguay should learn from this lesson that when she can get her objectives by peaceful means it is much more to her advantage to do so than to trust to the uncertain hazards of war. It is not at all certain that Paraguay will be able to drive the Bolivians out of the Chaco or even take Fort Muñoz. She is a long way from that now. Under the Neutral suggestion Muñoz and other important points will be evacuated and the Bolivians will be back practically to parallel 62° 30' as suggested by Paraguay on September 16. Ayala should also remember that it was Paraguay's own suggestion that Paraguay withdraw to the river and the Neutrals have nothing to indicate any change in this position.

One of the difficulties that the Neutrals have encountered in the past have been that one side or the other has limited itself to rejecting their proposals without saying frankly and definitely what it would accept. Inquire specifically of Ayala what point he demands the Bolivians to withdraw to. If the line 62° 30' to Fort Vitriones is what he wants the Neutrals will endeavor to get it. They have already had to exert great efforts on Paraguay's behalf to obtain the Ballivián line. The efforts and negotiations which have brought about this enormous gain for Paraguay should merit the approval and appreciation of Paraguay rather than the carping criticism which you indicate exists. This is a retirement far greater than Paraguay is apt to obtain by force of arms. Furthermore on account of the difficulty of communication in the Chaco positions evacuated can be much more quickly and easily reoccupied by Paraguay from the river than they can be by Bolivia from back of the line suggested. Furthermore as the result of the negotiations it seems likely that if the Ballivián-Vitriones line is accepted the Bolivians will not be able to maintain the forces along that line but will have to retire considerably further. On account of internal political conditions however it will be very difficult for them to stipulate a line further back. Now is the time for Paraguay to show some statesmanship and to conclude quickly an agreement which is so eminently fair and advantageous for her.

If Ayala does not accept the line running from the Pilcomayo River at longtitude 62° 30' to Fort Vitriones get him to specify exactly and in detail what he does want. Inquire specifically whether the other terms of the proposal are acceptable. If he will now state that he accepts the arbitration provision; the determination of the Chaco as proposed, and the arrangement for the policing of the territory as proposed, and will state the minimum withdrawal of Bolivian troops that Paraguay demands, the Neutrals will endeavor to see what else they can obtain for Paraguay along those lines. Ayala must remember however that Paraguay has not asked in the past for withdrawal beyond parallel 62° 30'. It would be very difficult to persuade the Bolivians to withdraw beyond the line definitely asked by Paraguay 3 months ago. The military situation has changed since then and this probably accounts for Paraguay's intransigence. Paraguay however should profit by Bolivia's mistake in not accepting the June 1 line and remember that the rainy season is coming which will give Bolivia time to reorganize her troops under General Kundt and that it is therefore eminently to Paraguay's advantage to seize the benefits which the Neutrals have obtained for her now or else she may find that conditions are turned very much in her disfavor. Cable result of your conversation.

STIMSON

724.3415/2600 : Telegram

The Minister in Bolivia (Feely) to the Secretary of State

La Paz, December 6, 1932—11 p. m. [Received December 7—10:30 a. m.]

132. In reply to Department's telegrams 52 and 53,83 although the Minister of Foreign Affairs has not received the proposal from Finot the following are my impressions of the probable Bolivian reaction thereto based on today's conversation with him:

Point (1), no comment.

(2), Bolivia will not accept withdrawal to Villa Montes line and the acceptance of a middle line is only a remote possibility.

(3), he was non-committal as to the proposed police zones but

 $^{^{\}rm 85}$ Telegram No. 52, December 3, 3 p. m., p. 114; No. 53, December 5, 6 p. m., not printed.

seemed favorably impressed with the neutral zone. I am of the opinion Bolivia will not accept the proposed delimitation of the Chaco area by the geographers, the fear being that the whole Chaco would be included.

(5), no comment.

(6), he expressed an apprehension that Bolivia however would be prejudiced in any event.

(7), no comment.

He asked me to express his regrets at the premature publication and said that it would not happen again.

FEELY

724.3415/2600 : Telegram

The Secretary of State to the Minister in Bolivia (Feely)

Washington, December 7, 1932—2 p. m.

55. Your 132, December 6, 11 p. m. Department hopes you will continue discreetly to keep this matter before Bolivian authorities and endeavor to have them accept proposal contained in Department's No. 52 as modified by its No. 53. Please keep Department informed by cable.

STIMSON

724.3415/2602 : Telegram

The Minister in Paraguay (Wheeler) to the Secretary of State

Asunción, December 7, 1932—3 p. m. [Received December 8, 12:05 a. m.]

168. Your telegram 55, December 5, 5 p. m. The President expresses surprise that there should be in the minds of the Neutrals such a misunderstanding as to the terms of Soler's note of September 16 to the Commission⁸⁴ as seems to be indicated by your telegram. The note cabled to him from here used the expression "de modo que Bolivianos se retiren el [al?] Oeste del meridiano sesenta dos [y] medio Greenwich y hagi sobre su litoral fluvial". It does not mean this to apply to only a single point on that meridian. The Ballivián-Vitriones line, while its southwestern end touches the Pilcomayo not far from the meridian named, is in no sense the meridian itself. With Bolivia on the meridian and Paraguay on the river, Paraguay considers that the Chaco will be virtually demilitarized which this Government insists must be a condition for Paraguay's ceasing hostilities.

⁸⁴ See footnote 79, p. 117.

I spent 2 hours last night with Ayala and had a further conversation with him this morning and I regret to say that he will not retreat from this position. In reference to the proposal of the appointment of geographers he contends that the Chaco Boreal is a geographical section clearly delimitated on modern maps such for example as that issued in 1929 by the American Geographical Society and there is no need of defining its limits. The question at issue is the line in the . Chaco which should be the boundary between Paraguay and Bolivia. He will accept a discussion, either directly or under the supervision of the Neutrals, of bases for an arbitration but he demands first security against further Bolivian attack. Clearly he has no belief, since Bolivia desires a limited arbitration, that it will be possible to come to an agreement as to these bases so long as Bolivia keeps her army in the Chaco. Paraguay will not accept a neutral zone. Her contention is that if Bolivia really desires a suspension of hostilities and a peaceable settlement she has no more need to keep troops in the Chaco than has Paraguay and that if both sides retire from the Chaco there will be no necessity for a neutral zone.

Unless in the event of a decided military reverse it is difficult to believe that Ayala will modify his stand. The fighting at Saavedra is temporarily at a standstill on account of the rains but it is the general opinion among foreign military observers here that it will be taken before very long. The Military Attaché of this Legation arrived this morning and will leave for the front Saturday.

WHEELER

724.3415/2602 : Telegram

The Secretary of State to the Minister in Paraguay (Wheeler)

Washington, December 8, 1932—noon.

56. Your 168, December 7, 3 p. m. Does your statement in second paragraph that "Paraguay will not accept a neutral zone" refer to numbered paragraph 3 in Department's 53 of December 2, 6 p. m. regarding the policing of the Chaco? In the event that it is Paraguay's position that she does not want a neutral zone to keep the police forces of the two countries from coming in contact, on what basis does she propose policing of the Chaco once the troops of both sides are withdrawn? Would she agree to dividing the policing east and west of the 60th meridian?

STIMSON

724.3415/2609 : Telegram

The Minister in Paraguay (Wheeler) to the Secretary of State

Asunción, December 9, 1932—2 p. m. [Received December 10—1:24 a. m.]

169. Your telegram No. 56, December 8, noon. My statement referred to your numbered paragraph 3. Paraguay will not consent to the proposed Bolivian policing of any portion of the Chaco. She insists that Bolivia's alleged civil settlements exist only for her soldiers and would vanish when her troops retire. She considers that also your insistence on the right of policing is solely in order that it may later be made a basis for a claim of rightful ownership or indefinite occupation. She points out that the land involved, the area west of meridian 60, is in large part the Hayes award whose northern boundary is the Rio Verde and the extension of its line westward. Paraguay has always considered the western point of the triangle to be about the location of Ballivián. In my opinion Paraguay will not vield to pressure to concede any actual or implied right of Bolivia to retain either troops or civil police in any portion of the area covered by the Haves award. Practically the entire area west of meridian 60 up to the juncture of a line drawn from Bahía Negra to the Pilcomayo at meridian 62 is held by companies who purchased their holdings from the Paraguayan Government to which they have been paying taxes for many years. Moreover meridian 60 bisects the Mennonite Colony. This Government dare not admit a Bolivian right to occupy or police land that possesses such a status. Until the establishment of the Bolivian fortines Paraguay needed no police except on the river banks along the railroad and at the colony. For a while after demilitarization she might require somewhat more, for the reason that the Indians who normally were employed by the Paraguavans have been driven to the forests by the Bolivian soldiery and have become demoralized, but after demilitarization conditions should rapidly return to normal.

Paraguay is convinced that demilitarization must be an accomplished fact before such points as policing and the bases of an arbitration can be discussed. The insistent demand that cessation of hostilities and demilitarization be contingent on and subsequent to agreement on these points she considers is a Bolivian device calculated to bring about through long drawn discussion the delay which Bolivia needs to extricate her Army and give Kundt time to reform it. In demanding demilitarization Paraguay is asking of Bolivia no more than she herself offers to submit to. After an agreement therefor is reached she will welcome any commission civil or military from either Washington or Geneva for any legitimate purpose whatsoever.

I believe Kundt's announced plans will lead Paraguay to hold as tenaciously to her demand for reduction of standing armies.

The feeling against admitting an arbitration has been steadily growing here. Ayala last night expressed to me his fear that after fall of Saavedra the military party may be in a position to compel him to withdraw the offer. This is not because of military successes but is due to increasing popular bitterness at Paraguay's immense losses in lives and treasure caused by Bolivia's refusal of an arbitration that has all along been offered her.

The President believes that if Saavedra should fall and the Liberal party take the reins in La Paz it will probably seek an honorable peace and if such an attitude is shown Paraguay might go further than she has up to the present. He tells me that Kundt's contract is for the duration of the war and called for the payment to him of 600,000 gold marks including his personal indemnity. A large part of this sum was paid him before leaving Germany.

WHEELER

724.3415/2609 : Telegram

The Secretary of State to the Minister in Paraguay (Wheeler)

Washington, December 10, 1932—3 p. m.

57. Your 169, December 9, 2 p. m., President Ayala seems to overlook that under the suggestion made, the arbitral settlement of this dispute will be carried out automatically without Bolivia being able to prevent such a settlement at a later date. It may be well to make this a little more explicit. The agreement will provide that if the two parties, after 4 months say of direct negotiations, are unable to agree on the limits of the Chaco that then the expert Commission of geographers mentioned in paragraph 4, Department's 53, December 2, 6 p. m., will decide the limits of the Chaco definitely and without appeal and question will then automatically go before the arbitral tribunal to determine the territorial limits between the two countries within the Chaco as defined by the expert Commission.

As to the policing of the zone there will be a provision that nothing in the agreement affects in any way, shape or form the juridical position or legal rights of either party in the Chaco dispute. The lines established for the withdrawal of the Bolivian and Paraguayan forces and for the policing of the territory will specifically be called a device for terminating hostilities, maintaining peace and preventing clashes or outbreaks when hostilities have been terminated and that they in no wise relate to or change or affect in any wise the juridical status of the parties.

Please make this very clear to Ayala and see if in view of this he cannot accept the Ballivián-Vitriones line and the policing suggested.

Please reply as quick as possible as the Neutral Commission is under great pressure and may have to take some action within the next few days. It would like to do so with the full agreement of both parties if possible. The arrangement seems so eminently fair to both, offers an honorable way out, brings about a definite settlement and protects the legal position of both parties which cannot be changed except by the arbitration and not by the proposed arrangement. The Department very much hopes you can get President Ayala's acceptance promptly.

Stimson

724.3415/2612

The Minister in Bolivia (Feely) to the Secretary of State

La Paz, December 10, 1932—6 p. m. [Received December 11—10:07 p. m.]

138. Department's telegraphic instructions 52 and 53.85

As the Bolivian Government had not received on December 6 the proposals contained in those telegrams and at the request of the Minister for Foreign Affairs I gave to him informally on that day a memorandum briefly setting forth the seven points as I feared that Finot might be purposely delaying the transmission of the proposals.

The Minister for Foreign Affairs today informed me that Finot had only telegraphed briefly as to points 2 and 4 without even mentioning the other points and that he had today telegraphed Finot for an explanation.

I took occasion at the same time to deny the statement attributed to Mr. White in Finot's telegram of December 3 on the basis Department's cable 54.86

After discussing the proposals at length with the Minister of Foreign Affairs I feel certain that Bolivia will not accept withdrawal to D'Orbigny and although the President has shown some inclination to accept point 4, certain reservations will be made. The Minister for Foreign Affairs intimated that Bolivia might consider as a basis of arbitration the zone established in the Tamayo-Aceval Treaty. The zones proposed in point 3 are being given consideration by the Government.

General Kundt has intimated to the Government that it may be necessary to call an additional 25,000 men.

FEELY

86 Not printed.

⁸⁵ Telegram No. 52, December 3, 3 p. m., p. 114; No. 53 not printed.

724.3415/2613 : Telegram

The Minister in Paraguay (Wheeler) to the Secretary of State

Asunción, December 11, 1932—9 p. m. [Received December 12—9:20 a. m.]

171. Your telegram No. 57, December 10, 3 p. m. In all my conversations with the President I have stressed the point of the automatic procedure of the arbitration once it has been agreed upon together with the fact that the agreement itself would provide that it would be wholly without prejudice to the juridical position and rights of either party thereto.

I have just left him after an extended conversation. I regret to say that he maintains without qualification his position that acceptance of the Ballivián–Vitriones line would leave Paraguay out of the Chaco and Bolivia in the center of it, in possession of from 20 to 25 fortines and free to consolidate her position for another push. He [said?] to me "If I went before the people with such a proposal I would not be able to remain in the Palace 24 hours". Judging by the temper of the people generally, the press and the military party, I am of the opinion that he does not greatly exaggerate. He is convinced, I believe beyond persuasion, that Bolivia will never agree on bases for an arbitration so long as she retains her hold on the Chaco and that only when both sides are out of it can such bases be agreed upon.

He has personally no illusions as to Paraguay's resources and foresees her probable desperate situation at the end of a year. At present, however, he considers that she has a temporary equality with Bolivia and must use this time in an effort to gain security and free herself from the menace of continued war. I have reason to know that Colonel Schweizer, head of the former Argentine military mission here and now Argentine Military Attaché, has counselled this policy though he did not inspire it as Ayala's objection is intense to the League's taking any part in the affair at present⁸⁷ and he still retains a slender hope that the neutrals may yet draw into their group Argentina, Brazil and Chile.

WHEELER

 $^{^{\}rm sr}$ For correspondence concerning cooperation of the League of Nations with the Commission of Neutrals, see pp. 220 ff.

⁶⁴⁶²³¹⁻⁴⁸⁻¹⁵

724.3415/2626f : Telegram

The Commission of Neutrals to the Bolivian Minister for Foreign Affairs (Tamayo)⁸⁸

[Translation]

Washington, December 15, 1932.

The Commission of Neutrals has made various suggestions to the Governments of Bolivia and Paraguay for a settlement of the Chaco dispute. Although none of these proposals has been accepted by the parties up to the present, this preliminary work has served to clarify the problem and render possible a definite suggestion covering the Chaco problem in its entirety.

The two principal objectives of the Neutral Commission have been throughout those of achieving the complete termination of hostilities and the definitive settlement of the Chaco dispute by means of arbitration. The two parties appear to be essentially in agreement on these points. The cessation of hostilities has not been achieved, however, as there was no certainty that they would not be renewed. One of the means proposed for achieving this was the withdrawal of the troops to considerable distances in order to make contact between them impossible and to demobilize both armies, placing them on a peace footing, these operations to be carried out under the supervision of a neutral commission. Objection was raised to the withdrawal of the troops and their demobilization because it was feared that it might be impossible to make the arbitral settlement, in case the parties should not arrive at an agreement regarding the terms of the arbitration. Consequently, if the parties could arrive at a settlement concerning the terms of the arbitration, the other problems might then be easy to solve. The Commission of Neutrals considers that the proposal which it now makes is satisfactory, because it provides definitively the bases of a settlement, in case the two parties, after 4 months of negotiations, should not arrive at an agreement regarding the arbitral engagement. This proposal, therefore, in case it is accepted by the two parties, will lead to an automatic arbitral settlement. After the time specified the settlement will be completed without the possibility of any obstacle. The Commission of Neutrals hopes that, in view of this important aspect of its proposal, the two parties will accept it promptly, in its entirety, since it is eminently just and equitable for both and furnishes an honorable solution whereby hostilities can be stopped immediately and the dispute definitively settled. The Commission of Neutrals suggests, consequently, that the

^{*}The same telegram, December 15, to the Paraguayan Minister for Foreign Affairs.

two Governments authorize their representatives at Washington to formulate and to sign immediately an agreement stipulating:—

1. Hostilities shall be suspended within 48 hours after the agreement is signed.

2. The agreement, as soon as it is signed, shall be transmitted to La Paz, and to Asunción, by cable for its ratification in accordance with the domestic law of each country.

3. The agreement shall be ratified in the form in which it has been signed, within 1 month after its signature. Ratification shall be ex-

changed by telegraph.

- 4. Within 48 hours after the exchange of ratifications, the forces of both countries shall begin to withdraw, the withdrawal being made with the greatest possible rapidity. The Paraguayan forces shall be withdrawn to the Paraguay River. The Bolivian forces shall be withdrawn behind a line drawn from Fuerte Ballivián on the Pilcomayo River, to Fuerte Vitriones.
- 5. A commission appointed by the Commission of Neutrals at Washington shall immediately leave for the Chaco for the purpose of verifying the withdrawal of the troops and the execution of other points of this agreement. In case the commission should, for any reason, be delayed in reaching the Chaco, the withdrawal of troops shall take place as is stipulated in Article 4 without awaiting the arrival of the commission.
- 6. As soon as the withdrawal of the troops begins, the demobilization of the armed forces of both countries shall also be begun. These forces shall be reduced to the proportions normal in time of peace; any disagreement concerning this point shall be decided by the commission mentioned in Article 5.
- 7. The territory remaining to the southeast of the Ballivián-Vitriones line and west of the meridian of longitude 60° 15′ west of Greenwich shall be guarded by a force containing not more than 100 Bolivian policemen; and the territory to the southeast of the said line and to the east of the said meridian of longitude 60° 15′ west of Greenwich shall be guarded by a force not exceeding 100 Paraguayan policemen.

In order to prevent the police forces of the two countries from coming into contact, it is agreed that if the Bolivian police have to enter into the area comprised between meridian 60° 15′, longitude west of Greenwich and the meridian 60° 20′, they shall do so only after communicating with the Paraguay police forces, in order to be informed that no force of the said Paraguay police is in the territory immediately to the east of meridian 60° 15′ in that place. Similarly, if the Paraguay police should have to go into the area comprised between meridian 60° 10′, longitude west of Greenwich, and meridian 60° 15′, they shall do so only after having communicated with the Bolivian police in order to assure themselves that there are no Bolivian police to the west of meridian 60° 15′ in that region.

Communications between the two police forces may be had directly or through the channel of the neutral commission mentioned in

Article 5.

8. Nothing in this agreement affects, in any form or in any manner, the juridical position or the rights of either of the two parties in the Chaco dispute. The lines established for the withdrawal of the Bolivian and Paraguayan forces and for the guarding of the territory, are merely measures for terminating hostilities and the maintenance of peace, by preventing clashes or encounters when the struggle has once been terminated, and in no wise change or affect in any sense the juridical status of the parties.

9. Immediately, or at the latest, 15 days after the exchange of ratifications of the agreement, the two parties shall begin negotiations to determine the bases of the arbitration as well as to establish the Court

to whose jurisdiction the case will be submitted.

If, when 4 months have elapsed from the date on which the negotiations were opened, the parties have not been able to agree respecting the territorial limits of the Chaco, they shall immediately request from the American Geographical Society of New York, the Royal Geographical Society of London, and the Geographic Society of Madrid, to appoint, each within 15 days (or within any other period of time on which the parties may agree), a geographical expert in order that the three persons thus designated may meet at a place agreed upon by the two parties or, failing such agreement, at Madrid, 1 month (or any other period of time on which the parties may agree) after the expiration of the period of 15 days above-mentioned, and render, after giving both parties opportunity of being heard, a decision on the sole point of defining the area of the Chaco. If either one of the two parties does not present its memorial within 1 month (or within any other period on which the parties may agree) counting from the date on which this commission of experts meets, the said commission shall issue its decision without further delay. This decision must be rendered as soon as possible and shall be definitive and without appeal.

10. Within 1 month (or within any other period on which the parties may agree) counting from the date on which the geographical experts' decision is rendered, the Court of Arbitration, accepted by both parties, shall enter upon its functions, and after having given these parties opportunity of being heard, shall give its Decision determining the territorial limits of both countries in the Chaco, the latter being defined according to the decision of the commission of geo-

graphic experts mentioned in Article 9.

11. Each party may present a brief and a rejoinder (réplica). The brief must be presented 30 days (or within any other period on which the two parties may agree) after the meeting of the Court. The brief of each country shall be presented with enough copies so that each judge may have one and three may remain for delivery to the opposing party. As soon as the brief is presented the Court shall deliver three copies of the brief of each party to the other party, and the latter shall have 2 months (or any other period on which the parties may agree) counting from the date of delivery, to present its rejoinder (réplica). As soon as the rejoinders are received the matter shall be under the consideration of the Court, in order that this latter may render its decision, which shall be definitive and without appeal. If either one of the parties does not present its brief or rejoinder in

the way stipulated, the Court shall issue its decision in spite of such omission.

12. If, within the period of 4 months stipulated in Article 9, the two parties do not come to an agreement concerning the Court to which the case must be submitted, the case shall then be referred automatically to the Permanent Court of International Justice of The Hague.

13. On the exchange of the ratifications of this agreement all prisoners shall be returned immediately and diplomatic relations shall

be renewed.

14. The cost of the arbitration, as well as the expenses of the experts of the commission of geographers and the costs of their labors, shall be divided equally between the two countries, which countries shall make deposits on account of the said expenses as may be required by the commission of geographers and the Court. Each country, in asking the appointment of a geographical expert by the three geographic societies mentioned in Article 9, shall deposit \$500 with each one of these societies for the travel and other preliminary expenses of the expert appointed by the society.

15. If they so desire, the two parties may waive the 4 months of direct negotiations stipulated in Article 9, and the fixation of the territorial limits of the Chaco and the constitution of the Arbitral Court shall be determined in accordance with the provisions of Articles 9 and 12 respectively. The Commission of Neutrals hopes that this proposal will receive the prompt acceptance of Your Excellency's

Government.

WHITE,
President
CINTAS
VARELA
LOZANO
CAMPOS ORTIZ

724.3415/2657 : Telegram

The Paraguayan Minister for Foreign Affairs (Benitez) to the Chairman of the Commission of Neutrals (White)

[Translation]

Asunción, December 17, 1932. [Received 12:04 p. m.]

My Government has received the proposal of the Commission of Neutrals of the 15th instant. The proposal leaves the Bolivian Army in the center of the Chaco, Ballivián-Vitriones line, while it compels the Paraguayan Army to abandon the Chaco entirely and withdraw to the bank of the Paraguay River, without considering the bank of the Río Pilcomayo and the Río Negra, occupied by us from time immemorial. The proposal grants to Bolivia police powers in the zone

awarded by President Hayes,89 regions where she has no civilian population, placing her on a basis of equality with Paraguay, who has centers of population there as well as important industrial, cattle raising, and agricultural establishments. Moreover, the proposal carries with it no guarantees for preventing new incidents or for the just settlement of the boundary controversy in a form satisfactory to the legitimate aspirations that we have been formulating since the first part of August, to prevent the outbreak of the conflict, and then, to put an end to the war. The solution is subordinated to the determination of the Chaco area, when that geographical unit admits of natural limits, and in this manner a question of delimitation of boundaries is converted into a territorial controversy which manifestly favors the Bolivian thesis. My Government maintains that Bolivia has committed acts of violent conquest and has deliberately attacked Paraguay. Impunity for such offenses cannot be admitted nor the results thereof sanctioned. To reestablish the regime of law, a strict investigation which will show which is the guilty party in this iniquitous war is necessary. For this and other reasons, my Government, while not questioning the intentions of the Commission, cannot consider the bases proposed as satisfactory or just.

JUSTO PASTOR BENÍTEZ

724.3415/2663 : Telegram

The Minister in Bolivia (Feely) to the Secretary of State

La Paz, December 19, 1932—6 p. m. [Received 7:55 p. m.]

142. In informal conversation with the President of the Republic and the Minister of Foreign Affairs this morning the President, after asking me to inform the Department that Bolivia was firmly determined to continue the negotiations with the least possible delay, stated that he was reliably informed that Argentina was bringing pressure to bear on Paraguay to withdraw her delegate from Washington and to have the negotiations transferred to Geneva.

The President added that Bolivia was greatly perturbed at Paraguay's apparent desire to have the negotiations transferred to Geneva and inquired if my Government could take any steps to counteract it, adding that Bolivia, in the event of Paraguay's withdrawal from Washington, would be prepared to disavow League's intervention in the dispute and even to withdraw from the League entirely pro-

On November 12, 1878; see Foreign Relations, 1878, p. 711.

vided she could count on our support of such a step. He mentioned the possibility of invoking article 21 of the Covenant, inasmuch as the Chaco dispute is a purely American question.

I replied that the matter was an extremely delicate one especially in view of the League's apparent desire to cooperate with the Neutral Commission and that I could only inform my Government of this informal conversation and request instructions as to the Department's attitude in such an eventuality.

FEELY

724.3415/2665 : Telegram

The Bolivian Minister for Foreign Affairs (Tamayo) to the Chairman of the Commission of Neutrals (White)

[Translation]

La Paz, December 19, 1932. [Received 8:40 p. m.]

In reply to your proposal of December 15th of this year I have the honor to emphasize the following. I consider that by previous replies of my Government we have accepted in principle the main points of the proposal which I confirm. If the time had actually come for discussing it my Government would have submitted observations and remarks of various kinds on several of the articles. But at present, and being informed of the absolute rejection by Paraguay, my Government does not in fact believe it profitable to take up any point.

Please accept [etc.]

Тамачо

724.3415/2665 : Telegram

The Commission of Neutrals to the Bolivian Minister for Foreign Affairs (Tamayo)

[Translation]

Washington, December 20, 1932.

The Commission of Neutrals has received Your Excellency's telegram ⁹⁰ in reply to the proposal of the 15th of the Commission of Neutrals, in which Your Excellency states that in view of the absolute rejection on the part of the Paraguayan Government, your Government does not consider it useful to touch on any point of the proposal.

Regarding this point, the Commission of Neutrals observes that Paraguay has not absolutely refused its proposal. She has simply indicated that the proposal does not satisfy her completely, as,

[»] Supra.

apparently, is also the case of Bolivia. As Your Excellency's Government states that it accepts in principle the main points of the proposal, the Commission would desire to know explicitly the observations to which it refers.

Both parties can and should make concessions of detail with the object of achieving peace and an arbitral solution. The fact that neither party finds the proposal of the Neutrals entirely satisfactory is a plain indication of the justice, equity and impartiality of the proposal, attributes which all the countries of America, as well as the League of Nations, have unanimously recognized in it, by supporting the Commission's proposal without reservations, as they have done.

That proposal unquestionably offers an honorable basis for settlement by the parties. Any observation that the Government of Bolivia or the Government of Paraguay has presented or may present will be examined with entire impartiality by the Commission of Neutrals.

WHITE,
President
CINTAS
VARELA
LOZANO
CAMPOS ORTIZ

724.3415/2657 : Telegram

The Commission of Neutrals to the Paraguayan Minister for Foreign Affairs (Benítez)

[Translation]

Washington, December 20, 1932.

The Commission of Neutrals has received Your Excellency's telegram of the 17th instant and Delegate Soler's note of today ⁹¹ in which he announces his temporary withdrawal. Both documents indicate that the proposal of the 15th instant of the Commission of Neutrals has not been properly interpreted.

The eighth article states categorically that nothing in the settlement proposed affects in any form or any way the juridical position or the rights of either party; Your Excellency's references, therefore, to the Hayes award does not appear to be applicable to the case.

The Commission of Neutrals is not operating in the capacity of a Court nor deciding regarding alleged rights nor examining titles, these being questions within the competence of the arbitral court mentioned in article 10 of the proposal of the 15th of December.

⁹¹ Latter not printed.

The Neutrals are simply indicating an honorable and dignified procedure for the purpose of causing the immediate termination of hostilities and submitting the Chaco question to arbitration. The proposal states clearly that the lines established for the withdrawal of the forces and for the guarding of the unoccupied territory are merely measures for this purpose and in no wise change or affect the juridical status of the parties.

Bolivia also states that the proposal does not satisfy her completely, but both parties can and should make concessions of detail with the object of achieving peace and an arbitral solution. The fact that neither party finds the proposal of the Neutrals entirely satisfactory is a plain indication of the justice, equity and impartiality of the proposal, attributes which all the countries of America, as well as the League of Nations, have unanimously recognized in it by supporting the Commission's proposal without reservations, as they have done.

That proposal unquestionably offers an honorable basis for settlement by the parties. Refusal to discuss it, by withdrawing your Delegate, cannot but be interpreted as an intention to continue the war and to entrust the future of your situation in the Chaco to the hazards of arms.

Whatever may be the outcome of the armed struggle, there can be no doubt that it would be disastrous for both countries, as is shown by the effects of the World War. The Commission of Neutrals, therefore, once more requests very earnestly that Your Excellency's Government authorize the continued stay in Washington of Mr. Soler, enabling him to discuss with the Neutrals and with the Representative of Bolivia a settlement on the bases of the proposal of the 15th instant. Any observation which either the Government of Paraguay or the Government of Bolivia has presented or may present will be examined with entire impartiality by the Commission of Neutrals.

WHITE,
President
CINTAS
VARELA
LOZANO
CAMPOS ORTIZ

724.3415/2675 : Telegram

The Paraguayan Minister for Foreign Affairs (Benítez) to the Chairman of the Commission of Neutrals (White)

[Translation]

Asunción, December 21, 1932. [Received 12 noon.]

Proposal 15th instant establishes a situation prejudicial to our interests. Although that situation may be modified by solution of the controversy, there is no real guaranty that such solution will be reached. Consequently that situation may become consolidated to our injury. Status quo proposed leaves nearly two-thirds Chaco unconditionally in power Bolivia while Paraguay is reduced limited jurisdiction over one-third. Besides, formula undeniably favors strategic position Bolivia in case of renewal of conflict. President Avala having been consulted beforehand, he declared to the President Commission of Neutrals fundamental opposition to formula. Despite that, it was sent in such a way as to exert moral pressure and deprive of freedom of action, a circumstance that brought about the withdrawal of Paraguayan delegation. It will not be reasonable to accuse Paraguay of intent to continue war forced upon her and for which she was not prepared. Our attitude inspired solely by spirit of selfpreservation.

Paraguay accepts full arbitration of question of boundaries but will insist before any mediation on first obtaining conditions of security. There is no reason to believe that Bolivia has renounced well-known purpose of conquest. My Government takes pleasure in acknowledging efforts displayed by honorable Commission to bring war to a close.

JUSTO PASTOR BENÍTEZ

724.3415/2676 : Telegram

The Secretary of State to the Minister in Bolivia (Feely)

Washington, December 21, 1932—8 p. m.

61. Your 142, December 19, 6 p. m. Paraguayan delegate has advised Neutral Commission of his temporary withdrawal. Commission is endeavoring to have Paraguay change instructions to permit him to remain.

The League is supporting the neutral proposal in the most whole-hearted way.

The Argentine Ambassador in a note to the Commission on De-

cember 19°2 stated that the Argentine Government having studied the new proposal made to the Governments of Bolivia and Paraguay, "rejoices in the comprehensive form in which it is conceived, attesting the noble inspiration which it expresses and that the Argentine Government will give it its most decided support in the hope that it will solve the unfortunate conflict between the two sister countries". He adds that his Government on the 17th addressed the two Governments adhering to the neutral proposal stating "that in the ample and generous terms of the Neutrals could be found a satisfactory formula and pointing out the necessity to realize the supreme effort which all the countries of America await in order to arrive finally at the end of this lamentable conflict".

STIMSON

724.3415/2681 : Telegram

The Paraguayan Minister for Foreign Affairs (Benítez) to the Chairman of the Commission of Neutrals (White)

[Translation]

Asunción, December 22, 1932. [Received 10:30 a. m.]

Reply cablegram yesterday⁹³ I must state to Your Excellency that President Ayala expressed American Minister absolute opposition conditions proposed and advised they would be immediately refused because they could not serve as basis of any negotiation.

JUSTO PASTOR BENÍTEZ

724.3415/2694 : Telegram

The Bolivian Minister for Foreign Affairs (Tamayo) to the Chairman of the Commission of Neutrals (White)

[Translation]

La Paz, December 23, 1932. [Received 6:18 p. m.]

In view of the reiterated rejection by Paraguay, which we know of through reports in the world press, my Government, in reply to your kind cablegram of the 20th, has the honor to confirm all the terms of my reply of the 15th [19th?] instant, paying homage to the Honorable Commission of Neutrals for its persistent and noble efforts toward peace.

With my highest consideration.

TAMAYO

^{**} Not printed.

Not printed; it requested authorization for the continued stay of Dr. Soler, Paraguayan delegate.

724.3415/2717c: Telegram

The Commission of Neutrals to the Paraguayan Minister for Foreign Affairs (Benítez)

[Translation]

Washington, December 31, 1932.

The Commission of Neutrals deeply deplores that the Government of Paraguay should have considered of little weight the unanimous acceptance of the proposal of armistice and arbitration of December 15 by the governments of the 19 American republics and by the Council of the League of Nations which acceptance constituted a historic expression of the universal conscience and a most unusual verdict of civilized humanity on the Chaco question which the parties cannot ignore, but it observes that the Delegate, Dr. Soler, states in his note that his withdrawal can only be temporary; the Commission is confident, therefore, of the early return of a Paraguayan representative. In the meantime, as during his absence previously, the Commission of Neutrals will continue to communicate directly with the Governments of Paraguay and Bolivia, whenever circumstances require such action, being persuaded that the prestige of America and the vital interests of both peoples require the peaceful settlement of the Chaco question. On every occasion the Commission of Neutrals will fulfill its mission with unvarying impartiality towards the two countries.

WHITE,
President
VARELA
LOZANO
CAMPOS ORTIZ
BARÓN

II. EFFORTS OF THE COMMISSION OF NEUTRALS TO OBTAIN THE COOPERATION OF THE ABCP REPUBLICS

724.3415/1705a : Circular telegram

The Acting Secretary of State to the Diplomatic Representatives in Certain American Republics 94

Washington, April 13, 1932-6 p. m.

The neutrals had a meeting at 11 o'clock this morning and invited the Ambassadors of the countries neighboring on Bolivia and Paraguay to be present. This was done on account of the great interest

Argentina, Bolivia, Brazil, Chile, Paraguay, and Peru.

which they have shown in the matter and substantially at the request of one of them. The situation, both as regards the negotiation of a pact of non-aggression and the military situation was explained to them and they were given copies of the statement which Mr. White made on Monday to the Bolivians and Paraguayans on behalf of the neutral commission. This statement reads in translation as follows:

"The representatives of the five neutral governments have met and examined the actual state of relations between Paraguay and Bolivia and have agreed to signify to the representatives of the two countries the great preoccupation which they have on account of military preparations which are being carried out in the Chaco zone which, in their opinion, although being defensive, may provoke incidents even more grave than those which were deplored when all America, in agreement, offered its friendly services to seek a pacific solution.

At this time, any action of the nature which various information—all in agreement—regarding bellicose preparations, attributes to the two countries, is considered grave by the neutrals and little in har-

mony with the labor of peace which is being carried out.

The neutrals ask the representatives of Paraguay and Bolivia to transmit its cordial manifestation to their respective governments."95

All four Ambassadors agreed that they would cable their Governments regarding the situation and ask that their Governments indicate either through them and the neutral commission in Washington to the representatives of Bolivia and Paraguay their agreement with the *démarche* made on Monday, or else that their Governments directly in La Paz and Asunción use their influence for moderation and peace. Please cable any reaction either on part of Government or the press to this move and the move on Monday by the neutrals.

CASTLE

724.3415/1708 : Telegram

The Ambassador in Chile (Culbertson) to the Secretary of State

Santiago, April 14, 1932—6 p. m. [Received 7:40 p. m.]

31. Referring to the Department's telegram No. 18, April 8, 1 p. m.⁹⁶ and circular telegram relating to Chaco April 13, 6 p. m., the following is the result of conversation with Foreign Minister this afternoon:

First. If the five neutrals invite Chile, Argentina, Brazil and Peru to cooperate in the interests of peace, Chile will accept.

Second. Relating to Chile's treaty with Bolivia, Minister said "the

96 Not printed.

⁹⁵ Statement handed to the Bolivian and Paraguayan delegates on April 11.

treaty of 1904⁹⁷ is in force and Chile is obliged and determined to comply with it. In accordance with the said treaty, under present conditions Chile could not prevent the transit through its territory of arms for Bolivia. If a state of war should subsequently be produced between Bolivia and Paraguay, Chile would consider such a new situation in order to act on it in accord with its international obligations".

Third. Minister stated that Cruchaga would receive instructions tomorrow to express Chile's agreement with suggestion made in the

statement of the neutrals last Monday. No comment in press.

Culbertson

724.3415/1710 : Telegram

The Chargé in Argentina (White) to the Secretary of State

Buenos Aires, April 15, 1932—11 a.m. [Received 11:47 a.m.]

35. Your circular April 13, 6 p. m.; and my No. 34, April 12, 5 p. m.⁹⁸ Minister of Foreign Affairs informs me that he urged Paraguayan Minister to abandon reservations and that the latter promised to telegraph this to Asunción. He had also instructed Espil to cooperate with neutrals in Washington. While press has published telegrams no important editorial comment.

WHITE

724.3415/1711 : Telegram

The Minister in Bolivia (Feely) to the Secretary of State

La Paz, April 15, 1932—noon. [Received 6:45 p. m.⁹⁹]

14. In reply to the Department's circular telegram April 13, 6 p.m., the Minister for Foreign Affairs sent for me yesterday before this telegram had been decoded and asked that I use my influence to prevent what he termed the "intervention" of the four neighboring countries in the present negotiations explaining that he as well as the President feared that their participation in the negotiations could only redound to the prejudice of Bolivia's interests. He explained further that Bolivia had no confidence in the sincerity of intentions of either Argentina or Chile.

He said that while the President was sincerely gratified at the manner in which the negotiations had been conducted thus far he would deeply regret the addition of the four neighboring countries and asked

^{e7} Signed at Santiago, October 20, 1904, Foreign Relations, 1905, p. 104.

[&]quot;Latter not printed.

^{*} Telegram in two sections.

me again to assure my Government that Bolivia had no intention whatever of disturbing the peace of the continent and was only desirous of a peaceful solution.

The Minister for Foreign Affairs yesterday sent for the Brazilian and Chilean Ministers and is to see the Peruvian Minister and the Argentina Chargé today. In both these conversations he referred to the addition of the four countries as "intervention".

Last night the Chief of the General Staff in reply to my inquiry explained that the reason for the Government's attitude in respect to the intervention of the four countries was based on the knowledge that most of the reports of Bolivia's alleged aggressive intentions originated either in Argentina or in the Argentina Legation here and as to Chile he informed me in the strictest confidence that the Chilean Minister had only a few days ago intimated to him that his Government would look with favor on a military alliance with Bolivia explaining that the political and economic situation in Chile was such that only a war could prevent a disaster.

There has been but little discussion in the press of the addition of the four countries and their diplomatic representatives have received no instructions.

I gathered from my conversation with the Minister for Foreign Affairs that neither he nor the President is hopeful of a successful outcome of the present negotiations.

FEELY

724.3415/1712 : Telegram

The Ambassador in Peru (Dearing) to the Secretary of State

Lima, April 15, 1932—4 p. m. [Received 5 p. m.]

52. Department's circular April 13, 6 p. m. See my telegram No. 48, April 11, 4 p.m.¹ Foreign Minister informed me this morning he had received full information from Peruvian Ambassador in Washington and that the Paraguayan Minister here is much alarmed concerning the situation in the Chaco. The Paraguayan Minister himself told me that the situation was intense and that with the troops facing each other each side was [afraid?] to retire for fear the other would advance, that almost any movements excited suspicion and gave rise to exchange of shots and that he did not know what would happen. Here our conversation was interrupted.

The press has given practically no attention to Chaco situation

¹ Not printed.

for last few days. Foreign Minister informs me however that the Peruvian press and public take it for granted that no real clash will occur and do not regard the situation as being especially serious. He indicated he took a somewhat braver view himself, telling me the Peruvian Ambassador in Washington has orders to cooperate with the Chilean, Brazilian and Argentine Ambassadors to avoid a conflict. He added that in addition to the effort in Washington the Peruvian Government would be prepared to make a direct appeal to the two Governments to avoid a conflict and in case of necessity that the Peruvian Government would do any other thing it can to keep peace and aid a settlement.

DEARING

724.3415/1714 : Telegram

The Ambassador in Brazil (Morgan) to the Secretary of State

Rio de Janeiro, April 16, 1932—11 a.m. [Received April 16—10:50 a.m.]

29. Department's circulars April 8, 1 p. m.,² and April 13, 6 p. m. Contents of both circulars discussed with Foreign Minister who fully supports Secretary White's declaration to Bolivian and Paraguayan Ministers. Foreign Minister reports that conversations with President-elect Ayala,³ who recently passed through, and latest advices from Brazilian Legation at La Paz indicate that both countries are more favorably disposed than they were to peaceful adjustment. Local press has no reaction.

MORGAN

724.3415/1711 : Telegram

The Acting Secretary of State to the Minister in Bolivia (Feely)

Washington, April 16, 1932—11 a.m.

11. Your 14, April 15, 2 p. m. [noon?]. The four neighboring countries have not been invited to join the neutral Commission. They have shown great interest in the negotiations and considerable alarm at recent developments in the Chaco and at the request of one of the Ambassadors concerned the neutrals asked all to join with them in exchanging views regarding the situation.

For your strictly confidential information, the Argentine and Chilean Ambassadors have received instructions to advise the neutrals

² Not printed.

Of Paraguay.

that their Governments are in accordance and associate themselves with the representations made to Bolivia and Paraguay on the 11th instant.⁴ As soon as similar word is received from Peru and Brazil, the delegations of both countries will be informed thereof.

CASTLE

724.3415/1723 13/14

Memorandum by the Assistant Secretary of State (White)

[Washington,] April 21, 1932.

Doctor Soler and Doctor Vasconsellos called, at my request, and I told them that the Ambassadors of Argentina, Brazil, Chile and Peru had requested me to tell them that their Governments gladly adhere to the friendly manifestation which I had made on behalf of the neutrals to the delegates of Paraguay and Bolivia on the eleventh instant.⁵

The two delegates expressed their pleasure at this and asked me to thank the Ambassadors in question. They said that they would advise their Government at once thereof.

F[RANCIS] W[HITE]

724.3415/1810

The Minister in Paraguay (Wheeler) to the Secretary of State

No. 447

Asunción, June 5, 1932. [Received June 30.]

SIR: I have the honor to inform you that today Dr. Bueno, the Brazilian Minister here, left Asunción for a visit in São Paulo, Brazil, where he will have a conference with the Brazilian Minister for Foreign Affairs.

Last night he called on me to tell me confidentially that President Guggiari has asked him to lay before the latter the proposal that Brazil and Argentina jointly take possession of the Chaco and impose an arbitration upon both Paraguay and Bolivia. He informs me that he told Guggiari that in his opinion there could be no likelihood of a favorable answer, although it might be possible, in the event that Paraguay and Bolivia should agree in advance on a temporary retirement of their Chaco forces from advance positions pending an arbitration, that Brazil and Argentina would consent to police jointly the median zone during the interval. As to the probability of that, he was unwilling to express an opinion.

Respectfully yours,

Post Wheeler

⁸ A similar statement was made to the Bolivian delegates on the same date.

^{*}For statement drawn up at meeting of the Neutral Commission on April 9 and handed to the Bolivian and Paraguayan delegates on April 11, see quoted portion of circular telegram of April 13, 6 p. m., p. 136.

724.3415/1807 : Telegram

The Acting Secretary of State to the Ambassador in Argentina (Bliss)⁶

Washington, July 9, 1932-1 p. m.

37. Department was advised by cable of June 24 from Legation at La Paz⁷ that the Minister was informed by usually reliable source that the Paraguayan Government had instructed its Ministers in Argentina, Brazil and Chile to inquire from those Governments what their reactions would be if Paraguay were to reject the proposed pact of non-aggression in its entirety. Have you any information regarding this and concerning the reply made to Paraguayan Government?

CASTLE

724.3415/1824 : Telegram

The Secretary of State to the Ambassador in Argentina (Bliss)

Washington, July 12, 1932-5 p. m.

38. Following telegram received from Legation at La Paz:9

"The feeling is prevalent in official circles here that the Argentine Government if it were so inclined could prevent the withdrawal of Paraguay from the Washington conferences."

Please endeavor to find out what action if any Argentine Government is taking in this matter. You may indicate of course that any action by Argentina in the sense of advising Paraguay against withdrawal from the conference will be most welcome.

STIMSON

724.3415/1829 : Telegram

The Ambassador in Argentina (Bliss) to the Secretary of State

Buenos Aires, July 13, 1932—6 p. m. [Received 7:37 p. m.]

54. Your 38, July 12, 5 p. m. Minister of Foreign Affairs told me this afternoon that he had already counselled the Paraguayan Minister that his Government should make every effort to reach an agree-

⁶ The same telegram was sent to the diplomatic representatives in Brazil (No. 45) and in Chile (No. 46).

^{&#}x27;Not printed.
'Replies in the negative were received from the Ambassador in Argentina (No. 53, July 11, 7 p. m.), from the Ambassador in Chile (No. 128, July 11, 3 p. m.), and from the Chargé in Brazil (No. 57, July 12, 8 p. m.); none printed; see telegram No. 54, July 13, 6 p. m., from the Ambassador in Argentina, printed on this page.
'No. 35, dated July 12, 10 a. m.

ment at the Washington conference and that Argentina had its declaration of neutrality ready and would issue it at once in case the Washington negotiations failed and hostilities were declared. I said to him I felt sure that if he were to recommend Paraguay not to withdraw from the conference his counsel would be most helpful. To this the Minister responded he was very desirous that the conference should succeed and that Argentina had no wish to act in the matter in any other sense than to bring about by advice a successful outcome in Washington.

The Paraguayan Minister yesterday afternoon denied categorically to me that he had taken any such action as indicated in your 37 of July 9, 1 p. m.

BLISS

724.3415/1820 1/15

Memorandum by the Assistant Secretary of State (White)

[Washington,] July 22, 1932.

Mr. Mendoza of the Peruvian Embassy called and showed me a telegram which he had received from the Peruvian Government inquiring about the Chaco matter and whether there was any thought of asking the other nations of this hemisphere to join in any action; also whether there was thought of adding two more members to the Neutral Commission. I told Mr. Mendoza the present situation and gave him copies of the telegrams sent yesterday to the Ministers of Foreign Affairs of Bolivia and Paraguay. I told him that we hoped the matter would be straightened out and the conference would continue here; that if that should not be the case and there should be a breakdown then we would undoubtedly lay the matter before all the nations of this hemisphere, but that that time had not yet come. I told him that there is no thought at the present time of increasing the number of neutral countries.

F[RANCIS] W[HITE]

724.3415/1864 : Telegram

The Ambassador in Chile (Culbertson) to the Secretary of State

Santiago, July 25, 1932—11 p. m. [Received July 26—1:35 a. m.]

148. The Minister for Foreign Affairs today invited Ambassadors of Brazil and Argentina and the Chargé d'Affaires of Peru to exchange ideas with him in the Chaco dispute. They discussed at length the imminent danger of conflict and the danger of communism in the

¹⁰ See telegram to the Bolivian Minister for Foreign Affairs, July 21, p. 35.

Bolivian Army. They agreed that the moment has arrived for action to prevent war. Chile is willing to cooperate and the three chiefs of mission referred to will telegraph their Governments the conversation and ask instructions. The Argentine Ambassador was designated to inform me and to say that in all respects the cooperation of the American Government was considered the basis of any action which might be contemplated. He said that the Minister for Foreign Affairs would ask me to confer with him tomorrow in order to inform me of Chile's attitude and of the details of the conference today. However, from the conversation with the Argentine Ambassador it is clear that the Chilean Government visualizes the effective cooperation of the American, Chilean, Argentine, Brazilian and Peruvian Governments in whatever action may be necessary to prevent war in the Chaco.

Culbertson

724.3415/1820 11/15

Memorandum by the Assistant Secretary of State (White)

[Washington,] July 25, 1932.

The Argentine Ambassador called and showed me a telegram from his Government saying that the Brazilian Ambassador had suggested joint action by Argentina and Brazil to prevent war between Bolivia and Paraguay. The Minister of Foreign Affairs said that he had replied that Argentina was disposed to do so; that he thought they could be most effective at present by insisting that Bolivia and Paraguay continue the negotiations in Washington and, if for any reason they are unable to come to an agreement on a pact of non-aggression, that the new situation thus created be submitted to the Neutral Commission also.

I showed Mr. Espil the telegram we had just received from the Minister of Foreign Affairs of Bolivia¹¹ and the draft reply which the Neutrals were about to sign.¹² He said that he supported this telegram and that he would tell his Government that the Neutrals were doing everything they possibly could; that they were sending a further telegram to Bolivia today, and that he would urge his Government to back it up with good advice in La Paz and Asunción.

F[RANCIS] W[HITE]

¹¹ Telegram No. 840, July 24, p. 36.

¹² See telegram to the Bolivian Minister for Foreign Affairs, July 25, p. 37.

724.3415/1864 : Telegram

The Secretary of State to the Ambassador in Chile (Culbertson)

Washington, July 26, 1932—5 p. m.

54. Your 147 [148], July 25, 11 p. m. Department understands there have been conversations between Argentina and Brazil with a view to preventing hostilities in the Chaco and that Argentine Government took position that they could be most helpful for the present in seconding the efforts of the neutral representatives in Washington and in trying to make the Bolivians and Paraguayans remain in the conference here. The Department and the neutral representatives will welcome any recommendations in this sense which may be made by the neighboring countries to the Paraguayan and Bolivian Governments.

STIMSON

724.3415/1871 : Telegram

The Ambassador in Chile (Culbertson) to the Secretary of State

Santiago, July 26, 1932—5 p. m. [Received 7:22 p. m.]

149. Minister for Foreign Affairs confirmed in a conversation this afternoon the content of the conversation which I reported in my telegram 148, July 25, 11 p. m., emphasizing in particular that Chile desires to act in cooperation with and on the invitation of the five neutrals. He added that the neighboring powers might act either with the United States alone or with all of the five neutrals. He stated that the Chilean Ambassador in Washington is being informed of developments. He showed some agitation over the arrival in Santiago this evening of Zalles who still retains his position as Minister for Foreign Affairs in Bolivia. He stated that he would communicate anything of importance to me following his conversation with Zalles. He showed great concern over the social consequences of war in South America at this time.

Culbertson

724.3415/1877a : Telegram

The Secretary of State to the Ambassador in Peru (Dearing) 13

Washington, July 26, 1932—5 p. m.

35. Department advised that Minister of Foreign Affairs of Chile yesterday invited Argentine and Brazilian Ambassadors and Peruvian Chargé to exchange ideas with him regarding the Chaco situation and measures to be taken to prevent war.

¹³ The same, on the same date, to the diplomatic representatives in Argentina (No. 47) and in Brazil (No. 52).

Department advised that Brazilian Ambassador in Buenos Aires took this matter up previously with Argentine Minister of Foreign Affairs for joint action between those two Governments and that Argentina replied that it felt that most effective action at present is to support the Neutral Commission in Washington and to urge the two Governments to remain in Washington and to try to arrive at a settlement here.

The Department and neutral representatives will welcome any recommendations in this sense which may be made by the neighboring countries to the Paraguayan and Bolivian Governments.

STIMSON

724.3415/1820 19/15

Memorandum by the Assistant Secretary of State (White)

[WASHINGTON,] July 26, 1932.

Ambassador Cruchaga called and inquired about the Chaco situation and I advised him with regard thereto. I told him that we had a telegram from Mr. Culbertson, about the meeting called in Santiago yesterday¹⁴ and said that in reply I had advised Mr. Culbertson that, in response to an inquiry from Brazil as to whether Argentina would join with her in taking action to prevent hostilities in the Chaco, Argentina had replied that it would be willing to do so and that it thought it could be most effective at present by supporting in La Paz and Asunción the efforts of the Neutrals here and in keeping Bolivia and Paraguay in the conference in Washington. I said that I had told Mr. Culbertson that the Neutrals would of course be pleased with any assistance in this sense which Argentina, Brazil, Chile and Peru would give in Asunción and La Paz.

Mr. Cruchaga said that he had a telegram covering the meeting in Santiago yesterday and suggesting that it might be well to enlarge the Commission of Neutrals. I told him that this suggestion had been discussed before and that one country had definitely refused to join the Commission and another had not been enthusiastic about doing so. I also mentioned Bolivia's resentment against any such a measure and said I thought that at this particularly critical moment we should avoid any action which would give Bolivia a chance to withdraw from the conference, putting the blame for such action on someone else. I added that of course this Government would welcome the other four countries mentioned in the Neutral Commission but, in view of the circumstances, it did not seem applicable at this time, and

¹⁴ Telegram No. 148, July 25, 11 p. m., p. 143,

I thought that action would be more effective if, instead of nine nations acting as one in their recommendations, as the five Neutrals are doing, action by the Neutrals could be sustained by the independent action of the other four countries. Mr. Cruchaga said that he fully agreed and that he would cable to his Government in that sense.

He also told me that he thought he would remain on as Ambassador.

F[RANCIS] W[HITE]

724.3415/1828 34

Memorandum by the Assistant Secretary of State (White)

[Washington,] July 27, 1932.

Mr. Espil called and discussed with me the Chaco situation. I told him that certain of the Neutrals had discussed with me the question of further steps and we had considered that if there should be a breakdown of negotiations here or a resort to war before Bolivia actually withdraws it would be well for the nations of this hemisphere to make a statement to Bolivia and Paraguav to the effect that respect for law and order is a tradition of this hemisphere; that we are opposed to war for the settlement of disputes in America; that the history of the American nations shows that nearly all their boundary and territorial controversies have been settled by peaceful means, and that therefore the nations of America declare that the Chaco dispute is susceptible of a peaceful solution; that the nations of this hemisphere further advise both Governments that they will recognize no territorial settlement made by other than peaceful means, and that they will not recognize for any future arbitration as valid any territory acquired at this time through occupation or conquest by force of arms, and that they therefore call upon Bolivia and Paraguay to submit the matter to arbitration.

I told Mr. Espil that, in view of the statement which he had made to me on the twenty-fifth 15 regarding the action which Argentina had taken on the Brazilian proposal, this Government felt that such an initiative would be more effective coming from some of the neighboring countries; that we welcome the initiative which Argentina is already taking for a peaceful settlement, and that, furthermore, as the Chaco matter touches more closely Argentina and the other countries bordering on Bolivia and Paraguay, I wanted to suggest to him that he, as of his own initiative, suggest such a step to his Government.

Mr. Espil said that for various reasons he did not want to seem to be advising his Government at this time how they should act but

[&]quot;Memorandum of conversation not printed.

that he would put the proposition up to them gladly as coming from this Government.

I suggested to him then that he tell his Government that the matter had been discussed informally by certain of the Neutrals; that this Government was in favor of this step; that we were not looking for any credit to the United States in the matter, and that we would like to know how Argentina looked upon the proposal itself, and secondly, if they were in favor thereof, whether they would take the initiative in the matter. Mr. Espil said that he would put the matter up to his Government and let me know as soon as possible the results. I told him that I would like, if possible, to have an answer by Friday as the Secretary expects to leave town then. He said that he would do his best.

F[RANCIS] W[HITE]

724.3415/1879 : Telegram

The Ambassador in Argentina (Bliss) to the Secretary of State

Buenos Aires, July 27, 1932—7 p. m. [Received 9:38 p. m.]

66. Your 47, July 26, 5 p. m. 16 Minister of Foreign Affairs tells me that he is awaiting approval by Brazilian Foreign Office of a declaration he has proposed to support the action of the Neutral Commission in Washington with the addition of a proposal for active measures if necessary to prevent war. He promised to give me the text of declaration as soon as it is ready for delivery.

The Minister maintained that the countries contiguous to Bolivia and Paraguay should not act separately but should throw all their weight in support of the Neutral Committee now functioning in Washington but held further that this attitude should be augmented by declaration that such support should be backed up by something definite to show their determination to prevent hostilities.

He was cognizant of information contained in your 48 [47?], July 26, 5 p. m., and spoke of placing a cordon along frontier. La Critica published last evening under customary scare headlines report from Salta correspondent that American, Spanish and other foreigners constitute majority of Bolivian officers. Such reports may perhaps account for rumors which consultells me he hears that United States is backing Bolivia.

I am advised that Bolivian Government has requested West India Oil Company to sell it 100,000 liters of gasoline for aviation use.

BLISS

¹⁶ See footnote 13, p. 145.

724.3415/1881 : Telegram

The Chargé in Brazil (Thurston) to the Secretary of State

Rio de Janeiro, July 28, 1932—8 a.m. [Received 11:25 a.m.]

70. Department's 52, July 26, 5 p. m.¹⁷ The Minister for Foreign Affairs read to me last evening his recent telegraph instructions to the Brazilian representatives at Washington, Buenos Aires, Asunción and La Paz, the tenor of which would indicate that Brazil is supporting the Washington conference. The telegrams to Buenos Aires, Asunción and La Paz quoted Lima e Silva as having received intimations that any other action would be resented by the neutrals.

Dr. Mello Franco expressed the fear that further conflicts in the Chaco are imminent.

THURSTON

724.3415/1885 : Telegram

The Ambassador in Argentina (Bliss) to the Secretary of State

Buenos Aires, July 28, 1932—1 p. m. [Received 3:40 p. m.]

67. My 66, July 27, 7 p. m. I believe Argentine Government would like to propose to Brazil and perhaps Chile and Peru strong joint recommendation to Bolivian and Paraguayan Governments to cease all military activity in Chaco but this Government feels that it should uphold Neutral Commission in Washington and not instigate separate action. From opinions expressed to me by a number of my colleagues American Governments are looking to the United States to take the initiative in a vigorous admonition to both Governments followed up by investigation of Chaco situation by Neutral Commission. I venture to submit possibility of criticism being directed to our Government if some drastic step is not speedily taken by Washington conference and that Argentine Minister has insinuated any such strong recommendation will be supported by Argentina.

BLISS

724.3415/1828 3/7

Memorandum by the Assistant Secretary of State (White)

[Washington,] July 28, 1932.

I telephoned Ambassador Bliss in Buenos Aires and told him of my conversation of the day before with Mr. Espil, as set forth in my memorandum of that date, and asked him if he would discuss the

¹⁷ See footnote 13, p. 145.

matter with the Minister of Foreign Affairs to see whether he would authorize Mr. Espil to make the suggestion to all the nations of the continent for a collective telegram to Bolivia and Paraguay to the effect that any conquest by them would not be recognized.

Mr. Bliss said that he had been called to the Foreign Office; that he was going there immediately after our conversation, and that he would take the matter up and call me back after the meeting was over.

Mr. Bliss called me back later in the afternoon to say that he had a talk with the Minister of Foreign Affairs; that the latter had received Espil's telegram of the day before, and that the Government thought that the matter was covered in the instructions it was sending to Espil regarding a joint manifestation to be made by the Argentine, Brazilian, Chilean and Peruvian Governments. Mr. Bliss read me the statement over the telephone and said that the Spanish text was being cabled to Mr. Espil who would give it to me the next day, and that Chile and Peru had already agreed to join in the manifesto but that Brazil so far had not done so.

F[rancis] W[hite]

724.3415/1828 44

Memorandum by the Assistant Secretary of State (White)

[Washington,] July 29, 1932.

Mr. Espil called and told me that a telegram regarding the manifesto which Argentina wanted Brazil, Chile and Peru to join with them was being decoded; that as soon as this was done he would send me a copy, ¹⁸ and that in the meantime he had received two other cables, one asking him to try to get the Neutral Commission to urge the Brazilian Government to join with it, and the other stating that the matter of a declaration that the nations of this hemisphere would not recognize any conquest made by Paraguay and Bolivia now appealed very strongly to the Argentine Government, but that it hesitated to take the initiative in making the suggestion unless it knew that Brazil, Chile and Peru, at least, would also join in, feeling that should it be known that Argentina had taken the initiative in the matter and the other countries had not joined them, it would put Argentina in a very difficult position vis-à-vis the Bolivian Government.

F[rancis] W[HITE]

¹⁸ Infra.

724.3415/190434

Draft of Manifesto From the Governments of Argentina, of Brazil, of Chile and of Peru to the Governments of Bolivia and of Paraguay, and to the Commission of Neutrals in Washington 19

[Translation]

The Governments of the Republics of Argentina, Brazil, Chile and Peru, in view of the disquieting situation which has arisen between Bolivia and Paraguay, in consequence of incidents that have occurred in the conflicts of the Chaco, being desirous of conserving the interests of peace in America, seriously threatened by imminent danger of war, in order to fulfill the moral obligation resting upon them as representatives of states belonging to the same continental sisterhood, of taking care that international juridical institutions are maintained, the application of which in the settlement of difficult controversies has so far constituted for them a reason for justifiable pride, being convinced that the existing means of pacification for the solution of international conflicts place at the disposal of nations between which controversies have arisen, sufficient recourse for avoiding armed conflict, however bitter the dissensions may be and however exigent susceptibilities may be, remembering that in positive international law there exist rules strictly applicable to the case, such as the Hague Conventions of 1899 and 1907,20 for the peaceful settlement of international disputes, which creates [sic] a commission of inquiry and provides the necessary elements for possible arbitration, the Covenant of the League of Nations,21 of which both countries are members, which insures the use of peaceful means, by utilizing mediation and arbitration, and the Inter-American Conciliation and Arbitration Convention of Washington, of January 5, 1929,22 which likewise establishes organs for the same purpose, it being borne in mind that these solemn instruments could not fall into disuse without loss of prestige by the tradition invariably maintained by the countries of America at international congresses, free from any prejudice of partiality and guided by the affection which the nations engaged in the dispute deserve equally, without prejudging either the origin of the conflict or the responsibilities for the incidents involved in it, agree:

¹⁹ A notation at the top of the page reads: "Dated about July 29, 1932." See telegram No. 55, July 29, 7 p. m., to the Chargé in Brazil, p. 152, and telegram No. 111, July 29, 8 p. m., from the Ambassador in Peru, p. 153.

²⁰Foreign Relations, 1899, p. 521, and ibid., 1907, pt. 2, p. 1181.

²¹ Treaties, Conventions, etc., 1910–1923, vol. III, p. 3336.

²² For the treaty of conciliation, see Foreign Relations, 1929, vol. 1, p. 653; for the treaty of positivation goal idid p. 659.

the treaty of arbitration, see ibid., p. 659.

First—to invite the Republics of Bolivia and Paraguay to make a supreme effort for agreement, by laying aside their warlike attitude, stopping all military mobilization and avoiding the outbreak of war;

Second—to offer jointly their friendly offices to Bolivia and Paraguay, in order to receive from both nations and duly act on any suggestions or proposals tending to produce a settlement by conciliation;

Third—to remain united in order to offer their adherence and cooperation to the Commission of Neutrals assembled at Washington, D. C., which has been working for a long time with the noble determination to obtain a friendly solution, the action of which deserves the respect and consideration due to its efforts and lofty purposes, offering it the collaboration that may be needed to put into practice the emergency measures that may be considered proper to prevent war between the republics of Bolivia and Paraguay;

Fourth—to communicate this declaration of international loyalty, friendship and love of peace simultaneously to the governments of Bolivia and Paraguay and to the Commission of Neutrals in Washington.

724.3415/1897a: Telegram

The Secretary of State to the Chargé in Brazil (Thurston)

Washington, July 29, 1932—7 p. m.

55. The Commission of Neutrals which is trying to find a solution of the difficulties pending between Bolivia and Paraguay had a meeting today inviting the representatives of the countries neighboring on those countries, namely Argentina, Brazil, Chile and Peru, to meet with them in order to exchange ideas. Argentine Ambassador read to the Commission the text of a draft collective cable which Argentina, Chile and Peru desire to send to La Paz and Asunción, the despatch of which is awaiting only the adhesion of Brazil. Brazil is the only country which has not yet authorized its representative in Argentina to sign the document. The telegram signifies the support by those Governments of the action of the Neutral Commission. The Neutral Commission would be pleased if the Government of Brazil would authorize the signature of this collective document as quickly as possible as the imminent danger to peace requires.

Mr. White, as Chairman of the Neutral Commission, was requested by it to ask you to make a statement in the above sense as quickly as possible to the Minister of Foreign Affairs of Brazil. Cable result.

STIMSON

724.3415/1894 : Telegram

The Ambassador in Peru (Dearing) to the Secretary of State

Lima, July 29, 1932—8 p. m. [Received July 30—7:05 a. m.]

111. Department's telegram No. 35, July 26, 5 p. m. Peruvian national holidays have prevented an earlier reply. Foreign Minister informs me in a note dated the 28th, just received, that the Government has given serious consideration to the Department's suggestion, that Peru has been active from the first to secure with the countries bordering Bolivia an agreement providing for joint action and such cooperation with the Commission of Neutrals as would avoid the outbreak of war and provide for the continuation of negotiations between Bolivia and Paraguay; that Peru's action has had the support of Chile from the beginning; and that he believes it can be taken as settled that Peru, Argentina, Brazil and Chile have reached an agreement which should be signed in Buenos Aires at any moment providing, regardless of the origin of the conflict and responsibility for its incidents.

(1) That an invitation shall be sent to Bolivia and Paraguay to make a supreme effort, halt all military mobilization and avoid war.

(2) That an offer of good offices shall be made to both countries for the reception and transmission of any suggestion or proposals tending towards a conciliatory solution.

(3) That the participants in the agreement shall offer their adhesion and collaboration to the Commission of Neutrals in Washington whose great efforts and hereinbefore proposals are fully recognized.

The Foreign Minister adds he believes this agreement will be in full accord with the Department's views and suggestions. Full text by airmail.

DEARING

724.3415/1904 : Telegram

The Chargé in Brazil (Thurston) to the Secretary of State

Rio de Janeiro, July 30, 1932—4 p. m. [Received 8:25 p. m.]

- 73. 1. The Brazilian Ambassador has been instructed to return to Washington immediately to cooperate in the Chaco conferences. I am led to believe that the Foreign Office has been handicapped in the present negotiations by Lima e Silva's failure to keep it informed of developments there.
- 2. With respect to the Argentine draft of the collective cable,23 Brazil has replied through the Argentine Ambassador here stating that Brazil favors a cable restricted to the preamble and point 1 of the Argentine draft. Brazil considers that points 2 and 3 of the Argentine draft would respectively debilitate the Neutral Commission and transfer its powers to the group of neighboring republics, and would bind the latter to unspecified "emergency measures", which would make their joint action intervention instead of mediation. Dr. Mello Franco stated confidentially that he knows that Bolivia would reject such a formula.

As a counter-proposal, Dr. Mello Franco has suggested the creation of a commission to investigate the events of June 29th and July 15th, to be formed by the United States, Brazil and Argentina. He pointed out that as the aggression of June 29th and July 15th occurred while a conference on non-aggression was in session, the conference presumably is nullified for the moment, and he apparently believes that as the former resulted in the withdrawal of Bolivia, an appraisal of the two incidents by such a commission of investigation would make it possible for the conference to be resumed. He presumably also considers that while such a commission should be in existence, no further conflicts would be likely to take place.

Repeated to Buenos Aires.

THURSTON

724.3415/1815 1/2

Minutes of Meeting of July 30, 1932, Between Representatives of the Neutral Countries and Representatives of Countries Neighboring on Bolivia and Paraguay 24

The representatives of the United States of America, Colombia, Cuba and Mexico, Messrs. Francis White, Fabio Lozano T., José T.

²³ Ante, p. 151.

²⁶ These minutes were evidently written at a later date since they contain reference to action taken on August 2.

Barón, and P. Herrera de Huerta, comprising, with the Uruguayan representative, the Neutral Commission which has been acting, through the exercise of good offices, in the controversy over the Chaco between Bolivia and Paraguay, met in Mr. White's office in the Department of State on July 30. In view of the interest which has been taken in this controversy by the Governments of Argentina, Brazil, Chile and Peru, the countries which border on Bolivia and Paraguay, the neutral representatives invited the representatives of those countries to meet with them. Among the neutral representatives, the representative of Uruguay was absent, and of the neighboring countries, the representative of Brazil was absent. Mr. Felipe Espil, Argentine Ambassador, Mr. Miguel Cruchaga, Chilean Ambassador, and Mr. Juan Mendoza, First Secretary of the Peruvian Embassy, represented their respective Governments.

Mr. White, Chairman of the Commission, advised those present of the situation at that time as shown by telegrams received since the meeting of the day before.

The Argentine Ambassador said that he was instructed by his Government to suggest to the neutral representatives the desirability of asking all the nations of America to join them in a statement setting forth their opposition to war and calling on Bolivia and Paraguay to desist at once from any warlike moves. The neutral representatives stated that they had been considering asking the American nations to join with them; that they thought the time had now come to do so, and that they were therefore in favor of Mr. Espil's suggestion. It was agreed that a message to the countries of America, giving them the text of the representations which they would be asked to join in making to Bolivia and Paraguay, should be drawn up, and Mr. White was asked to make such a draft.

An adjournment was taken for luncheon and for this draft to be prepared.

The draft was considered immediately upon the reconvening of the meeting in the afternoon. The Ambassador of Chile suggested the insertion of two paragraphs which might offer a way out for the two contending parties by requesting them to submit to the Neutral Commission all documentation which they might consider pertinent regarding incidents which have occurred since June 15 in order that the Commission might examine them, and a statement to the effect that they did not doubt that the country which was shown to be the aggressor would wish to give satisfaction to the country attacked.

Ambassador Cruchaga further suggested that the two Governments be invited to make a solemn declaration to the effect that they would stop the movement of troops in the disputed territory in order to clear up the atmosphere and pave the way for the solution of good understanding which the countries of America hope for in the name of the permanent interests of all the countries of this hemisphere.

This suggestion was accepted by all and two paragraphs containing these suggestions were inserted in the draft telegram. Certain verbal changes were suggested in the draft proposed by Mr. White. It was furthermore agreed that the Neutrals would send forward a telegram to the other countries of America as soon as certain of them, who felt that they should consult their Government, had been authorized to do so, and as soon as they heard that the four neighboring countries were in agreement. The Argentine, Chilean and Peruvian representatives present were asked to consult their Governments on this point and, in the absence of a representative of Brazil, the members of the Neutral Commission asked Mr. White, on their behalf, to transmit the text to the Brazilian Government through the American Chargé d'Affaires at Rio de Janeiro. The telegram agreed to, and which was finally despatched to the Ministers of Foreign Affairs of the other ten countries of America on Tuesday morning, August 2, after it had been accepted by all the neutral countries and by the Governments of the four countries neighboring on Bolivia and Paraguay, reads as follows:25

724.3415/1922 : Telegram

The Ambassador in Chile (Culbertson) to the Secretary of State

Santiago, August 2, 1932—5 p. m. [Received 9:58 p. m.]

160. Zalles called on me this morning. He admitted that the purpose of his visit to Chile is, first, to ensure Chile's neutrality, second, to obtain a favorable interpretation of the treaty of 1904 in order to permit passage of war materials through Chilean ports, and third, the purchase of aeroplanes and munitions. Regarding the purchase of aeroplanes Zalles stated that he has been negotiating with Curtiss and Merino, Chief of the Chilean air force, and that the latter has

²⁵ End of minutes; dictated by Francis White but no signature on file copy.

increased the price so much that an agreement now seems impossible. However, I know that an agreement is probable. In the meantime Paraguay is said to be taking steps to buy the same aeroplanes and to employ Chilean aviators to fly them.

Brazilian Ambassador said that the proposed note to Bolivia and Paraguay to be sent by the four neighboring countries was drafted in Buenos Aires and that Chile and Peru and Argentina agreed to sign it; that Brazil objected to point 3 but would sign if the reference to measures of emergency were omitted. I have a copy of the note but I assume you also have it.

Zalles furthermore stated that one of the chief difficulties to a settlement between Bolivia and Paraguay is Argentina because Argentina he claims desires to avoid the competition of Bolivian petroleum. He added that in the Argentine war plans Paraguay is considered an integral part; that the military influence of the Argentine over Paraguay is now seen in the attacks made upon the Bolivian forts; that previously these attacks were made by unorganized groups but that now they consist of efficient and trained units supported by artillery and aeroplanes.

... Zalles said that a possible basis for a solution of the problem would be the granting by Paraguay of a port on the Paraguay River with sufficient water to permit of navigation approximately at the level of the port Olimpo. However, he said the feeling in Paraguay at the present time is so bitter against anything Bolivian that he does not consider an amicable solution feasible. He denied emphatically that Bolivia is resolved to go to war since he considers that Paraguay for strategic and other reasons would be much stronger than Bolivia in a contest in the Chaco. On this last point the Argentine Ambassador who knows Paraguay said today that he thought that the Paraguayans would win in the long run. Zalles' suggestion that an adequate outlet for Bolivia on the Paraguay River might form a basis of discussion led Paraguayan Minister to ask for instructions from his Government and I am informed that he now has authority to talk with Zalles, but my impression is that these discussions will not take place immediately. The Argentine Ambassador has offered his Embassy as a place for the discussions. This action of the Argentine Ambassador is regarded by the Brazilian Ambassador as an indication of undue activity in the present controversy. It would appear from this and other activities that Argentina again aspires to be the chief arbitrator in the Chaco dispute.

Through its respective Legations in Lima and Buenos Aires Bolivia has asked Peru and Argentina to state whether or not they would remain neutral in case of war between Bolivia and Paraguay. The Peruvian Government replied that the request was inopportune and the Argentine Government that it was premature. Each indicated that it considered itself allied with the other neighboring countries in order to prevent war. Zalles has asked Chilean Minister for Foreign Affairs about neutrality but the problem here is complicated by the treaty of 1904 and the question of Arica and no reply satisfactory to Bolivia has been submitted. Discussion yesterday between the Minister of Foreign Affairs and the diplomatic representatives of the other neighboring states related to the interpretation of article No. 6 of the treaty of 1904. The Minister was disposed to give to the phase [phrase?] ["]commercial transit["] a limited interpretation and to deny that the article permitted the transportation of munitions during war time. Influences are being brought to bear in favor of a broad interpretation—undoubtedly by those who have something to sell

Zalles' conversations with me and others indicate an impatience with any proposals which do not include a solution of the fundamental need of Bolivia for an outlet to the sea. The old question of Arica lies in the background and takes concrete form in Bolivia's fear of a restricted interpretation of article No. 6 of the treaty of 1904. Might it not be possible to have introduced into the present discussions with the neighboring states the suggestion that they could relieve the war pressure on the Bolivian Government if they were to give on their own initiative some special guarantees to Bolivia of freer access to the outside world? For example, Chile might grant a free zone at Arica and declare in favor of the fullest freedom of commerce over the Arica Railroad both in peace and in war. Brazil might give a similar guarantee with reference to her railroad from Esperanza to the coast. Paraguay, Uruguay and Argentina might reaffirm the guarantees of complete freedom of international transit on the Paraguay River and the Rio de la Plata. Argentina and Paraguay might even concede a pipe line along the Pilcomavo River. If some affirmative contribution such as some or all of these concessions could be made by the neighboring powers at the same time that they are virtually threatening intervention in the name of peace, a final solution of the Chaco problem would seem to be more probable.

CULBERTSON

724.3415/1958b : Telegram

The Representatives of Nineteen American Republics ²⁶ Assembled in Washington to the Ministers for Foreign Affairs of Bolivia and Paraguay

[Translation]

Washington, August 3, 1932.

The representatives of all the American Republics, assembled in Washington, where the Commission of Neutrals has its seat, having been duly authorized by their respective Governments, have the honor to make the following declaration to the Governments of Paraguay and Bolivia:

"Respect for law is a tradition among the American nations who are opposed to force and renounce it both for the solution of their controversies and as an instrument of national policy in their reciprocal relations. They have long been the proponents of the doctrine that the arrangement of all disputes and conflicts of whatever nature or origin that may arise between them can only be sought by peaceful means. The history of the American nations shows that all their boundary and territorial controversies have been arranged by such means. Therefore, the nations of America declare that the Chaco dispute is susceptible of a peaceful solution and they earnestly request Bolivia and Paraguay to submit immediately the solution of this controversy to an arrangement by arbitration or by such other peaceful means as may be acceptable to both.

"As regards the responsibilities which may arise from the various encounters which have occurred from June 15 to date, they consider that the countries in conflict should present to the Neutral Commission all the documentation which they may consider pertinent and which will be examined by it. They do not doubt that the country which this investigation shows to be the aggressor will desire to give satisfaction to the one attacked, thus eliminating all misunderstanding between them.

"They furthermore invite the Governments of Bolivia and Paraguay to make a solemn declaration to the effect that they will stop the movement of troops in the disputed territory which should clear up the atmosphere and make easy the road to the solution of good understanding which America hopes for in the name of the permanent interests of all the countries of this hemisphere.

"The American nations further declare that they will not recognize any territorial arrangement of this controversy which has not

²⁶ All the American Republics except Bolivia and Paraguay.

been obtained by peaceful means nor the validity of territorial acquisitions which may be obtained through occupation or conquest by force of arms."

Francis White

For the Secretary of State of the United States

FABIO LOZANO T.

Minister of Colombia

José Richling

Chargé d'Affaires of Uruguay

José T. Barón

Chargé d'Affaires of Cuba

P. HERRERA DE HUERTA

Chargé d'Affaires of Mexico

M. DE FREYRE Y. S.

Ambassador of Peru

R. de Lima e Silva

Ambassador of Brazil

FELIPE A. ESPIL

Ambassador of Argentina

MIGUEL CRUCHAGA

Ambassador of Chile

Adrian Recinos

Minister of Guatemala

Pedro M. Arcaya

Minister of Venezuela

Dantès Bellegarde

Minister of Haiti

ROBERTO DESPRADEL

Minister of the Dominican Republic

CÉLEO DAVILA

Minister of Honduras

GONZALO ZALDUMBIDE

Minister of Ecuador

Horacio F. Alfaro

Minister of Panama

Luis M. Debayle

Chargé d'Affaires of Nicaragua

Manuel González-Zeledon

Chargé d'Affaires of Costa Rica

Roberto D. Melendez

Special Representative of the Republic of El Salvador in the Board of Directors of the Pan American Union

724.3415/1920 1/4

Memorandum by the Assistant Secretary of State (White)

[Washington,] August 4, 1932.

Mr. Espil called and showed me a telegram from his Government indicating that Señor Blanco, Minister of Foreign Affairs of Uruguay, had made a statement that Uruguay had suggested the inclusion of Argentina in the Neutral Commission. The telegram said that this was obviously put out to curry favor with Argentina.

Mr. Espil was concerned lest a discussion on this point should take place between the River Plate countries. I told him that I thought it would be very unfortunate at this time when the countries of America are showing a united front for Argentina and Uruguay to start a discussion on any such topic. I also told him that this could not be denied as the Uruguayan Chargé d'Affaires, Mr. Richling, had telephoned to me from New York on July 25 suggesting that the countries neighboring on Paraguay be added to the Neutral Commission. I read him the memorandum ²⁷ of my two telephone talks with Mr. Richling on that day in which I had pointed out the inexpediency of any such action.

Mr. Espil thanked me and said that he would word his telegram in such a way that he thought there could be no publicity regarding it. F[rancis] W[htte]

724.3415/1974 : Telegram

The Bolivian Minister for Foreign Affairs (Gutiérrez) to the Assistant Secretary of State (White)

[Translation]

La Paz, August 5, 1932. [Received 7:52 p.m.]

I have the honor to acknowledge receipt of the courteous cablegraphic note of the 3rd, bearing the honored signature of 19 neutral and friendly nations. In that note the representatives of the American Republics unite in declaring that respect for law is a tradition of the American nations and that they are opposed to the solution of controversies by force, that all territorial disputes have been settled by pacific means; they invite us to make a solemn declaration in the sense of stopping troop movements in the disputed territory. In replying to the note we must take into account the declarations con-

²⁷ Not printed.

tained therein which interpret with perfect accuracy Bolivian thought which for half a century has been protesting against wars of conquest. They are inspired by the ideas underlying American public law which does not admit occupation by usurpation as a title of ownership. Bolivia, isolated in the heart of South America, and reduced to international vassalage by well known causes, receives with enthusiasm the new doctrine being initiated in America, that force does not confer rights. That is her thesis and she will maintain it because it protects her territorial integrity. In the Chaco dispute the same thesis is applicable.

Bolivia, sovereign of that heritage by historic titles according to Hispanic-American public law, considers that force and usurpation, taking advantage of geographic proximity, have appropriated the bank which belongs to it on the Paraguay River. Welcome to the doctrine that force does not confer rights. The declaration to the effect that the nations of America will not recognize territorial acquisitions which are obtained by occupation or conquest by force of arms, is a doctrine which does not affect us, because Bolivia has neither conquered territories before nor is she attempting to occupy them now. Today she is pursuing in the Chaco the recovery of what historically and juridically belongs to her. We are asked for peaceful settlement. We have proposed them several times in formal treaties which have not been ratified by Paraguay. We wish to terminate the Chaco question, the country being resolved to make even bloody sacrifices in defense of its territory. The nation needs to break the barrier which prevents access to its bank on the Paraguay River in order to have communication with the world. This is one of the bases for a solution which must be required for Paraguay to insure the peace of America. As to the responsibilities for the encounters which have occurred in the Chaco we have already replied to the representatives of the five neutral countries acting in Washington. We are asked to stop troop movements in the disputed territory. Bolivia is mobilizing her forces in her own territory in full exercise of her sovereignty. In view of the active mobilization of Paraguay she must take her precautions and prepare herself for defense. We have stronger reason to maintain our forces in the Chaco if it is considered that to transport our contingents we cover a distance five times as great as that covered by the Paraguayan contingents. We should be grateful to the neutral countries which are acting in favor of peace if they would use their valued influence with Paraguay to succeed in making that peace a reality by means of solutions looking to the end mentioned. I repeat the assurance of my high esteem.

Julio A. Gutiérrez

724.3415/1976: Telegram

The Paraguayan Minister for Foreign Affairs (Arbo) to the Assistant Secretary of State (White)

[Translation]

Asunción, August 5, 1932. [Received 11:05 p. m.]

My Government confirms its adherence cardinal principles doctrine and traditions of America expressed note Your Excellency and other signatories representing American countries.²⁸ They constitute the invariable standard of its international policy. It is disposed to submit immediately arbitration or other pacific procedure each and every one of the questions in controversy with Bolivia. It renews acceptance investigation of events occurring Chaco from June 15 down to date and is disposed to give instructions to its armed forces to abstain from any hostility in accordance with the telegram addressed today to the Commission of Neutrals.²⁹ Paraguay considers act (of?) historic importance, joint declaration of non-recognition of occupation or conquest by force and feels honored in expressing her absolute adherence to that declaration.

Higinio Arbo

724.3415/1964 : Telegram

The Acting Secretary of State to the Ambassador in Chile (Culbertson)³⁰

Washington, August 6, 1932—2 p.m.

61. Your 161, August 5, noon, last paragraph.³¹ Information received from Argentina indicates that Zalles is endeavoring to wreck the work of the Neutral Commission. The Neutral Commission is of course glad to have the four neighboring countries remain united in their action in this matter and for them to cooperate with the Neutrals. As a matter of fact, the Neutral Commission is keeping the representatives in Washington of the four neighboring countries closely advised of all developments and when there is occasion therefor invites them to meet with the Commission. Any organization of the four neighboring countries should carefully avoid giving either of the disputant parties a chance to try to play off one group against the other and thereby have a settlement fail. Argentina and Brazil are being particularly helpful.

CASTLE

a Not printed.

²⁸ Dated August 3, p. 159.

²⁰ See telegram of August 5, from the Paraguayan Minister for Foreign Affairs to the Secretary of State, p. 60.

⁸⁰ Substantially the same telegram, August 6, to the diplomatic representatives in Argentina (No. 51), in Brazil (No. 60), and in Peru (No. 38).

724.3415/1997 : Telegram

The Ambassador in Argentina (Bliss) to the Secretary of State

Buenos Aires, August 8, 1932—6 p.m. [Received August 9—12:25 a.m.]

70. In complying this afternoon with the Department's instruction 51, August 6, 2 p.m.,³² the Minister for Foreign Affairs requested I explain to you at length his viewpoint of the present situation. He considers that the text of the communication which I read over the telephone to Assistant Secretary White some days ago and which has now been signed by Argentina, Brazil, Chile and Peru, with slight modification in last point will prevent possibility of playing off neutral group against the group of neighboring countries. The three Governments have requested Argentina to transmit the note to the Governments of Bolivia and Paraguay and he expects to hand it to the diplomatic representatives of these two countries tomorrow.

The Minister of Foreign Affairs asked me to say that although the moral effect produced by the communication of the 19 American Governments is gratifying he is only interested in obtaining a definite result. His proximity to the scene of controversy makes it less difficult to grasp the situation than for the Neutral Commission. He is apprehensive lest the efforts of the Commission and the four neighboring Governments fail and insists that quick action must be taken to prevent hostilities which he naturally considers would be most lamentable for all America; European countries would point to the failure of the American Republics to prevent war between [two] of its smallest republics.

He has conversed at length with the Ministers of Paraguay and Bolivia and also with Dr. Escalier, former Bolivian Minister who has considerable political influence in his country though a resident of Buenos Aires, and Minister for Foreign Affairs believes that the two Governments would be disposed to agree to a truce of 1 month on the following basis:

1. The status quo to be observed, it being understood that it is a status quo de facto and not de jure;

2. Observance of the status quo to be guaranteed by a civil commission perhaps composed of consuls of neutral countries.

3. An agreement to resolve the whole fundamental question.

In his opinion Bolivian Government would fall if it agreed to accept status quo ante and military government difficult to deal with would succeed.

³² See footnote 30, p. 163.

The Minister stated that his Government will under no circumstances act as arbiter though he might accept to frame text of an agreement to arbitrate. Furthermore, he considers whole question can readily be solved if the two Governments will once agree to submit the question to final arbitration basing this opinion on the knowledge he has of the Bolivian-Paraguayan Conference held 2 or 3 years ago in Buenos Aires ³³ to which the present President of Bolivia and the President-elect of Paraguay both served as delegates.

Earnestly [apparent omission] continuing his cooperation. Minister for Foreign Affairs expresses the hope of shortly obtaining an agreement from both Governments to a truce on the bases indicated above which he would then communicate to the Neutral Commission in Washington. He emphasized great importance of obtaining this truce because a month or a month and a half hence the rainy season in the Chaco will make military action practically impossible. He has promised to inform me as soon as he has delivered to the Bolivian Minister and the Paraguayan Minister the note from the four neighboring countries.

BLISS

724.3415/1920 3/14

Memorandum by the Assistant Secretary of State (White)

[Washington,] August 8, 1932.

The Argentine Ambassador, Mr. Espil, called and showed me a telegram from his Government indicating that it felt that insistence should not be made on the cessation of hostilities between Bolivia and Paraguay on the basis of occupations of June 1, 1932, but rather on the basis of actual occupations. I told the Ambassador that the acceptance of any such theory would definitely scrap the position taken by the countries of this hemisphere on August 3 and I thought it would be most inopportune. Mr. Espil intimated that the Bolivian Government might fall if we insisted on this. I inquired which was the most essential for the good of this continent—to maintain the doctrine enunciated on August 3—or to maintain the present individuals composing the Government in Bolivia. I told him that we did not want to take an intransigent position nor bring up a collateral argument with Bolivia, but I felt that while trying to make the acceptance of the cessation of hostilities easier for the Bolivian Government,

^{**}See Foreign Relations, 1928, vol. I, pp. 674 ff.; see also "Minutes and Documents of the Conferences of Paraguayan and Bolivian Plenipotentiaries held in Buenos Aires under the auspices of the Argentine Government" in Proceedings of Commission of Inquiry and Conciliation, Bolivia and Paraguay, March 13, 1929—September 13, 1929 (Washington [1929?], pp. 265 ff.).

we should do nothing which would impair or invalidate the doctrine of August 3. (My neutral colleagues when we met took an equally strong position on this matter.)

Mr. Espil also indicated that the Argentine, Brazilian, Chilean and Peruvian Governments were in agreement to act together and he showed me a telegram from the Minister of Foreign Affairs of Argentina saying that while they wanted to support the Neutral Commission they would point out that in Argentina they had all the background for handling this matter, making mention of the conferences that took place in Argentina in 1927 and 1928. I asked whether he was asking the Neutrals to step aside and let the neighboring countries handle the matter and, if so, whether they had any specific proposal of this sort to make to the Neutrals, saying that they would like to take the matter over and would assume all responsibility in the future, and whether they had agreed among themselves on such action and had any definite program. He said that he had no instructions to indicate an affirmative answer to any of these questions. I told him I thought it would be well for him to get instructions on these points. I asked who represented the neighboring countries, where their organization was set up, whether they had a definite organization in Buenos Aires such as we have here, and whether, in that event, he was to be the liaison between the two. He said he had no information on this point either. I told him that in the interest of peace in this hemisphere and the carrying out to successful conclusion what we have begun there ought to be some very definite understandings on these points. He said that he agreed. He indicated that it might be well for the neighboring countries to meet with the Neutrals again and I told him that we want to cooperate with them fully and that I would call a meeting within the next couple of days. I added that I hoped in the meantime he would have full information on these points.

F[rancis] W[hite]

724.3415/2002a : Circular telegram

The Acting Secretary of State to the Diplomatic Representatives in Certain American Republics 34

Washington, August 8, 1932—8 p.m.

Bolivia is carrying on active campaign with the Foreign Offices of a number of countries against the Neutral suggestion that cessation of hostilities be on the basis of occupations of June 1st. Bolivia wants

^{*}Brazil, Chile, Costa Rica, Dominican Republic, Ecuador, Guatemala, Haiti, Honduras, Nicaragua, Panama, Peru, and Venezuela.

to keep positions already taken and to have hostilities cease on basis of occupations at time the agreement is signed. No date was suggested by Bolivia for date of signing the agreement. Bolivia alleges that this is usual in the case of armistices.

The Neutrals suggested June 1st because that is prior to the first attack in the Chaco and is equitable to both and permits immediate suspension of hostilities. On any other basis there is apt to be delay while each country tries to get more of the other's forts in its possession at the time of cessation of hostilities and hostilities will drag on indefinitely. There is no question of armistice as there has been no declaration of war.

The Neutrals have cabled today direct to Ministers of Foreign Affairs of all the American countries advising them of the above in order to counteract the Bolivian propaganda which is trying to have as many of the American countries as possible take position contrary to the Neutrals'. This would be a negation of the principle laid down by the 19 American countries in their joint declaration to Bolivia and Paraguay on August 3. It is important that the American nations remain united. Discuss this with Minister of Foreign Affairs and cable results.²⁵

CASTLE

724.3415/2072 1/2

The Argentine Ambassador (Espil) to the Chairman of the Commission of Neutrals (White)

[Translation]

Washington, August 9, 1932.

Mr. President: I have the pleasure of writing to you, on behalf of my Government, and of sending you, herewith, the text of the agreement signed on the sixth of the current month in the City of Buenos Aires by Brazil, Chile, Peru and Argentina.

By decision of the representatives of the first three countries, the Argentine Chancellery was charged with transmitting the said agreement to the Commission of Neutrals in this Capital.

I will appreciate it very much if the President will communicate the text thereof to the other members of the Commission.³⁶

I present [etc.]

FELIPE A. ESPIL

The replies of the missions in Brazil, Chile, and Peru only are printed, op. 170, 169, and 171.

pp. 170, 169, and 171.

Mr. White's reply of August 10 stated: "Your letter under acknowledgment was read to the members of the Commission in a meeting yesterday, as well as the text of the agreement signed by the four above mentioned Republics, and copies of both documents were given to all the members of the Commission."

[Enclosure—Translation]

Text of the Agreement Signed by the Republics of Argentina, Peru, Brazil, and Chile on August 6, 1932, in the City of Buenos Aires

The Governments of the Republics of Argentina, Brazil, Chile and Peru, in view of the disturbing situation created between the Republics of Bolivia and Paraguay as a consequence of the incidents occurring in the Chaco Boreal conflict; desirous of preserving the interests of peace in America, seriously threatened by the imminent danger of war; in order to safeguard the moral responsibility which devolves upon them, as representatives of States belonging to the same continental sisterhood, of seeing to the strengthening of international juridical institutions, the use of which in the solution of difficult controversies has been until now a reason for legitimate pride on their part; firmly believing that the peaceful means existing for the solution of international disputes place at the disposal of the disagreeing nations resources sufficient to avoid armed conflict, however embittered the disagreements and however exigent the susceptibilities may be; recalling that in positive international law there are norms in force, strictly applicable to the case, such as the Hague conventions of 1899 and 1907, for the pacific settlement of international disputes, which creates a Commission of Inquiry and furnishes the necessary elements for possible arbitration; the Covenant of the League of Nations, of which both countries are members, which assures the exercise of pacific means utilizing mediation and arbitration; and the Inter-American Conciliation Convention signed at Washington January 5, 1929, which likewise creates organs having the same purpose, and bearing in mind that these formal [solemnes] instruments could not fall into disuse without injury to the prestige of the tradition invariably maintained by the countries of America in international congresses; free from all bias of partiality, and guided by the equal good will which they bear to the nations involved in the contention; without passing judgment in advance either upon the origin of the dispute or upon the responsibilities attaching to the incidents thereof. agree:

First. To invite the Republics of Bolivia and Paraguay to make a supreme effort towards concord, laying aside the warlike attitude, stopping all military mobilization and preventing the outbreak of war:

Second. To offer together their friendly services to Bolivia and Paraguay in order to receive from both nations and give proper course to any suggestions or proposals tending to bring about a conciliatory settlement, in conformity with the declaration signed on August 3, by nineteen countries of America and in relation with the Commission of Neutrals;

Third. To keep united in order to offer their adherence and their collaboration to the Commission of Neutrals assembled at Washington, with the aim of preventing in their character as limitrophe countries, war between the Republics of Bolivia and Paraguay;

Fourth. To communicate simultaneously this declaration of international fairness, friendship and purpose of peace to the Governments of Bolivia and Paraguay and to the Commission of Neutrals

at Washington.

Buenos Aires, August 6, 1932.

Carlos Saavedra Lamas Felipe Berrada Laos J. P. de Assis Brasil Jorge Silva Yoachan

724.3415/2012 : Telegram

The Ambassador in Chile (Culbertson) to the Secretary of State

Santiago, August 9, 1932—10 p.m. [Received August 10—2 a.m.]

162. The Minister for Foreign Affairs is very apprehensive concerning developments in the Chaco negotiations and emphasizes the effect on Chile in case the situation develops to the point where material pressure must be exerted to maintain peace. He considers that Chile will with the other neighboring countries be called upon to exert actual physical pressure and that Chile must now consider the consequences of such action. He believes that the insistence upon the cessation of hostilities on the basis of occupations as of June 1st is merely a detail compared with the major issue of a possible war. He pointed out that Chile has in the treaty of 1924 [1904?] 37 an obligation with Bolivia which guarantees freedom of transit through Arica and Antofagasta and since pressure would probably take the form of a suspension of this guarantee, it would amount to a violation of its treaty obligation, and that such action, since this treaty is a general treaty of peace, would open up all the old controversy with Bolivia. Therefore, he believes that a peaceful solution of the problem must be sought at all costs and that material pressure should not be exerted except as a last resort when it is definitely established that war is inevitable. In that case Chile would be disposed to exert material pressure but only after having discussed and agreed with Argentina, Brazil and Peru the measures to be taken.

^{**}Treaty of Peace and Friendship between Chile and Bolivia, and Convention for the Construction and Operation of a Railroad from Arica to La Paz, signed at Santiago, October 20, 1904, Foreign Relations, 1905, p. 104.

Dávila 38 asked me to see him this evening and talked almost all the time on the Chaco. Like Foreign Minister he wishes to contribute something constructive to the peaceful solution of the problem. He observed that Paraguay regards the declaration in the telegram of the nineteen American Republics as a declaration of her position and added that Bolivia finds it difficult to accept it in view of Paraguay's attitude. He said that if the present Bolivian Government falls he does not know what might follow in the way of war and social disorder. For the Chilean Government the situation is very real. Both Dávila and the Minister for Foreign Affairs believe that the presence of Zalles here offers a special opportunity for negotiations. They wish to see attempted some form of direct negotiations, naturally in cooperation with the neutrals. They both emphasized the point that if peaceful measures fail it is upon the neighboring states that the responsibility for forcing the maintenance of peace will fall and that in the case of Chile the danger of extensive complications, domestic as well as international, makes the responsibility very grave.

With reference to Zalles, the Minister for Foreign Affairs stated that he is here in his capacity as Minister for Foreign Affairs of Bolivia; that he desires to avoid a war; that Bolivia is disposed to discuss the question in a friendly manner and directly with Paraguay, but that the Paraguayan Minister has not yet been instructed to discuss the question with him. He added that Zalles is not conducting an active campaign against the proposal of the neutrals but that he has merely pointed out the objections which Bolivia has made to the date of June 1st.

Culbertson

724.3415/2018 : Telegram

The Chargé in Brazil (Thurston) to the Secretary of State

RIO DE JANEIRO, August 10, 1932—2 p. m. [Received 7:10 p.m.]

82. Department's circular telegram of August 8, 8 p. m. The Foreign Office reiterates that Brazil fully recognizes the importance of the support of the Neutral Commission by the neighboring countries, and that it proposes to continue on its part to render such support. In this respect it was pointed out that at the instance of Brazil the collective telegram proposed by Argentina (paragraph 2, my telegram No. 73, July 30, 4 p.m.) had been modified and addressed to the Neutral Commission instead of to the two contending Governments.

⁸⁸ Carlos Dávila, Chief of the Administration then functioning in Chile. See section entitled "Revolutions in Chile," pp. 430 ff.

At the same time, however, the neighboring countries consider that they are peculiarly well situated to estimate conditions in Bolivia and Paraguay. Brazil has accordingly (presumably 2 days ago) authorized its representatives at Buenos Aires to join those of the other countries in addressing a new collective telegram to the Neutral Commission, suggesting that a 30 days' truce be proposed to the contending states, extendable for another 30 days, during which each party should hold its present position. This step seemed necessary in view of the neighboring Governments' apprehension that if Salamanca should yield further to the representations of the Commission he would be overthrown by the military and the outbreak of war would follow. A truce during which each party should retain its position is understood by Brazil to be acceptable to Paraguay.

The Minister for Foreign Affairs has repeatedly assured me of Brazil's support of the Neutral Commission, and I do not question his sincerity. If the Bolivian Government is meeting with any success in its effort to split the Neutral Commission and the neighboring states, might not this result from the fact that the two groups are meeting in widely separated places?

THURSTON

724.3415/2021 : Telegram

The Ambassador in Peru (Dearing) to the Secretary of State

Lima, August 10, 1932—midnight. [Received August 11—1:52 a.m.]

115. Department's 38, August 6, 2 p.m.³⁹ Circular July [August] 8, 8 p.m. Discussed Chaco with Foreign Minister today stressing importance of American nations remaining united.

Foreign Minister-

- 1. Evinced an earnest desire to prevent at all costs outbreak of war between Paraguay and Bolivia.
- 2. Stated positively that Peru felt the four neighboring nations must give full cooperation and support to the Commission of Neutrals until Commission fails in its efforts before taking any independent line. He showed me a telegram definitely instructing Peruvian Ambassador to Chile to inform Chilean Government in this sense.
- 3. Stated under bond of confidence he feels there is much rivalry between Argentina, Chile and Brazil. That this has caused Argentina to be precipitate in presenting the formula recently signed by the four neighboring nations on their behalf and that Argentina should have again consulted Peru, Chile and Brazil before doing so since Chaco situation has changed since then.

³⁰ See footnote 30, p. 163.

- 4. Feels that Bolivia's mobilization, military strength, possession of certain forts and territory and present extreme patriotism make her intractable and that best way to meet the situation would be (a) to call upon Bolivia and Paraguay to cease hostilities immediately, (b) to reaffirm the statement of the 19 nations of August 3rd, (c) to name a commission to investigate whether Bolivia and Paraguay have any right to remain in their present positions, (d) if the decision is adverse both nations should be asked to retire to their positions as of June 1st.
- 5. Gives it as his personal opinion that the Commission's present suggestions to Bolivia and Paraguay should be altered to fit the present situation more closely, feeling that otherwise it risks failure.

Minister stressed his desire to avoid confusion and cross purposes among the four nations and to continue fullest possible cooperation and support of Commission.

The Minister is evidently somewhat apprehensive about Bolivia and wishes to avoid the necessity for joining in any blockade that may have to be carried out in case Bolivia and Paraguay do not yield to reason.

Further report by mail.

DEARING

724.3415/2037a: Circular telegram

The Secretary of State to the Diplomatic Representatives in Argentina, Brazil, Chile, and Peru

Washington, August 11, 1932—2 p.m.

The Neutral Commission yesterday asked the Argentine, Brazilian, Chilean and Peruvian representatives to meet with them and informed them very fully of everything that the Neutrals have done in the Paraguay-Bolivia matter. The text of every telegram sent and received was read to them in full. They were told that the Neutrals, who have been working on this matter for 4 years now, have a very definite plan of action which they are carrying out, which was fully explained to them. They were told that the Neutrals welcome support from the neighboring countries and the closest cooperation. When the Neutrals last consulted with these representatives, namely on July 29 and 30, it was agreed that both sides would keep the other fully informed. In accordance with this promise copies of the replies of Bolivia and Paraguay to the collective note of August 3 were sent as soon as received on August 5 to the representatives of all the signing countries. Furthermore, on August 8 the Neutral Commission advised by telegraph the Ministers of Foreign Affairs of all the American countries of the developments up to that time. On August

10 the representatives of the countries above mentioned were called in and the text of all telegrams read to them. The Neutrals desire to cooperate with and to have the support of these four countries and to present a united front. The neutral representatives told them in consonance therewith that they will send the representatives in Washington of those countries copies of telegrams received and sent by them and will be glad to receive any suggestions they or their Governments may have to make. On the other hand, they desire this cooperation to be mutual and they feel it essential that they be kept advised of what these four countries are doing on their part. While they are advised that negotiations are going on in both Buenos Aires and in Santiago, they do not know the tenor of those negotiations, whether they represent the individual countries concerned or whether they are being carried out in those two capitals by common agreement of the four countries mentioned, and whether they have a well defined plan and what it is. In order that there may be no crossing of wires, it is very essential that all work together and if possible only one set of negotiations be carried on. Otherwise Bolivia or Paraguay or both may try to play off one group against the other if, in fact, the four countries have formed an effective group, or else one of those countries, acting independently, may well thwart the goal to which the five Neutrals are working, which is that outlined in the collective telegram of August 3.

Bolivia desired to keep the actual positions in an evident desire to render nugatory the categoric statement of the 19 American countries of August 3 that the latter will not recognize territorial occupations made by force of arms. While the Neutrals are not fully informed of just what Argentina has done, its information indicates that Argentina has supported this Bolivian thesis on the ground that unless something of this sort is done there will be a revolution in Bolivia, that Salamanca will be overthrown and a military Government come in which will be much worse than the present one. On the other hand, information received from Asunción indicates that unless Bolivia gives back the four Paraguayan forts last taken by her the military there will get out of control.

The Neutrals are endeavoring to the best of their ability to work out a plan that will be acceptable to both sides and they earnestly hope that they will have the support and cooperation of the other countries. Please report any developments or information as to how close an organization the four countries have, what independent negotiations or conversations they may be carrying on with Paraguayan and Bolivian officials, and whether these conversations or negotiations represent independent action of the country concerned or

whether they represent the considered and concurrent opinion of the four countries. Urge the necessity of keeping the Neutral Commission as fully informed as the Neutral Commission is keeping the representatives of those countries in Washington advised of all they are doing.

For your information the Neutrals suggested the line of occupations of June 1st as the basis for cessation of hostilities because the first incident complained of to the Neutrals was that of June 15. In the absence of the complete details regarding this and following combats which, although requested, have never been furnished the Neutrals, it was impossible for them to make suggestions for the solution of these incidents. For this reason they indicated a basis which implied no prejudgment of the matter. Furthermore it offered a basis on which there could be immediate cessation of hostilities. If line of present occupations is taken it appeared possible that Paraguay might delay acceptance until it could attempt to retake the forts. after which Bolivia possibly might not agree to the then line of actual occupations until it could endeavor to show a military conquest, and hostilities would drag on for weeks, severely aggravating the situation and perhaps bringing about an actual state of war. Furthermore, the statement of the American nations of August 3 clearly indicated that they were opposed to force, renounced it for the solution of their controversies and as an instrument of national policy, and on this basis every attack in the Chaco whether original or by way of reprisals is necessarily considered by the American nations as illegal and they have categorically declared that no position won by arms would be recognized by them.

The Neutrals considered it absolutely essential to maintain that position and also to bring about as quickly as possible a definite cessation of hostilities and agreement for arbitration. They have already succeeded in bringing about a temporary suspension of hostilities and have received a definite statement from the Bolivian Government that it "in proposing the existing situation as the basis for the suspension of hostilities did not intend to decide questions of territorial sovereignty. The legal situation of the fortines captured from one and the other country touches the fundamentals of the subject." ⁴⁰ In view of the express assent given by the Minister of Foreign Affairs of Bolivia to the principles of the note of August 3 and particularly the statement quoted above, the Neutrals on August 9 ⁴¹ inquired of the Bolivian Government first, whether it proposes the immediate cessation of hostilities on the basis of the present positions with the

⁶⁰ See p. 62.

⁴ See p. 63.

understanding that such positions do not alter the legal situation of Bolivia and Paraguay of the 1st of June, 1932; second, whether it agrees to submit immediately the controversy concerning the Chaco to arbitration, negotiations for an arbitral arrangement to begin not later than September 15, next; third, whether it agrees that by June 15, 1933, positions taken in the Chaco subsequent to June 1, 1932, shall have been abandoned unless the two countries agree differently, and whether, in the meantime, they will maintain in those positions only the minimum custodial guard; and fourth, whether Bolivia agrees to give facilities to representatives of the Neutral Commission whom the latter may desire to send to the Chaco for such investigation as they may consider pertinent.

The above inquiry to Bolivia is confidential but may be communicated to the Government to which you are accredited. It has already been given to their representative in Washington. This shows the desire of the Neutral Commission to maintain the principle of August 3, to bring about a prompt cessation and not merely suspension of hostilities, to have an agreement to settle their questions definitely by arbitration, and their endeavor to cooperate with the two countries in an attempt to find a way out for both which may possibly be required by the exigencies of their local political situations. The Neutrals would warmly appreciate the support of this proposal at La Paz. If the four countries neighboring Bolivia and Paraguay have consulted together and drawn up any definite program of action which covers the essentials of the situation, the Neutrals would appreciate being advised thereof.

STIMSON

724.3415/2037b: Circular telegram

The Secretary of State to the Diplomatic Representatives in Argentina, Brazil, Chile, and Peru

Washington, August 12, 1932—6 p.m.

Department's August 11, 2 p.m. Department has been definitely advised that Argentina suggested to Bolivia and Paraguay a truce of 1 month which could be renewed, both countries retaining positions actually occupied. The Neutral Commission has been definitely advised by Paraguay that it has rejected this proposal. Please ask Government to which you are accredited again to support the efforts of the Neutral Commission and more especially the proposal made by them to Bolivia on August 9 as outlined to you in yesterday's telegram.

Argentina, Brazil, Chile and Peru supported and signed the dec-

laration of August 3 and the agreement signed by those four Republics of August 6 ⁴² especially said that they would act on suggestions or proposals tending to produce a conciliatory solution "in agreement with the declaration signed August 3 by nineteen countries of America". The Neutral proposal of August 9 is directly in accordance with that declaration and supports it. A truce which leaves each country in possession of territory which it has conquered without at the same time obtaining an acceptance of the principles of the August 3 declaration and a definite time limit for the return of those positions is directly contrary to the declaration of August 3.

With respect to one of the reasons given for permitting Bolivia to maintain its present positions, namely that otherwise the Salamanca Government will be overthrown, it may be said that the Department understands the Bolivian suggestion to keep actual possessions did not emanate from La Paz but was suggested to the Bolivian Government by its Minister here. This takes some of the weight from that argument.

STIMSON

724.3415/2043 : Telegram

The Ambassador in Argentina (Bliss) to the Secretary of State

Buenos Aires, August 12, 1932—6 p.m. [Received 9:30 p.m.]

71. Your August 11, 2 p.m. Minister of Foreign Affairs told me this afternoon that Argentina is not negotiating with the Governments of Bolivia and Paraguay but that the diplomatic representatives of these two countries and of Brazil, Chile and Peru frequently talk with him about the situation. At times he is embarrassed but says that he tells the representatives of the three latter countries that it is essential to avoid going counter to the actions of the Neutral Commission and necessary that they all act in concert. In his opinion Brazil and Peru are desirous of cooperating in every way possible with the Neutral Commission but he considers that Chile has to be watched especially because of the presence in Santiago of the Bolivian Minister of Foreign Affairs who has intimate contacts and family ties with many prominent Chilean families.

He told me that Paraguay seems to be receding from its former disposition to accept the *status quo* in the Chaco. He has received information to the effect that Paraguayan troops are being moved from the open territory of the Chaco where their inferior military

⁴² Ante, p. 168.

equipment makes them no match for the Bolivians to the more advantageous wooded regions.

He was very insistent that it is essential to obtain without delay agreement to permanent cessation of hostilities which he thought could be accomplished on the basis of the *status quo* with recognition of course of the principle of the joint note of August 3 if some slight concession could be found to satisfy the Bolivian pride. As regards arbitrating the question he suggested it was better to endeavor to obtain a simple agreement to arbitrate the fundamental question at issue with the understanding that the arbitration commission would fix the bases for discussion later on. He felt that negotiations would be prolonged if attempts were made to establish now the lines on which the arbitration was to be based.

The Minister was profuse in his assurances that he was desirous of cooperating in every way possible and that he would urge the representatives of the other three countries to have their Governments keep the Neutral Commission informed of developments.

BLISS

724.3415/2045 : Telegram

The Ambassador in Chile (Culbertson) to the Secretary of State

Santiago, August 12, 1932—11 p.m. [Received 6:37 a.m.]

164. Minister of Foreign Affairs believes and says that his Government is cooperating fully with the neutrals and that he desires to continue this cooperation in every way. He states that no negotiations are being carried out here for independent action but rather that his conversations with representatives of neighboring states, with Zalles and with Minister of Paraguay have had for their object the furtherance of a peaceful settlement through the neutrals. He added that nothing constructive had been suggested yet and it is his understanding that in case of such suggestions it would be made through the neutrals in Washington.

Showing much concern over the consequences in case Chile should be asked to exert pressure on Bolivia, for example, to prevent transshipment of arms said to be en route via Arica from Europe, he today raised the question, as on several occasions before, of what is the next step in case the neutral powers do not succeed. He answered his own question and may send his views to you in response to the invitation that the neutrals "will be glad to receive any suggestion". Briefly, he has an idea that war might be prevented and a final solution found in a meeting of the Foreign Ministers of Bolivia and of

Paraguay, representatives of the neighboring countries and a representative of the neutrals in Chile. He emphasized the vital material interest which the neighboring countries have in peace in nearby countries and contrasted it with the relatively remote interest of the neutrals. From this he concluded that a conference such as he proposed could be more effective in forcing a settlement. If the neighboring countries were to make such a proposal it might afford the neutrals an opportunity to suggest that the neighboring countries could contribute effectively to the settlement by making of their own initiative concessions which would secure for Bolivia a more satisfactory outlet to the sea.

CULBERTSON

724.8415/2055 : Telegram

The Ambassador in Argentina (Bliss) to the Secretary of State

Buenos Aires, August 13, 1932—noon. [Received 5:30 p.m.]

72. Your August 12, 6 p.m. Minister of Foreign Affairs tells me that he has consistently urged Bolivian and Paraguayan Ministers that their Governments should avoid war and that at this juncture the surest way to accomplish this would be for them to agree to suspend hostilities for a month, but that he has made no definite proposal to either Government. As to the details of a truce he has told them that it was a matter for them to arrange through the Neutral Commission in Washington.

He further told me that yesterday afternoon Paraguayan Minister came to see him accompanied by Doctor Vasconsellos, late delegate on Neutral Commission. They told him that Paraguay could not accept suspension of hostilities on basis of status quo and he replied that it was of utmost importance that they should accept proposal of Neutral Commission; that he had understood from President-elect Ayala that Paraguay was desirous of avoiding hostilities and willing to accept any reasonable proposal of Neutral Commission; that if Paraguay now thought it could confound the commendable endeavors of the Neutral Commission and transfer negotiations to Buenos Aires, Argentina would not countenance this but would drop the whole matter; that the Argentine Government had consistently supported the Neutral Commission and would continue to do so; and that any advice which he had given to the Paraguayan Minister here had been in an endeavor to produce a conciliatory solution in support of the efforts of the Neutral Commission; that Paraguay should act frankly with Neutral Commission; that as long as he was head of the Foreign Office his Government would observe, in case of war, the strictest neutrality which would be actively enforced.

The Minister is giving the press today the following statement:

"Owing to report of negotiations credited to the Foreign Office in regard to the conflict between Bolivia and Paraguay, we have been informed today in the Ministry for Foreign Affairs that although it is true that it follows, and will continue to follow closely and with deep interest, all the incidents of the pending negotiations, until such time as the object pursued by the continent of insuring a definite participation is secured, it must be realized that the Commission of Neutrals in Washington, as the result of its diplomatic activities, continues to carry on the negotiations as previously, and it is the Commission which is taking action in the conflict. Moreover, there is not the slightest doubt that the Commission is acting with the collaboration of all the neutral nations and especially of the four neighboring countries which signed the Agreement of August 6th".

I asked him whether his Government would counsel the Government of Bolivia and Paraguay to accept the Neutral proposal of August 9 43 and he answered in the affirmative.

BLISS

724.3415/2054 : Telegram

The Ambassador in Peru (Dearing) to the Secretary of State

Lima, August 13, 1932—1 p.m. [Received 3:35 p.m.]

116. Department's circular August 11, 2 p.m., and circular August 12, 6 p.m. Messages being received badly garbled and causing delay. Had an extended talk with Foreign Minister this morning. There can be no doubt that Peru will support Commission and keep it informed, defer any independent action and follow Commission's lead.

Foreign Minister declares Peru will live up to declaration of August 3 and showed me a telegram to the Ambassador in Washington instructing him to support the Commission's inquiry of Bolivia of August 9.

I gather that since Peru desires to leave negotiations in the hands of the Commission of Neutrals, Foreign Minister feels direct appeals from Peru to Bolivia somewhat unnecessary.

The Minister states that so far as four neighboring countries are concerned Peru will abide by the formula signed August 6th and desires that Argentina, Brazil and Chile shall do the same, leaving the lead to the Commission. He says no separate negotiations have been

⁴ Ante, p. 63.

carried out by Peru with Bolivia and Paraguay, since the signing of the formula of August 6th.

The Foreign Minister stated I had given him the first news of action of Argentina mentioned in the circular of August 12, 6 p.m., and is decidedly of the opinion that such independent action is confusing and undesirable; that negotiations at Buenos Aires and in Santiago may cause trouble, and that for the four neighboring nations to abide by formula of August 6th and follow the Commission's lead is by all means the best.

It is evident Foreign Minister thinks Argentina and Chile are continuing their rivalry and playing for advantage. When I asked whether the four powers have any definite program of action covering essentials of the situation, the Minister iterated his statement that Peru based itself squarely on the declaration of August 6th and would support the Neutral Commission.

DEARING

724.3415/2043 : Telegram

The Secretary of State to the Ambassador in Argentina (Bliss)

Washington, August 13, 1932—3 p.m.

52. Your 71, August 12, 6 p.m. Department's circular August 11, 2 p.m. will have told you of Argentine suggestion which Paraguay has rejected. It appears more than likely that it was this independent suggestion which is causing Bolivia not to accept the suggestion made by the Neutrals on August 5 ⁴⁴ and modified on August 9 ⁴⁵ to endeavor to find a way out for Bolivia.

Department now understands that Argentina is discussing a direct settlement or at least an agreement by Paraguay that any arbitration settlement will provide for a port on the river for Bolivia. Please inquire regarding these negotiations or conversations.

Department's August 11, 2 p.m. will explain to you the definite plan of the Neutrals and the objects for which they are working as well as the reasons for suggesting that hostilities cease on basis of June 1st occupations. They have nothing to indicate any plan on which the neighboring countries are working or that they have any long time objective in view.

For your confidential information the Neutrals have been informed on most reliable authority that Argentina stated in Asunción that the Neutrals wished to withdraw from the negotiations and that these should be placed in the hands of Argentina.

STIMSON

[&]quot;Ante, p. 58.

⁴⁵ Ante, p. 63.

724.3415/2045 : Telegram

The Secretary of State to the Ambassador in Chile (Culbertson)

Washington, August 13, 1932—3 p. m.

63. Your 164, August 12, 11 p. m. Independent conversations with representatives of neighboring states and with Zalles may have for their object the furtherance of a peaceful settlement through the Neutrals but as the Neutrals know nothing whatsoever regarding the negotiations and have never been given the slightest inkling by the Chilean Government as to the line it is working on it should readily be understood that the task of the Neutrals is made very difficult as they do not know what proposals contrary to theirs may be under discussion which raise the hopes of one or the other of the parties and hence make difficult a solution. The only way for the negotiations to succeed is to have them centered in one place only and if suggestions would be sent to the Neutrals before being discussed with Bolivia and Paraguay it would greatly help the task of the Neutrals and prevent any crossing of wires. The Neutrals, for their part have been very glad to advise the Ambassadors in Washington of the neighboring countries of every single thing they have done in order that their Governments can be kept fully informed. Cooperation with the Neutrals requires that the latter be kept as fully informed of all conversations carried on by those Governments.

You may discreetly suggest to the Minister of Foreign Affairs that his desire to cooperate with the Neutrals could best be carried out by informing the Neutrals of conversations with Zalles. This information may be transmitted either through you or through the Chilean Embassy in Washington as he may prefer.

Stimson

724.3415/2057 : Telegram

The Chargé in Brazil (Thurston) to the Secretary of State

Rio de Janeiro, August 13, 1932—6 p. m. [Received 10:11 p. m.]

87. Department's circulars of August 11, 2 p. m., and August 12 6 p. m. The Foreign Office has assured me and has shown me copies of its telegrams to the Brazilian representatives at Washington and La Paz in confirmation, that Brazil fully supports the inquiry addressed by the neutrals on August 9th to the Bolivian Government.⁴⁶

The Under Secretary, with whom I discussed this subject today, stated that Brazil's collaboration with the other neighboring states is solely in the interest of peace, since it is not inspired by the considerations of policy and expediency which may be assumed to ani-

⁴⁶ Ante. p. 63.

mate Argentina, Chile and Peru. He evidently does not consider that the four neighboring states have actually effected the organization of a bloc, or that they are pursuing a definite plan. He intimated however that several proposals (evidently the Argentina) had been advanced for certain direct joint action in the Chaco question, to which Brazil had declined to adhere, favoring instead full support for the Neutral Commission.

THURSTON

724.3415/2067 : Telegram

The Ambassador in Argentina (Bliss) to the Secretary of State

Buenos Aires, August 15, 1932—10 p.m. [Received August 16—1:05 a.m.]

73. Your 52, August 13, 3 p. m. I am not able to confirm Argentine activities in Paraguay though various indications warrant presumption it has endeavored to obtain Paraguayan acceptance of status quo, the Bolivian thesis which Argentina appears to have espoused with idea that Paraguay's situation would compel acceptance, and of overcoming Bolivian suspicion of Argentine mediation. Despite Argentine Minister for Foreign Affairs' protestations of cooperation with Neutral Commission it seems probable that four neighboring countries are seeking to act independently of Neutral Commission whose efforts they appear to deprecate as ineffective.

As a result of Paraguayan rejection Argentine solution I gather those four countries now consider Chile logical agent to treat with Bolivia in endeavor to establish compromise line or give her zone acceptable to both countries for cessation hostilities leaving arbitration all in later discussion.

BLISS

724.3415/2090 3/14

Memorandum by the Assistant Secretary of State (White)

[Washington,] August 18, 1932.

The Argentine Ambassador called this morning and said he had been asked by his Government to cable the full text of the Neutrals' telegram of the seventeenth to Bolivia.⁴⁷ I told him that I was sending him a copy. Mr. Espil said he understood that the press had carried the cable, in which event he would simply refer to the text as transmitted by the press. I told him I was advised that the United Press had carried the cable in full.

Mr. Espil then said that he had been asked by Mr. Saavedra Lamas to inquire why the words "de este controversia" had been put in the

⁴⁷ Ante, p. 68.

joint telegram of August 3 and how they were to be interpreted. (This should definitely dispose of any claim on the part of Saavedra Lamas to having been the author of the declaration of August 3).

I told Mr. Espil that these words were naturally put in because Bolivia and Paraguay were fighting and the Neutrals, in drafting the cable, had wanted the other Governments to associate themselves with us in telling the Bolivians and Paraguayans that they should cease fighting at once and to make it clear to them that if they did not we would not recognize any territorial conquest which either side might make. In other words, putting in these words indicated that the doctrine was applicable to the present incidents in the Chaco and to any controversies that may arise anywhere in this hemisphere in the future.

I also told him, for his confidential information, that when I was asked at the meeting on July 30 just before we adjourned for lunch to draft the declaration, the Colombian Minister had said to me, with reference to my statement in the meeting that we should put some teeth in our declaration by saying that we would not recognize any territorial conquest, that he was afraid that on account of Chile having taken Bolivia's seacoast from her we would have to be very careful how we worded the statement or else the Chileans would not join in with us; fearing that it would give Bolivia a chance to reopen that old question. I had told the Colombian Minister that I would take care of this. Therefore, although there was no such qualifying clause in the draft which I had been working on ever since Paraguay started to withdraw from the conference, I put in the words "of this controversy" in order to reassure Chile that there was nothing retroactive in the declaration. I had also put in the words "en estos momentos" after the word "obtenidas" in the last paragraph of the declaration. I said that Chile had been willing to go further than I thought and had asked that "en estos momentos" be changed either to "en el Chaco" or else deleted, and that Mr. Espil would recall that when I had discussed the matter with him he had said that he would have to consult his Government about substituting the words "en el Chaco" but had agreed to eliminating the words "en estos momentos", which made the doctrine more sweeping and more in accordance with what I had originally planned.

I also pointed out to Mr. Espil that in the Neutrals' telegram to Bolivia of August 17 we explained the use of these words as showing that the Neutrals were not giving a retroactive interpretation to the doctrine of August 3 but that that declaration itself specifically said that it referred to the present conflict.

F[rancis] W[hite]

724.3415/2092b : Circular telegram

The Acting Secretary of State to the Diplomatic Representatives in Argentina, Brazil, Chile, and Peru

Washington, August 18, 1932—1 p. m.

Department learns that Argentina is now discussing with Bolivia and Paraguay a proposal by which Bolivia will evacuate positions occupied since June 1st on the understanding that these positions will be neutralized and will not be reoccupied by Paraguay.

The Neutrals have not been advised by Argentina of this suggestion although it was agreed in the meeting in Washington on August 10th, when the Neutrals invited the representatives of the neighboring countries to discuss the matter with them, that each group would keep the other fully advised of all it is doing and that no independent action would be taken which might make the task of the Neutrals more difficult.⁴⁸

Department does not know whether this suggestion is one of Argentina alone or whether it represents the joint action of Argentina, Brazil, Chile and Peru. Please report.

CASTLE

724.3415/2094 : Telegram

The Ambassador in Chile (Culbertson) to the Secretary of State

Santiago, August 18, 1932—5 p. m. [Received 6:15 p. m.]

175. Chile is not a party to the proposal referred to in your circular of August 18, 1 p. m., nor had the Chilean Foreign Office any knowledge of it prior to my inquiry.

The Minister for Foreign Affairs stated the position of his Government in his number 73, August 12, which the Chilean Ambassador in Washington no doubt communicated to you.

CULBERTSON

724.3415/2093: Telegram

The Ambassador in Argentina (Bliss) to the Secretary of State

Buenos Aires, August 18, 1932—9 p. m. [Received 11:56 p. m.]

77. Following receipt this afternoon of Department's circular, August 18, 1 p. m., and 53, August 18, 1 p. m., ⁴⁹ I talked with the Minister for Foreign Affairs. He stated that for the third time he could assure me Argentina was not making suggestions to Bolivia

"Latter not printed.

⁴⁸ See circular telegram dated August 11, 2 p. m., p. 172.

and Paraguay, that the information received at the Department must be the result of intrigue and that it was annoying to be accused of actions which he had already denied.

He showed me copy of telegram sent Espil last night informing him of conversation with Minister of Bolivia, in which latter had voluntarily called and indicated the disposition of Bolivia to accept a proposal which is similar to the one contained in first paragraph your above mentioned circular. The Minister stated that the proposal was not his and that he did not know whether it would be accepted by Paraguay. He indicated that if it were desired by the Neutral Commission he would send confidentially a representative to Asunción to determine whether the indications made by Minister of Bolivia were acceptable to President of Paraguay.

I inquired why the Bolivian Government did not make the suggestion to Commission in Washington; it seemed to be his opinion that Bolivia was perhaps playing politics in coming to him with the suggestion. When acquainting him with Department's telegram No. 53, he replied that he would be glad to take any action in sustaining the Neutrals which the Commission might definitely indicate, without which he feared he would again be accused of taking action independently of the Commission. Although I urged that his support in La Paz of the Neutrals' suggestions would be welcome and helpful he said that he would prefer to have a definite request from the Neutrals as to exactly what was desired of him and that he would then talk with the representatives here of Brazil, Chile and Peru urging that the four Governments take concerted action in La Paz. He considered that such action should be discreetly taken to avoid creating resentment by Bolivians of too strong pressure though he was willing to act with the other three in counselling as strongly as prudence would permit acceptance of Neutrals' suggestion.

Minister of Foreign Affairs again (see my 73, August 15, 10 p. m.) emphasized that Chile could exert more effective influence on Bolivia than could other three neighboring countries.

BLISS

724.3415/2102 : Telegram

The Ambassador in Peru (Dearing) to the Secretary of State

Lima, August 19, 1932—noon. [Received 5:05 p. m.]

121. Chaco. Foreign Office informs me the initiative mentioned in first paragraph Department's circular August 18, 1 p. m., belongs to Peru and is Peru's idea and that the Peruvian Ambassadors in Washington, Santiago, Buenos Aires and Rio de Janeiro have been appro-

priately instructed, Freyre having been directed fully to inform both Commission of Neutrals and our Government in conformity with agreement of August 10th.⁵⁰ Foreign Office was unaware Argentina was already acting on the suggestion and is awaiting reports from Buenos Aires, Santiago, Rio de Janeiro and Washington.

In this connection and with reference to my telegram No. 118 [119], August 16, 9 p. m., ⁵¹ news despatches today report failure of mission of Bolivian Foreign Minister at Santiago and his return to La Paz. Foreign Office confirms this, stating that our Ambassador in Santiago sat in with the Peruvian, Argentine, Brazilian and the Chilean representatives at their conferences. I assume therefore Department has full information from Santiago.

Department's circular August 18, 2 p. m.⁵¹ Foreign Office states Freyre instructed to inform our Government and Commission of Neutrals Peru will support by direct representations at La Paz the proposal of the Commission of Neutrals of August 17th ⁵² and will ask Bolivia to do so within the terms of the declaration of the American countries of August 3rd. Foreign Office adds whole performance of Peru and the other three neighboring countries is to support the Commission of Neutrals in every way and that Peru and her associates are determined to do so.

DEARING

724.3415/2100 : Telegram

The Ambassador in Argentina (Bliss) to the Secretary of State

Buenos Aires, August 19, 1932—7 p. m. [Received 8:11 p. m.]

78. I handed this afternoon to the Minister for Foreign Affairs the text of the Neutrals' telegram of 17th ⁵³ as contained in the Department's circular August 18, 2 p. m. ⁵¹ At the same time I made the request contained in its last paragraph. The Minister told me of telephone conversation he had today with Argentine Ambassador to Washington directing him to acquaint the Neutral Commission with his views; also of a telephone conversation with the Argentine Ambassador to Chile in which he suggested that Chile should delay or prevent clearance of shipments of arms coming to Bolivia through

⁵⁰ See circular telegram, August 11, 2 p. m., p. 172.

⁵¹ Not printed.

See telegram of August 17, to the Bolivian Minister for Foreign Affairs, p. 68.
 Ante, p. 68.

Chilean port. Information has reached him also that Bolivia was contemplating submitting Chaco question to League of Nations.

The Minister for Foreign Affairs assured me that he would study Neutrals' telegram of the 17th to find the best method of backing up their proposal at La Paz.

BLISS

724.3415/2100 : Telegram

The Acting Secretary of State to the Ambassador in Argentina (Bliss)

Washington, August 20, 1932—3 p.m.

55. Argentine Ambassador called this morning and advised of his telephone conversation with Minister of Foreign Affairs. Latter gave Ambassador to understand that he does want to cooperate. Please tell Saavedra Lamas how much this Government appreciates the offer on his part, both through Espil and as stated in last paragraph of your 78 of August 19, 7 p. m.

Culbertson reports that Minister of Foreign Affairs of Chile arranged to see Zalles yesterday morning before latter left for La Paz in order to urge upon him sympathetic compliance with request of Neutrals. Department has expressed appreciation of this and has suggested that it would also be helpful, in view of delay in Zalles arriving in La Paz, if a similar statement could be made by Chilean Minister there to the Bolivian Government direct.

WHITE

724.3415/2154 : Telegram

The Ambassador in Chile (Culbertson) to the Secretary of State

Santiago, August 25, 1932—6 p. m. [Received 10:50 p. m.]

187. On several occasions during the past week the Minister for Foreign Affairs has conferred with the Ambassadors of Argentina, Brazil, Peru on the Chaco question. He has taken the position firmly that he was not in favor of the neighboring countries initiating any independent action but that he did desire to organize the influence of the neighboring countries in order to offer it as a support to the neutrals in their effort to establish peace. This afternoon he handed me a memorandum and a draft of a note which embodies his views and those of the three Ambassadors who are until now without instructions from their Governments in the premises.

The first paragraphs of the draft note recite in friendly terms the long standing policy of the American continent "to eliminate force as an instrument for solving territorial questions which so deeply

agitate the soul of the American people". That the four neighbouring countries view with apprehension the state of warlike excitation in Bolivia and Paraguay and without pretending to impair their sovereign rights or to prejudge the juridical merits of the case, they feel it to be their duty as bordering countries and as friends to call their attention to the immense responsibility which each assumes before the family of American nations in not lessening in part its terms of settlement in such a way as to facilitate the solution of the present controversy. Reference is then made to the long series of efforts to reach a solution and it is pointed out that the danger to American peace is still alive and that this danger affects in a very special manner the bordering countries in view of which the four Governments, responding to the suggestion of the Neutral Commission. have formulated the proposal embodied in this note.

The draft note concludes with these paragraphs.

"In the place which may be considered convenient and within the period of one month, to call a conference composed of a representative of the Neutral Commission of Washington, delegates of Bolivia and of Paraguay, and delegates of Argentina, Brazil, Chile and Peru, on the basis of:

(1st), Immediate abstention from, at the moment of accepting this invitation, all military activity in the zone of the forts in the Chaco:

(2nd), Maintenance of the present positions without prejudging with respect to the future situation of the forts taken after June 1st. The conference would determine:

(a) the condition in which the zone occupied after June 1st must remain;

(b) it would propose equitable formulae for the friendly settlement of the fundamental question taking into account the reciprocal interests of the parties;

(c) in case of the impossibility of a direct understanding, it would suggest the bases for arbitration or for successive arbitra-

tions:

(d) it would guarantee, in the meantime, the observance of non-aggression in the disputed territory.

In taking this decision, after mature study, the Governments of the A. B. C. and of Peru consider that they reached the limit of their conciliatory spirit and, consequently, they leave entirely in the hands of the Government of Bolivia or of Paraguay all responsibility for the consequences which might result for them from the application of recognized international principles to prevent or stop war.

Since there is still time to calm feelings and to alleviate the political atmosphere, the Governments of Argentina, Brazil, Chile and Peru are confident that the road will be found, not only for a similar temporary truce but for a noble and definitive solution of the problem

of the Chaco".

The memorandum of the Minister for Foreign Affairs states that the draft note, if approved, "will be formally drafted and directed to the Governments of Brazil and Peru ⁵⁶ through Washington by virtue of the invitation made by the Commission of Neutrals".

He desires that the Department of State use its influence to obtain the acceptance of the note by the Governments of the other neighbor states. He asks that the document be held confidential and concludes that "the confidential and informal opinion of the Department of State will be duly appreciated as soon as possible for the better success of the negotiations".

Culbertson

724.3415/2090 13/14

Memorandum by the Assistant Secretary of State (White)

[Washington,] August 26, 1932.

Mr. Espil called and showed me confidentially a telegram from his Government giving what was apparently the Paraguayan reply to the previous Argentine suggestion of a truce of thirty or forty days on the basis of actual possessions. The Paraguayan Government definitely rejected this proposal.

Mr. Espil asked what the developments were and I told him of the telegrams we had received from Santiago and Lima. He had heard nothing about it from his Government. I told him how the Neutrals felt; that I had advised Mr. Mendoza, at their request, as the suggestion appeared to have originated from the Peruvian Government, in order that he might inform his Government, and that furthermore I had answered the telegrams from our Embassies in Chile and Peru stating that the Neutrals felt that the proposal to have a conference at which the Neutrals would have but one representative would in effect exclude the other Neutrals and that therefore they were not in favor of it but that they wished to keep the Neutral Commission intact. I said that of course we welcome the cooperation of the other countries and the interest they are taking in the matter and desire to work with them to the fullest possible extent, and I felt that in advising us in advance of the nature of the proposal they would probably want to be told of any features in the program which the Neutrals did not feel they could support. This, of course, did not mean our rejection of the whole project—I thought it opened the way for more active participation by the four neighboring countries if they were willing to take the responsibility therefor—and I sincerely hoped they were.

⁵⁶ Should read "Bolivia and Paraguay". See par. 2 of Department's telegram No. 76, August 31, 7 p.m., to the Ambassador in Chile, p. 192.

I then told Mr. Espil, for his personal and confidential information, that the object to which the Neutrals are working is this: We support the declaration of August 3. We suggested the line of June 1 for the cessation of hostilities as it offered the possibility of immediate acceptance, we thought, by both sides, with honor to both and a support of the August 3 doctrine. Bolivia had wanted to maintain her actual possessions. We had offered a way out by suggesting that a definite date be fixed on which the forts would be given back if the negotiations between Bolivia and Paraguay for an arbitral settlement did not result in agreement. Under this proposal, Bolivia of course maintained the liberty to make any proposal she wanted in the negotiations for the arbitral settlement.

I said that I am not in favor of maintaining inexorably our suggestion for the cessation of hostilities on the June first line. I am perfectly willing to give up this point if it will lead to a definite settlement and as soon as I see that Bolivia is ready and willing to make a definite settlement I will give up this position. I am not willing to give it up, however, until I see it will do some good to do so.

Our next step will depend very much on the Bolivian answer to our note of August 17 57 in which we asked for definite suggestions but, unless that answer is helpful, I thought the Neutrals should then ask Bolivia whether, in making her proposal to maintain actual possessions until the sovereignty thereof is settled by an arbitral agreement, she would be willing, in case after one year's negotiations with Paraguay do not result in an agreement, to submit the proposals made by both sides for an arbitral agreement to say the Seventh Pan American Conference in Montevideo, or the Hague Tribunal, or any other similar body, together with a statement of the reasons why each side finds certain proposals of the other unacceptable and considers them obstructive and unfair, in order that that body might pass on the merits of the demands of each side and then draw up itself a treaty for the arbitration of this matter, based on the suggestions of the two parties and which it should consider equitable to both. It would be provided that if Bolivia did not ratify this arbitral agreement six months after it was drawn up and presented to it the forts would then go back to Paraguay.

This proposal would mean that Bolivia had had the choice of giving back the forts on a given date, if agreement was not reached prior thereto with Paraguay, Bolivia being free to make any proposal she wanted regarding the arbitration, or of continuing with the occupations until the whole Chaco matter was settled by arbitration but

⁵⁷ Ante, p. 68.

having to submit to the decision of a third impartial body as to whether the conditions she exacted were fair or not.

Should this proposal not be accepted then I thought the Neutrals should ask Bolivia what zones she had in mind in suggesting that the matter be submitted to arbitration on determined zones. Paraguay would be asked the same. It was to be expected that of course there would be a certain part of the territory which both sides would agree should be submitted to arbitration and zones which each party would ask to be excluded from the arbitration and recognized as appertaining to it. Each Government would then be asked whether it would agree to exempt the zone or zones of the other from arbitration provided the zone or zones suggested by it should similarly be exempted from arbitration. If this were done, a zone agreed to by both would then be submitted to arbitration. If this should not be accepted, then both Governments would be asked if they would submit their whole dispute to arbitration without mentioning reserving any zones whatsoever but leaving it up to the Arbitral Tribunal to decide all such matters. Each side could of course allege that it had special rights and titles to certain zones and the Arbitral Tribunal would take this into consideration. Should Bolivia reject this, then the emphasis would be off the June 1 line and on the principal question, namely whether Bolivia would submit the whole Chaco matter to an arbitral settlement. Should Bolivia or Paraguay refuse, then I thought the Neutrals should call in the neighboring countries; explain to them what they have done and how the matter stands: explain the refusal of one side or the other to submit the matter to an arbitral settlement. and consult as to what measures should be taken in view thereof to prevent hostilities. I said that the question would then be so defined that public opinion throughout every country in America would clearly see the issue and support the Neutrals and the neighboring countries in any measures which might be taken to prevent hostilities.

Mr. Espil said he thought that this was a well thought out reasonable proposal and was the line to proceed on if we had reasonable men to deal with. If there were a different Minister of Foreign Affairs in Argentina, there would be nothing he would like better to do than cooperate with us and help carry out this program. Conditions being what they are, however, he rather jumped at the Peruvian proposal of carrying on the negotiations somewhere else because he said, quite frankly, that if the negotiations are carried on here he knows that sooner or later he will be in an open break with his own Minister of Foreign Affairs, Saavedra Lamas.

(The above program of the Neutrals, which I outlined to Mr. Espil, I talked over with the Neutrals in a meeting of the Neutral Commission this morning, and all agreed with me that that was the line on which we should proceed).

F[RANCIS] W[HITE]

724.3415/2154 : Telegram

The Acting Secretary of State to the Ambassador in Chile (Culbertson)

Washington, August 31, 1932—7 p. m.

76. Your 195, August 30, 11 a. m.⁵⁸ Department's 71, August 26, 4 p. m.⁵⁸ discussed only one feature of the proposal outlined in your 187 of August 25, 6 p. m., namely the calling of a conference at which the Neutrals would have but one representative, which would in effect break up the Neutral Commission. The Neutral Commission has been working loyally together in the greatest harmony and cooperation for 4 years. The proposal mentioned was undoubtedly designed to transform the Neutral Commission into a new commission of five powers, namely the United States and the four neighboring countries. This Government would not consent to throwing over the other four nations which have been working loyally with it for the past 4 years for the maintenance of peace in the Chaco and for a peaceful settlement of that dispute.

There is nothing before the Neutral Commission regarding this matter. The penultimate paragraph of your 187 of August 25, 6 p. m. said that draft note if approved "will be formally drafted and directed to the Governments of Brazil and Peru through Washington by virtue of the invitation made by the Commission of Neutrals." The Department understood that to be a misprint and should read the Governments of Bolivia and Paraguay instead of Brazil and Peru. Therefore the proposal was discussed informally with the Neutrals in advance of its expected presentation to the Neutral Commission for action. The feature mentioned in Department's 71, August 26, 4 p. m. was unanimously unfavorably commented on by the Neutral Commission and Department's telegram was sent, as stated, in the thought that before the matter was finally presented to the Neutrals some change might be made in this feature.

As the neighboring countries or Chile, either on its own, or on their behalf, has decided to present the matter direct to Bolivia and Paraguay, and not through the Neutrals, and as there is no proposal before

⁵⁸ Not printed.

the Neutral Commission and as the Department alone can not express the views of the Neutrals regarding all the other features of the program, Department does not desire you to take the matter up with the Chilean Government at this time.

CASTLE

724.3415/2226 : Telegram

The Ambassador in Chile (Culbertson) to the Secretary of State

Santiago, September 3, 1932—noon. [Received 1:45 p. m.]

196. Referring to the last sentence of your telegram No. 77, September 1, noon, ⁵⁹ I desire to report the following developments: Last night the Minister for Foreign Affairs invited to attend a meeting in the Ministry the Ambassadors of Mexico, the United States, Argentina, Brazil and Peru, and the Ministers of Uruguay, Colombia and Cuba. Chile was represented by the Minister for Foreign Affairs and two other officials of the Ministry.

The Minister presented a new draft of the note referred to in my telegram No. 187, August 25, 6 p. m. The only fundamental change in this draft was in the paragraph relating to the composition of the conference; the draft now proposes a conference including representatives of each of the five neutrals, of each of the four neighboring countries and of Paraguay and Bolivia. The Minister for Foreign Affairs stated that it is the intention of the four neighboring countries to submit the note officially to the Neutral Commission, probably through the Chilean Embassy in Washington. Apparently the hope is that then the Neutral Commission will incorporate the note of the neighboring countries in a communication of its own in which it expresses approval and will thereupon send it to the Governments of Paraguay and Bolivia.

The imminence of the war in the Chaco and the sincere hope that the step they were taking might result in effective cooperation between them and the neutrals were the ideas which pervaded and dominated the conference which lasted until 2 o'clock this morning.

Culbertson

⁵⁹ Not printed.

724.3415/2243

Memorandum by the Chief of the Division of Latin American Affairs (Wilson)

[Washington,] September 3, 1932.

Mr. Bliss telephoned from Buenos Aires at 10 o'clock this morning to say that yesterday evening the Minister for Foreign Affairs sent for him and expressed his views as follows:

That Bolivia and Paraguay were now not far apart. The truce for thirty days had been accepted by Bolivia but Paraguay would not accept unless she received guarantees that her position would not be prejudiced by Bolivian troop movements during the truce. The object to be attained now is agreement of the two countries on guarantees acceptable to both. Mr. Bliss said that at this point in the conversation the Minister from Paraguay came into the room, having been asked to come by Saavedra Lamas. The latter went over the same points with the Paraguayan Minister. Saavedra explained that he wanted to find some way of settling this question satisfactory to the two countries and that if he could do so he would then transmit the question to the neutrals so that they could submit it to Paraguay and Bolivia. He said that Espil had reported that the neutrals wanted him to make some definite proposal to them which they could support and pass on to Bolivia and Paraguay. However, he could not make any such proposal unless he knew beforehand that it was satisfactory to both Bolivia and Paraguav.

Saavedra Lamas gave the Paraguayan Minister a paper covering the following points:

That he should find out if it would be agreeable to his Government if Bolivia should abandon the fortines and place them in the hands of neutral forces with a guarantee by the neutrals that there would be no hostilities and entire suspension of military movements which could be regarded as a concentration of forces. The Minister of Paraguay agreed to inquire of his Government whether this would be acceptable.

Saavedra asked Mr. Bliss to come in at 5 o'clock this afternoon and said that he would put the same thing up to the Minister of Bolivia to see if he could obtain agreement of his Government. If both Paraguay and Bolivia agree Saavedra would then transmit the proposal to the neutral commission in Washington so that it could submit the plan to the two governments.

Mr. Bliss said that he could see no objection to this proposal of the Argentine Minister of Foreign Affairs since it was working towards

a practical solution which would be transmitted to the neutrals for them to submit officially to Bolivia and Paraguay.

I gave Mr. Bliss the contents of the neutrals' message to the Minister of Foreign Affairs of Bolivia of September 2.60 I said that while it seemed that the Argentine proposal might be towards the same end as that made by the neutrals to Bolivia, nevertheless the Argentines were going at it on their own again, and these independent steps and the many intrigues which had taken place as a result always made the efforts of the neutrals harder. I said that I was telephoning Francis White this morning and would give him the message and that if there were any suggestions to transmit to Mr. Bliss before his meeting with the Argentine Minister this afternoon I would telephone them to him.

With regard to the Argentine proposal that the fortines would be "placed in the hands of neutral forces" I asked Mr. Bliss if he knew just what Saavedra had in mind. He said that Saavedra had not explained this but that in a later conversation with the Paraguayan Minister the latter said he assumed this meant that the forces would be Argentine since only Argentina of the neutrals was in a position to move troops in this area.

E[DWIN] C. W[ILSON]

724.3415/3317 1/2

Memorandum by the Chief of the Division of Latin American Affairs (Wilson)

[Washington,] September 3, 1932.

I telephoned Mr. Bliss this afternoon and gave him in detail what Mr. White had said this morning about Saavedra Lamas' proposal. I said that Mr. White could not emphasize too strongly the importance he attached to Saavedra Lamas' abandoning his independent steps with Bolivia and Paraguay and cooperating with the neutrals through backing up their inquiry of Bolivia of September 2. Mr. Bliss asked if he was authorized to inform Saavedra of the neutrals' message to the Bolivian Foreign Minister, and I said that I could see no objection to this since it had always been the policy of the neutrals to keep the neighboring countries fully informed. Mr. Bliss said that the difficulty with the neutrals' inquiry of Bolivia would be, he believed, that it did not seem to provide any guarantees that there would be no troop movements during the truce and Paraguay was insisting upon guarantees. I said that once Bolivia agreed that there

⁶⁰ Ante, p. 85.

would be no troop movements or concentration of troops during the truce, the neutrals could then go back at Paraguay on this line with the hope of working out a solution. The important thing was that Argentina, if she wanted to cooperate, should get back of the neutrals and not muddy the waters by putting in independent proposals.

Mr. Bliss said that he understood and would try to put this over with Saavedra, although he believed it might be difficult. He said that Saavedra had assured him many times recently that he was not looking for any personal glory out of this, but only wanted to support the neutrals. I said that his last proposal was not in line with this statement since it was an independent act on his part taken before consulting the neutrals.

EDWIN C. WILSON

724.3415/2227 : Telegram

The Ambassador in Chile (Culbertson) to the Secretary of State

Santiago, September 5, 1932—10 a. m. [Received 10:40 a. m.]

197. Some disagreement apparently arose among the four neighboring countries after the meeting referred to in my telegram 196, September 3, noon, and there has been delay in despatching the communication to the neutrals. I have had no part in the conference over the week-end. In the conference Friday night, however, I noted that the Chilean Minister for Foreign Affairs and the Argentine and Peruvian Ambassadors were inclined to insist that the proposed conference be held in South America since, so they argued, it would permit Bolivia and Paraguay to be represented by their Ministers for Foreign Affairs. They were perhaps inspired also by motives more personal. I understand that Brazil has objected to the sending of the note unless the neutrals approved it and agreed to sign along with the neighboring countries and unless the conference be held in Washington if the neutrals so desired.

CULBERTSON

724.3415/2240 : Telegram

The Minister in Bolivia (Feely) to the Secretary of State

La Paz, September 6, 1932—7 p. m. [Received 8:13 p. m.]

73. The Government has given no definite reply to the tentative plan of the four neighboring countries which was read to the President on September 2nd by the Chilean Minister, but I am informed that the Government is not favorably disposed to the conference sug-

gested in the Chilean note and that it resents the implied threat that other measures would be taken if Bolivia refused to accept the plan. With the exception of one conference with his three colleagues, the Chilean Minister has acted alone.

The Bolivian Government has definite information that Argentina is supplying war materials to Paraguay, and is alarmed at the rumored economic blockade, which it is felt would only affect Bolivia.

The opposition press openly demands war as the only solution, and the situation grows more critical day by day. The Cabinet crisis continues without solution and there is no cessation of military preparations. Congress continues the secret discussions of the various projects for financing national defense.

FEELY

724.3415/2245 : Telegram

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

Montevideo, September 7, 1932—noon. [Received 1:48 p. m.]

51. Minister for Foreign Affairs has shown me telegraphic correspondence with Uruguayan Minister to Chile concerning proposal broached at Santiago for a conference of representatives of Argentina, Brazil, Chile, Peru, and certain other countries with regard to Chaco dispute.

Minister for Foreign Affairs desires that you be informed that, although willing to go along with any Pan American sentiment that is unanimous, he prefers that policy of his Government conform to that of the United States; that in his opinion it would be inopportune and futile to hold two conferences at the same time upon this subject and that the logical body and place to deal with this matter is the Neutral Commission sitting in Washington whose prestige and susceptibilities should be carefully considered and to which the aforementioned powers could add their assistance if desirable; that even if diplomatic relations between Argentina and Uruguay were reestablished ⁶¹ (which would make no difference in this instance) he would not desire that Montevideo be the seat of any such conference and that the position of Uruguay in this phase of the matter is the most delicate of all the Governments concerned as it is the only country in River Plate region represented on the Neutral Commission.

Repeated to Embassy at Santiago.

WRIGHT

⁶¹ See pp. 316 ff.

724.3415/2259 : Telegram

The Ambassador in Chile (Culbertson) to the Secretary of State

Santiago, September 10, 1932—noon. [Received 2:10 p. m.]

201. The representatives of the four neutrals sent the following telegram to their Governments today:

"At an impromptu meeting of the representatives of the neighboring countries and of Cuba, Colombia, Mexico and Uruguay with the Minister for Foreign Affairs, conversations proceeded on the Chaco problem, there being agreement that the crisis has reached its climax, and some thinking that war already is a fact.

As a result of the conversations we have received the impression

As a result of the conversations we have received the impression that the four neighboring countries are in a position to attain an immediate formula to avert war; but we also believe that the neighboring countries would decide to intervene only in the case of a formal invitation from the Neutral Commission.

If this invitation should be issued, the neighboring countries would adopt the measures that they deem conducive to make concrete that formula which, once agreed upon among themselves, they would propose to the Neutral Commission."

I was not present at the meeting referred to. I gather from informal conversations that the formula mentioned in the telegram is that the neighboring countries would inform Bolivia and Paraguay that they will not be permitted to go to war but I do not believe that anything concrete as to procedure has been agreed upon.

Culbertson

724.3415/2262 : Telegram

The Ambassador in Argentina (Bliss) to the Secretary of State

Buenos Aires, September 10, 1932—7 p. m. [Received 9 p. m.]

89. From what Minister for Foreign Affairs told me this afternoon he intends stating to the Senate on Monday that Argentina will abide by its traditional policy of nonintervention. This declaration will undoubtedly be well received in Bolivia.

Minister for Foreign Affairs intends to initiate Congressional action for Argentina entry in [League] of Nations probably next Wednesday in Chamber of Deputies. He tells me both houses favor this and that he expects favorable action before adjournment end of September.

There is apparently no likelihood at present of declaration of neutrality or boycott by neighboring countries, the conversations carried on recently in Santiago having failed, it is intimated to me, because of Brazilian objections.

Buses

724.3415/23211/2

Memorandum by the Assistant Secretary of State (White)

[Washington,] September 12, 1932.

Mr. Edwards of the Chilean Embassy called and read me a telegram from his Government which stated the desire of Chile to cooperate with the Neutrals and not to make their task more difficult and then set forth views along the same lines as those in telegram No. 201 of September 10, noon, from the Embassy in Santiago. The telegram also mentioned that the position of Chile was somewhat complicated by the shipment from the United States of airplanes to Bolivia via Arica accompanied by an aviator to help set up the airplanes and fly them.

With reference to the first point, I told Mr. Edwards that the Neutrals would welcome the cooperation of the neighboring countries and that for this purpose I would call a meeting for three o'clock tomorrow afternoon, if convenient to him, at which the representatives in Washington of the other neighboring countries would be asked to be present. Mr. Edwards said that he would be present.

With regard to the second point, I told Mr. Edwards that the airplanes were not provided by this Government. He said he appreciated that they were bought from commercial companies. I told him that we have no authority of law for stopping such shipments but that should the Chilean Government hold them up at Arica no complaint would be made by us. Mr. Edwards said that he would advise his Government in this sense.

F[RANCIS] W[HITE]

724.3415/2274a : Circular telegram

The Secretary of State to the Diplomatic Representatives in Argentina, Brazil, Chile, and Peru

Washington, September 13, 1932—6 p.m.

The Neutrals invited the representatives in Washington of Argentina, Brazil, Chile and Peru to meet with them this afternoon and inquired whether their Governments individually or collectively had any plan in connection with the Chaco. All except the Chilean stated they were without instructions whatsoever from their Governments. The Chilean had a cable from his Government stating the desire to cooperate with the Neutrals but requested a formal invitation to do so. The neighboring representatives were asked whether they would collaborate with the Neutrals in drawing up a joint message to Bolivia and Paraguay and to ask their Governments to

authorize them to take action with the Neutrals in the future without the delay involved in consulting their Governments. The Neutral representatives have all been doing this and prompt action has therefore been possible. In view of the urgency of the situation, with fighting going on in the Chaco, action of this sort would be much more effective than if it were necessary for each to consult with his Government and any verbal changes in any message agreed upon had to be discussed and referred to the Governments a second or more times. All were in agreement that this would be the most effective form of cooperation but did not wish to suggest it to their Governments. The Neutrals then gave each of the representatives of the neighboring countries a memorandum drafted and written during the meeting in the following terms:

The Neutrals have always felt that cooperation of the neighboring countries is useful in the work which is being carried on in order to avoid war between Bolivia and Paraguay. Persisting in this thought and considering that such cooperation would give good results if it is carried out by a sole source in homogeneous and simultaneous form, they formally invite the Governments of Argentina, Brazil, Chile and Peru, through their diplomatic representatives in Washington to collaborate with them in the form just expressed.

The Neutrals do not think that this will work any confusion of function. They desire for the Commission the cooperation of the neighboring countries in their plans and deliberations and in the hope of obtaining it declare that they will cordially appreciate it, and in view of the grave present situation of the Bolivian-Paraguayan conflict, they will be pleased to receive at the earliest possible moment suggestions or plans of the neighboring countries or of one or more of them.

STIMSON

724.3415/2214 3/15

Memorandum by the Assistant Secretary of State (White)

[Washington,] September 13, 1932.

The neutral representatives invited the representatives of Argentina, Brazil, Chile and Peru, to meet with them on September 13. This memorandum is not designed to cover that meeting but merely one phase of it.

While the Colombian Minister was drafting the telegram which the representatives of the neighboring countries were being requested to send to their Governments, the Uruguayan Minister, Mr. Varela, said that it might be well to consider the possibility of preventing arms shipments to Bolivia and Paraguay; that I had made a very interesting statement to the Neutrals in this regard, and that he

would take the liberty of quoting me. He said that I had said that the United States would be disposed to take this action to cooperate with the other countries.

I immediately said that I was afraid the Uruguayan Minister had misunderstood what I had said. What I had told the neutral group was this:

There is no statute which authorizes this Government to prevent shipments of arms and munitions to Bolivia and Paraguay at the present moment. There is a statute which permits the President to declare an embargo on arms shipments to Latin American Governments when he finds a condition of domestic violence exists there. It was on this basis that we had put an embargo on arms shipments to Mexico some years ago and to Brazil two years ago, and to Nicaragua and Honduras, which latter two are still in effect. 62 The present hostilities between Bolivia and Paraguay are disturbances and violence of an international character and not of a domestic sort and therefore are not, strictly speaking, covered by the statute. It is for this reason that we have no control over shipments to Bolivia and Paraguay but the disposition of this Government was shown by the statement which I made on the twelfth instant to Mr. Edwards of Chile, and some time ago to the Argentine Ambassador, namely, that if those countries should prevent the transit of this material across their territory there would be no complaint or representations made by this Government.

I added that I had further said in a meeting of the Neutrals that I personally, speaking as an individual, and not as representing the American Government, would be willing to recommend to the Secretary of State and to the President, if the other American countries should put on an embargo of arms to Bolivia and Paraguay, that we interpret the existing statute as permitting the issuance of an embargo here. I said that this very liberal interpretation of the statute I thought would be justified if the other American countries wanted to take this action and our failure to do so should make their action fail. Short of that, I was not inclined to think that we would be justified in giving the statute such a broad interpretation. I said that I was still ready to take that action but that they must realize that this means the initiative must come from elsewhere and not from this Government. This Government has no such request before it now.

² Mexico, January 7, 1924, Foreign Relations, 1924, vol. II, p. 428; removed July 18, 1929, ibid., 1929, vol. III, p. 432.
Brazil, October 22, 1930, see ibid., 1930, vol. I, p. 443; removed March 2, 1931, see ibid., p. 452, footnote 16.
Nicaragua, September 15, 1926, see ibid., 1926, vol. II, p. 793.
Honduras, March 22, 1924, May 15, 1924, ibid., 1924, vol. II, pp. 322, 324.

The Uruguayan Minister said that he would be prepared to make such a request. I told him it would have to come at least from the four neighboring countries as well, indicating that they were prepared in that case to stop shipments of arms through their territory to Bolivia and Paraguay, and not to make any such shipments themselves or permit shipments originating in other countries.

F[rancis] W[HITE]

724.3415/2272 : Telegram

The Secretary of State to the Minister in Paraguay (Wheeler)

Washington, September 14, 1932—noon.

42. Your 112, September 12, 7 p. m.⁶³ Chilean representative on September 12 read telegram from Chilean Foreign Office regarding selling of arms and sending of pilots to Bolivia. He was distinctly told that this Government has not and will not sell any arms whatsoever to Bolivia or Paraguay and that this Government is not informed of sales which may have been made by private individuals or companies. He was told, however, as was the Argentine Ambassador some time ago, that if Chile held up the transit of war material across its territory which had come from the United States this Government would not make any protest.

STIMSON

724.3415/2281 : Telegram

The Ambassador in Peru (Culbertson) to the Secretary of State

Lima, September 14, 1932—2 p. m. [Received 3:43 p. m.]

- 162. Chaco. Department's circular September 13, 6 p. m. 1. Foreign Office informs me definitely Peru will certainly accept invitation of Commission of Neutrals to collaborate as desired, that from the first day it has been Peruvian Government's desire to cooperate, and that it feels as a neighboring nation it has the practical means of making the representations of the Commission of Neutrals to the disputant countries more effective. Freyre has not yet been instructed but will be shortly. New Foreign Minister busy today returning official calls.
- 2. Foreign Office expresses regret at upset in Chile, saying a cordial accord had been effected with the Chilean Government and with Argentina, that the attitude of the new Chilean Government was not

⁶³ Not printed.

yet known, and that the arrangements arrived at, as expressed in the Buenos Aires agreement of August 6th⁶⁴ and the later agreements in Santiago may be affected.

3. Foreign Office states that any plans or suggestions will be immediately communicated via Freyre or this Embassy and the Chaco situation continues to receive its close attention.

DEARING

724.3415/2280 : Telegram

The Ambassador in Brazil (Morgan) to the Secretary of State

RIO DE JANEIRO, September 14, 1932-3 p. m. [Received 3:30 p. m.]

106. Department's circular September 12 [13], 6 p. m. Foreign Minister cordially approves Neutrals' memorandum and will instruct Brazilian Ambassador to agree to and work under its terms.

Morgan

724.3415/2502

The Argentine Ambassador (Espil) to the Chairman of the Commission of Neutrals (White)

[Translation]

Washington, October 18, 1932.

YOUR EXCELLENCY: I have read with interest the communications exchanged between the Commission of Neutrals and the Council of the League of Nations 65 which Your Excellency has had the kindness to transmit to me.

I am informed thereby that the Governments of Bolivia and Paraguay have agreed to the sending of a Commission by the Neutrals to the theater of hostilities and that this Commission will leave as soon as the situation renders it advisable.

Of course I do not know what the functions of this Commission will be and I am in doubt whether the Commission of Neutrals still maintains its idea, expressed in the telegram of September 22 last,66 authorizing it to verify the actual termination of hostilities, and whether, on the basis of its report that one of the parties had violated the agreement to terminate the struggle, the Commission of Neutrals would declare that that country is the aggressor and would suggest to all the Governments of America the withdrawal of their diplomatic and consular representatives accredited to the said country.

In case the Commission of Neutrals holds to this idea, I believe it

⁶⁴ Ante, p. 168. ⁶⁵ See pp. 238–239. ⁶⁶ Ante, p. 93.

to be my duty to inform it, with all frankness, of the point of view of our Government in this matter.

Our Chancellery being informed of the telegram from the Commission of Neutrals of September 22, to which I have just referred, reminds me that its attitude was confined, in accordance with the express instructions which the undersigned received at the opportune time, to formulating the wish that in America territorial disputes should not be settled by force. The statement of the said initial concept was due principally to the fact that our country was not a member of the Commission of Neutrals.

Furthermore, when our Chancellery learned that the declaration was thought pertinent that territorial acquisitions secured by force should not be recognized and it was invited to formulate this doctrine if it considered it proper, it understood that a principle was involved which meant nothing new, since it was consecrated in Article 10 of the Covenant of the League of Nations, and that it was not new, either, for the countries of South America, because of the *uti possidetis* of 1810 which was the expression of respect for territorial integrity based on the delimitations of the Colonial regime, whether as possessions *de jure* or *de facto*. The necessity for respecting this same territorial integrity had also been recognized and insured in the successive Spanish-American Congresses, from the Congress of Panama in 1826 through the Congresses of Lima in 1847 and 1864 and the Continental Treaty of 1856.

Then, when in the recent Manchurian dispute, the United States, in its communication to the disputant countries, declared that it would not recognize the forcible taking possession of Chinese territories, a declaration confirmed by the Secretary of State, Mr. Stimson, in his letter to Senator Borah of February 23, 1932,67 it made such statement not only in reaffirmation of an old Pan American tradition, but in reiteration of a principle already consecrated in the Covenant of the League of Nations.

Our Chancellery also thought that the formulation of a rule of conduct of such a character could only receive its adherence when it was the expression of a united movement of the whole continent with a pacific aim, the sanction and efficacy of which were based exclusively on the weight of public opinion in all the countries of America, it being understood that only moral pressure would be involved, supported by the juridical effects of the common neutrality of the limitrophe countries within the strict application of the Hague Conventions and others which govern in the matter, which, due to the

For text, see telegram No. 50, February 24, 1932, to the Consul General at Shanghai, *Foreign Relations*, Japan, 1931–1941, vol. 1, p. 83.

particular geographic circumstances, would have especial significance. Thus, my Chancellery meant to fix the extreme limit to its action, and, in the absence of a legal instrument which could extend it beyond the scope of good offices and moral compulsion, it initiated and signed with the limitrophe countries the Declaration of August 6 68 in which express and deliberate mention was made of the Covenant of the League of Nations, reminding Bolivia and Paraguay that they had signed it and that under it they had correlative obligations.

If I review these antecedents it is for the purpose of stating that the Argentine Chancellery will not go along with the Commission of Neutrals in any act which, extending beyond the limits of good offices and the moral influence of the opinion of all the Continent, might approximate an intervention, even though it should be merely a diplomatic one, inasmuch as such an attitude would be contrary to Argentine traditions and doctrines and even if it were a collective intervention of all the countries of America, it would be wanting in any legal instrument which alone, signed and ratified by the countries to which it is intended to apply, could justify a participation of a coercive character in harmony with the basic principles of International Law and its own attitudes of the past, which it would not forget in any case.

This exact and well defined line, which our Chancellery has followed without any hesitation in the face of the grievous conflict which is disturbing the peace between the two neighboring countries. if it should have to be demonstrated outside the natural reserve of the diplomatic proceedings which may have rendered a clear perception of it difficult, has its substantiation in the study and examination already made in various Chancelleries of the American nations and, among them, that of the United States. I refer to the consideration of the advisability of establishing, not only for the present Bolivian-Paraguayan conflict, but for the future, an instrument of peace or anti-war pact which, linking up that of the League of Nations with others of a similar nature existing in the world, would tend to insure the reign of peace in a regime of conciliation not annulling but complementing and harmonizing all existing agreements. Your Excellency knows, since it has been submitted to the Chancellery of the United States, such draft of a non-aggression and conciliation pact formulated by my Government, by which any diplomatic or military intervention is expressly excluded. The time at which that draft was drawn up (June 1932) shows that my Chan-

es Ante, p. 168.

⁶⁴⁶²³¹⁻⁻⁻⁴⁸⁻⁻⁻²⁰

cellery has not changed the line of action which it mapped out for itself and has followed in view of the Bolivian-Paraguayan conflict and that this attitude can not cause surprise to the Chancelleries of other countries which have known for some time past the doctrines and principles set forth in the draft referred to.

The Argentine Chancellery understands then that adoption of coercive measures can be based only on a Treaty accepted beforehand by the countries to which it is to apply, as is the case with the League of Nations Pact, and that a mere Declaration like that of August third is not sufficient to produce comminatory effects against third powers.

I would be very grateful to Your Excellency if you would advise the Commission of Neutrals of these views which indicate the limit of our cooperation, without, however, interrupting in any manner the continuity of the action which my Government has been taking in the noble efforts for peace which the countries of the continent are making.

I take pleasure [etc.]

FELIPE ESPIL

724.3415/2441a : Telegram

The Secretary of State to the Minister in Paraguay (Wheeler) .

Washington, October 20, 1932-6 p.m.

44. Department learns that Argentine Government is representing to Paraguayan Government that Chaco questions should be taken from Neutral Commission as it shows its ineffectiveness by not forcing Bolivia to accept its suggestion of 12th instant to enter into negotiations with Paraguayan delegate in Washington for separation of troops in Chaco, demobilizing reserves, limiting regular forces and submitting fundamental question to arbitration. Department understands that Paraguayan Government is considering withdrawing its delegation from Washington next week if Bolivia does not accept proposal of 12th instant. In order to protect source of information Paraguayan authorities should not know that you get this information from Washington.

In this connection Argentine Ambassador under instruction of his Government yesterday wrote note to Neutral Commission charging it with adopting minatory attitude toward parties in its suggestion of September 22 ⁷⁰ and saying that Argentina would not cooperate in such measures. Of course Commission has made no such threats as alleged.

STIMSON

70 Ante. p. 93.

Sent also to the Minister in Bolivia as telegram No. 44.

724.3415/2442 : Telegram

The Minister in Paraguay (Wheeler) to the Secretary of State

Asunción, October 21, 1932—3 p. m. [Received 6:20 p. m.]

135. Your telegram No. 44, October 20, 6 p. m. I do not believe such a representation has been made to the Government here unless by way of the Argentine Ambassador in Washington and Soler. Soler several days ago called expressing the opinion that the neutrals were powerless to accomplish anything further and recommending that he might be recalled to Asunción in order that Paraguay might have her hands free but a reply was sent him that this would not be done. Both the President and the Minister for Foreign Affairs have assured me several times in the past few days, the President as recently as this morning, that there is no intention of withdrawing the delegation from Washington. This Government has no faith in the League's ability to settle the present dispute and was greatly disappointed at the makeup of its special committee, especially at the selection of Madariaga. It counts Spain as wholly without influence in South America and is angered at the fact that the Spanish military mission remains in Bolivia.

The opinion prevails here however that the neutrals are without authority and that nothing is to be expected from them. Yesterday a committee of the opposition party visited the President to express the opinion and to demand that the war be prosecuted without further reference to the neutrals' suggestions.

During the past month the Government's faith in the neutrals' ability to bring about a solution has greatly diminished and Ayala has returned to his conviction that a settlement without the active participation either of the four neighbor powers or of Argentina will be impossible. He believes that if the neutral powers, with the approval of the League, would request Argentina, as being the neighbor country most nearly interested in the controversy, to study the situation and suggest a concrete plan of procedure, it would furnish her with the opportunity she really desires. A telegram has been sent to Soler containing this suggestion with instructions to broach it to you if an opportunity offers.

WHEELER

724.3415/2414 7/19

Memorandum by the Chairman of the Commission of Neutrals (White)

[Washington,] October 22, 1932.

The Argentine Ambassador called and discussed with me his note to me as Chairman of the Neutral Commission dated the 18th instant. He told me very confidentially that he had changed the note considerably from the way he was instructed to send it as not to do so would have caused even greater resentment than he presumed the note even in its present form had caused. There was one word which he had changed inadvertently and he would like to have it rectified because he feels that he will now be in open break with his Minister for Foreign Affairs and he does not want the latter to have any hold on him. I asked him to send me a memorandum asking that this be changed as a typographical error had occurred. I told him that this change would cause less comment if made in a memorandum, as a copy had already been sent to the Neutrals, than if I merely told the latter that Mr. Espil had personally requested that the change be made. He said that he would do so.72

He showed me cables from his Government indicating very considerable uneasiness on the part of Saavedra Lamas because of a United Press cable stating that the Neutrals had a long meeting to discuss the Argentine note. The cable asked Espil to try to avoid resentment on the part of the Neutral Commission on account of the note.

Mr. Espil said that he had changed very largely the note with regard to the authorship of the declaration of August 3 and also very materially the paragraph relating to Secretary Stimson's position with regard to Manchuria. He had also left out entirely some references which had been made to the Drago doctrine.

I asked Mr. Espil why, if Saavedra Lamas was again taking so much pride in the August 3 declaration that he had incorporated a lot of statements regarding the authorship thereof in his note which Espil had said had been omitted by him, Saavedra Lamas does not ask the American nations to join with him in calling this doctrine to the attention of Peru and Colombia in their present conflict over Leticia.⁷³ I said that that would give him a chance to take the initiative in an important matter. I told the Ambassador to think over

 $^{^{12}\,\}mathrm{Mr}.$ Espil's memorandum, dated October 25, not printed; the corrections requested therein have been incorporated in the note of October 18 as printed on p. 203.
⁷³ See pp. 270 ff.

whether he wanted to make such a suggestion as this to Saavedra Lamas or not. Mr. Espil said that as Argentina does not border on either Colombia or Paraguay [Peru] he thought perhaps Saavedra Lamas might do so and that he would think the matter over over the weekend. He was going to be out of town but would come on Tuesday morning and discuss the matter.

F[RANCIS] W[HITE]

724.3415/2502

The Commission of Neutrals to the Argentine Ambassador (Espil)
[Translation]

Washington, November 4, 1932.

EXCELLENCY: The Commission of Neutrals has received your note of the eighteenth instant [ultimo] in which you advise it of the point of view of the Argentine Government and the limit of the cooperation which may be expected from it in endeavoring to bring about the termination of hostilities unhappily existing between Bolivia and Paraguay.

This note seems to indicate that there is a misconception on the part of your Government regarding the proposal made by the Neutral Commission to the Governments of Bolivia and Paraguay on September 22 last. It is noted that your Government states that it will not go along with the Commission of Neutrals in any act which, extending beyond the limits of good offices and the moral influence of the opinion of all the continent, might approximate an intervention, even though merely a diplomatic one, and that participation of a coercive character by Argentina could only be with respect of a legal instrument signed and ratified by the countries to which it is intended to apply.

In the proposal of the Commission of Neutrals to Bolivia and Paraguay of September 22 the Commission appealed to those countries to accept an unconditional termination of hostilities and immediate negotiations for the settlement of their differences by means of arbitration without reservation. This proposal was made in the interest of lasting peace. It provided not only for the immediate termination of hostilities but for the peaceful settlement once and for all of the long standing dispute between those countries. Furthermore, in order to give some assurance to the two parties in dispute, over and above the engagement of the other party, that there would be no renewal of hostilities while the question was being submitted to arbitration, the Neutral Commission stated that immediately upon the acceptance of this proposal it would send a delegation to the

Chaco to verify the effective termination of hostilities and the Neutral Commission advised both parties that if this delegation informed it that one of the parties had violated the engagement to terminate the armed conflict the Neutral Commission would declare that country to be the aggressor and would suggest to all the countries of America that they withdraw from that country their diplomatic and consular representatives.

This proposal was not a threat expressed or implied because for the action mentioned to be taken the proposal would first have to be accepted by the two countries in dispute and they would accept it knowing in advance what action the Neutral Commission would take should either party violate its engagement regarding the termination of hostilities. While the acceptance of this proposal would not constitute an instrument signed and ratified by the countries to which it is intended to apply, it would nevertheless be an agreement equally effective for those two countries. The Neutral Commission feels that the interests of peace and the broader concepts of humanity do not require them to withhold proposals looking to the cessation of fighting until an instrument to which the two contending countries are parties has been ratified by them. Any agreement which both contending parties may find acceptable for the termination of hostilities is just as serviceable as a duly ratified agreement. As stated above, the fact that it would be agreed to in advance by the two parties in conflict removes any possible feeling that it is based on a threat and that other countries by supporting it must assume a minatory attitude towards the parties to the dispute.

The Commission of Neutrals has not been put in possession of the pacifist instrument or anti-war pact which you state your Government drew up in June, 1932. It learns that in a note which you addressed to the United States Government on September 21⁷⁴ you transmitted a copy of a pact which you stated had been drawn up by the Argentine Government in order to propose it to the countries which have signed the agreement of August 3, 1932. The Neutral Commission understands that this pact has also been submitted to certain other Governments but it has not been presented to the Neutral Commission which therefore can have no observations to make with respect of it.

In this general connection, however, the Commission of Neutrals considers that it should frankly state that it feels that the American nations would not be fulfilling fully their duties as members of the family of American States if they did not exert unmistakably and

⁷⁴ Post, p. 261,

unequivocably their full efforts on behalf of peace. The limitation of their action in international controversies to instruments signed and ratified by the parties in dispute would seriously hamper efforts for peace in this hemisphere and would open wider the doors for settlement of differences by war or by force of arms.

International law and procedure is fortunately not in an impotent state of stagnation. It is alive and vascular and is constantly advancing. Until recently war was recognized as one of the unfortunately usual means of settling differences between nations and elaborate rules were drawn up governing the conduct of combatants and neutral nations. The entry into effect of the Pact of Paris (Kellogg-Briand Pact) 75 has made necessary the reexamination of many formerly existing precepts of international law in the light of the doctrine now approved by almost universal acceptance. By their declaration of August 3, 1932, nineteen American nations not only reaffirmed this principle, but extended it by stating that they would not recognize the validity of territorial acquisitions which may be obtained by occupation or conquest by force of arms. This deliberate declaration by nineteen American States of the policy by which each of them proposes to be governed in future can not be treated as lacking in weight or effectiveness. On the contrary, considering the serious circumstances under which it was made, it must be considered as of the most solemn character, carrying with it the faith of each signatory, and as of quite as much weight as instruments of more formal execution. While this declaration unfortunately has not yet resulted in stopping hostilities in the Chaco (and in this connection agreements ratified by the two parties had no greater effect), it nevertheless did serve to put those two Governments on notice that the only settlement of the Chaco question that would be recognized by the other countries of America is a settlement brought about by peaceful means.

An effective rule of international procedure does not always come into being fully grown, but arrives at its greatest prestige through a period of growth starting often from the mere sowing of an idea which acquires force and vigor through its appeal to the imagination of the peoples of the countries of the world. The fact that it may not prove immediately as effective as the authors desire should not be a source of discouragement. If it has a lofty aim it will grow in effectiveness until eventually no one will dare gainsay it. It is for this reason that the Commission of Neutrals does not feel that action should be limited to treaties already signed and ratified and it is for

¹⁵ Foreign Relations, 1928, vol. 1, p. 153.

that reason they did not hesitate to sponsor the declaration of August 3, 1932.

Another proposal of the Neutral Commission was that both Bolivia and Paraguay should return to their lines of occupation of June 1, 1932, and then agree to negotiate for a peaceful settlement of their differences. Two important considerations prompted the making of this suggestion. First of all, it recognized no occupations by force of arms since this question has been before the Neutral Commission, and, by obliging both countries to maintain the line of possession of June 1, 1932, it would prevent any retaliation or attempt to regain by force of arms possessions which had been taken from either party in the recent encounters. The sanguinary events of the last six weeks have unfortunately justified the appositeness of this proposal of August 2.76 Had it been accepted the recent bloodshed would have been avoided.

Again on September 22, in an attempt to stop this internecine conflict, the Neutral Commission made a further suggestion looking toward a peaceful settlement and, as set forth above, any charge of threatening action by the Commission is as groundless in this case as in a previous one some weeks ago which on another occasion was acknowledged by the Minister of Foreign Affairs of Argentina to be without foundation.

If there is one thing patent in all these negotiations it is the patience, loyalty and personal disinterestedness with which the Neutral Commission has dealt with this complex and trying problem. The Neutral Commission will continue as it has in the past to endeavor to find a solution satisfactory to both contending parties in this controversy. It will exert every influence possible for the reestablishment and preservation of peace and when the situation will require it it will not hesitate to consult the other American nations in order that it may leave unexplored no proper road to peace. The Commission of Neutrals confidently hopes that when the occasion arises it will then find the Argentine Government, in view of what has been expressed above, ready to participate in such efforts for peace as the countries of the continent in consultation may judge necessary.

Accept [etc.]

For the Commission of Neutrals: Francis White

Chairman, Commission of Neutrals

⁷⁶ See telegram of August 2 from the Commission of Neutrals to the Bolivian Minister for Foreign Affairs, p. 51.

724.3415/2521 : Telegram

The Minister in Bolivia (Feely) to the Secretary of State

La Paz, November 17, 1932—noon. [Received 11:17 a. m.]

122. I am reliably informed that Argentine Minister for Foreign Affairs has recently intimated to prominent Bolivians in Buenos Aires including Dr. Escalier, close friend of President Salamanca, that his Government would be glad to mediate in direct negotiations to be held in Buenos Aires and that Bolivia would be assured of a suitable port on the Paraguay River before entering into the negotiations.

FEELY

724.3415/2571

The Argentine Ambassador (Espil) to the Chairman of the Commission of Neutrals (White)

[Translation]

Washington, November 19, 1932.

YOUR EXCELLENCY: In accordance with instructions which I have received from my Chancellery, I address myself to Your Excellency in reply to the communication of the fourth instant to this Embassy from the Commission of Neutrals.

It has been very gratifying to the Argentine Government to be informed that the proposal formulated on September 22 by the Commission of Neutrals—in which proposal it expressed the intention of inviting all the nations of the Continent to formulate a joint declaration which would characterize the country which refused immediate cessation of hostilities in the Bolivian-Paraguayan conflict and unconditional submission to arbitration, as the aggressor, under the coercive force of suggesting to all American governments that they withdraw their diplomatic and consular representatives from such country—does not involve, in the sense in which that proposal was submitted, a threat, either explicit or by implication, since before it could be adopted, acceptance by the two contending countries had to be counted upon.

There is, thus, cleared up, for my Government, one fundamental point which gave rise to the observations contained in the note of October 18 from this Embassy to the Commission, and my Government is pleased to be informed of the interpretation of the text of the telegram of September 22, an interpretation which it was not easy to perceive clearly as the text read, on the hypothesis that a

measure which appeared to be one of coercion was contingent upon previous acceptance by the parties at which it appeared to be directed.

My Government is also glad to concur in the opinion of the Commission of Neutrals that the interests of peace and the broadest humanitarian ideas do not oblige it to hold back the proposals, directed to terminating the struggle which has arisen between the two countries in conflict, until they have ratified a legal instrument to which they are parties.

It was, without doubt, because of concurring in these ideas that from the first moment my Government took part in the movement for peace which culminated in the declaration of August 3, and made such full contribution, that there will remain, as an honorable testimony of its cooperative action, the telegram which, on the 8th of August, 1932,77 bearing the signatures of all the members of the Commission of Neutrals, was addressed to our Chancellery, with the final declaration:

"In informing Your Excellency of our action in execution of the declaration of America of the 3rd instant which your country has supported with its high authority, we are sure that we have proceeded in harmony with the true interests of both countries in conflict, the permanent interests of the Continent and the thought and intention of Your Excellency's Government".

The confidence expressed by the Commission of Neutrals that Argentina will always be disposed to take part in the efforts which, on behalf of peace, the countries of the Continent may consider necessary to make in common accord is therefore well founded, and I can assure Your Excellency that this hope will in no case be betrayed.

My Government regrets that it does not similarly concur in the opinion expressed by the Commission of Neutrals when it attributes to its laudable work for peace and to the efforts which culminated in the declaration of nineteen American states, the same force and efficacy which an instrument might have which would lend effective operation to so noble a purpose.

The grievous spectacle of the continuance of the bloody conflict between Bolivia and Paraguay, in spite of the said declaration and of the efforts which we have all made, seems to afford sufficient proof that, when the influence of moral opinion does not suffice, because of the obstinacy of the countries in conflict, before entering upon the plane of practical and effective coercion to the end of imposing the purpose of peace, however lofty such purpose may be, it is necessary to give it the foundation of a legal instrument investing the action

[&]quot; Not printed.

carried out in that sense with a real force with which only a legal basis can endow it.

Precisely because it concurs in the opinion of the Commission that a project for international conduct is not always born perfectly developed from its beginnings, the Argentine Government has formulated an anti-war pact ⁷⁸ complementary to the various instruments of peace which avoids, for the future, the unhappy impotence in which we find ourselves to impose, by legal means agreed to and sufficient, the sovereignty of peace in America.

The Commission of Neutrals states that it can not judge of the project referred to, because the project has not been sent to it, and the Commission only knows that it has been submitted for study to some American chancelleries. My Government will take great pleasure in bringing it to the hands of the Commission, but it was logical that in the official procedure the project should be addressed to the chancelleries, as it is well known that the Commission of Neutrals lacks political power, not being an international person qualified to deliver itself authoritatively regarding it, but merely an assemblage of friendly countries joined together in an action of the highest order, a high purpose of peace which does honor to them, as well as to us other American nations who have gone along with them, an assemblage, however, the extent of whose action is rigorously limited to that of good offices.

It would therefore be almost unnecessary to add that within the harmony of views pointed out, the Argentine Government will always be disposed to lend its collaboration, as it has done from the first moment, to every effort which may be made to restore peace to the relations between Bolivia and Paraguay, since the grievous consequences of those relations have serious repercussions on its situation as a neighboring country, causing expenses and constant anxieties which place my country in a unique position, circumstances which will cause it to lose no opportunity which may present itself [and] 78a to take the initiative which it may believe opportune, to contribute to the termination of a struggle so unhappy between two sister nations.

My Government being keenly aware of the lofty spirit which inspired the Commission of Neutrals during all its work, and brought about the consecration of principles which do honor to the Commission as well as to all the American countries which have subscribed to these principles, does not for one moment believe that it has ever had any idea of obstructing, in any case, action designed to bring about concord and international peace which other existing organisms

⁷⁸ See pp. 260 ff.

⁷⁸a Brackets appear in file translation.

may develop, and it is convinced that the latter will have, for that purpose, the full liberty of action which may be necessary to them to put an end to a war which may well be called fratricidal. In this sense, my Government believes that the League of Nations has in this emergency a field of action indicated by the will of the contending parties themselves, who are signatories of the constituent covenant of the League, and that while it works within the purpose with which we all are inspired, we are also in agreement that it can and ought to develop its action without finding an obstacle in regional or continental doctrines concerning which, on our part, we see the necessity of pointing out that they have not had Argentine adhesion nor a consecration established by the unanimous will of the countries of the Continent.

I take pleasure [etc.]

FELIPE ESPIL

724.3415/2626a : Circular telegram

The Secretary of State to the Diplomatic Representatives in Certain American Republics 79

Washington, December 15, 1932—2 p. m.

Commission of Neutrals today made long detailed proposal to Bolivian and Paraguayan Governments for stopping hostilities and definitive settlement of Chaco dispute.⁸⁰ Proposal was made after long patient negotiations with delegates of both parties and is result of mature thought and is eminently fair and just to both parties to the dispute and offers an honorable means of terminating hostilities at once and finally disposing of this troublesome question.

The Commission of Neutrals has telegraphed the text of this suggestion to all the American Governments requesting that they cable the Ministers of Foreign Affairs of Bolivia and Paraguay supporting the proposal. Please discuss the matter at once with Minister of Foreign Affairs and urge discreetly that he send telegrams to the Governments of Bolivia and Paraguay at the earliest possible moment supporting the proposal in as strong terms as possible.

STIMSON

¹⁹ Argentina, Chile, Costa Rica, Dominican Republic, Ecuador, Guatemala, Haiti, Honduras, Nicaragua, Panama, Peru, and Venezuela.
¹⁰ Ante, p. 126.

724.3415/2626a Supp.: Telegram

The Acting Secretary of State to the Ambassador in Brazil (Morgan)

Washington, December 19, 1932—6 p. m.

97. Department's circular December 15th. What action is Brazilian Government taking? Brazilian and Honduran Governments are the only ones which so far have not advised Neutral Commission of their wholehearted support.

CASTLE

724.341526/26a Supp. : Telegram

The Acting Secretary of State to the Minister in Honduras (Lay)

Washington, December 19, 1932—6 p. m.

59. Department's circular December 15th. What action is Honduran Government taking on request of Neutrals to support their proposal to Bolivia and Paraguay?

CASTLE

724.3415/2668 : Telegram

The Minister in Honduras (Lay) to the Secretary of State

TEGUCIGALPA, December 20, 1932—10 a.m. [Received 2:40 p. m.]

114. Minister of Foreign Affairs told me yesterday he had telegraphed Paraguayan and Bolivian Governments supporting proposal of Commission of Neutrals and would telegraph to Mr. White accordingly.

LAY

724.3415/2666: Telegram

The Ambassador in Brazil (Morgan) to the Secretary of State

Rio de Janeiro, December 20, 1932—3 p. m. [Received December 20—1:10 p. m.]

128. Department's telegram 97.81 Brazilian Government telegraphed Bolivian, Paraguayan Foreign Ministers Saturday, December 17, in the sense you desired.

MORGAN

⁸¹ December 19, 6 p. m.

724.3415/2810

The Minister in Paraguay (Wheeler) to the Secretary of State

No. 556

Asunción, December 29, 1932. [Received January 23, 1933.]

Sir: With reference to your telegram No. 59 of December 15, 1 p. m.,82 concerning the latest proposal made to the Governments of Paraguay and Bolivia by the Neutrals, I have the honor to report that today the Brazilian Minister called upon me to request me to inform you that, although the Foreign Office at Rio de Janeiro had instructed him by cable to support the Neutrals in the matter, to his regret the message was received by him after the Paraguayan Government had sent its formal reply.

Respectfully yours,

Post Wheeler

724.3415/2717b: Telegram

The Commission of Neutrals to the Ministers for Foreign Affairs of Argentina, Brazil, Chile, and Peru

[Translation]

Washington, December 31, 1932.

In reply to the proposal of the Neutral Commission of December 15 88 the Government of Bolivia stated 84 that it accepted in principle the main points of the proposal as a basis of discussion to arrive at an arrangement which might assure peace and that in the course of the negotiations either party might bring forward its observations in order to safeguard its rights. The representative of Bolivia, in consequence, stated that he was ready to renew on that basis the negotiations under the good offices of the Neutral Commission.

The Paraguayan Government stated 85 that it considered the neutral proposal unacceptable because it left the Bolivian army in the middle of the Chaco while the Paraguayan army was obliged to abandon the Chaco completely. Paraguay also considered that the proposal did not give guarantees to avoid new incidents nor for the solution of the litigation. The Neutrals pointed out to the Paraguayan Government that Article 8 of proposal definitely stated that nothing in arrangement proposed affects in any shape or form juridical position or the rights of either party and that Neutral Commission was not operating as a tribunal nor deciding regarding alleged rights

⁸² Not printed.

⁸⁸ Ante, p. 126.

^{**} Ante, p. 131. ** Ante, p. 129.

nor examining titles, which were questions within competency of arbitral tribunal mentioned in Article 10 of proposal. Neutrals pointed out they were simply indicating an honorable and decorous procedure in order to terminate immediately hostilities and to submit the Chaco question to arbitration and that the proposal states clearly that the lines established for the withdrawal of the forces and for the policing of the territory are merely devices to this end and do not change or affect in any manner the juridical status of the parties. The Paraguayan Government insisted that no real guarantees were given. Neutral Commission pointed out that Paraguayan Government four months ago accepted the line of June 1st for the cessation of hostilities and pointed cut how contradictory now is Paraguay's position considering insufficient the withdrawal of Bolivian forces beyond the Ballivián-Vitriones line. Proposal of December 15 offers Paraguay a guarantee of security much more effective than line of June 1st. namely an evacuation of a much more considerable portion of the Chaco, reenforced by the presence of a neutral commission and by the obligation of immediate arbitration. Paraguay persisted in this point of view and withdrew temporarily its delegates.

Proposal of December 15 has been recognized by your Excellency's Government and by all the other Governments of America, as well as by the League of Nations, 86 as being a just and honorable one. It is inadmissible, therefore, that a peaceful solution of this conflict cannot be found. To continue fighting when such a fair basis of negotiation and settlement is offered will be condemned most severely by history. Proposal offers a separation of troops to such a great distance that they cannot possibly come into contact. In this connection it will be noted that the Paraguayan Government on September 16 itself suggested the withdrawal of its troops to the Paraguay River, a suggestion identical to that contained in the neutral proposal. Provision is made for the policing of the territory which prevents clashes between the two forces. The lines established both for the policing of the territory and for the withdrawal of the forces are definitely stated to be devices for bringing about and maintaining peace and preventing hostilities and do not affect the juridical situation. Provision is also made for taking the matter to arbitration on a procedure which, when once agreed upon, will proceed automatically to its solution.

The Bolivian Government expresses its readiness to discuss a solution on this basis. The Paraguayan Government has withdrawn its delegation temporarily. In these circumstances the Neutral Commis-

⁸⁶ See p. 257.

sion desires to know what steps Your Excellency's Government is prepared to take in order to bring about peace between those two countries. If the countries of this hemisphere will work together, peace can be reestablished. There is no justification for continuation of fighting and the loss of innocent lives when a just and fair way out is offered. The Neutral Commission will very much appreciate a prompt reply from Your Excellency. A similar request is being made of the other Governments bordering on Bolivia and Paraguay.

WHITE,
President
VARELA
LOZANO
CAMPOS-ORTIZ
BARÓN

III. COOPERATION OF THE LEAGUE OF NATIONS WITH THE COMMISSION OF NEUTRALS 87

724.3415/1909 : Telegram

The Consul at Geneva (Gilbert) to the Secretary of State

Geneva, August 1, 1932—2 p. m. [Received August 1—12:55 p. m.]

225. The European press this morning stated that the President of the Council ⁸⁸ had despatched telegrams to the Governments of Bolivia and Paraguay in the matter of the Bolivian-Paraguayan dispute, the statements conveying the intimation that the Council had "intervened".

I learned from the Acting Secretary General (Sugimura) that the foregoing is not precisely the case. I find, however, that beginning with the date July 21 certain correspondence has taken place between the League and the two Governments parties to the dispute. This correspondence consists in the order of the dates:

1. Letter from the Bolivian delegate ⁸⁹ to the Secretary General citing certain acts of military aggression. "This letter was trans mitted to the delegate of Paraguay"; ⁹⁰

⁸⁷ For League of Nations documentation concerning the dispute between Bolivia and Paraguay, see League of Nations, *Official Journal*, 13th Year, Nos. 9, 11, 12 (September, November, December, 1932), pp. 1574–1586, 1760–1761, 1993–2000.

³⁸ José Matos, Guatemalan representative on the League of Nations Council and President in office of the Council.

⁸⁹ A. Costa du Rels.

⁹⁰ R. V. Caballero de Bedoya.

2. Letter from the delegate of Paraguay denying the allegations

of Bolivia and making counter charges;

3. Letter from the President of the Council to the Secretary General deploring the situation and expressing the hope that the efforts being made by American states to settle the matter may be successful and requesting the two Governments to assist these efforts (this letter the Acting Secretary General has forwarded to the delegates of Bolivia and Paraguay and it is understood that they are telegraphing it to their Governments);

4. A letter from the representative of Paraguay citing further

aggressive acts on the part of Bolivia.

No action has yet been taken either through an "appeal" by Bolivia or Paraguay or by "request" by state member of the League whereby the Council is yet "seized" of this matter.

This entire exchange of correspondence has been strictly confidential and made available only to members of the Council. The League policy in this is not to intervene or to take steps which might interfere with measures already being taken by American states.

The Acting Secretary General stated to me informally that he would appreciate any information on the matter which the United States Government might desire to furnish.

I am mailing today the correspondence cited and I would appreciate instructions as to whether texts of this or further pertinent correspondence are desired by telegraph.

GILBERT

724.3415/1942 : Telegram

The Consul at Geneva (Gilbert) to the Secretary of State

Geneva, August 3, 1932—7 p. m. [Received August 3—2:10 p. m.]

- 228. 1. A communication from the Bolivian Government to the President of the Council in reply to the communication described under paragraph 3 of Consulate's 226, August 2, 4 p. m.,⁹¹ denies allegations made by Paraguay, adduces Bolivia's historical claims to disputed territory, and completely ignores request regarding Paraguay's proposal for arbitration and also the request as to what pacific means of settlement Bolivia is ready to accept.
- 2. I orally communicated to Dufour-Féronce, Acting Secretary General, contents of Department 105, August 2, 5 p. m.⁹²

⁹¹ Not printed.

⁹² Not printed; it informed the Consul of the present activities of the five neutral countries.

- 3. In conversation with me Dufour-Féronce reaffirmed League policy as being opposed to intervention in dispute in view of mediatory action under way by American states. He said that the communications between the League and the disputants were necessary as the League could not wholly "ignore" such a situation between League states. He does not anticipate any League states invoking League action except perhaps one of the disputants. He hopes that neither Bolivia nor Paraguay will take action but mentioned that for obvious reasons it would be improper for any League authority to intimate to them that they should not do so. Should either formally invoke the Covenant 93 there would be no recourse but for the Council to act.
- 4. Dufour-Féronce appreciates fully the desirability of the United States Government being currently informed respecting the League's relations with Bolivia and Paraguay. He feels that this information should be conveyed to me on a strictly informal basis and regarded as confidential in order to obviate misleading speculations. In a sense the material furnished is not confidential as it is impossible to keep material transmitted to members of the Council from the
- 5. I would appreciate being informed for my guidance Department's attitude respecting policy set forth in preceding paragraph. GILBERT

724.3415/2067a

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

[Extract] %

Washington, August 15, 1932.

DEAR HUGH: A couple of nights ago the Secretary and I were discussing the Bolivia-Paraguay problem and he suggested that it might be well to let you have some of the background in order that you might advise Drummond thereof, with a view to staving off any independent action on the part of the League in the matter. We of course understand that if either Bolivia or Paraguay makes a request of the Assembly, when it meets next month, to study the matter, it will have to do so.

⁹³ Treaties, Conventions, etc., 1910–1923, vol. III, p. 3336.

⁹⁴ The omitted portion of this letter summarizes correspondence printed under sections entitled "Good Offices of the Commission of Neutrals" and "Efforts of the Commission of Neutrals to Obtain the Cooperation of the ABCP Republics," pp. 8 ff. and 136 ff.

The story is as follows:

On December 5, 1928, there was a clash in the Chaco at a fort called Fortin Vanguardia. This was a Bolivian fort and was destroyed by the Paraguayans. Hostilities were imminent. On December 10, 1928, the Pan American Conference on Arbitration and Conciliation opened and it seemed to all of us to be most anomalous to have a Pan American Conference considering arbitration and conciliation while two of the countries were on the point of going to war. Consequently, the first thing the Conference did, upon its opening, was to offer its good offices to the Bolivian and Paraguayan Governments.95 The good offices were accepted and after most tedious negotiations the sub-committee of five succeeded in bringing about an agreement between the two countries for the signature of a protocol 96 which provided for the establishment of a Commission of Inquiry and Conciliation, composed of five neutral members, to investigate and conciliate the incident of December 5 and to apportion the responsibility therefor. The function of the Committee was strictly limited, on the insistence of Bolivia, to the two points mentioned, and its duration was also strictly limited, likewise on the insistence of Bolivia, to a six months period.

The Sub-Committee of the Pan American Conference which considered this matter was presided over by Señor Maúrtua of Peru. Mr. Hughes represented the United States; Ferrara, Cuba; Manuel Foster, Chile, and do Amaral, Brazil. It was contemplated that the Neutral Commission of Inquiry and Conciliation would consist of representatives of those five countries. Chile, however, at that time had a young, inexperienced, rather peppery and indiscreet Minister of Foreign Affairs, Rios Gallardo, who also was quite anti-Bolivian, and he had sent some rather gratuitously affronting telegrams to the Bolivian Government. In naming the Commission, therefore, Bolivia insisted that Chile should not be on it. The Peruvians at once said that if Chile was not on the Commission Peru would withdraw as Peru did not want to seem to be getting any advantage over Chile, the Tacna-Arica affair at that time not yet having been settled. Argentina was the only American nation not present at the Conference. Before the Conference went into the matter of drawing up a protocol, it asked Argentina, who had been carrying on negotiations in the past between the two countries, whether she was still interested and whether the work or action of the Commission would inter-

Protocol of January 3, 1929, Foreign Relations, 1929, vol. 1, p. 835.

²⁵ Foreign Relations, 1928, vol. 1, p. 685; Proceedings of the International Conference of American States on Conciliation and Arbitration Held at Washington December 10, 1928-January 5, 1929 (Washington, Government Printing Office, 1929), p. 86.

fere with what she was doing. Irigoven replied that as his good offices for a definite settlement of the Chaco matter had not been unreservedly accepted by Bolivia, Argentina had stepped out and was no longer interested, and the work of the Neutral Commission would not interfere with anything Argentina was doing. Argentina was then asked if she would like to be represented on the Commission of Inquiry and Conciliation and declined.98 Mexico and Cuba were then put on the Commission in the place of Chile and Peru. At the last moment, much to our surprise, Brazil withdrew from the Commission, 99 saying that she had just settled a boundary dispute with Bolivia respecting territory which borders on the disputed Chaco area, and she therefore thought it would be better if she did not take part in the Commission. Colombia was then substituted in Brazil's place 1 and the Commission of Inquiry and Conciliation was finally established on March 13, 1929, consisting of representatives of the United States, Mexico, Colombia, Cuba and Uruguay.

Frank McCoy represented the United States and meetings were held until the Commission expired by limitation on September 13, 1929. This Commission succeeded in conciliating the incident of December 5, 1928. The Commission, in the course of the six months' period, endeavored to see whether a direct settlement or an agreement on a formula for arbitration could not be arrived at to dispose of the fundamental question at issue and succeeded in getting both countries to extend the powers of the Commission so that they could informally discuss these matters. They were unable to come to a direct settlement nor were they able to find a formula for arbitration which both parties would agree to. Therefore, when the Commission went out of existence on September 13, 1929, the fundamental question was still pending; there were considerable troops on both sides in the Chaco; there were about fifty forts (really only mud huts) facing one another in the Chaco, and further clashes were apt to occur at any time.

Impressed with the danger of the situation, in view of the very strained relations between the two countries, as shown in the course of their negotiations, and the fact that it was only the fortuitous circumstance that the Pan American Conference was in session that there was any machinery in this hemisphere quickly available to act in the matter and offer its good offices, the five neutral members of the Commission of Inquiry and Conciliation recommended to the Secretary of State and to their respective Governments that some machin-

Foreign Relations, 1929, vol. 1, p. 829.

³⁰ *Ibid.*, p. 831. ¹ *Ibid.*, p. 833.

ery should be set up to offer its good offices to the two parties. As a result, the Secretary called in the diplomatic representatives in Washington of the other four neutral countries and suggested that they get the agreement of their Governments to the five Governments offering their good offices to the two contending parties. This was agreed to and on October 1, 1929, telegrams signed by the Secretary and the diplomatic representatives in Washington of the other four countries were sent to the Ministers of Foreign Affairs of Bolivia and Paraguay offering the good offices of this group to both countries.² Paraguav accepted at once. Bolivia temporized, made all sorts of inquiries and reservations, but would not accept any concrete suggestion for an arbitral settlement or negotiations looking to an arrangement by other amicable means.

Finally, at the end of May or early in June, 1931, the Neutral Commission here received a further inquiry 3 from Paraguay asking whether it was not time to take the matter up again and make another attempt. The President of Bolivia having in the meantime made a very vague statement, which nevertheless gave us something to hook onto as representing a readiness on the part of Bolivia now to enter into negotiations, inquiry to this effect was made of both countries in June, 1931.4 The Paraguayans again accepted at once 5 but it was not until the end of July that we got a reply from Bolivia which still insisted on impossible conditions but did definitely state a readiness to consider a pact of non-aggression.

While the Neutrals felt that a pact of non-aggression would be a useless step and a waste of time, nevertheless it was the only tangible thing Bolivia had indicated a readiness to discuss, and therefore, on August 6, 1931, both countries were invited 6 to send representatives to Washington to consider a pact of non-aggression. Later in the month they both accepted. In view of the delay in getting Bolivia to fix a date on which the conversations could begin, it was necessary to ask all the nations of America to join with us in sending telegrams to both countries asking them to take up the negotiation for a pact

² See Foreign Relations, 1929, vol. 1, pp. 903-907.

³ See note No. 502 (bis), April 20, 1931, from the Paraguayan Minister for Foreign Affairs to the American Chargé in Paraguay, *ibid.*, 1931, vol. 1, p. 715.

⁴ For texts of notes (to be presented June 25), see telegram No. 23, June 22, 1931, 7 p. m., to the Chargé in Bolivia, and telegram No. 20, June 22, 1931, 7 p. m., to the Chargé in Paraguay, *ibid.*, pp. 725 and 727.

⁴ See telegram No. 70, October 9, 1931, 7 p. m., to the Ambassador in Brazil, par. 3, *ibid.*, p. 759, where it is stated that "This note was never answered by Paragraphy".

Paraguay.'

^{*}For texts of notes (to be presented August 6), see telegram No. 40, July 30, 1931, 7 p. m., to the Minister in Bolivia; telegram No. 29, July 30, 1931, 7 p. m., to the Chargé in Paraguay; and telegram No. 41, August 5, 1931, 6 p. m., to the Minister in Bolivia, *ibid.*, pp. 751, 752, and 753.

of non-aggression without delay and to follow it up by a consideration of an agreement to submit the whole matter to arbitration. The nineteen countries of America sent such a message on October 19, 1931, and then we got their prompt agreement for the opening of the conference on November 11.

At the opening of the conference the Bolivians produced their credentials which were addressed to the Paraguayan Delegation, ignoring the Neutrals. They pretended that they had come to Washington to discuss the matter directly with the Paraguayans without any intervention or suggestions on the part of the Neutrals. Grudgingly they said that the Neutrals could look on as spectators but could not make any suggestions. The Bolivians were told flatly that the Neutrals had not proposed to do anything of the sort; they had offered their good offices; their good offices had been accepted by both parties, and they would not put up with any such nonsense. The Bolivians then suggested that I take part as representing all the Neutrals. I would not agree to this unless the Bolivians said that they would welcome the presence of all the Neutrals. Finally it was agreed that I would not only be present but would preside over the meetings and, as presiding officer, would naturally make suggestions, and that the other Neutrals would be welcome to come in and take part in any and every meeting if they so desired.

The above details of course are not for Drummond, especially any reference to the difficulties we may have had with independent action on the part of Argentina, but are merely to show you, so that you can tell Drummond, how the Neutrals have been working on this intricate matter for four years now and almost constantly in the face of most discouraging obstacles and setbacks. . . . The outlook at present is favorable for a definite settlement of this matter if patience and forbearance is used and a united front is presented by all concerned. Independent negotiations at two or three different focal points can only complicate matters as we have already seen. We therefore hope that the League, which I must say in its communications so far has been very good about supporting the Neutrals and has not entered the matter more than it was absolutely obliged to, will continue not to. get into the matter any more than it absolutely has to, and that if it has to take action it will use its influence to support what the Neutral Commission in Washington is doing. We of course understand that if either of the parties to the conflict demands League

^{&#}x27;See circular telegrams of October 16, 1931, 5 p. m., and October 19, 1931, 5 p. m., to certain diplomatic representatives in Latin America, *Foreign Relations*, 1931, vol. 1, pp. 766 and 768.

action the League will be obliged to take action. Even in that case, however, they could probably reiterate the principles set forth by the American nations on August 3 and further support the work of the Neutrals. Incidentally, it may be stated, in this connection, that four of the nations signing the declaration of August 3 8 have not adhered to the Kellogg Pact, namely Argentina, Brazil, Uruguay and El Salvador. The only American nation, therefore, which has not agreed to the Kellogg Pact or has not signed this declaration is Bolivia and Bolivia has stated that she supports the principles we have set forth in the declaration of August 3.

The Neutrals have a definite objective, namely to bring about peace and settle this controversy, and in doing so to have a cessation of hostilities as quickly as possible and to support the declaration of August 3. The Argentine suggestion of a truce on the basis of present occupations, which is the Bolivian contention, is definitely contrary to the declaration and would scrap it practically at its inception. We have therefore not been able to accept that proposal. Also, while we did not put too much stock in the Argentine argument and the argument put forward by the Bolivian representative here that the Bolivian Government would fall if it had to turn back the positions now occupied, (as we knew that this suggestion did not arise in La Paz but was given to the Bolivian Government by their Minister in Washington, perhaps at the instigation of certain others here), we nevertheless did not want to take too rigid a position and make this collateral question the main issue when we are trying to bring about peace. On August 9 the Neutrals therefore inquired of Bolivia 10 whether the Bolivian proposal of a cessation of hostilities on the basis of present occupations was made with the understanding that such occupations do not alter the juridical situation of Bolivia and Paraguay since the first of June, 1932; secondly, whether Bolivia would accept to submit the controversy over the Chaco immediately to an arbitration by means of negotiations which would begin before the fifteenth of September; thirdly, whether it would agree to abandon before the fifteen of June, 1933, the occupations made in the territory since the first of June, 1932, unless there should be a distinct agreement regarding this point between the two countries in dispute and that, in the meantime, it would maintain only the minimum personnel in those positions for their custody, and fourthly, whether it would agree to give facilities to the representatives which the Neutral Commission might wish to send to the Chaco territory for such inves-

^{*} Ante, p. 159.

Foreign Relations, 1928, vol. 1, p. 153.

¹⁰ See telegram of August 9 to the Bolivian Minister for Foreign Affairs, p. 63.

tigation as might be pertinent. This suggestion was made to help Bolivia if she really has a bona fide political situation that is troubling her. It maintains the principle of the August 3 declaration by fixing a definite date for the evacuation of the territory recently conquered. It was Argentina's support of the Bolivian thesis which we feel caused Bolivia not to accept this proposal. We are going back at Bolivia as we have now got the neighboring countries in agreement to support our stand. If we can get Bolivia to accept, the way should then be open for a definitive settlement of this long drawn out controversy.

I think the above gives you the full story to date and I shall let you know of any other developments which might be helpful to you. The Secretary thought that a frank confidential talk by you with Drummond to let them know in advance just what our problem and difficulty is in this matter and what our objectives are would probably avoid their taking any action counter thereto.

With all good wishes [etc.]

Francis White

724.3415/2282: Telegram

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

Berne, September 14, 1932—1 p. m. [Received 3:15 p. m.]

81. Reference letter from Francis White August 15—Bolivia-Paraguay. I had an informal and private conversation yesterday with Drummond following the suggestions of the latter [letter?]. As I terminated, Drummond said it was curious that I had brought up the question as he had been about to request me to call and talk about that very problem.

He had every desire both to avoid further complicating the present discussions in the League and to facilitate and aid the work of the Committee of Neutrals and as it appeared, of all the American states. Certainly anything that it might be necessary to do would be carried out in this spirit. The situation in South America had been giving him concern both because of its inherent possibilities and because it would jeopardize the Covenant and have a bad effect on the Manchurian discussions ¹¹ about to be renewed if the League appeared to disinterest itself completely in the South American problem. Also the Covenant of the League is the only treaty that binds both Governments since Bolivia is not bound by the Kellogg Pact.

Drummond had been considering whether the Council could not

¹¹ For correspondence, see volume III.

act in such a way as to avoid the reproach of indifference and at the same time strengthen your position in this matter and would be glad to hear what you would think of the following action which he says he can readily persuade the Council to undertake: As you know (Gilbert's 238, September 12, 11 a. m.)¹² Drummond telegraphed September 10 and has a reply from Paraguay (Gilbert's 239, September 14)¹² of which a portion reads as follows: "The Neutral Commission is continuing its mediation up [to] the present. Thus we have omitted having recourse to the League of Nations". On the other hand Bolivia telegraphed the President of the Council December 18, 1928 in part as follows: "I have the honor to inform Your Excellency that, in accordance with the suggestions of the Council of the League of Nations, the Bolivian Government has just accepted the good offices offered by the Conference of Conciliation and Arbitration now in session at Washington."

The Council could cable both parties pointing out obligations under the Covenant, the acceptance (or apparent acceptance) by both of mediation and urge strongly to confide the case to the Neutral Commission and abide by its recommendations and decisions. Please instruct.

WILSON

724.3415/2282: Telegram

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

Washington, September 15, 1932—11 a.m.

62. Department approves suggestion made by you in last paragraph of your 81, September 14, 1 p. m. If this action should be taken it would help very materially.

STIMSON

724.3415/2296: Telegram

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

Berne, September 17, 1932—11 a.m. [Received September 17—7:34 a.m.]

84. Your 62, September 15, 11 a. m. Drummond says that he will start this in motion. He adds that it would be very helpful to him and perhaps prevent his making a slip if you could be good enough to give him for his confidential information if advisable,

¹² Not printed.

1. Your views on this subject, which party is most recalcitrant, your general policy, et cetera.

2. The details of the plan which the Commission of Neutrals is now

endeavoring to make the two parties accept.

3. Information as to the progress of your negotiations from time to time as they take place.

Wilson

724.3415/2296: Telegram

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

Washington, September 19, 1932—5 p. m.

64. Your 84, September 17, 11 a.m. Until recently Bolivia was the recalcitrant one. In the last 4 or 5 days Bolivia has become more cooperative and Paraguay has become recalcitrant and even somewhat truculent in her answers. This is evidently because Paraguay seems to be getting the better of the present hostilities.

The plan of the Neutrals at present is to try to bring about an immediate cessation of hostilities and then negotiations for a settlement of the fundamental question of the Chaco. Of course conditions for the continuance of the cessation of hostilities might also be discussed at the outset. Bolivia has agreed to the immediate cessation of hostilities and to a discussion of the fundamental question at issue. Paraguay has also agreed to a discussion with the Neutrals of the fundamental question at issue as soon as a truce can be arranged which she says will not be used by Bolivia to improve her military situation so that the negotiations will not be carried on under the pressure of military threat. The Neutrals are endeavoring to work out this remaining difficulty and are hopeful of success. I shall be glad to keep you informed of progress of negotiations from time to time.

724.3415/2309: Telegram

The Minister in Colombia (Caffery) to the Secretary of State

Водота́, September 21, 1932—4 р. m. [Received 7:44 р. m.]

74. Olaya referring to telegram of September 20 from Lozano, Washington, and his reply thereto, same date, regarding Argentine plans to take Chaco question to Geneva, asks if the Department of State desires him only to instruct Colombian delegates or should he also endeavor to persuade other Latin American governments to instruct their delegates also.

CAFFERY

724.3415/2309: Telegram

The Secretary of State to the Minister in Colombia (Caffery)

Washington, September 22, 1932—6 p. m.

42. Your 74, September 21, 4 p. m. In informal discussion of certain of the Neutrals it was suggested that they would ask their Governments to advise their representatives at Geneva fully regarding the Chaco negotiations in order that they would have the full background should the matter be brought up at the League meeting. Department has no suggestion to make regarding endeavor to persuade other Latin American delegates to instruct their delegates also but leaves this matter to Olaya. The question has not been raised here. The only point discussed was that the representatives at the League of the Neutral Governments, members of the League, should be fully informed of the situation so that they could handle it if it is brought up.

724.3415/2326 : Telegram

The Consul at Geneva (Gilbert) to the Secretary of State

Geneva, September 23, 1932—4 p. m. [Received September 24—3:25 p. m.]

263. At the Council meeting this morning under the presidency of de Valera (Irish), Matos (Guatemala), who, the Department will recall, as former President of the Council engaged in correspondence with the Bolivian and Paraguayan Governments (although this matter was not on the agenda) brought forward the Bolivian-Paraguayan matter.

He cited the exchanges between himself and those Governments, as reported in the Consulate's previous telegrams, and in this no new elements were introduced. He then emphasized however that he felt this action had been particularly incumbent on him inasmuch as the Covenant of the League is the only instrument by which these states are mutually bound in matters respecting the maintenance of peace. He pointed out the efforts which were being made by the "neutrals" at Washington and by "neighboring countries" which he had followed with "satisfaction and confidence" particularly the declaration by the "nineteen countries" that they would not recognize any territorial arrangements which had not been obtained by pacific means (note Consulate's despatch No. 353, political, September 13, page 3).¹³

[&]quot; Not printed.

He suggested that the Council should declare that it held itself ready to further these efforts of the American Republics and that the Secretary General should make this declaration known to the American Republics.

Madariaga (Spanish) voiced general approval of Matos' statement but stressed strongly that no other legal link in this matter existed between the disputants except the Covenant and that all other efforts were voluntary and only expressions of international goodwill. He asserted that the Council is bound, particularly under the provisions of the Covenant, to take some action and that under these circumstances the Council should go further and give definite indications of its responsibility. He suggested that a rapporteur or a small committee be appointed to follow this matter and to report to the Council.

The representatives of Great Britain, France and Panama associated themselves with the statements of Matos and of Madariaga.

The statements of Matos which were regarded in the light of a "report" were approved by the Council. No action was taken on Madariaga's suggestions. .

In conversations later with Matos and responsible officials I gathered that the policy of the leading members of the Council is that the League continue its position substantially as outlined in my conversation with Dufour-Féronce, reported in my No. 228, August 3, 7 p. m., paragraph 3, and that even though a rapporteur or a special committee [is appointed, this would be?] merely in line with Council procedure in similar cases and would not necessarily imply a change of policy in this matter.

GILBERT

724.3415/2339 : Telegram

The Consul at Geneva (Gilbert) to the Secretary of State

GENEVA, September 26, 1932—5 p. m. [Received September 26—4:38 p. m.]

269. De Valera asked me to come to see him this afternoon. He said that a small Council committee will be appointed possibly this evening to consider the Bolivia-Paraguay situation (Consulate's No. 263, September 23, 4 p. m., final paragraph) which will consist of himself, Matos and one or possibly more Council members.

He stated that he had learned that the United States had taken up questions of policy in this matter with certain League officials; that he was most favorably disposed toward the United States and that he thought it well to present his present views on this subject for transmission to Washington should I desire to do so. He then ex-

pressed himself in substance as follows. The small committee referred to would meet at an early date. While a settlement of the problem in the Chaco was the aim to be attained by whatever means were best, the committee would nevertheless have to consider fully the duties and obligations of the League in an affair of this kind. He well recognized the dangers of double jurisdiction (referring of course to the Committee of Neutrals in Washington) but should war eventuate, the League would be faced by a situation in which it would be compelled to take definite action and that therefore it could not disregard a condition which might lead to war. The League should of course lend full support in the most expedient manner to mediatory action which was being taken in Washington but that League action would depend upon the progressive or prospective success of those mediatory efforts. He declared that he was quite in the dark as to: (1), the precise action which had been taken and was being taken in Washington; (2), by whom it was being taken; (3) the proposals made to the disputants and the commitments obtained from them and: (4), the present status of the situation from a technical point of view and the prospects of a successful outcome. He said that tonight the Council committee would be determined very largely by the nature of this information could it be placed before them. He indicated that if possible he would like to have it furnished from Washington.

In order that the Department may more fully evaluate the situation here I may add that ever since the action of the Extraordinary Assembly in the Sino-Japanese matter with which the Department is familiar there has been a marked tendency for the smaller states to assert themselves more strongly in the matter of League policy which means in effect a more insistent and perhaps idealistic regard for the prestige of the League itself and certainly greater insistence on a regard for the obligations of League states under League instruments.

Furthermore the circumstance of de Valera being President of the Council presumably until January suggests strongly that League policy at least for the present will be less under British influence and in a more general sense less under the influence of the great powers.

GILBERT

724.3415/2335 : Telegram

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

Washington, September 26, 1932—7 p. m.

5. For Wilson. Neutrals on 22nd proposed to Bolivia and Paraguay ¹⁴ immediate cessation of hostilities without conditions and submission of matter to arbitration without reservations. Bolivia has accepted immediate cessation of hostilities but has not yet answered on arbitration. Paraguay has accepted arbitration and immediate cessation of hostilities but on condition that troops of both countries are withdrawn. Both countries have accepted the sending of neutral delegation which will supervise the maintenance of peace.

Neutrals today pointed out to Paraguay that question of withdrawal of troops is a matter which the Neutral Commission can take up as soon as hostilities are terminated and is endeavoring in view thereof to have Paraguay accept proposal of 22nd. Neutrals are trying to have Bolivia accept on point of arbitration.

STIMSON

724.3415/2339 : Telegram

The Secretary of State to the Consul at Geneva (Gilbert)

Washington, September 27, 1932—2 p. m.

141. Your 269, September 26, 5 p. m. Wilson has been informed ¹⁵ regarding Chaco developments. Please advise him of De Valera's conversation with you. ¹⁶

STIMSON

724.3415/2357 : Telegram

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

Geneva, September 28, 1932—4 p. m. [Received September 28—11:35 a. m.]

7. Drummond told me that the message in your 5, September 26, 7 p. m., was exactly what he had hoped for and that it was the decisive factor in causing the committee of the Council to send a telegram to the two parties (Consulate's telegram No. 272, September 28, 4 [6]

¹⁴ See p. 93.

¹⁵ See supra.

¹⁶ As set forth in telegram No. 269, September 26, 5 p. m., from the Consul at Geneva, p. 232.

p. m.).¹⁷ Drummond added that if he can have at frequent intervals reports of what the Commission of Neutrals is doing and of progress in the matter especially during the session of the Assembly he thinks he can keep the matter entirely within the bounds of cooperation with the work of the Commission of Neutrals.

WILSON

724.3415/2368 : Telegram

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

Geneva, September 29, 1932—7 p. m. [Received September 29—5:51 p. m.]

12. De Valera asked me to call to discuss Paraguay-Bolivia situation. He asked me what news I had regarding it and I gave him what was available. He talked along the general lines of Gilbert's number 269, September 26, 5 p. m., and then brought up the question whether it was not feasible to have the Council committee kept in closer touch by the Committee of Neutrals with what is going on. After some conversation he said that he was contemplating having the Council committee refer to the Committee of Neutrals the replies from Bolivia and Paraguay to the Council's telegram, expressing the hope that the Committee of Neutrals will push the matter as expeditiously as possible, expressing the hope of success to their efforts and asking the Committee of Neutrals if it would be good enough, since both parties are earnestly desirous of cooperating for the same purpose, to keep the Council informed of their activity.

He also asked whether I could obtain for him any news as to whether the Committee of Neighboring States was also active or whether their efforts had been merged with those of the Committee of Neutrals.

WILSON

724.3415/2372 : Telegram

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

Geneva, September 30, 1932—1 p. m. [Received September 30—9:15 a. m.]

14. Supplementing my 12, September 29, 7 p. m., Drummond informs me privately that Council Committee met this morning and decided to take action in the sense reported in my first paragraph

¹⁷ Not printed.

and are sending a telegram addressed "President of the Commission of Neutrals, care State Department, Washington."

Drummond states that this will be held confidential until 12 o'clock tomorrow, Geneva time, when it will be released.

Drummond emphasized again that Council committee is animated by the desire of being helpful and cooperative with the work of the Committee of Neutrals.

WILSON

724.3415/2368 : Telegram

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

Washington, September 30, 1932—7 p. m.

13. For Wilson. Your 12, September 29, 7 p. m., last paragraph. White's letters of September 19th and 20th ¹⁸ give you information regarding the action of Argentina. At the present time the neighboring states have not agreed on any action of their own but they have all collectively and individually assured the Neutral Commission that they approve of its manner of handling the matter, are supporting and backing the Neutral Commission, and desire to cooperate and be helpful.

Neutral Commission this evening answered League's cable.

STIMSON

724.3415/2376a: Telegram

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

Washington, September 30, 1932—8 p.m.

14. For Wilson. Please explain to Drummond and de Valera following regarding the Chaco matter:

First, give them a copy of the declaration made by the other 19 American countries to Bolivia and Paraguay on August 3rd.¹⁹ Please state that on July 7th the Neutrals received the first complaint from either of the parties regarding an attack in the Chaco. On that date Paraguay complained that one of its forts had been attacked by

¹⁸ Not printed; the letters summarize correspondence printed under sections entitled "Good Offices of the Commission of Neutrals" and "Efforts of the Commission of Neutrals to Obtain the Cooperation of the ABCP Republics," pp 8 ff. and 136 ff.

¹⁹ Ante, p. 159.

Bolivia on June 15th. A series of complaints from one side or the other ensued regarding attacks through July 29. On August 3rd the declaration of the 19 American countries was made and the Neutral Commission asked both parties to stop hostilities on the basis of the status quo before June 15th and enter into immediate negotiations for a settlement of their differences. The suggestion of the status quo ante was made on account of lack of reliable information regarding the series of attacks by one side or the other because it was felt that this suggestion would be fair to both parties and that any other basis might lead to a refusal while one of the parties tried to recapture positions lost since June 15th and also because it coincided with the doctrine of August 3rd. Bolivia declined to go back to the status quo prior to June 15th. The Neutrals then suggested a truce for 60 days, during which negotiations for a settlement would be undertaken.

Bolivia accepted a truce for 30 days. Paraguay accepted termination of hostilities contingent upon guarantees that Bolivia would not use the period of suspension of hostilities to better its military position and attack Paraguay at the end of the truce.

Both parties repeatedly expressed their peaceful intentions but the fighting continued. On September 22, therefore, the Neutral Commission advised both parties that in view of their professions of peaceful intentions the further continuation of fighting was inexcusable and called on them to terminate hostilities at once without conditions and to agree to enter immediately into negotiations for an arbitral settlement without reservations. The Neutral Commission added that it would send military representatives at once to the Chaco to observe and report on the compliance of both parties with their agreement to stop hostilities, should they accept, and added that if these military representatives reported that either party had resumed military operations the Neutral Committee would declare that country the aggressor and would invite the other American countries to withdraw their diplomatic and consular representatives from that country. It was felt that this gave Paraguay as full guarantees as it was possible to get regarding the observance of the truce while the matter was being arbitrated.

Bolivia accepted the immediate cessation of hostilities but did not at once reply regarding arbitration. Bolivia has now said that she can not accept arbitration without reservations because Paraguay claims as part of the Chaco a large section of country which is really in Bolivia proper. Paraguay accepted arbitration but still makes conditions regarding the termination of hostilities, namely, the evacuation of all troops from the Chaco. Bolivia does not accept this and states that the condition of the terrain would put her at a great dis-

advantage should she accept. Bolivia maintains that Paraguay could reoccupy in a few days positions evacuated whereas Bolivia would require 2 months or more to do so.

The Neutrals today are requesting both Bolivia and Paraguay to state what they consider to be the limits of the Chaco to see if agreement on this point will not make it easier to get an acceptance of suspension of hostilities and an immediate arbitral solution of the fundamental question. Paraguay is also being asked whether, in view of her recapture of Fort Boquerón and other forts taken from her by Bolivia since June 15th, and the beginning of the rainy season, she does not feel that she can now suspend hostilities without reservations but relying on the neutral military commission to see that the truce is observed.

The Neutral Commission feels that there is nothing more to be done at present; is appreciative of the offer of the League to support what the Neutrals are doing, and will gladly keep the League informed, making such specific suggestions for cooperation as the situation, as it later develops, may require.

The League should use patience at the present moment and not expect to get a settlement in the 3 weeks it is in session. The matter will move more slowly. It seems to be entering into a more satisfactory phase and the beginning of the rainy season, while possibly not preventing small clashes, will undoubtedly prevent for some months any large operations.

STIMSON

724.3415/2378 : Telegram

The President of the Council of the League of Nations (De Valera)
to the Chairman of the Commission of Neutrals (White)

Geneva, October 1, 1932. [Received 2:30 p. m.]

Committee of Council thanks you for prompt, courteous reply and for promise keep it informed further developments this matter and give full consideration any suggestions which it may make. For moment point which particularly preoccupies Council is fact that armed forces two countries are close contact one another and that however pacific intentions of Governments may be this situation inevitably leads to risk incidents serious nature and prejudice peaceful solution we hope to secure. When similar though less acute situation arose December 1928, Council in telegram both Governments observed that in its experience it is most important confine all military measures to those which could not involve danger their armed forces

coming into contact.²⁰ It would therefore appear particularly desirable that without prejudicing any way final solution dispute two Governments should withdraw forces such distance from one another as would do away with existing risk. Experience of Council would indicate that most effective method bringing about this result would be despatch commission military officers chosen with view enabling them proceed spot quickliest possible who would, acting in harmony with military commanders in field both sides, report on measures taken reduce danger local fighting. Council committee would welcome any further information which you able forward them on progress your efforts for securing acceptance of a basis for final arbitration of conflict.

DE VALERA

724.3415/2378 : Telegram

The Chairman of the Commission of Neutrals (White) to the President of the Council of the League of Nations (De Valera)

Washington, October 13, 1932.

Commission of Neutrals received your telegram of October 1st suggesting Bolivia and Paraguay should withdraw forces such distance from one another as would eliminate existing risk and the sending of a commission of military officers to the spot to act in harmony with military commanders both sides and report on measures taken to reduce danger of local fighting. Such a proposal had already been made by the Neutral Commission to both contending parties on September 14th.²¹ Both sides accepted the sending of a commission by the Neutrals ²² and this commission will proceed as soon as the situation seems appropriate therefor. Neutrals still feel this question must be handled as it has been in the past with much patience in order to avoid greater complications. Negotiations for termination of hostilities on satisfactory conditions of security to both are now proceeding satisfactorily as are negotiations for securing acceptance of bases for final arbitration of conflict.

FRANCIS WHITE

 $^{^{20}}$ See telegram No. 119, December 11, 1928, 7 p. m., from the Minister in Switzerland. Foreign Relations, 1928, vol. 1, p. 686.

²¹ Ante, p. 88. ²² See last paragraph of telegram dated September 26, from the Commission of Neutrals to the Paraguayan Minister for Foreign Affairs, p. 96.

724.3415/24341/4

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

33 Quai Wilson Geneva, Switzerland, October 17, 1932.

DEAR FRANCIS: Many thanks for your letters regarding the Chaco dispute. They were most helpful in conversations with Drummond and De Valera. The information which they contained, together with what you sent me in telegrams, headed off, I think, an endeavor by the Council to take direct jurisdiction in this matter and thereby cross wires with the work of the Neutral Commission.

As you know, the Council will meet on November 14th to take up the Lytton Report.²³ There will undoubtedly be certain other items on the agenda and in all probability it will give consideration to the status of the Chaco dispute. You are probably aware of the fact that during the past year a number of the small states have been feeling their oats and insisting on a rigid application of the terms of the Covenant, having been frightened by what they consider the laxity of the great states in dealing with the Manchurian problem. It is well on the cards that this feeling will inspire the representatives of these states to try and force the Council to take action itself if real progress has not been made in the solution of the dispute between Paraguay and Bolivia.

Having watched this show for years I am not inclined to be a prophet and therefore won't say what they will do, but I think you should have your mind prepared for some such action and endeavor in the meantime to concentrate all possible pressure on Paraguay and Bolivia in order to satisfy the Council that this matter is really reaching a solution. I know you are doing this already; nevertheless I do think there is real reason to expect that they will take action themselves in the next session if they are not satisfied.

Very sincerely yours,

Hugh R. Wilson

²⁸ League of Nations, Appeal by the Chinese Government, Report of the Commission of Inquiry (Geneva, October 1, 1932).

724.3415/2455b : Telegram

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

Washington, October 26, 1932—5 p. m.

25. For Wilson from White. On October 12 Neutral Commission asked Bolivia and Paraguay ²⁴ to authorize their delegates in Washington to come to a meeting of the Commission of Neutrals to discuss, draw up and sign with the delegate of the other party, an agreement covering the following points: 1. The separation of troops in the Chaco; 2. the demobilization of the reserve troops of both countries; 3. the reduction and limitation for a stated period of the regular armies in both Bolivia and Paraguay. The letter added that it was understood that a commission of neutral military officers will be provided for in the agreement to verify compliance with the above condition. It was also stated that the agreement should provide that the controversy between the two Governments would be settled solely by arbitration and provide for the opening within a reasonable period, say a fortnight after the signing of the agreement, of negotiations for an arbitral settlement of the Chaco dispute.

Paraguay accepted this proposal on the 14th.²⁵ Bolivia accepted it this afternoon ²⁶ and the first meeting will be held tomorrow, October 27, at 3 p. m. You may inform Drummond of the above. [White.]

CASTLE

724.3415/2457: Telegram

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

Geneva, October 27, 1932—7 p. m. [Received October 27—6 p. m.]

28. Your 25, October 26, 5 p. m. I have communicated substance of this telegram to Drummond. He was happy to hear the news it contains and stated that the Council committee when it learns of it will appreciate highly the successful results which the Neutral Commission has obtained. Drummond asks whether he may assume that in due course the President of the Neutral Commission will communicate this information formally to the President of the Council so that the latter may impart it to his colleagues on the Committee of Three and ultimately to the Council itself.

Please instruct.

WILSON

²⁴ Proposal of October 12 not printed.

²⁸ See telegram No. 39, October 17, 1 p. m., to the Minister in Bolivia, p. 103. ²⁸ See telegram dated October 26, from the Chairman of the Commission of Neutrals to the Secretary of State, p. 104.

724.3415/2478 : Telegram

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

Washington, November 1, 1932-4 p. m.

26. For Wilson from White. Your October 27, 7 p. m. and November 1, 11 a. m.²⁷ There has been no meeting of Neutral Commission since your telegram was received. A meeting will be held tomorrow. In view of the attitude which the members of the Commission have taken in the past, it seems likely that the Commission will prefer to have present information given to the League informally through you rather than to send any formal communication at this time. [White.]

724.3415/2479 : Telegram

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

Geneva, November 1, 1932—6 p. m. [Received November 1—2:50 p. m.]

30. My 29, November 1, 11 a. m.,²⁸ and 28, October 27, 7 p. m. League Secretariat tells me that with the reconvening of the Bureau this week there is likely to be an early meeting of the Council Committee of Three on the Paraguay-Bolivia affair. I gather that the League Secretariat believes it would be desirable if the information in your 25, October 26, 5 p. m., were communicated formally to the President of the Council as indicated in my 28. The Committee of Three would also appreciate learning whether the meeting envisaged in the penultimate paragraph of the Department's 25 took place and what the latest news is from the Chaco, reports in the press recently having indicated a continuation of hostilities.

Wilson

724.3415/2480 : Telegram

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

Geneva, November 2, 1932—10 a.m. [Received November 2—6:50 a.m.]

32. For White. Your 26, November 1, 4 p. m. I am doing what I can to keep the action of the Council along the lines you desire. Dunn has explained to me your difficulties. Nevertheless I think it

²⁷ Latter not printed.

²⁸ Not printed.

well to point out that unless Neutral Commission will freely furnish information and exchange views with Council Committee I am inclined to believe that latter will take independent action as they may do under the Covenant. (See my 10 [30], November 1, 6 p. m.). You may wish therefore to take this matter up with the Committee at your meeting on 2nd instant and endeavor to obtain authorization to cable direct.

WILSON

724.3415/2480 : Telegram

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

Washington, November 2, 1932-5 p.m.

28. For Wilson. Your 32, November 2, 10 a.m. Commission of Neutrals will send a telegram to the President of the Council. Please advise when the Committee will meet so that the telegram may be sent at that time.

724.3415/2482 : Telegram

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

Geneva, November 3, 1932—11 p. m. [Received November 3—7:04 p. m.]

33. Your 28, November 2, 5 p. m. I made inquiry as to when Council committee on Chaco question would sit. Drummond told me that he was having real difficulty in preventing the committee from calling a session and taking action on its own but he believes he can prevent committee from meeting until Monday or Tuesday next.²⁹

Drummond stated further that the members of the committee pointed out that the Chairman of the Commission of Neutrals had stated in his first communication to the President of the Council that the Commission of Neutrals would communicate with Council committee from time to time and keep it informed. Committee is now aware of the fact that a meeting of the Neutrals was recently held in Washington but has no information regarding its result.

In the strictest confidence I told Drummond some of the difficulties we are encountering in having this information sent. He replied in the strictest confidence that the Argentine Minister here had spoken to him as to the possibility of presenting a plan of $\lceil on \rceil$ which the

²⁹ November 7 or 8.

League might act, that Drummond had replied that of course if the Argentines presented a plan, the League under the Covenant would have to consider it but that he hoped it would not be presented in view of the efforts of the Commission of Neutrals which seemed to be progressing favorably.

I feel that we must do what we can to help Drummond in this connection and that full and continuous communication from the Chairman of the Neutrals to the Chairman of the Council is the only hope of stemming off action by the Council.

You will understand that a message communicated from me to Drummond is communicated unofficially unless I am instructed to the contrary and although he can convey this information unofficially it does not have the same effect as a formal communication by the Committee of Neutrals to the President of the Council which can be circulated generally and on which the Council can take official action.

WILSON

724.3415/2487a : Telegram

The Chairman of the Commission of Neutrals (White) to the President of the Council of the League of Nations (De Valera)

Washington, November 5, 1932.

Commission of Neutrals takes pleasure advising you Bolivia and Paraguay have accepted Commission's suggestion to open direct negotiations under auspices of Neutral Commission for termination of hostilities and to arrange for arbitral settlement of dispute. These negotiations have been duly opened and are proceeding normally.

Francis White

724.3415/2434 1/2

The Assistant Secretary of State (White) to the Minister in Switzerland (Wilson), at Geneva

Washington, November 5, 1932.

DEAR HUGH: Thank you very much for your letter of October 17. I appreciate tremendously all you have done in this Chaco matter. I think that the League may well try to take some action in this dispute egged on by Argentina. Argentina seems to be succeeding, to a certain extent, in weaning Paraguay away from the Commission. By the same token Bolivia is all the more determined that this question shall not go to the League or anywhere where there is Argentine

influence. Argentina is correctly recognized in Bolivia as being an out-and-out supporter of Paraguay and naturally the Bolivians have no confidence in anything that Argentina has any connection with whatsoever. I regret to say that Uruguay is considered as somewhat similarly tainted. The action of Varela in the Commission here lends support to the charge that Uruguay is more friendly to Paraguay than to Bolivia.

As suggested by you in your cables, I sent today a cable to the President of the Council 30 informing him of what is going on. Of course I am in favor of keeping them informed so long as they play the game with us, but at the same time the Neutral Commission can not afford either to be put in the position that it is subordinate to the League and can only work through it or as permitted by it.

I enclose herewith for your information and background a copy of a memorandum of a conversation I had on the night of October 19 81 with the Paraguayan delegate regarding the Chaco. I also enclose a translation of a note dated October 18,32 which I received as Chairman of the Neutral Commission, from the Argentine Ambassador. This note was of course drafted by Saavedra Lamas in Buenos Aires and shows, I think, three things: one, his desire to get in the limelight by making us support a very hastily drawn up South American Anti-War Pact³³ which he feverishly drafted last August when his unfounded claim of authorship of the doctrine of August 3 34 was challenged (not by the Neutrals who purposely said nothing in order not to irritate him and let him get a certain amount of favorable publicity) but by La Prensa in Buenos Aires and by certain senators who interpellated him. His note tries to show that the Neutrals have no authority under which to act as we are not acting under a treaty. If he can get us to support his pact that is what he would like above all but, failing that, and of course he can not help realizing that under the present circumstances one at least of the contending parties would not ratify his pact, then to transfer the negotiations to the League of Nations. He would then undoubtedly want to exhibit his note as showing how he was responsible for bringing the negotiations to Geneva and perhaps endeavor to have the League appoint Argentina as its mandatory in the matter. Collateral with this is his desire to press a charge against us of high-handed, threatening, imperialistic dealing with the small weak powers of Paraguay and Bolivia and to exhibit himself as the champion standing out against us. These

Supra.

Not printed.

³² Ante, p. 203.

⁸³ See pp. 260 ff.

²⁴ For text of the declaration of August 3, see p. 159.

charges of course are entirely unfounded, as we point out in our reply, a copy of which in English and Spanish is enclosed herewith.³⁵

The Colombian Minister here is sending copies of all communications to Colombia's representative on the League and I think that if Argentina tries anything they will find that Colombia is one of the countries that will take issue and Mexico will certainly strongly support anything that Colombia does and most likely the Cuban also. If the matter does come up you might find it advantageous to keep in touch informally with the Colombian.

I shall keep you advised of course of any other developments.
Yours, very sincerely,
Francis White

724.3415/2496 : Telegram

The President of the Council of the League of Nations (De Valera) to the Chairman of the Commission of Neutrals (White)

Geneva, November 9, 1932. [Received 1:20 p. m.]

I thank you your telegram November 5th. My colleagues, myself particularly, glad hear that direct negotiations under auspices your committee have begun and proceeding normally. At same time cannot but be seriously concerned at continuation of warlike action in Chaco in spite all efforts to contrary and trust that hostilities will now be suspended definitely and both parties will give formal assurances they will not proceed during such suspension to any military preparations or other action which might prejudice progress of negotiations. My committee will continue in session until Council meeting to which it must report on situation.

DE VALERA

724.3415/2511 : Telegram

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

GENEVA, November 14, 1932—1 p. m. [Received November 14—10:07 a. m.]

39. [For] Francis White. Lester, Irish representative, called to explain that he had received a letter from De Valera asking him to call on me to explain the necessity for the Council committee to receive completer and more frequent telegrams of information from the Neutral Commission. The arguments advanced were so similar to those

³⁵ Ante, p. 209.

advanced by Drummond, reported in my 33, November 3, 11 p. m., that I shall not repeat.

De Valera also pointed out that the members of the Council committee attached the highest importance to the immediate arrival on the spot of a military commission and asked me again to bring this to your attention.

Wilson

724.3415/2511 : Telegram

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

Washington, November 15, 1932—3 p. m.

32. For Wilson. Your 39, November 14, 1 p. m. The Council Committee appears to overlook entirely the political difficulties in Paraguay and Bolivia, particularly in the latter, where there has been a succession of cabinets for the last 2 months. Any precipitate action will simply undo the work that has been accomplished up to now as the result of most laborious and painstaking efforts. The League has not been dealing with the matter and apparently does not appreciate the difficulties that have been overcome so far nor the great change in the attitude of the two Governments which now gives encouragement that a settlement can perhaps be worked out. The Neutral Commission has been working on this matter for 4 years now and knows the difficulties. If the Commission had not used the utmost patience delegates from the two countries would not now be discussing the matter in Washington. If the League is impatient and jumps in it will most assuredly get a severe rebuff from one at least and probably from both of the countries concerned. The Neutral Commission feels that patience is essential in this matter and it will not be rushed into precipitate action which will merely result in undoing everything it has so far accomplished. For your confidential information the recent developments in the negotiations are most encouraging but there is nothing which can be blazed forth in the papers at this time regarding them as happens necessarily with any communications sent by the Neutral Commission to the League. As soon as there is something which can helpfully be communicated that will be done and if the Neutral Commission finds any action on the part of the League Committee which would be helpful this will certainly be pointed out and suggested to the Committee. It is most important that an attempt should be made to settle in a few days or weeks this matter which has been dragging on for a long time and can only possibly be brought to a satisfactory settlement by patience. Any other action is bound to result in failure.

STIMSON

724.3415/2522 : Telegram

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

Geneva, November 17, 1932—5 p. m. [Received November 17—2:10 p. m.]

42. Drummond asked me to call regarding the Chaco matter. He pointed out that there is a growing feeling among members of the Council that something further should be done by the Council to avoid the reproach of inactivity in the face of almost daily press messages of fighting in this region and also because of the possibility of a real dispute between Colombia and Peru. The Council members feel that they must keep their position clear in regard to the Chaco in order to be able to take cognizance if necessary of the Colombia-Peruvian dispute.³⁶ I talked to Drummond along the lines of your 32, November 15, 3 p. m. He quite understands this but feels that for reasons stated above it may prove impossible to hold up action by the Council. If the Council insists he is hoping to propose some action that will have a good effect, aid the efforts of the Committee of Neutrals and run no risk of crossing wires with you.

He is thinking of suggesting that the Council might send identic messages to Bolivia and Paraguay along the following lines:

(1) That the Council is happy to note that direct negotiations under the auspices of the Neutral Committee are taking place; that this action follows the lines laid down by article 12 of the Covenant;

(2) The Council regrets to note from the press reports that severe fighting is continuing; the Council calls on the two parties to cease

these hostilities:

(3) The Council insists that the parties at once accept the proposal made by the Committee of Neutrals for the sending of a military commission to examine the facts and to arrange that there shall be no resumption of hostilities; such action of course not to prejudice the eventual findings of the Neutral Commission;

(4) The Council considers that a refusal by either party to cease hostilities would constitute a denial of its obligations under the

Covenant.

Drummond added that if such action were taken the Council committee would repeat the telegram to the Chairman of the Commission of Neutrals expressing hope at the same time that it would prove an aid to the work which the Neutral Commission is carrying on. Drummond hopes that you will turn this matter over in your mind and give him the benefit of any criticism, suggestion for addition or elimination, which would render the message more valuable.

WILSON

⁸⁶ See pp. 270 ff.

724.3415/2522 : Telegram

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

Washington, November 17, 1932—7 p.m.

34. For Wilson from White. Your 42, November 17, 5 p. m. Please express appreciation to Drummond for his helpful attitude. The course he outlines would be helpful. Under paragraph 3 it might be well to point out to him exactly what the Neutral Commission's suggestion was regarding the sending of a military commission. The Neutrals on August 2 suggested 37 a return to the positions held by both countries on June 1st, that is positions before the outbreak of the recent military operations, the first attack of which as denounced to the Neutral Commission occurred on June 15. Bolivia had indicated a readiness to stop hostilities on the line of actual positions held in August after they had captured four Paraguayan forts. The Neutral proposal was made in order to prevent Paraguay from attempting to recapture those positions as a preliminary to peace discussions. Bolivia refused to change her position and hostilities continued. Paraguay took the position that she would not consent to a truce which might be used by Bolivia to better her military position in order to attack Paraguay at the end of the truce should negotiations fail. Paraguay's position, as stated by her, is that she wants a complete termination of hostilities and guarantees that hostilities will not be resumed and that the matter will be submitted to arbitration. Paraguay professes to fear that Bolivia will put up conditions for arbitration which will make negotiations fail and will then renew hostilities after having improved her military position during the truce. In order to try to give some assurance which would permit the cessation of hostilities, the Commission on September 22 suggested to both countries 38 that they accept an unconditional termination of hostilities and the immediate initiation of negotiations for the settlement of their differences by means of an arbitration without reservations. The Commission added that it would immediately send a delegation to the Chaco to verify the effective termination of hostilities and informed the parties that if this delegation advised the Neutral Commission that one of the parties had violated the engagement to terminate the struggle the Neutral Commission would declare that country to be the aggressor and would suggest that all the Governments of America withdraw their diplomatic and consular representatives from that country. It was hoped that the sending of this

⁸⁷ See telegram to the Bolivian Minister for Foreign Affairs, p. 51.

³⁸ See p. 93.

Commission and the proposed action to follow would give such guarantees as would permit the termination of hostilities..

Paraguay accepted the submission of the controversy to international justice but made conditions regarding the cessation of hostilities which were not accepted by Bolivia. Bolivia accepted the unconditional termination of hostilities but made reservations regarding arbitration. The proposal not having been accepted by the two countries the sending of a military commission was of course held in abeyance.

On October 12 39 the Neutrals suggested that the two delegates start direct negotiations with one another in meetings of the Neutral Commission, to draw up an agreement covering the following points: 1, the separation of the troops in the Chaco; 2, the demobilization of the reserve troops of both countries, and 3, the reduction and limitation for a stated period of the regular army in both Paraguay and Bolivia. The Neutral communication added: "It is understood that a commission of neutral military officers will be provided for in the agreement to verify compliance with the above conditions." It was stated that the agreement should also provide that the controversy between the two Governments would be settled solely by arbitration and provide for the opening within a reasonable period, sav a fortnight after the signing of the agreement, of negotiations for an arbitral settlement of the Chaco dispute. Both Governments accepted to open a discussion on this basis and these discussions are now going on. The sending of the military commission of course depends upon the two Governments agreeing to stop hostilities. On account of the conditions of the terrain, et cetera, it is perfectly futile to send a commission to the Chaco while fighting is still going on. These negotiations are proceeding satisfactorily and developments in the last few days have been most encouraging. There is a difficult political situation in La Paz which has delayed matters somewhat but a telegram from the American Legation in La Paz today indicates that the chances that a cabinet will now be formed are much better and that more progress may be hoped for in the next few days.

Paragraphs 2 and 3 of Drummond's suggestion might be combined and have the Council call on the two parties to cease hostilities so that the military commission proposed by the Neutrals could go at once to the Chaco to examine the facts and arrange that there should be no resumption of hostilities. [White.]

STIMSON

³⁹ See telegram dated October 17 to the Minister in Bolivia, p. 103.

724.3415/2535: Telegram

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

Geneva, November 18, 1932—9 p. m. [Received November 18—3:35 p. m.]

44. Your 34, November 17, 7 p. m., caused great satisfaction to Drummond. He has noted the alteration suggested in relation to points 2 and 3 and quite understands its advantage. He has requested me to put De Valera in touch with the situation on his arrival tomorrow which I shall do.

WILSON

724.3415/2548 : Telegram

The Consul at Geneva (Gilbert) to the Secretary of State

GENEVA, November 25, 1932—6 p. m. [Received November 25—2:50 p. m.]

337. Wilson's 44, November 18, 9 p. m. The Council this afternoon (the representatives of Bolivia and Paraguay present at the table) approved without discussion the report of its President concerning Bolivia-Paraguay dispute and also the text of two telegrams, one of which will be despatched to the Governments of Bolivia and Paraguay and the other to the Chairman of the Commission of Neutrals. Since the text of the former will be embodied in the latter it will not be cabled by the Consulate. The following are pertinent portions of the President's report:

"The fact that members of the League should depart from the principles they have bound themselves to respect cannot but be a cause of grave concern to the Council which has a direct obligation for the preservation of peace. In your Committee's view it is imperative to fortify the action of the Commission of Neutrals. That action is directed towards the same goal as our own, to prevent any further bloodshed and to arrive as soon as possible at a settlement of the entire dispute."

The report contains also the following statement:

"One of the obstacles to the suspension of hostilities would seem to be the fear on either side of a possible rearmament on the other. As the two members concerned in this dispute are not producers of arms, ammunitions and implements of war, any increase in their belligerent strength depends on consignments from abroad. The committee therefore feels that the attention of governments should be directed to this matter".

The report ends by stating that the parties to the dispute should realize that the Council is watching their action with the greatest anxiety and requests the representatives of the parties to apprise their governments of the Council's feelings in the matter.

This both representatives agreed to do but they then launched into a series of statements regarding the dispute which were doubtless reiterations of their Governments' positions with which the Department is fully familiar. This exchange was at length terminated by the President who reminded them that the substance of the dispute was not before the Council.

GILBERT

724.3415/2547 : Telegram

The President of the Council of the League of Nations (De Valera) to the Chairman of the Commission of Neutrals (White)

Geneva, November 25, 1932. [Received 2:20 p. m.]

Council anxious discharge its direct obligation for preservation peace asks me express you its concern at prolongation and even intensification present fighting in Chaco. To support efforts Neutral Commission it is addressing following telegram both parties:

"It is duty Bolivia Paraguay as members League to put immediate stop to fighting which continues in Chaco. Council will welcome news this has been done. Council aware that September 22nd last Commission Neutrals Washington proposed hostilities should be terminated and offered send military representatives to Chaco to observe execution this proposal. Council calls on both parties to accept this proposal without delay and to give proposed military commission facilities it will require to enable it to aid in making such provisional arrangements as without prejudice to ultimate settlement of dispute will terminate present fighting and remove danger renewed military activities. Council informed that under auspices Committee of Neutrals the two Governments are in direct negotiation for arbitral settlement dispute. Council urges more rapid progress in this negotiation and fulfillment both parties their obligations under article 12 Covenant".

Council suggests that proposed military commission be constituted immediately and proceed at once to carry out its duties.

DE VALERA

724.3415/2583 : Telegram

The Secretary General of the League of Nations (Drummond) to the Chairman of the Commission of Neutrals (White)

Geneva, December 3, 1932. [Received 9:54 a. m.]

Am instructed by President Council communicate information your Committee following telegrams which have not yet been considered by Council committee.

First, from Paraguayan Government:

[Translation]⁴⁰ "November 28th. Paraguay earnestly desires immediate termination of the conflict in the Chaco provided she obtains guarantees against further Bolivian attacks on her legitimate heritage. My Government understands that the League of Nations can exercise decisive influence by an investigation which would permit of determining the country responsible for the conflict, in order that the sanctions established by the statutes may be applied to it."

Second, from Bolivian Government:

[Translation] "December 1st. I have the honor to reply to the last cablegram of Your Excellency with the following statements: Bolivia is disposed to suspend hostilities immediately, but Paraguay begins by assuming as her legitimate heritage the territory in litigation and wishes to impose on Bolivia before the Neutrals her material renunciation, a condition unacceptable in law. Moreover, Bolivia is at present the country under attack. It is not the one which is defending itself that should cease hostilities. We inform the League that Bolivia accepted at the proper time Commission proposed, with this sole modification, Civil Commission presided over by a high American military officer. Bolivia is continuing this line of action with the Neutrals."

DRUMMOND

724.3415/2583 : Telegram

The Chairman of the Commission of Neutrals (White) to the President of the Council of the League of Nations (De Valera)

Washington, December 3, 1932.

Neutral Commission has learned with pleasure through your telegram of November 25 of support Council is giving to efforts Neutral Commission endeavoring to bring about peace in Chaco. Negotiations are progressing satisfactorily and Commission hopes it will shortly be able advise you of distinct advances in peace efforts. Commission has received your today's cable and much appreciates your courtesy in communicating to it text of Paraguayan and Bolivian replies.

Francis White

⁴⁰ Original in Spanish; translation made in the Department of State. 646231-48-23

724.3415/2591 : Telegram

The Secretary General of the League of Nations (Drummond) to the Chairman of the Commission of Neutrals (White)

GENEVA [undated]. [Received December 6, 1932—11:52 a. m.]

Council considered your cable December 3rd and approved today following statement its President in presence representatives Bolivia, Paraguay:

"In view your statement negotiations to bring about peace in Chaco progressing favorably Council feels that for the moment any positive suggestion on its part other than those already made might complicate situation. At same time Council notes that telegrams two parties to Council communicated to Neutral Commission seem to indicate that proposal send impartial commission to spot with wide powers to advise and report is acceptable in principle to both Governments concerned. Council is glad to note replies of two governments on this point since it has attached and still attaches greatest importance to constitution and immediate departure of such commission particularly as continuance hostilities cannot but cause Council grave anxiety. The committee of the Council in touch with Neutral Commission is ready to cooperate with it as regards exact functions of such a commission and nomination of its members. It will support in every way efforts now being made to bring this unhappy dispute to satisfactory close,"

DRUMMOND

724.3415/2683 3/11

Memorandum by the Chairman of the Commission of Neutrals (White)

[Washington,] December 7, 1932.

The Irish Minister called and left me the attached copy of a cable which he has received from de Valera, President of the Council of the League. There is a break in the code and he will send me a revised copy when it is worked out.

I thanked the Minister for the message and told him that I could see nothing in the Paraguayan reply to the League that indicated that Paraguay was ready to accept the sending of a military commission immediately to the Chaco nor did the Bolivian answer specifically accept in principle more than the sending at the proper moment of a commission on bases which were a modification of the neutral proposal. I told the Minister that I had explained the situation about this commission to the American Minister in Berne in a long cable of November 17⁴¹ and that I had therefore been surprised

⁴¹ Ante, p. 249.

at the telegram we had received from the League on the twenty-fifth.42

I explained to the Minister at great length the futility of sending a military commission now and impressed upon him the necessity of dealing with the matter with great patience and circumspection. I said that if we rushed in before the situation was prepared we would get into a lot of trouble and not advance the negotiations. I told the Minister that the Neutrals appreciate the cooperation which the League Council is giving us and that we, in our turn, are desirous of cooperating with the League. I said that we can not give them the details of the negotiations now because any cable we send to the League is published and publication of the negotiations would wreck them but that as soon as the matter develops so that we have real progress to announce we will do so or, if the situation develops so that some other action is called for, we will consult with the League in an effort to get their backing for what we propose. I said I hoped that the situation would develop within the next week or ten days so that we could pursue one or the other of the courses mentioned above; that within the next fortnight we certainly should be in a position to do so.

The Minister thanked me and said he agreed fully with everything I had said. He said he saw nothing in the telegrams that indicated Bolivia's or Paraguay's acceptance of the immediate despatching of a neutral commission; that he agreed with the necessity of proceeding patiently and carefully, and that he would at once send a private message to de Valera in this sense and endeavor to have him go easy and lay off for awhile. He expressed as his personal opinion that the Spanish representative, de Madariaga, was the one who was pushing for action.

F[RANCIS] W[HITE]

[Annex]

The President of the Council of the League of Nations (De Valera) to the Irish Minister (MacWhite)

The Committee Council in its telegram sent 25th November 48 expressed its concern at position of Bolivia Paraguay dispute. It feels bound in stating that owing to continued fighting in Chaco its anxiety has not lessened. The Committee therefore considers that appointment of and immediate despatch of Commission proposed in telegram above referred to has become even more urgent and thinks that action should be taken without delay more especially as it understands both parties have in principle accepted such a commission.

⁴² Ante, p. 252.

⁴⁸ See telegram of November 25 from the President of the Council of the League of Nations to the Chairman of the Commission of Neutrals, p. 252.

It is anxious that such action which would be a first step to ensure that obligation laid upon League under Covenant will be respected should be taken through your invaluable office and trusts that your telegram 3rd December reference to appointment of and despatch of Commission—

The Committee would welcome earliest possible news and remain ready for the closest cooperation as to scope and membership of Committee.

DE VALERA

724.3415/2591 : Telegram

The Chairman of the Commission of Neutrals (White) to the President of the Council of the League of Nations (De Valera)

Washington, December 10, 1932.

Neutral Commission has received your telegram December 6th 44 and much appreciation helpful attitude of Council.

Neutral Commission pleased to note statement that Council will support in every way efforts now being made by Commission to bring this unhappy dispute to satisfactory close. Commission hopes shortly to be able to announce definite progress or else definite programme for future action.

WHITE

724.3415/2626i : Telegram

The Chairman of the Commission of Neutrals (White) to the President of the Council of the League of Nations (De Valera)

[Translation]

Washington, December 15, 1932.

The Commission of Neutrals has the honor to transcribe to Your Excellency a copy of the cablegram which it is sending today to Governments Bolivia and Paraguay proposing to them that they accept cessation of hostilities and bases equitable arbitration.

[Here follows text of telegram dated December 15, 1932, from the Commission of Neutrals to the Bolivian Minister for Foreign Affairs, printed on page 126.]

The Commission of Neutrals would greatly appreciate counting on the valued support of the League in this labor of peace and humanity. The liberty is taken of suggesting advisability that Your Excellency and the Governments members of the League support in cablegrams to Governments Bolivia and Paraguay proposals referred to, and would appreciate this Commission being advised.

WHITE

⁴ Ante, p. 254.

724.3415/2651 : Telegram

The Secretary General of the League of Nations (Drummond) to the Chairman of the Commission of Neutrals (White)

> GENEVA, December 17, 1932. [Received 2:10 p. m.]

Council instructed me thank you your telegram of 16th [15th] instant and to express its profound satisfaction with its terms. At meeting held today it decided to assist your Commission's most valuable endeavours and to urge upon parties solution proposed by Commission with view to general settlement of Chaco problem. Council has throughout followed your efforts with appreciation and wholeheartedly supports your present action. It has decided to despatch to two parties today the following telegram:

"Neutrals Commission at Washington has just communicated to Council text of convention which it is submitting to your Government in order to put end to bloodshed in Chaco and to arrive by pacific means at final settlement of dispute between Bolivia and Paraguay. Under the Covenant of which your Government is signatory Council is responsible for maintenance of peace and it hereby earnestly appeals to your Government in name of all League members to accept as speedily as possible convention proposed by Neutrals Commission. Council is confident that your Government will bear in mind solemn and binding character of obligation to maintain peaceful relations which it has assumed as League member. It considers that proposal of Neutrals Commission provides honourable and just settlement of question and that by loyal acceptance and observance thereof both parties will acquit themselves of duties incumbent upon them by virtue of Covenant."

Council would be glad be kept informed of any developments regard to Commission's important proposals.

DRUMMOND

724.3415/2707

The Irish Minister (MacWhite) to the Chairman of the Commission of Neutrals (White)

Washington, 17 December, 1932.

My Dear Mr. White: I have received from the President of the Council of the League of Nations the following confidential despatch in code for transmission to you:-

"Council Committee asks me to state that they feel strongly prompt despatch of Commission to be set up under point five would greatly contribute to ensure success of your Committee's scheme."

Yours sincerely,

M. MACWHITE

724.3415/2651 : Telegram

The Chairman of the Commission of Neutrals (White) to the President of the Council of the League of Nations (De Valera)

Washington, December 20, 1932.

Neutral Commission desires thank you for very wholehearted support given its proposal to Bolivia and Paraguay. Commission feels proposal offers both parties honorable means to stop immediately hostilities and proceed with arbitral settlement. Observations made so far by both parties indicating certain dissatisfaction on their part with proposal strengthens feeling of Commission that proposal is fair and equitable to both.

Your support is profoundly appreciated by Neutral Commission which will advise you of important developments.

724.3415/2707

The Chairman of the Commission of Neutrals (White) to the Irish Minister (MacWhite)

Washington, December 23, 1932.

DEAR MR. MINISTER: I have your letter of December seventeenth. The position of the Commission of Neutrals is as it has always been, namely, that it is futile to send any commission to the Chaco until both parties agree thereto. If the proposal of the Neutral Commission of December fifteenth is accepted by the two parties, a commission will be sent. Until that time nothing can be gained thereby.

Yours, sincerely,

FRANCIS WHITE

724.3415/2716a: Telegram

The Chairman of the Commission of Neutrals (White) to the Secretary General of the League of Nations (Drummond)

Washington, December 31, 1932.

Bolivian Government has expressed its acceptance in principle of proposal of Neutral Commission of December 15th as basis for discussion to arrive at an arrangement assuring peace and Bolivian delegate has stated his readiness to renew negotiations on this basis.

Paraguayan Government stated that proposal does not give assurance that fighting will not be resumed and demands complete evacuation of Chaco by Bolivia, the limits of which are not agreed to

by the Bolivian and Paraguayan Governments. Neutrals in reply have pointed out this lack of agreement as to the Chaco territory and the fact that they are not judges passing on the titles of either party to the Chaco but are merely offering way out by separating the troops to such extent as to give definite assurances that fighting will not be resumed, reenforcing this security by sending a neutral commission to the Chaco, and providing for arbitral settlement which, if accepted, will proceed automatically to definitive solution of matter. Neutral Commission furthermore pointed out that Paraguay on September 16th herself suggested withdrawal of Paraguayan troops to Paraguay River and in August accepted that hostilities be stopped on the basis of the positions of June 15th which was more or less in the region of the 60th meridian of longitude west of Greenwich. The troops, however, would have been left facing one another. Under present neutral proposal both sides would withdraw about 2½ degrees of longitude from where fighting is now taking place, making contact between the troops impossible and hence giving Paraguay far greater security than she was willing to accept last August. However, Paraguay has now withdrawn its delegate.

In view of this situation Neutral Commission has inquired of the four countries neighboring on Bolivia and Paraguay what steps they would be prepared to take in order to prevent further bloodshed. Neutral Commission is convinced that the nations of America working in common accord can preserve peace in this hemisphere and have asked the active cooperation of the four countries nearest the scene of hostilities.

Neutral Commission will be glad to keep you advised of developments and to make any suggestions for cooperation which might later be pertinent.

WHITE

PROPOSAL BY THE ARGENTINE GOVERNMENT FOR AN ANTI-WAR TREATY 1

724.3415/2090 9/4

Memorandum by the Assistant Secretary of State (White)

[Washington,] August 22, 1932.

The Argentine Ambassador called and showed me telegrams from his Government indicating that it was pleased with the statement made by Mr. Bliss and on the basis thereof would take much pleasure in supporting in La Paz the efforts of the Neutral Commission.²

Mr. Espil said that his Embassy was now decoding a long message from Mr. Saavedra Lamas in which the latter was sending him the outline of a proposal which he has in mind for supplementing and extending the Kellogg-Briand Pact.3 He was asking Mr. Espil's views regarding it and, before anything is said to the United States. Mr. Saavedra Lamas will discuss the matter with the Brazilian, Chilean and Peruvian Governments. Mr. Espil said he would let me know more about it when it is deciphered.

F[rancis] W[hite]

724,3415/2158 %

Memorandum by the Assistant Secretary of State (White)

[Washington,] August 30, 1932.

The Argentine Ambassador, Mr. Espil, called and showed me a cable from his Government which said that in view of the fact that Mr. Culbertson in Santiago had found out about the proposed Argentine pact along the lines of the Kellogg Pact and the Locarno Treaty 4 the Minister of Foreign Affairs was sending Espil by air-

¹ See Proyecto de Tratado Antibelico Sudamericano (No-agresion y Conciliacion) in Republica Argentina, Ministerio de Relaciones Exteriores y Culto, Memoria Presentada al Honorable Congreso Nacional correspondiente al periodo 1932-1933 (Buenos Aires, 1933), tomo I, pp. 148-244.

See telegram No. 78, August 19, 7 p. m., from the Ambassador in Argentina,

Foreign Relations, 1928, vol. 1, p. 153. For texts of the agreements signed at Locarno, October 16, 1925, see League of Nations Treaty Series, vol. Liv, pp. 289 ff.

mail copies of this document to submit to the Department. Their plan had been to take it up with the four neighboring countries first and, after getting their agreement, then to submit it to the Department, but in view of this fact they were sending it up now.

F[RANCIS] W[HITE]

710.1012 Anti-War/11

The Argentine Ambassador (Espil) to the Secretary of State [Translation]

D. E. No. 66

Washington, September 21, 1932.

Mr. Secretary of State: I have the honor to address Your Excellency, enclosing herewith the draft of an anti-war treaty of non-aggression and conciliation which the Argentine Government has formulated in order to propose it to the countries which have subscribed to the agreement of August 3, 1932.5

Its principal purpose is to give a character of permanency to and establish in organic form the agreement of wills which that noble international act signified which has come to establish the bonds which unite the countries of America.

It is also proposed to strengthen the Kellogg-Briand Pact, adapting it to the Covenant of the League of Nations 6 and to the various resolutions of the Pan American Conferences, and thus facilitate its universal application.

My Government believes that this Draft Anti-war Treaty which aids in enlarging the radius of the application of the initiative of the United States, will merit its approval and adhesion.

I take this opportunity [etc.]

FELIPE ESPIL

[Enclosure—Extract—Translation] 7

Draft of a South American Anti-War Treaty (Non-Aggression and Conciliation)

In an endeavor to contribute to the consolidation of peace, and in order to express their adherence to the efforts that all civilized nations have made to further the spirit of universal harmony;

be called a Pan American treaty just as well as South American, this designation having been used merely to indicate its origin. (724.3415/2538)

⁵ Ante, p. 159.

⁶ Treaties, Conventions, etc., 1910-1923, vol. III, p. 3336.

⁷ The enclosure is a pamphlet entitled Proyecto de Tratado Antibelico Sudamericano (No-Agresion y Conciliacion), published by Republica Argentina, Ministerio de Relaciones Exteriores y Culto (Buenos Aires, 1932). It consists of two parts, the *Proyecto*, and the *Exposicion de Motivos*. Only a translation of the *Proyecto* is printed here.

In despatch No. 1856, November 9, the Ambassador in Argentina reported that the Argentine Minister for Foreign Affairs indicated that the treat might be called a Paper American treaty just as well as South American that designs

To the end of condemning wars of aggression and territorial acquisitions secured by means of armed conquest and of making them impossible, of sanctioning their invalidity through the positive provisions of this Treaty, and in order to replace them with pacific solutions based upon lofty concepts of justice and equity;

Being convinced that one of the most effective means of insuring the moral and material benefits the world derives from peace, is through the organization of a permanent system of conciliation of international disputes, to be applied upon a violation of the hereinafter mentioned principles;

Have decided to record, in conventional form, these aims of non-aggression and concord, through the conclusion of the present Treaty, to which end they have appointed as their Plenipotentiaries:

His Excellency the President of the Argentine Republic,

Who, after having communicated their respective full powers, which were found in good and due form, have agreed on the following provisions:

ARTICLE I

The High Contracting Parties solemnly declare that they condemn wars of aggression in their mutual relations, and that the settlement of disputes and controversies shall be effected only through the pacific means established by International Law.

ARTICLE II

They declare that territorial questions must not be settled by resort to violence and that they shall recognize no territorial arrangement not obtained through pacific means, nor the validity of an occupation or acquisition of territory brought about by armed force.

ARTICLE III

In case any of the Parties to the dispute fails to comply with the obligations set forth in the foregoing articles, the Contracting States undertake to make every effort in their power for the maintenance of peace. To that end, and in their character of neutrals, they shall adopt a common and solidary attitude; they shall exercise the political, juridical or economic means authorized by International Law; they shall bring the influence of public opinion to bear; but in no case shall they resort to intervention either diplomatic or armed. The attitude they may have to take under other collective treaties of which said States are signatories, is excluded from the foregoing provisions.

ARTICLE IV

The High Contracting Parties, with respect to all controversies which have not been settled through diplomatic channels within a reasonable period, obligate themselves to submit to the conciliatory procedure created by this Treaty, the disputes specifically mentioned, and any others that may arise in their reciprocal relations, without any further limitations than those recited in the following Article.

ARTICLE V

The High Contracting Parties and the States which may hereafter accede to this Treaty, may not formulate at the moment of signing, ratifying or adhering thereto, limitations to the procedure of Conciliation other than those indicated below:

a) Controversies for the settlement of which pacifist treaties, conventions, covenants, or agreements, of any nature, have been concluded. These shall in no case be deemed superseded by this Treaty; to the contrary, they shall be considered as supplemented thereby insofar as they are directed to insure peace. Questions or issues settled by previous treaties are also included in the exception.

b) Disputes that the Parties prefer to settle by direct negotiation or through submission to an arbitral or judicial procedure by mutual

consent.

c) Issues that International Law leaves to the exclusive domestic jurisdiction of each State, under its constitutional system. On this ground the Parties may object to their being submitted to the procedure of conciliation before the national or local jurisdiction has rendered a final decision. Cases of manifest denial of justice or delay in the judicial proceedings are excepted, and should they arise, the procedure of conciliation shall be started not later than within the year.

d) Questions affecting constitutional provisions of the Parties to the controversy. In case of doubt, each Party shall request its respective Tribunal or Supreme Court, whenever vested with authority

therefor, to render a reasoned opinion on the matter.

At any time, and in the manner provided for in Article XV, any High Contracting Party may communicate the instrument stating that it has partially or totally dropped the limitations set thereby to the procedure of conciliation.

The Contracting Parties shall deem themselves bound to each other in connection with the limitations made by any of them, only to the extent of the exceptions recorded in this Treaty.

ARTICLE VI

Should there be no Permanent Commission of Conciliation, or any other international body charged with such a mission under previous Treaties in force, the High Contracting Parties undertake to submit their controversies to examination and inquiry by a Commission of Conciliation to be organized in the manner hereinafter set forth, except in case of an agreement to the contrary entered into by the Parties in each instance:

The Commission of Conciliation shall consist of five members. Each Party to the controversy shall appoint one member, who may be chosen from among its own nationals. The three remaining members shall be appointed by agreement of the Parties from among nationals of third nations. The latter must be of different nationalities, and shall not have their habitual residence in the territory of the Parties concerned, nor be in the service of either one of them. The Parties shall select the President of the Commission of Conciliation from among these three members.

Should the Parties be unable to agree, they may request a third nation or any other existing international body to make those designations. Should the nominees so designated be objected to by the Parties, or by any of them, each Party shall submit a list containing as many names as vacancies are to be filled, and the names of those to sit on the Commission of Conciliation shall be determined by lot.

ARTICLE VII

Those Tribunals or Supreme Courts of Justice vested by the domestic law of each State with authority to interpret, as a Court of sole or final recourse and in matters within their respective jurisdiction, the Constitution, the treaties or the general principles of the Law of Nations, may be preferred for designation by the High Contracting Parties to discharge the duties entrusted to the Commission of Conciliation established in this Treaty. In this event, the Tribunal or Court may be constituted by the whole bench or may appoint some of its members to act independently or in Mixed Commissions organized with justices of other Courts or Tribunals, as may be agreed by the Parties to the controversy.

ARTICLE VIII

The Commission of Conciliation shall establish its own Rules of Procedure. These shall provide, in all cases, for hearing both sides.

The Parties to the controversy may furnish, and the Commission may request from them, all the antecedents and data necessary. The Parties may be represented by Agents, with the assistance of Counsel or experts, and may also submit every kind of evidence.

ARTICLE IX

The proceedings and discussions of the Commission of Conciliation shall not be made public unless there is a decision to that effect, assented to by the Parties. In the absence of any provision to the contrary, the Commission shall adopt its decisions by a majority vote; but it may not pass upon the substance of the issue unless all its members are in attendance.

ARTICLE X

It is the duty of the Commission to procure a conciliatory settlement of the disputes submitted to it. After impartial consideration of the questions involved in the dispute, it shall set forth in a report the outcome of its work and shall submit to the Parties proposals for a settlement on the basis of a just and equitable solution. The report of the Commission shall, in no case, be in the nature of a decision or arbitral award, either in regard to the exposition or interpretation of facts or in connection with juridical considerations or findings.

ARTICLE XI

The Commission of Conciliation shall submit its report within a year to be reckoned from the day of its first sitting, unless the Parties decide, by common accord, to shorten or extend that term.

Once started, the procedure of conciliation may only be interrupted by a direct settlement between the Parties, or by their later decision to submit, by common accord, the dispute to arbitration or to an international court.

ARTICLE XII

On communicating its report to the Parties, the Commission of Conciliation shall fix a period of time, which shall not exceed six months, within which the Parties shall pass upon the bases of settlement it has proposed. Once this period of time has expired the Commission shall set forth in a final act the decision of the Parties.

Should the period of time lapse without the Parties having accepted the settlement, nor adopted by common accord another friendly solution, the Parties to the controversy shall regain their freedom of action to proceed as they may see fit within the limitations set forth in Articles I and II of this Treaty.

ARTICLE XIII

From the outset of the procedure of conciliation until the expiration of the term set by the Commission for the Parties to make a decision, they shall abstain from any measure which may prejudice the carrying out of the settlement to be proposed by the Commission and, in general, from every act capable of aggravating or prolonging the controversy.

ARTICLE XIV

During the procedure of conciliation the members of the Commission shall receive honoraria in the amount to be agreed upon by the Parties to the controversy. Each Party shall bear its own expenses and a moiety of the joint expenses or honoraria.

ARTICLE XV

This Treaty shall be ratified by the High Contracting Parties, as soon as possible, in conformity with their respective constitutional procedures.

The original Treaty and the instruments of ratification shall be deposited in the Ministry of Foreign Affairs of the Argentine Republic which shall give notice of the ratifications to the other Signatory States. The Treaty shall enter into effect for the High Contracting Parties in the order in which they deposit their ratifications.

ARTICLE XVI

Any State not a signatory of this Treaty may adhere to it by sending the appropriate instrument to the Ministry of Foreign Affairs of the Argentine Republic, to the end that it may notify the other Contracting States.

ARTICLE XVII

This Treaty is concluded for an indefinite period, but it may be denounced by means of one year's previous notice at the expiration of which it shall cease to be in force as regards the Party denouncing the same, but shall remain in force as regards the other signatories. Notice of the denunciation shall be addressed to the Ministry of Foreign Affairs of the Argentine Republic which will transmit it to the other High Contracting Parties.

In witness whereof, the above mentioned Plenipotentiaries have signed this Treaty.....

710.1012 Anti-War/11

Memorandum by the Secretary of State

[Washington,] September 22, 1932.

The Argentinian Ambassador came in to present me with copies of an anti-war treaty which was being proposed by his country. He submitted a letter and copies of the proposed treaty, which are annexed hereto.⁸

^{*} Supra.

I took occasion to tell the Ambassador two things.

First, I called to his attention the fact that the Kellogg-Briand Pact was an anti-war treaty which had been executed by practically all the nations in the world except Argentina and one or two others. I told him we regarded that treaty as a great effort towards peace, made by the nations of the world who had suffered so much in the World War as a final effort to make a recurrence of such a disaster impossible. I told the Ambassador that I wished his government would, if it felt desirous of joining in any movement to prevent war, give consideration to joining this already existing treaty which we believed to be so potent and effective. He said that the treaty proposed was in some respects different from the Kellogg Treaty and more far-reaching. I told him I would read it but I hoped that he would bear my suggestion in mind and if he thought well of it to convey it to his government.

Second, I said while I was on this subject I should like to call his attention to the situation in Salvador;9 that in 1923 the five Central American Republics had entered into a treaty 10 not to recognize any government that should come into effect in any one of them by revolution, and that they did this as a means of protection against the frequency of revolution. I said they had asked us to adopt the same policy in dealing with each of the five republics; that my predecessor, Mr. Hughes, had agreed to do so, and that we had followed that policy unvaryingly since. I said in every case our action had been in harmony with that of the four neutral republics in the matter concerned. and that the results of the treaty for the nine years during which it had been in effect had been beneficial and had restricted attempts at revolution; that it differed from our policy of recognition in regard to the rest of the world, but it was an exception which had been suggested by these countries themselves, and in the interest of selfdetermination and autonomy in that locality, particularly as it seemed to work well, we had agreed to follow it so long as they did. I told him that recently I had learned to my regret that his government was said to be seeking to organize a movement in South America to recognize Mr. Martínez. I said that hitherto all the South American countries had followed the same policy in regard to this case as we and the four Republics of Guatemala, Honduras, Nicaragua and Costa Rica;11 that I regretted there should be this threatened divergence of policy, and I thought that it would tend to break down an honest

⁹ See pp. 566 ff.

¹⁰ General Treaty of Peace and Amity, signed February 7, 1923, Conference on Central American Affairs, Washington, December 4, 1922-February 7, 1923 (Washington, Government Printing Office, 1923), p. 287.

¹² See pp. 330 ff.

attempt by these five republics to discourage revolution. The Ambassador said he had not heard of this, and he was evidently quite disturbed at the news. . . . I told the Ambassador I did not want to give him trouble and if he preferred I could send the communication through Bliss. He said no, he would try to do it himself.

HENRY L. STIMSON

710.1012 Anti-War/10 1/2

Memorandum by the Assistant Secretary of State (White)

[Washington,] October 5, 1932.

Mr. Espil called and asked what the progress is on our consideration of Saavedra Lamas' Anti-War Pact. I told him that we had received the papers from him about ten days or so ago as he knew and that they had gone through the usual routine of being indexed and sent to the proper offices for their information and for the preparation of an acknowledgment. I told him that an acknowledgment of his note would go to him today; that then the matter would be submitted in due course to the Department's advisers, and that when they have made their study I would give the matter further consideration. I told him that a study of the treaty is apt to take some time and they should not expect anything from us within the next couple of months.

Mr. Espil said that he would like to have my reaction on it, independent of any recommendations our technical people may make, so that he could report to his Government. I told him that he might say that I was not inhospitable to the idea of such a treaty but the treaty appeared to have been rather hastily drawn up and I thought if we proceeded with it we would want to suggest a good many modifications. I also told him that after we had determined our view regarding the treaty we might possibly want to consult some of the other American Governments before giving him an answer.

F[RANCIS] W[HITE]

724.3415/2683 5/11

Memorandum by the Assistant Secretary of State (White)

[Washington,] December 22, 1932.

Mr. Espil came in and discussed the Chaco situation ¹² and asked that some action be taken on the Saavedra pact as Argentina had supported the recent neutral proposal. I said that as I had told him

¹² See pp. 8 ff.

earlier, if Argentina plays the game and supports this project all the way through so that we get a settlement, we will then discuss with him ways in which the pact could be modified in order to make it worthwhile signing. Espil wanted some action right away and I told him that that would be impossible . . .

Espil told me that he did not think that Soler¹³ would withdraw. He said it was his opinion that Soler thought our proposal a pretty good one and a fair one. I told him that when I had been discussing the matter with Soler, before definitely making the proposal, I had asked him if he did not think it fair, and that Soler had replied that he could not say that it was not a fair proposal but he thought that his Government would be very reluctant to accept any policing of the territory south of the line by Bolivia. . . .

F[RANCIS] W[HITE]

¹⁸ Dr. Juan José Soler, Paraguayan delegate to the Bolivian-Paraguayan conference for the negotiation of a non-aggression pact; see telegram dated December 20, from the Commission of Neutrals to the Paraguayan Minister for Foreign Affairs, p. 132.

THE LETICIA DISPUTE BETWEEN COLOMBIA AND PERU

721.23/6 : Telegram

The Ambassador in Peru (Dearing) to the Secretary of State

Lima, September 2, 1932—5 p. m. [Received 6:40 p. m.]

131. Yesterday a group of Peruvian Apristas from Loreto seized the Colombian port of Leticia on the Amazon. There is doubt about the loyalty of the Prefect at Iquitos, who apparently desires to go to the assistance of the Apristas by sending a launch with soldiers to Leticia. The President last night called Colombian Minister to the Palace and has convinced the Minister he will cooperate with him in every possible way to prevent the incident from becoming serious. The President regards it as a political plot intended to embarrass the Government, distract attention and prepare the way for an Apri-Communist outbreak in Lima.

The Minister states the President is most conciliatory and cooperative and that if the Prefect is loyal nothing will probably come of the incident, but he has seriously warned the President that the sending of a launch from Iquitos by the Prefect might lead to war. He regards the situation as menacing and fully informed his Government concerning it at midnight and this morning.

The Minister fears an extremely adverse reaction in the Colombian Congress toward President Olaya, the former Colombian Minister in Liverpool, [sic] his father and himself because the river gunboats are somewhere away on the Putumayo and the guards at Leticia had been reduced to almost nothing, thus leaving the place unprotected and practically abandoned. He thinks that if the gunboats had been there, no incident would have occurred; Apristas captured an intendente, four employees and only one gendarme.

The Minister states Lauriano Gomez will very likely make this situation the basis for violent attack on the Government and expresses his inability to understand why the Colombian Government has paid so little attention to his repeated warnings that Leticia must be adequately held and air and radio service be established.

Further report by mail unless Department desires details by telegraph.

Lozano has not yet heard from his Government but in cabling Bogotá has stressed Sanchez Cerro's fairmindedness and desire to keep the affair within bounds and close the incident. There seems no doubt that Sanchez Cerro is sincere in wishing to avoid any reopening of the boundary question with Colombia in spite of the fact that *Comercio* and numerous people in Peru would like to stir up the matter.

Repeated to Bogotá.

DEARING

721.23/6 : Telegram

The Acting Secretary of State to the Ambassador in Peru (Dearing)

Washington, September 3, 1932—4 p. m.

50. Your 131, September 2, 5 p. m. Our Legation at Bogotá has cabled that President Olaya is very much concerned over this matter as to its possible serious effects both internally and internationally. Olaya devoutly wishes to maintain peace and will make every effort to keep the news from the public in Colombia. He believes that the Peruvian Government should issue immediately a statement disavowing the movement and should give definite instructions to the Peruvian officials on the border to give no support to the uprising and attempt to prevent shipment of arms. Colombian Minister in Washington, under instructions from his Government, has just come in to discuss the matter and to express the great anxiety of his Government.

Please see Sanchez Cerro and say very discreetly to him, on the ground of the great friendship which the United States has for both Peru and Colombia, that we hope he will take every possible step to prevent this situation from becoming serious. In order to prevent any misunderstanding of its position in this matter and the possible development of a very difficult situation, it would seem highly important for the Peruvian Government immediately to disavow the attack on Leticia and to take energetic measures to see that no arms or other assistance are sent from Peru to those occupying the town.

Please report by cable all developments and repeat your messages to Legation at Bogotá. Have you any information as to size and loyalty of the garrison at Iquitos? For your information Colombian Minister says his Government understands that the Prefect at Iquitos has reported to Lima that "the patriotic movement" to support the capture of Leticia is rapidly growing.

721.23/14 : Telegram

The Ambassador in Peru (Dearing) to the Secretary of State

Lima, September 3, 1932—11 p. m. [Received September 4—8:02 a. m.]

134. Leticia. My 131, September 2, 5 p. m., 133 of September 2, noon, and Department's urgent 50, September 3, 4 p. m. Conferred with Colombian Minister this afternoon and President at 9:30 today.

The news regarding Leticia is apparently widely known here despite strict censorship and United Press despatches state it has been made public in Bogotá by the Foreign Minister.

It now appears that a real revolutionary movement has taken place at Iquitos possibly with connivance of former prefect, Ugarte, and that the Government is considerably in the dark. Until it knows more of the situation, it would seem difficult for it to make a public statement disassociating the attack upon Leticia, as that might complicate its own internal situation. It is difficult to estimate the precise size in Peru of the uprising in Loreto, but that [the?] possibilities are ominous. The President states positively his Government was taken completely by surprise by the action of certain Peruvian individuals, that the Government is busily engaged in dealing with the matter and will do its duty but refuses to be more specific.

There is no such thing as using discretion with Sanchez Cerro. At the very first mention of our friendly hope the President became stubborn, defiant and uncommunicative and but little information was to be got out of him. He insisted the matter was purely domestic, although he had stated the moment before that the Government knew but little about it and was investigating. He assured me it had no international character whatever, although he had just admitted that Peruvian individuals had seized a "practically unprotected" Colombian port seeming to think this rather an excuse for what had occurred. He inquired testily whether our Government was "mixing into this matter", to which I replied that our sincere friendship for Peru and Colombia warranted an expression of the hope that no serious international consequences would flow from the incident and that of course we wish to prevent any possibility of a conflict. I cited Peru's interest in the Chaco dispute² as a parallel but he refused to see it. I told him his word "mixing-in" did not seem friendly to me and carried disagreeable implications and told him he had not comprehended what I was saying to him. Whereupon he denied intending any unfriendliness but his manner belied his words.

¹ No. 133 not printed.

² See pp. 8 ff.

The President is frequently thus on the defensive. He assured me Peru was a serious Government, that it knew its duty and would perform it, was giving careful attention to the situation, that the incident was purely a police matter, that I could say that Peru was doing everything the situation required. Eventually the President stated that the trouble was due to communists and then got away from the immediate subject and launched into a long explanation of his Government's repressive policy towards communism.

The Embassy learns from an apparently trustworthy source that the Peruvian gunboat America with Peruvian soldiers has left Iquitos for the "frontier", that those attacking Leticia were chiefly civilians and that an important Government official is due this evening from Iquitos and supposed to be bringing important data. This source reports the Peruvian and Colombian Governments to have agreed to call the movement communistic and to "join armed forces" to capture the authors. The Director of Government, Guzman Marquina, did not go to Iquitos.

My Colombian colleague saw the Foreign Minister yesterday afternoon and was informed the Peruvian Government repudiated the incident at Leticia. The Foreign Office disclosed that what had taken place was really an uprising at Iquitos and that the attack on Leticia was part of a larger movement. The rebels have deposed the former prefect, Ugarte, and taken him prisoner but it is believed that Ugarte was friendly to them and that this is merely a maneuver. The Foreign Minister said the Government was doing everything it could to put down the revolution and disclosed that the chief of the rebels has telegraphed the Government declaring the movement not to be a revolution but a "patriotic" uprising for the purpose of recovering Peruvian territory. The Foreign Minister stated the Government was sending a commissioner to handle the situation. Whereupon the Colombian Minister said he must be a good man of outstanding reputation. It was suggested first that the Minister of War should go but finally Hoyos Osores was chosen and he will also take over the prefecture.

The Foreign Minister requested the Colombian Minister to ask his Government to aid in every possible way towards minimizing the affair and bringing it to an end but asked him to understand the Peruvian difficulties, meaning, I understand, that since the Government was largely in the dark as to what had taken place in Iquitos and there seemed to be a revolutionary outbreak there and this outbreak is declared by its leader to be "patriotic", it should be excused from making a public disclaimer as that might complicate the Gov-

ernment's situation within Peru. The Colombian Minister communicated the foregoing to his Government last night but says that on the subject of whether or not a gunboat had been despatched the Foreign Minister had remarked that the orders were that none should be sent. The Minister pointed out however that the Central Government apparently could not secure the execution of its orders by whoever is now in authority at Iquitos. He declared that if the Peruvian [Colombian?] gunboats from Putumayo return and find a Peruvian gunboat in Colombian waters there will certainly be a clash.

Colombian Minister has received various cables of instructions from his Foreign Minister and apparently from President Olaya-Herrera. He says the Colombian Government is gratified by the attitude of the Peruvian Government and that it is rushing measures for the recapture and control of Leticia. The Colombian Consul Manaos cables that the attack on the Leticia was carried out by 300 civilians under the leadership of the chief of the garrison at Chimbote.

As I was talking to the Colombian Minister the Department's 50, September 3, 4 p. m., arrived and I gave him the substance of it. He thought it doubtful whether Sanchez Cerro could or would make the disavowal the Department suggests but said that if Sanchez Cerro would make such a disavowal to me it would be most encouraging. We are justified I believe in considering the President's repeated statement to me that certain individuals operating on their own responsibility had, in making attack on Leticia, taken the Government completely by surprise as a disavowal of responsibility although it lacks the positive and public character it should have. His statement is nevertheless valuable as it seems warranted from such of the background as we have to believe that the Central Government did not instigate the attack, does not condone it and is apparently endeavoring to dominate the situation.

The Colombian Minister saw the Foreign Minister again today and was informed that Major Abad had left with Hoyos Osores for Iquitos to take command of the Government forces there but this can only be done if the rebels agree. Osores and Abad travel via Puerto Melendez and should reach Iquitos 10 hours after leaving Lima. The Minister stated that the revolutionary junta had telegraphed Lima that the movement was "patriotic national". The Foreign Minister said that he was waiting for further news and did not know what would happen.

The Colombian Minister commented to me that the situation was extremely uncertain and very peculiar, that apparently Peruvians of

one kind or another will be in control at Leticia until Colombian forces arrive. He believes Iquitos uprising may be part of an aprista, or the first phase of a military uprising which will later have echoes elsewhere in Peru or that it may be purely local affair. He has heard that conspiring is going on in the Army and says that if the question of patriotism is put up to the President in the form that he must support the military movement at Iquitos or get out of office there will be serious consequences in Peru.

The Colombian Minister has had but one message from the Colombian Consul at Iquitos, received yesterday, but dated the 1st, saying that the public gathering at Iquitos had terminated calmly, that the attack on Leticia had taken place at midnight on the 31st, and that the orator addressing the gathering had stated that the Leticia attack had been planned at Iquitos.

The Foreign Minister told the Colombian Minister the President had especially charged him to say he was sorry to have had to stop the Colombian Minister's cable. The Minister explained that he had sent none and surmises that possibly the open United Press message from Bogotá, substance of which was given in my 131 of September 2, 5 p. m., was stopped because of the censorship on news about Leticia in Peru and because the Peruvian Government was not yet ready to have reports printed as to its position. The Foreign Minister has informed the Brazilian Minister that the attack on Leticia was due to apristas and that the Government would settle with them. The Colombian Minister has been informed there are 700 Peruvian

troops in or near Iquitos but he thinks this figure greatly exaggerated.

Repeated to Bogotá.

DEARING

721,23/76

Memorandum by the Assistant Secretary of State (White)

[Washington,] September 9, 1932.

The Colombian Minister, Mr. Lozano, called and discussed the relations between Colombia and Peru with reference to the recent attack by about 300 Peruvians on the Colombian town of Leticia on the Amazon. He told me that a recent note received by the Colombian Minister in Lima from the Peruvian Government stated that the Leticia incident had arisen in an unexpected form and spoke of the Peruvian intention to try to calm the situation created by the national aspirations regarding the Peru-Colombian frontier. The Minister stated that the Peruvian Government apparently believed that it should not combat but try to modify the national aspirations contrary to solemn public treaties, approved, ratified, and, until the last of

August, complied with by Peru. This is the attitude which Peru has taken regarding the acts of piracy and assault in Leticia.

The Minister stated that he had received a cable from President Olaya in which the latter said that Colombia demands only the loyal and frank respect of treaties and declares that its relations with Peru are based on treaties which bind the two countries and that as regards the pending matter Colombia demands complete control of the Colombian authorities in all the national territory.

The Minister said that Colombia was very gratified at the attitude the United States had taken in this matter and the help that we had given through our Ambassador in Lima. The Colombian Government now thought that it would be helpful, however, if the Secretary would talk with the Peruvian Ambassador regarding this violation of the treaty.

I told the Minister that I did not think he could count on our doing anything else for them in Peru. We have made our position clear and we are glad to do this. However our action in the matter had at first been considerably resented by President Sanchez Cerro and I doubted whether it would really help the situation from the Colombian point of view should we take the matter up further along that line. I said that of course Ambassador Freyre is a very reasonable man and I saw no objection to discussing the matter with him. The Minister said that even though President Sanchez Cerro might have appeared annoyed at our taking an interest in the matter, nevertheless our interest had helped the situation immensely because it showed the Peruvians that their action was being watched and made them more careful. He said that he had great admiration for Mr. Freyre also but that it would be necessary to speak pretty frankly with him in order to have him make any worthwhile representations to his own Government as he always minimizes a situation and for that reason he hoped that we would make our representations to him as strong as possible. F[RANCIS] W[HITE]

721.23/54 : Telegram

The Ambassador in Peru (Dearing) to the Secretary of State

Lima, September 13, 1932—9 p. m. [Received September 14—1 a. m.]

160. Leticia, repeated to Bogotá. My 159, September 12, 9 p. m.³

1. Cabinet, President, Constituent Assembly are all giving close attention to Loreto situation and the new Foreign Minister is taking it up at once with the Diplomatic Commission of Assembly tomorrow.

Not printed.

- 2. In a conversation today President of the Diplomatic Commission, Dr. Manzanillo, informs me he thinks that our Government could greatly aid peaceful solution of the problem by influencing Colombia to receive proposals for the revision of the Salomón-Lozano treaty,⁴ meantime withholding efforts to reestablish itself at Leticia. I said that I could not imagine Colombia's responding to any such suggestions in the way Peru desired.
- 3. Dr. Manzanillo declared that it will be impossible for the Peruvian Government to remain quiet while Colombia regains Leticia, as the whole of Loreto would go to the aid of the city and the administration would be unable to restrain them, since Peruvian public opinion condemns treaty and it would take from six to eight thousand men to dominate Loreto.
- 4. Manzanillo argued Colombia did not need and could not develop Leticia district, should consider Peruvian internal difficulties, be receptive to suggestions and be willing to enter upon discussions. I told him I thought Colombian Government would not consider such proposals and inquired whether the internal situation in Peru was really so dangerous that a public disavowal which would confine and minimize the importance of the incident could not be made.
- 5. Manzanillo replied incident was like Fiume, criticised circumstances under which treaty was made and said withdrawal of Peruvians from Leticia could not be thought of.
- 6. I told Manzanillo his ideas seemed to me impossible of realization but that I would be glad to have a written statement of his point of view, as our Government would be extremely anxious to understand Peruvian Government's position. He promised to supply such a statement.
- 7. Assembly and the administration impress me as being busily engaged in making up a case which will justify independent action in case Colombia does not cooperate according to Peruvian ideas.

DEARING

721.23/54 : Telegram

The Secretary of State to the Ambassador in Peru (Dearing)

Washington, September 15, 1932—noon.

55. Your 160, September 13, 9 p. m. For your personal information following are the considerations which make it impossible for the Department to comply with Manzanillo's request. However unpopu-

⁴ Between Colombia and Peru, signed March 24, 1922, League of Nations Treaty Series, vol. LXXIV, p. 9; see also Foreign Relations, 1923, vol. 1, pp. 351 ff.

lar the Salomón-Lozano treaty may have been, it is a fact that it was ratified by both countries⁵ and has been in force for some years. If Peru had desired to modify this treaty there is no reason why she should not have requested Colombia to consider negotiations to that end. To do so now, however, after a Colombian town has been captured by Peruvians and to say that it will be impossible for the Peruvian Government to remain quiet while Colombia reestablishes her control over territory Peru has recognized as Colombian, is to make all international treaties and agreements absolutely valueless and is directly contrary to the declaration of the American republics of August 3,6 a declaration which was subscribed to by Peru. In fact, Peru was the first of the American countries to agree to the proposal of the Neutral Commission that that declaration be made.

The present is a time of great unrest and disquiet throughout the world and it is to the interest of all Governments to try to maintain order and stability not only internally but in their foreign relations as well. There is not a country in South America that has not had serious boundary disputes in the past, almost all of which have fortunately been settled by peaceful agreements. To start reopening these questions now by the use of force can only lead to chaos. In this connection the Department was advised early in the summer by a distinguished Peruvian of the consternation caused in Peru by statements alleged to have been made by one of the recent provisional regimes in Chile7 that it intended to revise the Tacna-Arica settlement.8 If this is correct, Peru should be able to realize the effect which its present action may well have in Colombia.

The orderly procedure to follow in this case would seem to be to disavow the occupation of Leticia and assist in restoring Colombian authority there or at the very least to do nothing to thwart the reestablishment by Colombia of its jurisdiction. After this has been done Peru could then consider whether it felt that its interests required that it should ask Colombia to negotiate with it in an orderly way for a possible revision of the treaty. The important point, however, is that the treaty is in force, is valid, and should be respected, and that no change in it should be sought other than through peaceful negotiations. To endeavor to negotiate on the basis of the occupation of Leticia by Peru is in effect to consider the boundary treaty a scrap of paper and a repudiation of the declaration of August 3 within 6 weeks after Peru signed it. Bogotá informed.

STIMSON

⁵ See Foreign Relations, 1927, vol. 1, pp. 331 ff.

^{*} See Foreign Relations, 1929, vol. 1, pp. 720 ff.

721.23/65 : Telegram

The Ambassador in Peru (Dearing) to the Secretary of State

Lima, September 15, 1932—9 p. m. [Received September 15—8:50 p. m.]

167. Department's 55, September 15, 12 A. M., just received. I am glad to report I have followed exactly the lines indicated in these instructions in my conversations here. While the Department's message is stated to be for my personal information I believe it will be advantageous to communicate it orally and informally to Foreign Minister and will do so unless Department deems it inexpedient.

DEARING

721.23/78 : Telegram

The Secretary of State to the Minister in Colombia (Caffery)

Washington, September 17, 1932—1 p. m.

39. Your 69, September 16, 2 p. m.9 Lozano yesterday showed White Olaya's draft note which Olaya was contemplating sending to the Presidents of the other American countries that signed the August 3 declaration. White advised against this saying that the telegram from Olaya to the Presidents of the other American Republics would undoubtedly become public and might well create an incident whereas his endeavors should be to avoid an incident. It was suggested that the best way to approach the matter would be to have the Colombian Legations abroad discuss the matter frankly, informally and discreetly with the Foreign Ministers of the other American countries and endeavor to see whether they would not instruct their diplomatic representatives in Lima to make representations to the Peruvian Government in the same sense as Dearing has been doing.

Today Lozano said that Olaya thought it preferable that the message be sent only to the Presidents of the United States and Brazil and he was told that this would be a great mistake. For instance, if the message came that way to the President of the United States, about all he could reply would be that this was a matter between Colombia and Peru; that he regretted that they were having difficulties, and that he hoped they would find a peaceful solution thereto.

Lozano was told that there was no reason why the United States should be singled out as the only one to protest and maintain the doctrine of August 3 nor of picking out only the United States and

Not printed.

Brazil. The United States is willing to do its part but it should not be asked to carry the whole burden alone and therefore it would seem to be very much more effective and less likely to cause resentment in Peru, which would react unfavorably to the Colombian objectives, if as many as possible of these signers of the August 3 declaration would make some statement to the Peruvian Government in the sense in which Dearing has done.

STIMSON

721.23/79 : Telegram

The Secretary of State to the Ambassador in Peru (Dearing)

Washington, September 17, 1932—4 p. m.

56. Your 169, September 16, 4 p. m., paragraph 5.¹⁰ Department's 55¹¹ set out in detail the main points which the Secretary mentioned in his conversation with Freyre.

Reference paragraph 7, your 169. There is, of course, no objection to your expressing orally to the Foreign Minister the substance of Department's 55 as setting forth the Department's views as to the essential issue involved in this incident, namely, respect for the boundary treaty. It would in fact seem from paragraph 13 of your telegram under reference that you had already explained in substance to the Minister the way in which we look at this question. Your suggestion that the Peruvian objections to alleged difficulties placed by Colombia on Peruvian trade at Leticia could be taken up by negotiations between the two countries after Colombian sovereignty had been reestablished at Leticia, seems helpful and practicable.

In your conversations with Peruvian officials you will of course have in mind that this Government does not desire to be singled out as the only Government to bear the burden of working for peace in South America and of supporting the declaration of August 3, which was subscribed to by all the American states. We are willing to do what we can to assist in a friendly manner to keep this question within proper bounds, but we have no responsibility to act as sole guardian of the peace of Latin America nor do we desire to assume such responsibility.

STIMSON

¹⁰ Not printed.

¹¹ September 15, noon, 7. 277.

721.23/107 : Telegram

The Secretary of State to the Ambassador in Peru (Dearing)

Washington, September 23, 1932—6 p. m.

59. The Department is informed that the President of Colombia proposes to instruct Colombian diplomatic representatives to discuss the "Leticia incident" frankly, informally and discreetly with the Foreign Ministers of the American countries and endeavor to see whether they will not instruct their diplomatic representatives in Lima to make representations to the Peruvian Government in the same sense as our Ambassador at Lima has been doing. As it appears probable that the aforesaid Colombian diplomatic representatives will likewise discuss the question with our representatives in the respective capitals, the Department has telegraphed our missions in Latin America of Olaya's proposed instructions. For the information and guidance of our missions the Department has telegraphed them a résumé of the reported facts and the sense of its instructions to you contained in its telegrams No. 50 of September 3 and No. 56 of September 17. STIMSON

721.23/261

Memorandum by the Assistant Secretary of State (White)

[Washington,] October 4, 1932.

The Uruguayan Minister, Mr. Varela, called me up and read me the text of a note he had received from the Peruvian Ambassador, addressed to him as the senior American diplomatic officer in Washington, and hence Chairman of the Investigation Committee set up by the Gondra Treaty. 12 The note refers to Article I of the Convention on Conciliation signed February [January] 5, 1929, 13 and Article III of the Gondra Treaty, and asks the Committee to take up conciliation of the Leticia difference between Peru and Colombia. The Minister said that the note seemed vague and not very explicit as to whether the Commission was to investigate the happenings at Leticia or to try to conciliate the parties. The Minister thought that a request to conciliate the parties is reasonable and he hoped that Colombia would not refuse that suggestion. He said that he could readily understand that Colombia might refuse an investigation, considering the matter an internal one. He thought they ought not to refuse an attempt to conciliate the two countries.

Foreign Relations, 1923, vol. I, p. 308; see also ibid., 1928, vol. I, pp. 644 ff.
 Ibid., 1929, vol. I, p. 653.

Mr. Varela asked me to give him from time to time any suggestions or recommendations which might occur to me and said that he would be glad to have them. I, in turn, told the Minister that if there was anything that he would like us to do to be helpful at any time, if he would call on us, I, personally, and the Department would be glad to do anything possible to be of assistance.

Mr. Varela added that the Peruvian Ambassador's note stated that Peru has appointed as its representative before the Permanent Committee in Washington Mr. Victor M. Maúrtua of Peru and Mr. Raúl Fernandes of Brazil.

F[RANCIS] W[HITE]

721.23/207 : Telegram

The Minister in Colombia (Caffery) to the Secretary of State

Водота́, October 5, 1932—6 р. т. [Received 8 p. m.]

80. Olaya says he can not accept Peruvian conciliation proposal. The Leticia incident he is bound to consider as a domestic matter. If Peruvian forces do not attack, the matter will resolve itself by Colombian re-occupation of Leticia.

CAFFERY

721.23/300

Memorandum by the Assistant Secretary of State (White)

[Washington,] October 14, 1932.

The Peruvian Ambassador¹⁴ called this afternoon and said that he was very disappointed that the Colombians had rejected the Peruvian suggestion to submit their differences to a Commission of Conciliation. He said that it was not unexpected but he nevertheless was very sorry that such was the outcome. He went over again some of the arguments about the treaty having to be changed, et cetera. I told him that if a treaty proves unsatisfactory to one of the parties it is always open to request the other to negotiate a modification but to seize some of the other party's territory and then demand a discussion was the wrong way to go about the matter, and I personally thought that the Colombians were fully justified in rejecting the Peruvian request as long as the Peruvians remained in Leticia or at least their presence there was not disavowed by the Peruvian Government. Should the Peruvian Government disavow any connection in the

¹⁴ Manuel de Freyre y Santander.

matter and any support thereof and recognize the territory as Colombian, then it might be possible for Colombia to appoint representatives to a Commission of Conciliation and discuss any solution such as economic benefits in Leticia to the Loretanos, et cetera.

The Ambassador said that this was very difficult on account of the situation in Peru and that no Peruvian Government could possibly last if it did so. The treaty is unworkable—it is shown to be unworkable in practice—and he thought there would have to be changes. I told him that I was speaking entirely without any knowledge of the Colombian point of view but it seemed to me that it would hardly be possible for Colombia to give up Leticia, which is its one outlet to the Amazon, whereas Peru has many outlets there, and that Peru should also remember that while this bit of former Peruvian territory had been given to Colombia, Colombia had given to Peru a large territory in other places. The Ambassador said he understood that; that he was not advocating that Leticia be returned to Peru but that the treaty be changed in such a way as to make it workable. I asked him just what provisions of the treaty were objected to and he said he really did not know. I asked if what was required was not so much a change in the 1922 treaty as perhaps the negotiation of a supplementary commercial treaty dealing with the economic and commercial conditions in that region. He said that that might well be the case. He said, however, that if Peru made a statement disavowing the Leticia movement, as I suggested, Peru would have no assurance that Colombia would not then stand on her treaty rights and say that the treaty was satisfactory to her and that she would not make any changes.

I told the Ambassador that as a practical matter I thought the question was to try to get both countries into negotiation through the Commission of Conciliation and the thing that occurred to me was that he might reply to Señor Varela's note, transmitting the Colombian reply, by saying somewhat what he said in his letter published in La Prensa of New York of today, namely that Peru does not deny the validity of the Treaty of 1922; that the juridical doctrine sustained by Colombia is unanimously accepted, and that Peru did not instigate nor did it have any previous knowledge of the Leticia movement. The Peruvian Government could say it recognized Leticia as Colombian and had no thought of changing this in any way but in order to remove any cause of conflict in the future it would like to negotiate regarding economic and commercial conditions there and it thought these latter questions were ones in which the Conciliation Commission could be of great help to both countries. I told him that I thought before sending the note he should of course show Mr.

Varela, the Chairman, a copy of his proposed letter, so that Mr. Varela could show it to Lozano to know if this statement would not be sufficient for the Colombian Government to change its position and accept the services of the Conciliation Commission. The Ambassador said he thought that this was a good idea; that he did not want to just sit down and do nothing and let the situation get more tense, and that he would immediately take the matter up with his Government to see if anything could be done along these lines.

I advised Señor Varela and Mr. Rublee of the above. Mr. Rublee much preferred to have the Permanent Commission make a declaration as he had suggested but if it would not do so thought that my suggestion was a step forward and seemed inclined to agree with me that if Peru will make a satisfactory statement about Leticia being Colombian then the Conciliation Commission would certainly have to suggest the withdrawal of the Peruvians from there and its return to Colombia.

F[RANCIS] W[HITE]

721.23/393

Memorandum by the Assistant Secretary of State (White)

[Washington,] October 26, 1932.

The Venezuelan Minister ¹⁵ called and we discussed briefly the Leticia case. I told him that I thought progress might be made if the Permanent Commission should take the position that there is no ground for calling a conciliation commission with regard to the city of Leticia itself. The dominion over that territory has been definitely settled by the Treaty of 1922 and no court can well reopen the case which parties themselves have closed by a definite agreement. The commission might then suggest that this territory be restored to its status in accordance with the Treaty of 1922 and that after that any commercial questions or differences between the two countries be submitted to a commission of conciliation. Mr. Arcaya said that he agreed with this point of view and thought it the logical one to follow and that that was the view of his Government also and that when the Peruvian answer is received that would be a good time to make this suggestion.

I made a similar statement over the telephone to Dr. Varela. He apparently is keen on having the Commission consider the matter rather than saying there is nothing to be discussed regarding Leticia. He will give the matter further consideration, however, when the Peruvian note has been received.

¹⁵ Pedro Manuel Arcaya.

Oct. 27th: I spoke by telephone this morning with Señor Racinos, Guatemalan Minister and third member of the Permanent Commission. He showed himself very favorably inclined to act as I suggested to Dr. Arcaya. He said he would get in touch with me again when the next Peruvian note is received as he thought that would give the Commission a good chance to act as I had suggested.

F[RANCIS] W[HITE]

721.23/396

Memorandum by the Assistant Secretary of State (White)

[Washington,] October 27, 1932.

The Brazilian Ambassador¹⁶ called and discussed the Leticia matter. I asked him if his Government had considered taking any initiative in the matter. I pointed out to him that as the hostilities were taking place in territory bordering on Brazil, Brazil is the neutral country having the greatest interest in the peaceful solution of this question. The Ambassador said he agreed and would make a suggestion along those lines to his Government. He asked me how this Government looked at the matter. I told him that it appeared to us that there was a valid treaty between Peru and Colombia by which Leticia and the surrounding territory belonged to Colombia, that the treaty has been ratified overwhelmingly by the Peruvian Congress and had been put into effect by the turning over by each country to the other of the territory which each had agreed in the treaty to give to the other. The boundary had been demarcated and the matter seemed to be a closed incident. There appeared to be nothing to discuss regarding Leticia and dominion over it, and it was not seen how any tribunal or conciliation commission could open a matter which the parties themselves had definitely closed. I told the Ambassador that while I had not seen the note of the Peruvian Ambassador to the Permanent Commission asking that a commission of conciliation be set up, I understood that it requested this commission to study the consequences of the treaty of 1922. I said that no definite mention was made of Leticia. I said that I understood that Colombia took the view that Leticia was an internal matter and there was nothing to discuss regarding it but that once Colombia's authority was recognized and reestablished in Leticia, Colombia would discuss any commercial questions growing out of the Treaty of 1922.

I said that I thought the countries of America might well say to both Peru and Colombia that two months had gone by since Peru-

¹⁶ R. de Lima e Silva.

⁶⁴⁶²³¹⁻⁻⁻⁴⁸⁻⁻⁻²⁵

vians had occupied the Colombian town of Leticia, that at first the Peruvian Government had stated its complete innocence of any connection with this movement which first was characterized as Communist and that the countries of America had confidently expected the matter would be promptly arranged. Now two months have gone by and it is seen that Peru is apparently sending troops and military supplies to bolster up the position of the Peruvian occupants of Leticia and as a consequence hostilities with Colombia are threatened and that therefore the countries of America feel that they should remind both parties of the declaration of the American States made on August 3, which was signed by both Peru and Colombia, saying that they would not recognize any territory acquired by conquest or by force of arms. Consequently, the American nations will not recognize any Peruvian occupation of Leticia and they call upon the Peruvian Government to declare that it will observe the Treaty of 1922 settling the matter, and that it does not desire Leticia. They would also ask Peru to order the Peruvians in Leticia to leave the town and to declare that if they do not do so Peru will not support them nor will it put any obstacle in the way of Colombia reoccupying this territory. The American nations invite both countries, once Colombian authority is reestablished in Leticia, to negotiate either directly or by or through a commission of conciliation as proposed by Peru regarding any commercial or economic differences which they may have in that region. The Ambassador said he thought this was reasonable and a sound position to take. I told him that I thought it better for the interests of the American nations that one country should not always be carrying the burden and taking the initiative and as the present dispute is between two South American countries and as Brazil is the country most affected thereby, that Brazil could very well take the initiative. The Ambassador liked the idea and said he had already said something to his Government, and that he would send a further cable. F[RANCIS] W[HITE]

721.23/408

Memorandum by the Assistant Secretary of State (White)

[Washington,] October 31, 1932.

The Peruvian Ambassador, Señor Freyre, called and left with me a clipping from a Lima newspaper giving the background and the Peruvian point of view regarding the Leticia incident (the clipping is from *El Comercio*, Lima, Sunday, October 23, 1932). The Ambassador asked me to read this article at my leisure and I told him that I should be glad to do so.

The Ambassador again went into the Leticia matter and said that he could not see why the Columbian Government would not agree to discuss the matter with the Peruvians. He thought that was the only way by which war could be avoided. He mentioned briefly the manner in which the Treaty had been negotiated and put through, referring to my conversation with Señor Maúrtua on the 29th. He said that it was a great mistake to try to put through a treaty by such methods because in doing so one builds on sand and not on a firm basis. The people affected were so outraged that they had risen up against the treaty.

I told the Ambassador that from my information there were less than a thousand people in the Leticia corridor and that it was not these people who had thrown out the Colombian authorities but Peruvians who came in from Peruvian territory. I said that however good Peru's case might be on the basis of the manner in which the treaty was negotiated, there is a right way and a wrong way of doing everything and that there is a right way to go about modifying a treaty which one party does not find to its liking. The way to get the modification of a treaty is to open negotiations calmly with the other party, but seizing territory which has been conceded to the other party and then demanding that while that territory is in your occupation the aggrieved state shall negotiate to recognize the return of the seized property to the party desiring it, is certainly the wrong way to go about the matter and, if we should grant for the sake of the argument that Peru has an excellent case, this procedure will in itself ruin that case and lose her sympathy and support abroad.

The Ambassador justified Peru's action on the ground that public opinion is such that the Peruvian Government could not now disavow the action of the Loretanos because all the people of Peru are now solidly behind them. He virtually admitted, however, that firm action at the outset by the Peruvian Government in disavowing the action of the Peruvians who seized Leticia might have saved the situation. He said the situation has now got beyond control and we are confronted with a practical condition to which we must try to find a solution. I told him that personally it was pretty hard to ask President Olaya to take a position contrary to the firm convictions and public feeling in Colombia in order to save the Peruvian authorities from carrying out their obvious duty. The present situation has not been brought about on account of any action or lack of action on the part of the Colombian authorities and the resentment against any Colombian Government acquiescing in what the Ambassador was requesting would be overwhelming. I did not see how it could be done.

Memorandum of conversation not printed.

The Ambassador said that whatever the juridical position may be, we must get down to facts and the facts are that unless the two countries can get together and discuss this matter there will be war and that we should not run the risk of a war just to save a juridical principle.

I told the Ambassador that I thought there was more involved than a mere juridical principle, that there was also a very practical side to it. The Colombians will ask what assurance they would have that any treaty or agreement they might make with the Peruvian Government now would be respected by the present or future Peruvian Governments when a valid treaty is not respected by them. I asked the Ambassador if he could give me an answer to that problem and he said that he was afraid he could not. I told him that he would now see why I did not feel that I could advance any such suggestion as he proposed to the Colombians. If I were asked by him or Dr. Maúrtua to make a suggestion to the Colombians, either in their own names or in the name of the Peruvian Government, I would of course do so but I could not urge and support any proposal unless I thought it was fair and equitable. As I had told Maúrtua, if the Peruvians will state that they are not demanding a modification of the boundary that has been settled by the Treaty of 1922 and hence excluded from the purview of the Gondra Treaty and would state that they wanted to discuss the economic and commercial consequences of the Treaty, which is a matter not excluded from the purview of the Gondra Treaty as having been settled by another treaty, I would certainly be glad to recommend to the Colombians that they accept to discuss those questions.

I told the Ambassador that respect for treaties is the foundation of all international dealings and that unless this were maintained we were opening a situation of chaos; that we would soon arrive at a state where nobody would make any treaties, but that all countries would be forced into making *modi vivendi* with the existing governments good for the duration of those governments only.

The Ambassador again stated that the question is not merely commercial but is a territorial one and that they could not get out of Leticia until this matter was discussed. I told him that this action on the part of his Government is contrary to the declaration which Peru signed on August 3 of this year stating that it would not recognize the validity of territorial occupations effected by force of arms. Furthermore, if this should lead to war because Peru refused to get out of Leticia, the war would result from the use of force as an instrument of international policy on the part of Peru. Peru would have

forcibly seized territory and refused to give it up unless Colombia agreed to certain conditions, among them ceding this territory back to Peru. This would be contrary to the Kellogg-Briand Pact¹⁸ which has been signed by sixty-two nations and the matter would therefore affect not only Peru and Colombia, but would be of very great concern to sixty other nations of the world as well. I told him I thought it well to consider that aspect of the problem.

The Ambassador seemed to think that the Peruvian armed forces would not leave Leticia and inquired whether it might not be possible to restore the Colombian civil authorities but not their police or army. I asked the Ambassador if he was suggesting that Colombia was to send her civil authorities to Colombia's town Leticia to be maintained in power by and at the will of the Peruvian military. He apparently had not thought of the matter before, and did not pursue that angle of it.

He reiterated again, however, the necessity of the two countries talking the matter over. I asked him what was the definite basis on which the negotiations would be carried out, what was the plan his Government had in mind. He said that it had no plan that he knew of other than to negotiate with Colombia through a commission of conciliation. I told him that if he wanted us to give consideration to a plan we would have to know all the details and implications of it. I said that yesterday Mr. Maúrtua had proposed a plan which he wanted me to urge on the Colombian authorities on the understanding that if they accepted it that then Dr. Maúrtua would use his influence with the Peruvian Government to have Peru accept it also. I had told Dr. Maúrtua that obviously I could not do this as even if I were in favor of his plan and the Colombians agreed to it I would certainly be in a very embarrassing position if then Peru declined to carry it out. If he wanted me to give any consideration to a plan, I would have to know definitely in advance all the terms of it and that it was accepted by Peru.

The Ambassador intimated very strongly that his Government was looking for a way out, that they could not get out of Leticia on their own, but that if a commission of conciliation told them to get out that then they would do so. I asked him if he would tell me definitely that Peru was insisting upon the commission of inquiry merely in order to permit it to get out of Leticia with the backing of an international commission on account of internal conditions in Peru. If he would definitely tell me that so that I could explain the matter in that light to the Colombians there might be some possibility of making progress in the matter. The Ambassador said that he was

¹⁸ Foreign Relations, 1928, vol. 1, p. 153.

not authorized to make any such statements to me. I also inquired of the Ambassador whether Peru would be willing to arbitrate whether she was entitled to Leticia or not, whether the Treaty of 1922 was valid and effective as that might be a way out and a means of avoiding war. The Ambassador said that he was without instructions on that point also but knew that his Government wanted to negotiate for a conciliation commission. He said, however, that he would try to find out definitely and precisely from his Government just what it wants and will accept.

F[RANCIS] W[HITE]

721.23/409

Memorandum by the Assistant Secretary of State (White)

[Washington,] November 1, 1932.

The Brazilian Ambassador called and with reference to our conversation a day or two ago said that he had an answer from his Government on the Leticia question. His Government did not find it possible for Brazil to take any initiative in the matter because he said the five Central American Republics are not represented at Rio, and at the present moment the Cuban and Ecuadoran representatives are absent, so that at the present time there are seven American countries actually not represented at Rio.

I told the Ambassador that I did not think this was an insuperable obstacle as the Minister of Foreign Affairs of Brazil could communicate directly with the Ministers of Foreign Affairs of those countries and get their concurrence in any action taken and those countries could authorize the Minister of Foreign Affairs of Brazil or the diplomatic representative of any other country in Brazil to act on their behalf. The Ambassador said that he was sorry that his Government had taken this position and he did not see that there was anything else to be done.

F[rancis] W[hite]

721.23/410

Memorandum by the Assistant Secretary of State (White)

[Washington,] November 3, 1932.

I telephoned Mr. Rublee and told him that yesterday evening I was reading over the opinion on the Leticia matter given by Señor Alvarez of Chile to the Colombian Government ¹⁹ and that it occurred

Dolombian Legation, International Opinion and the Letician Controversy (Washington, January 1933), pp. 29-42. Typewritten copy of the Opinion dated Paris, October 12, 1932, was transmitted to the Department by the Colombian Minister under covering note of October 27, 1932, not printed (721.23/390½).

to me, from an opinion Mr. Alvarez expressed, that there was one other possible line of action that might be explored.

Mr. Alvarez stated that Peru could not bring Colombia before a conciliation commission because Colombia has not violated any treaty nor has Colombia any difference with Peru, but that Colombia can bring Peru before a conciliation commission on account of its violation of the provisions of the Treaty of Caracas of 1911.²⁰ I said that Peru had asked Colombia to set up a conciliation commission and Colombia has rejected it on the ground that the Leticia matter is an internal one. If other methods fail, one way which occurs to me of getting the countries to talk and not go to war, if the latter seems imminent, would be for Colombia to take the offensive and ask Peru to come before a conciliation commission regarding its violation of the 1911 Treaty. This would serve to bring about a discussion between the two countries in such a way that Colombia would not lose any prestige, as she might in going before a commission at the request of Peru to discuss the Leticia case. Peru would doubtless accept because she would intend to bring the Leticia matter before the commission. Once the commission is established, it would then be up to Colombia to try to get an expression of censure from it against Peru for violating the Treaty of 1911 and, if Peru brings up the Leticia matter, to have the commission throw that question out of court, suggesting that Leticia be restored to Colombia, after which the countries could get together before the conciliation commission to discuss any economic or commercial questions arising out of the execution of the Treaty of 1922.

Mr. Rublee seemed to think that this was a good idea and offered a possible way out. He said he would think the matter over.

F[rancis] W[HITE]

721.23/441

Memorandum by the Assistant Secretary of State (White)

[Washington,] November 10, 1932.

The Brazilian Ambassador called and stated that he had heard from his Government regarding the possibility of Brazil getting the ABC countries to take some action in the Leticia matter. He said that his Government does not desire to do so or be connected in any ABC movement because the other countries of South America resent any action of the ABC's, feeling that those countries are the strongest and are perhaps trying to dominate them on that account.

³⁰ Signed July 18, 1911, British and Foreign State Papers, vol. cvii, pt. 1, p. 601.

I told the Ambassador that the action need not be limited to the ABC countries—that there was no reason why Brazil should not call together all the other South American countries to take some action in the matter. He said that his Government definitely would not take any initiative in the matter. His Government will join and has authorized him to join in sending a telegram to Peru and Colombia but Brazil will not take the initiative.

The Ambassador said another possibility would be for the Latin American diplomatic corps here in Washington to get together and take some action and invite the United States to join them. He said that Washington was the only place where this could be done because it was the only place where all the countries are represented. I asked him if he was going to suggest that action to his colleagues and he again said no; that he was instructed to take no initiative whatsoever but he is authorized to join in if others take the initiative.

F[RANCIS] W[HITE]

721.23/473

The Ecuadoran Minister (Zaldumbide) to the Secretary of State
[Translation]

Washington, November 12, 1932.

Mr. Secretary of State: By special instructions from the Ecuadorian Chancellery, I have the honor to place in Your Excellency's own hands the declarations which, in the form of a Memorandum, my Government has thought it well to make upon considering, from the standpoint of the rights and interests of Ecuador in the Amazon region, the international situation created by the present Colombo-Peruvian dispute.

The said document reads as follows:

MEMORANDUM

- 1. The difficulty which has arisen between Colombia and Peru concerns all America, with good reason. Ecuador, for very good reasons, can not remain indifferent, the very fact that such a conflict has arisen being sufficient to justify her attitude, without it being necessary to make an analysis of its cause or the arguments maintained on each side to proclaim the necessity of one settlement or the other.
- 2. The controversy which has arisen between the two countries concerns us deeply, because Ecuador has the deepest conviction that all republics of the American continent, and in particular, certain groups of countries situated close to each other and having special historical, ethnic and economic ties, such as Colombia, Ecuador and

Peru, are called to a common destiny and as the greatest political and economic problems concern the three States to an equal extent and demand their mutual cooperation that they may be settled satis-

factorily.

3. Furthermore, America is not unaware of the fact that Ecuador is and will be an Amazonian nation. Her geographic location, her numerous juridical rights, the imperative demands of her economic life and the requirements of her normal biological development, the right that every people has to a proportionate territory, and the indisputable fact that the Amazon forms the inland sea and the common outlet toward the East for the countries of this part of the New World make Ecuador's right to be an Amazonian State, as she is and always has been, since the first colonial centuries, irrefutable and indisputable.

4. Moreover, Ecuador has not yet been able to settle in a friendly and equitable way, as she is eager to do, her difference as to frontiers in the territory of the Amazon.²¹ It is therefore evident that the present dispute between Colombia and Peru may affect her and, in any

case, it concerns her vitally.

5. The peoples of America see with disquietude that Colombia and Peru are making preparations for war, in issuing loans intended for national defense, procuring arms, ammunition and other military supplies, and mobilizing their troops.

6. Ecuador trusts that the settlement of this difference will not be left to the arbitrament of war, for war generally does not settle in a sincere, complete and just way the problems which it is expected to

settle thereby.

7. This principle is all the more evident as history, as well as the American tradition of international law and various recent public documents and international declarations, remind us that our peoples, having taken the right direction in the path that civilization apparently will follow, are convinced that settlements of the differences between countries are those which are secured by pacific and voluntary means which do not injure the vital interests or the juridical sentiment of the communities to which they are to be applied.

8. Therefore, Ecuador, inspired by a pacific ideal, desiring only amicable and equitable solutions of her foreign problems, has up to the present time devoted all her effort to development of her culture and peaceful domestic progress. It is for this reason that, as she stated to the League of Nations, in a note dated November 17, 1931, she now insists on declaring to the chancelleries of America, that until now she has desired to organize only an army indispensable for maintaining domestic peace. Nevertheless, a part of her territory being situated between Colombia and Peru, Ecuador, in the absurd case of a war, exercising her full sovereignty and independence, and being sure of her rights and as a state desirous of achieving her own destiny within the limits of international peace and dignity, is resolved to employ every effort and make every sacrifice to prevent the possibility that, at a given moment, her territories may be violated and her peaceful towns and fields exposed to the horror of war. The social

²¹ See pp. 350 ff.

and moral conscience of America could not tolerate such violation, which is contrary to the basic principles of justice, civilization and law.

9. If the controversy between Colombia and Peru is settled by pacific means, the settlement may have consequences which, directly or indirectly, may affect the juridical status or the *de facto* situation of Ecuador in the Amazon basin.

10. Moreover, Ecuador, having justice on her side, desires to solve her Amazon problem in a fitting manner, in the greatest harmony and under the egis of the fraternal sentiments which should inspire the American peoples; to assure in definitive fashion the peace and the international position of the Republic, and then direct all the efforts of her foreign policy to a many-sided, fruitful, intensive and ever

greater cooperation with neighboring States.

11. It follows from this that both on account of the undeniable consequences that may develop for Ecuador from possible Colombo-Peruvian diplomatic negotiations, and on account of the desire cherished by the Republic to solve her own differences as soon as possible, she is interested in the present difficulty between the two friendly peoples referred to, and believes that she has the indisputable right not to suffer any prejudice in this connection, and to bring about the earnestly desired fraternal and definitive solution of her own boundary problem. This can not but interest the American continent, as undoubtedly the elimination of the Amazon problems will aid in strengthening peace, well-being and progress in the New World. Quito, November 12, 1932.

The Minister of Foreign Relations

Will your Excellency be good enough to note and consider the justification for these declarations of the Ecuadorian Chancellery, which highly appreciates the attention with which Your Excellency always considers the interests of concord and peace. I take [etc.]

GONZALO ZALDUMBIDE

721.23/474

Memorandum by the Chief of the Division of Latin American Affairs (Wilson)

Washington, November 15, 1932.

Dr. Zaldumbide, the Ecuadoran Minister, called on the Secretary this morning to deliver to him the original of the memorandum dated November 12, 1932, setting out the point of view of the Ecuadoran Government with reference to the Leticia incident. Dr. Zaldumbide referred to this memorandum as "a statement of neutrality". (As a matter of fact it is much more than this, asserting a direct interest on the part of Ecuador in the difficulty between Peru and Colombia).

The Secretary said that he would have a translation made of the memorandum and would then read it carefully. The Secretary said that he was greatly concerned over the situation between Peru and Colombia. As he saw it the essential point in this matter was the sanctity of treaties. After many years of negotiations Colombia and Peru had settled their boundary difficulties by a treaty which had been duly ratified and entered into effect, carrying with it the honor and obligations of both countries. The American states had alwavs prided themselves on the belief that they had taken the lead among the nations of the world in the peaceful settlement of disputes and in the regard for the sanctity of treaties. It was now very disturbing to find that this treaty, which had settled the boundary dispute between Peru and Colombia, was being brought into question. The Secretary stated that for the remainder of his term in office he would give support to the principle of maintaining the sanctity of treaties.

Dr. Zaldumbide said that he agreed entirely with the Secretary's views.

E[DWIN] C. W[ILSON]

721.23/452a : Telegram

The Secretary of State to the Minister in Colombia (Caffery)

Washington, November 16, 1932—6 p.m.

49. I have been giving very considerable thought to the Leticia controversy and am concerned at the dangerous way in which matters seem to be drifting. I wish you would discuss with President Olava my estimate of the situation and see if he feels, as I do, that what I suggest below offers the means to a satisfactory solution without resort to force.

Peru has requested the Permanent Commission in Washington to ask Colombia to appoint its representative on a commission of conciliation. Colombia has refused to do so on the grounds that not only is the General Convention of Inter-American Conciliation of 1929 not in effect between Colombia and Peru but also because the Leticia matter is considered by Colombia to be purely an internal one. The Department understands that Peru has again asked the Permanent Commission to request Colombia to appoint members on a commission under the Gondra Treaty. The Department does not know what attitude Colombia will take in this respect. If Colombia accepts, what follows below is then no longer pertinent, and it is of course not to be considered as a suggestion that Colombia should reject the last Peruvian proposal. This proposal has not been seen by the Department. If this proposal is accepted by Colombia the danger of the situation would be removed. However, if you learn that Colombia will reject the Peruvian suggestion, then discuss the matter with President Olaya.

The essential difference in the positions between Peru and Colombia is that the former desires a conciliation commission to deal with the matter possibly because the Government is afraid on account of internal political opposition to comply with the Colombian demand that the Peruvians withdraw from Leticia and is seeking the shelter of such a request from some neutral outside body which would make compliance easier. Colombia, on the other hand, considers the matter a purely internal question and refuses to discuss it with an international commission. As long as both parties persist in this attitude the situation will become more and more tense with hostilities almost inevitable. The problem is to find a way out satisfactory to both countries and which both can accept without loss of dignity or appearing to back down from a position already taken. It would seem that this could be done if Colombia would call Peru before an investigation commission on account of Peru's alleged violation of the Treaty of Caracas of 1911 and the boundary treaty between Colombia and Peru of 1922. The advantages of this would appear to be as follows:

1. By bringing the two countries together to discuss the matter before an investigation commission hostilities would probably be averted.

2. With particular reference to President Olaya's problem he could say that Colombia had violated none of its international obligations or engagements and hence could not be hailed before an investigation commission by Peru and he had refused the Peruvian attempt to do so but that Colombia could call Peru before such a commission on account of Peru's failure in this respect and that he was therefore taking the offensive in calling Peru before such a commission.

3. It would be of advantage to Peru in that it would bring about a discussion of the matter before an investigation commission which is what Peru has been asking. Peru would doubtless accept the Colombian proposal in the hope of bringing in the Leticia matter also. It would then of course be Colombia's object to have this com-

mission take the following action:

a. Declare that Peru had violated the Treaties of 1911 and

1922 and thereby find Peru to be at fault.

b. When Peru brings up the Leticia matter have the commission throw this question out of court because boundary and territorial questions between the two countries have been settled by the 1922 Treaty.

c. Have the commission, if possible, declare that Peru should evacuate Leticia and not put any obstacles in the way of Colombia reestablishing her authority there, after which the commission

would be able to take jurisdiction regarding any commercial or economic questions which may have arisen as the result of the Treaty of 1922. If Peru is, as seems possible, seeking the authority of a neutral commission to permit her evacuation of Leticia without internal political repercussions, Peru might well cooperate in having the commission take the action outlined above.

Of course no one can tell what action the commission will take but if Colombia has a strong case and ably presents it she should not fear discussing the matter in this way. If Peru accepts the commission on this basis after Colombia has declined to go to the commission at Peru's behest, that, in itself, is a tactical advantage for Colombia. The alternative appears to be the drifting of the two countries into armed hostility and this possible way out is hence much to be recommended.

I am not unmindful of the position which Colombia has taken that the Leticia question is an internal one and not an international one but Colombia preserves its position by having rejected the Peruvian offer to set up a commission to investigate the matter and in calling for another commission to investigate Peru's alleged breach of two treaties. The violation of treaties creates an international question and Colombia can well afford to discuss this phase of the matter before a commission such as proposed. Please discuss this matter frankly and fully with President Olaya and cable his views. Do not leave any written memorandum with him however. The Department understands that Mr. Rublee is making certain suggestions regarding the reply to the latest Peruvian communication to the Permanent Commission.

721.23/494

The Minister in Colombia (Caffery) to the Secretary of State

No. 4757

Bogorá, November 19, 1932. [Received November 23.]

Sir: Referring to the Department's telegram No. 49 of November 16, 6 p. m. and to my reply No. 83 of November 18, 4 p. m.²² in connection with a possible solution to the Leticia controversy, I have the honor to say that, as set out in the first paragraph of my telegram No. 83, Dr. Olaya expressed at some length "his deep appreciation of the Secretary's interest and his strong hope that the Secretary will continue to interest himself actively in the Leticia affair." However,

²² Latter not printed.

he was very positive that he could not consider the Department's suggestion. He feels that if he attempted to do anything of the kind he might be turned out of Office. As set out in the last paragraph of the same telegram, his position is that, although he ardently hopes to avoid war and realizes that he cannot foretell what the consequences of a war would be either for himself or for his country, he cannot in the face of popular opinion and feeling enter into any arrangement with Peru until he has recovered Leticia.

. As set out in the second to the last paragraph of my telegram, he "made a number of proposals all of which I told him were unacceptable because they involved action on the part of the Department of State which I know to be impracticable." What he would like us to do, would be for instance: (1) publicly to reprimand Peru for her attitude; or (2) to mobilize the American nations against Peru, either for violating the Kellogg Pact or for violating the declaration of August 3, last; or (3) to notify the Peruvian Government through our Embassy at Lima that the Lima Government should publicly disavow the taking of Leticia and promise to withdraw all support from the captors thereof; or (4) to make public declaration that we will permit no fighting on the Pacific coast of Colombia or Peru.

It is obvious (as intimated in my despatch No. 4703 of November 7, 1932)23 that Olaya feels that the Department should take a more positive attitude in the Leticia controversy, and that he is very much disappointed that we are not doing so. His mind, unfortunately, will run back on the well-worn road to the oil law,24 Barco controversy,25 settlement of the United Fruit Company difficulties, etc., etc., etc. However, as I remarked before (my despatch No. 4703), "Dr. Olava is not open to reason on these matters and it is better to let matters remain as they are and say nothing at all in this connection." Respectfully yours, JEFFERSON CAFFERY

721.23/574

Memorandum by the Assistant Secretary of State (White)

[Washington,] December 6, 1932.

Mr. Guzman called and said that he had been talking with Mr. Rublee and as a result had come around to talk with me. He said that he would like very much to have me take an interest in the Leticia matter and see if we could not find a solution bringing about the

25 See ibid., pp. 18 ff.

<sup>Not printed.
See Foreign Relations, 1931, vol. II, pp. 1 ff.</sup>

evacuation of Leticia. When this is done, the Colombian Government is willing to discuss commercial relations with Peru.

I inquired whether his Government would perhaps be disposed to authorize him to say to Maúrtua just what they would accord Peru in the way of commercial privileges in that section. I said that something of this sort might be just what was needed to strengthen the Peruvian Government's hands with the Loretanos so that it could tell them to get out of Leticia and that it would not back them up if they did not get out. Mr. Guzman said that in his two talks with Maúrtua this question had not come up and Peru had not stated what they wanted in that section so it was very difficult for the Colombians at this time to say what they would do as they do not yet know what Peru wants.

Mr. Guzman stated that in his first conversation with Maúrtua the latter had talked very reasonably and spoke of the evacuation of Leticia. He then presented his memorandum through the Permanent Commission and this of course was in an entirely different vein. Since then Guzman had seen Maúrtua at a private dinner at the Chilean Embassy where only Guzman, Maúrtua and Cruchaga were present, and at that time Maúrtua had tried to justify the position he had taken in his memorandum.

Guzman said that he had seen Cruchaga in New York before the latter sailed and that he thought what Cruchaga was going to suggest would be the appointment by Colombia and Peru of representatives to discuss the matter with Cruchaga as Minister of Foreign Affairs of Chile. Mr. Guzman asked how I looked upon that and I told him I thought it offered a very possible way out. Guzman said that of course his Government considered the matter an internal one and could not ask any Foreign Office officially to take the matter up. It was for that reason, he said, that he would welcome my personal interest in the matter and that if I would take the matter up with Maúrtua, but not on the basis that he, Guzman, was seeking the interview, he would be very glad indeed to talk with Maúrtua. He said that when he last saw Maúrtua at the Chilean Embassy Maúrtua had said that he wanted to talk things over again with him. I told Mr. Guzman that I would take the matter up on that basis.

F[RANCIS] W[HITE]

721.23/588

Memorandum by the Assistant Secretary of State (White)

[Washington,] December 7, 1932.

Doctor Pomponio Guzman called at my house on the afternoon of December 6 and said that on going to the Legation after seeing me at the Department in the morning he had found a long cable from President Olaya which had just been deciphered. In this cable President Olaya had expressed his readiness to discuss commercial matters with Peru as soon as Leticia should be evacuated. President Olaya also stated that Señor Garcia Ortiz, who is now in Lima on a mission similar to Doctor Guzman's mission here, reported that he had had several talks with the Peruvian authorities and that it seemed likely that they would make a new statement to the effect that they respect the Treaty of 1922 and consider it in force and they might state that Peru would not put any difficulties in the way of Colombia reestablishing her authority there. Doctor Guzman said that if this were done of course it would go a long ways toward solving the difficulty. Doctor Guzman thought that the negotiations could be materially advanced by conversations here and asked me if I would take the matter up with the Peruvians but not on the basis of the initiative having come from the Colombians. I promised to do so.

F[RANCIS] W[HITE]

721.23/589

Memorandum by the Assistant Secretary of State (White)

[Washington,] December 7, 1932.

I telephoned the Peruvian Ambassador after Doctor Guzman's talk with me at my home on the sixth and asked him whether he thought that an interview between him and Maúrtua and the Colombian Minister and Guzman would be helpful at the present time. I said that it occurred to me that informal conversations between them might possibly advance a settlement and that if this should be agreeable to the Peruvians I would see if it was to the Colombians as well and then I would be very glad to have the four gentlemen in question lunch with me and the matter could be discussed informally.

The Ambassador said that there had already been talks between Guzman and Maúrtua; that as a matter of fact they had lunched with Cruchaga before Cruchaga left and that at that time Guzman had promised to make certain inquiries of his Government. The Ambassador did not know whether he had made these inquiries or

not; in any event the Peruvians had heard nothing further from Guzman. The Ambassador did not seem very optimistic that another interview now would be very helpful but said that before giving me an answer he would discuss the matter with Maúrtua. He promised to do so Wednesday morning and let me know.

F[RANCIS] W[HITE]

721.23/591

Memorandum by the Assistant Secretary of State (White)

[Washington,] December 7, 1932.

Shortly after the Peruvian Ambassador had talked to me this morning Doctor Guzman arrived. I told him that the luncheon which I had proposed to bring together the Colombians and the Peruvians would have to be postponed. I said that the Peruvians were expecting further information from their Government and a meeting might be held with better advantage after that has been received. I also told Doctor Guzman that I got the impression that the Peruvians were expecting an answer from him to something which had been proposed at their last conference at the Chilean Embassy. Doctor Guzman replied that Cruchaga had made a suggestion to him and that he had promised Cruchaga an answer and that he had given the answer to Cruchaga. Cruchaga had suggested mediation between Colombia and Peru by the Chilean Government. Colombia has declined this. Guzman told Cruchaga this when he saw Cruchaga in New York before the latter sailed. Cruchaga had made another proposal, the nature of which Guzman did not tell me, to which Guzman is going to reply by cable before the sixteenth of this month, the date on which Cruchaga arrives at Callao, when he expects to discuss the matter with the Peruvian authorities.

Guzman then left me a memorandum which he had received by cable from President Olaya. The memorandum was sent to President Olaya by Doctor Garcia Ortiz from Lima. Guzman impressed upon me that this is strictly confidential; Olaya had shown it to nobody in Bogotá except Mr. Caffery who is authorized to advise us regarding it. Aside from that no one knows of it. He said that the memorandum has not been accepted as yet by the Colombian Government nor does it represent any definite proposal made to Garcia Ortiz by the Peruvians. It sets forth the impressions which the latter has gathered as the result of his conversations with a number of Peruvians. It is therefore rather inchoate and indecisive.

F[RANCIS] W[HITE]

721.23/564 : Telegram

The Minister in Panama (Davis) to the Secretary of State

Panama, December 8, 1932—4 p. m. [Received 7:46 p. m.]

167. Department's telegram No. 108, December 5, 6 p. m.²⁶ Following for White from Cruchaga:

"In accordance with my telegram of the 4th, I transmit the following formula:

The Governments of Colombia and Peru desirous of maintaining peace, harmony, et cetera, in their international relations accept the invitation of the Government of Chile to establish in Santiago a commission composed of the Minister of Foreign Affairs of Chile, Don Miguel Cruchaga, and two representatives of each of the two Governments to study:

1. The manner in which Colombian authority in Leticia could be reestablished, and

2. The modifications which could be made in the Salomón-Lozano treaty of 1922.

This formula has, in my opinion, the advantage of safeguarding the integrity of treaties and Colombian rights in Leticia and contemplates, for Peru, the possibility of changes in the 1922 treaty. If you can secure acceptance by Colombia I shall try to secure that of Peru. As question is pressing I suggest that once Colombian answer is known, you reply to me through American Consul General Guayaquil where I shall be December 13th or in Lima 16th. I believe this is the only chance for success in negotiations and consequently suggest you talk to Maúrtua and Guzman. I count on your cooperation."

DAVIS

721.23/565 : Telegram

The Minister in Panama (Davis) to the Secretary of State

Panama, December 8, 1932—5 p. m. [Received 7:35 p. m.]

168. Referring to my telegram No. 167, December 8, 4 p. m. For White from Dawson.²⁷

"When Cruchaga outlined his 'formula' I pointed out that Olaya has insisted he could not enter into any discussion of changes in 1922 treaty until in possession of Leticia. Cruchaga then said that he would see that first act of commission was to order return of seized territory and asked that I get word of this to Olaya upon reaching Bogotá. Olaya will not of course be satisfied with this."

DAVIS

²⁶ Not printed.

²¹ Allen Dawson, Second Secretary of Legation in Colombia, then on board the S.S. Santa Barbara with Señor Cruchaga en route from New York to Buenaventura. (721.23/628).

721.23/564

Memorandum by the Assistant Secretary of State (White)

[Washington,] December 9, 1932.

Dr. Guzman called at my request and I advised him of the contents of the telegram from Señor Cruchaga contained in telegram 167 of December 8, 4 p. m., from Panama and asked Dr. Guzman how he felt regarding this proposal and whether there was anything I could properly say to Señor Cruchaga in reply.

Dr. Guzman said that yesterday he had sent Señor Cruchaga a radio to his ship at Colón, giving him the reasons why Colombia cannot accept this formula. He said this formula was exactly the same as the one which Señor Cruchaga had communicated to him in New York just before Cruchaga sailed.

I inquired whether there was any way in which Señor Cruchaga's formula might be amended in order to make it more acceptable to Colombia. He said that Colombia takes the very definite position that the Leticia matter is an internal one and that they cannot discuss its recovery with any foreign power. I told Dr. Guzman that while I understood Colombia's position, I thought that it was possible that Peru was looking for a way out and that Peru could not, apparently for its internal political reasons, evacuate Leticia on the mere request of Colombia but that it might well be able to do so at the demand of a Commission such as Señor Cruchaga suggests. I said that if this were arranged in advance, it might help the situation. Dr. Guzman said that there was nothing that could be done in this connection.

Señor Guzman then told me that he had met Señor Maúrtua casually last night and that they were going to have a conference this afternoon and he promised to let me know the result thereof.

F[RANCIS] W[HITE]

721.23/565 : Telegram

The Secretary of State to the Consul at Guayaquil (Clum)

Washington, December 10, 1932—1 p.m.

Please deliver following message from White to Señor Cruchaga, Minister of Foreign Affairs of Chile, abroad steamship Santa Barbara due Guayaquil 13th:

Received your cable of 8th through Legation Panama ²⁸ and spoke

²⁸ Telegram No. 168, p. 302,

immediately with Guzman who stated he sent you radio on December 8 to steamer giving reasons why Colombia cannot accept formula suggested. Am keeping in touch with Cohen. Please let me know if I can be of any further service.

STIMSON

721.23/592

Memorandum by the Assistant Secretary of State (White)

[Washington,] December 14, 1932.

Señor Zaldumbide, the Ecuadoran Minister, called and said his Government had told him to take up with us Ecuador's interest in any boundary change in the Amazon region. He said that Ecuador had been very much put out at the Treaty of 1922 between Colombia and Peru which had been negotiated secretly behind Ecuador's back. Ecuador knew nothing about it until very much later. The treaty was made known to Brazil long before Ecuador could get a copy and Brazil had protested regarding it and this resulted in the Tripartite Agreement between Brazil, Colombia and Peru, signed in Washington on March 4, 1925.²⁹ This Tripartite Agreement had also been negotiated without Ecuador's knowing anything about it and as a result, the then Ecuadoran Minister here had been recalled and lost his job.

Señor Zaldumbide said that his Government did not want this to happen a third time; that it would be very prejudicial to the prestige of his country. That was the reason for the circular note sent by the Ecuadoran Government to the various American Governments: it was to advise them that Ecuador has a very keen interest in any settlement in the Amazon region and it does not want any settlement to be made there completely neglecting Ecuador and wants Ecuador to be heard. The Minister said that the United States is the only country that is looked up to as neutral in this hemisphere and everything that happens in American countries of this sort, centers in Washington and as therefore we would know anything that is going on he expressed the hope, on behalf of his Government, that this Government would bear in mind the interest of Ecuador in this question and would use its influence to see that Ecuador had a chance to be heard.

I told the Minister that I, of course, fully understood Ecuador's interest in the matter and how important any change of boundaries in the Amazon region would be for Ecuador. I told him that the United States was not carrying on any negotiations between Colombia

²⁹ Foreign Relations, 1925, vol. 1, p. 461.

and Peru at the present moment. We had not wanted to seem to play the preponderant role and have it appear that no settlements in these disputes in this hemisphere could be made except in Washington and that we very much hoped that the South American countries would take the initiative to consider this purely South American question.

I told the Minister that there were various aspects to the matter. In the first place, the present issue between Colombia and Peru is over Leticia. In that connection we felt that respect for treaties is the cornerstone of all stability and that if existing treaties are not respected, there could be very little use in making new treaties. Our first interest in this matter, therefore, was to see that existing treaties, namely, the Treaty of 1922, should be respected and lived up to unless changed in the ordinary course by the consent of both parties. To seize territory and state that one would not give it up and that it should be turned over to the country seizing it was not our idea of respect for treaties and we considered it contrary to the Declaration of August 3, and of the Kellogg Pact, because it meant the use of force as an instrument of national policy. If Peru got out of Leticia and then wanted to discuss with Colombia commercial and economic questions arising out of the Treaty of 1922, that was something which was not settled by previous agreement and something which Colombia could discuss with a conciliation committee under the terms of the Gondra Treaty. Territorial questions between Colombia and Peru had been settled, however, and did not appear to be subject to such discussion and that was the position which I understood Colombia had taken.

The Minister said that was so but that Peru demands the return of Leticia and the corridor around it to Peru in return for which Peru will give back to Colombia the territory on the upper Putumayo. I told the Minister that I understood that Colombia was not in a position to accept such a proposal as Leticia is its only outlet to the Amazon and that all its territorial questions with Peru had been settled by the 1922 treaty. To refuse to get out of Leticia, especially on the conditions which the Minister had mentioned, would certainly be to use force as an instrument of national policy. I told him that if only commercial and economic questions were discussed between Colombia and Peru, after Leticia was restored to Colombia, I did not see that this would have any relation to Ecuador's territorial claims. On the other hand, if Colombia changed its position and should, by any chance, state that it would discuss territorial readjustments with Peru in the upper Amazon region, that then questions of serious concern to Ecuador might well come up and I would, of

course, bear in mind what he had told me. I pointed out that even in that case there were limitations on what a third party could do. If this Government should have anything to do with such discussions it could not bring in a third country unless the two parties in dispute so requested and I pointed out to him the position we had taken consistently as regards Bolivia when that country wanted to enter into the discussion of the Tacna-Arica treaty some years ago. We had taken the position that Chile and Peru had asked our good offices and help in settling their problem and we could not complicate the matter by bringing in another country unless the two countries in dispute asked us to do so. The Minister said he understood this point but that he felt that if any questions regarding territorial changes between Colombia and Peru should be brought before this Government, this Government, as a friend of all concerned, could make known to these Governments the interest of Ecuador to have a hearing. I said that this might possibly be done and in the very remote case that such a situation should arise, we would surely bear in mind Ecuador's interest in the matter.

F[RANCIS] W[HITE]

721.23/587b : Telegram

The Secretary of State to the Ambassador in Peru (Dearing)

Washington, December 20, 1932-6 p.m.

84. Maúrtua today sought out White and said that his suggestion for a solution of Leticia matter is as follows:

For the representatives of Colombia and Peru in Washington to sign immediately a protocol in which Peru will specifically recognize the validity of the 1922 treaty and that Leticia is Colombian and that the Peruvians who took the town on September 1st and the

Loreto troops who backed them up should not have done so.

In order to put an end to this usurpation of authority as peacefully and as quickly as possible the two Governments will send a joint commission at once to Leticia to endeavor to persuade these Peruvians to evacuate the town. If the commission is unable after say a month's efforts to bring this about Peru will agree to advise those Peruvians that the Peruvian Government does not support them, call on them to get out while they still may do so without danger to themselves, and publicly declare that Peru will offer no obstacle to Colombia retaking the town by force.

retaking the town by force.

The protocol will then provide that after Colombia has reestablished her authority in Leticia negotiations will at once be opened regarding the landlocked strip of territory on the upper Putumayo which the 1922 treaty gave to Peru and which Peru states it is unable to take possession of because the Colombian-Ecuadoran boundary commission laying the boundary between those countries under the

treaty of 1916 30 drew the line not as stipulated in the treaty but in such a way as to make access to that strip of territory inaccessible to Peru except through Colombian and Ecuadoran territory.

In case the two countries after a reasonable time to be agreed upon are unable to reach an accord on this point the matter will be sub-

mitted to arbitration.

The protocol will definitely stipulate that in the negotiations to succeed the reestablishment of Colombian authority in Leticia as well as in the possible arbitration to follow, Leticia and the surrounding territory will not be mentioned as this territory is definitely recognized as Colombian.

White inquired whether Maúrtua was making this proposal on the authority of his Government. The latter replied that he was not but that if White would support it he would take it up with his Government and try to get a favorable answer within 48 hours. White asked him to do so.

In your discretion discuss this matter discreetly with Minister of Foreign Affairs and see whether Maúrtua's suggestion meets with the views of the Peruvian Government and whether they will promptly authorize him to proceed on that basis.

STIMSON

721.23/587a : Telegram

The Secretary of State to the Minister in Colombia (Caffery)

Washington, December 20, 1932—6 p. m.

54. [Here follows first six paragraphs of telegram No. 84, December 20, 6 p. m., to the Ambassador in Peru, printed *supra*.]

Please discuss this matter confidentially and informally with President Olaya. It appears to offer a satisfactory way out giving complete satisfaction to Colombia in that Peru recognizes that the seizure of Leticia was wrong and agrees to try to help get the Peruvians out peacefully and, if unable to succeed, not to oppose Colombia retaking the town. If matters come to the latter pass of course it would be much easier and less costly for Colombia to retake the town if it has only to deal with the people who took the town than if it has to contend with the active opposition of Peru as well. Matter has been discussed with Rublee who strongly favors this solution. Please cable President Olaya's views.

Lozano knows Maúrtua has had conversation with White but does not know any of details.

STIMSON

³⁰ British and Foreign State Papers, vol. cx, p. 826.

721.23/595 : Telegram

The Minister in Colombia (Caffery) to the Secretary of State

Водота́, December 21, 1932—7 р. m. [Received 9:55 р. m.]

- 86. Department's 54, December 20, 6 p.m. Olaya's first reaction to Maúrtua proposal is favorable although he said that offhand he saw two decided objections:
- 1. The joint commission to go to Leticia should be presided over by an American and,
- 2. The delay mentioned in the fourth sentence of the Department's telegram could not be more than 2 weeks as it would be impossible for him to hold up any longer troops now at, and about to arrive at, Para numbering about 2,000 aboard five vessels under command of Vasquez Cobo.

The President said he would consult his various official advisers tomorrow morning and give me a definite answer in the afternoon.

CAFFERY

721.23/597 : Telegram

The Ambassador in Peru (Dearing) to the Secretary of State

Lima, December 21, 1932—midnight. [Received December 22—4:04 a. m.]

- 238. Department's 84, December 20, 6 p. m.
- 1. Foreign Minister who continues ill has again had violent quarrel with the President and has resigned to take effect early in January. Meanwhile he would seem to be a figurehead and unable to commit this Government to any definite course.
- 2. Polo informs me Maúrtua's suggestion is not workable because it would never be accepted by Colombia.
- 3. Maúrtua apparently has not informed Government of his conversation with White of November 16 or of his present suggestion and on 19th cabled a quite different suggestion to this Government. Details by mail.
- 4. I have on excellent authority Maúrtua not in confidence of Foreign Minister who is refusing to have anything to do with him.
- 5. Ortiz has gone far, apparently too far, in arranging a direct settlement. Polo affects to believe Ortiz memorandum implies Colombia's willingness ultimately to exchange Leticia for other territory. Accusations of bad faith can thus grow out of the situation and the matter become more confused since Lozano insists this can never be.

- 6. Polo states the notes to be exchanged were sent to the Foreign Minister's home today and that word is expected momentarily from the Colombian Foreign Minister for the arrangement to go through.
- 7. Foreign Office expected to announce settlement Christmas Day but his resignation and Colombia's probable definition of just what she understands the Ortiz memorandum to mean will doubtless make settlement impossible.
- 8. Meanwhile it seems doubtful that Maúrtua has any weight in this Government and the President is trustworthily reported to be becoming more aggressive as news concerning the Colombian punitive expedition now reported to be en route from Curação to the Amazon becomes more definite.
 - 9. Further report by mail.

DEARING

721.23/639

Memorandum by the Assistant Secretary of State (White)

[Washington,] December 22, 1932.

I called in Señor Maúrtua this afternoon and in view of telegram 238, December 21, midnight, from Lima and the difficulty that had arisen between Maúrtua and Guzman I showed him my memorandum of my conversation with him on the 20th instant ³¹ and asked him to read it and tell me any way in which I misrepresented him.

After reading it he said that I had an excellent memory and had put everything down in substance and though I had got his ideas clearly there were some points of difference in wording. I told him that wording, even though a small detail, is of the utmost importance and that in order to avoid any misunderstanding I would like him to tell me exactly how I had misinterpreted him.

He said that the introductory paragraph concerning his observations about our general Latin American policy represented purely his own personal views and not those of his Government. It might look from my memorandum as though he were soliciting the help of the United States Government in this matter. He has not been instructed or even authorized by his Government to do so. In this connection he said that Freyre had cabled the Peruvian Government that I was very much opposed to the action Peru had taken and that they could not expect any support from me and that therefore he did not expect that he would get instructions to ask us to take the matter up. As to his proposal he began at once to hedge about the recognition

³¹ Not printed.

of Leticia as Colombian. I told him that that was what he had said and that his Government in notes to the Colombian Government and to the Permanent Commission here had recognized that the treaty is perfectly valid. He said that that was quite true, that it all depended on how it is said, that one has to take into account the susceptibilities of Governments and he thought it would be sufficient to say that Peru would cooperate with Colombia to get the Loretanos out of Leticia. This would indicate of course that Leticia was Colombian. I told him that that was different from what he had proposed the other day. He said that that was the substance of what he had wanted to convey.

He also said that it was his idea that the Joint Commission should go not only to Leticia but to the Peruvian province of Loreto as well. I told him that that had not been mentioned by him to me and that I did not know whether that would be acceptable to Colombia or not. I personally doubted whether Colombia would want to do so as she has no concern with Peruvian internal affairs but merely wants the Peruvians who have illegally usurped authority in her country to get out. Maúrtua said that on the contrary it would be helpful to Colombia as the Commission would go not only to Colombian territory but to Peruvian as well. I said that if he wanted to put that in the proposal that was something to be discussed with the Colombians.

Maúrtua also objected to mentioning any definite time limit for the negotiations such as I had suggested of one month. He thought this should be left indefinite. I told him that I disagreed with him, that the Colombians would naturally want to know that these negotiations would not drag on indefinitely and that some time limit would have to be attached to it.

Maúrtua asked if he might take a copy of my memorandum and send me a statement of just what he had said. I told him that I thought our conversation had not brought forth that I had incorrectly interpreted what he had said but that if he was not willing to stand by his own proposal as I had it set forth in the memorandum I wished he would take a copy and put in writing so there would be no misunderstanding whatsoever exactly what he would stand by. He said he would do so. I asked him to try to get it back to me tomorrow.

F[RANCIS] W[HITE]

721.23/614 : Telegram

The Minister in Colombia (Caffery) to the Secretary of State

Bogotá, December 23, 1932—8 p. m. [Received 10:45 a. m.]

88. Department's telegram No. 54, December 20, 6 p. m. Olaya accepts proposal in principle but because of lack of confidence in Peru's good faith desires a procès-verbal similar to that of March 4, 1925, instead of a bilateral protocol (Olaya says procès-verbal would not have to be submitted to Congress; other agreement might).

He desires following modifications:

Third paragraph of the Department's telegram. Commission to include representative of Government of the United States and to be at Leticia by January 10th; delay mentioned in second sentence to be radically shortened (because of public pressure here calling for immediate departure of Vasquez Cobo's expedition for Leticia and possible usage by Peruvian Army of delay to strengthen forces).

Fourth paragraph of Department's telegram. After reestablish-

Fourth paragraph of Department's telegram. After reestablishment of Colombian authority at Leticia, Peru to send special mission to Bogotá to discuss interpretation of first paragraph of article No. 1 of Salomón-Lozano treaty in so far as it refers to sector between Sucumbios and Putumayo Rivers (or if preferred by regular diplomatic channels). Colombia and Peru to agree to resort to good offices of the United States, conciliation or arbitration if direct negotiations are not successful within about a year.

Full text of Olaya's memorandum forwarded by air mail today.

Olaya has just telephoned me he hears Lopez has had conversation with White in which Lopez expressed opinions with which he is not in accord; he stands by this telegram and the memorandum being forwarded.

CAFFERY

721.23/599 : Telegram

The Secretary of State to the Minister in Colombia (Caffery)

Washington, December 23, 1932—7 p.m.

55. Your 87, December 22, 5 p. m.³² In view of past misunderstandings between Guzman and Maúrtua and a telegram from Lima indicating Maúrtua may not have transmitted proposal as he stated to White on the 20th, White yesterday showed him copy of memorandum of his conversation of 20th and asked him to indicate any way in which it did not fully represent his views. Maúrtua indicated

³² Not printed.

that it did represent what he had said but he would want to make some verbal changes and White asked him to prepare and bring in in writing as quickly as possible exactly what he will stand by. It was promised for this afternoon and is now promised for tomorrow morning. Lozano has been advised of this and that it seems best to await Maúrtua's own written statement before giving him anything in writing.

STIMSON

721.23/662

Memorandum by the Assistant Secretary of State (White)

[Washington,] December 29, 1932.

Mr. Cohen called and told me that while he had not heard directly from Señor Cruchaga since the latter has arrived in Santiago he has heard from other sources that Cruchaga had conversations with the Peruvian authorities when he was in Lima and that all negotiations had broken down. By this he meant not only what Cruchaga had attempted but also all negotiations between Garcia Ortiz and the Peruvian Government. He said that the two countries seemed to have arrived at an impasse because the negotiations between Maúrtua and Guzman here had also broken down.

F[RANCIS] W[HITE]

721.23/623 : Telegram

The Ambassador in Peru (Dearing) to the Secretary of State

Lima, December 29, 1932—4 p. m. [Received 5:35 p. m.]

- 243. 1. Embassy informed Peru making strenuous efforts directly and through Chile to induce Brazil to stop Colombian flotilla from going up Amazon or to intercede with Colombia in some way so conversations for some arrangement of Leticia matter can continue here.
- 2. Chile is improving situation to benefit her commercial interests and I can see no promising advance in Peruvian ideas under new Foreign Minister. In two conversations initiated by him I have told him plainly that in my opinion Peru must do nothing to obstruct reestablishment of Colombian authority at Leticia and that until the present wrong is righted Peru cannot expect to have the good opinion of the world or to have anything to say about treaty revision,

and that a solution and the responsibility in the present situation clearly lie with Peru which can at any moment by a simple public declaration rectify the whole matter. Further report by mail.

My 238.33 Colombian Minister informs me Olava has not empowered Ortiz to speak officially and has no intention of considering any geographical changes or compensation based on the present state of affairs. DEARING

721.23/633 : Telegram

The Ambassador in Brazil (Morgan) to the Secretary of State

RIO DE JANEIRO, December 30, 1932—11 a.m. [Received 11:10 a.m.]

130. For the Secretary and Under Secretary. Brazil, believing that an armed clash on the Amazon is imminent in view of war preparations of Colombia and Peru, will suggest to Colombian Minister, following proposition. Peru to cede to Brazil Letician disputed territory, which, after Brazilian occupation, will be restored to Colombia on the understanding that both countries will agree to settle the territorial dispute by conversations at the Brazilian Foreign Office in which Ecuador also may be invited to participate, Brazil acting only as mediator. Peru will not be approached until Colombia's opinion has been ascertained.

Meantime Brazil is stationing a strong squadron at Para and is prepared to send 8,000 troops to Leticia, where 1800 will soon be located. These measures to protect Brazil's neutrality.

In strict confidence Foreign Minister would be glad to learn Department's reaction to this plan.

MORGAN

721.23/633 : Telegram

The Acting Secretary of State to the Ambassador in Brazil (Morgan)

Washington, December 30, 1932-9 p. m.

100. Your No. 130, December 30, 11 a.m. You may say to the Brazilian Government that any solution of the Leticia matter which is acceptable to both Colombia and Peru will be learned of with the greatest pleasure and satisfaction by this Government. This Government is glad to learn that the Brazilian Government is taking an active interest in trying to find a solution to the matter.

²³ December 21, midnight, p. 308.

Colombian Minister had been advised of this proposal by his Government and inquired of White this afternoon regarding his views. He was told that this Government of course would be glad of any solution satisfactory to both countries and expressed the hope that the Colombian Government would examine any proposal with greatest care to see whether it offered a satisfactory way out.

CASTLE

721.23/632 : Telegram

The Ambassador in Peru (Dearing) to the Secretary of State

Lima, December 30, 1932—10 a.m. [Received 12 noon.]

244. Leticia: For White. Embassy has practically certain information to the effect Maúrtua is reporting to Manzanillo that White is favorable to neutralization of Leticia and placing it under control of a third country, possibly Brazil, until the matter can be settled. Would it be advantageous to show Manzanillo record of White's conversation of November 16th so Manzanillo will clearly understand White's position? I mistrust Maúrtua and regard Manzanillo's stand as unconscionable and I do not think Colombia would for a moment fall for the suggestions of either which are completely at variance with what I understand White's stories to be. They are in active conversation by long distance telephone. Please instruct.

DEARING

721.23/632 : Telegram

The Acting Secretary of State to the Ambassador in Peru (Dearing)

Washington, December 30, 1932—10 p.m.

88. Your No. 244, December 30, 10 a. m. was delivered to White just as Maúrtua was leaving his office today. At today's meeting Maúrtua for the first time brought up question neutralization of Leticia or rather of its demilitarization. Maúrtua therefore did not correctly report if he stated that White had been favorable to this project. Maúrtua suggested today that Leticia should be demilitarized and also an equivalent adjoining Peruvian territory similarly demilitarized once Colombian authority was reestablished in Leticia in order to prevent a recurrence of the September 1 incident. White definitely told Maúrtua that he did not think this proposal would appeal to or be acceptable to the Colombian authorities.

Department's telegram 84 of December 20, 6 p. m. sets forth clearly Maúrtua's proposal of that date. A memorandum of the conversation was shown to Maúrtua, who has recognized in writing that he made the proposal set forth therein. He now desires to change the proposal, however, and in material respects. White told him that he would have to put his proposal in writing and state definitely in writing that his Government desired such a proposal made on its behalf to Colombia for this Government to take any further interest in the matter.

For your strictly confidential information Colombian Government has accepted in principle a discussion on the basis set forth in telegram of December 20.

Department does not desire you to show Manzanillo record of White's conversation with Maúrtua of November 16th.

CASTLE

EXTENSION OF GOOD OFFICES OF THE UNITED STATES IN CONCILIATING DIFFERENCES BETWEEN ARGENTINA AND URUGUAY

733.35/12 : Telegram

The Ambassador in Argentina (Bliss) to the Secretary of State

Buenos Aires, July 13, 1932—9 p. m. [Received July 14—1:37 a. m.]

55. At weekly diplomatic reception this afternoon Minister for Foreign Affairs¹ told me he had received intimation that Uruguay would probably break relations with Argentina on the grounds that the Uruguayan warship sent to Buenos Aires for the July 9th celebrations had been kept under close surveillance by Argentine authorities. I have just confirmed that Uruguay has now broken off diplomatic relations.

The Minister explained to me at length that a considerable number of Argentine political refugees were making Uruguay a base for active propaganda against the Justo Government among them being Toranzo an ex-general in the Argentine Army. Shortly before the Uruguayan ship left Montevideo Toranzo went on board and was received with honors. Believing this action was taken without the knowledge of Uruguayan President, the Argentine Ambassador in Montevideo was instructed to bring the matter to the attention of the Uruguayan President. He found that President knew of it. Minister for Foreign Affairs gave me to understand that Toranzo may have been transferred to another vessel or have left the ship in a motor boat.

Despite this action of the Uruguayan Navy the Minister said the officers of the ship were well received, invited to and attended all functions in connection with anniversary celebration.

Minister for Foreign [Affairs] said that if Uruguay should break off diplomatic relations it would be because she feared an energetic protest would be made by Argentina against the action above outlined in receiving on board with honors and sailing with Toranzo,

¹ Dr. Carlos Saavedra Lamas.

a fugitive from military justice in Argentina because of his conspiracies against the Provisional Government (see my despatch 1131, March 5, 1931).²

BLISS

733.35/13 : Telegram

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

Montevideo, July 14, 1932—noon. [Received 2:40 p. m.]

37. In a note yesterday the Minister of Foreign Affairs informed Argentine Ambassador of decision of Uruguayan Government to sever diplomatic relations with Argentina.

"As a result of the attitude of the Argentine authorities toward the Uruguayan cruiser *Uruguay* on the occasion of the visit of this warship to Buenos Aires to salute the Argentine Nation on the anniversary of its national independence" described as "an insult to Uruguayan dignity". It appears that Argentine naval authorities submitted Uruguayan cruiser to measures of surveillance in the erroneous belief that an Argentine political exile was on board. Argentine Ambassador handed his passport and the Uruguayan Ambassador recalled from Buenos Aires.

WRIGHT

704.3335/1 : Telegram

The Ambassador in Argentina (Bliss) to the Secretary of State

Buenos Aires, July 14, 1932—noon. [Received 12:50 p. m.]

56. Counselor of Uruguayan Embassy has just called informing me that he had been instructed by Uruguayan Minister for Foreign Affairs to ask if this Embassy would assume charge of Uruguayan interests during interruption of diplomatic relations with Argentina. I replied that I would immediately inform the Government at Washington and advise of the answer received. Argentina has entrusted its interests in Uruguay to the British Legation.

BLISS

² Not printed.

⁶⁴⁶²³¹⁻⁴⁸⁻²⁷

733.35/14 : Telegram

The Ambassador in Argentina (Bliss) to the Secretary of State

Buenos Aires, July 14, 1932—5 p. m. [Received 6:40 p. m.]

57. Colombian Minister called today to say that he considered the selection by Argentina of a European country to represent her interests in Uruguay a grave breach against Pan-Americanism and that he had with the approval of his Government addressed informal letters to Argentine and Uruguayan Governments (he is also accredited to Uruguay) expressing regret at breaking off of diplomatic relations and his desire that the matter should be adjusted between them by good offices of American Governments. He expressed his intention of seeking opinions of his other American colleagues and asked if I did not think it of paramount importance to prevent any European country's being brought into settlement of a political disagreement between American states. I replied that personally I was an ardent advocate of Pan-Americanism but whether the United States would offer good offices in given situation on the American continent either separately or jointly with other Governments was a matter for decision by the Government at Washington.

BLISS

733.35/16 : Telegram

The Ambassador in Argentina (Bliss) to the Secretary of State

Buenos Aires, July 14, 1932—6 p. m. [Received 8:25 p. m.]

58. When calling on Under Secretary for Foreign Affairs 15 minutes ago regarding routine Embassy question, he said that the reason which had decided Argentine Government not to request United States to assume charge of the Argentine interests in Uruguay was to enable the United States Government to feel free of any obligations to either party should it be inclined to offer its good offices to the two Governments. He said further that he had been instructed to say to me that Argentina would welcome an offer of good offices from the United States and that the Minister for Foreign Affairs, as soon as Brazilian Ambassador had left him, would confer with the President to decide on cabling instructions to Espil to present Argentine view to the Secretary of State. I asked if he desired me to cable my Government in the sense of what he had said to me and he rejoined that he would be grateful if I would do so.

If the Department views favorably the suggestion of offering good offices it might prefer to do so in the first place as alternative to accepting Uruguay's request assume charge her interests in Argentina.

BLISS

733.35/15 : Telegram

The Ambassador in Argentina (Bliss) to the Secretary of State

Buenos Aires, July 14, 1932—8 p. m. [Received 8:46 p. m.]

59. My 57, July 14, 5 p. m. Colombian Minister informed me by telephone that he talked with Spanish Ambassador in the same sense as with me, that the Ambassador had seemed favorably impressed and replied he would confer with me. Colombian Minister stated he had not broached the subject to any other colleague. I imagine that he has realized impracticability of his proposed action.

BLISS

733.35/16a : Telegram

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

Washington, July 15, 1932-4 p. m.

13. Uruguayan Legation at Buenos Aires requested our Embassy there to take charge of Uruguayan interests. Department authorized Embassy to do so and Bliss advised Counselor of Uruguayan Legation last night that he would take charge of Uruguayan interests.

Argentine Government is anxious for the United States to use its good offices to try to arrange the misunderstanding and restore relations. Please inquire discreetly of Uruguayan Government whether it would look with favor upon such action on our part. If both Governments so desire, of course this Government would be delighted to be of any assistance to them in settling this misunderstanding.

Have any other American countries offered their good offices in this connection?

STIMSON

733.35/17 : Telegram

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

Montevideo, July 16, 1932—1 a. m. [Received 1:52 a. m.]

38. My 37, July 14, noon. Department's 13, July 15, 4 p. m. Minister for Foreign Affairs invited me to Foreign Office this afternoon to give me an account of what had taken place and explain briefly Uruguayan point of view. He requested me to inform my Government that he had done so.

Minister for Foreign Affairs expressed appreciation of our action in taking charge of Uruguayan interests in Buenos Aires and desired to formalize this situation by exchange of notes with me. He proposes to request United States to assume charge of Uruguayan interests in Buenos Aires by a note dated July 13 and should Department so authorize me I suggest that my reply be dated July 14th, date on which oral reply was made by Ambassador Bliss to oral request.

Minister for Foreign Affairs stated that no country had offered its good offices as yet although Paraguayan Minister for Foreign Affairs had intimated to Uruguayan Minister at Asunción that Paraguay might shortly offer its good offices.

British Legation has taken charge of Argentine interests here.

Public is entirely calm and saner elements are urging that incident be terminated at earliest possible moment.

Repeated to Buenos Aires.

WRIGHT

733.35/20 : Telegram

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

Montevideo, July 16, 1932—2 р. m. [Received 1:45 р. m.]

40. Your 13, July 15, 4 p. m. Minister for Foreign Affairs states Uruguayan Government will be happy to accept good offices of the United States.

Repeated to Buenos Aires.

WRIGHT

733.35/17 : Telegram

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

Washington, July 16, 1932—3 p. m.

14. Your 38, July 16, 1 a. m. does not state whether you have inquired discreetly of Uruguayan Government whether it would look with favor upon use of our good offices to try to arrange misunderstanding and restore relations. Department does not desire to do so until it knows that its offer will be acceptable. Please cable as soon as possible.

733.35/21 : Telegram

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

Montevideo, July 16, 1932—midnight. [Received July 17—1:40 a. m.4]

41. Department's 13, July 15, 4 p. m. and 14, July 16, 3 p. m., my 39 [40?], July 16, 2 p. m. Minister for Foreign Affairs has repeatedly expressed his gratification at the willingness of the United States to use its good offices saying "nothing could be more agreeable to himself and to the President".

Minister for Foreign Affairs after conference with President invited me to discuss the matter again this afternoon keeping in further telephonic communication with the President.

Minister for Foreign Affairs requested me to cable Department at once his desire that negotiations looking to a resumption of diplomatic relations with Argentina proceed with all possible speed owing danger in prolonging disagreements especially between conterminous countries.

Actually severance of relations has proved unpopular move in Uruguay and position of Uruguayan Government is becoming increasingly embarrassing.

Minister of Foreign Affairs suggests that "some simple solution" might be satisfactory to Uruguayan Government such as "exchange of salutes"; but believes that it should be agreed in advance that neither Government will request agreement again for the same Ambassadors. Feeling his way toward a possible plan of procedure Minister of Foreign Affairs suggested tentatively that each Government prepare a memorandum on its case including any proposals which may desire to make for a settlement and submit both memoranda simultane-

⁴ Telegram in two sections.

ously to the two American missions (and through them to the Department) for study. As soon as possible thereafter Ambassador Bliss and I should simultaneously open conversations with Argentine and Uruguayan Ministers of Foreign Affairs respectively on the basis of those memoranda. I asked if the Uruguayan Government would be ready to deliver such a memorandum by Tuesday and the Minister of Foreign Affairs replied that it could be delivered Monday the 18th.

As an alternative or supplementary plan Minister of Foreign Affairs suggested that two Ministers of Foreign Affairs confer personally under auspices American representatives.

Repeated to Buenos Aires.

Wright

733.35/19: Telegram

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

Montevideo, July 17, 1932—2 a. m. [Received 2:35 a. m.]

42. My 41, July 16, midnight. Presence here of two United States Coast Guard vessels offers possible opportunity for conference on board between representatives of both Governments. Bliss concurs in this suggestion. Please advise whether we may be authorized to propose this to Uruguayan and Argentine Governments.

WRIGHT

733.35/19 : Telegram

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

Washington, July 17, 1932—1 p. m.

15. Your 41, July 16, midnight and your 42, July 17, 2 a. m. Department willing to adopt any procedure that recommends itself to both Governments. The suggestion for a personal conference of the Ministers of Foreign Affairs of both countries under the auspices of the American diplomatic representatives on board the Coast Guard vessels now in Montevideo would seem to be the most expeditious method, provided these vessels are available for this purpose. The commander of these ships should be consulted on this point.

Repeated to Buenos Aires.

STIMSON

733.35/22 : Telegram

The Ambassador in Argentina (Bliss) to the Secretary of State

Buenos Aires, July 17, 1932—6 p. m. [Received 11:44 p. m.]

61. Minister Wright informs me by telephone of his two conversations with Uruguayan Minister for Foreign Affairs.

I have therefore just talked with Argentine Minister for Foreign Affairs at his residence. He says the Argentine Government will not take the initiative in the existing situation; it maintains an expectant attitude that Uruguay will rectify by a frank avowal its mistake in having summarily broken off diplomatic relations contrary to all diplomatic usage, international treaties and protocols. He considers moreover that the reasons Uruguayan Minister for Foreign Affairs is alleged to have given in secret session of legislature as basis for his action are unfounded and that the Uruguayan Government has placed itself in a most equivocal position from which it can extricate itself only by a frank disavowal of its unprecedented procedure. He referred to incident occurring some years ago in Rio de Janeiro when Brazilian Government protested against the reception on board a United States war vessel of a Brazilian refugee politician and the United States Government had at once made ample apologies and relieved the commanding officer.

The Minister repeated what had been said to me by Under Secretary that United States good offices would be welcome but that Uruguay must first make the gesture of disavowal of its act. He also told me he had said to Colombian Minister in response to note delivered at 2 a. m. July 14 offering good offices, that other Governments had already made similar offer. I understand he had made this reply to leave his hands free and not to offend Colombian Minister by later accepting United States good offices. Have informed Wright by telephone of above in fuller detail.

783.35/23 : Telegram

The Ambassador in Argentina (Bliss) to the Secretary of State

Buenos Aires, July 18, 1932—7 p. m. [Received July 19—1:03 a. m.]

62. My 61, July 17, 6 p. m. It appears that the Argentine Government encouraged by the criticism directed against Uruguayan Government in its own country and presumably in the hope of resignation of Blanco, now insists upon a frank disavowal by Uruguay as a condition precedent to mediation.

I have had numerous interviews with Argentine Minister for Foreign Affairs, the particulars of which it will be sufficient to communicate by air mail and indicated to him very plainly that I considered that his attitude amounted to a flat reversal of the assurances upon which United States good offices were proffered. All that I was able to obtain from him, however, was a statement that these good offices were accepted in principle but that it is premature to make any announcement. He added in strictest confidence that overtures had been received by Argentine President from Uruguayan President for direct settlement between the two chief magistrates. Lest this opening prove abortive naturally nothing should be said about it. He told me that he might have some further information Wednesday.

While I consider that the course of the Minister for Foreign Affairs as regards our good offices is lacking in correctness still I see no necessity for adopting any other attitude than that of awaiting developments. I am keeping Wright fully informed by telephone.

BLISS

733.35/25a : Telegram

The Secretary of State to the Ambassador in Argentina (Bliss)⁵

Washington, July 19, 1932—5 p. m.

44. Department leaves to you and the Minister at Montevideo full discretion in the matter of rendering good offices to Argentina and Uruguay and Depart. will take no action except on your suggestion.

Admiral Hamlet, Commandant of the Coast Guard, states that vessels may remain at Montevideo if necessary for a week or 10 days after their scheduled departure on July 20, and that the commanding officer, Commander Jones, has entire discretion to comply with your request to that effect.

Keep Department informed of developments.

STIMSON

733.35/25 : Telegram

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

Montevideo, July 20, 1932—11 a. m. [Received 11:15 a. m.]

43. President of the Republic personally authorized me yesterday to inform President of the Argentine Republic through our Ambassador that he believes the best method for the solution of the present difficulty would be a personal conversation between the chiefs

⁵ The same, mutatis mutandis, July 19, to the Minister in Uruguay.

of state, that he hopes that such may soon take place, and that he is prepared to accept with appreciation the offer of our Coast Guard vessels as a place for such conversations. I have communicated this to Bliss with whom I am in constant telephone communication and also confidentially to commander of the American squadron.

Repeated to Buenos Aires.

WRIGHT

733.35/26 : Telegram

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

Montevideo, July 20, 1932—6 p. m. [Received 7:12 p. m.]

44. Uruguayan press today carries Department's announcement to the press regarding extension of our good offices. The delicacy of the situation arising from the change in attitude of the Argentine Government, of which Bliss has kept me closely informed, has rendered it advisable for me to limit my reply to all press inquiries here:

"I have as yet received no official information that my Government has made such an announcement to the press."

Wright

733.35/27 : Telegram

The Ambassador in Argentina (Bliss) to the Secretary of State

Buenos Aires, July 20, 1932—6 p. m. [Received 7:47 p. m.]

63. Yesterday afternoon I acquainted Minister for Foreign Affairs with desire of President of Uruguay to meet President of the Argentine Republic in endeavor to settle present controversy. Minister for Foreign Affairs said that overtures of a similar nature had been made through private channels and that matter was under consideration.

Statement concerning good offices made by Assistant Secretary White reported differently this morning by newspapers using Associated and United Press services. Former claimed Departmental statement that Argentina and Uruguay have accepted United States offer of mediation; the latter that United States had tendered good offices and that diplomatic representatives in both countries gathered that these would be favorably received. The press publishes a categorical denial by the Minister for Foreign Affairs that Argentina had accepted good offices from my country. At diplomatic reception this afternoon he made no allusion whatever to me in regard to Uruguayan affair.

BLISS

783,35/40

Memorandum by the Assistant Secretary of State (White)

[Washington,] July 22, 1932.

Mr. Espil called and after inquiring about the Chaco matter,6 on which I brought him up to date and gave him copies of our telegrams to the Ministers of Foreign Affairs of Bolivia and Paraguay, brought up the question of our action in bringing about a conciliation of the differences between Argentina and Uruguay. He had a long telegram from his Government which showed that there was a misunderstanding or, more probably, that Argentina had changed her mind in view of the feeling in Uruguay against the action of that Government in breaking off diplomatic relations, and that Argentina apparently thinks they can gain more of a diplomatic victory over Uruguay by not having a third power exercise good offices.

I told Mr. Espil that we had taken no initiative in this matter; that the initiative had come from the Argentine Government. Mr. Alcorta, the Under Secretary of Foreign Affairs, had told Mr. Bliss, as he reported to us in a cable of July 14, that Argentina would welcome the exercise by us of good offices. Mr. Bliss had called me up on the telephone on July 15 and had told me that the Argentine Government was anxious for us to act in the matter and the Department had taken the position that we were only too glad to be of any help to any countries in this hemisphere that desired our assistance. We had accordingly asked Mr. Wright to make discreet inquiries of the Uruguayan Government to know whether such action would be welcome to them because we would only act if both parties so desired. The Uruguayan Government had been glad for us to do so and Mr. Bliss and Mr. Wright, in Buenos Aires and Montevideo respectively, have since been doing everything they possibly could to be of service to the two Governments. If now the situation is changed, and one of the parties does not desire our good offices, of course we would desist therefrom at once, and while Mr. Espil was here I dictated a telegram to Buenos Aires in this sense 7 which Mr. Espil said properly set forth the views of his Government.

F[RANCIS] W[HITE]

[•] See pp. 8 ff. • Infra.

733.85/23 : Telegram

The Secretary of State to the Ambassador in Argentina (Bliss)

Washington, July 22, 1932-4 p. m.

46. For the Ambassador. Argentine Ambassador called at Department this morning and explained the present feeling of the Argentine Government regarding the good offices of the United States in settling the controversy with Uruguay. There is an apparent misunderstanding regarding the desire of Argentina for the good offices of a third country as set forth in your No. 58 of July 14, 6 p. m., or else a change in feeling as set forth in your No. 62 of July 18, 7 p. m. As the Department has very carefully stated it is most happy to be of assistance in settling this misunderstanding but any offer to do so is of course predicated upon this action being welcome to both the parties, and in view of the fact that at the present at least it is not welcome to the Argentine Government, the Department desires you to take no further action in the matter for the present, advising the Argentine Government that your action up to now in the matter was based on the belief that such assistance as vou could give was welcomed and desired by them, and that as this appears not to be the case at present that you can take no further action in the matter unless requested by them to do so. You may add that a copy of this telegram is being sent to the Legation in Montevideo in order that Uruguay will know that the assistance of the United States not being desired by one of the parties the United States has desisted for the time being from taking any further steps in the matter.

Should the Argentine Government later indicate its desire for some assistance on our part, please so inform the Legation in Montevideo in order that it may inquire whether such action would at that time be agreeable to the Uruguayan Government also. This Government is always desirous of course of being of help to any of the nations of this hemisphere but will only act at any given time if such action is agreeable to all the parties at interest.

Repeat to Montevideo as Dept.'s 18.

STIMSON

733.35/48

The Ambassador in Argentina (Bliss) to the Secretary of State

No. 1733

Buenos Aires, July 28, 1932. [Received August 8.]

Sir: Supplementing my despatch No. 1730 ¹⁰ transmitting newspaper statement attributed to the Minister for Foreign Affairs and a copy of the note I sent to Dr. Saavedra Lamas in reference to it, I have the honor to enclose a copy with translation) of his reply, ¹⁰ to which reference was made in my telegram No. 65 of July 23, ¹² noon. ¹⁰

There is also enclosed a copy of a letter I addressed to the Minister to acknowledge his said answer and in which I expressed the instructions contained in the Department's confidential cablegram No. 46 of July 22, 4 p. m. With this exchange of communications I consider as closed the matter of the offer of the good offices of the United States, at least for the time being.

I am not informed as to what progress has been made in the direct negotiations between the two countries, looking to a renewal of diplomatic relations. I think that Argentina is seizing this occasion to endeavor to find a means to induce Uruguay to take measures, which it apparently has failed to do in the past, to keep strict control over Argentine political refugees and to curtail the activity of the Communist distributing center in Uruguay. An intimation to this effect might be deduced from a newspaper report given out by an Argentine official that from Montevideo an active distribution of Communist propaganda to Argentina and other South American countries was carried on. In yesterday's El Diario of Montevideo it was stated that this report was being given attention by the Uruguayan authorities and that President Terra was interested in the accusation and would undoubtedly order an immediate investigation. ROBERT WOODS BLISS Respectfully yours,

[Enclosure]

The American Ambassador (Bliss) to the Argentine Minister for Foreign Affairs (Saavedra Lamas)

Buenos Aires, July 25, 1932.

DEAR MR. MINISTER: In acknowledging the receipt of your courteous letter of July 22,10 may I take the occasion to recall that the offer of good offices in the controversy between Argentina and Uruguay,

¹⁰ Not printed.

which I had the honor to make to Your Excellency on behalf of my Government, was, of course, predicated upon this action being welcome to both the parties concerned. The action I have taken in the matter was likewise based on the belief that such assistance as I could give on behalf of my Government would be welcomed and desired by the Argentine Government. My Government desires me, therefore, to advise Your Excellency's Government that it would have been happy to be of assistance in settling the misunderstanding between the two Governments, but as it now appears that its good offices are not, at the present time at least, welcome to Your Excellency's Government, it desires that I should take no further action in the matter unless subsequently requested to do so by Your Excellency.

The American Legation in Montevideo has been informed in order that the Government of Uruguay may know that the assistance of the United States not being desired by one of the parties, the Government of the United States has desisted for the time being from taking any further steps in the matter.

Your Excellency, who is so thoroughly familiar with the diplomatic history of my country, will realize that my Government is always desirous of being of help at any time to the nations of this hemisphere, but naturally it will only act at any given time if such action is agreeable to all the parties at interest.

I do not wish to close this letter without referring to the mention kindly made by Your Excellency to the flattering personal allusion in La Razon interview, which I interpret as a confirmation of the frank and cordial official dealings that have spontaneously arisen from our friendly personal relations.

With renewed assurances [etc.]

ROBERT WOODS BLISS

733.35/51 : Telegram

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

Монтеушео, September 12, 1932—4 р. m. [Received 4:55 р. m.]

53. Diplomatic relations with Argentina resumed today by identic decrees following exchange of notes negotiated by Amezaga, confidential agent of Uruguay. Minister for Foreign Affairs who has shown me texts before publication expresses renewed appreciation of our charge of Uruguayan interests. Texts by mail.

WRIGHT

EFFORTS OF COSTA RICA TO EFFECT THE DE-NUNCIATION OF THE GENERAL TREATY OF PEACE AND AMITY, SIGNED FEBRUARY 7, 1923

713.1311/121: Telegram

The Secretary of State to the Minister in Costa Rica (Eberhardt)

Washington, November 11, 1932—6 p. m.

37. Your despatch No. 1168, October 28.¹ Associated Press despatch published in *La Prensa*, New York, dated San José, November 9, states that President Jiménez has announced that he will denounce the Treaty of Peace and Amity of 1923.² Please report by telegraph. Department does not desire you to discuss this matter with Costa Rican officials beyond a possible inquiry for confirmation of this report.

713.1311/108 : Telegram

The Minister in Costa Rica (Eberhardt) to the Secretary of State

San José, November 12, 1932—9 a. m.

[Received 11:35 a. m.]

69. Your telegram No. 37, November 11, 6 p. m. I confirmed President Jiménez' announcement as published on 9th instant. Full details are given in my despatch 1184 of November 10th. Subject has not been discussed with officials or others.

EBERHARDT

813.00 Washington/388

The Minister in Guatemala (Whitehouse) to the Secretary of State

No. 826

Guatemala, November 14, 1932. [Received November 21.]

SIR: I have the honor to report that on Friday evening the Minister of Foreign Affairs 3 inquired whether I had received any information from the Department regarding the announcement of President

¹ Not printed.

² Conference on Central American Affairs, p. 287.

A. Skinner Klee.

Jiménez to the press that Costa Rica intended to denounce the General Treaty of Peace and Amity of 1923.

When I replied in the negative, he said that he regretted extremely this action of President Jiménez which came at the most inopportune moment in view of the recent Honduran and Nicaraguan elections,⁴ and was likely to cause trouble in Central America.

In a further conversation with the Minister this morning, he reiterated his opinion that the Treaties and especially Article 2 had been of great value to Central America, and that if modifications were needed, these should be for the purpose of strengthening rather than weakening it. He seemed to think that the government of General Martínez in Salvador ⁵ had perhaps been the cause of this declaration of President Jiménez, but he had no information on this point, and was rather puzzled as to why President Jiménez should have so acted, since he had clearly benefited by the Treaty in the case of Castro Quesada's revolt. ⁶ He incidentally added that perhaps he still stood to benefit by it, as the Guatemalan Government had recently been approached by some prominent Costa Ricans who desired to start a revolution there, but they naturally had been given no encouragement by him.

Finally Mr. Skinner Klee said that, if the idea met with the Department's approval, he would be glad to convoke a conference of the Central American Republics to discuss the Treaties, and requested me to put the matter before you. He is also instructing the Guatemalan Minister in Washington to ascertain your views.

While I think Mr. Skinner Klee is sincere in his support of the 1923 treaties, and the Guatemalan Government has lived up to them at some sacrifice, as is shown by its refusal to conclude a treaty of commerce with the government of General Martínez which would be to its advantage, I feel that behind his proposal is also the natural desire to increase Guatemalan prestige and leadership in Central America, which in present circumstances may not be agreeable to the other Republics, and there is the further complication of an unrecognized government in Salvador.

On the other hand, if the Department desires to save the Treaties, I believe some active steps should be taken, for there is a possibility that Guatemalan support of them may become very lukewarm if the present rather anomalous situation continues too long. I base this belief on the fact that a close friend of President Ubico took occasion a little while ago to turn a conversation with me on to the difficulty

⁴ See sections entitled "Insurrection in Honduras," pp. 709 ff., and "Assistance by the United States in the Supervision of Elections in Nicaragua," pp. 785 ff. ⁵ See pp. 566 ff.

⁶ See pp. 512 ff.

of finding a successor for him, and remarked that it was a great pity his re-election was forbidden. And only about ten days ago the Minister of Foreign Affairs himself in speaking of the Treaties said that if the other Republics wished to denounce them, there would be after all consolation for Guatemala in the fact that then General Ubico could continue in the Presidency for as long as he wanted to.

I do not wish to imply that President Ubico has any such idea in his head at present, but the possibility is there, and while in his particular case it would probably be a good thing, the principle is disastrous.

Respectfully yours,

SHELDON WHITEHOUSE

713.1311/109 : Telegram

The Minister in Costa Rica (Eberhardt) to the Secretary of State

San José, November 15, 1932—2 p. m. [Received 4:25 p. m.]

70. Minister Pacheco called to inform me confidentially that principally to further his own prestige in Central America he is endeavoring to secure permission from President Jiménez to proceed to Guatemala to confer with President Ubico for the purpose of calling a conference of emissaries from the co-signers of the 1923 Treaty of Peace and Amity with a view to forthwith denouncing the treaty and recognizing the Martínez regime.

EBERHARDT

713.1311/117

The Minister in Costa Rica (Eberhardt) to the Secretary of State

No. 1194

San José, November 15, 1932. [Received November 21.]

Sir: For the information of the Department, I have the honor to transmit herewith two self-explanatory memoranda which refer to the subject of my telegram No. 70 of November 15, 2 p. m. (1932).

Respectfully yours,

CHARLES C. EBERHARDT

[Enclosure 1]

Memorandum by the Minister in Costa Rica (Eberhardt)

San José, November 12, 1932.

This morning, at the close of one of my regular visits to the Foreign Office, Minister Pacheco insisted on bringing up the subject very dear to his heart—that of the Central American Pacts of 1923 and the rela-

tions of the other co-signers thereof with the present régime in El Salvador. He appears to have been prompted to take up this subject again by the almost unanimously favorable reception which had been accorded, not only in Costa Rica but also throughout Central America, to the recent publication in the local press of President Jiménez' statement concerning his proposal to enter Costa Rica's denunciation of the Treaty of Peace and Amity.

Minister Pacheco, admitting that it was largely a matter of personal ambition, stated that he was formulating plans to proceed to Guatemala within the next week or two to take up with General Ubico the question of calling a conference of the co-signers of the Treaty for the purpose of forthwith denouncing the Treaty and recognizing the Martínez régime. His reason for wishing to proceed first to Guatemala appears to be because of President Ubico's reported attitude on this subject. He felt that the Guatemalan President will be the most difficult of any of the Chief Executives in Central America to induce to either call such a conference or to take part in it. His plan would be to keep the present Treaty in force, if possible, after eliminating Articles II and V, and amending Article IV to read in substance that *emigrados* from neighboring countries, in case of strained relations, should be compelled to retire 50 miles from the frontier.

Dr. Pacheco did not, in this case, ask my opinion or what I thought the State Department's attitude might be. It was a mere narration of his opinion.

CHARLES C. EBERHARDT

[Enclosure 2]

Memorandum by the Minister in Costa Rica (Eberhardt)

San José, November 15, 1932.

Today I called at the Presidential residence to inquire about the health of the wife of the President who had just returned by airplane from Panama where she had gone some two weeks ago for special treatment.

As I was leaving, President Jiménez brought up the subject of the 1923 Treaty of Peace and Amity and the favorable reception which had been accorded the article which was published in *La Tribuna* on November 9th. He went on to say that, where at the beginning of his administration he refused to give even a thought to the possible denunciation of the Treaty, the continued pressure which had been brought to bear on him by prominent individuals in all the other countries who were co-signers of the Treaty had led him to believe

that, working jointly, some such denunciation of the Treaty as well as the immediate recognition of the Martínez régime in El Salvador might legally be effected. He further stated that Minister Pacheco is endeavoring to secure his (the President's) permission to make a trip to Guatemala within the next few days where he would inaugurate plans for calling a conference of these countries toward this end. He added that, while he was not at all unfavorably inclined toward this plan, he had not yet made up his mind whether or not to fall in with the plan, but that it was both possible and likely that he would. He concluded his statement with the remark that in case he decided to take any such action, I would be immediately advised.

CHARLES C. EBERHARDT

713.1311/109 : Telegram

The Secretary of State to the Minister in Costa Rica (Eberhardt)

Washington, November 16, 1932—6 p. m.

38. Your 70, November 15, 2 p. m. Please continue to keep Department fully informed and in case Foreign Minister Pacheco proceeds to Guatemala keep the Legation there, as well as the other Legations in Central America, appropriately informed.

STIMSON

713.1311/111 : Telegram

The Minister in Guatemala (Whitehouse) to the Secretary of State

GUATEMALA, November 17, 1932-2 p. m. [Received 5:22 p. m.]

78. Have just received text of the telegram of November 15, 2 p. m., to the Department from the Legation at San José. I sent by air mail yesterday [November 14?] a despatch 8 relative to the willingness of the Guatemalan Government to convoke, if the Department approves, a conference on the 1923 treaties, but its purpose would be the opposite of the Costa Rican proposal. In view of the above I would appreciate receiving telegraphic instructions after the receipt of my despatch as to the attitude I am to adopt.

WHITEHOUSE

^{*} See despatch No. 826, November 14, p. 330.

718.1811/113 : Telegram

The Minister in Guatemala (Whitehouse) to the Secretary of State

GUATEMALA, November 18, 1932—11 a. m. [Received 2:20 p. m.]

79. Referring to my telegram number 78, November 17, 2 p. m. Minister of Foreign Affairs has just shown me a telegram he received last evening from Costa Rican Minister for Foreign Affairs stating that he was leaving on the next Panama mail steamer and would reach Guatemala November 25th to talk with President Ubico.

I told Skinner Klee that according to my information the purpose of the visit was to arrange for the denunciation of the 1923 treaties and the recognition of General Martínez.

He was disgusted at this and pointed out that never were the treaties more necessary in Central America than at the present moment. He cannot understand why President Jiménez whose own government is so weak should have raised the question.

WHITEHOUSE

813.00 Washington/387: Telegram

The Minister in Guatemala (Whitehouse) to the Secretary of State

Guatemala, November 19, 1932—1 p. m. [Received 5:20 p. m.]

82. The following telegram has been sent to the Legation in Costa Rica:

November 19, 1 p. m. Your November 19, 10 a. m. Guatemalan Government was surprised that Pacheco should announce his visit without previous inquiry as to whether it would be agreeable. In view of the fact that the Guatemalan Government and various important Guatemalans have come out in the press in favor of the treaties of 1923, they do not see what he expects to accomplish as they obviously do not agree with his idea of denouncing the treaties. Further, if Pacheco's visit is made with a view to securing the recognition of General Martínez, the Guatemalan Government points out that the treaty of peace and amity remains binding until January 1934 and that General Martínez could not be recognized in any event until after that. . . .

Question of Pacheco's rank has no importance.

Repeated to Department and Central American missions.

WHITEHOUSE

^o Not printed; it reported that Pacheco intended to leave early the following week for Guatemala. Pacheco sailed November 23. (713.1311/112;114;119)

713.1311/121b : Telegram

The Secretary of State to the Minister in Guatemala (Whitehouse)

Washington, November 22, 1932-7 p. m.

44. With regard to the announced intention of President Jiménez of Costa Rica to denounce the 1923 Central American treaties, particularly the General Treaty of Peace and Amity, and to the suggestion made to you in confidence that, if the idea met with the Department's approval, the Guatemalan Government would be glad to convoke a conference of the Central American Republics to discuss the treaties, the following is transmitted to you for your information and guidance:

The General Treaty of Peace and Amity of 1923, drawn up by the representatives of the Central American States and adopted by their Governments, expresses their aspiration to achieve political stability and discourage revolutionary movements in their countries, and provides various measures designed to assist in accomplishing these ends. The United States is of course not a party to the Treaty but in its desire to assist the Central American countries in realizing their objectives it has, at the request of those countries, supported the Treaty and adopted the principles thereof as its policy in dealing with new Governments in Central America. This Government has considered that the advantages derived by Central America from the Treaty have warranted it in thus making an exception to its traditional practice of recognition of new Governments. In the event of the abrogation of the 1923 Treaty the United States Government would of course resume its freedom of action and would henceforth judge each case upon its merits as it arose.

This Government has of course no desire to impose its views upon any of the Central American countries. It entertains only the friend-liest of feelings for them and desires at all times their well-being and progress. It believes that, out of regard for this traditional friend-ship, it should not fail to point out that there can be no doubt in the minds of any impartial observer that the treaties of 1907 ¹⁰ and 1923 have been beneficial to the people of Central America. In the years prior to the adoption of these treaties revolution within and warfare from without were almost the yearly portion of the countries of Central America. The great danger always was that revolution in one country would lead to armed intervention in support of one side or the other on the part of the neighboring countries, and that, as so frequently occurred, general warfare would ensue. As a result of the 1907 and 1923 treaties revolutions have decreased and not a single

¹⁰ General treaty of peace and amity, Foreign Relations, 1907, pt. 2, p. 692.

case of a general Central American war has occurred since 1907. The positive gain for Central America in the way of progress toward stability and orderly government has thus been indisputable. The present moment, moreover, when unrest and anxiety are widespread throughout the countries of the world, would make it seem especially incumbent upon the Central American Governments to proceed with caution and wisdom in a matter so profoundly affecting the permanent interests of their countries. This Government, therefore, sincerely hopes that before taking such a momentous decision as that of denouncing the Treaty of 1923 the Central American Governments will weigh most carefully the benefits derived by their countries from the period of comparative peace and stability resulting from the 1907 and 1923 treaties, with the risks and uncertainties of the situation which would come into being upon the abrogation of the latter treaty.

The decision to be taken in this matter is of course entirely one for the Central American Governments themselves to determine, whether it be to modify the treaty, to denounce it, or to continue it in effect. The responsibility as to the course to be pursued rests squarely upon the Governments of the Central American States. The United States Government, as the sincere friend of the Central American countries, earnestly trusts that in considering the matter the Governments will keep clearly before them the enduring interests of their peoples which are inevitably bound up with the maintenance of peace and stability.

With particular reference to the suggestion of the Guatemalan Government that it would be glad to convoke a conference of the Central American Republics to discuss the treaties, the Department while sincerely appreciating the courtesy of the Guatemalan Government in asking its views, feels that this is a matter which must necessarily be determined by the Guatemalan Government itself.

Please repeat this telegram to the Legations in Central America for their information and guidance, in case these questions should be discussed with them by officials of the Governments to which they are accredited. Caution them to regard the Guatemalan inquiry as strictly confidential.

STIMSON

713.1311/118 : Telegram

The Minister in Nicaragua (Hanna) to the Secretary of State

Managua, November 23, 1932—11 a. m. [Received 7:14 p. m.]

218. My 215, November 18, 2 p. m.¹¹ In an informal conversation with Dr. Sacasa yesterday he gave me to understand that he is definitely opposed to denouncing the 1923 treaties and I have telegraphed Minister Whitehouse accordingly in reply to his telegram requesting Sacasa's opinion.

Hanna

713.1311/127

Memorandum by the Assistant Secretary of State (White)

[Washington,] November 23, 1932.

The Minister of Guatemala¹² called and said that he had seen in the press that the Minister of Foreign Affairs of Costa Rica left Salvador yesterday for Guatemala in connection with the project for the abrogation of the Treaties of 1923. He asked me my views regarding this matter.

I told him that this was a matter for the Central American Governments to decide but pointed out to him the benefits of the Treaty of 1923 and emphasized that since 1907, when the Treaties were signed out of which grew the 1923 Treaty, there had been no international conflict in Central America. I recalled the chaotic conditions in Central America prior to that date, as contrasted with the tranquility since, and pointed out even the diminution in revolutions. I spoke of the economic conditions throughout the world at present which have resulted in political upheavals in so many countries, and stressed the value and benefits of peace, order, and stability. I said that this Government was not a party to the 1923 Treaty but had desired to do anything it could to help the Central American Governments in carrying out what they themselves thought would be conducive to peace, order, and stability in their countries. I said that I was glad to tell the Minister exactly the way we look at the situation but that the Central American Governments would have to judge the matter for themselves; the responsibility is theirs. I said that there is a very grave responsibility resting on them and that I trusted they would not enter into a decision light-heartedly but would consider very carefully what the consequences are apt to be and if they take the road of

¹¹ Not printed.

¹² Adrian Racinos,

abolishing the Treaties to inquire very carefully where it may lead them. I thought that they would want to consider very carefully what the results would be before they abolished or even modified the Treaties. I said that of course the Treaties are perhaps not perfect but that any change that might be made should be distinctly for the better, and that I thought they would want to carefully consider any proposed change to know whether it would better conditions or not before embarking on such a course.

The Minister said that he felt sure that that would be our position and that there would be no change from the position outlined by the Secretary in a recent statement but he wanted to confirm it before reporting the matter to his Government.

F[RANCIS] W[HITE]

713.1311/122 : Telegram

The Minister in Nicaragua (Hanna) to the Secretary of State

Managua, November 29, 1932—noon. [Received 6:44 p. m.]

225. My 218, November 23, 11 a. m. The Minister for Foreign Affairs told me this morning that the Guatemalan Minister in this capital recently outlined informally to President Moncada and Doctor Sacasa the opposition of the Government of Guatemala to Costa Rica's proposal to dispose of the 1923 treaties and inquired as to their attitude in the matter. The Minister for Foreign Affairs added that President Moncada and Doctor Sacasa expressed their complete accord with the views of the Government of Guatemala. Repeat[ed] to Guatemala.

713.1311/132

The Minister in Guatemala (Whitehouse) to the Secretary of State

No. 834

GUATEMALA, November 30, 1932. [Received December 9.]

Sir: I have the honor to report that Mr. Leonidas Pacheco, the Minister of Foreign Affairs of Costa Rica, arrived in Guatemala City on November 26th, and is to-day being received in official audience by the President of the Republic.

Mr. Pacheco came to call on me on Monday afternoon, and after the customary exchange of compliments, made the usual protestations about Costa Rican and his own personal friendship for the United States; said that he did not wish to do anything which would displease the United States and would keep me informed of his conversations with officials here. He then said that he had not come to denounce the Treaties of 1923; that his President had sent him up here on a mission of friendship to President Ubico and to discuss the possibility of changing Article 2 of the Treaty of Peace and Friendship. He said he did not think that the doctrine of non-recognition had been of use. At this I expressed my surprise and suggested that Castro-Quesada's revolt in Costa Rica might not have been so easily suppressed if Mr. Castro-Quesada had not clearly been banned from the Presidency by this Treaty. I then mentioned the Orellana coup here 13 and said that while General Martínez seemed to have defied the Treaty there were other elements which figured in his particular case.

Mr. Pacheco did not seem to care about this turn of the conversation and went on to expose his ideas which seemed to be of the vaguest and were that for the doctrine of non-recognition could be substituted some plan of a more concrete form of help to existing constitutional governments, and he suggested as an example "the concentration of the various hundreds of émigrés on the Honduran border who are giving so much concern to the present Guatemalan Government". I did not understand this last sentence and inquired if he was talking about Honduraneans who had been compelled to cross the border into Guatemala on account of present revolutionary events in Honduras. To this he returned a decided negative and said he was speaking about the political émigrés from Guatemala. I answered that I did not know that there was one on the Honduran border; that I did not believe the total number of persons who could claim such a description amounted to twenty; that there were a half dozen that we all knew about, such as Mr. Aguirre-Velásques, who was now living in Costa Rica, but so far as I was aware, none of them had been expelled from the country, and I knew, for example, that the ex-President, Baudilio Palma, had been given assurances that he could return to Guatemala whenever he wished to and would not be molested. This statement likewise did not seem to please Mr. Pacheco who remarked that he must have been misinformed in which I concurred.

I then asked him if he was going to stay sometime here as the Guatemalan Minister of Foreign Affairs had mentioned to me that Mr. Pacheco was talking of sending for his wife and spending a month here. Mr. Pacheco told me that all depended upon the reception accorded to his ideas; that if they were favorably received he would be here sometime to come to an agreement, and if not, he would return almost at once to Costa Rica.

Respectfully yours,

SHELDON WHITEHOUSE

[&]quot; See Foreign Relations, 1930, vol. III, pp. 172 ff.

713.1311/130 : Telegram

The Minister in Guatemala (Whitehouse) to the Secretary of State

Guatemala, December 5, 1932—2 p. m. [Received 8:02 p. m.]

83. The Minister for Foreign Affairs informs me that Pacheco was very frank in his conversation with him and will support Ubico. Pacheco admitted that he was acting in favor of General Martínez, and while he realized his mission to bring about the denunciation of the treaties was doomed to failure, he asked if the Guatemalan Government would not agree to the suppression of articles 2 and 5 of the treaty of peace and amity, which would make possible the recognition and reelection of Martínez.

The Minister for Foreign Affairs said the President and he answered that those were the two important articles and the treaty might as well be denounced as agree to their removal. The President then instructed Skinner Klee to go over the treaties with Pacheco and see if they agreed on any other modifications. Skinner Klee intimated to me that this was done to gain time, as Pacheco on leaving here was proceeding to Salvador and would report to Martínez that the Guatemalan Government was the source of all his troubles.

The Minister for Foreign Affairs aside from being very provoked with Pacheco for putting the Guatemalan Government in this position, seems rather nervous lest Guatemala be isolated and of the possible difficulties that General Martínez may cause her.

Repeated to all Central American Legations.

WHITEHOUSE

713.1311/134

The Minister in Guatemala (Whitehouse) to the Secretary of State

No. 839

Guatemala, December 5, 1932. [Received December 12.]

Sir: In amplification of my telegram No. 83 of December 5, 2 p. m., I have the honor to report that although the Minister of Foreign Affairs has been advised that both the President of Honduras and the President-elect, General Carías, are in entire agreement with his views relative to the Treaties of 1923, he seems to be worried lest the aid being given to the Honduran Government forces by General Martínez may have some ulterior effect disagreeable for Guatemala and tending to align Honduras with Salvador. In this connection, he seems to think that General Martínez is violating the Treaty in the aid he is extending and claims that in addition to arms he has fur-

nished some personnel, but he was vague as to this and I did not press the matter.

Immediately after intimating that the instructions of President Ubico for him to examine the Treaties with Mr. Pacheco were for the purpose of gaining time, he informed me that President Ubico wanted to speak to me about obtaining military supplies for the Nicaraguan Government as he felt they would be sorely needed after the departure of our Marines. He said that Guatemala would be glad to be of assistance to Mr. Sacasa and as there was no revolution in Nicaragua, this would not be in contravention of the 1923 Treaty. . . .

As I have reported in another despatch, the Guatemalan Government have named their present Chargé d'Affaires in Mexico City to fill the vacant post of Ambassador there and when I made inquiry as to the reasons for this, Mr. Skinner Klee said that as they had settled all their pending questions satisfactorily with Mexico and the Mexican Government rather resented the absence of an Ambassador, in view of the attitude of General Martínez in Salvador and of the Costa Rican Government, he felt that Guatemala needed all the friends she could get and this was the reason for the appointment.

I do not understand the reason for his perturbation about possible activities of General Martínez against Guatemalan interests, as it would appear to me that General Martínez has enough troubles of his own without trying to foment them in Guatemala. I said as much to the Minister of Foreign Affairs but he did not seem to be convinced.

He is willing and even anxious, I feel, to conciliate General Martínez and he indicated that he had suggested to Mr. Pacheco that it might be possible to make use of the Treaty concerning Commissions of Inquiry ¹⁴ to examine the whole case of General Martínez and if as a result it was found that he had no part in the revolution against President Araujo and was actually a prisoner in the barracks of the revolting troops, perhaps a way could be found to bring about his recognition.

I pointed out that I saw several objections to such a scheme: one of the foremost being that Salvador had never ratified this Convention and, secondly, that it would appear ridiculous after a year had elapsed and all the Governments had declared against the recognition of General Martínez to set up a commission now. In this he rather regretfully concurred.

He seemed very pleased by some editorials in the American press on Costa Rica's attitude against the Treaties and reiterated his own

¹⁴ Convention for the Establishment of International Commissions of Inquiry. Conference on Central American Affairs, p. 392.

annoyance at Mr. Pacheco's having undertaken this trip to Guatemala without previous consultation with him, whose only result would be to create hard feeling in Salvador against the Guatemalan Government. Incidentally, he told me that Mr. Pacheco had not said a word about the purpose of his visit until after his official reception by President Ubico when he requested a private audience with the latter. President Ubico in acceding to his request informed him, however, that his Minister of Foreign Affairs would have to be present at the interview. I do not know whether Mr. Pacheco in requesting a private interview with the President thought that the latter might be more favorable to his views than was his Minister of Foreign Affairs.

It is a great pity that some means cannot be found to make General Martínez see reason as it looks as if his continuance in power was going to be a source of continual trouble in Central America.

Respectfully yours,

SHELDON WHITEHOUSE

816.01/274 : Telegram

The Minister in Guatemala (Whitehouse) to the Secretary of State

GUATEMALA, December 8, 1932—11 a. m. [Received 1:40 p. m.]

84. Minister of Foreign Affairs tells me that he had a meeting yesterday with Pacheco and the Honduran and Nicaraguan representatives, at which Pacheco asked them to sign an agreement to recognize Martínez, intimating that such a move would not be regarded unfavorably by the United States.

The others refused, and Skinner Klee again brought forward his suggestion of a Committee of Inquiry. There was also some talk about article 5.

I pointed out to the Minister for Foreign Affairs the objections to his own proposal and that an attempt to recognize Martínez now would make them appear foolish. I added that under no circumstances would my Government recognize Martínez, which I understand to be the case.

Repeated to all Central American missions.

WHITEHOUSE

816.01/274 : Telegram

The Secretary of State to the Minister in Guatemala (Whitehouse)

Washington, December 10, 1932—2 p. m.

- 45. Your 84, December 8 11 a.m.
- 1. Please inform Department more fully of Skinner Klee's suggestion for the Committee of Inquiry mentioned.
- 2. Regarding recognition of Martínez there has of course been no change in the Department's position.

 Stimson

816.01/275 : Telegram

The Minister in Guatemala (Whitehouse) to the Secretary of State

Guatemala, December 12, 1932—noon. [Received 2:45 p. m.]

86. Your 45, December 10, 2 p. m. Suggestion of a commission of inquiry has been given up. Pacheco, to save his face, now proposes the signature of a protocol to say that the question of the treaties will be taken up in April. Minister of Foreign Affairs informs me that Guatemala will not sign any such protocol and that the most he will agree to will be some notice in the press to the effect that discussions of the treaties is inopportune now and must be postponed until April.

Repeated to San José.

WHITEHOUSE

713.1311/141

The Minister in Guatemala (Whitehouse) to the Secretary of State

No. 850

Guatemala, December 16, 1932. [Received December 22.]

Sir: With reference to my telegram No. 86 of December 12, 12 Noon, I have the honor to report that Mr. Pacheco left Guatemala yesterday to return to Costa Rica. Before leaving he made the following statement to the press:

(Translation) "The Government of my country has not had the preconceived purpose of declaring the Pacts of Washington lapsed; but the opinion of President Jiménez and myself is that those treaties contain elements that are good, elements that are mediocre, and elements that are bad. Having that belief, my Government decided to entrust me with a special mission to this country with the object first of working for the strengthening of the fraternal feelings between Costa Rica and Guatemala, a task in which I feel that I have gained

everything desired, and, second, of proposing that the treaties be revised at an international Central-American Conference in order to preserve their good features, amend the mediocre ones, and suppress the bad ones. I hoped that such a conference could be held immediately; but I have had to yield to the strong arguments which were expounded to me and agree to the convocation for the month of April of the coming year, at which time the period of transition will have passed and all of the Central-American Governments will be organized with the newly elected presidents and provided definitely with their foreign offices and representatives."

The above statement is in accordance with what the Minister of Foreign Affairs told me and is an effort to prevent everyone from realizing what a complete failure Mr. Pacheco's trip was.

Respectfully yours,

SHELDON WHITEHOUSE

713.1311/144 : Telegram

The Chargé in El Salvador (McCafferty) to the Secretary of State

San Salvador, December 27, 1932—2 p. m. [Received 5:25 p. m.]

109. Today the *Diario Oficial* published the Executive Decree of yesterday by which the *de facto* regime of Salvador denounces the Central American General Treaty of Peace and Amity of 1923 effective January 1, 1934, in conformity with article 18 of that pact.

McCafferty

713.1311/149

The Minister in Costa Rica (Eberhardt) to the Secretary of State

No. 1242

San José, December 27, 1932. [Received January 3, 1933.]

Sir:—In confirmation of my telegram No. 78 dated December 24, 12 Noon (1932), ¹⁵ I have the honor to forward herewith Executive Decree No. 10 dated December 23, 1932 of the President of the Republic, in the form of a clipping from La Gaceta-Diario Oficial no. 291 of December 25, 1932, as well as the copy and translation of Note No. 555-B which was addressed to me by the Minister for Foreign Affairs of Costa Rica on December 24th last. These enclosures contain the text of the Executive notification of renunciation by Costa Rica of the General Treaty of Peace and Amity, signed at Washing-

¹⁵ Not printed.

ton on February 7, 1923, as well as the text of the relevant notification of Costa Rica's action to the other signatories.

Dr. Leonidas Pacheco, the Minister for Foreign Affairs, has just called at the Legation to inquire what the policy of the United States Government will be in respect of these treaties, subsequent to the inauguration of Mr. Roosevelt. I professed the utmost ignorance.

He then spoke about the ambiguous position in which his country is now placed through the arrival in San José during the last few days of a Salvadorian Consul; he said that the Consul had come to him this morning and requested an exequatur, and that refusal had been necessary due to the non-existence of diplomatic relations between El Salvador and Costa Rica. He added that he told the new Consul to enter into his functions without official recognition.

Dr. Pacheco then said that, much to his regret, his Government would not be able to recognize the Martínez régime in El Salvador until the first of January 1934, on account of the restrictions of the Treaty.

The Foreign Minister professed regret at the failure of his recent mission to Guatemala (vide despatch No. 1204 of November 21, 1932 et seq.). He said, with some attempt at sardonic wit, that every country has its "White House" but that in Guatemala City there were two; that the influence there of Mr. Sheldon Whitehouse is unlimited.

Beyond the mere announcement of the denunciation of the Treaty, there has been no press statement in the matter, nor have local observers commented on President Jiménez' decision of December 23d.

Respectfully yours,

For the Minister: McCeney Werlich

[Enclosure-Translation]

The Costa Rican Minister for Foreign Affairs (Pacheco) to the American Minister (Eberhardt)

No. 555-B

San José, December 24, 1932.

Mr. Minister:—The Government so worthily represented by Your Excellency was invited by the Central American Republics to attend the discussions which resulted in the signing of the so-called Washington Treaties.

In view of the decision of the President of the Republic to denounce the General Treaty of Peace and Amity signed on February 7, 1923, I have deemed it an obligation of courtesy, which I discharge with pleasure, to notify Your Excellency of that decision, and I consequently have the honor to transcribe for Your Excellency the re-

¹⁶ Despatch not printed.

spective Decree and the note which this Ministry is addressing to the Central American Republics, reading as follows:

"No. 10. Since by virtue of Law No. 21 of November 24, 1924, Costa Rica approved the General Treaty of Peace and Amity signed by the Central American Republics in the city of Washington on February 7, 1923, and—Considering—That some of the provisions of said Treaty have not had in practice the results which were expected of them,—Therefore, in conformity with the procedure outlined in Article XVIII of said Treaty,—The President of the Republic—Decrees:—Denounce the Treaty in question and communicate the fact to the other Republics of Central America.—Given in the Presidential House, in San José, on the 23d day of December, 1932. (Signed) Ricardo Jiménez.—The Secretary of State in the Portfolio of Foreign Affairs, (signed) Leonidas Pacheco."

"No. 64-A.-000-83-San José, December 23, 1932.-Mr. Minister: -I have the honor to inform Your Excellency that the President of the Republic by Decree dated today has denounced the General Treaty of Peace and Amity, concluded in Washington on February 7, 1923, by the Central American Republics, having had recourse to Article XVIII of said Treaty to accomplish said denunciation, and that the Republic of Costa Rica is consequently freed of the obligations contained therein, starting from the first of January 1934, the date on which the ten-year period of life established in the Treaty will expire.—The Government of Costa Rica desires it to be clearly and definitely understood that in proceeding to denounce the Treaty, it does not want to be considered as having been motivated by the purpose of removing itself from the interests which are common to Central America, neither does it object to the majority of the provisions which the Pact contains; but it believes that notwithstanding the good intentions and the fraternal spirit which animated the Central American Republics at the time they signed the Treaty, the results obtained to date do not justify the preservation of some of its clauses establishing obligations which affect the sovereignty and independence of the signatory Republics, and which do not deserve to be perpetuated considering the actual state of affairs and the events which have occurred during the period the treaty has been in effect. The President likewise desires to make known his very genuine wish, even more, his fervent desire to enter into new negotiations with the sister Republics tending to the revision of this pact, whereby from that labor may result not only the adequate re-establishment of the present (one), but also the signing of others, which, while scrupulously respecting the absolute sovereignty of each of the Central American Republics, may create new clauses designed to reinforce the spirit of cordiality and to invigorate the bonds of common purpose which have united and each day will unite the Central Americans more and more in the pursuit of their greater progress and wellbeing.— On the basis, therefore, of absolute respect, and with the sovereignty of the five Central American Republics untrammelled, the President expresses his earnest desire that at the earliest possible opportunity the interested Parties reconsider the denounced Pact in

order to study with the highest cordiality the new forms to which our relations should conform, with due consideration of all the peculiarities, advantages and guarantees required by the feeling of sincere brotherhood which ought to prevail in Central America.—I seize the opportunity to renew to Your Excellency the assurances of my high and distinguished consideration. (s) Leonidas Pacheco.—His Excellency the Minister for Foreign Affairs of the Republic of —Guatemala—Honduras—Nicaragua."

I avail myself of the occasion afforded to reiterate to Your Excellency the assurances of my high consideration.

LEONIDAS PACHECO

713.1311/147 : Telegram

The Minister in Nicaragua (Hanna) to the Secretary of State

Managua, December 29, 1932—noon. [Received 3:40 p. m.]

248. The Government of Salvador has communicated to the Government of Nicaragua an Executive decree dated December 26 denouncing the General Treaty of Peace and Amity of 1923. Other than possibly acknowledging the receipt of the communication through the Nicaraguan Consul at San Salvador the Nicaraguan Government intends to take no action in the matter. Repeated to Legations in Central America and Panama.

HANNA

713.1311/148 : Telegram

The Minister in Guatemala (Whitehouse) to the Secretary of State

GUATEMALA, December 29, 1932—3 p. m. [Received 8:50 p. m.]

88. Guatemalan Government received this morning official notification from the Salvadoran Government of their denunciation of the treaty of peace and amity of 1923. No official notice has yet been received of the denunciation by the Costa Rican Government.

The Minister for Foreign Affairs informed me present action of Costa Rica and Salvador would have no effect upon Guatemalan policy which would continue to be strongly in favor of the treaties. This denunciation of the treaties however confirmed his opinion that Costa Rica had been acting merely on behalf of General Martínez, and he was sure that Martínez would take steps as soon as it was possible to change the constitution of Salvador to allow his own election. Skinner Klee also thought that Salvador and Costa Rica

would now use all possible influence to induce General Carías to denounce the treaty in order to have the necessary three countries, but he did not believe they would be successful, as the treaty was too useful for Carías.

Repeated to all Central American missions.

WHITEHOUSE

713.1311/151

Memorandum by the Secretary of State (Stimson)

[Washington,] January 5, 1933.

During the call of the Guatemalan Minister I asked him about the situation of Guatemala, expressing to him my gratification at the Guatemalan support of the Treaty of 1923. The Minister told me that although the Treaty had been renounced by Costa Rica and Salvador, the other three countries acted to support it, and I said we would support it so long as these Republics did. He then stated that Costa Rica really stood as a nation apart from the others and her action did not make so much difference.

H[ENRY] L. S[TIMSON]

BOUNDARY DISPUTES

ECUADOR AND PERU

722.2315/696

The Minister in Ecuador (Dawson) to the Secretary of State

No. 712

Quiro, October 13, 1932. [Received October 27.]

Sir: I have the honor to report that on October 10 it was rumored at Quito that a serious incident had occurred on the Ecuadoran-Peruvian border; that Peruvian troops or police had temporarily occupied the Ecuadoran town of Chacras; and that the Ecuadoran Government had ordered troops from Guayaquil to Machala. It was known that Congress was to consider the matter in a secret session that afternoon. Throughout the day considerable excitement prevailed at Quito and, according to newspaper reports, at Guayaquil as well. I called in the afternoon at the Foreign Office where the Undersecretary informed me that the incident appeared to be of no importance. After the secret session of Congress, the Minister for Foreign Affairs furnished the press a statement, the publication of which on October 11 immediately allayed any anxiety which had been felt.

According to information furnished me by the Minister, the origin and course of the incident were as follows:

Changes in the bed of the Zarumilla River have led to the formation of an island which is claimed by both Ecuador and Peru. The fertile soil of this island is used by nationals of both countries, particularly for growing tobacco, and this results in occasional disputes and incidents with customs guards and officials of the Ecuadoran tobacco monopoly. On the afternoon of October 9, an incident arose involving farmers of both nationalities, between whom eight shots were exchanged without casualties on either side. The shooting brought to the scene, however, some fifty Peruvian guards and a somewhat smaller number of Ecuadoran guards and rural police. These forces took up positions facing each other and further hostilities might well have ensued. Fortunately, those in command on both sides kept their heads and, having ascertained the facts, prevented any clash.

It appears that an employee of the Ecuadoran telegraph service, who had been bathing in the river and seen the arrival at the border of Peruvian guards, had in the meantime sent to the Quito Government an exaggerated and distorted report. On the receipt of this alarming telegram, the Government directed the Governor of El Oro Province to make a personal investigation. The Minister for Foreign Affairs conferred with the Peruvian Minister in Quito who promptly cabled his Government. The reports subsequently received from the Governor of El Oro and through the Peruvian Minister coincided in reducing the incident to its true proportions and denying it any importance.

The Minister for Foreign Affairs informs me that from the outset he was confident that Peru would not provoke an incident with Ecuador precisely at the time when the Leticia question is pending with Colombia. He states further that President Sanchez Cerro sent for the Ecuadoran Minister in Lima and assured him that, even had the incident been more serious, Peru would have sought to settle it satisfactorily. Dr. Cárdenas informs me also that, while the Imbabura Battalion (about three hundred men) has been sent from Guayaquil to Machala, this transfer had been ordered before October 9 for internal political reasons. He states that he endeavored to have the departure of the troops postponed in order to avoid the impression of any connection with the recent border incident but that for technical reasons it could not be delayed after October 12. This has. Dr. Cárdenas states, been explained to the Peruvian Minister in Quito.

In conclusion, the Minister informs me that such border incidents are a frequent occurrence and that during the past twenty years half a dozen or more of a similar nature have arisen.

Respectfully yours,

WILLIAM DAWSON

722.2315/698

The Ambassador in Peru (Dearing) to the Secretary of State

No. 2242

Lima, October 17, 1932. [Received October 27.]

Sir: I have the honor to refer to the Embassy's telegrams No. 208 of October 10, 8 p. m. and No. 210 of October 11, 4 p. m., 2 and to report further on the frontier disorders which occurred on October

¹ See pp. 270 ff. ⁸ Neither printed.

9th on the Zarumilla River, the boundary between the Peruvian department of Tumbes and the Ecuadorian province of El Oro.

The island called Pocitos on the Zarumilla River lies between an old river channel and the present channel, and is about eight miles long and eight miles wide on its longest dimensions. This island is claimed by both Peru and Ecuador, the Peruvians claiming that the old river channel is the dividing line while the Ecuadorians assert that the present river channel is the line.

This is a tobacco region and people from the Ecuadorian towns of Huaquillos and Chacras and from the Peruvian town of Zarumilla grow tobacco on Pocitos island. The Peruvian occupation has probably been more effective. The Ecuadorians ship their tobacco to Guayaquil and the Peruvians to Lima. In both cases the tobacco business furnishes a heavy item to the tax collectors.

During the past few months there has been talk of the passive Ecuadorian objection to Peruvian possession of Pocitos developing into concrete action. An Ecuadorian official commission visited the zone on July 21, 1932, with a view to preventing the events which occurred in October. The expedition was under Lieutenant Colonel Miguel Saona and is said to have arrested a group of Peruvians and taken them prisoners to Machala, Ecuador.

Both Ecuador and Peru maintain police and customs guards on this frontier. The present trouble seemed to have been precipitated on October 8th when an Ecuadorian telegraph operator named Manuel Muñoz, who was bathing in the river, was arrested by Peruvians. He was later released. It seems that a group of Ecuadorian police, customs guards, and civilians then went over into Pocitos and destroyed some of the Peruvian tobacco plants and tore down their fences. They were driven out by the Peruvian Civil Guard and retired to Chacras, where they were reorganized and an Ecuadorian force of about forty police and twenty customs guards returned and pushed the Peruvians back across the Zarumilla. One Peruvian farmer was killed. There are no reports available in Lima as to the number of wounded, if any. A number of shots were exchanged and for a time the situation was indeed serious. The Peruvians were led by the Prefect of Tumbes, who arrived during or after the skirmish, while Ecuador sent forty police and fifty armed volunteers from Machala under Acting Governor Jorge Barrezueta. It seems that the hostilities ceased through parleys between the Prefect and the Acting Governor. Peru has a censorship on news but it is believed that the Peruvians remained in possession of Pocitos, and it is certain that the frontier guards have been reinforced until Peru has at least three hundred men in the vicinity of Zarumilla.

The Lima press has minimized the incident which it states was an unimportant clash between frontier customs guards. It is understood that the matter must be arranged by the Foreign Offices of the two countries and has been so announced by both Peru and Ecuador.

Commander Guzman Marquina, the chief confidant and reliance of Sanchez Cerro, was sent by plane to the Ecuadorian frontier on October 14th and is reported to have straightened out the confusion and placed the situation on a plane whereby peace would be assured pending a settlement by diplomatic means.

It is natural that the Peruvian and Ecuadorian accounts of the genesis of this incident should differ. I have talked to Dr. Solon Polo at the Foreign Office and to the Ecuadorian Minister, Señor Aguirre Aparicio. Oddly enough, there was a similar incident at Zarumilla and Pocitos in 1907, at which time Dr. Polo was the Minister of Foreign Affairs of Peru and Señor Aguirre was Ecuadorian Minister in Lima. A number of notes were exchanged after that incident and Peru seems to have had somewhat the better of these exchanges as they published them in a book, and also retained all or most of Pocitos island. At any rate, Polo and Aguirre have been experts on Pocitos for twenty-five years.

Doctor Polo stated that just prior to the 1907 incident, President Pardo of Peru, in order definitely to proclaim Peruvian ownership of the island, made a trip there and while physically standing on the disputed ground, sent a telegram to the President of Ecuador, with his greeting from Pocitos. The President of Ecuador accepted the situation and replied cordially.

Doctor Polo gave me a reference in the *Boletin* of the Ministry of Foreign Affairs Año 5 No. XXII, beginning on page 2523 with a full discussion of the Zarumilla boundary arrangement. There was a map in the *Boletin* showing how the Zarumilla river had divided into two channels, an old one and a new one. The old channel or that to the north is, according to Doctor Polo, the real boundary and has been so accepted by Ecuador. Thus, the territory between the two channels, or Pocitos island, is Peruvian territory. The note from Doctor Polo to Señor Aguirre, dated October 28, 1907, enumerates many reasons why Pocitos should be considered as Peruvian and closes by saying (translated);

"Apart from the fact that the old channel is not completely closed up because in times of heavy rains there is a considerable quantity of water, the principles which rule international accession and which I do not repeat in order not to offend the well known erudition of Your Excellency, give to Peru unquestionable sovereignty over the lands comprised between the two channels of the river".

Doctor Polo now tells me that Peru has had the most friendly response from the Ecuadorian Government and its officials in the present incident, and that even the Ecuadorian Government officials along the border itself have been quick to cooperate in the suppression of trouble and to say that they have no ulterior intentions or motives. Doctor Polo thought the incident would not be magnified and gave me to understand that Peru certainly did not wish any difficulties or unfortunate developments in that quarter. He further stated that he was not yet very accurately informed and that while the news despatches had stated that the incident would be handled by the respective foreign offices, this did not indicate any particular gravity and that he was confident that the matter, which was unimportant, would soon blow over.

I was not able to see the Ecuadorian Minister until yesterday. Señor Aguirre gives an entirely different account from that furnished by Doctor Polo. He manifested that all Peruvian pretensions to Pocitos island are false and absurd; that the Zarumilla is the boundary and that the old channel is dried up and has had no water for two hundred years. As confirming this fact, eight of the oldest inhabitants of the region, four Peruvians and four Ecuadorians, were recently brought to the river and questioned regarding the old boundary. All of them made affidavits to the effect that they had never known the old bed of the river to be considered as the boundary.

Señor Aguirre states that the land in dispute is unquestionably Ecuadorian and that the situation contains serious possibilities; while Ecuador wants to be left alone, it will not stand for nonsense in this matter. Señor Aguirre stated that he has consistently warned the Foreign Office that it was in the wrong, and has promised to keep me informed of future developments.

A feature of this situation which is not being stressed in the Lima press is the likelihood that the Ecuadorians will be encouraged and incited by the numerous Aprista deportees now living in Ecuador. These include some of the most brilliant men of Peru and probably none of them will hesitate at any means to injure Sanchez Cerro.

While the attitude of the Peruvian public is apathetic toward this incident, it seems that there is considerably more interest in Ecuador. Peruvian censorship does not allow publication of any reports of the Ecuadorian reaction.

The interesting angle is, of course, the *rapprochement* between Ecuador and Colombia and the further isolation of Sanchez Cerro. Ecuadorian assistance would be tremendously useful to Colombia in the event of war with Peru, and the Leticia dispute and whatever

comes from it will doubtless give Ecuador the best opportunity it has ever had to recover its former boundaries to the East.

The following is an extract translation from a featured article in *El Telegrafo* of Guayaquil, Ecuador, of October 11, 1932:

Respectfully yours,

For the Ambassador:
WILLIAM C. BURDETT
First Secretary of Embassy

722.2315/700

The Ambassador in Peru (Dearing) to the Secretary of State

No. 2270

Lima, October 24, 1932. [Received October 31.]

Sir: I have the honor to refer to the Embassy's depatch No. 2242 of October 17th concerning the frontier troubles between Peru and Ecuador and the effect of this tension on the delicate situation arising from the Leticia incident.

The border has remained quiet and both sides have removed the troops sent to reinforce the frontier police. Ecuador has ordered the Imbabura battalion from Machala back to Guayaquil, and Peru had ordered the detachments of police and infantry, which were hurried to Zarumilla, back to Piura and Sullana.

This border incident between Ecuador and Peru has brought forth much speculation as to the course Ecuador will take if the Leticia incident results in war. The Lima newspapers carry a press despatch to the effect that Ecuador had placed an order abroad for armament about October 9th, and on October 22nd El Comercio of Lima stated that Ecuador had decided to borrow one million sucres from the Reserve Bank to purchase ten military airplanes and to construct an up-to-date military airport at Latacunga.

It will be noted that Ecuador took the recent boundary skirmish seriously, as it did not delay in sending to the border the Imbabura battalion which had taken part in the fighting at Quito.

There is a strict censorship on news from abroad which might affect public opinion regarding the difficulties with Colombia. The following items of news came from Ecuador but were suppressed by the Lima censor:

A statement that Peruvians are using native Indians to make a trocha or varadero between the Napo and the Putumayo, in order to block navigation up or down the latter river;

A despatch from Pará stating that 500 troops of the Peruvian regular Army had been sent to Leticia; and

A despatch from Roca Fuerte on the Aguarico, which is a tributary of the Napo and in territory claimed by both Peru and Ecuador, to the effect that a Peruvian military hydroplane had arrived on an inspection trip at the Peruvian outpost of Cabo Pantoja, and brought news that a launch had sailed from Iquitos up the Napo carrying reinforcements and ammunition for the Peruvian garrisons on the upper Napo and the Curaray.

A bill was introduced in the Peruvian Congress on October 14th appropriating 250,000 soles to build new port works at Tumbes on the Ecuadorian frontier. Tumbes has been forgotten by the Lima Government for many years and has been allowed to fall into a state of decay. However, the sudden interest in the frontier with Ecuador has fixed the attention on Tumbes and the measure as introduced provides that a pier be constructed at once to replace one built in 1908 which later formed sandbanks have left on dry land. No ships have been able to land at Puerto Pizarro, the port of Tumbes, since the sandbanks were formed.

El Comercio of Lima is devoting considerable attention to the attitude of Ecuador in the event of hostilities with Colombia. This newspaper on October 23rd carried an article contributed by one R. H. Elizalde urging the advisability of a most careful consideration by Ecuador of all the points at issue and the utmost necessity, from an Ecuadorian point of view, of preserving the strictest neutrality. The article stated that Ecuador should follow the example of Switzerland and be not carried away by the mad call of war. It should, instead, preserve serenity and in the event of hostilities act as a refuge for the noncombatants of both countries who will seek a safe asylum in Ecuador.

El Comercio on October 23rd reproduced an article from El Universo of Guayaquil, dated September 30th, which favored the Peruvian thesis and quoted the opinions of Doctor Antonio Ulloa of Lima and Doctor Luis Felipe Borja which was published in El Comercio of Quito. Doctor Borja takes the ground that the Muñoz-Vernaza Suárez Treaty between Ecuador and Colombia³ stipulates and describes a common frontier between Ecuador and Colombia, and this common frontier disappeared when Colombia ceded to Peru, through the Salomón-Lozano Treaty,⁴ the vast territory which formed the frontier according to the Muñoz-Vernaza Suárez Treaty. Following this line of argument, Peru is not obliged to respect the Salomón-Lo-

^a Signed at Bogotá, July 15, 1916, British and Foreign State Papers, vol. cx, p. 826.

⁴ Signed March 24, 1922, League of Nations Treaty Series, vol. LXXIV, p. 9; see also Foreign Relations, 1927, vol. I, pp. 331 ff.

zano Treaty nor is Ecuador obliged to respect the Muñoz-Vernaza-Suárez Treaty, and "we find ourselves in the situation which existed prior to the signing of these two pacts, and one which would prevail if neither of the two treaties had been formulated".

Respectfully yours,

For the Ambassador:
WILLIAM C. BURDETT
First Secretary of Embassy

722.2315/701

The Ambassador in Peru (Dearing) to the Secretary of State

No. 2291

Lima, October 31, 1932. [Received November 8.]

Sir: I have the honor to refer to my despatch No. 2270 of October 24, 1932, concerning the trouble on the boundary between the Peruvian department of Tumbes and the Ecuadorian province of El Oro, and to report that border conditions remain disturbed.

On October 22nd reports from Tumbes, Peru, and Machala, Ecuador, indicated the dispatch of reinforcements by both countries to strengthen their respective frontier guards. Ecuador sent a detachment of rural police under Captain Bravo, and Peru a detachment of civil guards under Captain Vievra. A conference took place on October 27th between these two officers. The Peruvians manifested a formal claim to the island of Pocitos and stated that Peru will suspend its patrols at Pozo Verde, but that orders from Lima direct a continued occupation of Pocitos. The Ecuadorian officer made a formal objection to this occupation.

This is said to be the first time in many years that Peruvian armed forces have actually occupied Pocitos, although Peruvian farmers have grown tobacco on the island for several years. The military occupation of Pocitos is seemingly ill advised at this particular time and conducive to further irritation of the already inflamed feelings of the people on both sides of the border. About sixty Peruvians armed with rifles and machine guns are now on Pocitos, and an unconfirmed report states that a few days ago they forcibly ejected an Ecuadorian patrol of ten men which attempted to cross the dry bed of the Zarumilla.

According to the information of the Embassy, no progress has been made by the diplomatic negotiations leading to a peaceful settlement of this border dispute.

Respectfully yours,

For the Ambassador: WILLIAM C. BURDETT First Secretary of Embassy

722.2315/706

The Minister in Ecuador (Dawson) to the Secretary of State

No. 736

Quiro, November 5, 1932. [Received November 17.]

Sir: I have the honor to refer to the Legation's despatch No. 712 of October 13, 1932, concerning the recent Ecuadoran-Peruvian border incident on the Zarumilla River.

As set forth in this despatch, the incident appeared to be of slight importance and to have been satisfactorily settled. Nevertheless, during the past few days the Quito press has published reports accusing Peruvian forces of subsequent incursions into Ecuadoran territory in the same area. For instance, on October 26, El Día quoted a letter of October 22 from Machala to the effect that seventy armed Peruvians had entered Ecuadoran territory "in the jurisdiction of Pocitos" the name given the island between the old and new beds of the Zarumilla River) and had threatened a small force of Ecuadoran rural police. On October 28, El Comercio reported that Peruvian troops were patrolling an area on the right bank of the Zarumilla which had previously never been occupied by Peruvian forces. Again on November 4 El Dia quoted a letter from Chacras alleging that fifty Peruvian soldiers under a Lieutenant Chuaca had occupied Pocitos, contemplated the occupation of other localities, and had undertaken the construction of a road.

I have discussed these reports with the Ecuadoran Minister for Foreign Affairs who informs me that they presumably have their origin in letters referring to events of some time ago and that the border incident has in the meantime been satisfactorily disposed of. The Minister informs me further that, in order to guard against further difficulty, the Ecuadoran and Peruvian Governments have agreed to withdraw all forces to a prudent distance (distancia prudencial) from the scene of the recent incident. He added that the Peruvian Government had manifested its desire to send two guards from time to time to patrol the intermediate area but that he had not accepted this proposal. The Peruvian Minister in Quito has also informed me of the agreement between the two Governments to withdraw their forces to a safe distance in order to prevent further incidents.

It seems likely that, in so far as they have any basis in fact, the recent reports published by the Quito press refer to events which

occurred some days or weeks ago. Furthermore, it is to be noted that they appear to be based on letters from private persons. These letters are no doubt exaggerated and presumably reflect the uneasiness and hostility prevailing along the border at the time.

Respectfully yours,

WILLIAM DAWSON

722.2315/704

The Ambassador in Peru (Dearing) to the Secretary of State

No. 2315

Lima, November 7, 1932. [Received November 14.]

Sir: I have the honor to refer to my despatch No. 2291 of October 31, 1932, concerning the boundary troubles between Peru and Ecuador and the attitude of the latter in relation to the Leticia incident.

Guayaquil United Press despatches dated November 5th state that Peruvian forces do not occupy Pocitos, the disputed territory on the frontier between Ecuador and Peru, as the Minister of Foreign Affairs of Ecuador has published assurances of the Minister of Foreign Affairs in Peru to the effect that Peruvian forces would remain in their former positions and do not occupy the zone agreed to be left unoccupied by the forces of both countries. There are no developments from the Peruvian side of the boundary. A strong force of civil guards with troops of the line in reserve are based on Zarumilla.

Peruvian opinion is much interested in the reported appointment of Guillermo Valencia, the Colombian conservative statesman and man of letters, as Special Ambassador to Ecuador. This appointment is regarded as an endeavor to support the Colombian thesis before Ecuadorian public opinion. Doctor Valencia comes from the Colombian department of Cauca, which has many commercial and cultural relations with Ecuador.

The most reliable reports from Ecuador confirm the intended attitude of that country as one of strict neutrality in the event of war between Peru and Colombia, but the prevalent feeling of Peru is that Ecuadorian sentiment strongly leans toward the Colombian attitude and that Ecuador can hardly be expected to decline a favorable opportunity to reassert its rights on the Napo, Pastaza, Paute, and other rivers which have been granted to Ecuador by treaties and which are now occupied by Peru. At any rate, Peru is taking into account the possibility of active Ecuadorian assistance to Colombia in the event of hostilities, and the formulation of Peruvian plans take into consideration the possibilities of Ecuadorian military action.

A rumor has been current in Lima, which is unconfirmed but which, nevertheless, has been widely circulated to the effect that Ecuador has made a secret agreement with Colombia, according to which Colombia will receive direct aid from Ecuador in the event of war with Peru. The fact that this rumor is widely credited illustrates the nervous state of Peruvian public opinion. There is no immediate alarm here but most Peruvians realize that their country has two instead of one potential enemy on the north, and this fact exercises a definite effect in cooling the ardor for war.

Respectfully yours,

For the Ambassador: William C. Burdett First Secretary of Embassy

722.2315/708

The Ambassador in Peru (Dearing) to the Secretary of State

No. 2331

Lima, November 10, 1932. [Received November 17.]

Sir: I have the honor to report to the Department that during the Leguía régime a form of treaty had been worked out between the Ecuadorian Minister here and the Peruvian Government, but as he considered that it was not satisfactory for Peru, the then Minister of Foreign Affairs, Señor Oliveira, rejected the treaty. The Department doubtless recalls this Embassy's various reports upon the long continued negotiations carried on by Señor Aguirre Aparicio, the Ecuadorian Minister here, with this Government, the last of which was my No. 2242 of October 17, 1932. I now have the honor to inform the Department that word comes through a trusted source from Señor Oliveira that the Ecuadorian Government has represented, through its Minister to Lima, that unless Peru is prepared to sign this treaty, formerly rejected by Sr. Oliveira, Ecuador will cast in her lot with Colombia. Señor Oliveira has assured the Embassy's informant that the Minister for Foreign Affairs, Doctor Zavala, in his efforts to protect the Government from the consequences of its indefensible stand in the Leticia question, is prepared to sign the treaty with Ecuador and that the ceremony will take place very shortly, very likely with the same publicity that has been cast about the signing of various agreements with Chile. Señor Oliveira feels that very extensive tracts of territory, which should be retained by Peru, will be turned over by the treaty to Ecuador and that the present Government, in signing the treaty, will be practicing precisely the sort of mutilation against which *El Comercio* and the Civilistas and Sanchezcerristas are so voluble in protest at the present time.

Another phase of the significance of this matter is the fact that word of the proposed action of the Foreign Minister has got about and many Peruvians, especially in the Army, are incensed by it and are quite prepared to make the signing of the treaty with Ecuador the basis for subversive action against the Government along lines which I shall set out in my despatch No. 2333 of November 10.5

Respectfully yours,

FRED MORRIS DEARING

722.2315/703: Telegram

The Secretary of State to the Minister in Ecuador (Dawson)

Washington, November 16, 1932—6 p. m.

21. As you are probably aware, the Ecuadorian Government is handing a memorandum⁶ to all the American Governments in effect serving notice of Ecuador's interest as an "Amazon country" in the situation arising from the Leticia incident. Copies of this memorandum are being sent you by mail. The Department assumes that the motives behind the memorandum are to be found in the statements made to you by Señor Guarderas as reported in your despatch No. 730, October 31.⁵

Stimson

722.2315/703 : Telegram

The Secretary of State to the Minister in Colombia (Caffery)7

Washington, November 16, 1932—7 p. m.

50. As you are probably aware, the Ecuadoran Government is handing a memorandum to all the American Governments, in effect serving notice of Ecuador's interest as an "Amazon country" in the situation arising from the Leticia incident. Copies of this memorandum are being sent you by mail. The following is given you for your confidential information by way of background and probable explanation of the memorandum:

Minister Dawson's recent despatches have shown an increasing

⁵ Not printed.

See note of November 12 from the Ecuadoran Minister, p. 292.

⁷The same telegram was sent, November 16, to the Ambassador in Peru (No. 75).

sentiment on the part of the Ecuadoran public that the Ecuadoran Government should not stand idly by while events which may affect her territorial rights are taking place. This feeling resulted in the creation of an "Advisory Board on Foreign Relations" composed of 15 prominent Ecuadorans for the purpose of cooperating with the Foreign Office with particular reference to "the international situation which has arisen as a result of the Leticia incident". This board has been meeting frequently with the Foreign Minister. Recently Minister Dawson reported that a member of the board told him in conversation that "Ecuador's future depends on the Oriente region, including an outlet to the Amazon basin, and that the present is an opportune time for the country to seek a hearing for its just claims". Mr. Dawson inferred that he "contemplated perhaps an effort to obtain the moral support of the United States and other American countries for a settlement of the Oriente question in which Ecuador would have an opportunity to be heard".

STIMSON

722,2315/722

The Minister in Ecuador (Dawson) to the Secretary of State

No. 757

Quito, November 16, 1932. [Received December 1.]

Sir: I have the honor to refer to the Legation's telegram No. 49 of November 16, 9 a.m., reporting the receipt from the Peruvian Minister in Quito of information to the effect that, at the suggestion of the Ecuadoran Foreign Office, his Government had consented to resume negotiations looking to a settlement of the Ecuadoran-Peruvian boundary dispute.

I met the Peruvian Minister, Sr. García, last evening at a banquet in honor of President Elect Martínez Mera. After dinner, Sr. García took me to one side and stated that he knew that I would be interested in learning that Peru and Ecuador were going to discuss a settlement. He went on to say that some days ago the Ecuadoran Minister for Foreign Affairs, Dr. Cárdenas, had broached the question and inquired with some hesitation whether Peru would consider negotiations at this time. Sr. García signified his willingness to submit the matter to Lima and, in so doing, recommended favorable consideration. He informed me that he had just received his Government's reply consenting to conversations, and that he would so advise Dr. Cárdenas today.

Not printed.

I asked Sr. García if this meant a resumption of the negotiations broken off after the fall of the Leguia Government, to which he replied in the affirmative. In our further conversation, he said that he had no idea how soon the negotiations would be resumed, where they would be conducted, or what form they would take. Referring to a previous conversation (reported in my despatch No. 726 of October 27, 1932), 10 in which he had expressed apprehension lest Ecuador antagonize Peru by an aggressive attitude. Sr. García stated last night that he felt confident that the Ecuadoran pretensions would not be excessive.

With respect to the previous conversations conducted by the Leguía Government, Sr. García said that very little real progress had been made at that time and that the Ecuadoran Government had never formulated concrete demands.

Respectfully yours,

WILLIAM DAWSON

722.2315/707 : Telegram

The Minister in Ecuador (Dawson) to the Secretary of State

Quiro, November 17, 1932—11 a.m. [Received 9 p. m.]

50. Department's telegram No. 21, November 16, 6 p. m. The memorandum in question was published here on November 14 and has been well received locally. I am informed that memorandum was also transmitted the Pan American Union and the League of Nations.

DAWSON

722.2315/716

The Ambassador in Peru (Dearing) to the Secretary of State

No. 2360

Lima, November 18, 1932. [Received November 25.]

Sir: I have the honor to report that the attitude of Ecuador regarding the Leticia dispute has become of the greatest interest through the publication of the Ecuadorian Memorandum of November 12th and the realization in Peru that whatever Ecuador gains in the Amazon will be at the expense of Peru and not of Colombia.

All Peruvian maps for the past twenty-five years have shown the Western [Eastern?] Ecuadorian frontier to be about twenty kil-

¹⁰ Not printed.

ometers East of Riobamba and Latacunga and only forty kilometers East of Quito. The Peruvian public in general has been so accustomed to this boundary line that they have assumed that it is a definite and uncontested one, and the realization that Ecuador claims immense territory on the Paute, Pastaza, and Napo comes as a shock to almost all the people of Peru.

Both Colombia and Peru have hitherto treated Ecuadorian claims lightly and took the position that as Ecuador was a weak country its pretensions need not be considered seriously. Although Ecuador several times formally protested against the Salomón-Lozano Treaty, the present efforts of Colombia to effect a rapprochement are more soundly based than any advances Peru might make, inasmuch as Colombia in the 1916 Treaty¹¹ agreed on its Ecuadorian frontiers, while Peru has consistently claimed everything and admitted nothing. Furthermore, Colombia has nothing to lose in recognizing Ecuadorian claims on the Amazon tributaries.

The Colombian diplomatic efforts to excuse the secrecy of the Salomón-Lozano Treaty insofar as Ecuador is concerned is a matter of some difficulty. At any rate, the present opportunity would seem to be the most favorable one Ecuador has had since 1830 to obtain the recognition by both its neighbors of its rights to part of the Amazon. Colombia is, of course, happy to admit Ecuadorian maximum contentions inasmuch as they are all to be taken from Peru. The position of Peru is extremely delicate and may lead to a compromise which will recognize an Ecuadorian frontier far to the East of that now recognized by Peru.

Peruvian public opinion is being prepared for concessions to Ecuador and the censorship is being relaxed on news from that country. An editorial in *El Telegrafo* of Guayaquil of November 9th has been republished in *El Comercio* of Lima, which agrees heartily with all the criticism of Colombia but takes offense at the statement that Peru has for a century been the common enemy of both Ecuador and Colombia. Reports reaching the Embassy to the effect that Ecuador is taking steps to call out military reserves are not allowed to be published in Lima.

. The belated consideration by the Peruvian Foreign Office of the Ecuadorian boundary claims is being hurried through in the greatest secrecy. The Ecuadorian Minister in Lima is working quietly and from time to time issues public statements to the effect that the frontier trouble at Pocitos lacks importance and that certain

¹¹ Muñoz-Vernaza Suárez Treaty, British and Foreign State Papers, vol. cx, p. 826.

military preparations in Ecuador are taken purely in order to assure its neutrality.

The Peruvian thesis regarding Leticia to the effect that it is outrageous for Peruvian citizens to be transferred to another country without their consent, will be completely demolished if present negotiations contemplate transferring to Ecuador the Peruvians who happen to live on the Pastaza and Napo. There are not very many of them—perhaps not as many as in Leticia—but the principle is the same. The entire question adequately illustrates the absence of foundation for the Peruvian contention.

It is clear that the sudden realization that Ecuador could seize the opportunity of hostilities between Peru and Colombia to assert its claim to half the Department of Loreto, has tempered the ardor of the directors of Peruvian foreign policy. This attitude of Ecuador may conceivably be the factor which will decide Peru to retreat from its position regarding Leticia. A convention recognizing Ecuadorian claims would afford an outlet from the dilemma vis-à-vis Ecuador, but would accentuate the difficulties of a peaceful exit from the Leticia predicament.

The frontier incidents between Peru and Ecuador have been minor irritants of small consequence in themselves, but present the possibilities of a serious situation. There is no official news in Lima concerning the Pocitos question. Peruvian gendarmes are stationed at Zarumilla, and Ecuadorian police somewhere across the border. Peruvian line troops have been sent to Talara and the usual garrison at Piura has been reinforced. Peru could place a maximum of 1000 men on the frontier in two days.

Reports from Guayaquil state that the chief reason for Peru's being caught in its false position at Leticia is the fact that Ordoñez, the leader of the captors of Leticia, is a close relative of Vigil, the former private secretary and close political confidant of Sanchez Cerro. The Vigil family, as the Department is aware, was offered a purchase of its Leticia corridor farm by the Colombian Government but declined and asked for a larger price. The Colombians delayed and the Leticia incident resulted. It is amply demonstrated that the personal ambitions of the Arana and Vigil-Ordoñez families in Loreto were responsible for the Leticia uprising.

The Ecuadorian Memorandum of November 12th is a basic document of exceptional interest. It will serve to give notice that Ecuador as well as Colombia and Peru, is a party to the control of the northwest Amazon, and the high expressions of neutrality and aspiration for a just decision are tempered by the emphatic declaration that Ecuadorian rights must be respected. The outstanding point is the

firm stand for an Ecuadorian share in the Amazon and this point will not be lost on Peru.

The Department's telegram No. 75 of November 16, 7 p. m.,¹² concerning this Memorandum, has been received.

Respectfully yours,

For the Ambassador:
William C. Burdett
First Secretary of Embassy

722.2315/720

The Ambassador in Peru (Dearing) to the Secretary of State

No. 2371

[Lima,] November 19, 1932. [Received November 28.]

Sir: I have the honor to refer to my despatch No. 2331 of November 10, 1932, regarding the probability of the early completion of a boundary treaty with Ecuador, to the Department's telegram No. 76 of November 17, 11 [6] p. m., ¹³ and to the Embassy's telegram No. 228 of November 18, midnight, ¹³ and to enclose to the Department herewith an interesting memorandum ¹³ from Mr. Ackerson after a talk with Dr. Ricardo Ribero Schreiber, formerly Peruvian Minister to Ecuador.

I saw my Ecuadorian colleague momentarily yesterday and he has informed me he will soon stop at the Embassy for a talk. I could not open up the subject of the treaty with him when I saw him.

In view of all that has been reported to the Embassy from two or three quite trustworthy sources, it is all the more amazing to receive the President's flat statement that no boundary treaty with Ecuador is going to be signed, and that such a thing has not even been considered!

In the same conversation in which he told me this, in response to my direct question, the President indicated rather plainly that there was a lack of confidence between himself and his cabinet; so it may be the case that some negotiations have been going along of which the President has not been kept fully informed. The subject seemed to be a trifle bothersome for him and I accordingly did not press the matter. He asked me, rather searchingly, where I had heard anything to that effect and I told him that it was a matter of common report in Lima and that I had also had word from Ecuador and from Washington, but I did not reveal my source of information in any more than this general way.

13 Not printed.

¹² See footnote 7, p. 361.

After I had spoken with the President in the morning, I had an opportunity to speak to one of his closest personal advisers in the afternoon, Señor Rosendo Badani, who, without my asking anything about Ecuador and in another connection, informed me that Peru considers Ecuador to be the critical factor in the present general situation and in the dispute with Colombia.

Señor Badani stated that Colombia was moving heaven and earth to bring Ecuador in on the Colombian side and that Peru felt that the most effective way to meet this situation was by arming herself as heavily as possible and presenting so formidable a picture to Ecuador that if Ecuador did not side with Peru, it would at least abide by its proclaimed neutrality and not side with Colombia.

Señor Badani was not much inclined to estimate the significance of the Ecuadorian memorandum of November 12. He declared, however, that it was not likely, for physical and geographical reasons, that there will be much fighting in the Amazon; he felt that the possession of the head waters of most of the rivers to the north of the Amazon did give Ecuador a right to insist upon being considered in connection with the Amazon situation in general, and he thought that if any attack were made upon Peru, it would be from a base in Ecuador and against northern Peru. That is why, he stated, the President is anxious to arm as heavily as possible. The implication was that the President would do everything he could to strengthen the situation in northern Peru and bluff Ecuador into cooperation or inaction.

A part of this theory may be speculation on Señor Badani's part. The Department will recall the reports recently reaching the Embassy of serious army disaffection in the north and of a declaration that the northern troops would not fight Colombia. Please see, in connection with this report, the Embassy's despatch No. 2360 of November 18, 1932, despatch No. 2333 of November 10, 1932, and the Embassy's other recent despatches regarding the Ecuadorian angle of the Colombia-Peruvian dispute.

Respectfully yours,

FRED MORRIS DEARING

¹⁴ Latter not printed.

722.2315/723

The Ambassador in Peru (Dearing) to the Secretary of State

No. 2387

Lima, November 23, 1932. [Received December 1.]

Sir: I have the honor to inform the Department that my Ecuadorian colleague, Señor Aguirre Aparicio, informed me this morning that the Foreign Minister had been earnestly soliciting Ecuador to take some sort of initiative that would assist in the controversy between Peru and Colombia concerning Leticia and the Amazon region. Señor Aguirre Aparicio stated that he had first suggested that representatives from Brazil, Peru, Colombia, and Ecuador—the four Amazon countries-should discuss some basic and lasting arrangement of their boundaries in the Amazon region which would allay, once and for all, the spectre of continually recurring disputes. The Minister criticized the method of the Spanish land grants and cedulas and said that until some general arrangement of boundaries concurred in by the four countries could be reached, there would always be the possibility that disputes would arise from time to time. The Minister indicated that Peru and Brazil were somewhat favorable to his idea, but that Colombia was not willing to do anything, and that this obstacle could not be got over. He understands, of course, the Colombian reaction and felt that it was due to the fact that with Leticia occupied by Peruvian civilian invaders, it was impossible to take up any boundary matters until Colombia had reestablished her authority at Leticia. However, Colombia seems not to have held out much promise to do anything even after her authority is again set up.

Señor Aguirre Aparicio then told me that he and the Foreign Minister had agreed that since nothing so fundamental as the Four Power arrangement could be worked out at present, Peru and Ecuador might just as well go as far as possible towards settling their differences. The Minister repeated to me what he has said on various previous occasions, namely, that he was within two months of getting a very satisfactory and fundamentally sound arrangement perfected with Leguía when Sanchez Cerro came into power in 1930. He stated that all the main situations had been worked out and that what would be submitted to the President of the United States for arbitration under the terms of the Protocol, would only be certain of the less important stretches of the boundary where it had been difficult to make mutually satisfactory arrangements by direct negotiations. The Minister said that any broad and early settlement of the boundary question would invite further trouble and that he had

worked slowly and carefully precisely to avoid any lengthy arbitration arrangements which would cause local difficulties and later upsets.

The upshot of the talks the Minister had had with the Foreign Minister during the last few weeks was, the Minister informed me, that the matter should be taken up again, that notes should be exchanged, and that the basis for the treaty should be found. This, the Minister stated, was as far as they had got. He added that, contrary to the report now going around to the effect that a treaty would be signed within a very short time, this was not likely, but that there was a clear understanding with the Foreign Minister and that negotiations had begun. However, there is not a very bright prospect that they can continue. The Foreign Minister is ill-rumor has it that he will soon leave the Cabinet, and he is understood to desire to leave the Cabinet. Señor Aguirre Aparicio, however, feels that the situation may be changed somewhat. He says he spoke to the President on Sunday and that the President is now saying complimentary things about his Foreign Minister. Señor Aguirre Aparicio states that the Commission of Notables and the Diplomatic Commission of the Constituent Assembly are both very anxious to have Dr. Zavala Loaiza remain at the head of the Ministry for Foreign Affairs, and that there is a possibility that he may indeed do so on account of this support and to support coming from Civilista ranks. The Minister stated that he had been informed that the new Constitution will be declared to be in force around about the middle of December but that a long list of alterations, provisions, etc., has been drawn up for approval by the Constituent Assembly before the new Constitution is promulgated. One of these provisions, he says, is that the Constitutional requirement that no member of the Judiciary shall serve in the Cabinet will be declared to be inoperative until some date rather far in the future—possibly a year or two away. Whereupon the way will be open for Dr. Zavala to remain.

It is difficult to discover just what is taking place. The Department will recall my other reports to the effect that the President has asked Dr. Araujo Alvarez to form a Government. Yesterday he is reported to have asked Señor Barreda also to do so. Most of the current rumors would indicate that there will be a change, and most of them would indicate that something will be done to change the Constitutional provision above referred to, since Zavala, Alvarez, and Barreda are all members of the Judiciary.

Finally, I beg to call the Department's attention to the President's direct statement to me that no treaty with Ecuador has even been considered. Either he does not know what his Foreign Minister is

doing, or he wished to mislead me. Señor Aguirre Aparicio feels the President is still in the confidence of the Foreign Minister, but my own impression is somewhat to the contrary.

Respectfully yours,

FRED MORRIS DEARING

722.2315/724

The Minister in Ecuador (Dawson) to the Secretary of State

No. 778

Quito, November 29, 1932. [Received December 8.]

Sir: I have the honor to refer to the Legation's despatch No. 745 of November 9, 1932, 16 reporting the substance of a conversation with the Chilean Chargé d'Affaires touching the Leticia incident and more particularly eventual Chilean mediation with a view to facilitating a settlement of the boundary dispute between Ecuador and Peru.

On November 26 in the course of a reception at the American Legation, the Chilean Chargé took me to one side and read to me a telegram which had, he said, just been received from his Government. The telegram consisted of several paragraphs and in the circumstances I could make no note of the contents. The general purport, however, was to the effect that, while Chile viewed with sympathy any steps looking towards a boundary settlement, it could not undertake to intervene in a delicate international situation. I recall a reference to the respect of treaties and the closing statement that the early appointment of an Ecuadoran Minister to Santiago would afford an opportunity for further conversations.

After reading the telegram, the Chargé said: "No se quieren meter" (They wish to keep out of it). He then said that he had hoped that a new Ecuadoran Minister might reach Santiago for the inauguration of President Alessandri but that he considered this doubtful. Dr. Catón Cárdenas has been mentioned for the post but, while he may be appointed, I do not believe that the matter has been definitely decided.

Sr. Prado, the Chilean Chargé, told me that he might make a hurried visit to Santiago in December and that in this case he would call on President Sanchez Cerro en route. I have the distinct impression that Sr. Prado is very friendly towards Peru and is disposed to exert himself personally with a view to furthering cordial relations between Ecuador and Peru.

Respectfully yours,

WILLIAM DAWSON

¹⁶ Not printed,

721.23/647

Memorandum by the Assistant Secretary of State (White)

[Washington,] December 23, 1932.

The Minister of Ecuador, Señor Zaldumbide, called and again expressed the interest of his Government in the boundary settlement in the upper Amazon region. He told me that he was instructed to advise me officially but confidentially that Ecuador has opened negotiations with Peru for the settlement of its boundary and that negotiations are proceeding at Quito.

The Minister again expressed the great desire of his Government that in any settlement that should be made now Ecuador would not be left out as was the case in 1922 and 1925 when the Colombian-Peruvian Treaty¹⁷ and the Tripartite Agreement between Brazil, Colombia and Peru,¹⁸ respectively, were signed. He said that on those occasions Ecuador had been treated as though it were a disturbing element seeking only to make difficulties. He said this is not at all the idea or intention of the Ecuadoran Government which, on the contrary, frankly desires a settlement and wants to cooperate to that end.

The Minister said that everything that goes on in Latin America is known in Washington; that this is the center of all activity, and for that reason he hoped that we would advise him of anything that is taking place. I asked Mr. Zaldumbide whether his Government had advised the Colombian Government of the negotiations going on between Ecuador and Peru and he said they had not. I told him they might wish to consider doing so because it is quite possible that there might be a direct settlement between Colombia and Peru and unless Colombia was informed of Ecuador's position and desires it was quite possible that some arrangement might be arrived at without Ecuador being informed. I told the Minister that of course we would be very glad to tell him anything we properly could but that we are often given information confidentially and if, for instance, later on there should be negotiations between Peru and Colombia resulting in a settlement concerning which we were informed confidentially, we could not advise the Ecuadoran Government thereof, I told him that right now I am not authorized to advise the Colombian Government that Ecuador and Peru are negotiating and, similarly, should there be negotiations later on between Colombia and Peru, I might be advised of them in the same confidential way as he had just advised me of the Peru-Ecuador negotiations. Of course anything

¹⁷ Signed March 24, 1922, League of Nations Treaty Series, vol. LXXIV, p. 9. ¹⁸ Procès-Verbal of March 4, 1925, Foreign Relations, 1925, vol. 1, p. 461.

coming to us in confidence we would have to keep confidential and could not pass on to him. The Minister said he understood this but that we had so many sources of information; that we might be informed through our Ambassador in Lima, our Minister in Colombia, et cetera. I said that of course that was quite possible but that our representatives abroad might in turn receive confidential information and while they would advise the Department the Department could not give this information out. The Minister said he understood this perfectly and he was not asking us to do anything that was improper but anything we did learn that we could tell him would be most welcome. I told him that we would keep the matter in mind and of course if there should be anything we could properly advise him of we would be glad to do so.

F[RANCIS] W[HITE]

GUATEMALA AND HONDURAS 19

714.1515/1184

Memorandum by Mr. Richard M. de Lambert of the Division of Latin American Affairs

[Washington, undated.]20

On July 16, 1930, delegates of Guatemala and Honduras in Washington signed a treaty²¹ providing for the settlement of the boundary controversy between those two countries by arbitration by a tribunal of three members to be presided over by the Chief Justice of the United States. Chief Justice Hughes accepted to act in the capacity indicated. On the same date a supplementary convention was signed²² providing for the delimitation of the frontier after the award is rendered.

The Honduran Congress approved ratification of the treaty and supplementary convention on February 23, 1931.

Similar action was taken by the unanimous vote of the Guatemalan Assembly on May 29, 1931.

The Honduran Government has appointed the following commission to present its case before the arbitral tribunal:

Dr. Mariano Vasquez—Minister Plenipotentiary on Special Mission—Chief of Honduran Mission.

Mr. Augusto C. Coello-Adviser.

Mr. Augustin P. Barranco—"

22 Ibid., p. 236.

¹⁹ Continued from Foreign Relations, 1930, vol. 1, pp. 344-361.

Received by the Assistant Secretary of State on September 18, 1931.
 League of Nations Treaty Series, vol. cxxxvII, p. 231.

Dr. Arturo Martínez Galindo-First Secretary.

Mr. Miguel Paz Paredes—Second Secretary.

Mr. Medardo Zuñiga V.—Technical Member.

Mr. Felix Canales Salazar— "

Mr. Carlos Izaguirre V.

Mr. Jorge Fidel Duron.

On August 18, 1931, the Guatemalan delegation was appointed, comprising the following:

Mr. Carlos Salazar, Chairman.

Dr. Adrian Recinos, Consulting Attorney.

Mr. Manuel Echeverria y Vidaurre, Consulting Attorney.

Mr. Charles Cheney Hyde—Consulting Attorney.

Mr. Alfonso Carillo—Šecretary.

This delegation has now arrived in the United States.

A representative of the Honduran Government in Washington informed the Department of State on July 18, 1931, that he was authorized to proceed with the exchange of ratifications of the treaty and supplementary convention. The President of Guatemala signed the instrument of ratification on August 17, 1931, and in accordance with the terms of the agreements the ratifications are to be exchanged in Washington within sixty days after that date.

[R. M.] DE L[AMBERT]

714.1515/1195

Memorandum by the Assistant Secretary of State (White)

[Washington,] October 15, 1931.

The Minister of Guatemala, Dr. Recinos, and the Minister of Honduras, Dr. Dávila, called to exchange ratifications of the treaty and additional convention regarding the arbitration of their boundary dispute. They exchanged the ratifications and signed a protocol to this effect, copies of which they also exchanged.

They left with me a note to the Secretary of State enclosing copies of the Treaty and Additional Act and asking that they be transmitted to the Chief Justice, advising him of the exchange of ratifications and of his designation as Presiding officer of the arbitral tribunal.

Dr. Rowe was also present, as was Mr. Sidney Smith.

F[RANCIS] W[HITE]

714.1515/1292

The Secretary of the Special Boundary Tribunal, Guatemala-Honduras (Cohen), to the Secretary of State

Washington, July 7, 1932.

Sir: After a careful study of the evidence submitted by Counsel for both Parties, the Guatemala-Honduras Special Boundary Tribunal made the following Ruling at its meeting of June 29, 1932:

"In view of the inadequacy of the topographical data with respect to certain portions of the territory in dispute, the Tribunal, referring to Article XIII of the Treaty of Arbitration of July 16, 1930, and in order to accomplish its purposes, directs that arrangements be made for the submission by the Governments of Guatemala and Honduras to the Tribunal, as soon as possible, of photographs and map of an aerial survey embracing the following described territory:

Beginning at a point on the coast of the Gulf of Honduras at and including Omoa; thence in a southwesterly direction to and including Cerro San Ildesonso; thence to Quimistan; thence to Macuelizo; thence to and including Cerro Azul; thence to San Augustin Boca del Monte; thence to and including Cerro Erapuquita; thence to and including Cerro Oscuro; thence to and including Cima Cuchilla Dantas; thence to and including Cerro Brujo, on the boundary of El Salvador; thence in a northerly direction to and including Quebrada Pedernales; thence to and including the confluence of the Mapa River with the Playon River; thence along and embracing the course of the Jupilingo River to and including Caparja; thence to and including Cerro Chaguites; thence to and including Cerro Ceniza; thence to, and embracing the course of, the Managua River to its confluence with the Motagua River; and thence along and embracing the course of the Motagua River to the sea.

The Secretary of the Tribunal is directed to take all appropriate steps for the carrying out of this order and to supervise all proceedings in connection with the making of said arrangements and

the filing of said photographs and map.

Charles Evans Hughes President

Luis Castro-Ureña Arbitrator

Emilio Bello-Codesido Arbitrator"

At the suggestion of Mr. S. W. Boggs, Geographer of the Department of State, who has been unofficially advising the Tribunal on cartographic matters, Mr. S. H. Birdseve, Engineer Assistant to the Director of the Geological Survey and a recognized authority on Aerial Mapping, was consulted as to the best way of carrying out the instructions of the Tribunal. His recommendations and suggestions are incorporated in the final Memorandum of July 5, 1932, a copy of which is enclosed herewith.²³

The Tribunal approved the program of work drawn up by Mr. Birdseye, and the Governments of Guatemala and of Honduras, on agreeing to furnish the information requested by the Tribunal, entrusted this Secretariat with the actual arrangements for the making of the aerial Survey.

In view of the constant and unfailing interest the Government of the United States has shown in connection with the settlement of the long-standing boundary controversy now under adjudication by the Tribunal, and pursuant to the instructions given me in the Ruling above transcribed, I have the honor to place before you the formal request of the Tribunal for your invaluable assistance in securing from the War, Interior, and Commerce Departments the facilities indicated in the Memoranda attached hereto.

The Tribunal undertakes to return in good order such field instruments and equipment as may be loaned for use by the surveying party, and to reimburse the various Departments of the United States Government, through the Department of State, for the salaries, allowances, or other expenses customarily paid the personnel whose services may be required, and for such materials and supplies as may be needed in the work.

I avail myself [etc.]

B. Cohen

714.1515/1291 : Telegram

The Secretary of State to the Minister in Guatemala (Whitehouse) 24

Washington, July 15, 1932-4 p. m.

31. After consultation with Guatemalan and Honduran Governments the Guatemala-Honduras Special Boundary Tribunal has arranged to have surveys made in certain portions of the disputed territory. Mr. Sidney H. Birdseye and his assistant, Mr. Vincent Hanrahan, sailing respectively from New York July 15 and New Orleans July 20, expect to meet at Puerto Barrios on July 25 in order to enter upon this work. Arrangements are now being made with the United States War Department for an airplane to make an aerial survey in territory designated by the Special Boundary Tribunal, the plane to arrive from the Canal Zone at the scene of the survey probably about August 1.

²⁸ Not printed.

²⁴ A similar telegram was sent to the Minister in Honduras with the added instruction to repeat also to the Consulates at Puerto Cortes and Tela.

The Department desires that all appropriate assistance be rendered to the members of the survey party consistent with your official duties, and that their official communications be transmitted in the pouch. Please repeat this instruction to the Consulate at Puerto Barrios.

STIMSON

714.1515/1300

The Chief of Staff of the United States Army (MacArthur) to the Secretary of State

Washington, July 25, 1932.

MY DEAR MR. SECRETARY: At the request of the Secretary of War,²⁵ receipt is acknowledged of your letter of July 8th,²⁶ wherein you request the cooperation of the War Department in accomplishing an aerial photographic project of an area on the Guatemala-Honduras boundary for the Guatemala-Honduras Special Boundary Tribunal.

The project indicated can be accomplished by the Army Air Corps, provided the Air Corps is reimbursed for the cost of making the photographs, such cost to be confined to the actual cost of gasoline, oil, film, paper, chemicals, the labor performed in developing the photographic negatives and the printing of copies of photographs, and the per diem expenses of the personnel as authorized by law, together with such incidental expenses as care and minor repairs to airplane and transportation of personnel to and from project.

It is desired that the Department of State secure the necessary authorization for Army personnel and airplane with aerial photographic equipment, to pass through Panama, Costa Rica, Nicaragua, Salvador, Honduras and Guatemala.

Sincerely yours,

Douglas MacArthur

714.1515/1303

The Secretary of the Special Boundary Tribunal, Guatemala-Honduras (Cohen), to the Secretary of State

Washington, July 28, 1932.

SIR: Your letter of July 27, 1932,²⁶ enclosing a letter dated July 25, from the War Department, is hereby acknowledged with sincere appreciation. In connection with the letter of General Douglas MacArthur, Chief of Staff, on behalf of the Secretary of War, I wish to

²⁵ Patrick J. Hurley.

²⁶ Not printed.

request that you kindly advise the War Department, as soon as possible, of the Tribunal's acceptance of the conditions set forth for the performance by the Army Air Corps of the aerial survey contemplated. Those conditions are that the Air Corps be reimbursed for the cost of making the photographs, such cost to be confined to the actual cost of gasoline, oil, film, paper, chemicals, the labor performed in developing the photographic negatives and the printing of copies of photographs, and the per diem expenses of the personnel as authorized by law, together with such incidental expenses as care and minor repairs to airplane and transportation of personnel to and from project. I understand this acceptance is necessary before final orders to proceed with the work can be issued.

Additional information concerning the personnel of the Army Air Corps to be detailed to the aerial surveying unit, as to the equipment at their disposal, and with regard to the approximate dates of their arrival in Guatemala and in Honduras, would be extremely useful in order to secure the necessary facilities from the Governments of the above-mentioned Republics.

The invaluable cooperation of the Department of State in arranging for the generous assistance of various services under the War, Interior, and Commerce Departments, and in securing the authorization for army personnel and airplane with aerial photographic equipment to fly over the Central American nations lying between France Field, Colon, Panama, and the territory to be surveyed, is greatly appreciated by the Tribunal.

I avail myself [etc.]

B. Cohen

714.1515/1310

The Chargé in Guatemala (Donald) to the Secretary of State

No. 716

GUATEMALA, July 28, 1932. [Received August 6.]

Sir: I have the honor to report that the American Vice Consul in Puerto Barrios ²⁷ has advised the Legation that the Guatemalan engineers for the aerial survey of the disputed territory, Lisandro Sandoval, Miguel Angel Balcárcel, with the Chief of Protocol, Delfino Sanchez-Latour, arrived at Puerto Barrios on July 23rd. The Honduran engineers, Medardo Zuñiga-Vega and Felix Canales-Salazar, arrived by airplane from Tegucigalpa on July 24th. The American

²⁷ Patrick J. Powers.

engineers, Sidney H. Birdseye and Vincent Hanrahan, arrived on July 25th. On July 26th, all of the engineers went to Bananera on an inspection trip. The Vice Consul reports that he is advised that they will work between Puerto Barrios and Gualan from the railway line towards the border.

Respectfully yours,

G. K. DONALD

714.1515/1311

The Secretary of the Special Boundary Tribunal, Guatemala-Honduras (Cohen), to the Secretary of State

Washington, August 10, 1932.

Sir: I have the honor to convey the appreciation of the Tribunal to you, to Assistant Secretary of State, Hon. Francis White, and to the various divisions of the Department of State which have given their invaluable assistance in securing the facilities of several services of the Federal Government, and of the Governments of the Central American Republics, in connection with the aerial Survey of certain portions of the territory in dispute between Guatemala and Honduras, directed in the Tribunal's Ruling of June 29, 1932.

The generous response met with by the request of the Tribunal for such facilities, furnishes additional evidence of the active interest displayed by the Government of the United States, over a period of many years and through the Department of State, in the amicable settlement of the longstanding controversy between the Republics of Guatemala and of Honduras.

I avail myself [etc.]

B. Cohen

714.1515/1328

The Secretary of the Special Boundary Tribunal, Guatemala-Honduras (Cohen), to the Secretary of State

Washington, October 25, 1932.

Mr. Secretary: The field operations of the aerial survey of certain portions of the disputed territory under adjudication by this Tribunal, ordered in the Ruling of June 29, 1932, have been successfully completed thanks to the invaluable cooperation of the U. S. Army Air Corps, the Department of the Interior and the Department of Commerce, which through your kind intervention agreed to lend their assistance to the Tribunal in mapping the area.

Upon being notified of this important event, both Agencies have requested that the Tribunal convey to the Government of the United States of America the sincere thanks of their respective governments for the generous help it has given in connection with the aerial survey.

The Tribunal directs me to reiterate to you its appreciation of the wholehearted assistance it has received, at all times, from the Department of State and its officials, both here and in the field, in the course of the proceedings for the determination of the boundary controversy.

I avail myself [etc.]

B. COHEN

714.1515/1333

The Secretary of the Special Boundary Tribunal, Guatemala— Honduras (Cohen), to the Secretary of State

Washington, November 8, 1932.

Mr. Secretary: I have the honor to enclose herewith a certified copy of the Report ³⁰ submitted by the Senior Ground Control Engineer of the Tribunal, Mr. Sidney H. Birdseye, on the work of the personnel detached by the United States Army Air Corps to serve in the aerial photographic survey of certain portions of the territory in dispute between the Republics of Guatemala and Honduras, ordered in the Ruling of June 29, 1932.

The Tribunal, after an examination of the photographic material obtained, endorses the commendation of its representative in the field, and has directed me to request that you be good enough to convey to the Secretary of War its appreciation of the important services rendered by the United States Army Air Corps in connection with the survey, both at the Washington and France Field head-quarters, as well as in the disputed area.

The most efficient manner in which 1st. Lieut. H. K. Baisley, and 1st. Sergeant Barron C. Powers, carried out their mission, in the face of unusually difficult climatic conditions, deserves the highest commendation. The Tribunal would like to request of the War Department that its appreciation be conveyed to them and that this fact be entered in their service records.

I avail myself [etc.]

B. Cohen

^{*} Not printed.

ARGENTINA

REPRESENTATIONS AGAINST APPARENT VIOLATION BY ARGENTINA OF MOST-FAVORED-NATION CLAUSES IN THE TREATY OF JULY 27, 1853

635.113 Lumber/3

The Secretary of State to the Chargé in Argentina (White)

No. 517

Washington, November 13, 1931.

Sir: The receipt is acknowledged of the Ambassador's despatch No. 1391 of October 22¹ with reference to the apparent violation of Article 4 of the Treaty of Friendship, Commerce and Navigation of 1853 between Argentina and the United States ² caused by Article 2 of the Provisional Government's Decree of October 6 exempting South American white pine lumber from the additional duty of ten per cent ad valorem imposed by that measure on imported merchandise.

The Department has been informed by Senator Johnson of California that he has received a communication from Otis, McAllister and Company, San Francisco, who express the belief that this measure constitutes a discrimination against Pacific Coast lumber, which has been shipped in large quantities to Argentina.

You are, therefore, requested to convey this information to the Argentine authorities and to inquire whether, in view of the pertinent provisions of the Treaty of 1853 between Argentina and the United States, it may not be possible to obtain the removal at an early date of this apparent discrimination against American lumber.

Very truly yours,

For the Secretary of State:

HARVEY H. BUNDY

¹ Not printed.

² Hunter Miller (ed.), Treaties and Other International Acts of the United States of America, vol. 6, p. 269.

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635.113 Lumber/5

The Chargé in Argentina (White) to the Secretary of State

No. 1463

Buenos Aires, December 23, 1931. [Received January 4, 1932.]

Sir: I have the honor to refer to the Department's instruction No. 517 of November 13 (635.003/189)³ directing me to bring to the attention of the Argentine Government that Article 2 of the Argentine decree of October 6, which exempts from increase of duties rough sawn South American white pine lumber in planks and boards from the increased duties applied to other kinds of lumber, appeared to constitute a discrimination against American lumber not justified by the pertinent provisions of the treaty of amity and commerce between Argentina and the United States of 1853.

As of date December 7, I visited the Minister for Foreign Affairs and left with him a memorandum setting forth the terms of the decree, the pertinent portions of the treaty, and requesting that the discrimination be removed. The Minister promised to give me an answer.

Meantime certain events have occurred which might seem to give this matter a more serious aspect. As reported on page 9 of the Embassy's despatch No. 1455-G, of December 18,4 the Provisional Government has issued a decree dated December 9 (see enclosures 1 and 1-A)⁵ supplemented by customs decree of December 11 (enclosures 2 and 2-A) according a fifty per cent rebate to birch ply wood of Finnish origin on the ground that Finland gave exemptions from duties to Argentine bran and derivatives. The Consul has reported in his despatch No. 538, of December 18,4 that this agreement is considered to be principally directed against the U.S.S.R. Other countries, however, are much affected, as, for instance, Germany. Article 4 of the German treaty of 1857 appears to be identical, as regards the unconditional most favored nation clause for imports, with Article 4 of our treaty of 1853, so that Germany should be entitled to invoke that clause, if so minded. According to my German colleague, the Government of that country has not yet sent him any instructions in regard to this matter. I also enclose an editorial from La Prensa, which is strongly free trade and which I suspect to have been partially inspired from German sources, that declares the decree to be of considerable and undesirable importance.

[•] File number changed to 635.113 Lumber/3.

Not printed.

⁵ None of the enclosures are printed.

My German colleague seems disposed to see in this apparent disregard of the unconditional most favored nation clause a reflex of the condition created for the Argentine by the prospect of the application of a quota in Great Britain to imported wheat. This had also occurred to me as a possibility. He expressed his opinion in the course of a casual conversation that the Argentines hoped to obtain similar favors to those accorded the British Dominions, a supposition which finds confirmation in the remarks attributed to the Minister for Foreign Affairs in La Nación of December 22, copy and translation of which I enclose herewith, and more forcefully in the interview with The Standard.

Today I saw the Minister for Foreign Affairs and enquired of him whether he had any answer as yet to the memorandum in regard to South American pine above mentioned, which I had presented December 7. He replied in the negative, adding that the matter had been referred to a committee and that he hoped to have an answer for me possibly by Monday next. I then called his attention to the decree on ply wood and to its possible bearing on the subject of the most favored nation clause, as also to the remarks attributed to him by La Nación in regard to the treaty with Great Britain and asked him whether this portended any change in the Argentine interpretation of the treaty. Dr. Bioy said that the action contemplated by Great Britain was extremely serious. Great Britain was the leading customer of the Argentine and his Government had to satisfy both public opinion at home and also British public opinion, that they were desirous of doing their utmost to maintain the good commercial relations which had existed with that country for so many years. He said that the Argentine really was in a difficult position. I replied that I quite agreed with him, the more so in view of the terms of the reciprocity treaties. He assured me, however, that no change was contemplated for the present in regard to these.

My German colleague, who has been in London, does not believe that the Argentine will stand a chance of obtaining the same measure of preference as the British colonists, which seems likely enough . . .

In view of the situation as regards England, in which the Argentine finds itself, it would not at all surprise me if the attempt made by the Irigoyen Government in the case of artificial silk to accord the British preferential tariffs might not be renewed. At any rate, this is a possibility which must be kept in view. Further any concessions in favor of Argentine products, such as the lowering of the duty on caseine which might be accorded by the United States would seem to me to be distinctly timely.

The Argentine, it would appear, has had another blow to its exports in the matter of the French super tax of ten per cent on imported corn. I am informed that the Argentine Embassy in Paris had reported that the French Government was willing to remove this tax in favor of the Argentine (see despatch No. 1455–G of December 18, page 7) but that it later turned out that this was not the case.

Respectfully yours,

J. C. WHITE

635.113 Lumber/6

The Chargé in Argentina (White) to the Secretary of State

No. 1478

Buenos Aires, December 30, 1931. [Received January 11, 1932.]

SIR: Referring to my dispatch No. 1463, of December 23, in regard to apparent departures from the interpretation of the most favored nation clauses of the Argentine treaties of commerce and amity, such as that with the United States, as being unconditional, I have the honor to state that my German colleague has supplied me with further information of interest. He told me that he had heard on good authority that the French Ambassador had approached the Minister for Foreign Affairs and informed him that his Government desired to give especially favored treatment to the cereals of the Danubian countries and desired that the Argentine Government should view such special treatment not as a violation of the most favored nation clause, but as an exception, so to speak, sui generis. As Dr. Bioy was not disposed to admit such an interpretation, the French Ambassador then stated that his Government was prepared if necessary to denounce the treaty. This however did not suit the Foreign Minister either: which confirmed my German colleague in the impression he had previously held, that the Argentine, while possibly desirous of making exceptions to the most favored nation clause, does not wish to denounce the treaties.

He further told me that his own Government had instructed him discreetly to support the French in this matter of special treatment to the Danubian countries, leaving it, however, to the French to take initiative. As this information was given to me in the strictest confidence it will take me some time to corroborate this statement from other sources: I have however no reason to suppose that it is otherwise than correct.

The terms of the French treaty are (in translation):—

Article 8 of the Treaty of the tenth of July, 1853,7 in regard to free navigation of the Rivers Paraná and Uruguay—

The principal object for which the Rivers Paraná and Uruguay are declared free for the commerce of the world, being the development of the commercial relations of the countries bordering on the Rivers and of favoring immigration, it is agreed that no favor or immunity whatsoever shall be accorded to the flag or commerce of another nation which shall not be equally extended to the commerce and flag of the French.

Additional Commercial Convention to the Treaty of the tenth of July, 1853—8

Article 1. According to the terms of the Treaty of the tenth of July, 1853, no favor or immunity whatsoever shall be conceded in the Argentine Republic to the flag or commerce of any other nation which shall not equally be conceded to the commerce and flag of the French, all favors or immunities conceded in France to the flag or commerce of another nation shall be equally extended to the commerce and flag of the Argentine. It is understood that by reason of the application of this disposition and that of Article 8 of the Treaty of 1853, the nationals, products and ships of each of the two countries will have the right in the other without restriction, to the treatment of the most favored nation, especially in the matter of tariffs.

While I shall again approach the Minister for Foreign Affairs in regard to the discrimination in favor of South American pine, it would not be unnatural that, in view of the approaching change of government, this Ministry should be disposed to leave a matter of this importance to the coming government.

Respectfully yours,

J. C. WHITE

635.113 Lumber/8

The Chargé in Argentina (White) to the Secretary of State

No. 1502

Buenos Aires, January 15, 1932. [Received January 25.]

Sir: I have the honor to refer to the Department's instructions No. 517 of November 13, 1931, File No. 635.003/1899 directing me to endeavor to obtain removal of the apparent discrimination against American lumber involved in the exemption of South American White Pine from the additional duty of 10% ad-valorem imposed in the Argentine Government's decree of October 6.

^{&#}x27;For French text, see British and Foreign State Papers, vol. xLIV, pp. 1071, 1073.

Signed at Buenos Aires, August 19, 1892, British and Foreign State Papers, vol. xCIX, p. 539.

[•] File number changed to 635.113 Lumber/3.

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In my dispatch No. 1463 of December 3 [23], I mentioned that I had taken the matter up with the Foreign Minister. The latter told me that this matter had been referred to an inter-departmental economic commission. Later the Under-Secretary for Foreign Affairs informed me that he presides over this commission, and that the matter in question is under consideration. He further told me that an expert had been called in with a view to establishing whether South American Pine is a different quality of lumber from the variety proceeding from the United States. This was done for the purpose of harmonizing the exemption with the terms of the Treaty. I expressed to the Under-Secretary that in view of the wide variety of pine species, the designation "South American Pine" is too broad and general to warrant any discrimination on the basis of hemispheres. So far I have had no formal answer to my memorandum.

From the point of view of the interpretation of the Treaty, however, it is gratifying that there should have been this attempt to draw a distinction between the Northern and Southern varieties. The Under-Secretary assures me, as did also the Minister, that there is no intention of setting aside, or re-interpreting the terms of the Treaty. Apparently the discrimination is in favor of Brazil.

Respectfully yours,

J. C. WHITE

635.113 Lumber/10

The Chargé in Argentina (White) to the Secretary of State

No. 1512

Buenos Aires, January 28, 1932. [Received February 8.]

Sir: I have the honor to refer to the Department's instruction No. 517 of November 13, 1931, File No. 635.003/189, 10 directing me to endeavor to obtain removal of the apparent discrimination against American lumber involved in the exemption of South American white pine from the additional duty of ten per cent ad valorem imposed in the Argentine Government's decree of October 6. I may also in this connection refer to my despatch No. 1502 of January 15, 1932, on the same subject. I enclose herewith the copies of the memorandum of the Foreign Office in reply to my representations, together with a translation of the same, and copies of comments contained in a note to me from the Commercial Attaché on this subject. 11 Before taking further action, I await the Department's instructions.

Respectfully yours,

J. C. WHITE

²⁰ File number changed to 635.113 Lumber/3.
¹¹ Note from Commercial Attaché not printed.

[Enclosure—Translation]

The Argentine Ministry for Foreign Affairs to the American Embassy

[Received January 23, 1932.]

The Ministry of Foreign Affairs takes pleasure in informing the Embassy of the United States in reply to its memorandum of December 12, 1931, that South American white pine wood included in Section 1216 of the Tariff Valuations, (Tarifa de Avalúos) has been distinguished from other woods of pine which have been entered under Section 1217 to 1220 inclusive, by reason of differences in quality, type, price, etc., and this for many years without any objection. (observaciónes.) This pine is known under the name of Brazilian pine, or Paraná pine. The exemption provided by the decree of the 6th of October of the past year is based, precisely, on said differences. South American white pine is not similar to any North American pine, or those included in the other customs classifications, it being similar only to Siberian pine. As a result Article 4 of the Treaty of Commerce of 1853 is not applicable in this case.

635.113 Lumber/9: Telegram

The Secretary of State to the Chargé in Argentina (White)

Washington, February 5, 1932—10 a.m.

13. Your despatches 1463 and 1478, dated December 23 and December 30, 1931. If and when you make representations to the Argentine authorities you should be careful to avoid discussing as similar cases the tariff concessions granted by the Argentine Government to South American white pine lumber and the agreement reached by Argentina and Finland affecting birch ply-wood.

The position of this Government in these matters is governed by the Treaty of 1853. You are informed that Articles 3 and 4 of that Treaty are to be read together and are considered by the Department to be of a conditional and not unconditional most favored nation character. As the tariff concessions granted by Argentina to Finnish ply-wood were accorded in return for reciprocal concessions to certain Argentine products, the Department considers that the United States could demand similar treatment only in the event that it were prepared to grant equivalent tariff concessions to Argentina. On the other hand, the action taken by Argentina in respect of South American lumber was of a unilateral character and grounds, therefore, exist for demanding similar treatment for American lumber

without offering equivalent concessions. However, in view of paragraph 401 of our own Tariff Act,12 you should avoid further representations on this latter point pending receipt of further instructions which follow by mail.

STIMSON

635,113 Lumber/13

The Secretary of State to the Chargé in Argentina (White)

No. 569

Washington, April 20, 1932.

Sir: The Department refers to your despatch No. 1512 of January 28, and to its telegram No. 13, dated February 5, 10 a. m., in regard to the Argentine tariff measures favoring birch ply-wood from Finland and South American white pine lumber.

You are informed that no further representations concerning these matters should be made at this time. Articles 3 and 4 of the Treaty of Friendship and Commerce between the United States and Argentina are interpreted by the Department as being conditional in character. Consequently, concessions made by Argentina to Finland, in return for concessions granted by the latter, cannot be claimed by the United States under the terms of the aforementioned treaty unless this Government is prepared to offer concessions equivalent to those accorded by Finland.

On the other hand, the concessions granted by Argentina to South American white pine lumber are of a unilateral character and hence could be claimed by the United States on behalf of American pine lumber as a matter of treaty right under the pertinent provisions of the Treaty of 1853, except for the fact that this Government feels that it is prevented from insisting on this right as long as it is obliged to take into consideration Paragraph 401 of the Tariff Act of 1930. which provides for concessions to lumber originating in contiguous North American countries.

Nevertheless, although the Department considers that it cannot enter a claim for similar treatment under the Treaty of 1853, it is not impressed by the statements embodied in the memorandum of the Argentine Foreign Office, a copy of which accompanies your despatch No. 1512. If, therefore, you are led to believe that the South American white pine lumber competes closely in Argentina with the North American product and is used for similar purposes, you are authorized to discuss orally with the appropriate authorities the apparent weakness of the arguments based on the Argentina Tarifa de Avalúos which are set forth in the memorandum in question.

¹² Of June 17, 1930; 46 Stat. 590.

The most satisfactory ultimate solution of these questions, and of similar ones which may arise, would be the conclusion of an unconditional most-favored-nation treaty to supplant the Treaty of July 27, 1853. The Embassy should, therefore, continue to follow closely the developments in Argentina's commercial policy in order that this Government may avail itself of the first favorable opportunity to propose negotiations for such a treaty.

A departmental memorandum on this subject is enclosed for your information.¹³

Very truly yours,

For the Secretary of State:

James Grafton Rogers

635.113 Lumber/20

The Ambassador in Argentina (Bliss) to the Secretary of State

No. 1630

Buenos Aires, [May 20?] 1932. [Received June 2.]

Sir: I have the honor to refer to the Instruction to this Embassy No. 569 of April 20, 1932, (file No. 635.113 Lumber/10[13]) wherein the Department sets forth its views as to the attitude to be assumed in regard to the exemption from the extra Argentine customs tariff of 10% on "South American" white pine lumber.

Reference was made in this instruction to the special rebate given by the Argentine Government to birch ply-wood of Finnish origin: the Department apparently being under the impression that the Embassy had claimed, or desired to claim equal treatment on the strength of this concession, in virtue of the "most favored nation clause." If so, Despatch No. 1463 of December 23, 1931 must have been misunderstood. The rebate on Finnish ply-wood was merely reported in that despatch with a view to keeping the Department informed of developments in Argentine tariff policy; and the mention of it made to the Minister for Foreign Affairs was solely with a view of eliciting further information on this same point.

In this connection, I am informed that the decree giving a special reduction on Finnish ply-wood will not be submitted to Congress for approval, and consequently may be considered to have lapsed. Other Governments, such as Germany, have made application for "most favored nation treatment" in regard to ply-wood on the strength of this concession to Finland. This the Argentine Government has, I gather, been unwilling to grant; and the German Chargé d'Affaires

¹⁸ Not printed.

appears to be satisfied that the reason is to be found in its unwillingness to admit any further interpretation of the "most favored nation clause" of the treaties in the unconditional sense.

Indeed, as a result of tariff barriers against its products on the part of other countries, and particularly under the stimulus of fear that Great Britain, Argentina's best market for meat and cereals, may restrict its purchases, the present policy of this Government appears to be, in theory at least, to substitute bargaining or reciprocity clauses in its treaties, for those of the most favored nation.

As for South American white pine lumber, it would seem, as the Department indicates, that the present moment is not favorable for any further representations.

In this connection I enclose herewith copy of comments furnished by the Commercial Attaché¹⁴ pertinent to Instruction 569 above mentioned.

Respectfully yours,

ROBERT WOODS BLISS

¹⁴ Not printed.

BRAZIL

INSURRECTION IN BRAZIL

832.00 Revolutions/237 : Telegram

The Consul General at São Paulo (Cameron) to the Secretary of State

Sao Paulo, July 10, 1932—11 a.m. [Received 1:45 p. m.]

Night of July 9th revolutionary movement broke out in this city looking toward immediate re-constitutionalization of Brazil, General Isidoro Lopes, chief of 1924 revolution, assuming supreme command and issuing appeal to the people to maintain order. Acting Commander of the military district arrested and replaced by a revolutionary. All Federal military units of the State and Força Publica as well as people unanimously for the movement. Public buildings guarded with machine guns; absolutely no disorder as yet. Shooting clubs and reserves being armed and organized. Federal troops in Matto Grosso reported to have joined movement and their commander expected São Paulo by aeroplane today.

832.00 Revolutions/238 : Telegram

The Chargé in Brazil (Thurston) to the Secretary of State

Rio de Janeiro, July 10, 1932—4 p. m. [Received 5:49 p. m.]

51. Consul General Cameron's July 10, 11 a.m. Unconfirmed reports indicate movement involves in addition to São Paulo the three southern States and Minas Geraes. Rio quiet.

THURSTON

832.00 Revolutions/240 : Telegram

The Consul General at São Paulo (Cameron) to the Secretary of State

São Paulo, July 11, 1932—noon. [Received 12:30 p. m.]

Perfect order in the city and State, not a shot having been fired. Object of the movement is solely prompt re-constitutionalization, any idea of separation being vehemently denied. Interventor Pedro de

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Toledo resigned yesterday having been later proclaimed President of São Paulo by the military forces and the people. It is hoped that Matto Grosso, Paraná and Rio Grande do Sul will join São Paulo but advices as yet indefinite. Available troops in São Paulo are 15,000 Força Publica including reserves, 10,000 Federal and 3,000 Federal from Matto Grosso besides shooting clubs and civilians, latter being enlisted actively in this city. São Paulo concentrating troops along the line of the center railway especially at Cruzeiro; rumored that Dictator concentrating at Barra de Pirai. Santos customhouse has been taken over by São Paulo which has also requisitioned 5,000 contos on the Bank of Brazil. It is reported that no ships entering or leaving Santos due to the hostile attitude of the naval forces there.

CAMERON

832.00 Revolutions/242 : Telegram

The Chargé in Brazil (Thurston) to the Secretary of State

Rio de Janeiro, July 12, 1932—9 a.m. [Received 9 a.m.]

53. All ports São Paulo are declared temporarily closed to domestic and foreign shipping by a decree issued last evening.

The cruiser *Rio Grande do Sul* was despatched last night to Santos which is in the hands of São Paulo forces.

THURSTON

832.00 Revolutions/244 : Telegram

The Chargé in Brazil (Thurston) to the Secretary of State

RIO DE JANEIRO, July 12, 1932—11 a. m. [Received 2:10 p. m.]

55. A Presidential manifesto issued last night asserts that the Government has the support of the Navy and the local Federal troops, as well as of all the States. It adds that Rio Grande do Sul, Paraná and Minas Geraes will collaborate in military operations against São Paulo. If this should be substantiated and no defections occur in the local military establishment the Government may dominate the São Paulo movement, which would appear at present to be supported only by Matto Grosso. The blockade of Santos together with land operations on Paraná and Minas Geraes—Rio de Janeiro borders would favor Government arms. However, unbiased authoritative information on all these factors is still lacking.

In refutation of the "pro-constitutionalization" character of the São Paulo movement the manifesto points out that an electoral law has been promulgated; a date set for the elections; electoral boards created; credits opened for electoral expenses; and a commission appointed (yesterday) to draft the new Constitution.

THURSTON

832.00 Revolutions/243 : Telegram

The Consul General at São Paulo (Cameron) to the Secretary of State

São Paulo, July 12, 1932—noon. [Received July 12—11:30 a. m.]

São Paulo continuing absolutely quiet. Paulistas claim Dictator has discriminated against this State and that fair deal can be obtained only after reestablishment of constitutional government which is sole aim of present movement. No separation sentiment here; July 11 to 14 declared holidays apparently for purpose legal obligations only since commercial establishments doing business as usual. All Federal and State troops apparently unanimous in favor of movement; enlistment of volunteers and concentration on Rio de Janeiro frontier continues. Federal cavalry regiment from Castro, Paraná reported to have joined São Paulo but attitude of the main body Federal troops in Curitiba and Ponta Grossa doubtful. São Paulo despatching troops to Minas Geraes border indicating apprehension of attack from that quarter. Lack of cooperation from the other States has brought about certain pessimism here. São Paulo has taken over all Federal Government offices and property including Northwestern and Central Railways; mail communication with Rio de Janeiro completely interrupted. Information requested whether my messages of July 10, 11 a. m., and July 11, noon, have been received, also any pertinent instructions as to scope of information desired from this office since it is not known what news is being received from other sources.

CAMERON

832.00 Revolutions/246 : Telegram

The Secretary of State to the Consul General at São Paulo (Cameron)

Washington, July 12, 1932—6 p. m.

Your telegram July 12, noon. Your telegrams July 10, 11 a.m. and July 11, noon, have been received. Your reports are most helpful. Please continue to telegraph all important facts.

STIMSON

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832.00 Revolutions/245 : Telegram

The Chargé in Brazil (Thurston) to the Secretary of State

RIO DE JANEIRO, July 12, 1932—10 p. m. [Received 10:30 p. m.]

59. The Minister for Foreign Affairs assured me this evening with evident conviction that the revolutionary movement is confined to the State of São Paulo and a section of the Matto Grosso border zone. He stated that the Government's military tactics are designed to circumscribe São Paulo and bring it to terms without bloodshed if possible and intimated that tentative overtures for negotiation have been received.

THURSTON

832.00 Revolutions/250 : Telegram

The Consul General at São Paulo (Cameron) to the Secretary of State

São Paulo, July 13, 1932—11 a. m. [Received July 13—10:45 a. m.]

Notice regarding deposition President of Minas Geraes not confirmed but neither Federal nor Minas Geraes State troops near border have up to the present time moved against São Paulo. Vanguard São Paulo troops now at Bianor, State of Rio de Janeiro. General Klinger made supreme military chief of movement and has been appointed Governor of Matto Grosso with headquarters at Campo Grande. Santos reported blockaded by destroyer and hydroplanes. São Paulo absolutely united and hoping for favorable coup d'état in Rio de Janeiro at any time.

123M82/242 : Telegram

The Ambassador in Great Britain (Mellon) to the Secretary of State

London, July 13, 1932—noon. [Received July 13—6:46 a. m.]

220. From Ambassador Morgan. Watching Brazilian situation closely. Prepared to sail for Brazil July 19th if you desire. Please reply American Embassy, London.

Mellon

832.00 Revolutions/247: Telegram

The Chargé in Brazil (Thurston) to the Secretary of State

Rio de Janeiro, July 13, 1932—1 p. m. [Received July 13—12:07 p. m.]

60. At the request of the Government the All America Cables has disconnected its cable at Montevideo in order to prevent its use by São Paulo authorities in control of the Santos Station.

THURSTON

832.00 Revolutions/248: Telegram

The Consul General at São Paulo (Cameron) to the Secretary of State

São Paulo, July 13, 1932—1 p. m. [Received 1:55 p. m.]

Absolute quiet this State; no motive for anxiety in regard to resident Americans or property. All Federal troops this State without exception have joined movement and proceeded to east line, only some dissident officers remaining behind under parole. General Klinger, commander of Federal troops Matto Grosso, arrived in São Paulo yesterday assuming charge this military district.

Newspapers publish telegraphic proposal from Rio Grande do Sul for mediation today, telegraphic refusal of São Paulo to delay operations. Proclamation to nation, signed by Pedro de Toledo, Isidoro Lopes, General Klinger and the chiefs of the Democratic and Republican Parties, declares purpose of movement "to deliver the Federal Government to a junta which within the strictly necessary period for the preparation and action of the Constituent Assembly will return the country to the constitutional regime, and to put in force immediately the Constitution of February 24, 1891, excepting the provisions touching the legislative power and others incompatible with the necessary prerogatives of the supreme power during the transitory conditions under which we are.

The national governing junta will be composed of five members, one each from Rio Grande do Sul, São Paulo, Minas Geraes, Federal Government and the North and they will elect from their number a president". All America Cables informs cable cut or disconnected at Buenos Aires leaving São Paulo without direct communication with the outside world except through Rio de Janeiro where all messages are stopped or censored.

CAMERON

832.00 Revolutions/249 : Telegram

The Consul General at São Paulo (Cameron) to the Secretary of State

Sao Paulo, July 13, 1932—10 p. m. [Received July 13—8:04 p. m.]

Reliable information received in São Paulo that movement in Minas Geraes led by Arthur Bernardes has deposed Olegario Maciel and is favorable to São Paulo. This is decisive.

CAMERON

832.00 Revolutions/252 : Telegram

The Chargé in Brazil (Thurston) to the Secretary of State

Rio de Janeiro, July 14, 1932—2 p. m. [Received 5:26 p. m.]

62. My July 12, 9 a. m. The Minister of Foreign Affairs orally protested to me last night against the entrance into Santos, despite official warning by radio, of the American steamer the *Angeles*, and requested that American vessel be notified not to enter that port.

The Spanish Minister has inquired whether we are disposed to protest against the closing of Santos. I replied that we probably would not protest if the port is effectively blockaded. In answer to my oral and informal inquiry on this point the Foreign Office has very carefully avoided expressing an opinion, but stated orally it would do so if formally approached. I have asked the Consulate at Santos to report whether the port is effectively blockaded.

A circular just received from the Foreign Office states that vessels anchored in Santos at the time of the publication of the decree closing the port may freely leave. Only two American vessels, the *Angeles* and the *Delsud*, are known to be in Santos, both of which entered in spite of warnings, the former after official publication of the decree, the latter before, although it had been published in the press.

Shall I endeavor to effect clearance? Have you any instructions?

THURSTON

123M82/243 : Telegram

The Secretary of State to the Ambassador in Great Britain (Mellon)

Washington, July 14, 1932-5 p. m.

193. Your 220, July 13, noon. For Ambassador Morgan. I much appreciate your offer to return to your post. While I had not wanted to inconvenience you by asking you to take first vessel back and rely

largely on your judgment as to the necessity therefor, I of course feel much more comfortable when you are at Rio in a time like this.

Report received from São Paulo last night stated that reliable information received there was to the effect that movement in Minas Geraes led by Arthur Bernardes has deposed Olegario Maciel and is favorable to São Paulo. Telegram sent this morning says that the deposition of President of Minas Geraes is not confirmed but neither Federal nor Minas Geraes State troops near border had up to 11 o'clock this morning moved against São Paulo. Vanguard of São Paulo troops now at Bianor, State of Rio de Janeiro. Report adds that São Paulo absolutely united and hoping for favorable coup d'état in Rio de Janeiro at any time. Consul São Paulo expresses opinion that if Minas Geraes joins São Paulo its action will be definitive.

832.00 Revolutions/253 : Telegram

The Chargé in Brazil (Thurston) to the Secretary of State

Rio de Janiero, July 15, 1932—11 a.m. [Received July 15—10:25 a.m.]

65. My telegram of July 14, 2 p. m. I authorized the Consul General to approach the Ministry of Marine with respect to the clearance of the steamers *Delsud* and the *Angeles*. Mr. Lee reports that clearance was granted—*Angeles* without, *Delsud* with cargo.

THURSTON

832.00 Revolutions/255: Telegram

The Chargé in Brazil (Thurston) to the Secretary of State

RIO DE JANEIRO, July 15, 1932—5 p. m. [Received July 15—4:28 p. m.]

66. Following telegram has been received from the Consul at Porto Alegre:

"July 15, 10 a. m. Everything quiet. Interventor controls situa-

tion. Northerly movement of troops has continued.

Archbishop has begun conferring with Interventor and the United Front leaders in order to attempt initiation of church movement for peace at São Paulo. Official report states that he was well received by all which is credible. Emissary Liberator Party has been sent to Buenos Aires at the request of Assis, Brazil Supreme Chief of the party, to acquaint him with the situation, a circumstance involving further delay to politicians".

Thurston

BRAZIL 397

832.00 Revolutions/278

The Chargé in Brazil (Thurston) to the Secretary of State

No. 3894

Rio de Janeiro, July 15, 1932. [Received July 25.]

Sir: In amplification of the Embassy's telegraphic reports during the last few days, I have the honor to inform the Department as follows with respect to the insurrection now in progress in the State of São Paulo:

REVIEW

While various factors have contributed to the present situation, its immediate causes may be said to have been the ineptitude displayed by the Provisional Government in its treatment of the proud and powerful State of São Paulo, the conflict between the politicians and the military or "Tenente" element of the Administration, and the delay in the return to constitutional government.

For almost two years, as Consul General Cameron's able reports will have made evident to the Department, the State of São Paulo, defeated in the 1930 revolution, has been maintained in a condition of irritating political uncertainty and subjected to arbitrary military control, with the result that the habitually strong sectional feeling of the Paulistas has been provoked to the point of apparently unanimous rebellion. It is not to be doubted, of course, that the political organization overthrown by the 1930 revolution has sought to benefit by these conditions—but that the abuses were great is indicated by the fact that the State political party originally supporting the Administration joined forces with those of the old régime in the formation of a United Front (Frente Unica) for the defense of the rights of the State.

The Tenente problem resulted from the necessity which confronted the victorious revolutionists in 1930 of replacing the entire personnel of the deposed Government with supporters of the new régime. Many of the appointees—even State Interventors—were necessarily young officers (Lieutenants, or Tenentes) whose inexperience was outweighed by their loyalty. Rivalry between these officers (the Tenente group, of course, likewise embraces many civilians) and the political leaders inevitably developed, as a result of inherently divergent policies, until it assumed a character of the utmost gravity. It must be recalled, in this connection, that the revolution of 1930 was not exclusively an uprising of one political party against the one in power, but was a movement of States, largely transcending local party senti-

¹ See Foreign Relations, 1930, vol. 1, pp. 432 ff.

ment and designed to break the control of one powerful State—São Paulo—then in power and supported momentarily by the arms of the Nation. Thus it was, for example, that at the beginning the present Government had the full collaboration of the State of Rio Grando do Sul, the local contending parties having united in the revolution and each having contributed members to the administration.

As the divergent policies of the two groups became defined, it was apparent that the political element advocated the early termination of the provisional government and the return to normal constitutional government through elections, whereas the Tenente element considered that the fruits of victory would be lost unless the elections should be postponed until the political organization of the old régime had been certainly destroyed. It was in consequence a logical development for the Tenentes to come to regard the "pro-constitutionalization" program of the political parties as merely a cloak for the efforts of the old régime to regain control.

Throughout his administration, President Vargas has adopted a policy of opportunism designed to conciliate as much as possible the conflicting tendencies within his government. It was not probable, however, that he could indefinitely pursue such a course with success, and although he permitted the destruction of a Rio de Janeiro newspaper by the Tenentes to go unpunished (thereby so offending the political parties that the support of his own State was withdrawn), but acquiesced in an adjustment of the São Paulo problem in a manner constituting a defeat for the Tenentes, only later to refuse the demands of the political parties that the Government be reorganized in a manner to lessen the power of the Tenentes, the practice of balancing favors and rebuffs weakened confidence in his leadership. The failure of this policy followed the President's effort to appease both the "immediate constitutionalization" and "postponement" organizations when, in apparent deference to the former, he promulgated last May (a year and a half after taking over the Government) a Decree providing for the holding of a Constituent Assembly, but offset that concession by fixing the date for the Constituent Assembly one year in the future, in May, 1933. Both sides may have been expected by him to be gratified by this arrangement, but the politicians saw in the further delay only a victory for the Tenentes, and they had no confidence in a plan which failed to set a date, after the holding of the Constituent Assembly, for the actual election of new supreme authorities.

To summarize the foregoing, then, it may be said that the Vargas Government came into power with general approbation, and that had elections been called within a reasonable period after the victorious BRAZIL 399

revolution it is probable that the revolutionary candidates and their principles would have prevailed. The long delay in the return to constitutional government, and the errors that were committed caused the early enthusiasm to wane and animosities to be created, with the result that the old politicians, momentarily dispersed and discredited, have been able to reestablish themselves. If the São Paulo revolution is victorious, it is to be presumed that the new Government will be largely formed and controlled by the old political régime.

THE REVOLUTION

With respect to the immediate situation, it is not possible, in the absence of trustworthy information, to formulate a sound opinion. The Minister for Foreign Affairs informed me, and his statements have been repeated by others, that the revolution was premature, it having been prepared to take place on July 14 as a simultaneous uprising in São Paulo, Minas Geraes, Rio Grande do Sul, and the City of Rio de Janeiro. The indiscretion of a young conspirator in São Paulo in communicating a seditious message to Rio Grande do Sul by radio, and the suspicious activities of the military commander in Matto Grosso (General Klinger-now with São Paulo) warned the Government of the danger and forced the revolutionists in São Paulo to strike before they had intended. The Government, by immediately taking the requisite measures in the threatened districts, was enabled to prevent the general outbreak which had been contemplated. Assuming this information to be accurate, as I do, it is obvious that the revolutionists had support in the places named, which, despite repressive measures, may be assumed still to exist and to constitute a potential danger to the Vargas Government.

The tactics of the Government, as has been reported, are designed to isolate São Paulo, preventing it from receiving cooperation from other sections of the Republic, and so to circumscribe it as to bring about the collapse of the movement without bloodshed, if possible. To this end, instead of engaging in immediate attack upon the State, troops are being concentrated on the frontiers in large numbers, presumably with the intention of accumulating such a preponderant military force as to make any eventual aggressive measures reasonably certain of success. Reinforcements have arrived from some of the northern States, and others are expected from Rio Grande do Sul. It is officially stated, and apparently correctly, that Minas Geraes and Paraná are collaborating with the Government. Minor skirmishes have occurred, but no general offensive seems yet to be underway.

Possible Developments

In speculating upon the possibilities of the present situation, the following contingencies may be considered:

a) The balance of power rests with the States of Minas Geraes and Rio Grande do Sul. If they voluntarily or by constraint remain with the Government São Paulo may be forced to capitulate;

b) A coup d'état in Rio de Janeiro might occur;

c) A similar occurrence might take place in Minas Geraes or Rio Grande do Sul, throwing their support to São Paulo;

d) The São Paulo forces, being well armed and apparently inspired by a cause, might inflict a decisive defeat upon the Government forces.

Respectfully yours,

WALTER C. THURSTON

832.00 Revolutions/257: Telegram

The Consul General at São Paulo (Cameron) to the Secretary of State

São Paulo, July 16, 1932—noon. [Received 1:15 p. m.]

Fighting on east line thus far not important, some wounded arriving. One Newport enemy airplane deserted yesterday joining São Paulo. State decree of July 15th declares null and void all acts of the Provisional Government of the Republic "authorizing issuance of paper money or Treasury obligations in general or authorizing any foreign loans or obligations even if such be credits opened in favor of the government or national institutions". Preamble explains that purpose of this decree is to prevent dictator from obligating entire nation to obtain resources for the purpose of fighting constitutionalists. Entire State quiet except on frontiers and determined to fight it out. All communication with exterior now interrupted except consular telegrams and radio stations here which are of low power and probably do not regularly reach the Plate. CAMERON

832.00 Revolutions/260 : Telegram

The Secretary of State to the Chargé in Brazil (Thurston)

Washington, July 16, 1932—3 p. m.

49. Your 62, July 14, 2 p. m. If Santos is in the control of insurgents the Brazilian Government would have no right to close this port by decree as reported in your telegram of July 12, 9 a. m., unless this decree is enforced by an effective blockade. As it appears from

your telegram 65, of July 15, that the Brazilian authorities have given clearance to the *Angeles* and the *Delsud*, no occasion is presented for determining the legal effect of the foregoing decree. If, however, on a future occasion the Brazilian Government should attempt in pursuance of this decree to interfere with an American ship attempting to enter or leave Santos, you should endeavor immediately to ascertain whether an effective blockade is maintained in order to determine whether an occasion for protest may have arisen.

The Department considers it inexpedient for you to obtain any formal opinion from the Foreign Office on this subject as indicated in paragraph 2 of your telegram No. 62.

STIMSON

832.00 Revolutions/258: Telegram

The Consul General at São Paulo (Cameron) to the Secretary of State

São Paulo, July 17, 1932—1 p. m. [Received 1:20 p. m.]

Four Dictator airplanes flew over this city yesterday dropping various bombs on the Campo Domarte which is aviation field of the Força Publica located within the urban limits, no damage. Should the barracks of the Força Publica be bombed there would be great danger to life and property since such barracks are located at various points in the business and residential sections. Yesterday afternoon headquarters building of Força Publica caught fire from some explosion inside building and was totally destroyed. Bulletins dropped by the enemy airplanes yesterday advised that Minas Geraes supporting Dictator. Perfect order in the city and interior of State and inquirers may be advised that staff of this Consulate General, American residents and property safe since I shall immediately advise any contrary occurrences.

832.00 Revolutions/262 : Telegram

The Chargé in Brazil (Thurston) to the Secretary of State

RIO DE JANEIRO, July 18, 1932—4 p. m. [Received 9:25 p. m.]

- 67. The situation at the commencement of the second week of the São Paulo insurrection remains indeterminate with conditions approximately as follows:
- 1. Military position. The Army and Navy continue to support the Government, although minor defections have been reported in addition to the general defection that took place in São Paulo. Federal

troops are concentrated on the railway at the Rio de Janeiro-São Paulo border, where unimportant skirmishes have occurred. President Vargas visited this front yesterday. Warships are patrolling off

Santos which is decreed to be closed to commerce.

The greater part of the State and Federal troops in Minas Geraes are believed to be with the Government, but the southern portion of the State, in which ex-President Bernardes resides, is now allied with São Paulo under his leadership, according to a high official of the Foreign Office with whom I have just spoken. Paraná is reported to have placed forces on the São Paulo border, but no engagements have taken place. Government reports indicate that a portion of the Federal forces in Matto Grosso have remained loyal. Troops in milder numbers have arrived from Pernambuco and Bahia, and others from Rio Grande do Sul. Contingents from other states are expected.

The reports from the Consulate General at São Paulo indicate that the State has formidable military organization and that it is inspired by a cause. Paulista forces control Santos and are placed at all threatened frontiers but apparently have not assumed the offensive.

São Paulo airplanes have flown over Rio de Janeiro several times distributing manifestos, and Government planes have endeavored to

destroy military establishments in São Paulo.

2. Political status. At present the Government has the support of the northern States, although published reports of changes in naval and military commands in the Amazon would indicate that precautionary measures have been necessary.

Rio Grande do Sul, as shown by Consul Castleman's telegrams, is supporting the Government but evidently only because the premature outbreak of the São Paulo revolt enabled the Interventor to establish control. The position of this State must be regarded as fundamentally

doubtful.

Minas Geraes is in much the same situation as Rio Grande do Sul. The premature revolt enabled the State and Federal authorities to insure their control, which it now develops was strong enough to withstand an attempted *coup d'état* by Bernardes. On the other hand it was too weak to chastise him, and he apparently has turned over

a part of the State to the Paulistas.

3. Economic conditions. São Paulo has resorted to the issuance of special currency obligations, the Government has decreed an emergency credit of 20,000 contos and the Commercial Attaché reports that another credit of \$1,200,000 has been opened for the purchase of aeroplanes. Exchange on the unofficial market is over 18 milreis to the dollar. The Consul at Santos reports that no ships have entered since July 13, that all business is paralyzed and that shipments of coffee are suspended until further notice.

4. Peace moves. Despite alleged visits of emissaries, appeals by women's organizations and efforts toward conciliation by the church, no progress is yet apparent. Rio de Janeiro is quiet and the public

feeling is relatively apathetic.

5. General. São Paulo, with physical support available only from sectors of the Matto Grosso and Minas Geraes borders, is on the defensive but apparently determined to continue on the course set and hoping for favorable developments. The Government, either in the

expectation that São Paulo will capitulate in discouragement or because it is mistrustful of it or of conditions in Minas Geraes and Rio Grande do Sul, has not assumed the offensive.

Under these circumstances a compromise arrangement would seem to be possible although the "Tenente" element is said to be urging an immediate advance on São Paulo.

THURSTON

832.00 Revolutions/263 : Telegram

The Consul General at São Paulo (Cameron) to the Secretary of State

São Paulo, July 19, 1932—11 a. m. [Received July 19—9:50 a. m.]

Everything quiet in the City of São Paulo and interior. There is little news from the fronts. There is absolutely no communism in movement, exactly the contrary being true, fear of radical tendencies of Tenentes being one motive for revolt.

The word São Paulo is being avoided in official communications referring to movement, the word Constitutionalist being preferred.

CAMERON

123M82/245 : Telegram

The Secretary of State to the Ambassador in Great Britain (Mellon)

Washington, July 19, 1932-2 p. m.

197. For Ambassador Morgan. In view of most recent reports from Brazil please return there as soon as possible.

STIMSON

123M82/247 : Telegram

The Ambassador in Brazil (Morgan), Temporarily at Paris, to the Secretary of State

Paris [undated]. [Received July 21, 1932—4:35 a. m.]

Sailing Brazil first available steamer.

MORGAN

832.00 Revolutions/268 : Telegram

The Consul General at São Paulo (Cameron) to the Secretary of State

São Paulo, July 21, 1932—2 p. m. [Received 2:25 p. m.]

Official communication reports fighting on all fronts yesterday but no ground lost. Minas Geraes and Paraná State troops fighting with the enemy, and São Paulo realizes that for the present this State aided only by railway zone of Matto Grosso is being attacked by all the remainder of Brazil. Decree of July 19 extends holidays to include 23rd after which courts will cease functioning until further instructions, only minor judicial proceedings being permitted.

With reference to news regarding São Paulo reported to have been broadcasted in the United States the only bombardment of this city up to date has been innocuous aerial bombardment described in my telegram July 17, 1 p. m. Nearest artillery of the Dictator is beyond Cruzeiro more than 150 miles from here. I respectfully suggest the publication of a statement that all American citizens and property in São Paulo uninjured. All inquiries may be answered accordingly since any information to the contrary will be transmitted without delay.

Cameron

832.00 Revolutions/269 : Telegram

The Consul General at São Paulo (Cameron) to the Secretary of State

São Paulo, July 22, 1932—noon. [Received 12:20 p. m.]

According to a communiqué São Paulo forces are holding ground on all fronts, having repulsed attacks in Cubiro and Cunha. Sunny mild weather has prevailed here and in all the zone of operations, no rain having fallen since beginning of the movement. Food prices unaltered in this city as yet. A considerable portion of trucks and omnibuses already requisitioned and it is rumored that gasoline stocks are to be taken over. Public continues voluntary contributions such as cattle, rice, beans, clothing, surgical supplies, field glasses, automobiles, et cetera, the only discordant element being the radical proletariat formerly encouraged and organized by Joao Alberto and Miguel Costa, such radicals being only part of the population favorable to the Dictator but their influence is negligible and they are being kept down with an iron hand.

Brazilian national flag seen everywhere and carried by troops. Volunteer battalions being named for other States to emphasize non-separatist character of movement. Short-wave telegraphic radio here broadcasted São Paulo news to the United States last night in endeavor to offset propaganda from Rio de Janeiro.

CAMERON

832.00 Revolutions/289

The Chargé in Brazil (Thurston) to the Secretary of State

No. 3901

RIO DE JANEIRO, July 22, 1932. [Received August 8.]

Subject: Interruption of All America Cables Service With Santos.

Sir: In amplification of my telegram No. 60, of July 13, 1 P. M., on the above subject, I have the honor to inform the Department as follows:

On the evening of July 12, the Minister for Foreign Affairs requested me to call at his office, and upon my arrival there he complained energetically against the attitude which he alleged had been taken by the All America Cables with respect to the transmission from its Santos office of propaganda inimical to the interests of the Government of Brazil. Dr. Mello Franco stated that reports were being sent out from São Paulo, particularly to Buenos Aires, and distributed from that point to the rest of Latin America and to Europe favorable to the insurrectionary movement in São Paulo, despite the insistence of the Director General of Telegraphs that the Company should refuse to accept such messages for transmission. The Minister added that unless the Company immediately ceased to accept these messages he would forbid it to operate in Brazil, and he showed me a telegram which he said he had already dispatched to the Brazilian Ambassador at Washington in the nature of a protest along the foregoing lines to be delivered to the Department of State.

I told the Minister that in my opinion the Santos office of the Cable Company had no voice in the matter whatsoever, inasmuch as it certainly must be in the power of the insurrectionists; that it seemed to me that it would be an ill-advised action for the Government of Brazil to adopt such a drastic course with respect to such a reputable and important foreign enterprise as the All America Cables; and that I would at once communicate with the appropriate representatives here of the Company and inform him as quickly as possible of any statements they might make. Upon returning to the Embassy I communicated with the General Manager of the Company, who informed me that in the face of a threat to cut the Company, who informed me that

pany's cable if the Government's wishes were not immediately acceded to, he had already taken steps to have the cable disconnected at Montevideo. This information was confirmed later by the special representative of the All America Cables, who is now in this City in connection with the Company's contractual interests. I informed the Minister for Foreign Affairs of the action that had been taken by the Company, and he expressed great satisfaction.

While I seriously question the wisdom of the Company in taking the action it did, when obviously the Government of Brazil had no control over the Port of Santos, in which its office is located, and I likewise seriously question the propriety of the attitude assumed by the Government of Brazil in threatening such drastic action against this American enterprise, I have expressed no opinions on these points. Should the São Paulo revolution triumph, however, it is not improbable that the new Government would entertain much resentment against the Company on this score.

Respectfully yours,

WALTER C. THURSTON

832.00 Revolutions/274 : Telegram

The Chargé in Brazil (Thurston) to the Secretary of State

RIO DE JANEIRO, July 23, 1932—noon. [Received 1:50 p. m.]

69. Military operations have been somewhat accelerated during the last few days, with advantage to the Government arms. Federal forces are reported to have recovered from the insurgents several places in southern Minas Geraes, and the Rio Grande do Sul forces have captured the strategically important fortified town of Itararé on the Paraná border and are now on São Paulo territory. The several engagements are believed to have involved reasonably severe fighting with corresponding losses.

Student disorders, based upon bona fide student grievances, but which apparently assumed some political character, occurred here yesterday and the day before. On each occasion conflicts with the police took place. It is reported that anti-Government and pro-São Paulo cries were heard during the disorders, but whether they were uttered by the students or by agitators taking advantage of the situation is not known. More popular animation is becoming apparent.

Former Minister of Justice Cardoso has been here for several days conferring evidently as spokesman for Rio Grande do Sul with the Vargas government. It is evident that conferences likewise are in progress with Minas Geraes. While no information is available with

respect to these conferences it is to be assumed that they concern peace measures. In this connection an official announcement was published today by the Ministry of Justice asserting that the attitude of the Government with respect to peace has been made clear in public documents, this presumably refers to President Vargas' reply to Bishop Becker of Porto Alegre in which he stated that peace could be achieved should the rebels lay down their arms, and to the President's proclamation in which he stated that he would not capitulate before the demands of armed rebels but would be forgiving to those who surrendered. This proclamation ends with the statement that Vargas would prefer death as a soldier in defense of the ideals of the revolution (1930) to surrender in the face of threats or violence.

The Government has decreed that any Federal impost or taxes paid to the insurrectionist authorities will be considered as not having been collected and that all issues of securities or other forms of credit or fiduciary values as well as all banking operations executed by the insurrectionary authorities and falling within the competence of the Union will not be recognized by the Federal Government.

THURSTON

832.00 Revolutions/286 : Telegram

The Consul General at São Paulo (Cameron) to the Secretary of State

São Paulo, August 1, 1932—4 p. m. [Received August 1—3:54 p. m.]

I have just been handed by members of the civil and military households of the State Governor a communication, dated July 31st, signed by "Pedro de Toledo, Governor of the State of São Paulo", asking me to transmit to my Government a request for "the recognition of belligerency between the State of São Paulo and the Dictatorship". I replied verbally that I could not receive the communication officially but that I would be glad to examine it and request instructions from the Embassy in the premises. The communication is a long one of about 1,300 words setting forth the facts and legal arguments. The facts in the case are already largely known to the Department and to the Embassy. Instruction is requested as to whether I may receive this communication officially and as to the completeness with which the document is to be transmitted by telegraph.

Cameron

832.00 Revolutions/292 : Telegram

The Consul General at São Paulo (Cameron) to the Secretary of State

Sao Paulo, August 2, 1932—noon. [Received August 2—10:25 a. m.]

With reference to my telegram August 1, 4 p. m., regarding request for recognition of belligerency, various Consuls here are cooperating in an effort to secure permission for transmission of the complete text in plain Portuguese from the Italian Consul General who is the local Dean of the Consular Corps to the Italian Ambassador in Rio de Janeiro for distribution there to the various Embassies. I shall advise details later.

832.00 Revolutions/295 : Telegram

The Acting Secretary of State to the Consul General at São Paulo (Cameron)

Washington, August 2, 1932-6 p.m.

Your August 1, 4 p. m. Department does not desire you to receive the communication officially. For your confidential information Department feels that in present state of things between the parent State and the São Paulo insurgents it would not be justified in giving consideration to a request for recognition of belligerency. Neither the extent of the hostilities which have thus far taken place nor the effects of these hostilities on the rights and interests of the United States appear to require any definition of our relation to the two parties to the conflict. It is moreover of course evident that a declaration according belligerent rights under present conditions would be a gratuitous and unfriendly act to the Government of Brazil.

Repeat this telegram, as well as your cable of August 1, to the Embassy at Rio for its information.

Please use your own judgment as to advisability of cabling résumé or text of portions of the communication in question.

CASTLE

832.00 Revolutions/296 : Telegram

The Consul General at São Paulo (Cameron) to the Secretary of State

São Paulo, August 3, 1932—noon. [Received August 3—11:40 a. m.]

Department's telegram of August 2, 6 p. m., received and repeated to the Embassy. The latter already has my August 1, 4 p. m. Duplicates of all political telegrams from this office including the present telegram are sent at the same time to the Embassy. It was possible

to transmit to the Embassy last night in conjunction with various consuls here and in arrangement with the Western Telegraph Company the complete Portuguese text of the communication and enclosure regarding belligerency totaling 2,205 words. Consequently I shall not cable any portion or résumé thereof since the Embassy will be able best to decide in the premises.

CAMERON

832.00 Revolutions/298: Telegram

The Chargé in Brazil (Thurston) to the Secretary of State

RIO DE JANEIRO, August 3, 1932—3 p.m. [Received August 4—1:05 p. m.²]

- 79. The following is a résumé of the São Paulo petition for recognition of belligerency.
- 1. Such recognition is desired not only for the sake of São Paulo but for the nation, and also on behalf of the foreign interests in that State and to prevent further injury to world commerce through the blockade.
- 2. São Paulo fulfills all the requirements of Brazilian doctrine and of international law for recognition of belligerency. It possesses an organized and established government in authority and control over a very large territory embracing a population of 8,000,000 persons. That government is affording protection to the persons and property of nationals and foreigners, and with its armed forces is waging war according to the rules of warfare. It possesses in abundance the necessary economic, material and moral equipment to prolong the war indefinitely until final victory is achieved.

 3. The intrinsic importance of São Paulo is emphasized by point-

ing out that it contributes 70 percent of the total national revenues.

- 4. The Federal Government is charged with opposing the establishment of a constitutional regime and desiring to remain indefinitely in power, whereas São Paulo is fighting for the reestablishment of a legal government throughout the nation; and it is asserted that the Federal Government has no stronger legal status than the present São Paulo government both having gone into power by force of arms.
- 5. It is stated that Matto Grosso is administratively controlled by São Paulo.
- 6. Several authors of text books on international law are cited to show that the situation of São Paulo, as described in paragraph 2 coincides with the conditions upon which they predicate recognition of belligerency.
- 7. An ambiguously worded paragraph states that it is not necessary for São Paulo to appeal for the assistance of the "modern North American doctrine, creator of recognition of insurrection" since although it is important armed revolution does not present the three essential requisites of belligerency.

² Telegram in three sections.

8. An appendix to the petition cites the opinions of writers on international law to show that the Federal blockade of the São Paulo ports is not effective, and alleges that it is notorious that the naval force of the Government is deficient and moreover if not favorable is at least neutral in its attitude toward São Paulo.

The situation is estimated as follows:

1. Military position. The Army and Navy while said to display little enthusiasm continue actively to support the Government. São Paulo is blocked by sea and virtually surrounded by land. No decisive engagement has occurred but Federal forces have penetrated São Paulo from Paraná, have advanced on the Minas Geraes and Rio lines, and are reported to be preparing attacks on new fronts. Troops continue to arrive from the northern States.

Consul General Cameron's reports reiterate that São Paulo is increasing its formidable military organization and is determined not

- 2. Political conditions. Seventeen of the twenty States support the Government, Minas Geraes and Matto Grosso lack control over sectors of their territory contiguous to São Paulo. In the former the Government is paramount although doubt as to the degree of actual combat support it is rendering has been expressed. A significant occurrence was the failure of a revolt in Rio Grande do Sul where the political parties cooperated with the Interventor in bringing about the surrender of the revolutionists. The passage of time is producing popular aversion to civil war. As the earlier apathy disappears more São Paulo sentiment becomes apparent. A street gathering of students and some men and women of good position was forcibly dispersed 2 days ago during which pro-São Paulo and anti-Government sentiments were voiced. Neither this nor the other similar incidents are considered especially important and little doubt exists as to the Government's present readiness and ability to maintain order.
- 3. Economic conditions. Curtailment of coffee exports has greatly restricted the volume of exchange. Dollars unofficially quoted 20 milreis. The Government is said to be encountering difficulties in obtaining credits for the acquisition of military supplies.

By them [these?] measures restriction of gasoline purchases and lowering of the flour content of bread by São Paulo would imply that

the blockade is beginning to cause inconvenience.

4. Peace moves. A widespread desire for peace is reflected in nu-

merous petitions, church parades and prayers.

Mauricio Cardoso has just visited São Paulo and, while information is still lacking, it is understood that he has been discussing peace measures with the Government and São Paulo, as well as with the political leaders in Rio Grande do Sul and Minas Geraes.

[5.] General. In the absence of ulterior developments such as the collapse of São Paulo through discouragement or economic failure, or the disappearance of the Government through a coup d'état here or in Rio Grande do Sul or Minas Geraes, the present inconclusive situation might be prolonged indefinitely. It is the opinion of some who are familiar with Brazil, however, that the termination of the

struggle will soon be brought about by a compromise arrangement. Such an arrangement presumably would result in the reorganization of the Government and early elections.

6. Recognition of belligerency. I concur fully in the Department's opinion with respect to immediate policy as stated in its telegram dated August 2, 6 p. m., to the Consul General at São Paulo. Recognition of belligerency at this time undoubtedly would be strongly resented by the Government and might furthermore so impair its prestige as to place it in jeopardy; at the same time while the uncertainties of the situation of course preclude any formulation of future policy, it is respectfully pointed out that the intrinsic importance of São Paulo will insure its position regardless of the outcome of the present struggle. Inasmuch as the request for recognition of belligerency was addressed to all governments represented at São Paulo perhaps in order to avoid resentment the definitive announcement of our attitude may be withheld until similar announcements are to be made (presumably they will be in the same tenor) by other important governments.

With respect to the blockade, I am advised by the Naval Attaché that there is no doubt as to the ability of the Government to make it effective.

Thurston

832.00 Revolutions/317 : Telegram

The Chargé in Brazil (Thurston) to the Secretary of State

RIO DE JANEIRO, August 12, 1932—noon. [Received 12:50 p. m.]

THURSTON

84. The Embassy has effected the transportation by aeroplane of groups of American citizens to and from Santos, other Americans remain there who desire to leave but because of baggage encumbrance, the expense, or because they have children in their care do not wish to travel by air. They are becoming very insistent in their demands that a ship be permitted to enter Santos to convey them to Rio de Janeiro. A recent effort by this Government to transport Brazilian and foreign passengers to Santos failed because the São Paulo authorities demand[ed] that the vessel enter harbor while the Government insisted that passengers be exchanged at the mouth of [apparent omission] enter [outer?] harbor. The vessel returned to Rio de Janeiro without exchanging passengers and the Navy Department has consistently opposed further efforts to transport passengers to and from that port.

A favorable change of attitude has just occurred and it is possible that arrangements may be made for an American vessel to stop at Santos. Please instruct me immediately if you approve of efforts to this end by the Embassy.

832.00 Revolutions/319 : Telegram

The Secretary of State to the Chargé in Brazil (Thurston)

Washington, August 12, 1932-5 p.m.

62. Your 84, August 12, noon. The Department sees no objection to your giving such informal assistance as you may judge advisable in connection with the efforts of American citizens who desire to leave Santos by steamer.

It is obvious that if arrangements are made, with the approval of the Brazilian Government, for an American vessel to enter the harbor at Santos, satisfactory assurances will have to be obtained from the insurgents that they will permit the vessel to leave.

STIMSON

123M82/252 : Telegram

The Ambassador in Brazil (Morgan) to the Secretary of State

Rio de Janeiro, August 15, 1932—9 a. m. [Received 10:45 a. m.]

88. Assumed charge today.

MORGAN

832.00 Revolutions/326 : Telegram

The Consul General at São Paulo (Cameron) to the Secretary of State

São Paulo, August 16, 1932—6 p. m. [Received 6:11 p. m.]

Newspapers here publish today what is said to be the text of a note dated August 10 from the Italian Ambassador to the Brazilian Government with reference to a recent proclamation of the commander in chief of the Federal forces in regard to confiscation of private property in São Paulo, herewith translated in full:

"His Majesty's Government issued instructions to the Royal Ambassador in Rio de Janeiro to bring in a friendly way to the attention of the Brazilian Government that the State of São Paulo has de facto control not only of the persons and property of Brazilian citizens but also of the persons and property of foreigners. His Majesty's Government therefore makes the most ample reservations as to the principles announced in the proclamation of the commander in chief and the application thereof".

Repeated to Embassy at Rio de Janeiro.

CAMERON

832.00 Revolutions/329 : Telegram

The Consul General at São Paulo (Cameron) to the Secretary of State

São Paulo, August 21, 1932—noon. [Received 5 p. m.]

Several aeroplanes have been recently acquired by São Paulo and yesterday first-class *Newport* deserted from Rio de Janeiro joining forces here. During the past week Paulista lines have been repeatedly attacked without appreciable results. Living conditions here normal, no food or other prices having advanced although bread contains 15 percent cornmeal and gasoline is rationed.

Commercial Association of São Paulo calculates popular war subscriptions to date at over 30,000 contos including special subscriptions for manufacture of 75,000 steel helmets; in addition during the past 8 days 12,000 persons in this city have given jewels and objects of gold and silver including wedding rings, family plate, heirlooms, athletic trophies for a special fund, purpose not announced.

Repeated to the Embassy.

CAMERON

832.00 Revolutions/333 : Telegram

The Ambassador in Brazil (Morgan) to the Secretary of State

RIO DE JANEIRO, August 22, 1932—2 p. m. [Received 4:05 p. m.]

90. Department's 65, August 20, 2 p. m.³ The proclamation by General Gões Monteiro dated August 2nd states that inasmuch as the manufacture of arms, munitions and other war material is a monopoly of the Federal Government, violators of the law will be energetically dealt with. Factories of such materials whether belonging to nationals or foreigners will be destroyed and the properties confiscated and the persons involved will be held criminally liable. Those who aid the rebels or interfere with the Federal operations likewise will be held criminally liable as will those who by means of the radio or printed word incite or practice action against the Federal or State Governments.

Morgan

⁸ Not printed.

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832.00 Revolutions/340 : Telegram

The Acting Secretary of State to the Ambassador in Brazil (Morgan)

Washington, August 26, 1932—6 p. m.

69. Your telegram No. 90 of August 22, 2 p. m. Please report promptly details of any case which may arise involving an application of the proclamation in question to an American citizen or interest. Also cable the date of the law establishing the monopoly and transmit a copy of the law by mail.

832.00 Revolutions/354

Memorandum by the Assistant Chief of the Division of Latin American Affairs (Matthews) of a Conversation With the Second Secretary of the French Embassy (Bousquet)

[Washington,] August 30, 1932.

Mr. Bousquet called this afternoon and showed me a telegram which he had just received from the French Foreign Office to the effect that the French felt that for humanitarian reasons, in view of the seriousness of the revolution in Brazil, the sale of arms to both sides should be stopped. The telegram instructed the French Embassy to ascertain whether this Government would be willing to associate itself with other Governments in preventing provisionally the exportation of arms, either of Government or of private manufacture, destined for either the Government or the rebels in Brazil. The telegram added that the French Government has already taken steps to prevent the exportation of Government manufactured arms to either side in Brazil, but not those of private manufacture.

I showed Mr. Bousquet the text of the convention signed at Habana on the rights and duties of states in the event of civil strife,⁴ and gave him a copy thereof at his request. I pointed out that this treaty, which is in force between the United States and Brazil, obligated us to prevent the shipment of arms to the revolutionists. I said that as regards the shipment of arms to the Federal Government, that would seem to involve an important question of policy and that I could not therefore give him a definite answer. I added that I personally felt that we would probably not be able to agree to such a step. I then consulted Mr. E. C. Wilson, who buzzed Mr. White. It was agreed that in order to dispose of the matter finally I should reiterate to Mr. Bousquet our position with respect to the shipment of arms

Signed February 20, 1928, Foreign Relations, 1928, vol. I, p. 612.

to the rebels, and should say that as regards the Federal Government we felt that to prevent the export of arms would be contrary to our practice in such cases and would hardly be considered a friendly act toward a Government which this Government recognizes and with which it enjoys cordial relations. This I explained to Mr. Bousquet; he took notes and repeated it after me to make sure that he understood our position.

H. F[REEMAN] M[ATTHEWS]

832.00 Revolutions/369

Memorandum by the Assistant Chief of the Division of Latin American Affairs (Matthews)

[Washington,] August 31, 1932.

Mr. Bousquet called again this morning with reference to his visit of yesterday concerning the French proposal for joint action to prevent the export of arms to Brazil. After inquiring as to the meaning of a part of Article I of the Convention, a copy of which I gave him yesterday, he asked whether this Government is in fact selling any Government arms to the Federal Government of Brazil. I told him no.

H. F[REEMAN] M[ATTHEWS]

832.00 Revolutions/361 : Telegram

The Consul General at São Paulo (Cameron) to the Secretary of State

São Paulo, September 10, 1932—1 p. m. [Received September 10—12:50 p. m.]

Mineiros resident in São Paulo attempted peace negotiations through President of Minas Geraes and as Dictator insisted upon preliminary condition of surrender; negotiations broken off on September 3rd and São Paulo's delegates headed by the Bishop of Santos returned from Bello Horizonte. Decree of September 9th provides for financing of planters through the purchase by the State Government of 2,000,000 sacks coffee 12th series 1931–32 crop paid 20-year 10 percent State Bonds Service guaranteed by 10 percent surcharge on all existing State taxes except those falling directly or indirectly on coffee. These 2,000,000 sacks coffee then to serve as guarantee of currency emission of 100,000 contos. The Government will also finance 4,000,000 additional sacks of current coffee crop on the basis 40 milreis for number 5 repayable in 6 months 6 percent per

annum. Government also authorized on the same conditions advance up to 30,000 contos on other merchandise not subject to deterioration. The total issue of currency in accordance with this decree must not exceed 270,000 contos.

Repeated to Embassy at Rio de Janeiro.

CAMERON

832.00 Revolutions/373 : Telegram

The Consul General at São Paulo (Cameron) to the Secretary of State

São Paulo, September 20, 1932—7 p. m. [Received September 20—5:50 p. m.]

Manager of the Emprez at [Emprezas?] Electricas telephoned from Campinas that city bombed again this afternoon for the fourth time, one bomb dropping in the repair shops of the Emprez at [Emprezas?] Electricas situated half a mile from the railway station wounding one workman damaging property.

CAMERON

832.00 Revolutions/376 : Telegram

The Ambassador in Brazil (Morgan) to the Secretary of State

Rio de Janeiro, September 21, 1932—7 p. m. [Received 7:40 p. m.]

110. On learning on September 19 that Campinas had been bombarded by Federal forces I verbally protested to Foreign Minister. On learning today of injury to property of Bond and Share I again protested verbally. Minister recognizes propriety of representation but states that aviation corps is uncontrolled and irresponsible.

Have requested urgent audience with Dr. Getulio Vargas to represent that the situation caused by bombardment of an open town is already grave and will become more so if through bombardment American lives are lost.

Morgan

832.00 Revolutions/377: Telegram

The Ambassador in Brazil (Morgan) to the Secretary of State

Rio de Janeiro, September 22, 1932—10 a.m. [Received September 22—9:40 a.m.]

111. Chief of the Provisional Government received me last evening to whom I stated the international complications which might follow continuation of Campinas bombardment. These bombardments he

alleged are in reprisal for Paulista bombardment of positions of Federal Army in and about Mogy-Mirim. I pointed out that this locality was not inhabited by foreigners. Chief of the Provisional Government will confer with Minister of War.

Bombing planes are of American origin recently received from the United States.

MORGAN

832.00 Revolutions/381 : Telegram

The Consul General at São Paulo (Cameron) to the Secretary of State

São Paulo, September 24, 1932—2 p. m. [Received 2:40 p.m.]

The following resolution adopted on September 23rd is sent at request of American Chamber of Commerce of São Paulo:

"Whereas American and all other business interests domiciled in the State of São Paulo have suffered and are suffering tremendous losses in consequence of the closing of the port of Santos by decree of the Brazilian Provisional Government and whereas it appears that this act was not in accordance with accepted tenets of international law, and whereas we know of no action being taken to relieve the situation it is resolved by the American Chamber of Commerce of São Paulo respectfully to ask the Government of the United States to lodge a protest with the Brazilian Provisional Government against this closing and to take such steps as will guarantee to American interests their full rights."

Local Chamber of Commerce requests that a copy of the above resolution be forwarded to the United States Chamber of Commerce in Washington.

Repeated to Embassy at Rio de Janeiro.

CAMERON

832.00 Revolutions/385 : Telegram

The Secretary of State to the Ambassador in Brazil (Morgan)

Washington, September 26, 1932—7 p. m. 83. The Department fully approves the actions reported in your 110, September 21, 7 p. m., and 111, September 22, 10 a. m.

STIMSON

832.00 Revolutions/384 : Telegram

The Consul General at São Paulo (Cameron) to the Secretary of State

SAO PAULO, September 27, 1932—noon. [Received September 27—11:25 a. m.]

American colony apprehensive possible disorders radical elements in this city should it be captured and during the interim before the arrival of the new authorities especially in view of the assurances reported to have been given to other colonies by their governments. It is believed highly desirable American warships be within call. I respectfully request to be informed as to measures taken in this respect which will be kept secret if deemed advisable.

Repeated to Embassy at Rio de Janeiro.

CAMERON

832.00 Revolutions/388 : Telegram

The Ambassador in Brazil (Morgan) to the Secretary of State

RIO DE JANEIRO, September 27, 1932—3 p. m. [Received September 27—1:17 p. m.]

115. Disapprove Consul General Cameron's recommendation in his telegram of September 27, noon, regarding a United States warship which was made without consulting Embassy. His Majesty's sloop Scarsborough arrived Rio de Janeiro today for an ordinary official visit. This probably created report in São Paulo of British measures for protection. Am familiar with Department's telegraphic instruction No. 60 of October 11, 2 p. m., 1930.⁵

Morgan

832.00 Revolutions/387: Telegram

The Consul General at São Paulo (Cameron) to the Secretary of State

São Paulo, September 27, 1932—4 p. m. [Received, September 27—2:40 p. m.]

With reference to my telegram September 27, noon, British warship is now anchored at San Sebastian 75 miles from Santos.

Repeated to Embassy at Rio de Janeiro.

CAMERON

Foreign Relations, 1930, vol. I, p. 435.

832.00 Revolutions/389 : Telegram

The Secretary of State to the Consul General at São Paulo (Cameron)

Washington, September 27, 1932—6 p. m.

Your September 24, 2 p.m. If, as the Department understands, the Brazilian Government is maintaining an actual, effective blockade of the port of Santos, this Government cannot protest as requested by the American Chamber of Commerce.

Inform Embassy.

The Department feels that it cannot properly forward the resolution.

832.00 Revolutions/392 : Telegram

The Secretary of State to the Consul General at São Paulo (Cameron)

Washington, September 28, 1932—5 p. m.

Your September 27, noon, and September 27, 4 p. m. Ambassador Morgan has advised against sending a warship. He reports that the British sloop *Scarsborough* arrived Rio de Janeiro September 27 for an ordinary official visit and that this probably created the report in São Paulo of British measures for protection.

In view of the foregoing and in the absence of information that American lives are in danger, Department does not perceive reason in the present situation to warrant sending a warship to Brazilian waters. If in your view subsequent developments warrant reconsideration of the matter please advise Embassy and Department promptly, giving your estimate of the situation and your recommendations. Of course, in the event of disorders in São Paulo, the only object in sending an American warship to Santos would be to evacuate from Santos Americans whose lives might be in danger.

STIMSON

832.00 Revolutions/409

The Ambassador in Brazil (Morgan) to the Secretary of State

No. 3954

Rio de Janeiro, September 28, 1932.

[Received October 8.]

Sir: Referring to the Embassy's telegrams No. 110 of September 21, 7 P. M., and No. 111 of September 22, 10 A. M., and to the Department's telegraphic instruction No. 83 of September 26, 7 P. M., I have the honor to enclose the translation of a memorandum⁶ which

Not printed.

I received yesterday from the Foreign Office and which is an answer to my conversation with the Minister of Foreign Affairs on September 19th. This memorandum states that on the strength of information supplied by General Goes Monteiro, commanding the Army of the West, the War Department denies that Federal airplanes have bombarded Campinas. It suggests that bombs may have been dropped by Paulista planes flown by aviators on their way to Mogy-Mirim. Amparo and other localities which the Paulista planes have bombarded. The memorandum shifts the responsibility for the bombardments from the shoulders of the Federal Government to those of the São Paulo Government, and, although I am not ready to accept this explanation as a complete one, I have instructed Consul General Cameron to gather testimony as he may be able to secure which will answer the question as to which of the airplane forces are responsible for the bombardments which, although they have not inflicted important material injury, have upset the nerves of the foreign residents not only of Campinas, but of São Paulo and have made them apprehensive of the possibilities before them.

As the Government of São Paulo can no longer expect effective military or political assistance from Minas Geraes or Rio Grande do Sul, as the Federal troops are concentrating toward the Center from which Paulista energy is exercised, and as the Paulista cause becomes increasingly desperate, that Government is renewing its attempts to obtain foreign recognition, if not active intervention, and is attempting to create a situation which will lead foreign colonies, whose nerves have been shaken by the bombardment of Campinas, at least to ask their Governments to station men-of-war in Brazilian waters to afford protection in case of need. Upon receiving a copy of Consul General Cameron's telegram to the Department of September 27, 12 Noon, however, I advised the Department that I did not consider it necessary that American men-of-war should be within call of Santos. At present the British sloop, Scarsborough, is in Rio de Janeiro harbor, and the German cruiser, Karlsruhe, in Pernambuco, both of which ships have been off the Brazilian coast for more than two months. The press reports that two Italian men-of-war arrived in Pernambuco yesterday from Italy direct. The Department's telegraphic instruction to this Embassy, No. 60 of October 11, 2 P. M. 1930, appears to be applicable, especially as whatever disturbances might occur in São Paulo would be of so sudden a character that before Federal forces took control foreign forces could scarcely be brought to the scene of action in time to prevent destruction or plunder.

Foreign Relations, 1930, vol. r, p. 435.

At the end of last week Consul General Cameron telegraphed me the following resolution of the local Consular Corps:

"Consular Corps convoked to study the matter bombarding open cities resolved that each Consul consult his Chief of Mission regarding the advisability making an investigation in loco by representatives chosen from Corps to determine the facts in the case".

to which I immediately replied:

"Advise disassociating yourself from Corps investigation, although information supplementing what you have already submitted will be appreciated. Investigate particularly whether any form of warnings were given".

Since then a number of colleagues, either spontaneously or after consulting this Embassy, instructed their respective consuls in the same sense. A Corps investigation of the circumstances attending the Campinas bombing which would express an opinion as to whether the bombing was done by Federal or São Paulo airplanes would be likely to involve the members of the Corps in difficulties either with the Government from which they received their exequaturs or with that which is de facto in their consular district. It is desirable that they should offend neither of those Governments, but that they should remain on good terms with both in order that they may fulfill their obligations to their nationals, as well as to the diplomatic representatives in Rio de Janeiro who depend upon them for information which otherwise they are unable to obtain.

The blockade of Santos, regarding which Consul General Cameron telegraphed the Department a resolution of the American Chamber of Commerce of September 3rd [23rd?], appears to be effective and is a measure of war which the Federal Government considers that it is justified in taking.

Respectfully yours

EDWIN V. MORGAN

832.00 Revolutions/391 : Telegram

The Consul General at São Paulo (Cameron) to the Secretary of State

São Paulo, September 29, 1932—10 a.m. [Received September 29—9:48 a.m.]

Reliably reported that General Klinger telegraphed last night to Rio de Janeiro asking for armistice but that field commanders do not agree.

Repeated to Embassy at Rio de Janeiro.

CAMERON

See telegram of September 24, 2 p. m., from the Consul General at São Paulo, p. 417.

832.00 Revolutions/394 : Telegram

The Consul General at São Paulo (Cameron) to the Secretary of State

SAO PAULO, September 29, 1932—noon. [Received September 29—11:05 a. m.]

In reply to Department's telegram September 28, 5 p. m., British Naval Attaché, Captain Renouf, visited São Paulo last week leaving on September 23rd, while here arranging for concentration British families in certain centers for better protection in case of disorders and such centers have been made ready. British Consul General at São Paulo believes that British warship will come to Santos in case of necessity.

832.00 Revolutions/395 : Telegram

The Consul General at São Paulo (Cameron) to the Secretary of State

Sao Paulo, September 30, 1932—11 a. m. [Received 11:30 a. m.]

As published General Klinger's plan to Getulio Vargas requesting armistice sent at 1 o'clock a.m. September 29 reads in translation:

"With the object of sparing the nation further sacrifices of life and material losses the command of the Constitutionalist forces proposes immediate suspension hostilities on all fronts for the purpose arranging measures for the cessation of armed strife."

In response Dictator directed negotiate with General Gões Monteiro, emissary of São Paulo meeting Monteiro in the vicinity Lorena evening 29th. Terms offered are not known yet. Civil government heads have issued a statement that they will remain in office until definite peace arrangements concluded. Police and soldiers at posts here, suburbs patrolled but many Paulistas resentful Klinger's action claiming military situation not yet hopeless and should terms of peace offered be humiliating some reaction may be expected. A considerable number political and radical prisoners were released last night. Situation tense.

Repeated to the Embassy.

CAMERON

832.00 Revolutions/397: Telegram

The Consul General at São Paulo (Cameron) to the Secretary of State

SAO PAULO, October 1, 1932—noon. [Received October 1—11:25 a. m.]

Feeling among volunteers and the people better, Klinger freely accused of bungling or disloyalty. Isidoro Lopes published a statement that he was not consulted regarding request for armistice. On the 29th from one to two thousand political prisoners and Communists were given liberty and now constitute dangerous element. In the rioting against armistice yesterday about 6 killed and unknown number wounded; commerce closed in the afternoon. Fighting recommenced on Campinas front yesterday, that city being taken by Dictator troops last night; Paulistas driven back apparently on Jundiai.

British warship *Scarsborough* this morning anchored off Palmas Island near the entrance to Santos Harbor.

Repeated to the Embassy.

CAMERON

832.00 Revolutions/400 : Telegram

The Secretary of State to the Consul General at São Paulo (Cameron)

Washington, October 1, 1932—2 p. m.

Your September 29, noon. Department assumes that, if in your judgment the situation warrants it, you will make such plans as seem advisable for the protection of Americans in case of disorders.

STIMSON

832.00 Revolutions/399 : Telegram

The Consul General at São Paulo (Cameron) to the Secretary of State

São Paulo, October 2, 1932—noon. [Received 1:20 p. m.]

In reply to Department's telegram October 1, 2 p. m., tentative arrangement has been made accommodate in dormitories Mackenzie and Baptist Colleges American families who might desire to take refuge there.

CAMERON

832.00 Revolutions/398 : Telegram

The Consul General at São Paulo (Cameron) to the Secretary of State

São Paulo, October 2, 1932—1 p. m. [Received 1 p. m.]

City almost free from rioting yesterday. From Campinas front it is reported that Paulista volunteers are being disarmed by other Paulista troops in cooperation with Dictatorial Army and that the general withdrawal of São Paulo forces is taking place on the east front; no reliable reports from the south front. Newspapers print almost no news. São Paulo apparently being demobilized by Klinger notwithstanding his assertions that armistice only has been arranged. Volunteer organizations and General Lopes have made declarations in disaccord with Klinger's measures and some disorders probable should popular suspicions of unconditional surrender be confirmed.

Repeated to Embassy at Rio de Janeiro.

CAMERON

832.00 Revolutions/401 : Telegram

The Ambassador in Brazil (Morgan) to the Secretary of State

RIO DE JANEIRO, October 3, 1932—noon. [Received October 3—10 a. m.]

118. Provisional Government states that armistice has been arranged. All São Paulo military equipment will be surrendered.

Morgan

832.00 Revolutions/404 : Telegram

The Consul General at São Paulo (Cameron) to the Secretary of State

São Paulo, October 4, 1932—noon. [Received October 4—9:55 a. m.]

No disorders this city last night, prevailing calm attributable largely to threat of military occupation if public order disturbed. Disarming of volunteers continues; Federal revolution forces directly concentrated in Cacapava on Central Railway, Jundiai on São Paulo Railway and Itapetininga on Sorocabana. In accordance with Gões Monteiro's orders General Klinger and staff proceed Cruzeiro today for surrender. Great eagerness here for opening port of Santos; receipt of local Rio de Janeiro mail retained since July 9 and various supplies such as wheat, fruit, gasoline and steel. Cable companies now open commercial intercourse.

Repeated to Embassy at Rio de Janeiro.

CAMERON

832.00 Revolutions/415

The Ambassador in Brazil (Morgan) to the Secretary of State

No. 3958

RIO DE JANEIRO, October 7, 1932. [Received October 15.]

Sir: Continuing the subject of Embassy's despatch No. 3954 of September 28 last regarding the political situation, it will be obvious from the said despatch that the end of the São Paulo revolt was in sight and that it might be expected that the military leaders would recognize that it was impossible to continue the struggle on account of insufficiency of ammunition and other military supplies. The end, however, came more suddenly that [than?] it might and was brought about by the separate but contemporaneous requests of General Klinger, Commander in Chief of the São Paulo Forces, and of Colonel Herculano de Carvalho, the Commander of the Forca Publica of São Paulo, to General Gões Monteiro, Commander of the Federal Forces, to arrange an armistice. This was granted and on the First of October went into effect, the Federal Government placing Colonel Herculano de Carvalho temporarily in charge of the City of São Paulo, where he was accepted by the people after some local disorder in the streets which did not assume a serious character. He has since been relieved by General Waldomiro Lima, Commander of the Second Military District in which São Paulo is situated, who temporarily will administer the City and State. Meantime, General Klinger has been brought to Rio de Janeiro, as well as other Paulista military leaders, where he is confined upon an island in the Bay. which also houses Borges de Medeiros and Arthur Bernardes, the Rio Grande and Minas political leaders, who were taken with arms in their hands after tentative revolutionary activities. The capture and transportation to the Federal Capital of these political leaders was a shrewd political move and convinced São Paulo that she could no longer expect the assistance upon which from the first she had counted from the States to which these leaders belonged, and was an attributable cause of her surrender.

The Federal Government has declared that it does not wish to humiliate the São Paulo people and for that reason has refrained from occupying the city with a Federal force. Those Federal troops which are normally stationed there are returning, and will be in garrison in the City and State. This, however, creates a different situation from that which would have arisen had São Paulo been occupied from the first by a display of military power.

It is believed that the Federal Government will also permit the paper currency which São Paulo issued to continue in circulation,

but will demand that eventually it is redeemed by a State loan. This and other questions are still pending. Public holiday until the 13th of the month has been declared throughout the State in order that the public departments may be reorganized.

The Port of Santos is open to such steamers as are willing to accept the risk of passing through the channel which has been cleared of mines, and telegraphic and postal communication has been reestablished with that City and with São Paulo. No foreign mails are detained in Rio de Janeiro.

The Coffee Council is sending its President to Santos to examine the coffee situation and shipments abroad will probably begin during the coming week, although cargoes of coffee from Santos can scarcely reach the New York market before November.

Reviewing the principal events of the revolution, it is clear that the attitude of Flores da Cunha, Interventor in Rio Grande, was decisive. Had he not refused to allow his State to join São Paulo, the result might have been the opposite from what it has been. The valuable training which the officers who were loyal to the Federal Government received from the French Military Mission during past years must also be included among the causes of Federal success. The influence of the American Naval Mission upon the Brazilian Navy is also evident in the loyalty of the officer corps, in spite of considerable sympathy with São Paulo, to take an active part in favor of that State. Had it done so the Port of Santos would have remained open, communication would have been established with the outer world and Sáo Paulo would have been able to obtain the military supplies, the want of which caused her surrender.

An interesting feature of the civil war has been the action of the Aviation Corps which through its bombardments did much to break down São Paulo morale. The amount of damage done to foreign corporations was remarkably insignificant considering the number of bombs which it is alleged were dropped. I have authentic information of one instance only in which a damage of \$400.00 was rendered. It is also of interest that the spirit of the Paulistas was kept alive by the daily distribution by radio of incorrect and lying reports. Both sides distributed false information which was accepted by the public as true, those emanating from São Paulo being even less reliable than those distributed by the Federal Government. What reaction this will have upon the São Paulo public when it recognizes this fact has yet to be ascertained.

Respectfully yours,

EDWIN V. MORGAN

832.00 Revolutions/413 : Telegram

The Consul General at São Paulo (Cameron) to the Secretary of State

São Paulo, October 13, 1932—10 a.m. [Received October 13—7:50 a.m.]

Yesterday afternoon mob broke windows various stores whose proprietors considered unfriendly to São Paulo. Eight killed; considerable number wounded by police during rioting. All São Paulo leaders recommending peaceful attitude. No serious disorders expected.

Repeated to Embassy at Rio de Janeiro.

CAMERON

832.00 Revolutions/438

The Ambassador in Brazil (Morgan) to the Secretary of State

No. 3978

RIO DE JANEIRO, November 4, 1932. [Received November 14.]

SIR: I have the honor to confirm the information which has been published by the American press that the Federal Government has banished to Europe a large number of civilians and of military officers who actively participated in the recent São Paulo State revolt. Of these, of which a printed list is enclosed,9 thirty-eight are civilians and forty military officers. Among the former are a president of the State, members of the State Legislature, representatives of São Paulo in the Federal Senate and Chamber of Deputies, journalists, lawyers, medical doctors, and other professional men. Among the military are General Klinger, six additional Generals and officers of all ranks from Colonels to First Lieutenants. These persons are now on board the Lloyd Brasileiro vessel, Pedro I, en route to Recife, where they will be reembarked on another boat of the same Line, Siqueira Campos, which will disembark them in Lisbon. The punishment of former President Arthur Bernardes, Borges de Medeiros, and Pedro de Toledo has not been decided. Their cases are more serious than those of the men already deported, since, after having been actively friendly to the existing Government they suddenly, and without justifiable reason, opposed it with arms. Toledo's case is peculiarly grave. When, as the direct representative of the Federal Government he was serving as Interventor (Governor) of the State of São Paulo, he not only turned over the State Government to the insurgents, but became their chief civil executive.

⁹ Not printed.

In effecting these banishments the Federal Government is following the example which was set in 1889 when the day after the Revolution the Imperial family was embarked on a Brazilian vessel with Portugal as its destination. After the Revolution of 1930, the leading members of the Government which had been overthrown were also banished, but on this occasion, as their number was not large, they took individual passage on any convenient steamer leaving Rio de Janeiro for European ports. The practice of banishment has proved effective in the past and should do so in the present instance, although the number of the banished is considerably larger than ever before. The exiles of 1930, although most of them were in Europe during the revolt, were unable to return to Brazil or to obtain assistance for the Paulistas from any European Power.

The Federal Government is proceeding with preparations for the meeting of the Constitutional Assembly in the first week of May, 1933 and electors are being enrolled throughout the country. It remains to be seen whether the citizens of São Paulo, who alleged that the object of the revolt was to secure a rapid return to Constitutional Government, will curb their fanatic attitude toward the Federal Government and will be willing to be enrolled. For the first time women will be entitled to the vote and an association has organized for their benefit courses of lectures on political privileges and obligations. There is a general desire on the part of educated women to avail themselves of the opportunity now presented.

The Federal portfolio of Justice and Interior which has been vacant for ten months will be filled by the appointment of a politician from Rio Grande do Sul, Dr. Francisco Antunes Maciel, Jr., of middle age, who has been Secretary of Finance of the State of Rio Grande do Sul, and was selected by the Federal Interventor, Flores da Cunha, who was unwilling to accept the ministerial postion when offered him. Dr. Maciel is an unfamiliar figure in the Capital and his professional competency has yet to be ascertained.

Respectfully yours,

EDWIN V. MORGAN

832.00 Revolutions/441

The Ambassador in Brazil (Morgan) to the Secretary of State

No. 3989

RIO DE JANEIRO, December 1, 1932.
[Received December 10.]

Sir: I have the honor to report that the Brazilian political scene is free from new difficulties, and that those which have been inherited from the São Paulo revolt are not disturbing the situation. A further group of men implicated in the said revolt—nine of whom are military

officers and twelve civilians—were embarked for Lisbon yesterday on a vessel of the Lloyd Brasileiro Line. None of them are of outstanding importance. Dr. Pedro [de] Toledo, the most culpable of the traitors, who was Federal Interventor in São Paulo, but deserted to the rebels and became civil head of the revolutionary government, as a private individual, has embarked for Europe, to which Arthur Bernardes, a former president of the Republic and under detention since a short time before the revolt collapsed, within a few days will also be travelling as an ordinary passenger. The only outstanding politician who remains to be disposed of is Borges de Medeiros, who, having never been abroad, is unwilling to leave the country. As he enjoys much political prestige in Rio Grande do Sul he may be allowed to remain in Brazil if he so desires. The principal leaders have therefore all been disposed of and although they are now numerous in Paris and in Portugal they will be unable to influence the Brazilian situation at home.

The draft of a constitution to be presented for examination by a constitutional assembly summoned to meet in the first week of next May is making progress under the direction of the Minister for Foreign Affairs and some of his ministerial colleagues. The large commission, which was found to be too cumbersome, has been reduced in size. The most notable alteration in the constitution of 1891, in force since the republic was founded, is the proposed elimination of the Senate and the substitution of a body which shall represent professions, public employees, laborers, etc. Nothing has been decided regarding this important matter although several projects have been presented. The Lower House, as at present, will be elected by universal suffrage. It has also been suggested that congressional districts shall not necessarily be comprised within one State but shall be formed of masses of contiguous populations. All these suggestions are nebulous and should not be accepted as a promise of things to be. The interesting fact is this, that plans for the return to constitutional government are proceeding toward fulfillment in accordance with the promise which the Provisional Government announced six months ago but in which the São Paulo revolutionists have declined to believe.

The new constitution will be unsatisfactory because it will contain provisions that should be left to legislative action, and in its attempts to cure all the political ills from which Brazil has suffered new difficulties will be created which can only be eliminated after the constitution has come into effect and has been amended as the result of experience.

Respectfully yours,

EDWIN V. MORGAN

CHILE

REVOLUTIONS IN CHILE 1

825.00 Revolutions/63: Telegram

The Ambassador in Chile (Culbertson) to the Secretary of State

Santiago, June 4, 1932—10 a. m. [Received 11:30 a. m.]

48. During the afternoon of yesterday a subversive movement reached a crisis in the aviation forces. It was led by Colonel Grove who was immediately relieved of his post as sub-Secretary of Aviation. Revolting officers are now in possession of military aviation field and refuse to surrender. Government has restored martial law. Unconfirmed rumors this morning are to the effect that the Government will fall and may be replaced by junta with socialistic leanings. Please advise War Department.

Culbertson

825.00 Revolutions/68: Telegram

The Ambassador in Chile (Culbertson) to the Secretary of State

Santiago, June 4, 1932—4 p. m. [Received 8:40 p. m.]

- 49. Aeroplanes of revolutionists made a propaganda flight over center of city at noon and made threats to drop bombs unless Montero resigns. The text of the demand made by revolutionists reads as follows:
- "1. Immediate resignation of Señor Montero and transfer of power to revolutionary junta composed of General Puga, Eugenio Matte and Carlos Dávila with the purpose of establishing the Socialist Republic of Chile.

2. We promise to respect the person of the President of the Republic and family, to render the honors due him and to guarantee at all times his complete security."

Minister of Hacienda has just called to see me at the Embassy and stated in substance the following:

"That all the aviation forces are in revolt; that infantry school

¹ Continued from Foreign Relations, 1931, vol. 1, pp. 901-927.

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near the military aviation field has joined revolutionists; that carabineros are loyal and desire to fight but have limited amount of ammunition; that Army in and around Santiago is loyal but reluctant to fight; that the Government is organizing civil guard and will have 3,000 under arms by night; that general sentiment of the country is with the Government."

These statements are, in general, confirmed from other sources with the exception of the one concerning the loyalty of the Army.

Alessandri was at the Moneda this afternoon and has left for military aviation field apparently with the object of establishing peace. Later reports say his mission failed and that revolutionists are moving toward city.

Professional classes have threatened general strike in case junta is established. Montero declares that he will not resign and will remain in the Moneda.

Attack was made this morning on a gasoline pump and the carabineros killed four of the attacking party. A number of street cars of the American company were stoned this morning and all tramway service has been suspended. Otherwise no American interests have suffered thus far.

The Diplomatic Corps is meeting at 5 o'clock to discuss the situation. Situation is critical.

825.00 Revolutions/64: Telegram

The Ambassador in Chile (Culbertson) to the Secretary of State

Santiago, June 5, 1932—10 a.m. [Received 1:55 p. m.]

51. The Junta² consists of General Arturo Puga, Carlos Dávila and Eugenio Matte. Last named has been for 2 years head of the Masonic Order. First named is Minister of the Interior. Grove is Minister of War. Other Ministers little known.

Junta arrived at Moneda about 7 p. m. yesterday. Grove declared that they had support of the armed forces and that they had come to replace Montero's government by a socialist republic. Montero called chief of the Santiago garrison who informed him that the troops were not disposed to cooperate with the Government. Montero then said that nothing remained but for him to retire. He did not resign and therefore remains constitutional President of Chile.

The Junta established itself by force, troops having occupied

² The Junta de Gobierno decreed its establishment on June 4.

Moneda before the arrival of the revolutionists. Junta states that it will respect the Constitution "insofar as it may be compatible with the new order of things."

The declarations of the Junta have stunned and frightened the propertied classes. The American executives are meeting with me at the Embassy this afternoon. CULBERTSON

825.00 Revolutions/66: Telegram

The Ambassador in Chile (Culbertson) to the Secretary of State

Santiago, June 5, 1932—5 p. m. [Received 9:11 p. m.]

- 53. The following is program of immediate action given out by the Junta about an hour ago:
- "1. The assumption by the Junta and its ministry of the entire public power.2. The dissolution of the National Congress.

3. The organization of a Committee of Subsistence Control, with requisitioning and such other powers as are necessary to assure the provisioning of the people. Distribution of foodstuffs, using among others those of the Army.

4. Increase in the surtax on incomes greater than 36,000 pesos a

year, and of the additional tax on Chileans abroad.

5. The immediate assignment of the fiscal farms, of those belonging to persons who are indebted to credit institutions and of those which are unproductive because of lack of exploitation, for the colonization with the unemployed, establishing collective colonization with unemployed, under the technical direction of the state.

6. The suspension of ejections of small lessees behind in their rents

and the immediate occupation of vacant houses.

- 7. The pardon of the sailors condemned for the happenings at Coguimbo and Talcahuano and all others on trial and convicted for political crimes and the repeal of the law of Internal Safety of the
- 8. The immediate opening of the nitrate of Icinas that use the Shanks process and other low-cost production methods.

9. The immediate liquidation or reorganization of Cosach.4

10. The monopoly of gold for account of the State and its exploitation to obtain 30 kilos per day.

11. The monopoly of iodine and soon of gasoline, matches, tobacco, alcohol and sugar.

- 12. The organization of production until the "dumping" of nitrate and iodine is obtained.
 - 13. The extension by the State of commerce abroad.

See Foreign Relations, 1931, vol. 1, pp. 901 ff.

⁴ Compañia de Salitre de Chile ("Cosach"), Nitrate Corporation of Chile.

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14. The progressive and constant increase of the socialization of credit.

15. The organization of the Commercial House of the State annexed to the railways for the purchase and sale of the articles of prime necessity.

16. The reorganization of the diplomatic and consular service in

order to adapt to the necessities of foreign commerce.

17. The reorganization, selection and reduction of the armed forces.

18. The abolition of the import duty on Argentine livestock, wheat and raw materials for the use of national industries which manufacture food products.

19. Looking into the establishment of an operating Constituent Assembly which will draft a new fundamental State Constitution."

Please repeat all telegrams to War and Navy.

Culbertson

825.00 Revolutions/69 : Telegram

The Ambassador in Chile (Culbertson) to the Secretary of State

Santiago, June 5, 1932—6 p. m. [Received 11:30 p. m.]

54. Junta for the time being has the military force necessary to maintain its power but the propertied and conservative classes will not accept the socialistic measures proposed without resistance. Moreover the Junta will encounter practical difficulties at every turn in case it attempts to put in force its radical measures. If it should go so far as to resort to force and confiscation we will see resistance and conflict.

Action will be directed in the first instance at least against the Chileans of the privileged classes. The Junta's statements thus far with reference to foreign interests have been general except in case of Cosach and I have the impression that it intends to move with less violence with respect to these interests.

With the return to influence of Merino,⁵ American aviation interests may have some trouble although Panagra⁶ manager reports friendly attitude from officers at aviation field. The Panagra passenger service has been suspended temporarily but the mails are still moving.

In meeting of American executives at the Embassy this afternoon concern was expressed that the Government might attempt to take over the American public utilities and that possibly Government might demand money from American banks and companies. The

⁶ Pan American Grace Airlines.

⁵ Arturo Merino Benitez, sub-Secretary of Aviation.

docking of the Standard Oil Company tanker off the coast has been delayed awaiting developments. At the same time others recalled that treatment of American interests was far from satisfactory by former Government and the hope was expressed that conditions might not be so unfavorable to foreign interests as general declarations by the Junta might lead one to believe. Manager of Cosach considers declaration of Junta in favor of reorganization as hopeful sign. Representative of United Press, having just returned interview with Dávila, said that latter scouted the idea of a communistic government and added that the Junta, considering capitalism as inadequate, favored the continued socialization of the Government, that is a modification of capitalism by State socialism. Dávila stated positively in the same interview that foreign interests would not be molested and that the debt situation would remain as it is at present. but that the Junta would follow a severe and strict dictatorship without congress. Soon thereafter the Junta gave the manager of the telephone company assurance complete and full protection since it recognizes that communications are of prime importance. Moreover, about the same time Dávila, in conversation with manager of the National City Bank, agreed to publish statement that they had no intention of touching any of the deposits in banks. Dávila knew of the meeting at the Embassy and in reply to his question was told that American interests were concerned over the statement of radical policies. Dávila said the Junta had no intention to confiscate American property but rather to cooperate with the companies.

Disagreement between Dávila and Grove has been reported. Montero is now in hiding and Government is searching for him realizing now that it made a mistake in not forcing his resignation. Telephone conversations today with various cities in Chile indicate that people are greatly surprised at the revolutionary movement and indicate no special sympathy with new government. On the other hand the poorer classes, under the stimulus of the Junta's promises, are in favor of the new regime for the time being.

The Diplomatic Corps is meeting daily. All its members are informing their respective Governments of events and asking instructions to be used if and when the Junta raises the question of recognition. We should delay recognition until we see whether the Junta can maintain its position and especially until it gives indication of a reasonable policy towards the large American interests in Chile.

For a short time my communications to the government in urgent matters can be oral, but if recognition is delayed very long I would appreciate an indication of our practice of communications in such situations. At least in routine matters and possibly in matters of

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more fundamental importance written communications will be necessary.

I might have to take diplomatic action immediately in order to protect large American property interests in Chile. Then, if the usual methods of diplomacy are not successful I will ask the Department what other methods it wishes to apply.

Culbertson

825.00 Revolutions/73 : Telegram

The Secretary of State to the Ambassador in Chile (Culbertson)

Washington, June 6, 1932—2 p. m.

25. Your 54 June 6 [5,] 5 [6] p. m. penultimate and ante-penultimate paragraphs. We must of course delay any decision as to recognition until we are in a position to determine whether the *de facto* Government can satisfy the usual requirements of international practice, namely, that it is in control of the country and that there is no active resistance to it, and that it intends to fulfill its international obligations.

If you find it necessary to send written communications to the de facto authorities this can be done by a third person note, by memorandum, or by personal communications in such a form (omitting titles) as not to give any implication of recognition.

Your reports are most helpful. Keep us fully informed by cable.

825.00 Revolutions/72 : Telegram

The Ambassador in Chile (Culbertson) to the Secretary of State

Santiago, June 6, 1932—4 p. m. [Received 6:12 p. m.]

57. I have just talked informally with Carlos Dávila at his home. He said that he had at that moment come from a conference with Puga, President of the Junta, and that the principal subject discussed was their attitude toward foreign interests. He declared that they were in accord that foreign interests are not to be molested. Then, he added by way of qualification, that Cosach might be an exception. I reminded him of the rumors that Grove holds more radical views. He replied that there had been some differences of opinion but that Grove now accepts the policy that their interests are not to suffer from any acts of the government.

He complained that the article in the New York Times which referred to Soviet Government in Chile was inaccurate and unfair. He said that such point of view was taken from a newspaper here called The Opinion and was not the policy of his government. He said that there would be transformations in the economic life of Chile but that American business will not have any more problems under his government than under Ibañez and Montero. He then said "Please assure my American friends that they have nothing to fear".

He continued "I suppose you know the situation in the country. We are in for complete control. No movement against us exists in the South or anywhere else. We expect to lift the censorship of the press; we are allowing meetings to be held even when they are against the government. Ibañez was premature in his statements and will not return at the present time".

825.00 Revolutions/79: Telegram

The Ambassador in Chile (Culbertson) to the Secretary of State

Santiago, June 8, 1932—11 a. m. [Received 1:30 p. m.]

63. Minister of Finance⁷ yesterday notified manager of the Viña Sugar Refinery, a limited liability company owned by Chileans, that the Government would have to take over the refinery in order to comply with its program. When asked about compensation he replied that if delivery were made promptly and without trouble payment would be in bonds of the State. This refinery is the only one in Chile with capacity to supply total needs of the country and, if the Government should allocate to this refinery all exchange available for sugar Grace and Company would be seriously affected. Also operation of refinery with reduced overhead expense would enable it to undersell commercial concerns. On account of severe censorship please convey this information to Grace in New York.

At the same time Minister asked for information about woolen factories apparently with the intention to follow the same policy in that field.

Apparently this is the first step toward the organization of the Commercial House of the State referred to under number 15 of my telegram No. 53, June 5, 5 p. m. The plan is to name as director of this House the present director of the State Railways. Dávila says

⁷ Alfredo Lagarrigue.

that the Government will.organize immediately State mining, agricultural and industrial companies.

It is entirely possible that this step against Chilean private interests may have an immediate effect upon American interests. The first effects will come through price competition from State operated industries and also from a policy to give all available exchange to the Commercial House of the State.

CULBERTSON

825.516/126 : Telegram

The Ambassador in Chile (Culbertson) to the Secretary of State

Santiago, June 9, 1932—11 a.m. [Received 1:20 p. m.]

67. By decree Junta has converted Central Bank into State Bank. National City Bank, Guaranty Trust and possibly other New York banks hold deposits of Central Bank which constitute part of its gold reserve. Federal Reserve also holds gold in custody for account of Central Bank. The question is raised whether the new State Bank established by decree of the revolutionary government can dispose of this gold. I suggest conference on this point with New York banks and will appreciate having your opinion by cable.

CTILBERTSON

825.516/129 : Telegram

The Ambassador in Chile (Culbertson) to the Secretary of State

Santiago, June 9, 1932—4 p. m. [Received 7 p. m.]

70. Following is text of decree concerning foreign currency deposits:

"In order to prevent unjust profits for those persons who, to the prejudice of national economic conditions, converted their deposits into foreign money thus weakening the position of the Central Bank and causing the devalorization of the currency, the Junta of Government dictates the following decree:

Article 1. Credits and deposits in foreign currency which the public may have in the national and foreign banks are declared

the property of the State;
Article 2. The commercial, national and foreign banks shall transfer to the order of the State the deposits in foreign currencies which they have for account of the public and shall credit the latter with the sums equivalent to them at the exchange rate of June 3d;

Article 3. The State shall credit in the National Savings Bank to the order of the private banks the amounts in currency to

which the previous article refers.

Article 4. In order to cover the removal of the sums indicated in the preceding article from the National Savings Bank by the commercial banks, the Central Bank shall issue, with the guarantee on the above-mentioned gold deposits to the order of the State, the necessary amounts placing them at its disposal in the National Savings Bank.

Article 5. Anything contradictory to the present decree, contained in decree No. 486 of August 21, 1925, modified by decree law No. 573 of September 29, 1925, and by laws Nos. 4970 of July 30, 1931, 4993 of September 24, 1931 and 5028 of January 7,

1931 [1932?], shall be annulled."

This decree raises two questions.

First, it virtually confiscates dollar deposits of American citizens and companies, the most important of which is the Dupont subsidiary.

Second, it is an attack on the trusteeship which the National City

Bank has for its gold depositors.

I shall take immediate steps to bring to the attention of the Junta informally the serious threat which this decree makes upon American interest.

CULBERTSON

825.516/129 : Telegram

The Secretary of State to the Ambassador in Chile (Culbertson)

Washington, June 10, 1932—1 p. m.

28. Your 70, June 9, 4 p. m. Please cable estimate of total amount of credits and deposits in gold and foreign currency held by American companies and nationals in banks in Chile which would be affected by decree. STIMSON

825.516/132 : Telegram

The Ambassador in Chile (Culbertson) to the Secretary of State

Santiago, June 10, 1932—7 p. m. [Received 8:20 p. m.]

73. Department's telegram No. 28.8 In general American business with one exception has not kept large foreign currency balances in Chile. An approximate estimate of the value of these deposits is \$800,000 United States currency of which about \$600,000 belongs to the Dupont subsidiary.

^{*} Supra,

In my informal written communication to the *de facto* authorities yesterday I referred to a former note addressed to the Minister for Foreign Affairs of the Montero government in which I incorporated the policy in your telegram No. 24, May 28, 2 p. m. I said that this policy applies not only to oil property but to all American property in Chile. I then called attention to the adverse effect which the decree quoted in my telegram No. 70, June 9, 4 p. m., would have on deposits in foreign currency by Americans and on the obligation of American banks arising from their trusteeship to all foreign currency depositors.

Culbertson

825.516/131 : Telegram

The Ambassador in Chile (Culbertson) to the Secretary of State

Santiago, June 10, 1932—midnight. [Received June 11—4:20 a. m.]

75. Referring to my telegram No. 68 [74], 10 transmitting message of [to] National City Bank, I suggest that this message be delivered as soon as possible. Two features of the situation should be noted, first, the importance of a common policy among British and American banks; second, that one of the facts which must be considered in making the decision not to pay drawings by the Central Bank now under the control of the revolutionary government is that it may be followed by retaliation against American interests. Perhaps it will be felt that this is a chance which should be taken.

Minister of Finance declared tonight that the decree against foreign currency deposits will be enforced and if resisted measures will be taken similar to those taken against Central Bank, but we will have to await further developments before we can say how seriously this declaration is to be considered. We know at least that the Minister of Finance and others in the Government are irresponsible and capable of measures of violence.

Culbertson

[•] Post, p. 511.

¹⁰ Dated June 10, 11 p. m.; not printed.

825.00 Revolutions/84 : Telegram

The Ambassador in Chile (Culbertson) to the Secretary of State

Santiago, June 11, 1932—9 a. m. [Received 10:35 a. m.]

76. Grove last night made radio speech in which he declared that the Government would deal severely with Communists seeking to overthrow the Government and that the Junta guarantees tranquillity in the country.

Government agents yesterday afternoon seized about half a million pesos in gold from establishments which had been engaged in buying and selling gold, and payment will be made in local currency for the gold taken.

Culbertson

825.00 Revolutions/85 : Telegram

The Ambassador in Chile (Culbertson) to the Secretary of State

Santiago, June 13, 1932—1 a. m. [Received 3:50 a. m.]

82. I wish that I might in some way convey to you the tragic uncertainty of the situation in Chile tonight. Dávila resigned as member of Junta this afternoon—the climax of differences between those favoring a military junta and those favoring extremist civilian government.

On the one hand are the extremists, the Communists, under the leadership of Lafferte. They have burrowed into the Government and into the armed forces. The extent of their influence and power cannot be measured. They hold meetings in the main avenue and their orators demand arms for the masses and threaten to burn and kill. Yesterday they wrecked the interior of the University including works of art. The emotions of the poor classes are being aroused and mob violence is possibility. The American community has stores of food in Santiago College and has taken measures for self-protection in case the authorities lose control.

On the other side are the Conservatives. They are without effective leadership. They nurse their respectability behind the barred doors of the Union Club. The hope of intervention by the United States is often expressed in their conversations.

Anything can happen in Chile. The course of events depends on unknown factors especially on human emotions. The Junta has played with mob desires too much and even the speech of Grove, referred to in a recent telegram, which the leaders of the Army in-

sisted that he deliver, has not checked the tide of subversive propaganda. The city is covered with posters proclaiming communism and four or five irresponsible newspapers are pouring violence into the ready ears of the unemployed.

Opinion is divided on the outcome. Conservative tendencies seem to conserve the Navy, such as it is. The friends of Ibañez in the Army and Air Service are with Dávila but there are other elements with Grove. Rumor is Hidalgo, former communist Senator but not member of Third International, will replace Dávila on Junta. The morning is awaited with great concern. Perhaps the better elements will check the flood and establish a government of order, but we can only say "perhaps."

If and when the crisis comes I may call you by telephone.

Culbertson

825.516/132 : Telegram

The Acting Secretary of State to the Ambassador in Chile (Culbertson)

Washington, June 13, 1932-2 p. m.

32. It is not clear from the text of decree given in your 70, June 9, 4 p. m., whether it affects only dollar deposits held in Chilean and foreign banks in Chile, or whether it affects as well deposits of American companies and American owned companies operating in Chile but held in banks in foreign countries. Please advise on this point. If latter interpretation is correct it would of course affect much greater sums held by American interests than that mentioned in your 73, June 10, 7 p. m.

Does the figure given in your 73 for the Dupont subsidiary cover only dollar deposits actually in Chile, or does it include capital assets held in the United States?

CASTLE

825.516/138 : Telegram

The Ambassador in Chile (Culbertson) to the Secretary of State

Santiago, June 13, 1932—3 p. m. [Received 4:14 p. m.]

83. Referring to first paragraph of my No. 75, June 10, midnight, Guaranty Trust Company and National City Bank dishonored on Saturday telegraphic drawing by Central Bank. New manager of this bank protested this morning to manager of the National City

Bank and expressed hope that payments might be resumed and indicated that if they were not, retaliatory measures would probably be taken against local National City Bank and then against other American interests; for example, copper companies. I am not sure that the American banks are in a strong legal position in this matter. Moreover, they have not as yet been injured and we may even be able to obtain modification of the decree law affecting deposits in foreign currency. Central Bank claims that it is continuing remittances and therefore desires to continue drawing in the ordinary course of business. To precipitate a fight now seems to be premature and if the American banks insist upon their nonpayment policy, the impression will be created with some justification that they took the first step towards hostilities.

Culbertson

825.516/137 : Telegram

The Ambassador in Chile (Culbertson) to the Secretary of State

Santiago, June 13, 1932—4 p. m. [Received 5:51 p. m.]

84. Department's telegram No. 31, June 13, noon. 11

"My esteemed Mr. Barriga: I have the honor informally to call your attention to my note No. 846 of June 3rd, 1932, addressed to Señor Don Carlos Balmaceda, in which I referred to law No. 5124 which grants to the President authority to establish a State monopoly of the importation of petroleum, its derivatives and substitutes, and of the distribution and sale of these products. This note contains the following statement of policy:

'My Government has asked me to say to you that in many ways the Chilean Government takes steps to make the monopoly effective and in so doing expropriates or otherwise forces out of business American interests established in Chile; my Government will support a claim for adequate and effective compensation. By effective compensation is meant compensation to those suffering loss, which would be convertible without difficulty into the currency of the United States within a reasonably short period after the act of expropriation.'

The policy of my Government stated in this communication applies not only to American property in the oil business but to all other American property in Chile.

In the newspapers of today is published a decree signed by the members of the Junta which declares credits and deposits in foreign currency which the public may have in national and foreign banks the property of the State; and provides for compensation in domestic currency at the rate of exchange prevailing on June 3rd.

I desire to call your attention to the adverse effect this decree may have upon American interests. It threatens American depositors who

¹¹ Not printed; in it the Department asked for full text of written communication to the *de facto* authorities.

have foreign currency accounts in local banks with serious losses and if it should be applied to American banks doing business in Chile it would oblige them to violate their trusteeship to their depositors.

Accept, my esteemed Mr. Barriga, the assurances of my high consideration."

Culbertson

825.516/136 : Telegram

The Ambassador in Chile (Culbertson) to the Secretary of State

Santiago, June 13, 1932—6 p. m. [Received 6:50 p. m.]

86. Department's telegram No. 32, June 13, 2 p. m. My understanding is that decree affects only deposits in foreign currency in banks in Chile. It seems to me very improbable that official interpretation or regulations could extend the decree to cover deposits held in banks in foreign countries, even if it should later appear to be the intention of the Government to adopt such a policy. Foreign banks have practically no gold or other actual foreign currency in Chile. The amount in the local National City Bank is almost negligible. The actual cash behind foreign currency credits in Chile is in the local banks' reserves in London and New York. If therefore an attempt is made to enforce the decree of the Government it will be necessary for the Government to force managers of banks in Chile to sign drafts or authorize cable transfers. However Chilean Government obviously has no way of forcing correspondent banks in foreign countries to pay these drafts. In retaliation Government could of course take over the peso reserves and capital of local banks.

For the sake of clarity it may be added that Government project contemplates payment of depositors in pesos at the rate of 16.50 to the dollar. This value however is fictitious since dollars are being sold outside the Central Bank at anywhere from 40 to 50 pesos to the dollar.

At a meeting of the bank managers with the superintendent of banks this afternoon modifications in the decree were discussed. Although efforts were made to modify policy Government still insists that deposits are property of State. Chilean banks are opposing any exceptions in favor of deposits owned by foreigners.

The figure given in my telegram for the Dupont subsidiary covers dollar and pound sterling deposits, that is credits on books of the Chilean branches of the National City Bank, the Anglo-South American and the Bank of London. Under the monetary law these and other similar deposits cannot be transferred out of Chile without permission.

825.00 Revolutions/89 : Telegram

The Ambassador in Chile (Culbertson) to the Secretary of State

Santiago, June 14, 1932—11 a. m. [Received 1:20 p. m.]

87. Referring to my telegram No. 82, June 13, 1 a. m. Rolando Merino, Minister of the Interior, has succeeded Dávila as member of the Junta and Arturo Ruiz has been appointed Minister of Interior. Grove, Minister of National Defense, has assumed direct command of air force.

Referring to my telegram 67, June 9, 11 a.m., Minister of Hacienda issued official statement that the Central Bank will continue to operate as before in accordance with the laws establishing it and to discharge the duties provided for in its organic law. Government assets shall continue entirely independent from those of the State and of the new State bank.

In another official statement Minister of Hacienda recognizes that the dissolution or continuance of Cosach is merely a detail compared with the complexity of the nitrate future of Chile and that the public must refrain from demanding immediate or violent solutions. He adds that a solution cannot be looked for within a short period since any objection or change in the present system demands a detailed study in view of the magnitude of the interests involved. He indicated that in obtaining a solution sacrifices must now be made by those who in the past have only profited from the industry. Independent producers seeking special advantages are warned that any measures involving personal gain will receive no consideration. All negotiations for reorganization or liquidation of Cosach must take place in Chile and in accordance with the policy and interests of the state. Pending a solution of this problem the Government guarantees the continued operation of nitrate plants, and that Cosach must deliver the necessary foreign exchange. Culbertson

825.516/141 : Telegram

The Ambassador in Chile (Culbertson) to the Secretary of State

Santiago, June 14, 1932—5 p. m. [Received 8 p. m.]

89. Referring to your telegram No. 34, June 14, noon,¹² the following draft of decree law dated June 8th was published in the newspapers but has not yet been published in the Official Gazette:

"ARTICLE 1. The Central Bank of Chile is declared the bank of the State.

ARTICLE 2. The shares of classes B, C and D, mentioned in article 2 of decree law 486 of August 21st, 1925, shall be redeemed for their nominal value.

ARTICLE 3. As soon as this decree becomes effective, the Board of Directors designated in chapter 3 of the above-mentioned decree law shall be abolished and the Government shall take over the administration of the Central Bank of Chile."

Lawyer of National City Bank and lawyer of Central Bank consider legal position of Central Bank unchanged since the decree taking over the bank does not carry Puga's signature and has not been promulgated.

The second draft decree law provided for the changing of the organic law of the Central Bank so that the Board of Directors would consist of only three members appointed by the Government. This decree was not signed by Puga, was not promulgated in the Official Gazette and has not been made effective. This draft decree was a step taken by the Junta at the time when it demanded a loan from the Central Bank of 50,000,000 pesos which was refused.

Apparently the idea of the Junta now is to leave the institution unchanged in order to avoid difficulties with foreign banks. Present officers are considered to have full capacity to handle foreign transactions of bank. Old directors with the exception of Garces Gana and Burr have not formally resigned and are merely inactive for the present.

I was reliably informed today that Guaranty Trust justified refusal to honor drawings last Saturday by lack of knowledge of the legal status of the Central Bank and is now endeavoring to obtain from the Government guarantees for payment of old loans in return for resumption of payment of drawings.

Culbertson

¹³ Not printed.

⁶⁴⁶²³¹⁻⁴⁸⁻³⁵

825.516/143 : Telegram

The Ambassador in Chile (Culbertson) to the Secretary of State

Santiago, June 14, 1932—8 p. m. [Received 9:44 p. m.]

92. Department's telegram No. 35, June 14, 6 p. m.¹³ "Minister of Hacienda has declared officially that, in accordance with the decree laws promulgated recently with respect to the organization of the State Bank, the Central Bank of Chile shall continue as before to be governed by its own laws and statutes performing the same functions which it had by virtue of its organic law. Its resources (patrimonio) shall continue independent of fiscal resources and also of the resources of the State Bank, and shall not be confused with them."

The decree laws referred to in the first sentence of the foregoing statement are, as far as can be ascertained, those mentioned in my telegram 89, June 14, 5 p. m., but they have not been promulgated as stated by the Minister of Hacienda.

Culbertson

825.00 Revolutions/100 : Telegram

The Acting Secretary of State to the Ambassador in Chile (Culbertson)

Washington, June 15, 1932—5 p. m.

36. Your written communication of June 9th transmitted in your 84, June 13, 4 p. m., having clearly set forth the position of this Government, Department can suggest no further action for the present except that you constantly keep our position before the Junta in oral conversations and that you endeavor in conversation to persuade the Chileans that their own best interests lie in cooperating with foreign Governments and interests rather than in antagonizing them. Even should the Chilean Government take over nitrate and copper and other interests and succeed in producing the commodities, they would still have to distribute them to make this control of value. For international dealings credit is of the essence and this can be obtained and maintained only by scrupulous regard for their commitments and for the rights of others.

Department does not feel that anything is to be gained through written communications at this time but hopes that you will be able personally to influence the Junta and other members of the Government along sound lines of procedure.

CASTLE

¹⁸ Not printed; in it the Department requested text of the official statement of the Minister of Hacienda concerning operation of the Central Bank.

825.516/141 : Telegram

The Acting Secretary of State to the Ambassador in Chile (Culbertson)

Washington, June 15, 1932—6 p. m.

37. Your 89, June 14, 5 p. m. National City Bank are meeting drawings of the Central Bank. Guaranty Trust Company states that additional pressure is being put on them. Your telegram under reference has been communicated to them and they now state that in order to arrive at a decision they need further information on questions whether operation of Bank has been interfered with by any acts of revolutionary Junta apart from supposed decrees. Whether, if so, such interference continues and who are persons from whom present officers receive instructions. They feel that they can not resume payments without official confirmation on these points. They also inquire whether the legal personality of the Bank as it existed prior to June 3d has been impaired de facto by any acts of revolutionary Government and whether operations of the Bank since June 3d have been at all times controlled by directors elected by and representing its stockholders in accordance with its charter. Please cable reply on all above points. CASTLE

825.516/151 : Telegram

The Ambassador in Chile (Culbertson) to the Secretary of State

Santiago, June 16, 1932—4 p. m. [Received 8:05 p. m.]

93. The Central Bank has 10 directors under its old organic law: one appointed by the foreign banks, two by the national banks, one by the private shareholders, three by the Government and three by certain economic interests in the country.

A decree will be promulgated today by the Junta which modifies article 39 of the organic law to read as follows:

"Article 39. In addition to the seven directors mentioned in the preceding articles, the Executive shall appoint three directors who shall represent the productive activities of the country.

These three directors shall hold office for 3 years and can be reap-

pointed indefinitely."

This change means that the three directors appointed by the economic interests in Chile will hereafter be appointed by the Executive, that is, from now on there will be six instead of three directors appointed directly by the Executive. A second decree will be promul-

gated today appointing these six directors. Article 34 is also modified to change the designation of the appointing authority from "the President of the Republic" to "the Executive"; there are no other amendments.

However, under the organic law of the Central Bank the Government can receive no money from the Central Bank without the consent of eight directors.

Referring to questions in the Department's telegram 37, June 15, 6 p. m., first, the operation of the Central Bank has not been interfered with by any acts of the revolutionary Junta, except for the decrees already reported, the legal status of which was explained in my telegram number 89,¹⁴ and except that the Junta in the first days of its existence obtained from the Central Bank 30,000,000 pesos without the authorization of the Board of Directors. This sum, however, had been authorized by two laws duly approved by the old Congress and would have been approved as a matter of routine had the Montero government continued in office.

Second. Present officers now act under the old laws of the bank and the new decree mentioned in paragraph 2 and are no more subject to instructions from the Junta than were the officers under the former government.

Third. The legal personality of the bank as it existed prior to June 3d has not been impaired by any acts of the revolutionary government except the above-mentioned change in the manner of electing directorate.

Fourth. Old Board of Directors did not resign (with the exception of the three Government directors whose resignations were accepted) but has remained inactive since June 3d and has not been consulted. New manager of the bank states that no case has arisen requiring action under the law by the Board of Directors. New board as defined in paragraph[s] 1 and 2 of this telegram will begin functioning tomorrow.

The situation at present is confused but one thing is clear: namely, that the Government is making an effort to change its policy of interference with the Central Bank and to maintain that institution under its old status.

Guaranty Trust has been in communication with Central Bank by cable and telephone. In one telegram it said "We cannot honor any instructions on behalf of Banco Central de Chile in the absence of satisfactory evidence regarding legal status of management and until we have satisfactory assurance that new government will honor obli-

¹⁴ Dated June 14, 5 p. m., p. 445.

gations of last-recognized government". With no property in Chile the Guaranty Trust can without injury to its interests refuse drawings, but in doing so at the present time it assumes a heavy responsibility. The issues before us in Chile are larger than those of a single bank.

CULBERTSON

825.00 Revolutions/102 : Telegram

The Ambassador in Chile (Culbertson) to the Secretary of State

Santiago, June 16, 1932-6 p. m. [Received 10 p. m.]

94. Referring to Department's telegram number 36, June 15, 5 p. m., the de facto government has responded very satisfactorily to my suggestions of moderation and fair treatment for American interests. I took up with them yesterday the threatened strike of the employees of the electric company and received effective cooperation. Today I had a long informal talk with the de facto Minister of Foreign Affairs on bank deposits and general policy and he said emphatically that their policy is to respect and protect foreign interests. Moreover, the managers of the American companies who have had contacts during recent days with the Government report fair and considerate treatment. I do not wish to minimize the seriousness or the uncertainty of conditions but for the time being at least the authorities now in the Moneda give prompt attention to my requests and are trying to avoid anything which might antagonize the American Government.

Referring to the Department's telegram number 38, June 15, 7 p. m., 15 it would be futile to say whether or not the attitude will last even if this Junta lasts.

Culbertson

825.00 Revolutions/103 : Telegram

The Ambassador in Chile (Culbertson) to the Secretary of State

Santiago, June 16, 1932-midnight. [Received June 17—4:34 a. m.]

95. Grove and his Junta were driven out of the Moneda tonight by military force and their place was taken by Junta consisting of Admiral Jouanne, director general of the Navy, General Augusto Moreno, chief of the Santiago garrison, and Augusto Rivera Parga, ex-radical Senator.

¹⁵ Not printed.

Early in the evening Grove had some of the armed forces with him but they gradually abandoned him in the face of overwhelming military opposition. The mob continues to cheer Grove and is in a threatening mood.

In the confusion which exists now just after the coup d'état it is not easy to give an interpretation. One explanation is that the movement originated among the younger officers who feel that Grove has been disloyal to socialistic principles and has gone too far toward communism and also that he broke his agreement to keep the Army out of politics. Another is that it was started to forestall the Ibañez movement which was rapidly increasing. Early this evening the names of Dávila, Jorge, Alessandri and General Saez were associated with the movement and it may be that they are a part of it. Dávila did not leave for Argentina as planned.

New Junta is said to stand for law and order and the protection of life and property and for the installation of the socialistic regime. It demands the immediate removal of Grove and Matte from Chile.

Streetcars are not running. So far as I can learn tonight no Americans have suffered during the countermovement.

June 17, 2 a. m. It is reported that the armed forces have decided Junta must consist exclusively of civilians and have appointed the following: Dávila, Alberto Cabero and Pedro Velasco [Nolasco] Cardenas. Culbertson

825.00 Revolutions/104 : Telegram

The Ambassador in Chile (Culbertson) to the Secretary of State

Santiago, June 17, 1932—11 a. m. [Received 2:20 p. m.]

96. The act constituting the new Junta under the Presidency of Dávila has various provisos, one of which reads

"That it is the desire of the public that the Government of the country be founded upon constitutional and legal bases which will be a firm guarantee for nationals and foreigners."

It then decrees in part as follows:

"First, that on this date we constitute ourselves into a Junta of Government which will temporarily have charge of the direction of public affairs:

Second, that a Constituent Congress shall be convoked in order that it may dictate in the shortest time possible a new political Constitu-tion for the Republic in which shall be contemplated as fundamental principles those of the socialistic organization of the State:

Third, that while this new Constitution is being promulgated this Junta of Government will conform in all its acts and resolutions with the general principles of the present political Constitution and laws of the Republic respecting them insofar as they do not contradict the aspirations for progressive reforms which inspire the nation; that it will allow the judicial power the independence necessary to it and will respect international obligations without prejudice to obtaining rapidly the modifications which the public welfare demands."

A statement issued to the press this morning by Dávila includes the observations that the Government now will remain in the hands of civilians, that the armed forces will not attempt to impose their will in Government decisions and that socialism signifies discipline, method and order as opposed to the haphazard method, violence and class hatred which existed under Grove.

In a proclamation issued last night all the armed forces adhered to the movement under the condition that communism be outlawed.

"The Army wishes to return to its labors silently preparing the defense of the nation and it could not remain impassive in the face of the actions of a group of adventurers without a country who while exploiting the socialistic ideals outraged the flag and ignored right."

The extremist press has not appeared this morning and it is reported that the communist leaders have been detained and their head-quarters raided. Mobs are in an ugly mood but armed forces appear determined to maintain order.

Culbertson

825.516/151 : Telegram

The Acting Secretary of State to the Ambassador in Chile (Culbertson)

Washington, June 17, 1932—6 p. m.

41. Your 93, June 16, 4 p. m. Please cable confirmation that decree was in fact promulgated yesterday, modifying Article 39 of the Organic Law of the Central Bank in the form given in your telegram.

Has the second decree appointing six directors by the Executive been promulgated? If so, cable text and date of promulgation. Also cable text of decree modifying Article 34 and date of promulgation.

CASTLE

825.00 Revolutions/108: Telegram

The Ambassador in Chile (Culbertson) to the Secretary of State

Santiago, June 18, 1932—10 a. m. [Received 12:55 p. m.]

99. My telegram number 98, June 17, 6 p. m. 16 Definite composition of Junta is Dávila as President and Alberto Cabero, radical Senator, and Nolasco Cardenas, democratic deputy, as the other two members. Both are well-known public men. The new Cabinet is as follows: Interior, Juan Antonio Rios; Hacienda, Enrique Zañartu; Justice, Santiago Perez Peña; National Defense, General Arturo Puga; Education, Carlos Soto Rengifo; Agriculture, Arturo Riveros; Fomento, Victor Navarrete; Health, Alfonso Quijano; Labor, Ignacio Toro; Lands and Colonization, Virgilio Morales. The Minister for Foreign Affairs has not been appointed and may not be Barriga.

The Junta has declared the country under martial law until further orders. Six thousand *carabineros* are being concentrated in Santiago to insure order and to repress communist disturbances. The Junta is using the Army to insure regular railway service throughout the country.

Culbertson

825.516/155 : Telegram

The Ambassador in Chile (Culbertson) to the Secretary of State

Santiago, June 18, 1932—11 a. m. [Received 2:30 p. m.]

100. Referring to Department's telegram No. 41, June 17, 6 p. m., decree law No. 38 was signed and promulgated June 16th and reads as follows:

"Article 1. Article 34 of decree law No. 486 of August 21, 1925 which created the Central Bank of Chile is modified in the following form:

'Article 34. The shares of class A subscribed by the State shall not have the right to vote; but the Executive shall have the power to appoint three members of the Board of Directors, who shall not be members of Congress, nor directors or salaried employees of share-holding banks. The appointment must be made by the Executive, who shall be able to reelect those appointed.'

Article 2. Article 39 of the same decree law which created the Central Bank of Chile is replaced by the following:

'Article 39. In addition to the seven directors indicated in the preceding articles, the Executive shall elect three directors who shall represent the productive activities of the country.

These three directors shall hold office for 3 years and can be reappointed indefinitely.'

³⁶ Not printed.

The present decree law shall be effective from this date.

To be noted, communicated, published and inserted in the Bulletin of Laws and Decrees of the Government. Arturo Puga. Eugenio Matte. Rolando Merino. Alfredo Lagarrigue."

In view of the coup d'état of June 16th the new Junta did not permit the promulgation of the second decree, mentioned in my telegram 93, June 16, 4 p. m., appointing the six new Government directors. The acting manager of the Central Bank informed me this morning that these appointments will be made by decree this afternoon and that the new directors will be "men of the first order". He added that he had a long conversation this morning with the new Minister of Hacienda who stated that it is the firm intention of the Government to permit the operation of the Central Bank as heretofore without interference from the Government. It would appear that the present de facto authorities are fully cognizant of the adverse effects which Chile would suffer from an attempt to carry out the policy with respect to the Central Bank undertaken by the first socialistic Junta, reported in my telegram 66, June 9, 10 a. m.¹⁷

CULBERTSON

825.516/165 : Telegram

The Ambassador in Chile (Culbertson) to the Secretary of State

Santiago, June 22, 1932—4 p. m. [Received 5:48 p. m.]

106. Referring to my telegram No. 100, June 18, 11 a. m., six new Government directors have not yet been appointed. National City Bank suggested yesterday to the Minister of Hacienda the desirability of repealing decree law Number 38 in order to restore Central Bank to status quo ante. While the Minister seemed favorably inclined it is not probable this action will be taken. National City Bank will continue this week to meet drawings but it should be pointed out that these transfers involve only funds made available by the exchange control law of which the Central Bank is trustee and which the Central Bank reports are being deposited with the National City Bank.

¹⁷ Not printed; see telegram No. 67, June 9, 11 a. m., from the Ambassador in Chile, p. 437.

825.00 Revolutions/124 : Telegram

The Secretary of State to the Ambassador in Chile (Culbertson)

Washington, June 23, 1932-6 p. m.

42. Referring to the second paragraph of your 98, June 17, 6 p. m., ¹⁸ what is your estimate of the political situation as it stands at present? Does the present regime give any indication of stability? Is Dávila the real power in the Government? What elements are supporting him, what is their strength and to what extent do you think Dávila can rely on them? What are the principal elements opposed to him? Are there any developments regarding the possible return of Ibañez? Your 104 June 20, 8 p. m. ¹⁸ was protection requested afforded?

STIMSON

825.00 Revolutions/125 : Telegram

The Ambassador in Chile (Culbertson) to the Secretary of State

Santiago, June 24, 1932—5 p. m. [Received 8:30 p. m.]

107. Referring to your telegram No. 42, June 23, 6 p. m., since the fall of Montero the de facto Minister for Foreign Affairs has not made even the routine communication to the Diplomatic Corps informing its members of the change of government or of the constitution of the de facto Ministry. This failure has been commented upon by my colleagues with some surprise but the Minister told me today that the rapid changes and disturbed conditions had made it seem best to them to delay sending out such a communication. He said that perhaps in the near future such a letter would be sent and some statement issued on the attitude of the Junta toward foreign interests. Following the fall of Grove, Dávila at first lost support among the laboring organizations but at least some of the support has returned. The conservatives who begged Dávila for his assistance in the midst of the fight given them by Grove are now against him and in the opinion of the Minister for Foreign Affairs there is no probability at this time of cooperation between Dávila and Montero since that might imply, according to the Minister, a swing too far to the right. Many American businessmen fear Dávila's socialistic ideas but they regard him as an able and reasonable man who views the problem of Chile in its world setting. A survey of the officers of the Army indicates that they are firm for order and are supporting the Junta. The Minister of National Defense, with whom I talked

¹⁸ Not printed.

today, asserts that Dávila has the support of the armed forces. At the same time that I thanked him for the protection already given to American interests I emphasized the responsibility of the authorities to maintain order and to protect Americans and their property.

Personalities will probably change in the present regime but so far as present tendencies indicate there will be no violent transformations and Dávila will remain a dominant factor in the Government. The Minister for Foreign Affairs asserted today with emphasis that the present regime could not accept Ibañez as President but that Dávila would welcome Ibañez cooperation and that such cooperation is a possibility. I also talked today with a leading supporter of Ibañez. On his authority only I may state that the plan is well advanced for cooperation between Ibañez and Dávila. The basis of this cooperation is that Ibañez will return and become Vice President and that Dávila will take a place in the Cabinet from which he can run for the Presidency in the next political elections.

Alessandri took refuge in the Spanish Embassy last Tuesday and Wednesday. Spanish Ambassador talked with Dávila who gave him the assurance that Alessandri would not be molested for past activities and Alessandri promised Spanish Ambassador that he would be good. However, the Minister for Foreign Affairs said today that Alessandri is still disturbing the political situation.

The manager of the Braden Copper Company told me that the company had received splendid cooperation from the Government in handling the situation at the mine. Additional troops were sent for protection and the man suggested by the company was named *Intendente* of the district.

The general opinion is that Dávila will be able to consolidate his position but conferences with my colleagues confirm my judgment that we must wait a few more days in order to determine the real tendencies in the situation. I shall therefore endeavor within a few days to answer further the questions in the Department's telegram.

CULBERTSON

825.516/171 : Telegram

The Ambassador in Chile (Culbertson) to the Secretary of State

Santiago, June 27, 1932—noon. [Received 12:50 p. m.]

111. Referring to my telegram No. 106, June 22, 4 p. m., decree law repealing decree law No. 38 was signed June 5th [25th]. Publication in the Official Gazette required to complete promulgation is expected today.

825.00 Revolutions/137: Telegram

The Ambassador in Chile (Culbertson) to the Secretary of State

Santiago, June 30, 1932—10 a. m. [Received 11:25 a. m.]

112. My telegram No. 109, June 26, 5 p. m., and Department's telegram No. 45, June 29, 5 p. m.¹⁹ Press report dated June 27th was premature but Cabero resigned last night as member of the Junta because of refusal of Junta to adopt his policy of a return to constitutional forms. Eliseo Peña Villalón, a leader in the Radical Socialist Party, takes his place. No other changes.

Culbertson

825.516/209 : Telegram

The Ambassador in Chile (Culbertson) to the Secretary of State

Santiago, July 5, 1932—5 p. m. [Received 7 p. m.]

120. Referring to Department's telegram No. 45, June 29, 5 p. m., second paragraph.²⁰ Decree law No. 98 dated June 25 and published in *Official Gazette* dated July 1 reads as follows:

"Sole article. Decree law No. 38 of June 16th of the present year is repealed".

Referring to my despatch No. 1184, June 29,20 yesterday Garces, president; Matte, vice president; Burr, general manager; and Benavente, secretary, of the Central Bank, resigned stating that they are not in accord with the financial policy of the Junta. These resignations were accepted but Garces and Matte continue in their capacity of directors. Principal point in dispute is the industrial development and unemployment relief measure which has been signed but not yet promulgated and which would require the discounting of 190,000,000 pesos of treasury notes with the Central Bank.

Culbertson

825.00 Revolutions/141 : Telegram

The Ambassador in Chile (Culbertson) to the Secretary of State

Santiago, July 6, 1932—3 p. m. [Received 4:18 p. m.]

121. My telegram No. 99, June 18, 10 a.m. Luís Barriga yesterday definitely accepted appointment as Minister for Foreign Affairs.

Culbertson

[&]quot; Neither printed.

[&]quot; Not printed.

825.00 Revolutions/143: Telegram

The Ambassador in Chile (Culbertson) to the Secretary of State

Santiago, July 7, 1932—11 p. m. [Received July 8—3:44 a. m.]

125. The return of Ibañez²¹ has created a new political situation which is confused. It seems that some persons in the Government including Dávila did not favor his return at this time but that others including the Minister of the Interior and the Minister of Finance not only favored but aided and abetted it. The carabineros are friendly to Ibañez but several of the Army units and the Navy still look to other leadership. The Union Club group now favors Ibañez and naturally his old supporters believe that he is about to inaugurate a regime of peace and prosperity. No one can say at this time how he will enter the political scene. He may merely remain for the time being behind the scenes as the strong man. The belief, however, is general that his influence will remain and increase.

Conferences have been going on all day between Dávila and Ibañez. The Junta except Dávila and the Cabinet has resigned. At this late hour reports are still fragmentary. They indicate that Ibañez will not be in the Government for the present but that Dávila will continue as Provisional President with Lagos as Minister of National Defense. The belief is expressed that this Dávila regime will last only a few days.

A writer in *El Imparcial* this evening, who probably voices the sentiment of the better civilian class, says in part:

"The present authorities in the Moneda represent only an emergency solution. Solely for this reason the country has accepted them. Without force of their own, without the decided support of the Left or of the Right or of the lower, middle or higher classes, they constitute a group destined temporarily to carry the country through a difficult moment, and nothing more. . . . There will be no tranquility in the country until a normal condition is restored to our institutions on the basis of discipline and under the protection of authority. We can expect this only from Mr. Ibañez whose influence over the forces of order is well known and whose good purposes have been made evident during his exile. Chileans of good intentions who still hesitate should realize at this time that the success of the government of Mr. Ibañez will depend in a large measure on the cooperation and good spirit of the conscientious and honorable people of the country."

CULBERTSON

²¹ July 6, 1932.

825.00 Revolutions/145 : Telegram

The Ambassador in Chile (Culbertson) to the Secretary of State

Santiago, July 8, 1932—noon. [Received 1:11 p. m.]

126. Dávila is Provisional President this morning but with uncertain and probably short tenure. Ibañez is holding aloof. His support is increasing and his policy seems to be to wait until public opinion demands his return to power. Belief is general that this will be soon.

Culbertson

825.00 Revolutions/149 : Telegram

The Ambassador in Chile (Culbertson) to the Secretary of State

Santiago, July 9, 1932—10 a. m. [Received 10:45 a. m.]

127. Referring to page 4 of my despatch 1181 of June 22,²² and to my telegram No. 121, July 6, 3 p. m., the only changes in the Cabinet named yesterday are: Pedro Lagos as Minister of War, and Francisco Nieto as Minister of Marine replace Arturo Puga as Minister of National Defense; Eliseo Peña Villalón replaces Virgilio Morales as Minister of Lands and Colonization; the Minister of Justice and of Health have not been named to replace the former ones.

CULBERTSON

825.00 Revolutions/152: Telegram

The Ambassador in Chile (Culbertson) to the Secretary of State

Santiago, July 11, 1932—4 p. m. [Received 7:25 p. m.]

129. Saturday Ibañez found it unsafe to remain in his house and went to the quarters of one of the cavalry regiments. The supporters of Dávila interpreted his action as a move to organize an attack and preparations were made to strengthen the defense of the Moneda. Lagos, Minister of War, and Zañartu, Minister of Finance, visited Ibañez and at first threatened to attack with the tanks and then settled down to a more or less friendly talk as a result of which the latter left and is now near Santiago. It is said that the *carabineros*

22 Not printed.

²⁸ When Juan Carlos Dávila became Provisional President of the *de facto* Government July 8, the Ministry of National Defense was dissolved into its original component services. Aviation remained under the Ministry of War, and the Ministry of Marine was reestablished. (825.00 Revolutions/128)

and the cavalry regiments will not permit his arrest. His friends explain his retirement by saying that he does not wish to press his claims to the point of bloodshed. They insist that all that has happened politically in Chile since July 26, 1931 ²⁴ is illegal and that Ibañez is the constitutional President of Chile entitled to complete his term.

These events indicate that Dávila's position has been strengthened. He has the determined support of the Infantry under Lagos and of Merino in the Air Forces; and tanks and airplanes in the hands of ambitious men fighting for their own future mean very much under the present unorganized conditions in Chile. In addition he has the support of important political groups who favor him because of the belief that he will carry out his socialist program. This morning Minister of the Interior and the Minister of Finance issued statements denying rumors that they intended resigning because of friendly relationship with Ibañez and declaring their support of Dávila. Dávila is proceeding as if he expects to continue in power indefinitely. He has announced definitely the holding of a constitutional convention to be followed by elections. Moreover, from a very confidential source I have learned that he has already formulated a plan for obtaining money from abroad. It consists of scaling down the State debt owed to foreigners to one-fifth of its value; borrowing \$25,000,000 and securing the service of the whole by the supervised income of State monopolies of gasoline, matches, gambling and other undertakings.

Another view is that Dávila's position is due chiefly to the ineffective organization of the supporters of Ibañez who have in their enthusiasm failed to take into consideration all the factors in the situation, but that civilian opinion, the *carabineros* and the elements of the armed forces not directly committed to Dávila will ultimately favor the return of Ibañez to power. In any event it is certain that he will remain an important factor in Chilean politics.

Culbertson

825.00 Revolutions/155 : Telegram

The Ambassador in Chile (Culbertson) to the Secretary of State

Santiago, July 13, 1932—10 a.m. [Received 11:20 a.m.]

131. Peña Villalón has replaced Rios as Minister of the Interior which indicates that the Radical Socialists have increased their influence in the Government.

²⁴ See Foreign Relations, 1931, vol. 1, pp. 901 ff.

The Minister of Hacienda yesterday issued a decree postponing until August 1st the effectiveness of decree law No. 29 [39] with respect to foreign currency deposits in order to study a definite solution. (See despatches Number 1179 and 1187).²⁵ In taking this action the Minister referred to diplomatic protests against the law which had been made by the representatives of the United States, England, France, Italy and Spain.

825.00 Revolutions/157: Telegram

The Ambassador in Chile (Culbertson) to the Secretary of State

Santiago, July 14, 1932—2 p. m. [Received 7:02 p. m.²⁶]

132. The Minister for Foreign Affairs today addressed the following note to the members of the Diplomatic Corps:

"I have the honor to inform Your Excellency that on June 4th last Mr. Juan Esteban Montero delivered the supreme power to a Junta of Government, in whose personnel later there were several changes until on the 8th instant two of its members resigned. The same day Mr. Carlos Dávila, who was the remaining member of the Junta referred to, took charge of the Government of the country in the capacity of Provisional President of the Republic.

The Provisional President has organized his Cabinet which took

oath yesterday as follows: (here follows list of the Cabinet)

The new Government, in carrying out the principles contained in its program of action, will respect its international obligations; it will insure domestic order and it will endeavor to strengthen the bonds of every kind which unite us with friendly countries. With the purpose of establishing normal conditions in the public administration, it has already taken the measures which will permit it to consult the will of the people on the first Sunday of October.

In communicating the foregoing to Your Excellency I beg to inform you that the Government hopes to continue with Your Excellency's Government the cordial relations which have always existed

between them."

This communication affirms the conditions set forth in your telegram 25, June 6, 2 p. m., and if its declarations seem to you an adequate basis for recognition, I am content to see the step taken.

However, I feel that I should raise, not by way of argument but merely by way of suggestion, the question whether or not there are unusual elements in this situation which may require a more detailed

26 Telegram in two sections.

²⁵ Dated June 18 and 29: not printed.

declaration as a preliminary to recognition or which perhaps may require that our reply amplify our conception of the fulfillment of international obligations.

My understanding is that your policy is not to associate recognition with the particular type of government or political institution which a people may decide to adopt. Nevertheless Dávila's declared intention is to adopt a Constitution which embodies the principles of socialism. Are you satisfied that a general assertion that foreign obligations will be respected covers adequately the attitude of a socialist republic toward expropriation and adequate compensation and existing rights and obligations? We have already laid down the principle that compensation in case American businesses are forced out of Chile by legislation must be effective, that is, in such a form that it may be transferred out of the country within a reasonable time. Pressed for money, this tendency of the Government will be to endeavor to pay with bonds or local currency which could not be made into foreign money. Moreover in the airmail today I am forwarding copy of decree law which authorizes the discount of promissory notes of 190,000,000 pesos by the Central Bank for agriculture, industry, mining, colonization and foreign commerce. Among other things the decree establishes an institute of foreign commerce whose activities may under the broad authorization extend to every phase of foreign commerce. Fifty-one percent of the stock is to be subscribed by the State and the law then adds:

"In order to operate through the Institute of Foreign Commerce it shall be necessary to be a shareholder in the institution."

Other matters as the foreign debt, equality of commercial rights, and taxation may be affected by new socialist principles.

In case we should delay recognition I hope that we may have a common policy in this respect with Great Britain and possibly other states The new German Minister is here but has not presented his credentials).

I have gained the impression in my dealings thus far with the Dávila government that it will not be any more socialistic so far as foreign interests are concerned than was or would be a government of Conservatives. The governments with which I have had to deal since I have been in Chile have endeavored to obtain a maximum of advantage for the Government from American interests; that is they have taxed as much as the traffic would bear. Furthermore it was under the conservative Montero government that the Chilean Congress enacted the law establishing a monopoly of petroleum prod-

ucts.²⁷ Constant trouble has been experienced by American concerns from the interpretations and decisions of the labor courts in which every presumption has been resolved in favor of labor against the foreign companies. The Dávila government will undoubtedly be increasingly socialistic with reference to Chilean interests. It is in this direction that its radicalism will develop contrasts more than in its relations with foreign interests. Our interests will continue to suffer but primarily because of economic conditions which would be the same under a rule by the old conservative oligarchy or under the rule of socialistic republic.

Although I have not received the communication, I have been assured by the Foreign Office that within a day or two I will be advised in writing that American deposits in foreign currency in Chilean banks will not be molested as provided for in the decree laws referred to in my despatch 1187, June 29th.²⁸ I have regarded this measure as a test case and the Government's decision, if put in writing, to respect foreign rights will be evidence so far as it goes that the Government intends to fulfill its international obligations.

The events of the last 6 weeks in Chile comment more effectively on the question of political stability than anything I could add. Various groups which I have referred to from time to time are still contending for power. The return of Ibañez threatened a political crisis but he again allowed himself to be dominated by some of his irresponsible friends and the reaction against him has checked enthusiasm and strengthened Dávila. Upon his return Ibañez' friends (who were also friends of Dávila's) deliberately asked Dávila to retire in favor of Ibañez. Dávila refused and told them frankly that if they were compelled they would have to fight. On the shifting scene of Chilean politics, dominated by personalities who change and even traffic in their loyalties overnight, it is frankly impossible to make any prophecies concerning political stability. The observations in my telegram 129, July 11, 4 p. m., still hold good.

I shall make no reply whatever to the Minister for Foreign Affairs until I have your instructions.

Culbertson

²⁷ See pp. 505 ff. ²⁸ Not printed.

825.01/63 : Telegram

The Ambassador in Chile (Culbertson) to the Secretary of State

Santiago, July 15, 1932—9 p. m. [Received July 16—2:08 a. m.]

133. Recognition was discussed this afternoon at a meeting of the Diplomatic Corps. Peru has recognized and the Nuncio, the Spanish and the Brazilian Ambassadors and the Cuban, Colombian and the Portuguese Ministers have recommended immediate recognition. Certain other chiefs of mission expressed opinion that their deliberation and delay are justified. The Argentine said that he wished to follow our lead. The French expressed himself in favor of some delay. The British, the German and the Italian Chargé d'Affaires have recommended that their Governments first consult with you.

Barros Jarpa, President of the Credit Mortgage Bank, apparently acting as personal representative of Dávila, called on me this afternoon. He spoke with confidence of the strength of Dávila's position. He said that the law expropriating bank deposits would be annulled and that all other foreign rights would be respected. He said that Dávila is opposed to the introduction of socialism by violent measures and hopes to achieve his program gradually by education. Dávila is clearly making an effort to reassure foreign governments with respect to protection of foreign interests.

Culbertson

825.00 Revolutions/158: Telegram

The Secretary of State to the Ambassador in Chile (Culbertson)

Washington, July 16, 1932—3 p. m.

49. Your 132, July 14, 2 p. m. The most important element in the situation as regards recognition is the stability of the present regime. The Department fully concurs with your statement that it is impossible to make any prophecies concerning the political stability of the present regime and therefore is not disposed to give recognition at this time but to await developments. Accordingly no reply should be made to the note of Minister for Foreign Affairs.

You are correct in your understanding that the policy of this Government is not to associate recognition with the particular type of government or political institution which the people may decide to adopt. In this connection there is a two-fold criterion: First, that there should be no discrimination in the protection which must be accorded to the nationals of other countries and their property, to both of which must be accorded a degree of protection at least as high as that given to the natives of the country, and secondly, that this

standard of protection must not fall below the minimum standard set by international law and practice.

Department feels that it should await also the receipt by you of the written communication the Foreign Office says it will shortly send you stating that American deposits in foreign currency in Chilean banks will not be molested as provided for in the decree laws referred to in your despatch 1187 of June 29.29 It would also be helpful if the Chilean Government would give you similar assurances regarding the foreign debt, equality of commercial rights, taxation, and treatment of American enterprises including the Cosach. In this connec tion can you throw any light on the statement in the note you quote that the present regime "has already taken the measures which will permit it to consult the will of the people on the first Sunday of October." Does this consultation of the will of the people refer to the election of officials or the adoption of a new constitution and if it refers to the latter is the present regime in a position to give assurances prior to the adoption of a so-called socialist constitution regarding the treatment of foreign interests and respect for international obligations?

In general the fact that the revolution in Chile is ostensibly a socialist revolution and inasmuch as it has already proposed certain measures which, although they have not as yet been enforced against our nationals' property, indicate an intention of the new Government to resort to a standard radically departing from that usually deemed adequate protection of foreign property under international usage, makes it necessary that we should exercise unusual care before recognizing this regime.

Stimson

825.516/190 : Telegram

The Ambassador in Chile (Culbertson) to the Secretary of State

Santiago, July 16, 1932—3 p. m. [Received 5:50 p. m.]

134. Referring to the third from the last paragraph of my telegram 132, July 14, 2 p. m., I received today from the Minister for Foreign Affairs a communication on bank deposits in foreign currency. He refers to my note number 852 of June 3 [9?], 30 a copy of which was transmitted to the Department. He then quotes the following communication to him from the Minister of Finance:

"I am pleased to inform you that the intention of this Ministry is to put an end to the provisions of that decree which was promulgated

²⁹ Not printed.

³⁰ See telegram No. 84, June 13, 4 p. m., from the Ambassador in Chile, p. 442.

exclusively for the benefit of the national and foreign banks and of commerce, both foreign and national, which would have been placed in serious difficulties in canceling immediately the said obligations as a result of the new value acquired in the country by foreign currency. I am pleased to emphasize to you that at no time has the Chilean Government sought to obtain benefits for itself by the measures referred to. A brief study of the balances which would be left from the compensated accounts is sufficient to prove the foregoing assertion. Therefore, it has been exclusively a measure of general interest for commerce and industry whose welfare it is the duty of the Chilean Government to protect at all times."

The Minister for Foreign Affairs concludes his letter with these words:

"In view of the foregoing this Ministry is certain that in no case will the application of the system resulting from the provisions to which I have referred cause the effects which could have been attributed to it and which was the motive of the note of Your Excellency to which I am replying."

Since we are thus assured that the deposits of our citizens will be respected we can pass over the references to benefits to banks and commerce . . .

Culbertson

825.00 Revolutions/159 : Telegram

The Ambassador in Chile (Culbertson) to the Secretary of State

Santiago, July 17, 1932—10 p. m. [Received July 18—1:50 a. m.]

135. In an informal conversation this afternoon, invited by Dávila, I raised in one way or another the several points of your telegram 49, July 16, 3 p. m. On political stability he said that he had opposed asking for recognition until he felt secure, as he now does; that the supporters of Ibañez either have or are about to give him their cooperation and that Ibañez will be made Minister at Berlin when Germany recognizes; that some of the Conservatives will be on the commission to prepare for the Constituent Assembly and to draft the new electoral law; that Alessandri [is] a trouble maker but not to a serious extent since some of his followers are with the present regime.

Measures referred to in the Minister's note relate to the elections for the Constituent Assembly to be held in October. All available information on the subject has been transmitted in my despatches including those which will arrive by air mail next Wednesday. Dávila's desire is that political representation be given to trade

unions and other economic groups but not to abandon entirely the orthography [geographic?] bases of the representation now provided for under Chilean law. At present no one can foretell the details of the new political order. I believe, however, that when the discussions are over we will find that the changes are not very radical. The margin of power in the hands of a group is too narrow to permit it to impose all its views on the others.

I intimated to Dávila that assurances similar to those given on bank deposits would be helpful on other economic rights and left this suggestion with him in such a way that he can follow it up with a further declaration in case he desires. He said that he thought that the Minister's note covered adequately the question of the foreign debt. He also commented on the very satisfactory cooperation which now exists between his Government and the management of Cosach.

825.01/67 : Telegram

The Ambassador in Chile (Culbertson) to the Secretary of State

Santiago, July 18, 1932—4 p. m. [Received 5:44 p. m.]

136. All my colleagues have acknowledged the note received from the Minister for Foreign Affairs requesting recognition. I think it would be desirable merely from the standpoint of courtesy for me to send in an informal acknowledgment stating that I have transmitted the Minister's note. Please instruct whether or not I should take this step.

Culbertson

825.00 Revolutions/162: Telegram

The Secretary of State to the Ambassador in Chile (Culbertson)

Washington, July 19, 1932-5 p. m.

50. Department's views as set forth in telegram No. 49 of July 16, 3 p. m. have been communicated to the Brazilian, Argentine, British, German and French Embassies and to Colombian Legation here.

Brazilian Ambassador, in saying that he would communicate this to his Government, volunteered that he would suggest that it was premature to recognize at present. British Ambassador has received instructions from his Government indicating that the British views are

the same as ours. German Government has been requested through Chilean representative in Berlin to accord recognition but German Ambassador here indicated that his Government desires to cooperate with us in this matter.

The Department's views were given to the above diplomatic representatives here either as a result of direct inquiry on their part since the Chilean note mentioned in your 132 of July 14, 2 p. m. was received or as a result of previous requests to be informed of our position.

STIMSON

825.01/67 : Telegram

The Secretary of State to the Ambassador in Chile (Culbertson)

Washington, July 19, 1932-6 p. m.

51. You are authorized in accordance with the suggestion contained in your telegram No. 136, July 18, 4 p. m., to make acknowledgment to the note of the Minister for Foreign Affairs. You will be guided in this connection by the penultimate paragraph of the Department's telegraphic instruction No. 25, June 6, 1932.

STIMSON

825.01/71 : Telegram

The Ambassador in Chile (Culbertson) to the Secretary of State

Santiago, July 20, 1932—noon. [Received 1:15 p. m.]

137. Merely to convey to you the reaction in the Ministry of Foreign Affairs to our delay in granting recognition I transmit the following observations made by the Undersecretary for Foreign Affairs to Mr. Sparks in an informal conversation: The Foreign Office used in its note the expression "international obligations" in the broadest sense and therefore believes that it has given all the assurances required by international practice, particularly those laid down by the American Government; that the American Government should accept these assurances as made in good faith and that, if they are not lived up to afterwards, the American Government can then resort to diplomatic representations.

CULBERTSON

825.516/190 : Telegram

The Secretary of State to the Ambassador in Chile (Culbertson)

Washington, July 20, 1932-6 p. m.

53. Your telegram No. 134, July 16, 3 p. m. Has the Embassy any information regarding the date that the Chilean Government's expressed intention to put an end to the provisions of Decree Law No. 12 will be put into effect?

The Department assumes that the concluding comment of the Minister for Foreign Affairs is intended as a general reassurance to this Government that pending the definitive repeal of Decree Law No. 12, its provisions will not be injuriously applied to foreign currency deposits of American citizens. Can the Embassy give any further clarification on this point or as to the effect that a cancellation of decree law No. 12 would have on the law of April 19 and No. 39 of June 16, 1932?

STIMSON

825.516/195 : Telegram

The Ambassador in Chile (Culbertson) to the Secretary of State

Santiago, July 22, 1932—11 a.m. [Received 1:30 p. m.]

140. Referring to Department's telegram No. 53, July 20, 6 p. m., I conferred this morning with the Minister of Finance who stated that he has appointed a commission to study how pending transactions in foreign currency may be liquidated and that it is his intention to annul decree laws 12 and 29 [39] and as soon as some solution can be found which he expects will be about the first of August.31 He explained that certain complications within the banks themselves made necessary a consideration of the question before taking the definite action of nullifying the decree. He stated that the former law number 5107 would continue in force. I asked him whether it was the meaning of the communication which he made to the Minister for Foreign Affairs to give assurance that deposits in foreign currency of American citizens would be respected. He replied emphatically that these deposits will be respected. Later I talked with the Minister for Foreign Affairs who stated that it was his intention in the last paragraph of his note to give definite assurance that deposits of American citizens in foreign currency would be respected.

CULBERTSON

²¹ Decree of annulment was signed July 27.

825.01/101

The Brazilian Ambassador (De Lima e Silva) to the Secretary of State

Manchester, Mass., July 22, 1932. [Received July 23.]

My Dear Mr. Secretary of State: I have just received a cable from Rio de Janeiro asking me to express to Your Excellency that the Brazilian Government would have very much liked to recognize the new Chilean Government at the same time as the United States but has been obliged to hasten said recognition in view of the present situation in South America.

The rupture of diplomatic relations between Argentine and Uruguay³³ and the aggravation of the conflict between Paraguay and Bolivia,³⁴ at the Brazilian frontier, create now an atmosphere of continental intranquility.

The cooperation of Chile, with which Brazil has always maintained relations of extreme cordiality, may be of much value for the solution of that serious question.

With assurances [etc.]

R. de Lima e Silva

825.01/102

Memorandum by the Assistant Secretary of State (White) of a Conversation With the Second Secretary of the Argentine Embassy (Vivot)

[Washington,] July 23, 1932.

Mr. Vivot called and left with me a note verbale ³⁵ to the effect that Argentina was today recognizing the Government of Chile because of its stability and its promise to respect international obligations. Mr. Vivot said he thought that perhaps others were going to recognize also. I told him that a number had already done so and I presumed by his reference that he meant Brazil. The Brazilian Government I knew had been contemplating granting recognition for some time and had said that they wanted to act with Argentina and the United States and that we had stated that we were not prepared to recognize as yet. He said that he could not say anything officially but privately he would tell me that there was an agreement between Argentina and Brazil and that Brazil would recognize today also.

F[RANCIS] W[HITE]

^{**} See pp. 316 ff.

⁸⁴ See pp. 8 ff.

⁸⁵ Not printed.

825.00 Revolutions/170 : Telegram

The Ambassador in Chile (Culbertson) to the Secretary of State

Santiago, July 26, 1932—6 p. m. [Received 8:32 p. m.]

150. Referring to my telegram No. 147, July 25, 5 p. m., 36 again I received assurances today from both the Minister for Foreign Affairs and from Dávila concerning their attitude toward respect for international obligations. In a conversation with the latter I mentioned a number of concrete questions. For example, I asked whether it was his intention to grant national treatment in taxation and other similar matters to American business. He replied that it is. He said that he thought the matter of deposits in foreign currency had been satisfactorily settled. He stated that the commission to study the preliminaries of the Constituent Assembly including the electoral law and the draft of the Constitution would have on it representatives of all classes and parties. He said that the final decisions on the Constitution would, however, be by the Assembly, which he hoped would continue thereafter for some time in the capacity of the country's Congress. He added that he would favor the inclusion in the new Constitution of socialist principles, meaning chiefly the establishment of new state enterprises, and that in his opinion these principles should be applied to lines which would increase the productive capacity of the country for export. I spoke in particular of the concession contracts of the electric and telephone companies and he stated that these would be respected. I also spoke of equality of commercial treatment and mentioned the effort of the French to use recognition as a means for forcing Chile to accept the compensation office scheme. He observed that he did not know what they would do with the French problem but added that of course the United States would receive the same treatment as that accorded to any other country. In general his attitude was frankly reassuring for American interests.

Dávila spoke with confidence concerning the political situation and said that some Cabinet changes would be made soon in the direction of giving representation to some of the groups which have been opposed to him.

CULBERTSON

^{*} Not printed.

825.00 Revolutions/171: Telegram

The Secretary of State to the Ambassador in Chile (Culbertson)

Washington, July 27, 1932—4 p. m.

55. Your 147, July 25, 5 p. m., ³⁷ and July 26, 6 p. m. The assurances so far given to you are of course only oral. Unless you have reason to believe that these assurances will be confirmed to you in writing within the next day or so, please address the following personal letter to the Minister for Foreign Affairs:

"With reference to the conversations which I have had recently with you, Señor Dávila, and Señor (here insert name of Minister of Finance), I desire to set forth my understanding of the position taken

by the present Chilean authorities.

It is my understanding that the communication which I received from you on July 16th last ³⁸ means that deposits in foreign currency of American citizens and the foreign currency deposits for which American banks are responsible will not be confiscated nor will they be forcibly converted into Chilean currency. It is my understanding that the decree providing for the taking over of such foreign currency deposits will be rescinded but that pending such action the foreign currency deposits above alluded to will in no wise be affected and the

decree in question will not be made applicable to them.

Referring to your communication to me of July 14th in which you state that the present Administration in Chile will respect its international obligations, it is my understanding from our subsequent conversations that by this you mean respect of international obligations in the broadest sense and that the present administration in Chile will not repudiate its bonded indebtedness owed to private American investors; that there will be no discrimination in the protection which will be accorded to American nationals and their property, nor will there be any discrimination with regard to their property and trade with respect to any third country, and that they will be accorded a degree of protection at least as high as that given to the nationals of Chile and that this standard of protection will not fall below the minimum standard set by international law and practice. It is my understanding that equality of commercial rights, taxation, and the treatment of American enterprises in Chile was included by you in the above-mentioned assurances. In the course of our conversations referred to above, in addition to the assurances which you gave regarding all American enterprises in general in Chile, mention was made of the specific concession contracts of the American Electric Light and Power and Telephone Companies as well as of the American interests involved in the so-called Cosach, and it is my understanding that you assured me that those concessions and interests are included in your assurances regarding the protection to be afforded American interests in general.

^{*} Not printed.

^{*8} See telegram No. 134, July 16, 3 p. m., from the Ambassador in Chile, p. 464.

In order that I may advise my Government with great accuracy regarding our recent conversations, I desire to ask you to confirm my understanding of your position as set forth above or else to correct it if I have misstated it in any wise."

Please cable text of answer.

STIMSON

825.00 Revolutions/173 : Telegram

The Ambassador in Chile (Culbertson) to the Secretary of State

Santiago, July 29, 1932—1 p. m. [Received July 29—5:47 a. m.]

- 156. I have decided to delay for 24 hours the delivery of the letter transmitted in your telegram 55, July 27, 4 p. m., in order to bring to your attention the probable consequence for reactions. In my opinion we will not receive a favorable reply. We [talked?] over personally and informally with the Undersecretary for Foreign Affairs several of the points in the letter and I can reflect the probable reply most clearly by giving his qualifications. He said in substance:
- 1. Basically the letter must be considered as conditions for recognition and the United States has never before imposed such conditions.
- 2. The terms as set forth in the letter are so broad and comprehensive that they would be more favorable than any commercial treaty that would be accepted at this time, that is, the letter admits no exception such as already exist.
- 3. Referring to bank deposits he stated that the Chilean authorities could not commit themselves to take no action with respect to the deposits of Chilean citizens in the American bank since such action would be a qualification of their sovereignty over their own nationals; that this point was not included in any assurances given; that the Minister could not agree in writing not to carry out the provisions of a law now on the statutes, namely, No. 5107.
- 4. Referring to discriminations against Americans in favor of Chileans, he remarked that it would be impossible to give such general assurances of national treatment since discriminations already exist, namely, insurance company, Coastwise Steamship and Air traffic, immigration, requirements for foreign banks as opposed to those of nationals.

You may feel that the assurances in the letter are merely a repetition of those given to me orally and this is correct. But it will be replied by the Chileans that such assurances are on a different basis than specific assurances in legal phraseology as in this letter which partake of the nature of treaty stipulations.

I will, of course, submit the letter as it now is if you so instruct after considering this, but my opinion still is as indicated in my telegram 147, July 25, 5 p. m.³⁹

(1) Either we should delay recognition and explain the delay by a public statement or in a letter to the Dávila Government indicate the points on which we ask further assurances but not to ask a reply (our position, of course, could be communicated orally).

(2) We should recollect and if you think necessary reiterate in general terms in our note of recognition an understanding of the

meaning of respect for international obligations.

It would help to have the assurances in the letter in writing if we could get them but I am satisfied that we cannot. Once the letter is sent and we receive an unsatisfactory reply, we will be left in a difficult position on recognition and in a very unfavorable position not only with the Dávila Government but also with the Chilean people for they will be a unit against us on an issue of this sort.

In this shifting political situation with political leaders harassed to desperation by economic troubles our large business interests will continue to suffer whether or not we received general declarations of respect for international obligations. New cases arise daily not usually because the authorities are intentionally infringing on international right but because national interests have taken first place with a weak government.

I doubt whether we want to establish the precedent of this letter in our practice of recognition although as I have [stated?] I will submit it if upon consideration you decide to do so, either in its original form or modified to a very general statement of our interpretation of international obligations and to a mention of the specific American interests.

CULBERTSON

825.01/100 : Telegram

The Secretary of State to the Ambassador in Chile (Culbertson)

Washington, July 29, 1932—7 p. m.

58. Your 156, July 29, 1 p. m. Do not transmit the letter. Department will delay recognition but will not make any public statement at this time. We will continue as we are for the time being watching developments.

STIMSON

⁸⁹ Not printed.

825.00 Revolutions/176: Telegram

The Ambassador in Chile (Culbertson) to the Secretary of State

Santiago, August 2, 1932—10 a. m. [Received 10:45 a. m.]

159. Peña Villalón, Minister of the Interior and Minister of Lands and Colonization; Soto Rengifo, Minister of Education; and Toro, Minister of Labor, resigned yesterday. New appointments are: Josephus Fernández, Minister of Interior; Luis David Cruz Ocampo, Minister of Education; Juan B. Rossetti, Minister of Labor. These changes are away from the Left.

Culbertson

825.516/213

The Ambassador in Chile (Culbertson) to the Secretary of State

No. 1217

Santiago, August 3, 1932. [Received August 11.]

Sir: Referring to my telegram No. 158, July 30, 10 a.m.,⁴¹ I have the honor to transmit herewith (Enclosure No. 1)⁴¹ a translation of decree-law No. 311 which annuls the foreign currency deposit decree-laws Nos. 12, 39 and 189. In view of the fact that decree-law No. 311 makes a point of reaffirming law No. 5107 and in view of the fact that the Superintendent of Banks is now preparing regulations for making effective Articles 9 and 10 of this law, it has seemed to me desirable to request from the Minister for Foreign Affairs a definite assurance concerning the scope of the guarantees given that the foreign currency deposits of American citizens in Chile will be respected. I have, therefore, addressed a letter to Sr. Barriga a copy of which I am transmitting herewith (Enclosure No. 2).⁴¹

Respectfully yours,

W. S. Culbertson

825.00 Revolutions/183: Telegram

The Secretary of State to the Ambassador in Chile (Culbertson)

Washington, August 12, 1932—5 p. m.

62. Your 156, July 29, 1 p. m.

1. The assurances requested in the proposed letter contained in Department's No. 55 of July 27, 4 p. m. with respect to protection had in mind protection under the laws of Chile and did not have to do with international treatment regarding trade and commerce.

⁴¹ Not printed.

- 2. Make memoranda of your various conversations covering equality of commercial rights, taxation, and treatment of American enterprises in general in Chile, as well as respect for the specific concession contracts of the American Light and Power and Telephone Companies, and equitable treatment of American interests involved in the Cosach; show these memoranda to the Minister of Foreign Affairs, and ask him whether they correctly interpret his position. If he says that they do, hand him copies of the memoranda, without covering letter, and tell him that you will make a notation on your copies in the Embassy that they were read to and approved by him and copies left with him.
- 3. With respect to foreign currency deposits of American interests, the Department is glad to note that decrees Nos. 12 and 39, which authorized forced conversion at an arbitrary rate, have been repealed. The Department has just received your despatch No. 1217 enclosing a copy of your letter of August 1⁴² to the Minister for Foreign Affairs requesting confirmation of your understanding that assurances heretofore given of respect for foreign currency deposits of Americans apply as well to action which may be taken under law No. 5107. Please advise by cable regarding reply you receive from Minister for Foreign Affairs.

For your information, the Department is sending you an air mail instruction regarding this question of foreign currency accounts of Americans as they may be affected under law No. 5107. As a result of study the Department has made of legislation enacted in many countries which appears to be in general similar to that contained in law No. 5107, Department feels that in the absence of formal assurances from Chilean authorities that they will not convert foreign currency deposits of Americans under law No. 5107, the best way to approach the problem would be through informal efforts to persuade the Chilean authorities not to carry out measures taking over the foreign currency holdings of Americans rather than to argue the matter on a strictly legal basis. This approach has been successful in other countries and if the Chilean authorities should be unwilling to give formal assurances with respect to action under law No. 5107, the Department hopes that you will be able to persuade them to refrain in practice from any steps which would harm individual American holders of foreign currency accounts.

STIMSON

⁴² Enclosure not printed.

825.516/203

The Secretary of State to the Ambassador in Chile (Culbertson)

No. 1385

Washington, August 12, 1932.

Sir: The Department has been giving careful consideration to the questions raised in connection with the decrees 12 and 39 enacted by the Chilean de facto authorities on June 9 and June 16, 1932, respectively, with reference to the deposits in the foreign currency accounts in banks in Chile. Although your telegrams No. 140 of July 22 and No. 158 of July 30 43 now inform us that the Chilean Government has annulled these decrees and though you convey to the Department the expression by the Chilean Government of an intention to respect the foreign currency deposits of Americans (letter of the Minister of Finance and statement of Minister of Foreign Affairs given in your telegram No. 134, July 16, 3 p. m., and statement of the Minister of Finance of July 22 conveyed in your No. 140, July 22), the fact that law No. 5107 (April 19, 1932), which may affect these deposits, still remains in force, makes it appropriate to transmit to you the Department's views on this subject.

The Department has noted that in your informal communication to Señor Barriga on June 9, 1932,44 the Embassy stated in effect that the policy of this Government towards the taking over of foreign currency deposits held by Americans in banks in Chile would follow that set forth in your note No. 846 of June 3, 1932, to the Chilean Government regarding the threatened expropriation of American oil interests in Chile. This would mean that in the event of compulsory conversion or seizure of foreign currency deposits due to Americans, this Government would support a claim for adequate and effective compensation.

In the study which the Department has so far made of this subject, it has been impressed by the fact that a number of foreign governments have put into effect decrees dealing with foreign currency accounts in their banks which appear in many respects similar to the measures that the Chilean Government has taken. In this connection, there is enclosed herewith for your information a preliminary memorandum⁴⁵ prepared in the Economic Adviser's Office. It is of interest that in practically no instance have the American interests in foreign countries which may have been affected by the operation of these decrees protested against them to the Department. While the Department's information is not complete enough to indicate to what extent

Latter not printed.

[&]quot;See telegram No. 84, June 13, 4 p. m., from the Ambassador in Chile, p. 442.

⁴⁵ Not printed.

these decrees may have been applied against Americans concerned, it is probably justified in surmising that the governments in question have applied these measures with extreme leniency so far as American and other foreign interests are concerned. It is the Department's hope that the Chilean Government will manifest the same leniency and that the situation will be so handled as to give rise to no formal dispute.

In many instances the American owned accounts affected by Law No. 5107 would involve small accounts, the seizure of which would be of little national importance to Chile, while on the other hand the hardship to the individual depositors might be very considerable and consequently of importance to the public relations between the two countries. As a practical approach to this problem, it would seem that much might be gained if, should the necessity therefor arise hereafter, you could in informal conversations impress upon the Chilean authorities the foregoing considerations and urge them, not only in the interest of the Americans involved but also in the interest of good relations between the two countries, that they should seek to give effect to this law in such a way as to mitigate any hardship upon foreigners.

The Department realizes that if the Chilean Government should determine to take over deposits of foreign currency in such manner as patently to work injury to their owners, it will have to consider the question of dealing with the matter on the formal basis of diplomatic protest and the support of claims for compensation. It must frankly be admitted, however, that, in this event, the basis on which a definition of adequate compensation in this matter could be arrived at would be most difficult to determine. There is also enclosed herewith for your information a memorandum 46 prepared in the Legal Adviser's Office which discusses this question from the point of view of the right of the State to take over property by exercising its right of eminent domain, paying compensation therefor. It is obvious that if this Government becomes involved in a controversy with the Chilean Government or with Chilean authorities on the subject of the legal principles involved, there would be little hope of immediate relief for the American interests affected, and probably the most that could be hoped for would be ultimately the submission of the claims to arbitration. The ultimate return therefore to the American interests established in Chile might be less satisfactory than that which could be obtained by a conciliatory approach to Chilean officials before any damage is done.

It appears probable that in any case the Department's formal support could be extended only to American owners of foreign currency

⁴⁶ Not printed.

accounts, and not to cover the whole question of foreign currency deposits for which American banks are responsible. This view is amendatory of phrases used in the Department's No. 55 of July 27 which it instructed you to embody in a letter to the Minister of Foreign Affairs—which letter however you are at the present moment withholding under later instructions. The Department's view on this latter point is also tentative and further study may lead to further revision. It is based on the fact that under the Chilean banking law, the branches of American banks located in Chile appear to have agreed to submit themselves to Chilean legislation. Moreover, it would appear that law No. 5107 affords these banks on the whole reasonable protection; should this judgment prove to be mistaken, the Department might reconsider its views on this point.

There are also transmitted herewith other memoranda ⁴⁷ which have been prepared in the Department in the course of the study that has been made of this matter. It would be appreciated if you would give consideration to the views set out hereinabove, and transmit to the Department such opinions as you may desire to express.

Very truly yours,

For the Secretary of State:

FRANCIS WHITE

825.00 Revolutions/182: Telegram

The Ambassador in Chile (Culbertson) to the Secretary of State

Santiago, August 13, 1932—1 a.m. [Received 6:17 a.m.]

165. Groveist outbreak this afternoon centering at the University was vigorously suppressed by the police. Several killed and many were wounded and taken prisoners. One opinion is that it is an isolated incident; another that it was a premature phase of a general Left revolt planned for this week end. All is quiet in Santiago tonight.

Zañartu, Minister of Hacienda, resigned tonight giving as his reason refusal of the Cabinet to approve his inflation scheme.

CULBERTSON

⁴⁷ Not printed.

825.00 Revolutions/184 : Telegram

The Ambassador in Chile (Culbertson) to the Secretary of State

Santiago, August 17, 1932—9 a. m, [Received 10:25 a. m.]

170. Ernesto Barros Jarpa, President of the Mortgage Credit Bank and a leader of the Doctrinaire Liberal Party, assumed office as Minister of Finance yesterday. He stated that the project to suppress mortgage bonds would be dropped.

Culbertson

701.2511/461 : Telegram

The Ambassador in Chile (Culbertson) to the Secretary of State

Santiago, August 18, 1932—10 a.m. [Received 11:28 a.m.]

173. The Foreign Office expressed concern yesterday whether Edwards would be able promptly to regularize his status as Chilean Chargé d'Affaires in Washington. I do not know what difficulty is feared but it may be the absence of recognition. The Foreign Office will appreciate anything you can do to facilitate this matter since they do not desire to leave Blanco Viel in charge.

CULBERTSON

701.2511/461 : Telegram

The Acting Secretary of State to the Ambassador in Chile (Culbertson)

Washington, August 20, 1932—1 p.m.

67. Your 173, August 18, 10 a.m. The situation regarding this matter is as follows:

Before Cruchaga left for Mexico he discussed the matter with White and it was agreed that, in order to obviate any difficulties over the question of recognition, he would send White a personal letter explaining that in his absence Blanco would be in charge of the Embassy's affairs until the arrival of Edwards who would then take charge, and expressing the hope that these gentlemen would be allowed to transact business informally with the Department; White would reply in a personal letter saying that there would be no objection to this. However, through an apparent misunderstanding, Cruchaga before leaving for Mexico sent a formal note to the Department stating that Blanco would be Chargé d'Affaires until succeeded

in that capacity by the Chilean Minister to Cuba. White has talked with Blanco and explaned the situation to him, and the formal note is to be withdrawn and in its place Blanco will ask Cruchaga to send from Mexico the personal letter previously agreed upon. Upon its receipt White will answer that there will be no objection to dealing personally and unofficially with Blanco and with Edwards after the latter's arrival here, it being understood that this action does not imply recognition of present Chilean regime.⁴⁸

WHITE

825.516/223 : Telegram

The Ambassador in Chile (Culbertson) to the Secretary of State

Santiago, August 20, 1932—1 p. m. [Received 3:55 p. m.]

178. Referring to paragraph No. 3, Department's telegram No. 62, August 12, 5 p. m., I received today the following reply from the Minister for Foreign Affairs:

"I have the honor to acknowledge the receipt of your letter of August 1st 49 referring to the bank deposits of American citizens made

in foreign currency in banks in Chile.

I do not believe it possible at this time to anticipate anything with respect to the application in all its aspects of law No. 5107, but I can assure Your Excellency that in case any deposit of an American citizen in foreign currency should be expropriated in whole or in part under any law or regulation, the corresponding effective and adequate compensation will be made in accordance with the guarantees which the political constitution and the laws grant to the inhabitants of the Republic."

Please advise me whether you consider reply satisfactory. The reply uses the phrase "adequate and effective compensation" which I used in my letter of June 9th to the Minister for Foreign Affairs. If you desire I can reply to the Minister's letter and reiterate our interpretation of "effective compensation" but under the circumstances this would seem to be unnecessary.

In accordance with the Department's telegram No. 62, August 12, 5 p. m., I prepared a memorandum of my various conversations with Dávila and the Minister for Foreign Affairs. Last Wednesday I discussed the memorandum with Dávila and with the Minister for Foreign Affairs and with certain minor changes they accepted it and it now

⁴⁶ Personal letters in the above sense were exchanged, Señor Cruchaga's letter being dated August 15 and Mr. White's letter, August 24. Letters not printed.

⁴⁶ Not printed.

has been filed in the Foreign Office. It summarized the several conversations already reported and I therefore will not telegraph it unless you so instruct. A copy of it was transmitted in the air mail which left here Thursday.

Political situation continues obscure. In the pouch which left here Thursday I transmitted a despatch reviewing the situation.

Culbertson

825.516/223 : Telegram

The Acting Secretary of State to the Ambassador in Chile (Culbertson)

Washington, August 26, 1932-6 p.m.

72. Your 178, August 20, 1 p. m. Ascertain and report by cable whether reply from the Minister for Foreign Affairs concerning constitutional guarantees regarding compensation refer to Article 10, Section 10 of Constitution. If not, to what provision? Also ascertain what laws providing compensation were referred to.

CASTLE

825.516/226 : Telegram

The Ambassador in Chile (Culbertson) to the Secretary of State

Santiago, August 27, 1932—1 p. m. [Received 2:20 p. m.]

190. With reference to the Department's telegram 72, August 26, 6 p. m., the Under Secretary for Foreign Affairs stated that the reply in question refers to article 10 section 10 of the Constitution and to book 4 title 16 of the Code of Civil Procedure.

May I have as soon as possible instructions which would [enable?] me to make clear to the present Chilean regime our attitude toward recognition? I have not connected my requests for clarification of its policy toward international obligations with recognition, but the implication follows from the circumstances that we intend to recognize if the assurances requested are given. If you desire any further data on the present situation I shall be glad to supply it.

Culbertson

825.6374/1023 : Telegram

The Ambassador in Chile (Culbertson) to the Secretary of State

Santiago, August 29, 1932—noon. [Received 1:20 p. m.]

194. Serious discussions looking toward the reorganization of Cosach will begin next week when Whelpley arrives. An organized attack by influential Chilean interests is being planned on American interests, particularly those in the Lautaro. The attitude of the Government officials appears to be friendly but they have adopted the policy to withdraw from Cosach and, since they believe that the necessities of the situation require the Government to obtain some tangible results from the reorganization, we can anticipate some serious complications.

825.6374/1023 : Telegram

The Acting Secretary of State to the Ambassador in Chile (Culbertson)

Washington, September 1, 1932-4 p. m.

79. Your 194, August 29, noon. The Department agrees that you should keep yourself and it currently informed. But, as you have recognized, the Department wishes to keep clear of the negotiations.

Before taking any action in support of the American interests cable us your views and recommendations so that we may have full information on which to send you instructions.

CASTLE

825.01/120

The Chargé in Cuba (Reed) to the Secretary of State

No. 1338

Habana, September 2, 1932. [Received September 6.]

Sir: With reference to the Department's instruction No. 619, of July 29, 1932,⁵¹ concerning the doctrine followed by the Cuban Government in according recognition to the new Chilean Government, I have the honor herewith to transmit a copy and a translation of a communication dated August 20, 1932, addressed by the Cuban Foreign Office to Cuban diplomatic representatives abroad.

⁵⁶ The Lautaro Nitrate Company, Ltd., a subsidiary of Cosach.

⁵¹ Not printed.

Following transcriptions of exchanges of notes on the subject of recognition of the new State of Manchukuo and of the new government of Chile, the Foreign Office states the general policy which will guide the present administration in according or declining recognition of new states and governments.

Dr. Ferrara informally stated in conversation that this policy, in accordance with which the Dávila government was recognized in Chile and recognition was refused to Manchukuo, was not inspired by the so-called Estrada doctrine and is not to be confused therewith. My impression is that the Secretary of State would prefer the policy which he has dictated for the guidance of his government during the present administration to be known as a "Ferrara Doctrine."

It is noteworthy that recognition should have been accorded by Cuba to the new Government of Chile without consultation with or notification to this Embassy, inasmuch as it has heretofore been the policy of the administration to follow the lead of the United States in such cases.

Respectfully yours,

EDWARD L. REED

[Enclosure—Translation]

The Cuban Secretary of State (Ferrara) to the Cuban Diplomatic Representatives Abroad

HABANA, August 20, 1932.

Mr. (Ambassador, Minister, or Chargé d'Affaires):

The undersigned Secretary, during the short period he has filled this office, has faced the necessity of solving two cases of recognition, one of a new State and the other of a new Government.

On March 12th of this year, the new State of Manchuria addressed to this Government of Cuba a note, which, in translation reads as follows:

[For text of the note in English as sent to the United States, see telegram from Mr. Hsieh Chieh-shih to the Secretary of State, March 12, 1932, printed in volume III, page 579.]

The Government of Cuba replied in the terms which in translation are as follows:

"Mr. Minister: I have the honor to acknowledge the receipt of Your Excellency's valued communication dated in Changchun on March 12th of this year, by which you were so good as to advise me that the Provinces of Fengtien, Kirin, Heilungkiang and Jehol, as well as the special District of Tungsheng and the Mongolian Mengs (Leagues), have united under several flags for the purpose of establishing an independent Government, severing their relations with the Republic of China and creating the State of Manchuria with unity of action and a single purpose. Your Excellency likewise states the reasons which counselled the establishment of the new State, as well as its purposes; and as to the relations with foreign nations, you set forth the principles according to which it has been definitely decided to adjust diplomatic intercourse. Finally, Your Excellency expresses the desire that formal diplomatic relations may be established between the Cuban Government and the new State of Manchuria. In reply, I am pleased to state that the Government of Cuba follows the practice of recognizing every State which is created with the consent of the governed, thereby maintaining in its integrity the principle of 'self determination'. As soon as the foregoing principle is evidenced in your State, and the principal Powers interested in the policy and in the international commerce of the Oriental regions consider that the life of this new State is assured, the Government of Cuba will have no objection to entering into formal and continuous relations with the State of Manchuria. I avail myself of this opportunity to offer to Your Excellency the assurance of my highest and most distinguished consideration. (signed) Orestes Ferrara. To His Excellency Mr. Hsieh Chieh-Shih, Minister of Foreign Affairs of Manchuria. -Changchun."

On July 15th last, the new Government of Chile addressed the Government of Cuba in the following terms:

"Mr. Secretary: I have the honor to advise Your Excellency that on the 8th of the current month of July, the Government of Chile was constituted under the Provisional Presidency of Mr. Carlos Dávila, with the following Cabinet: Minister of the Interior, Mr. Eliseo Peña Villalón; Foreign Affairs and Commerce, Mr. Luís Barriga Errázuriz; Treasury, Mr. Enrique Zañartu Prieto; Justice, Mr. Guillermo Bañados; Education, Mr. Carlos Soto Rengifo; War, Lieutenant Colonel Pedro Lagos; Navy, Rear Admiral Francisco Nieto; Improvements ('Fomento'), Mr. Victor Navarrete; Public Health, Doctor Alfonso Quijano; Lands and Colonization, is temporarily filled by the Minister of the Interior; Agriculture, Mr. Arturo Riveros; and Labor, Mr. Ignacio Toro.—Likewise I have the honor to state to Your Excellency that the new Government addressed the following Note to the Resident Diplomatic Corps:

"The Government of Chile, in the development of the principles which embody its program of action, will respect its international obligations, insure internal order, and endeavor to draw more closely the ties of all kinds which unite it to friendly countries. With the purpose of definitely establishing normal public functions, it has already adopted the measures which permit consultation of the will of the people the first Sunday of the coming month of October.'

Upon communicating the above to Your Excellency, I have to state that the Government hopes to continue the cordial relations which have always existed with the Government of Your Excellency, with a view to tightening the ties of friendship between our countries. In bringing the foregoing to the knowledge of Your Excellency, I avail

myself of this opportunity to renew to you the assurances of my highest and most distinguished consideration. (signed) Emilio E. Bello. To His Excellency, Dr. Orestes Ferrara, Secretary of State of the Republic of Cuba."

The undersigned replied as follows:

"Mr. Minister: I have the honor to refer to your valued note of yesterday, in which you are so kind as to inform me that the Government of Chile has been organized under the provisional Presidency of Mr. Carlos Dávila, likewise giving me the names of the persons who have been designated to form the Cabinet. In wishing Your Country all the happiness of which it is worthy, I have the honor to state that it is my earnest desire to continue the good relations which Cuba has always maintained with the Republic of Chile, and to draw still closer the ties of friendship which join the two countries, and at the same time to inform you that I have given instructions to our Minister in Santiago to call on His Excellency the President and personally express the foregoing wishes. I renew to Your Excellency the assurances of my highest and most distinguished consideration. (signed) Orestes Ferrara.—To His Excellency Mr. Emilio Edwards Bello, Envoy Extraordinary and Minister Plenipotentiary of Chile, Habana."

In matters of recognition, political interest has on many occasions been in conflict with legal opinion. We should desire to see the Law triumph in all cases, but we cannot deny that polical interest has priority in matters of this nature.

We consider it to be difficult to establish a theory, and we understand that the practical exigencies of the moment must be considered in every case, but within this practical relativity, we establish these general lines for the future:

- (1) Every new State which emerges from a Treaty to which Cuba may be one of the signatory or adherent parties, is, *ipso facto*, considered as recognized by the mere fact of the signature or *adhesión*, without the necessity of any further actions.
- (2) Every new state which emerges through the acceptance and recognition by an International Organization (League of Nations, International American Conferences), of which Cuba may be a member, is considered to be recognized without the necessity of new actions.
- (3) Notwithstanding what has been set forth in the preceding paragraph, the mere fact that a State may form part of one of the international organizations, in which Cuba may also be represented, does not a fortiori imply recognition of such State.
- (4) In order that a new State which is not in the situation of those mentioned in the first two paragraphs, may be recognized, it must fulfill the following conditions:
 - (a) That it be created in accordance with the will of the communities which form it.

(b) That it shall have, either directly or indirectly, by word or deed, expressed the desire to enter into the family of Nations.
(d) [sic] That the principal countries interested in the region where the new State is created shall have recognized it.

Every new Government, in distinction to every new State, must be recognized except in the case of weighty reasons which may make necessary the adoption of an opposite action, practically always tending to delay recognition rather than to deny it definitively. In Political Law, national or international, fact precedes the law. But, it is evident that at times political interest may advise our country not to enter into official relations with a new Government. As a general thesis, and save in the case in which our interest may indicate to us that we should assume a different attitude, this Department considers that the following rules prevail in the recognition of new Governments:

1st. That the new Government represent an established order, not precisely absolute, but not momentary either, and that in the political confusion which exists, because a new situation is involved, the party or group in power represent the most homogeneous part of those engaged in the struggle—in short, that a power with relative effectivity shall have been organized.

2nd. That this new Government declare that it will fulfill its international obligations of a generic order and that it will not try to harm any specific interest of ours or substantive rights of nations

with which we maintain cordial relations.

3rd. That the State in which the new Government has been formed may not have dictated, through Treaties, certain obligations to itself, in matters of recognition, such as has happened with the States of Central America.

4th. That the State in which the new Government is formed may not have accepted a doctrine such as the Tobar doctrine ⁵² and may have been applying it.

Recognition is the function exclusively of the Executive Power and therefore these rules constitute points of view of the present Administration which may change with circumstances and assume special cases in which a different procedure may be followed.

In controversies between parties, the Courts of Justice are not obliged to conform to the principles enumerated above, and they must take into consideration the juridical, and not the political aspect of the question.

⁵² Doctrine stated in 1907 by Carlos R. Tobar, formerly Ecuadoran Foreign Minister, calling for nonrecognition of *de facto* governments sprung from revolutions against the constitution.

These declarations will serve, Mr. (Ambassador, Minister, or Chargé d'Affaires) to apprise you of the attitude which this Department may take in the cases which may arise in the future.

I renew to you the assurance of my distinguished consideration.

Secretary of State

825.01/121 : Telegram

The Ambassador in Chile (Culbertson) to the Secretary of State

Santiago, September 7, 1932—noon. [Received 2 p. m.]

199. Whelpley, President of Cosach, expressed the opinion yester-day that delay in recognition would help his negotiations with the Chilean Government. I told him that I had no recent information from you which would indicate your present opinion. I added, however, that since the Chilean authorities think they have complied satisfactorily with the conditions necessary to recognition I believed that it would be unwise to delay unreasonably long because resentment would increase and the resulting disadvantages of nonrecognition would more than overcome any advantages which he might gain in his negotiations from delay in recognition. He thought that the negotiations might last for a considerable time but in my opinion the early conferences will reveal the general trend of the negotiations.

Santiago representative of Grace & Company, reflecting the views of his principals, raised today the question of the relation between recognition and the validity agreements made with the present regime. Suppose a later recognized government raises the question concerning the validity of a Cosach arrangement made with the *de facto* authorities, what difficulties, he observed, would this cover in the way of subsequent diplomatic action, if deemed expedient?

Santiago representative of the United Press informed me this morning that the Minister of Interior expressed to him yesterday a sincere hope that the American Government might recognize before September 18 which is the Chilean Independence Day. It is customary to have various official festivities on that day and it is desired that the American and European Governments be officially represented.

Tendencies indicate that Dávila's political position grows stronger.

Culbertson

825.00 Revolutions/192: Telegram

The Ambassador in Chile (Culbertson) to the Secretary of State

Santiago, September 12, 1932—4 p. m. [Received 8 p. m.]

202. I talked with Dávila today about the various political rumors which were current during the past week end. Many of them were mere fabrications but not all. He stated that he expected to change three ministers in his Cabinet this evening and that he hopes that General Blanche will accept the post of Minister of the Interior.

Speaking very confidentially he then told me that the next 24 or 48 hours will be critical and that he may find it necessary to retire from the Moneda. He said that there is a movement in the armed forces, supported by the Conservatives, which may try to force him to accept conditions inconsistent with the principles for which he has been working and to which he is devoted, and that if an effort is made to exert this pressure upon him he will retire. He has communicated his views to the leaders of this movement and expects the issue to be settled within a short time. His attitude was one of confidence. Until this political situation clears therefore the question of recognition, referred to in your number 80, September 10, 2 p. m., ⁵³ must await decision.

Dávila begins today serious discussions with Whelpley on the question of Cosach. In view of your telegram No. 79, September 1, 4 p.m., I have confined my activities in this matter to keeping myself informed. As reported in my despatch 1237 of August 17th 58 the Government authorized production by a number of independents who are proceeding rapidly with their arrangements. It thereby created a very difficult situation since politically it is almost impossible now to cancel the authorizations and withdraw its financial aid and internationally the independents are disturbing the market. The creditors will insist at least that the independents be controlled within very definite limits. Moreover, it is feared that if the Government withdraws from Cosach its proposals concerning the nitrate lands and concerning its right to taxation or participation in the profits will be far beyond anything which the creditors can accept. When we answer finally the question raised in your number 80, September 10, 2 p.m., I believe we will have to consider whether the program of the Government toward Cosach is acceptable within the assurances given to me to respect international obligations.

Culbertson

⁵⁸ Not printed.

825.00 Revolutions/196: Telegram

The Ambassador in Chile (Culbertson) to the Secretary of State

Santiago, September 13, 1932—4 p. m. [Received 4:11 p. m.]

204. Chile is virtually without a Government this afternoon. The armed forces are divided with Merino leading one side and Lagos the other. Merino is openly against foreign, particularly American, interests. The civilians are hoping to profit from the division in the armed forces. Dávila is still in the Moneda and has the support of Lagos and General Blanche. The only characteristic of the present situation is confusion. Up to the present there have been no disorders.

825.00 Revolutions/197: Telegram

The Ambassador in Chile (Culbertson) to the Secretary of State

Santiago, September 13, 1932—5 p. m. [Received 6:21 p. m.]

205. Dávila resigned and delivered the power to his Minister of the Interior, General Blanche, who was provisional Vice President and who declares that he will carry out the Socialist idea. It is apparently a victory for Merino.

CULBERTSON

825.00 Revolutions/200: Telegram

The Ambassador in Chile (Culbertson) to the Secretary of State

Santiago, September 14, 1932—4 p. m. [Received 4:21 p. m.]

207. Blanche has resumed the Provisional Presidency and has appointed Lagos Minister of War. The infantry took the military aviation field but Merino and most of his aeroplanes had gone to a commercial landing field north of Santiago. Guns are mounted in the Moneda and neighboring buildings. A state of expectancy prevails.

825.00 Revolutions/201 : Telegram

The Ambassador in Chile (Culbertson) to the Secretary of State

Santiago, September 15, 1932—11 a. m. [Received 11:17 a. m.]

208. Provisional President Blanche named Cabinet last night headed by Ernesto Barros Jarpa as Minister of the Interior. Barriga continues as Minister of Foreign Affairs. Francisco Mardones is Minister of Finance; Juan Antonio Rios, Minister of Justice; General Otero, Minister of War; Admiral Montalva, Minister of Marine; Gustavo Lira, Minister of Fomento; and Fidel Estay, Minister of Labor.

Merino and his supporters surrendered this morning at Ovalle. No American interests suffered in this political turnover. Santiago is quiet.

Government has promised Presidential as well as Congressional elections October 30th, maintenance of order and limitation of administration of country to a minimum required for normal conditions until regularly elected Government assumes power.

Constitutional forms were followed in turning over power to Blanche and therefore countries which recognized Dávila will continue relations with the new regime.

CULBERTSON

825.01/129 : Telegram

The Ambassador in Chile (Culbertson) to the Secretary of State

Santiago, [undated]. [Received September 25, 1932—10 p. m.]

209. Telegram received yesterday by British Embassy in Washington from London expresses too affirmatively my views on recognition. Last week I told British Ambassador here that in my opinion recognition had become a question of expediency and that by the middle of this week conditions might warrant a reconsideration of our policy. The situation is reviewed in my despatches which will arrive in Washington Wednesday, at which time I will report further by cable.

Present regime has renewed in writing the declarations of July 14 (telegram No. 132, July 14, 2 p. m.) but nevertheless resists my efforts to obtain written reply to my letter on re-export (despatch

No. 1230 of August 10)⁵⁴ and to my memorandum on release of bank deposits (enclosure 2, despatch No. 1248, August 30).⁵⁴ I will take a firmer position on these matters this week. Could you give me some support through a conversation tomorrow with the Chilean Chargé d'Affaires in Washington? Could you not say that the best evidence of an intention to comply with international obligations would be favorable action on the two above-mentioned questions? Moreover Chile will be seeking American cooperation in the purchase of wheat, in further interim financing for Cosach and other matters. Could you not intimate that Chile cannot expect our good will unless a reciprocal attitude is adopted in Santiago?

Culbertson

825.01/129 : Telegram

The Secretary of State to the Ambassador in Chile (Culbertson)

Washington, September 27, 1932—noon.

82. Your 209, undated. We are inclined to doubt the wisdom of appearing to tie up favorable action by Chile on bank deposits and the re-export question with possible American cooperation in wheat and Cosach. Would not the implication be that if Chile gives favorable action we will then do something about the wheat and Cosach matters? As a matter of fact, it is not at all certain that this Government can assist in wheat sales to Chile, and of course it is clear that this Government cannot do anything at all to bring about further financing of Cosach. Under these circumstances we feel it advisable not to talk with Edwards on the lines suggested.

As regards recognition, the question of stability of the present regime is important. We shall await despatches and cable mentioned in your No. 209 and further reports from you on this particular point.

STIMSON

825.00 Revolutions/210 : Telegram

The Ambassador in Chile (Culbertson) to the Secretary of State

Santiago, October 2, 1932—10 p. m. [Received 11:55 p. m.]

214. With civil war a fact in the north and threatened in the south Blanche resigned today. The movement was dictated by the Conservatives who took advantage of the unpopularity of the military

⁵⁴ Not printed.

in politics to accomplish their purpose. For the time being the executive power is in the hands of Oyanedel who is weak and who was appointed president of the Supreme Court by Dávila. He is supposed to succeed constitutionally to the Vice Presidency under article 66 of the Constitution. A Cabinet may be formed during the night but now the Under Secretaries are in charge of the Ministries. Confusion and uncertainty continue. The show is not over. Even my southeasterly colleagues are beginning to think that Chile is overdoing political instability.

CULBERTSON

825.00 Revolutions/213: Telegram

The Ambassador in Chile (Culbertson) to the Secretary of State

Santiago, October 3, 1932—9 p. m. [Received October 4—1 a. m.]

215. Principal political parties agreed yesterday to support Oyane-del government and to hold elections on October 30th. Other parties of the Left and workmen's associations will be invited to subscribe to the agreement. On this basis a Cabinet is being formed and an effort is being made to include in it men who will command public confidence and represent the different political groups. Javier Figueroa who resigned as President of the Supreme Court under Dávila has taken office as Minister of the Interior. Although Conservative his integrity, sincerity and fairness are guarantees to all factions. Jorge Matte, Minister for Foreign Affairs in several Cabinets prior to Ibañez administration, has accepted that portfolio. The Minister of Finance is Julio Perez Canto.

Some optimism, which I hope is justified, exists. But the fundamental difficulties referred to in my despatches remain.

This regime will take the position that it inherits the constitutional right to govern from Montero by virtue of article 66. This fiction is useful in internal politics but it will be best for us to guard reserve with respect to its effect on diplomatic relations until I receive a communication from the new Minister for Foreign Affairs and until we have had time to consider all its aspects. It presents more difficulties for countries which recognized the intervening regimes than it presents for us but, without this complication, we may finally classify it as an attenuation of a theory which approximates fatuity.

CULBERTSON

825.00 Revolutions/219: Telegram

The Ambassador in Chile (Culbertson) to the Secretary of State

Santiago, October 6, 1932—5 p. m. [Received 8:10 p. m.]

216. In its communication to me the present regime takes the position that it is constitutional in the sense that it receives its right to govern from Montero by virtue of article 66 of the Constitution. Its letter therefore makes no reference to its attitude toward international obligations.

In my opinion the present regime may at most be accepted benevolently as a step in the direction of constitutionality; it, like its immediate predecessors, is a government established by force. Responsible Chileans outside the immediate Government circle such as Silva Vildósola and Manuel Foster are in accord with my view that its constitutionality cannot be sustained (await my despatch No. 1276 arriving October 12th [13th]), 55 its insistence that foreign nations treat it as a fully constitutional government is merely an effort to sacrifice diplomatic prestige for the sake of a transitory internal situation.

If the present regime would give the usual assurances to respect international obligations I would favor recognition, but no indications have been given as yet by the Foreign Minister that he is willing to discuss recognition in accordance with the principles which we apply generally in the case of *de facto* governments.

I believe unless we can obtain the usual guarantees our best policy is to allow the present informal relations to continue and to recognize the new President when he takes office after October 30th. To recognize the present transitory regime without guarantees from it would be to waste our prestige whereas to withhold recognition for the present and then to grant it after passing over a series of de facto governments including the present one will give added prestige to a properly elected President as well as to ourselves.

British Ambassador has asked his Foreign Office whether it wishes him to request from the present regime a declaration on respect for international obligations.

CULBERTSON

⁵⁵ Not printed.

⁶⁴⁶²³¹⁻⁻⁻⁴⁸⁻⁻⁻³⁸

825.00 Revolutions/223 : Telegram

The Ambassador in Chile (Culbertson) to the Secretary of State

Santiago, October 11, 1932—7 p. m. [Received 10:45 p. m.]

217. Soon after the present Chilean regime assumed power, that is on October 7th, I requested through the usual protocol channels of the Foreign Office an opportunity to make a courtesy call on the Minister for Foreign Affairs to present my personal respects. On the same day in an informal communication to the Minister I stated: "I have requested through Mr. Vicuña an opportunity to call upon you personally in order to present my respects." No reply whatever was received either to my oral or to my written request. Today we made inquiries at the Foreign Office and were informed that: "The Minister is not disposed to receive the Chief of Mission of any country which does not recognize the present government." It was further stated that the Minister would not receive me informally but only as an Ambassador calling on the Minister for Foreign Affairs of a constitutional government with which we continue the formal diplomatic relations which we maintained with the Montero government. In other words he will not receive me unless I admit my call is an act of recognition. Minister has also refused to receive the British Ambassador and Chiefs of Mission of other countries who have not acquiesced in the theory of constitutionality which the present regime is trying to force upon us for internal political reasons. I have endeavored through several mutual friends to establish a friendly contact with the Minister in order to prevent his dogmatic attitude from creating an incident between the two countries. He has rejected my approaches and has indicated that he is not disposed even to discuss recognition. He said to one of these friends that he expected to obtain recognition from the American Government through the Chilean Embassy in Washington. About 4 p. m. I showed the above paragraphs to Mr. Figueroa, Minister of the Interior and Chief of the Cabinet. His attitude was conciliatory and he said that he would talk with the Minister for Foreign Affairs. About 6:30 Figueroa called me by telephone and said that the Minister for Foreign Affairs would receive me. Later the appointment was fixed at the Foreign Office for 11 a. m. Thursday. About the same time the Foreign Office advised the British Ambassador that the Minister for Foreign Affairs would receive him on Thursday.

A degree of political instability exists, encouraged by the military and extreme Left elements, but nevertheless I believe we will be justified to continue our discussions of procedure for recognition. We could

exchange letters simultaneously. In my letter I could state the respect for international obligations which we expect from the Chilean Government. In his reply the Minister for Foreign Affairs can accept my declaration and add, as he probably will wish to do, that of course his government will respect its international obligations since it is constitutional. We can avoid in our communication any commitment on the fiction of constitutionality and date recognition from the exchange of letters. The Minister for Foreign Affairs can go as far as he likes in his reply into the refinements of constitutional law.

Something of this general character was suggested by the Under Secretary for Foreign Affairs today to the British Ambassador.

I shall not discuss even procedure until I have your instructions, which I would appreciate having before my interview with the Minister on Thursday.

CULBERTSON

825.01/145

Memorandum by the Assistant Secretary of State (White)

[Washington,] October 12, 1932.

The Chilean Ambassador, Señor Cruchaga, called and said that in all the years he had been here and had been dealing with us he had never asked for recognition of a Chilean Government, but that he was going to do so now. He had not asked for recognition of the Dávila, Grove or Blanche Governments because he had not felt that they were legal. Now, however, there is a Government which is perfectly legal and constitutional. The Chilean Constitution provides that in the absence of the President members of his Cabinet in the order of precedence will succeed to the office as Vice President; that in the absence of Cabinet officers, the President of the Senate, the President of the Chamber of Deputies, or the Chief Justice of the Supreme Court will act as Vice President and within ten days call elections which are to be held within sixty days. He said that when Blanche resigned his whole Cabinet resigned with him; that the Senate and Chamber of Deputies had been dissolved, and that therefore it devolved upon the Chief Justice to succeed to office, and this he has done. This makes the Government perfectly legal and constitutional and Señor Cruchaga thought it should be recognized by us. He said that he had just received a letter from his brother-in-law, who is Minister for Foreign Affairs, enclosing a copy of a letter from Mr. Culbertson to the Minister for Foreign Affairs dated October 5 in which Mr. Culbertson said that he informally acknowledged Mr. Matte's communication of October 4 informing him of recent political developments and stated that this letter of Matte's had been transmitted to this Government. The letter was addressed to Sr. Don Jorge Matte, La Moneda, Santiago, without any title. Mr. Matte thought this very unusual and incorrect in view of the constitutionality of the Government and asked Mr. Cruchaga to take the matter up with me. Mr. Cruchaga read me Mr. Matte's letter in the above sense. He said that he had not been instructed to ask for recognition but nevertheless he was doing so. (It is to be noted that Mr. Matte's letter, while not specifically instructing Mr. Cruchaga to ask for recognition, certainly does so by implication through complaining of Mr. Culbertson's personal letter).

The Ambassador said that recent regimes in Chile had come in as a result of a coup d'état. The first Dávila junta came in through a coup d'état; the Grove junta came in through a coup d'état; the second Dávila regime came in through a coup d'état, and the Blanche regime also came in through a coup d'état. I observed that the Blanche regime also went out of office by a coup d'état to which Señor Cruchaga at once assented. I said that if the Blanche Government went out by a coup d'état it seemed incontestable that the present regime came in by a coup d'état. The Ambassador was somewhat taken back by this and after a moment's hesitation smiled and said yes, he supposed the present regime did come in by a coup d'état but that it was necessary to throw out the usurping unconstitutional Government by a coup d'état in order to bring in a constitutional Government.

I told the Ambassador that I wanted to make clear, at the outset, that we are not bargaining in any way whatsoever regarding recognition. We will be guided in this case, as we have in the past, notably in 1930 in the case of the Ibañez Government in Chile, the Uriburu Government in Argentina, the Vargas Government in Brazil, and the first Sánchez Cerro Government in Peru, 56 by the usual principles of international law and practice; namely, we will want to be satisfied as to the stability of this regime and concerning its respect for its international obligations.

On the question of stability, I pointed out that from the time Montero was overthrown on June 4 to the taking over of the Government by the present regime on October 4, that is to say in a period of four months, there had been five Governments in Chile. This does not speak well for the stability of conditions in Chile. I asked the Ambassador how we could know that the present regime would stay in office any

⁵⁶ See sections entitled "Revolution in Chile," Foreign Relations, 1931, vol. 1, pp. 901 ff.; "Revolution in Argentina," ibid., 1930, vol. 1, pp. 378 ff.; "Revolution in Brazil," ibid., pp. 432 ff.; and "Revolution in Peru," ibid., vol. 111, pp. 720 ff.

longer than the ones which have recently preceded it. The Ambassador said that he was unable to give me an answer to that question; that of course there is no way of being certain on this point. He said, however, that the people of the country are tired of revolutions and military movements and that they are unanimously behind the present Government, and that the army and navy are also solidly supporting it. All want to get back to a civilian, constitutional Government. I asked what evidence there is that the authorities throughout the country, such as the *Intendentes* of the various provinces, et cetera, are obeying the instructions of this Government and supporting it; that the people as a whole acquiesce in it, and that there are no subversive movements under way against it or armed opposition to it.

As to the question of respect for international obligations I said that it was usual to get such a statement from a Government coming into office through a coup d'état as the present Government certainly did. It came into office by virtue of an uprising of the military authorities at Antofagasta, which caused the overthrow of the Blanche Government. The first Dávila junta and the succeeding ones had made very categoric statements as to the policy they would pursue. These statements were announced by a socialistic regime based on principles contrary to those usual in the relations of one state to another. It had therefore been necessary for us to go very slowly in granting recognition to those Governments to see just what they intended to do in the way of respect for their international obligations, including the treatment of foreigners resident or doing business in their territory. The present regime has made no statement on this subject and, in view of the many regimes which have been in office and the position they have taken, I told him that I thought we would want to know exactly what the intentions of this regime are in the matter. I said that if this Government considers itself to be the legitimate successor of the last constitutional Government it undoubtedly does not hold the same views as the recent regimes and would repudiate their policies. In the absence of any statement to this effect, however, we can not know that they are not just carrying on the policy of their immediate predecessors in office.

The Ambassador said that he was not making any inquiry of me but was merely asking himself questions which he did not expect me to answer. It occurred to him that should the army and the navy make statements supporting the present Government, as well as the *Intendentes* throughout the country, ——I interrupted the Ambassador to say again that we were not bargaining regarding recognition and that I was not laying down any conditions to be fulfilled for us to consider that there is stability in Chile and that the present regime

is acquiesced in by the majority of the people. I said that I would not consider it proper for us to do so. On the question of stability we would be guided by the reports from our Embassy in Santiago. However, we do want to know where we stand regarding Chile's respect for her international obligations and American property interests in Chile. The history of the last few months in Chile makes this most necessary as he must recognize. The Ambassador said that he did recognize this and that he would take the matter up with his brother-in-law to see what could be done.

The Ambassador hoped that if satisfactory assurances could be given we would recognize promptly. I told him that I wanted to be sure he understood our position and would not be misled or would not mislead his people in Chile regarding anything I might say: The present Government has only been in office eight days and that is a very short time in which to judge stability. I also pointed out that elections are called for on the thirtieth of this month and that the way in which these are conducted will of course have considerable bearing on the question of stability. If the people acquiesce in this Government and go to the polls, that speaks for itself. If all the parties are satisfied and the defeated candidates feel that they are fairly treated and acquiesce in the result of the elections, that is still further evidence of stability and an advance toward a constitutional Government. Mr. Cruchaga said that he could understand our wanting to wait for the elections before recognizing his Government but he hoped that we would not wait until the installation of the new Government in December before doing so. I told him that everything depended on the circumstances and developments and that anything I said should not be interpreted to mean that we were definitely determined not to recognize the new Government until after the elections—we might possibly recognize it before the elections; we might recognize it after the elections but before the installation of the new Government, or we might wait until after that event.

The Ambassador again referred to Ambassador Culbertson's letter of October fifth and said that it had caused a good deal of surprise to the present Chilean regime which considers itself a constitutional Government. They thought his personal and informal letter was most unusual in the circumstances. I told the Ambassador that I could not agree with him; I said I did not see anything else that Ambassador Culbertson could have done. I thought his letter was perfectly correct under the circumstances. There has been a series of Governments in Chile over the last few months which we have not been able to recognize. I said I could understand the present authorities in Chile desiring to be considered as constitutional but that he

must look at it from the point of view of foreign Governments also and in the light of what has taken place in Chile in the last few months. In view of this it was eminently proper for Ambassador Culbertson, when the new Government came in as a result of a coup d'état, to send a personal note of acknowledgment to Mr. Matte and to say that he was transmitting Mr. Matte's note to this Government. To send a formal acknowledgment might be considered as recognition of the new regime, which it was naturally Mr. Culbertson's wish not to do until he was so instructed by this Government. The Ambassador then said that what he had told me regarding this letter was a purely personal and private matter which he had discussed with me as an individual and not as Assistant Secretary of State, and that he did not wish to pursue it any further.

After talking with Mr. E. C. Wilson, I called up Ambassador Cruchaga and, with reference to our conversation earlier this afternoon, told him that since our talk I had had brought to my attention a circumstance which I wanted to call to his attention. He had told me that the present regime in Chile considers itself to be a constitutional Government because the Chief Justice had succeeded, in the absence of a President, to the office of Vice President. Mr. Cruchaga had said that the regimes in office in the last four months had been unconstitutional and I wanted to point out that the Chief Justice of the Supreme Court had held the same view and had resigned because he considered the Government to be unconstitutional, and that the Chief Justice who had now succeeded to office as Vice President was appointed Chief Justice by Señor Dávila, the head of an unconstitutional regime. I asked how Señor Oyanedel could under these circumstances be considered as the constitutional successor or the constitutional President. I said that the Constitution provides for the Minister of the Interior as the ranking Cabinet officer to succeed also and that when Señor Dávila went out of office the second time through a coup d'état his Minister of the Interior, General Blanche, had succeeded. I said that that regime might also have alleged that it was a constitutional one but no such attempt had been made by it. I asked Mr. Cruchaga if he had any light to throw on the situation. He said that this had not occurred to him before but it brought up a "very interesting point" and one which he had not yet considered but which he would think over.

F[RANCIS] W[HITE]

825.00 Revolutions/225 : Telegram

The Secretary of State to the Ambassador in Chile (Culbertson)

Washington, October 12, 1932-6 p. m.

- 83. Your 216, October 6, 5 p. m., and 217, October 11, 6 [7] p. m. Your despatch No. 1276 57 has not yet been received.
- 1. We are of course not bargaining over the question of recognition and must be careful to avoid giving any appearance of bargaining.
- 2. It would seem that if the present Government is to be consistent in maintaining its theory that it is the constitutional successor of the Montero Government, this would mean that the present Government disavows and regards as non-existent all the acts, decree laws, et cetera, of the intervening regimes. You should inquire on this point of the Foreign Minister and ascertain exactly what the position of his Government is as to the various decree laws of the regimes since Montero's overthrow.
- 3. In any case we feel that there should be some assurance given by the new Government regarding respect for international obligations. Of course we have not the slightest desire to contest their theory of constitutionality, but as a practical matter we must know where we stand on the question of the present Government's respect for international obligations.
- 4. Please cable your estimate of the stability of the present Government. Does it appear to have the general acquiescence of the people? Are its orders carried out by the administrative authorities throughout the country? Are there any subversive movements?
- 5. After receipt of reply from you as to assurances of the new Government regarding respect for its international obligations, and as to your own estimate of the question of stability, Department will consider matter further and instruct you concerning recognition.
- 6. Please cable translation of the communication from the present régime mentioned in first sentence of your No. 216.

STIMSON

⁵⁷ Dated October 5; not printed.

825.00 Revolutions/226 : Telegram

The Ambassador in Chile (Culbertson) to the Secretary of State

Santiago, October 16, 1932—9 p. m. [Received October 17—12:34 a. m.]

218. Delay and possibly failure would follow any attempt to obtain a formal written answer to your point number 2 in your telegram No. 83, October 12, 6 p. m. However, an answer has been submitted to us orally by both the Minister and the Undersecretary of Foreign Affairs. We reduced their answer to a memorandum and showed it to them. They stated that it correctly summarized their views. The memo is as follows:

"The Government of Chile recognizes that during the period June 4th to October 2nd there existed a situation de facto; that there was no Congress then nor is there one now; that there were de facto governments; and that it was necessary to legislate and to perform other acts of government which under the circumstances had to be done by decree laws and administrative acts. Therefore, the Minister for Foreign Affairs holds that the acts of government and decree laws which are within the Constitution or which have created interests shall be carried out. Moreover, it is the policy of the new government not to injure national or foreign interests created by those acts and decree laws. The Minister of the Interior has opposed the application of the decree law concerning the Commissariat of Subsistence on the grounds of unconstitutionality. The Minister for Foreign Affairs is in accord with this opinion unless a fundamental reason should oblige the government to proceed in the interests of public order and provided no other procedure is possible."

Complying with point 3 of your above-mentioned telegram I exchanged letters yesterday with the Minister for Foreign Affairs. My letter reads:

"With reference to communication of October 4th in which you were good enough to inform me of the formation of a government under the Vice Presidency of Don Abraham Oyanedel, my Government has instructed me to inquire whether, as we assume it will, this new government will respect the international obligations of Chile and will afford to American interests full protection as provided for under the laws and the political Constitution of the State."

The reply in translation reads:

"In reply to your communication of even date I take pleasure in declaring to you that naturally the Government of Chile, as a constitutional government, will respect its international obligations and the interests of foreigners in conformity with the laws and the political Constitution of the State."

Merely as a matter of precaution we made it clear that this exchange of letters does not imply recognition nor is it a bargain for recognition. Similar letters somewhat more general in character have also been exchanged with the British Ambassador and the German Chargé d'Affaires.

In reply to point 4 of your above-mentioned telegram I can add very little to my former telegrams and despatches. It is probable that the present regime will remain in power until the elections on October 30th and thereafter until the new President assumes power, but I cannot state this as a certainty. No one who knows the situation in Chile could venture more than this. Some groups desire to postpone the elections. Others do not want them held at all. For the time being the armed forces are unpopular and apparently are sufficiently depressed not to undertake a coup d'état. The extreme Left is aggressive in the interests of Grove but it seems certain that the carabineros and the civil guard can assure the country against any serious social disorders.

Since my despatch No. 1266 [1276?], October 5th, 58 the Conservatives have named a candidate for President but it is not believed that this will affect materially the results of the elections.

In reply to the specific questions under your point number 4 in the above-mentioned telegram no serious subversive movements exist at the present time. Antofagasta remains a little snooty but in the north as elsewhere the administrative authorities of the government are respected. A conciliatory attitude is being taken toward the north.

I should like to be able to assert categorically that political stability has returned to Chile. However, I must state the facts as they are. Disequilibrium exists and while it exists Chile will suffer from political instability. If recognition is to await a stable political regime it will wait a long time.

In my opinion therefore we should select a moment of quiet and establish formal relations with one of the scenes in the passing show. At present we look upon one of the more quiet and serious scenes, at least it takes itself and the Constitution seriously and therefore may take its obligations seriously. The Minister for Foreign Affairs based his assurances in the above-quoted exchange of letters on the Chilean Constitution. His theory gives them added weight not only with this regime but will give them significance with a government which comes to power through the elections. By recognizing this regime we will obtain the special assurances given and in addition the general guar-

[&]quot;Not printed.

antees of a government which takes the Constitution seriously for foreigners as well as natives.

Moreover, if we and the European powers recognize, these acts will help stability and make relatively certain the elections which are, to say the least, a bona fide effort to return to constitutional government. In fact in my [any] public statement which you make in connection with recognition it would be well to associate recognition with the elections as a definite step toward the return of constitutional government in Chile.

CULBERTSON

825.00 Revolutions/227 : Telegram

The Ambassador in Chile (Culbertson) to the Secretary of State

Santiago, October 17, 1932—noon. [Received 12:05 p. m.]

219. If after considering my telegram No. 218, October 16, 9 p. m., you are inclined to grant recognition in the immediate future, please give me preliminary advice of your decision in order that I may send you a final opinion on the political situation. Some people feel that this is a very critical week for the present regime and for this reason it may be well to await developments and withhold a definite decision until the first of next week.

Culbertson

825.00 Revolutions/231 : Telegram

The Secretary of State to the Ambassador in Chile (Culbertson)

Washington, October 17, 1932-6 p.m.

84. Your 218, October 16, 9 p. m., and 219, October 17, noon. Department feels that the reply of the Minister of Foreign Affairs of October 15 to your letter of that date regarding respect for international obligations is satisfactory.

As regards the other question raised in the Department's 83, October 12, 6 p. m., namely, stability of the present regime, Department will await further report from you as indicated in your 219, October 17, noon, before reaching definite decision on question of recognition.

Stimson

825.00 Revolutions/228 : Telegram

The Ambassador in Chile (Culbertson) to the Secretary of State

Santiago, October 19, 1932—11 a. m. [Received October 19—10:20 a. m.]

220. The Government declares publicly this morning that the elections will not be postponed for any reason thus rejecting efforts in that sense and settling the only serious issue which could have disturbed its stability. I have talked over the political situation with the Minister for Foreign Affairs and report further today.

The plan now is for the new German and Bolivian Ministers to present their credentials on Friday. The President would like to receive the entire Diplomatic Corps on that day but this cannot be done if we and the British delay recognition.

CULBERTSON

825.00 Revolutions/229: Telegram

The Ambassador in Chile (Culbertson) to the Secretary of State

Santiago, October 19, 1932—6 p. m. [Received 8:15 p. m.]

221. Referring to my telegram No. 220, October 19, 11 a. m., I have just talked with the Minister for Foreign Affairs. With confidence and without qualification he asserted that the government would hold the elections on the 30th and, continuing the public administration strictly within the laws and Constitution, deliver the power to the newly elected Executive. ⁵⁹ He described as tales unworthy of consideration the rumors that the Extreme Left could interfere with the settled program of the Government. He stated that the Army is now in its place with new commanders who support the Government and who have disciplinary control of the troops. He stated that without question the *carabineros* could be depended upon to maintain order and that the Navy and the garrison of the north are supporting the government's program. He stated that it was not the intention to modify the Cabinet before the elections.

Referring to my telegram No. 218, October 16, 9 p. m., it would be too much to say that permanent political stability has returned to Chile. However, after the more than 4 months of turmoil and uncertainty I believe that the time has arrived when we can with dignity and with profit renew our official relations with the Moneda. It is not necessary in my opinion to delay action until the first of next week.

Culbertson

⁵⁰ Arturo Alessandri Palma, President-elect, assumed office on December 24, 1932. (825.001Al2/37).

825.01/147a :Telegram

The Secretary of State to the Ambassador in Chile (Culbertson)

Washington, October 20, 1932-3 p. m.

85. Department's 84, October 17, 6 p. m., and your 220, October 19, 11 a. m., and 221, October 19, 6 p. m. You are authorized to send tomorrow official note to the Minister for Foreign Affairs in reply to his note of October 4 stating that your Government will be pleased to carry on with his Government cordial and friendly relations.

Department has received requests from various Governments to be advised of its decision in the matter of recognition of the Chilean Government, and is therefore advising such Governments in confidence that you have been authorized to extend recognition tomorrow.

Please cable when action is taken, in order that announcement may be made to the press here.

STIMSON

825.01/148 : Telegram

The Ambassador in Chile (Culbertson) to the Secretary of State

Santiago, October 21, 1932—1 p. m. [Received October 21—noon.]

222. Complying with the instructions in your telegram 85, October 20, 3 p. m., I presented today at noon to the Minister for Foreign Affairs an official note of recognition. At about the same time the British Ambassador presented his note granting recognition. The same policy will probably be followed by Holland, Portugal, Belgium and other countries. The German Minister will reach his decision this afternoon.

CULBERTSON

REPRESENTATIONS AGAINST PETROLEUM BILL OF MAY 17, 1932

825.6363/91 : Telegram

The Secretary of State to the Ambassador in Chile (Culbertson)

Washington, February 23, 1932—noon.

9. Your despatches No. 1006, October 29, 1931; No. 1014, November 5; No. 1045, December 9; No. 1080, January 20, 1932; and telegram No. 136, November 5,60 regarding proposed petroleum monopoly.

The following represents our judgment here in connection with this situation.

⁶⁰ None printed.

The Department believes that you should discuss this matter with the Chilean Government informally, unless you believe the action unwise. In this discussion the following considerations are transmitted for your guidance:

- (1) Though the soundness of this monopoly from the point of view of yield to the Treasury and of benefit to the Chilean people seems distinctly open to question, the Department does not desire to discuss this phase of the matter even in principle with the Chilean authorities.
- (2) If the Chilean Government is absolutely determined to establish a monopoly, the American companies which may wish to compete, as an alternative to extinction, should have equal opportunity to present their proposals.
- (3) It holds however that the unwillingness of American companies to bid for this monopoly under the terms laid down in the law does not lessen their right to compensation if (a) such established companies are forbidden to continue operation or (and) (b) if their property is wholly or partly expropriated.
- (4) The amount of compensation should be equitable, but there seems to the Department not much use in attempting to argue out to the small details the question of whether compensation should cover good will and similar intangible assets, which question is undecided even in American practice.
- (5) In connection with this question of compensation, however, the Department is impressed with the fact that all promises of compensation no matter how legally drawn, would seem to have little actual value under existing circumstances. In view of the complete default of Chile on its external debt and the existing and prospective state of the Treasury as summarized in the statement of the new Chilean cabinet, conveyed in your despatch No. 1025 of November 19,61 how much in your judgment is any promise of compensation worth or how much can it become worth in reasonable time? In the light of this doubt, is the Chilean Government's promise of compensation to be taken as much more than legal pretense made under emergency conditions? If your judgment accords with that of the Department, the Department has no objection to your conveying this thought to the Chilean authorities.
- (6) The Department is further inclined to believe this may not be an improper occasion to point out to the Chilean Government the American awareness of the fact that American interests in Chile have already suffered very grave losses, that they have been patient

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and considerate in understanding the circumstances, that the Chilean Government cannot expect them to regard with equanimity the further extension of these losses because of the action of the Chilean Government.

STIMSON

825,6363/92 : Telegram

The Ambassador in Chile (Culbertson) to the Secretary of State

Santiago, February 24, 1932—5 p. m. [Received 6:25 p. m.]

12. The Department's telegram No. 9, February 23, 12 a.m. meets with my entire approval, particularly its constructive suggestions with reference to compensation. I am considering how its contents may be brought to the attention of the Government most tactfully and effectively. In the meantime, it would contribute greatly to the result which we desire to attain if the British Ambassador in Santiago would receive from London similar instructions. He has already called for advice. The Department's telegram No. 8, February 20, 1 p. m.⁶² indicates that the British Government as well as the Shell Company, is actively interested in the Chilean situation.

Referring to my despatch No. 1101, February 16th, I feel that, in view of the Senate hostility to any participation by foreigners in the monopoly, the American interests should no longer delay filing with the Government a statement of their position in case they are forced to retire from Chile.

CULBERTSON

825.6363/122

The Ambassador in Chile (Culbertson) to the Secretary of State

No. 1163

Santiago, May 18, 1932. [Received May 26.]

Sir: Confirming my telegram No. 45 of today's date,⁶² I have the honor to transmit the text of the law promulgated yesterday, authorizing the President to establish a state petroleum monopoly. The text has been taken from the press as it will be some days before the law appears in the Official Journal.

As I have pointed out in the numerous despatches covering this subject over the past year, this legislation is permissive rather than

⁶³ Not printed.

mandatory and my conversations with the President and the Foreign Minister, (see despatch No. 1134, April 6, 1932), 64 indicate that the Government does not favor the strongly nationalistic features introduced into the measure by the Senate. Moreover, the difficulty of raising locally the funds necessary to put this law into operation will, in the opinion of the managers of the foreign oil companies, result in the postponement of the monopoly for an indefinite period. Nevertheless, a measure of this nature is a nuisance at any time and in the hands of an unfriendly or anti-foreign government, the law could be turned into a real menace. I regret that the President did not see fit to insist on amendments to the law before its promulgation but, confronted by other and more pressing differences with Congress, the Cabinet apparently decided in this case to follow the path of least resistance.

In my telegram under reference I suggested the desirability of our making some formal statement of our case to the Government. Heretofore, in compliance with the Department's suggestion with which I fully concurred, my representations have been only of an informal character. I believe, however, that the time has now come when we should put in writing a declaration of our intention to support a claim for full and effective compensation in case American interests are forced out of business through the expropriation of their property in Chile.

Respectfully yours,

W. S. CULBERTSON

[Enclosure—Translation]

Petroleum Monopoly Bill, Promulgated May 17, 1932 65

Article 1. Inasmuch as the national interests demand it, there is reserved for the State, either alone or in partnership with Chileans or national companies, the monopoly of the importation of petroleum, its derivatives and substitutes, and of the distribution and sale of these products.

The President of the Republic is empowered to fix the date on which this monopoly shall become effective, and shall be able to authorize, for determined purposes, the importation of petroleum, its derivatives and substitutes.

Article 2. For the purposes of the preceding article, a national company shall be considered to be one fulfilling the following con-

[&]quot;Not printed.

⁴⁶ From El Mercurio, May 18, 1932; Spanish text printed in Diario Oficial, May 17, 1932.

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ditions: a) Be legally constituted and domiciled in Chile; b) Its partners or stockholders to be of Chilean nationality in at least 60%, and all of its directors to be of said nationality, and, if it treats of a stock company, the shares must be nominal; and, c) Its capital must be Chilean in at least 75% whether this be because the natural persons constituting same are of that nationality, or because the stockholding juridical persons possess the requisites established in this article.

Article 3. The exercising of the rights conferred on the State by Article 1, can be conceded to third parties associating with it in accordance with the preceding articles, on the following bases:

a) That the State contributes no capital to the Company, nor gives its guarantee to capital which might be invested in it;

b) That the State be assured of a participation of not less than 75% in the profits of the Company, and all of the business connected with the importation, distribution and sale.

c) That the Company shall have a maximum duration of 17 years counting from the date referred to in the second paragraph of Article 1:

d) That within the same period of time there shall be amortized the obligations contracted in the nature of contributions or quotas;

e) That upon the expiration of the term of 17 years the Company shall become the exclusive possession of the State without cost to it;

- f) That the sums equivalent to the present importation duties per unit of petroleum derivatives shall not be considered as profits, which sums shall be previously discounted in favor of the public in the form of royalty or import bounty or reduction;
- g) That at least one half plus one of the Board of Directors shall be composed of representatives of the Fiscal interests named by the President of the Republic;
- h) That at least one of the Directors of the Company be named at the suggestion of the companies or persons exploiting coal mines; and.
- i) That the price of petroleum, its derivatives and substitutes cannot be increased without the joint agreement of the majority of the Directors, and of all the Directors representing the State in the Company.
- Article 4. The shares of the Company formed in partnership with the State for the exploitation of the petroleum monopoly, in accordance with the preceding Articles, in case there shall be constituted a stock company, shall be nominative.
- Article 5. Declares of public utility, and authorizes the President of the Republic to expropriate, the tanks, pumps, pipelines, elements of transportation and package manufacture for petroleum and its derivatives, and the products which said deposits contain.

The indemnities to be paid by reason of the expropriations shall

be governed by the procedure indicated in Article 12 of Law 4144 of August 25, 1927.

Article 6. The properties expropriated in accordance with the preceding Article can either be retained by the State or transferred to the concessionary firm or firms for a value not less than that of the expropriations.

Article 7. The price and quality being equal, the Fiscal or concessionary firm, according to the case, shall preferentially consume national petroleum, whether this be from petroliferous deposits, from bituminous shale or from Chilean coal.

Article 8. The State shall devote not less than 50% of the profits referred to in letter b) of Article 3 to the development of the mining and petroliferous activities of the country.

Of the profits of the Company there shall be devoted up to one hundred thousand pesos annually to the investigation and study of the hydrogenation and distillation of national coal.

Article 9. Authorizes the President of the Republic to contract an internal loan which shall produce up to 60,000,000 pesos for effecting, itself, the exercising of the rights conceded to the State in Article 1.

Article 10. The State or the Company organized in accordance with the provisions of the present law must preferentially employ, in the personnel necessary for its service, the Chilean employees at present discharging similar duties in the importing companies, and who may have, at the date of promulgation of this law, at least one year's service.

Workmen of Chilean nationality who, for whatever reason remain excluded from the new organization, shall receive an indemnity equivalent to two weeks' wages for each year of service.

Article 11. Ninety percent of the personnel of workmen and employees of the Company organized must be of Chilean nationality.

This same proportion must be observed in the total amount of the remunerations which the Company pays.

Article 12. The present law shall be effective from the date of its publication in the Diario Oficial.

JUAN E. MONTERO

Santiago, May 17, 1932.

CHILE 511

825.6363/120 : Telegram

The Acting Secretary of State to the Ambassador in Chile (Culbertson)

Washington, May 28, 1932—2 p. m.

24. Your 45, May 18, 4 p. m. 66 You are authorized, whenever you consider it advisable, to communicate in writing to the Chilean Government that in the event that Government takes steps to make the monopoly effective, thereby expropriating or otherwise forcing out of business American interests established in Chile, this Government will support a claim for adequate and effective compensation; by effective compensation is meant compensation which would be convertible without difficulty into United States money within a reasonably short period after the act of expropriation to those suffering loss.

CASTLE

825.6363/129 : Telegram

The Ambassador in Chile (Culbertson) to the Secretary of State

No. 1172

Santiago, June 6, 1932. [Received June 16.]

Sir: I have the honor to report that, in accordance with the Department's telegram No. 24 of May 28, 2 p. m., I submitted on June 3, to the Minister for Foreign Affairs, a formal note on the proposed oil monopoly. A copy is enclosed herewith.⁶⁷

Respectfully yours,

W. S. Culbertson

Ont printed; see despatch No. 1163, May 18, from the Ambassador in Chile, supra.
One of Not printed.

COSTA RICA

INSURRECTION IN COSTA RICA

818.00/1325 : Telegram

The Minister in Costa Rica (Eberhardt) to the Secretary of State

San José, February 15, 1932—7 p. m. [a. m.] [Received 12:10 p. m.]

12. Having heard rifle shots nearby and noted activities at the Buena Vista opposite Legation before daylight this morning and the presence of pickets in the vicinity, I called on President Gonzáles at 6 o'clock this morning. I found the Presidential residence in a turmoil, the usual bodyguard of the President being augmented by a civilian mob hastily and poorly armed among whom were all Cabinet Ministers except Pacheco and Baudrit the first designate. Latter is said to be held prisoner by Castristas. The President advised me that with the result of yesterday's elections still somewhat in doubt but strongly indicating that Ricardo Jiménez had received the majority, Manuel Castro Quesada accompanied by General Jorge Volio in connivance with Colonel Amadeo Vargas, chief of the garrison, had taken the garrison at about 2 o'clock this morning. They have also taken over the streetcar barn. Their emissary called at the artillery barracks but was unsuccessful in inducing them to join the movement and the President assured me that this garrison and all the police headed by his son General Arturo Quirós and Colonel Abel Robles remain loval.

Several volleys of rifle shots were fired about 4 a. m. but so far as has been ascertained no blood has been shed. News from Cartago indicates that Ricardo Jiménez is actively in control of the local garrison and that a special train of his supporters is now en route to San José.

- 1. Castro Quesada's intentions seem to be to compel Ricardo Jiménez to treat with him and the other candidates towards selection of neutral to whom the Presidency must be turned over.
- 2. In view of the bitterness of the campaign and the serious opposition which Jiménez seems certain to meet in and out of Congress many feel that the selection of a patriotic Costa Rican, not active in the campaign, would be the best solution.

3. Friends of Ricardo Jiménez feel that he will accept no such arrangement but they are hopeful, though not entirely certain, that other arrangements can be made without bloodshed.

EBERHARDT

818.00/1326 : Telegram

The Minister in Costa Rica (Eberhardt) to the Secretary of State

San José, February 15, 1932—2 p. m. [Received 8:17 p. m.]

13. Shortly after my visit this morning the President and family abandoned the Presidential residence, the family remaining with relatives and the President having taken refuge in the artillery barracks. The leaders of the Ricardo Jiménez faction are with the President. They have had several conferences with partisans of Castro Quesada whose last proposal has been that the Ricardistas name six men of their party from among whom Castro Quesada will name one who shall succeed to the Presidency. The President's secretary advises me that this proposition has been refused outright and that the President and those with him maintain that they will uphold the Constitution at all hazards.

The situation looks serious and hard fighting sometime during the next 24 hours seems certain. There has been intermittent firing of both rifles and machine guns during the day from the barracks opposite the Legation where Castro Quesada is said to have 500 or more men armed with rifles and some 20 machine guns. The President has called for reenforcements from Cartago, Alajuela and other provinces and claims that by nightfall he will have approximately 1,000 men under arms, including probably 10 or more machine guns.

Minister of Public Safety, Quirós, appears to have broken with Castro Quesada and to be lined up with his father-in-law at the artillery barracks. Some believe that with or without the full knowledge and connivance of the President, he is still working in accord with Castro Quesada to whom he will ultimately deliver the artillery barracks and that his only reason for not now openly cooperating with Castro Quesada has been the failure of the artillery barracks and police to go over to Castro Quesada during the night. Unless this combination is effected, Castro Quesada and followers, who are now all concentrated at Buena Vista Barracks, seem to be in a precarious position, though nobody doubts the declaration of Castro Quesada that they are determined to fight to the death.

EBERHARDT

818.00/1325 : Telegram

The Secretary of State to the Minister in Costa Rica (Eberhardt)

Washington, February 15, 1932—5 p. m.

9. Your 12, February 15, 7 a.m. Please keep Department promptly and fully informed of all developments by cable.

STIMSON

818.00/1329 : Telegram

The Minister in Costa Rica (Eberhardt) to the Secretary of State

San José, February 12 [16], 1932—11 a.m. [Received 3:55 p. m.]

14. On my invitation Fernando Castro Cervantes called this morning bringing Castro Quesada's latest proposition which I carried to and discussed with President Gonzáles Víquez who remains in the barracks where he has been since yesterday. The proposition was that the four parties in the recent election appoint one or more delegates to a permanent commission to consider a neutral candidate or other means of putting an end to the present fighting.

The President stated that the same proposition in substance had been submitted last night and had in turn been sent by him to Ricardo Jiménez in Cartago. The latter's reply is being awaited but neither the President nor his immediate followers feel that Ricardo Jiménez can or will accept. President Gonzáles states that he has no course open except that of legality. Prospects for an amicable settlement grow worse. Sniping continued during the night with three lively exchanges of shots of probably 15 minutes duration.

The President states that he now has 2,000 armed men. His soldiers took the Pacific station last evening with the loss of one man killed, the defenders having had no casualties. The plan to surround the Bella Vista Barracks during the night and commence bombardment this morning has not materialized.

I refused to vacate the Legation building last night upon request of the Government but urged them to proceed with their campaign regardless. In case plans are consummated this afternoon to launch a concerted encircling attack on the garrison we may be compelled to evacuate.

The Government has lost an opportunity of attacking the garrison as a whole since many of the Castristas have left the garrison to loot

nearby provision shops and there is fighting and sniping on most of the principal streets. It is rumored that six persons were killed during the night and probably others have fallen during the day. Reliable reports state that rest of the country is quiet. San José water and electricity still satisfactory and food supply adequate.

EBERHARDT

818.00/1381 : Telegram

The Minister in Costa Rica (Eberhardt) to the Secretary of State

San José, February 16 [17], 1932—10 a. m. [Received 8 p. m.]

15. Sniping and street fighting in the vicinity of the barracks and the Legation continued during the night where two Castristas and one Ricardista are known to have been killed. Public indignation is gradually arising against the government's dilatory attitude which is interpreted by some as a combination with the Castristas to defeat Ricardo Jiménez. There is a growing sentiment against President Gonzáles and some of the best citizens are talking seriously of compelling him to step down, they to assume the responsibility for orderly government till May 8th.

There are said to be some 5,000 men at the call of the Government with arms for most if not all and yet no active operations have been commenced. With no food, organization, or consecutive directions Government volunteers are deserting. I am reliably informed unrest due to the disgust at President's dilatory tactics giving encouragement to vandalistic and communistic elements in provinces. For the third time in as many days the President's secretary has advised me that a concerted attack on the Castristas will be undertaken in a few hours. He states today that they expect to use heavy artillery and promises to advise me well in advance. Since the Legation is directly in line of fire I may send servants and others from the premises.

Real possibility exists that Minister of War Quirós and President Gonzáles are in sympathy with Castro Quesada, and hence delaying his suppression so that he may make a satisfactory compromise. I am telling President that the Government must take steps at once to restore order. Cruisers off Limón and Puntarenas might have salutary effect.

EBERHARDT

818.00/1329 : Telegram

The Secretary of State to the Minister in Costa Rica (Eberhardt)

Washington, February 17, 1932—2. p. m.

10. Your 14, February 12 [16], 11 a.m. The fundamental principle underlying the Treaty of Peace and Amity of 1923 is that change of Government shall be effected by elections and not by force. The help that this Government has given to Nicaragua in the last 4 years was directed toward providing free and fair elections which would be accepted by all parties loyally and that there would be no attempt to change the results thereof through force or threats of force. This is the cornerstone of all democracy.

Applying these principles to the situation in Costa Rica and looking at the matter from a distance, we feel that the solution should be found in the acceptance of the results of the election which has just taken place, rather than through an attempt to change that result through force or threats of force. A compromise brought about through force or threats of force is of course equally undemocratic.

The Department is concerned lest your inviting a representative of Castro Quesada to visit you and then carrying the latter's proposal to President Gonzáles Víquez may tend to create the impression that the Department is not adhering strictly to the principles which it has followed in Central America in the past. You, of course, are in the midst of the situation and the Department does not wish to give you specific instructions until the situation has developed more concretely. It may be that there are local reasons, with which the Department is unacquainted, which would make this action on your part advisable. Nevertheless, in view of the importance of maintaining a consistent policy, the Department desires you to advise it fully of all developments and the reasons which you may think would require a departure from the policy outlined above before you embark thereon, in order that it may have a chance to consider the matter in all its phases and advise you as to its conclusions.

It is of course proper for you to use your influence to prevent fighting and bloodshed but you should be careful to distinguish between such action and steps which might change or impair the results of the Presidential election. You should carefully avoid any

¹ Conference on Central American Affairs, Washington, December 4, 1922-February 7, 1923 (Washington, Government Printing Office, 1923), p. 287.

action which would make you participate in the political settlement strictly limiting your activities to attempting to restore peace and to bring about a cessation of fighting.

STIMSON

818.00/1332 : Telegram

The Minister in Costa Rica (Eberhardt) to the Secretary of State

San José, February 17, 1932—3 p. m. [Received 4:47 p. m.]

Cut off with Werlich from Legation by heavy rifle and machine-gun fire while returning from conference with President this noon. Trueblood, Harris and all codes at Legation. Detachments from Buena Vista Garrison have occupied all buildings surrounding Legation including convent. Government has started dislodging artillery attack. Unrest fermenting in provinces and vandalism started which expected to increase incidental to recent communistic activity.

EBERHARDT

818.00/1333 : Telegram

The Minister in Costa Rica (Eberhardt) to the Secretary of State

San José, February 17, 1932—9 p. m. [Received February 18—3:20 a. m.]

16. This afternoon there have been nearly 6 hours of heavy fighting with rifles, machine guns and some artillery. Casualties unknown. A Castroist, risking bullets from members of garrison, took refuge under the Legation where he is at present. He states that the garrison is supplied with food and munitions but that there is dissension in their ranks among whom [are] some 200 desperate Nicaraguans, Salvadoreans and Mexicans who are in control. He states that they have already killed several of the garrison and Fernando Castro Cervantes advised me that Castro Quesada no longer commands and his own life and that of Baudrit are in jeopardy. Many of these desperate men left the garrison last night on a foraging expedition and have led street fighting during the day. Many more have since left and are threatening to sack the city tonight. I have informed the Government of the plot and the military authorities say they are ready for them. This group of desperados is made up largely of Nicaraguans held at Coyalar to whom reference was made in a recent despatch and coincident with their activity here in San José there has been plundering of several commissaries of the United Fruit Company and small shops in the Limón district by men who are believed to have been at least indirectly connected with the Bella Vista insurrection. Yesterday they were estimated to number 20, today official information places their number at 80 who are headed for the stores and dynamite supply near Siquirres. The Governor of Limón has asked the President for 200 rifles and 2,000 rounds of ammunition with which to arm local men. It is feared that some of these men fresh from recent incidents in Mexico and Salvador will find the local situation a fertile field for the doctrines and practices of communism.

One well-placed artillery shell this afternoon brought from the Bella Vista Garrison the threat to bombard the city if repeated. The Government gave orders to cease the bombardment but has advised Castro Quesada that if he does not surrender by noon tomorrow Bella Vista will be razed. The military commanders have issued orders that nobody shall appear on the streets after 1 o'clock tonight and no vehicles whatever will be permitted on the streets without the Government's special permission. A news bulletin announced that the Government has ordered all civilians from the city by noon tomorrow.

The Legation building, in the center of the line of battle, has received many direct hits outside and inside and is without light, telephone communication or electric power for cooking and heating. Mr. Werlich succeeded in returning to the Legation through the lines of fire and he and Mr. Trueblood are now marooned there. Major Harris and clerk Zweig returned through the same lines with a code and are assisting me at hotel coding messages. The Government has asked Panama to send two bombing planes and certainly needs outside help.

EBERHARDT

818.00/1334 : Telegram

The Minister in Costa Rica (Eberhardt) to the Secretary of State

San José, February 18, 1932—8 a. m. [Received 12:45 p. m.]

17. City subjected to incessant rifle and machine-gun fire during the night and, so far as known, the plan of garrison to sack the city was frustrated. Hundreds of families continue to stream out of the city. Artillery mounted on Post Office building and every preparation made for bombardment at noon if garrison does not surrender earlier. Indications are that the professional revolutionists, imported by

Castro Quesada and now apparently headed [by?] Jorge Volio are defying all authority and everything points to stubborn resistance. Werlich has just been sent by commander of the garrison for ambulance and he and I are now proceeding to visit the President to request parley. Entire area within several blocks of the Legation already abandoned and if bombardment becomes inevitable it will be necessary to abandon the Legation.

EBERHARDT

818.00/1331 : Telegram

The Secretary of State to the Minister in Costa Rica (Eberhardt)

Washington, February 18, 1932—1 p. m.

11. Your 15, February 16 [17], 10 a. m., last sentence. Inasmuch as your reports indicate that there does not appear to be any serious danger to American or foreign lives which the local authorities are not competent to deal with adequately, the Department feels, in the light of information now before it, that the situation does not warrant the despatch of war vessels to Costa Rican ports. You of course appreciate that it would be inconsistent with the Department's policy to send warships to Costa Rica merely for the effect which the presence of such vessels might have on the local situation.

For your confidential information. The *Memphis* and one destroyer are now at Balboa and another destroyer will be moved from Balboa to Colon to stand by there. Please continue to keep the Department fully informed of all developments.

Reference your 16, February 17, 9 p. m., last paragraph. You will of course insist that members of the Legation staff refrain from taking any unnecessary risks.

STIMSON

818.00/1335 : Telegram

The Minister in Costa Rica (Eberhardt) to the Secretary of State

San José [February 18, 1932—4 p. m.] [Received 6 p. m.]

Conference between Government and Castristas now under way at Legation, firing stopped at 1 p. m., and many Castrista troops have handed in arms. Insurrection believed over. Further details later.

EBERHARDT

818.00/1341

The Minister in Costa Rica (Eberhardt) to the Secretary of State

No. 796

San José, February 19, 1932. [Received February 24.]

Sir: I have had the honor to report on the recent abortive coup d'état by Presidential candidate Manuel Castro Quesada in the following telegraphic despatches:—

February 15, 7 a.m. (No. 12)
February 15, 2 p.m. (No. 13)
February 15, 4 p.m. (unnumbered)²
February 16, 11 a.m. (No. 14)
February 17, [16] 10 a.m. (No. 15)
February 17, 3 p.m. (Enclair-unnumbered)
February 17, 9 p.m. (No. 16)
February 18, 8 a.m. (No. 17)
February 18, 4 p.m. (Enclair-unnumbered)
February 19, 12 Noon (No. 18)²

The Presidential elections passed off quietly and apparently with the greatest of order on February 14th last, and until midnight, the reports were to the effect that no candidate had received a constitutional majority. However, I am reliably informed that one of the election committee called on candidate Manuel Castro Quesada at 2 a.m., with information to the effect that candidate Ricardo Jiménez had been obtaining sufficient last-count votes to assure his election. Manuel Castro Quesada is known to have left his house immediately after receiving this visitor and to have proceeded to the Buena (or Bella) Vista Barracks across the street from the Legation.

Shortly after 4 o'clock on February 15th, I was awakened by the noise of shots in the street between the Legation and the Barracks, and the shouting of "Vivas". The barracks was a scene of activity and numerous armed pickets were proceeding therefrom to occupy strategic positions in the neighborhood. I have learned that the Pacific and Atlantic railway stations, the Customs House and all the streets leading to the Buena Vista Cuartel were occupied. That the aforementioned act was premeditated there can be no doubt.

At 5 o'clock on the morning of February 15th the forces at the barracks consisted of the regular garrison of 200 men, more than 200 Costa Rican volunteers and over 100 imported Nicaraguan professionals. See my despatch No. 787 of February 9, 1932, page 5, reporting the importation of alien combatants. The military equipment consisted of two pieces of light artillery, 1000 rifles (the most

² Not printed.

recent acquisitions having been routed to this barracks), a score of machine guns, 300 or more cases of cartridges, and a reasonably large supply of siege food. The armament figures were obtained by Messrs. Werlich and Trueblood during a visit which they made to this barracks some two months ago and were confirmed on the morning of February 15th by Colonel Amadeo Vargas, the commander of the barracks in question. At 8 o'clock on February 15th, a train was run up alongside Buena Vista on the Pacific Railroad spur, bringing over reinforcements and additional food supplies.

The leading political personage in the barracks was of course Manuel Castro Quesada. Other important personages were Alejandro Aguilar Machado, whom the Department knows of through the Legation's despatches in respect of his enthusiasm for the League of Nations and his propagation of propaganda for peace; and General Jorge Volio, unfrocked priest and the person primarily responsible for the importation of professional combatants from Nicaragua.

At 6 o'clock on the morning of February 15th, I called, accompanied by Major Harris, American Military Attaché to Central America, upon the President of the Republic, who was still at his official Residence although preparing to leave for a safer place. The purpose of my visit was to inquire about the disturbing events and concerning the steps which would be taken for the maintenance of public safety. I ventured to express the hope that a prompt settly ment of the affair would be possible and I offered my personal assistance for such purpose as might assure the minimum amount of bloodshed. The President, who seemed even more nervous and upset than during recent months was apparently much relieved by my visit and asked me to keep in the closest possible touch with him. He expressed his dread that the country would be involved in an agonizing revolution during the remaining months that he is to hold office. His greatest concern, however, was for the safety of his nephew, don Fabio Baudrit, who, as the Department is aware, is Minister of Finance and Interior, as well as the First Vice President of the Republic and therefore the legal successor to President Cleto Gonzáles Víquez up to the expiration of the latter's terms of office on May 8, 1932. Also, Don Fabio, in the capacity of Minister of the Interior, had directed the presidential elections. Some time between two and four on the morning of February 15th, don Fabio Baudrit was taken prisoner by followers of Castro Quesada and interned in the Buena Vista Barracks, to be held as a hostage and a lever in negotiations which might be subsequently taken up with the Government. Other hostages were taken and an unsuccessful attempt was made to get Rubén Castro Beeche, the Chief of the President's household and the most energetic person in his entourage. When I made my first visit to the President, I told him and his advisors that I considered the uprising a purely internal affair and that responsibility for lives and property lay entirely with the Costa Rican Government.

During conferences which I had subsequently with the Executive, as well as with Castristas, I was reminded of the strategic position of the Legation building and of the great temptation which existed to use it for attacking and defensive purposes. My reply to these hints from the Government was that I had no intention of forsaking United States Government property, but that I would not feel justified in interfering with such military operations as might be considered necessary.

I received the visit of Garrison Commander Colonel Amadeo Vargas on the morning of February 15th. He called to tell me of his military dispositions and of his desire to cause the minimum of harm to the United States Government property.

Don Fernando Castro Cervantes, cousin and financial backer of candidate Manuel Castro Quesada, became during the days of February 15th and 16th the official intermediary for parleys between the opposing forces. On one occasion he feared that he would be unable to reach the President and asked me to convey a proposition which the Castristas desired to submit to the Government and the President. I complied, without comment, one way or the other. The visit was outlined in the first part of my telegram No. 14 of February 16, 11 a. m. (1932).

Negotiations continued throughout February 15th and 16th, with sporadic rifle and machine gun fire fairly well localized in this section of the city. The Government issued proclamations to the people stating that it was in a position to settle the affair, but that it desired to avoid bloodshed. However, the spirit within the country was becoming exasperated at the dilatory tactics of the government, and was threatening to take over, in an illegal way, the suppression of the insurrection, this threat being fostered by the energetic followers of Presidential Candidate Ricardo Jiménez. Moreover, the true story of the complete confusion and lack of unified command which existed in the Artillery Barracks, where the President and the Government had fled for protection, had become public knowledge. To add to the prevailing lack of confidence was the fact that the foraging by the Buena Vista Garrison in nearby grocery shops had proceeded unmolested up until the afternoon of Tuesday, February 16th.

At 4 o'clock on that afternoon, Government troops drove into the Buena Vista barracks all the insurgent units at large in the city. This was the first active step taken. It was followed by the occupation of a number of strategic points by loyal volunteers, although I am reliably informed by leaders of the occupying units that the seizure of these points was not only done without orders—but contrary to orders from General Quirós and the President.

On the morning of February 17th, the President finally . . . made the announcement to the people of the city, and to the insurrectionists in the Buena Vista Barracks, that he would order an artillery attack on the latter stronghold that day. No confidence was felt in the President's statement and surprise was great on all sides when six shrapnel shells were fired during the afternoon. One of these shells exploded over the Buena Vista Barracks, while two found their way into the Legation. (The material damage to the Legation will be reported in a subsequent despatch).

When the news came out that the shelling was to occur, the Mother Superior of the Convent of Zion, across the street from the Legation, asked what she should do, stating that she had received no word or offer of assistance from the French Chargé d'Affaires. The Convent of Zion is a French religious order which specializes in teaching and assistance to the poor. I advised evacuation, and, at the request of the Mother Superior, I obtained promises from both sides of a fifteen minute cessation of hostilities starting from 12 Noon, in order that the 40 nuns and the children at the Convent might be able to leave their building without the risk of physical harm. Unfortunately, the promise was not carried out by the insurgents, although I am quite sure that failure to do so is not to be attributed to either Castro Quesada or to Colonel Vargas. I have learned that General Volio and a band of his Nicaraguans decided to disobey the orders of their commander and make a sortie slightly before noon with the purpose of taking the Convent and using its corner windows as a machine gun emplacement and rifle parapet for sweeping the National Square and the loyal defenses around the President's residence. As proof of the utter disorganization of the Government chief command, it may be noted that the first that command knew of the seizure of the Convent was a telephone message from Major Harris at the Legation to me then in the President's temporary office, stating that the nuns could not be escorted to a place of safety as the Convent and the other houses to the North of the Legation had been seized.

There is no doubt that the seizure of the Convent, although a most regrettable occurrence, was the turning point in Government policy.

More authoritative Government commands were issued, the artillery attack mentioned above was started and there was a general stiffening in the attitude of the loyal units. Moreover, the seizure of the Convent was the critical moment in the morale of the insurgent forces; it was done without the authority of their superior command and had a deteriorating effect on discipline in the barracks.

Throughout the afternoon and evening of February 17th, rifle and machine gun fire was very heavy and although the Government forces did not seem to make any headway, the morale of the insurgents was doubtlessly harmed by the unexpectedly energetic action of the loyal troops.

On Thursday morning, the 18th, bulletins were sent out by the Government announcing that the artillery attack on the Bella Vista barracks would be renewed that day and advising all persons who feared for their safety to leave San José. This advice was taken au pied de la lettre; the roads leading out of San José which were not in the line of fire resembled those of Belgium during August of 1914; vehicles of every kind went piled high with assorted treasured belongings. By noon, sections of the city in the line of fire were practically deserted.

At 8:45 o'clock on the morning of the 18th Colonel Vargas called across to Mr. Werlich to request that a message be transmitted to the President of the Republic that the Castristas forces desired a parley. When Colonel Vargas spoke, some 20 of his troops went into one of the turrets of the barracks and begged Mr. Werlich to send for an ambulance and doctor, as some of their "pals" had been killed or wounded. This latter request was spontaneous from the men and did not come from their commander. Mr. Werlich asked Colonel Vargas if he needed the ambulance and doctor, to which he replied with a shrug of the shoulders. Colonel Vargas added that he had already sent Alejandro Aguilar Machado to the President with the same message, but that he feared his emissary had not succeeded in getting through the lines. Mr. Werlich came to the city unmolested, reported the request to me and we then immediately called upon the President with these messages.

When I delivered Colonel Vargas' message, the President informed me that he had already received Alejandro Aguilar Machado and informed him of the terms on which he would cease his attack. He told me that he had given the Castristas until ten-thirty, two hours, to accept his terms, which were as follows:—

1. Amnesty for all and freedom from persecution and prosecution during the remainder of his administration.

2. Immediate disarmament of all insurgent forces and occupation of the Bella Vista barracks by loyal police.

3. No consideration of the political demands of Manuel Castro

Quesada and his insurgents.

4. Return of Minister Baudrit.

5. Capitulation in a signed act by Manuel Castro Quesada and his associates in neutral territory, to wit, in the chancery of the Dean of the Diplomatic Corps—the American Legation—in the presence of the Diplomatic Corps assembled.

President Gonzáles Víquez insistently urged that I comply with the latter request, doubtlessly having in mind the extremely magnanimous terms which he was offering and at the same time desiring to humiliate in so far as possible the insurgents, through having their failure made doubly painful by being in the presence of foreign representatives. He asked that, if his terms were accepted by Manuel Castro Quesada, I take upon myself the convocation of my colleagues. At eleven o'clock he informed me that his terms had been accepted in principle and requested that the diplomatic corps meet with his representatives and those of the insurgents at one-thirty p.m. on Thursday, the 18th.

I was pleased to comply with the President's request although I am frank to admit that I was not sympathetic with the extremely lenient terms offered. I made no comments at any time relative thereto and merely acted in the perfunctory duties of Dean, as presiding officer of the conference. I escorted my colleagues through the lines from the center of the city, where we had assembled, to the Legation and I had in my car General Quirós. The following foreign representatives, in addition to myself and the Legation staff, were present at this meeting:

J. E. Lefevre, Minister of Panama; Monsignor Cogliolio, acting Papal Internuncio; Luis Soto, Secretary of the Uruguayan Legation

Luis Soto, Secretary of the Uruguayan Legation (Luis Saavedra, the Urugayan Minister, did not arrive until later, but was present at the signing of the articles of capitulation);

Luis Quer Boule, Chargé d'Affaires e.p. of Spain;

Francisco A. de Icaza, Chargé d'Affaires a.i. of Mexico.

Conspicuously absent were the diplomatic representatives of France, Chile, Cuba and Guatemala, who had followed the advice of the Government and fled the city.

Two and a half hours were spent in discussing the articles of capitulation and in drafting the terms thereof. Speeches were made by both sides and the Castristas insisted on bringing out, though I personally cannot see the value of their argument, that their insurrection was not against their good friend President Gonzáles Víquez, but

against their political foe, candidate Ricardo Jiménez—who, they said, had resorted to the use of foreign capital to obtain votes, tampered with registrations and indulged in other unfair practices.

The act of capitulation was signed on behalf of the Government by Minister of Public Safety General Arturo Quirós, and Ricardo Castro Beeche, the chief of the President's civil household. (Leonidas Pacheco Jr. was present as the personal aide and escort of Mr. Castro Beeche); and on behalf of the Castristas by Manuel Castro Quesada and General Jorge Volio. (Alejandro Aguilar Machado was present to plead the case of the insurrectionists and Ricardo Toledo as personal aide and escort of Manuel Castro Quesada; the Diplomatic Corps acted as observers.

The document was signed in triplicate, the original now being held in the archives of the Legation; one true copy was given to each of the signing parties. There will be found attached hereto, in copy and translation, the act of capitulation.⁴

Any remarks which I might have to make concerning the conditions of capitulation would appear trite in the eyes of the Department. However, as is easily understood, these terms have met with violent protest from the country at large. In fact, the country is seething with unrest and resentment against the President and only during the last few minutes I have learned that Government troops have succeeded in disarming the loyal volunteers who consider that to no avail they have spent three or four days under fire and endured other discomforts. Manuel Castro Quesada, General Volio and Colonel Vargas were given asylum under military guard in the fortress which they so recently held, but for a time it seemed that lynch law might prevail in their cases. I understand that during the morning of today, Manuel Castro Quesada was spirited out of the barracks and taken to the Mexican Legation. Colonel Vargas has just requested asylum at the American Legation, and been refused.

Earlier in this despatch, I had the honor to report that vandalism and disorder had spread in the provinces. This disorder became intensified yesterday afternoon when armed bands of marauders attempted to seize a dynamite deposit near Siquirres. There had already been attacks on the commissaries of the United Fruit Company in their plantation districts. Last night, one hundred policemen were despatched by special train to the Siquirres district, and I understand that they now have the situation well in hand.

My position throughout this whole incident has been a difficult one. I am thoroughly aware of the Department's attitude in respect of

^{&#}x27;Not printed.

interference in the internal problems of foreign countries, and I have guided every step accordingly. In this matter, I have had the full cooperation of every member of the Legation staff, whether officer or employee. I have offered no criticism or advice and have confined myself to listening.

As will be seen from the attached memorandum dated February 16, 4:30 p. m.,⁵ I did undertake one negotiation with the insurgents over the telephone at the request of the President of the Republic, namely to request the liberation of Fabio Baudrit.

My public statement upon the signing of the act of capitulation was the following:

"I am delighted that Costa Rica has been able to settle its own difficulties."

I do not feel justified in saying more or less. However, the Department knows full well the prevailing Central American attitude towards American policy and I have never had doubt that anything that I might do would be willfully misunderstood by those who desire to give any interpretation that they choose to my actions. I am already aware that such has been the case, I have been accused of being the person who dictated the terms of the act of capitulation. In order to stifle this accusation, I have communicated officially with the Minister for Foreign Affairs in a note, the copy of which is attached. I also forward his reply in copy and translation. That overt attempts to force me to intervene were made will be seen from the attached letter and its enclosure, with translation, from Presidential candidate Carlos María Jiménez. No acknowledgment has been made of this letter and no action has been taken in connection with the request contained therein.

The whole affair has been a most unfortunate one, the like of which has not occurred in Costa Rica for fifty years. It was undertaken by the irresponsible Manuel Castro Quesada. He might have acted otherwise if he had not felt confident that General Arturo Quirós and the army of the country would cooperate with him. Why General Quirós remained faithful to the Government is beyond comprehension. He is now considered a traitor by both sides. Public opinion, at first apathetic became inflamed when it was learned that the insurgents had brought in Nicaraguan mercenaries.

Respectfully yours,

CHARLES C. EBERHARDT

⁵ Not printed.

[Enclosure 1]

The American Minister (Eberhardt) to the Costa Rican Minister for Foreign Affairs (Pacheco)

No. 28

San José, February 19, 1932.

EXCELLENCY: It is with the greatest regret that I have learned of the mistaken conception on many sides concerning participation by myself and this Legation in the recent political upheaval in Costa Rica and concerning the influence which I, either in my official or private capacity, have brought to bear incidental to the signing of the Pact between the Government and its opponents at the American Legation yesterday afternoon. I feel justified in reminding you of that with which you are already aware, namely that neither I nor the Legation took sides in the affair nor were in any way concerned with its beginning, continuation or termination.

Yesterday afternoon, as the Dean of the Diplomatic Corps in Costa Rica, and at the personal request of His Excellency the President of the Republic, I turned over one of the rooms of the Legation for a parley in the presence of my colleagues of the Diplomatic Corps, between representatives of the Government of Costa Rica and its opponents. Subsequently, an amnesty pact between the aforementioned parties was signed here. It is my duty to reiterate that the hospitality which I thus extended was at the request of the President of the Republic and in my capacity of Dean of the Diplomatic Corps.

I permit myself to request Your Excellency kindly to acknowledge the receipt of this letter and to give its contents and your reply all possible publicity. The people of Costa Rica are well aware of the sentiments of devotion which I feel toward them and I am loath to have myself misunderstood by them.

I avail myself [etc.]

CHARLES C. EBERHARDT

[Enclosure 2-Translation]

The Costa Rican Minister for Foreign Affairs (Pacheco) to the American Minister (Eberhardt)

No. 70-B

San José, February 19, 1932.

MR. MINISTER: I have the honor to acknowledge the receipt of your Excellency's courteous note dated today setting forth the part played by your Excellency and that Legation in respect of the signing of the pact entered into yesterday.

It is with deep satisfaction that I ratify all the thoughts expressed in your note under acknowledgment and declare in the most emphatic way that your Excellency in your character of Dean of the Diplomatic Corps in Costa Rica confined yourself to lending the premises of the Legation for the celebration of the conference, without your Excellency participating or interfering in that act in any way.

The Government knows full well the good will and the feeling of affection which your Excellency manifests for our people and the cordiality and good will which inspire your Excellency and the distinguished staff of that Legation in your relations with our country.

I take [etc.]

818.00/1339 : Telegram

The Minister in Costa Rica (Eberhardt) to the Secretary of State

San José, February 23, 1932—4 p. m. [Received 8:18 p. m.]

20. Practically completed count of election returns indicates that Ricardo Jiménez failed of required majority by about 2,500 votes though there is remote possibility recount may throw out enough fraudulent votes to elect. Otherwise, Congress, called in session March 1st, must decide eligibility of Castro Quesada for special elections of April 3rd and in case negative decision what, if any, candidate may substitute for him against Ricardo Jiménez.

Opinion almost unanimous that regardless of procedure, barring his assassination which many predict and some threaten, Ricardo Jiménez will assume the Presidency May 8th with a Congress which he will dominate since by winning 14 deputies in recent elections he can count on 24 of the 43 which constitute entire membership.

Reliably informed Castro Quesada and Colonel Vargas are concealed in Mexican Legation awaiting funds and favorable opportunity to flee the country. Jorge Volio, third leader, remains for the time being unmolested at his San José home. Order for preventive arrest all three have been issued at the request of relatives of a victim of revolutionary bullets but Government enforcement unlikely unless these leaders circulate publicly.

Except for minor and sporadic disturbances in interior, situation seems entirely dominated through placing partisans of Ricardo Jiménez in control of all military and police.

EBERHARDT

818.00/1341 : Telegram

The Secretary of State to the Minister in Costa Rica (Eberhardt)

Washington, March 1, 1932—2 p. m.

12. Your despatch No. 796, February 19, page 12. The Department feels that the original of the Act of Capitulation should not be held in the archives of the Legation and that it should be transmitted to the Costa Rican Government.

STIMSON

818.00/1347 : Telegram

The Minister in Costa Rica (Eberhardt) to the Secretary of State

San José, March 7, 1932-noon. [Received 3 p. m.]

23. Internal situation of Costa Rica somewhat quieter through decision taken by Congress to defer selection of new President until convocation new Congress May 1st. Present Congress adjourned March 5th after voting that no run-off election for President be held. It is generally believed at present that Ricardo Jiménez will be chosen President in May but sufficient uncertainly exists, through continuation of open threats against life of Ricardo Jiménez and his party leaders, to react unfavorably on economic trends of the country.

EBERHARDT

818.00/1382 : Telegram

The Minister in Costa Rica (Eberhardt) to the Secretary of State

San José, April 27, 1932—noon. [Received 5:15 p. m.]

34. Conditions in Costa Rica becoming increasingly tense in anticipation of convocation new Congress May 1st to select new Chief of State. Spirit of violence in air and plans set to attempt kidnapping several deputies who will vote for Ricardo Jiménez for President, also increasing open threats of assassination Ricardo Jiménez. Consequently, followers Ricardo Jiménez have established organization to forestall above actions but young men both sides are carrying arms and period of disorganization possible unless drastic statement made through American press to influence opponents of Ricardo Jiménez to behave in an orderly manner. Disorders, even if not as accentuated as those of February last, will plunge Costa Rica into financial chaos and establish precedent of constantly recurring election disorders which have heretofore been so troublesome in other Central American States. Present Costa Rican Government obviously incapable of energetic action as proved last February and by two recent bombings in San José.

EBERHARDT

818.00/1382 : Telegram

The Acting Secretary of State to the Minister in Costa Rica (Eberhardt)

Washington, April 29, 1932—3 p. m.

19. Your 34, April 27, noon. We feel that this is a problem to be dealt with by the Costa Rican Government and people, and that for the Department to issue, as you suggest, a "drastic statement" in order to influence the course of events in Costa Rica would be an unwarranted interference in the domestic political affairs of that country. CASTLE

818.00/1384 : Telegram

The Minister in Costa Rica (Eberhardt) to the Secretary of State

San José, May 1, 1932—4 p. m. [Received 6:38 p. m.]

35. New Congress convened at noon and without friction elected Ricardo Jiménez First Designate; Julio Acosta Second Designate; León Cortes Third Designate; Arturo Volio President of Congress, and by decree in conformity with articles numbers 73 (clause 8), 95, 98 and 100 of the Constitution called the First Designate to exercise the Executive power as Constitutional President of the Republic.

EBERHARDE

818.001J56/10 : Telegram

The Minister in Costa Rica (Eberhardt) to the Secretary of State

San José, May 4, 1932—11 a.m. [Received 2:05 p. m.]

37. Referring to my telegram No. 35, May 1, 4 p. m., inauguration of Ricardo Jiménez as President of Costa Rica will take place at noon, May 8th, and I propose participating in inaugural ceremonies as Dean of the Diplomatic Corps unless the Department cables instructions to the contrary.

No constitutional objections to right of Ricardo Jiménez to Presidency through procedure by which he was chosen have come to my knowledge and I concur in the general feeling that he is the only man for the post.

EBERHARDT

818.001J56/10 : Telegram

The Acting Secretary of State to the Minister in Costa Rica (Eberhardt)

Washington, May 5, 1932-5 p. m.

20. Your 37, May 4, 11 a.m. You are authorized to participate in inaugural ceremonies.

818.001J56/11 : Telegram

The Minister in Costa Rica (Eberhardt) to the Secretary of State

San José, May 8, 1932—4 p. m. [Received 9:25 p. m.]

38. Ricardo Jiménez inaugurated President at noon today by the Congress before an orderly and enthusiastic populace.

EBERHARDT

CUBA

POLITICAL UNREST IN CUBA¹

837.00/8227

The Ambassador in Cuba (Guggenheim) to the Secretary of State

No. 1005

HABANA, January 25, 1932. [Received January 27.]

Sir: I have the honor to report on the present political situation and especially at this time to discuss and request your further instructions on our policy in Cuba.

Within the last three weeks, as reported in my telegrams No. 2, January 4, 5 p. m. and No. 4, January 9, 11 p. m., 2 nearly all of the political prisoners have been set free, including all of the leaders of the Opposition. On January 12, as reported in my No. 6, January 13, 10 a. m., an Amnesty Law, with certain reservations, was enacted. These reservations do not affect the political leaders of the Opposition. It should be noted, however, that the provision of the Amnesty Law under which the courts martial are given exclusive jurisdiction over all acts of military persons during the next thirty months is severely criticized as indicating the intention of the executive to continue the use of strong-arm methods indefinitely after the expected termination of martial law and particularly during the next elections. The exclusion from amnesty of all violations of the law of explosives and the provision for the withdrawal from the ordinary courts of all cases heretofore arising against military persons have also aroused strong objections.

The release of the political prisoners was urged upon Machado by Ferrara 4 on the ground that this action would strengthen Cuba's international position, act as a safety valve to relieve some of the accumulated political pressure, and prevent the martyrdom of Menocal and Mendieta from too long a prison confinement. Ferrara worked jointly with Cosme de la Torriente on behalf of this objective, but from this point on, it would seem that their political policies will run along

¹ Continued from Foreign Relations, 1931, vol. II, pp. 41-83.

³ Neither printed.

Not printed.

⁴ Presumably Orestes Ferrara, Cuban Ambassador at Washington.

different lines. Torriente informs me that at last the members of the Opposition have united in a single group, and that they will shortly form a new political party, organized in accordance with the provisions of the Electoral Code,⁵ and direct their activities to normal political channels, provided that they can feel sure of enjoyment of normal political liberties. In my opinion, this is a very important step forward and, if the opposition elements can really form a united front with one presidential candidate who will have their undivided support, it will help to clarify the political situation. . . . even confidentially whispers a candidate's name in my ear and, inasmuch as it is not himself, I am inclined to place some credence in the story.

The next point in Torriente's plan will be a request that the Government appoint a small committee to meet with representatives of the newly consolidated Opposition to draw up a law for changes in the Constitution. It is at this point that Ferrara's and Torriente's policies will be at cross purposes. The basis of the Opposition's proposal for reform will be an election for President under the supervision of a neutral Vice-President, either in November, 1932, or, if there is not sufficient time between now and then for preparations, at least early in 1933.

Ferrara, on the other hand, does not desire a change in the presidential office in the near future. He talks vaguely of the restoration of the Vice-presidency. It should be pointed out that the election of a Vice-President, who would become President, would have all the bitterness of a presidential election and would result in the same indignation and hostility on one side or the other. Ferrara is now planning to return to Washington in a few days' time. He has hoped to reestablish himself in this country and gain the approval of the many factions of the Opposition by his intercession on behalf of the political prisoners. In this Ferrara may be disappointed, and if he finds he has not won the confidence of the elements in the Opposition, he may be forced to sponsor a programme more constructive than the mere return of political leaders to their homes and to the streets of Habana.

Torriente informs me that at a conference which he had with Machado, Ferrara and Juan Gualberto Gómez, held for the purpose of discussing the question of the release of the political prisoners, Machado emphatically stated that he would not retire before 1935, nor did he care to discuss the question of retirement. Torriente replied that he had not come to suggest this matter to him, which could be

⁵ See Foreign Relations, 1919, vol. II, p. 10, footnote 7; ibid., 1930, vol. II, p. 650, footnote 4.

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properly discussed at some future time, but that they had merely met to discuss the advisability of freeing the political prisoners.

In my opinion, it is Machado's policy, in which he is encouraged by Ferrara, to make specious gestures of conciliation to the Opposition for the purpose of gaining time until November, 1932, when Machado apparently expects his hold upon the situation to be further strengthened by the election of governors, mayors and representatives (half the membership of the House) belonging to the existing parties. Those parties, as the Department is aware, are at present almost completely under the control of Machado; and if freedom of speech and freedom of the press continue to be restricted to such a degree as to prevent the organization of the proposed fourth party by the Opposition, the President's expectation will presumably be realized. The fact that over fifty per cent of the entire electorate in five of the six provinces are said to have been enrolled this month in the Liberal Party is cited by the President's supporters as a demonstration of public satisfaction with the existing régime. It should be borne in mind, however, that a very large part of the enrollment in all three of the existing parties may be accounted for by financial or other inducements which the affiliates could not be sure of receiving from any party not yet established and which could be accepted without prejudice to the right of the affiliates of the existing parties to vote for the candidates of the proposed new party. Machado probably will be appealed to by the Opposition to establish moral peace in Cuba by political compromise. Such a compromise might entail Machado's retirement in favor of a provisional President until the time of new elections in 1934. I believe that Machado would only accept such a compromise if he felt that the candidate for provisional president was a man who would not use his office to attack the personal interests of Machado and his friends, and would not even accept it then unless circumstances forced him to do so.

Among the factors which would influence his decision would be the attitude of our Government. There are two considerations which lead me to believe that it is of especial importance that neither Machado nor the Cuban people should be left in any doubt of our lack of sympathy with the present direction of Machado's policies, if we are to continue to avoid unfortunate political consequences from Cuban unrest: first, because following the disregard of our advice, the financial, economic and political situation has become progressively worse; and, second, because the faith of the Cuban people in the ability and disposition of the President to restore moral peace has been wholly lost.

For nearly a year and a half, Cuba has been in a state of disorder.

There has been agitation, demonstration, continuous bombing with some destruction of property, and last August the revolution which, though won by the Government, did not end in the reestablishment of moral peace. Intermittently, during this period, there has been a curtailment of freedom of speech or press; at the present time constitutional guarantees are suspended and the country is under martial law. An organization called "El Partido de la Porra" (Bludgeon Party), consisting of strong arm mercenary supporters of the Government, carries on sanguinary reprisals against violent or especially obnoxious acts of opposition groups. The only University of the country and all the higher schools have been closed for more than a year, due to student opposition to the Government. The jails have been intermittently full of political prisoners. In addition to the worldwide depression (and that is the basic cause of Cuba's economic plight), the lack of confidence in the Cuban Government and the conditions mentioned have helped to bring about a stagnation in business that has added to the misery of the Cuban people.

Unless a political accord can be reached within a reasonable time before the elections scheduled for next November, the present régime will reëlect Governors, Mayors, Provincial and Municipal Councilmen, and one-half of the Lower House. This will seriously augment the political discontent in Cuba, which began with the change of the Constitution in 1928, and was enhanced by the emasculation of the Crowder Electoral Code, by which the political machinery of all three parties was placed in Machado's hand.

It is difficult to detect any improvement or any immediate prospect of improvement in the fundamental conditions of Cuba, if affairs continue along the present course. They are rapidly leading to desperate endeavors to keep the exchequer in funds and the régime in office. Ill-advised and uneconomic tax legislation already has been passed. We can anticipate additional legislation that will be of an extortionate and discriminatory nature. Default on the public debt cannot be postponed much longer, and inflationary measures may follow. This will all result in the financial and economic collapse of Cuba and the loss of her credit for many years to come. Until now this has been postponed, in my opinion, by Machado's sporadic attempts in the past two years to conform to sound financial and political policies.

On the other hand, even at this late date, the adoption of another course of action might save Cuba from the fate of so many of the Latin American Republics. With the reestablishment of moral peace by political compromise, Cuba's finances could be reconstructed in such a manner as partially to preserve her credit, her tax system

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could be reorganized along the lines of Professor Seligman's report which has just been completed, unsound economic measures could be averted, confidence in a measure would be restored and the country might weather the storm. However, the present attitude of the President is unfavorable to a solution of Cuba's problems. During my visit to Washington last autumn, I verbally reported a change in the Cuban atmosphere since the revolution of last August. Until that time Machado had given evidence of a desire to pursue a more or less patriotic programme in order to help the country out of its economic and political plight and prepare for a return of stability. Any influence that I have been able to exert to further such a programme has been limited by policy to the often ineffectual appeal to enlightened self-interest where there was more self-interest than enlightenment. Directly after the revolution, Machado, casting aside to a degree the advice of the politicians, sent his reform message to Congress. (See my despatches No. 840 of September 3 [2], 1931 and No. 847 of September 9, 1931.) Since then, Machado has had a change of heart. This can be largely accounted for by his growing feeling that the United States Government is not interested in what he does. This is a conception for which I think Ferrara is largely responsible. He has assured Machado that he has intimate contacts in the Department of State at Washington, and I have reason to believe that he has convinced Machado that the Government of the United States has no interest in the question of political liberties in Cuba. . . .

The conditions outlined above would seem to indicate a new problem to which our policy must adapt itself. At present, we are no longer faced with the problem of an intransigent opposition unwilling to accept reforms and only intent on revolution, but we confront the question of the consequences of a Government intent on perpetuating an unpopular grip on the country. Machado, by renouncing his policy of conciliation and reform in his September message to Congress and by his other acts, has clearly served notice that he is no longer seeking to return to normal constitutional government . . . but to extend his dictatorship. Our policy has been that of non-interference in Cuba's internal affairs. This policy was not understood at the beginning and the United States has been accused of supporting Machado and maintaining him in power. Although there is no justification for this accusation, the propaganda carried on [by] the Opposition, the "claim racketeers," and by Machado himself, as well as the shadow of the United States Government's policy in the past, undoubtedly have been the cause of widespread belief that Machado has

⁶ Foreign Relations, 1931, vol. II, pp. 71 and 75.

our support. Our strictly impartial attitude during the revolution, as well as the persistent efforts of the Embassy to dispel this false opinion, have to a great extent recently modified this impression in Cuba, although it still persists, I believe, abroad.

I have the honor to recommend that this attitude which avoids any appearance of supporting Machado or of sympathizing with his policies, be continued by the Embassy and reinforced by the attitude of the Department in its relations with the Cuban Embassy in Washington.

As I previously stated, Machado apparently has the impression, given him by Ferrara, that the Department does not care what he does and, under this impression, Machado will be less inclined to accept any political compromise. I therefore have the honor to suggest that the Secretary of State make known to Ambassador Ferrara our lack of sympathy with President Machado's present policies. This would at least tend to relieve our Government from responsibility for the inevitable consequences of Machado's persistence in his present course.

Respectfully yours,

HARRY F. GUGGENHEIM

837.00/3230

The Ambassador in Cuba (Guggenheim) to the Secretary of State

No. 1048

Habana, February 18, 1932. [Received February 23.]

Sir: I have the honor to report that recent measures promulgated by the Cuban Government have substantially extended the jurisdiction of the military courts.

The Embassy has already reported the provisions of the amnesty law approved January 13, 1932, which conferred on the military courts jurisdiction over all offenses of whatever character committed by members of the armed forces during the succeeding 30 months. By Presidential decree dated February 2, 1932, rules and regulations were formulated to govern the organization of the national militia. According to the provisions of this decree the enlisted personnel of the militia comprises the national police, the police of the various municipalities and such other citizens as may be recruited in each of the several military districts.

The President yesterday approved a law amending the military penal code so as to invest the military courts with exclusive jurisdiction in the following cases:

(a) Those instituted for infringement of the Explosives Law of July 10, 1894, committed within or without a military or naval zone,

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jointly by soldiers, policemen, sailors and civilians or merely by civilians alone.

- (b) Those instituted against any person even though not in the military service or the naval service, for the crimes of arson and destruction for which penalties are provided in the civil penal code, when committed during the harvest or period of time included between December 1st and May 31st, in cane fields, machinery or buildings of the mills for the manufacture of sugar, or on bridges, culverts, lines, stations, buildings or dependencies of the railroads of public service or of the aforesaid sugar mills; as well as in warehouses used for storing supplies, bags and agricultural products.
- (c) Those instituted for the crimes of treason and espionage, for which penalties are provided in the Military Penal Law, committed within or without the military or naval zones, jointly by soldiers or sailors and civilians, or merely by civilians alone.
- (d) Those instituted for all crimes and misdemeanors committed by members of the militia, in time of war, sedition, rebellion or of grave disturbance of the public peace, or while the constitutional guarantees are in suspense.

There is a transitory provision which appears to give retroactive effect to this law since it requires the civil courts within 20 days to transfer to the jurisdiction of the military courts all cases of the nature specified in the law which were not definitely disposed of on the date on which the law went into effect.

This law, which as a matter of fact merely gives legal countenance to a procedure which the Government has been following for months past, has deeply stirred the wrath of the opposition elements. There furthermore appears to be some doubt regarding the legitimacy of the procedure whereby it was passed by the House of Representatives on February 16. It is alleged on the authority of members of that body that the session at which the measure is supposed to have been adopted was called to order by a member having no authority to do so, almost an hour before the time when the sessions regularly begin, and that there were not more than half a dozen members present when the measure was voted upon. Carlos Manuel de la Cruz, leader of the Orthodox Conservative group, addressed a vigorous protest on the subject to the President of the House, but in the meantime, the law was certified as having been passed and was sent to the palace where the President's signature was promptly affixed.

The measure was, of course, warmly sponsored by the Government as one likely to discourage further acts of terrorism. It is a sad but true commentary on the state of mind now prevailing in Cuba that the unpopularity of the Administration is so great that popular opinion condones the frequent bomb outrages, and the civil judges,

whether consciously or unconsciously influenced by this opinion, have been inflicting penalties somewhat less severe than the gravity of these offenses would seem to have warranted.

A copy and translation of the law referred to will be furnished the Department in the near future.

Respectfully yours,

HARRY F. GUGGENHEIM

837.00/3233

The Ambassador in Cuba (Guggenheim) to the Secretary of State

No. 1061

Habana, March 1, 1932. [Received March 4.]

SIR: I have the honor to report that elections, corresponding in some respects to primary elections in the United States, were held in Cuba on February 28, 1932, for the purpose of designating by popular vote the executive committees of the ward assemblies and delegates from those assemblies to the municipal assemblies of the several political parties.

Press accounts indicate that these elections were attended by a considerable number of minor disturbances and irregularities, upwards of 50 protests having already been filed with the Superior Electoral Tribunal. However, it would seem that from the point of view of the maintenance of public order and observance of the electoral procedure they compare very favorably with similar elections held in the past. During the entire day the Municipal police throughout the island were not permitted to appear in uniform or to carry arms, the maintenance of order being entrusted to the army, which apparently performed its task in a satisfactory manner.

The published returns of the elections show that with comparatively few exceptions the present leaders of the Liberal, Conservative and Popular Parties are more strongly entrenched than ever in their respective districts. The Liberal "machine" worked smoothly and efficiently throughout the country, the so-called "official tendency" prevailing in nearly every section, as was also the case with respect to the Popular and the Conservative Parties. The last named party continues to be racked with dissension and most of the adherents of the Orthodox faction abstained from voting excepting in Oriente and in one or two districts in other provinces where the results would indicate that they have obtained control of the local party organizations. In many cases the results of the elections will not be definitive until the electoral boards and the courts shall have finally decided

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the appeals alleging irregularities. It is of course within the province of these bodies to order new elections where such irregularities may be proved to have existed.

The duties of the Municipal assemblies of the parties are defined as follows in Art. 285 of the Electoral Code:

(1) To draw up the municipal program of the party;

(2) To carry out the resolutions of the superior (provincial and national) assemblies of the party which may affect the Municipality;

(3) To agree upon and nominate the candidates for mayor, coun-

cilmen and members of the Municipal Board of Education;

(4) To appoint delegates to the provincial assembly of the party and designate a political member of the municipal electoral board;

(5) To appoint an executive committee;

(6) To make the other appointments and adopt the other resolutions fixed by the Code and by the By-Laws of the party.

When the provincial assemblies meet they will, in their turn, designate representatives to the National assemblies of their respective parties and it will also be their function to nominate candidates for membership in the national House of Representatives, for provincial governors and for provincial councilmen.

The opposition groups have continued to abstain from participation in the reorganization of the existing parties and, in so far as the Embassy is informed, they have not taken any initiative towards the organization of a new party to contest the elections scheduled for November 1932. It will be recalled that at these elections there are to be chosen one-half of the House of Representatives, the Governors of all the provinces, the provincial and municipal councils and the mayors of all the municipalities. It is understood that there will also be elected one Senator from Pinar del Río and one from Camagüey, to replace vacancies caused by death.

Respectfully yours,

For the Ambassador:
Edward L. Reed
First Secretary of Embassy

837.00/3238

The Ambassador in Cuba (Guggenheim) to the Secretary of State

No. 1089

Habana, March 22, 1932. [Received March 28.]

Sir: I have the honor to report that during the past few weeks, I have several times been approached by mutual friends of General Menocal, Colonel Mendieta and myself, urging the advisability of a meeting. To these overtures, I replied that I had no reason to seek

a meeting with these gentlemen, both of whom were personal friends of mine, and who knew that, if they desired an interview, I would be only too happy to receive them at the Embassy.

General Menocal called me on the telephone yesterday and requested an appointment for himself and Colonel Mendieta. I received them vesterday afternoon at the Embassy residence. After a lengthy conversation about personal matters, General Menocal said that he would very briefly state the object of his visit. It was unnecessary to rehearse the conditions that had brought about Cuba's present evil situation, but that there were only two ways in which this situation could be remedied; the first was by action of Washington, and the second, by another revolution which, if Washington were loath to act, they were prepared to set in motion. In his opinion, the time had come when the United States should settle the chaotic conditions in Cuba, and such action was entirely warranted by the Permanent Treaty.7

When General Menocal finished his statement, Colonel Mendieta entered upon a more lengthy, eloquent appeal to the United States to end the tyranny and restore personal liberties in Cuba. Neither General Menocal nor Colonel Mendieta said anything that they have not said before, or that has not previously been reported to the Depart-

In reply, I informed them that the policy of my Government, in accordance with the so-called Root interpretation 8 of the Platt Amendment, was not to intervene in the internal affairs of Cuba; that this policy, as they must realize, was a policy that was conceived in friendship and carried out in justice, and one that had been generally pursued by the Hoover Administration in all of its Latin American relations; that I hardly need tell them it was a policy adopted to support no particular administration; that they must further realize the attitude of my Government has been one of strict impartiality, which must have been particularly apparent during the last revolution. In answer, they both argued that the time was fast approaching when the United States would have to intervene in the affairs of Cuba anyway, and that it were far better that it did so before blood had been spilled and a state of complete chaos reached.

Upon leaving, they asked that further thought and consideration be given to what they had said. The attitude of these gentlemen was free, I feel, from any antagonism or feeling of bitterness towards

⁷ Treaty between the United States and Cuba, signed at Habana, May 22, 1903, Foreign Relations, 1904, p. 243.
See footnote 11, p. 545.

See Foreign Relations, General Index, 1900-1918, p. 202.

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the United States. I think this is a reflection of the general attitude of the Opposition today in Cuba. There is a growing realization of the impartiality of the United States in the internal affairs of Cuba. I think it of the utmost importance that everything should be done to maintain and foster this opinion in Cuba. My views to this effect, as expressed to the Secretary verbally last autumn and reiterated in my strictly confidential despatch No. 1005 of January 25, 1932, have been reenforced in the time that has elapsed since then.

Within the past few months Doctor Torriente has called at the Embassy on several occasions to confer with me. He has not been successful in his attempts to bring about a formation of a new political party of the united opposition. The opposition leaders claim that they are unwilling to undertake a political battle under the suspension of constitutional guarantees and a state of martial law.

A few days ago Juan Gutiérrez y Quirós, Chief Justice of the Supreme Court since 1925, asked that his resignation be accepted. In handing in his resignation, Doctor Quirós addressed a lengthy communication to the Sala de Gobierno of the Supreme Court. In this statement he emphasizes the increasing difficulties experienced by the judiciary in the discharge of its functions; the disregard of its prerogatives by the other branches of the Government, and the encroachments, either with or without the authority of law, of the military authorities upon the jurisdiction of the civil courts. He attaches a list of measures which, in his opinion, should be adopted immediately in order to restore confidence in the administration of justice. A copy and translation of this document are transmitted herewith. The censorship has prevented its publication in the press.

The Opposition attach great importance to Doctor Gutiérrez y Quirós' action, as he enjoys the highest reputation in Cuba and in the past has always observed a friendly attitude toward President Machado.

Respectfully yours,

HARRY F. GUGGENHEIM

837.00/3227

The Secretary of State to the Ambassador in Cuba (Guggenheim)

No. 529

Washington, March 26, 1932.

SIR: The Department has received your strictly confidential despatch No. 1005, dated January 25, 1932, wherein you discuss recent developments in the Cuban political situation and request "further instructions on our policy in Cuba".

¹⁰ Not printed.

This despatch has been given careful consideration and your recommendations have been carefully noted. You state that nearly all political prisoners have now been released; that you are informed that members of the "Opposition" have united in a single group and that they will shortly form a new political party, organized in accordance with the provisions of the electoral code, and direct their activities to normal political channels "provided that they can feel sure of enjoyment of normal political liberties". In spite of this, however, you feel that it is President Machado's policy "to make specious gestures of conciliation to the Opposition for the purpose of gaining time until November 1932" when his hold will be further strengthened through congressional, provincial and municipal elections; that President Machado would only be willing to negotiate a political compromise involving his retirement prior to 1935 under condition that his personal interests would not be attacked by his successor. You likewise feel that the attitude of this Government will be among the factors which will influence President Machado, and that it is of "especial importance that neither Machado nor the Cuban people should be left in any doubt of our lack of sympathy with the present direction of Machado's policies, if we are to continue to avoid unfortunate political consequences from Cuban unrest". You state that "the financial, economic and political situation has become progressively worse" and that "the faith of the Cuban people in the ability and disposition of the President to restore moral peace has been wholly lost". You cite various political and economic conditions which you consider to be the results of the President's policies; and indicate that in your opinion President Machado's attitude has radically changed since last August, largely because of "his growing feeling", for which you think Ambassador Ferrara is largely responsible, "that the United States Government is not interested in what he does".

You refer to "our strictly impartial attitude" during the revolution of last August, and you recommend "that this attitude, which avoids any appearance of supporting Machado or of sympathizing with his policies, be continued by the Embassy and reinforced by the attitude of the Department in its relations with the Cuban Embassy in Washington". In so far as your recommendation relates to the continuance by the Embassy of this "strictly impartial attitude" towards questions of Cuban internal politics, the Department is in accord with you. However, when you recommend that this attitude should be "reinforced" by the attitude of the Department in its relations with the Cuban Embassy in Washington, and when this "reinforcement" is apparently to take the form of your suggestion "that the Secretary

of State make known to Ambassador Ferrara our lack of sympathy with President Machado's present policies", it seems to me that you are in fact recommending a radical departure from an attitude of "strict impartiality".

The policy which you recommend would presumably be based on the intimate nature of our relations with Cuba growing out of the so-called Platt Amendment. As you are aware, the general policy of this Government with respect to that Amendment has been based on the well-known telegram from Secretary of War Root to General Wood,¹¹ then the Governor General of Cuba, containing the following statement:

"You are authorized to state officially that in the view of the President the intervention described in the third clause of the Platt Amendment is not synonymous with intermeddling or interference with the affairs of the Cuban Government, but the formal action of the Government of the United States, based upon just and substantial grounds, for the preservation of Cuban independence, and the maintenance of a government adequate for the protection of life, property, and individual liberty, and adequate for discharging the obligations with respect to Cuba imposed by the treaty of Paris."

You are likewise aware that this statement was made in response to certain fears expressed in Cuba with respect to the purport of the amendment then under discussion. In your letter to me dated September 17, 1930, in which you reported that you had made a study of the Platt Amendment Treaty and in which you quoted the aforesaid telegram you said:

"I believe that a continuous and thorough study of Cuban economic and political conditions should be made, so that the mission can be in a position at all times to give, when desired and without obligation, unofficial expert advice and assistance to the Cuban Government, in order to help Cuba's progress. I do not believe that there is any right or duty to go further than this, save in the case of the complete breakdown of the Cuban Government or in case of foreign aggression."

It is my considered opinion that this Government should continue its policy of refraining from any semblance of intermeddling or interference with Cuban internal affairs. In spite of great pressure during the past two years from opponents of the Cuban Government and their sympathizers in this country, this Government has maintained, as you point out on page 11 of your despatch, this policy of non-interference in Cuba's internal affairs. The fact that this policy has not always been understood would not appear to affect the pro-

¹¹ Dated presumably April 3, 1901; see House Document No. 2, 57th Cong., 1st sess.: Annual Reports of the War Department on the fiscal year ended June 30, 1901, p. 48.

priety or advisability of its continuance. I feel that any indication, such as you suggest, of lack of sympathy with President Machado, either by the Department or by the Embassy, would constitute a marked departure from that policy. It would be tantamount to taking sides on a purely internal political question, a step to be avoided whether on behalf of the "Opposition" or on behalf of President Machado, and one which this Government has hitherto so scrupulously endeavored to avoid. It would further appear to be a step of doubtful efficacy which might justly be resented by the established Government of a State with which this Government enjoys friendly relations.

Cuba is an independent and sovereign nation. In the interest of self-government it should, therefore, endeavor to solve its own problems. In other words, the present difficulties should be met by what you have so frequently and consistently advocated in the past, both in your reports to the Department and in your conversations with Cubans, namely, a "Cuban solution". Such a solution would, in the Department's view, be defeated by the course you now suggest.

While this Government does, of course, earnestly desire the reestablishment of what you characterize as "moral peace", (which you appear to feel can only be accomplished through President Machado's early retirement), the question of the President's continuance in office until the expiration of the term for which he was elected, namely May 20, 1935, is not one upon which this Government can appropriately take any position. You will recall that in your informal efforts to bring about a termination of the bitter internal political controversies existing in Cuba you categorically, and very properly, declined to submit on behalf of the Opposition any proposal requiring President Machado to relinquish his office. You will likewise recall that at the time the constitutional amendments were adopted in 1928,12 and the question arose as to the constitutionality of the transitory provision permitting President Machado to stand for reelection in 1928, your predecessor, Ambassador Judah, took the position that the United States ought not "at this time to take the responsibility of maintaining that it and not the Supreme Court of Cuba is the proper interpreter of the constitutionality of the acts of the Cuban Congress, or of the Cuban constitutional convention, or of the candidacy by authority of the exact wording of the amended constitution of any presidential candidate". In this position the Department concurred. It still feels that the question is one for determination by the Cuban courts and that any departure from this position would con-

¹³ See Foreign Relations, 1927, vol. II, pp. 519 ff.

stitute an unwarranted interference on our part in the internal affairs of Cuba.

In view of the foregoing I trust that you will refrain from taking any attitude or position with respect to Cuban internal political questions which could fairly be interpreted as a departure from our policy of complete non-interference in Cuba's internal affairs. The Department will continue to be guided by this policy in its relations with the Cuban Ambassador in this city.

Your despatch under reference terminates with the following sentence concerning your recommended change of policy: "This would at least tend to relieve our Government from responsibility for the inevitable consequences of Machado's persistence in his present course". The Department cannot acquiesce in the view that the continuance of its policy of non-interference in Cuba's internal affairs involves our Government in any responsibility for any consequences of the policies of the Cuban Executive.

Very truly yours,

HENRY L. STIMSON

837.00/3256

The Chargé in Cuba (Reed) to the Secretary of State

No. 1169

Habana, May 19, 1932. [Received May 23.]

SIR: I have the honor to report that the Cuban Supreme Court by a decision rendered on May 12 in the case of the student Antonio Mendieta, who had been indicted on a charge of having placed a bomb in La Salle College last November, declared unconstitutional Article I, section 1 and Article IV of the so-called Military Jurisdiction Law of February 17, 1932, and null and void the transitory provision of that law which purported to give it retroactive effect. A translation of this decision is being prepared and will be forwarded in the near future.

The law in question was the subject of despatches Nos. 1048 and 1050 of February 18 and 25, 1932.¹³ Among other things it transferred from the civil to the military courts jurisdiction in all pending and future cases arising out of infractions of the Law of Explosives. The first such cases involving civilians to be tried under this law were those of Ruben Leon, Ramira Valdez Daussa and Rafael Escalona who, as reported by despatch No. 1140 of April 26, 1932,¹⁴ were each sentenced to serve 8 years in the penitentiary.

¹⁹ Latter not printed.

¹⁴ Not printed.

The Supreme Court's decision has not been published in the Official Gazette, ¹⁵ as is customary, nor has any notice of it been permitted to appear in the Cuban press. The Government is apparently apprehensive of a recrudescence of terroristic activities, should it become generally known that the military courts are not competent to try civilians accused of violating the Law of Explosives.

This is the second instance within a month that the Supreme Court has exhibited an unwonted independence in dealing with cases which may be characterized as having major political significance. As reported in the Embassy's recent despatch on General Conditions prevailing in Cuba, the Court, in April, admitted two appeals against the constitutionality of the Executive Decree of July 1, 1931, ordering the closure of the University of Habana.

I am enclosing a memorandum ¹⁶ prepared by Dr. González which contains an analysis of the Supreme Court's decision in the Mendieta case, together with comments regarding its possible legal effects.

Respectfully yours,

EDWARD L. REED

837.00/3263

The Chargé in Cuba (Reed) to the Secretary of State

No. 1178

Habana, May 25, 1932. [Received May 27.]

Sir: Referring to my despatch No. 1173 of May 23 and to my telegrams Nos. 59 and 60 of May 23 and May 24,¹⁷ I have the honor to express the opinion that the events therein reported have still further retarded the reestablishment of normal political conditions in Cuba.

Once more the jails are filled with hundreds of political prisoners, including those of the principal opposition leaders who were unable to evade arrest. Ignorance of the exact reasons which prompted these wholesale arrests has created a feeling of insecurity and alarm in the minds of thousands of persons whose innocence of designs against the Government is probably beyond doubt, but whose business or social relations with those accused of guilt may, they fear, suffice to bring them under suspicion.

The Government has offered no public explanation which could be considered as entirely adequate of its repressive measures. Its

¹⁵ See Official Gazette, May 19, 1932.

¹⁶ Not printed.

¹⁷ None printed.

most obvious justification is the sending of infernal machines by express or parcel post to important military officers. It is, however, difficult to believe that responsibility therefor is so widely distributed as to include both communists and such responsible members of the community as Colonel Mendieta, General Menocal and Colonel Méndez Peñate.

Official statements also refer to the discovery on May 18 and succeeding days of a wide spread conspiracy to overthrow the Government on May 20. This alleged discovery resulted from police raids on the headquarters of a well known athletic organization and upon the homes of its members. The police aver that they found evidence that this organization was used as a cloak for the operations of . . . the "A. B. C." However, unbiased observers appear to agree that the police have greatly exaggerated the importance of this detail.

As reported in my telegram of May 24, the Assistant Chief of Staff of the Cuban Army informed the Embassy's Military Attaché that the Government's precautionary measures were adopted partly on the basis of information indicating that adversaries of the Government were setting on foot hostile expeditions from Mexico and possibly from Canada. The Government has not, however, made public its apprehensions in this regard, and although the General Staff has issued secret orders to the armed forces for repelling any invasion that may occur, I do not find it easy to believe that the opposition leaders, after the ignominious failure at Gibara last August, are seriously contemplating another enterprise of the same nature.

If then, as appears to me to be the case, the Cuban Government is deliberately exaggerating the importance of the known factors in this situation, the reason for its actions must be sought elsewhere.

It may be that the President's dependence upon the Army determined him to authorize reprisals against the opposition leaders on account of the assassination of one of its officers and the attempted assassination of several others. This seems to me to offer the most logical explanation.

Another possible explanation, which I admit to be somewhat farfetched, is that the Government seized upon the bombings and other recent incidents to enable it to circumvent the effects of that part of the Supreme Court's decision of May 12 which declared null and void the retroactive provision of the Law of Military Jurisdictions. Compliance with that decision would require the Military courts to return to the civil courts all cases involving the infraction of the Law of Explosives committed by civilians prior to February 17, 1932. But new charges brought against the same persons and, of course, charges brought against other persons for new offenses would be affected by the Supreme Court's declaration of unconstitutionality only in each individual case and upon request of the attorney in such case addressed to the appropriate Military court. There are few if any lawyers who would in the present state of affairs have the courage to formulate the requisite petition.

Ex-President Menocal continues to find asylum in the Brazilian Legation where he sought refuge in company with one of his nephews and an Orthodox Conservative deputy named Martínez Fraga. The granting of asylum to these gentlemen by the Minister of Brazil naturally evoked considerable comment. However, the Acting Secretary of State, Dr. Averhoff, soon put an end to rumors that something was amiss in the relations between the Governments of Cuba and Brazil and that the Brazilian Minister had rendered himself persona non grata. He gave out a newspaper interview in which he explained that the action of the Brazilian Minister was entirely proper and justifiable under the provisions of the Inter American Convention in regard to Asylum, signed at Habana February 28 [20], 1928, 18 to which both Cuba and Brazil are parties.

The Government announced today that Mendieta, Méndez Peñate and several other political prisoners had been sent to the Isle of Pines for incarceration in the prison there. Colonel Aurelio Hevia, another prominent opposition leader, is reported not to have been molested up to the present time, due probably to the delicate state of his health.

Respectfully yours,

EDWARD L. REED

837.00/3281 : Telegram

The Chargé in Cuba (Reed) to the Secretary of State

Habana, June 22, 1932—9 a. m. [Received 10:35 a. m.]

78. Congress yesterday passed administration measure suspending constitutional guarantees for 1 year and authorizing the Executive to extend suspension for additional 2 years if necessary. The apparent purpose of the measure is to serve notice on the opposition that the Machado Government intends to continue to proceed with a strong hand.

REED

¹⁸ Sixth International Conference of American States, Final Act (Habana, 1928), p. 166; or League of Nations Treaty Series, vol. cxxxII, p. 323.

837.00/3295

The Ambassador in Cuba (Guggenheim) to the Secretary of State

No. 1240

Habana, July 6, 1932. [Received July 11.]

Sir: Referring to the Embassy's despatch No. 1195 of June 3, 1932,²¹ I have the honor to report that, after thirty-nine days of asylum in the Brazilian Legation, Marío G. Menocal, former President of Cuba and leader of the Opposition, was permitted by the Cuban Government on July 2nd to leave the Legation unmolested and embark on a boat for Europe. He was accompanied by his wife and by his nephew, Martín Menocal, who had been with him in the Legation during his stay. The third member of the party, Martínez Fraga, member of the House of Representatives, is still in the Legation, but will leave on Saturday, July 9, also for Europe.

The final practical solution of the so-called Menocal asylum case was achieved sometime after the public had ceased to pay attention to the affair. On May 24, immediately after the report of the arrest by the Government of Colonels Carlos Mendieta and Roberto Méndez Peñate for alleged revolutionary activity, Menocal, his nephew, and Martínez Fraga took refuge in the Brazilian Legation, apparently in the belief that they were in imminent danger of not only arrest, but personal injury by the Government forces. The asylum was granted by the Brazilian Minister on the basis of his interpretation of the Convention of Asylum signed in Habana on February 20, 1928. The Legation was promptly surrounded by a guard stationed by the Government, and discussions between the Government and the Brazilian Minister continued for some time with no result except effectively to exhaust public interest in the matter. Upon my return to Habana from my leave of absence, the case was discussed with me by Secretary of State Ferrara, by the Mexican Ambassador who had been acting as dean of the diplomatic corps in my absence, and by the Brazilian Minister. I stated that, in my opinion, the problem was one which lay between Cuba and Brazil alone, and was not one which should be considered by the diplomatic corps as a whole; and I pointed out to both the Secretary of State and my Brazilian colleague the desirability from both their viewpoints of a practical and prompt solution of the case. On June 30, the Foreign Office issued what was, in effect, a joint declaration, stating that in the conversations sustained between the Cuban Secretary of State and the Minister of Brazil, it had not been possible to arrive at an interpretive agreement of the Convention of Asylum in force between Cuba and

²¹ Not printed.

Brazil, but that an effective solution of the matter had been found: for its part, the Government of Cuba was assured that General Menocal would not be in the future an obstacle to the maintenance of public peace and would go to Europe to reside for one year, while the Government of Brazil was satisfied that the necessary guarantees would be given General Menocal for his unmolested departure from Cuban territory. On the basis of this declaration, General Menocal was permitted to board the steamship *Karlsruhe* on Saturday, July 2, after fairly elaborate precautions had been taken by the police to prevent any disorder or manifestation.

The status of Menocal's two companions in the Legation, his nephew Martín, and Martínez Fraga, was peculiar and required special handling. The Government had at first refused to give the Brazilian Minister passports for them, stating that there was no order of detention against them and that they should come to the State Department for their passports in the normal manner. The Brazilian, however, feared that as soon as the two left the Legation, an order of detention would immediately be issued, and they would be arrested. A compromise was finally arranged whereby Martín Menocal, who had been acting as his uncle's nurse, should accompany his uncle on the Karlsruhe, and Martínez Fraga should be permitted to leave the Legation a week later to journey to Europe.

Respectfully yours,

HARRY F. GUGGENHEIM

837.00/3306

The Ambassador in Cuba (Guggenheim) to the Secretary of State

No. 1282

Habana, July 25, 1932. [Received July 29.]

Sir: I have the honor to report that the political situation, since the assassination of Captain Calvo on July 9, has been marked by an increase in violence on the part of both the Government and the groups loosely organized into the Opposition. The searches and detentions by the police have continued with unabated vigor, and it is probable that since the date above mentioned between two and three hundred people have been detained, charged with conspiracy in one way or another against the Government. At the same time, the shootings and bombings which have been ascribed to the opposition have recently become not only more frequent, but more reckless.

Several incidents of this kind have happened in the past few days. On July 21, a group of four individuals attempted to effect a temporary seizure of a radio station in Habana with the alleged purpose

of giving an anti-government discourse, similar to the occupation of a broadcasting station several months ago when a short but violently subversive speech was delivered over the radio. Warned beforehand of this plan, the police were waiting for the individuals when they arrived. Three of them were apprehended; the fourth managed to escape, while one policeman was severely wounded in the shooting.

On July 22, in a Habana suburb, a package was delivered at the house of a family named Proenza which had been under suspicion of anti-government activities for some time. Upon being opened by the messenger, the package exploded, blowing the messenger to pieces and severely wounding two daughters of the house. A son of the family had already been arrested, while another daughter had been in hiding for sometime. In the latter's diary, the police found a record of some of the recent bombings, with plans for more. Various subversive documents were also seized, and some of the family's relatives detained. The police have not been able to escape the popular, but unconfirmed suspicion that the bomb was sent to the house on police authority.

On July 23, Colonel Esteban Delgado Acosta, veteran of Cuba's War of Independence and opposition leader, was killed in a gun battle with members of the Secret Police who had been informed of suspicious meetings being held in Colonel Delgado's house in Habana. According to the police statement, the Secret Police surrounded the house—a small wooden house on an alley-way—and, upon demanding that the door be opened, were greeted by a hail of bullets from inside. The door then opened and Colonel Delgado stepped out, shooting at the police, and was immediately shot down. According to the police, his companions escaped. Whether there was actually any fighting or not has been seriously questioned by many Cubans who pointed out that whoever shot Colonel Delgado must have been remarkably accurate from a distance, since he had no other wounds except two bullet holes in the forehead; according to the newspaper story, powder marks were found around one of his wounds. No police were injured. It should also be mentioned in this connection that last night the chauffeur ordinarily used by Delgado was mysteriously shot in a Habana street. The policeman who found the body said he heard the shot, saw the man fall, but could not see the assailant. Colonel Delgado had, for a long time, been active in the opposition and had been arrested in connection with the trouble at Artemisa two years ago, (see telegram No. 67, May 19, 1930, 4 PM)²² in which several officers and several civilians were killed and a score or so injured in

²² Not printed.

an attempt by the Rural Guards to break up a Unión Nacionalista meeting.

On July 24, Captain García Sierra, Chief of the Fourth Precinct of the National Police, was instantly killed and four policemen were seriously wounded when a bomb exploded in a house on Revillagigedo Street, Habana. The police had been summoned to the house by an anonymous telephone call, stating that an opposition meeting was being held at that address. No one was in the house when the police arrived, but, upon searching the premises for subversive literature and arms, Captain García Sierra picked up a book on a table which in some manner exploded a bomb, inflicting the fatalities above mentioned.

As has been stated in previous despatches, the national and judicial police forces on the island have been coördinated under the general supervision of the Chief of Staff of the Army. The Army is now seeking, however, a more direct and effective command of the police forces, and it is reported that the President is considering some such project. The police as yet have been unable to apprehend the assassins of Captain Calvo, but Secretary of State Ferrara announced Saturday that the police claim to have a definite clew to their identity.

Respectfully yours,

HARRY F. GUGGENHEIM

837.00/3310

The Cuban Chargé (Barón) to the Assistant Secretary of State (White)

[Translation]

Washington, August 1, 1932.

My Dear Mr. White: I confirm my conversation with you of Friday the 29th, in which I referred to the impression of my Government as it has just been conveyed to me by cable, because of the announcement recently made by the press, of the voyage of General Marío G. Menocal, ex-President of Cuba, on the steamer Lafayette, which left France a few days ago for New York, at which port the vessel is due to arrive about the third of August.

My Government communicates to me that alarm is caused in Cuba by the voyage of General Menocal to this country, who had sought and obtained asylum at the Brazilian Legation at Habana towards the end of May last, and who left the said Legation with the consent of the Government of Cuba on July 2nd with every kind of protection and consideration on the part of the Cuban authorities, when he left on the same day by the steamer Karlsruhe for Europe because the

Brazilian Minister at Habana had given assurances to the Secretary of State of my country that General Menocal would remain without returning to America during a period of not less than one year, and that he would abstain from all revolutionary activity—assurances which were based on the word of honor pledged to him spontaneously by General Menocal.

The return of Ex-President Menocal to this continent in the same month during which he left Cuba—which means the breaking of his pledged word—and the declarations which the press has attributed to him since his leaving Habana, in which declarations he has prophesied a revolution in Cuba during the present month which will overthrow the Government of the Republic, convinces the Government that the purpose of the return of General Menocal is no other than that of fomenting the revolution which he prophesies, from which [activities]²³ there may arise in the end, conflicts and shedding of blood as occurred in the month of August 1931, at Gibara and at other places, or at the very least, the spreading of alarm and discouragement through the country.

My Government charges me to present to you the foregoing impressions, confident that your Government will take them into consideration for the adoption of the measures which it may deem adapted to prevent the direction and organization of movements and armed expeditions from this country which may disturb the peace of my country.

I avail myself [etc.]

José Barón

837.00/3310

The Secretary of State to the Cuban Chargé (Barón)

Washington, August 3, 1932.

My Dear Doctor Barón: In reply to your letter dated August 1, I am pleased to inform you, as you have already been advised by telephone, that the Department requested the Department of Justice to take appropriate measures to observe the movements and activities of General Menocal during his stay in the United States. The Department likewise suggested to the Department of Justice the advisability of having an agent of that Department meet General Menocal upon his arrival on the steamship *Lafayette* and warn him in confidence to abstain from any activities which may violate our so-called neutrality laws, with the provisions of which I believe you are familiar, under penalty of suffering legal consequences. I understand that the

²⁸ Brackets appear in file translation.

Department of Justice telephoned appropriate instructions to its New York office on the afternoon of August 2.

The Department likewise took occasion to remind the Department of Justice of the obligations assumed by the United States under Article 5-c of the Convention between the United States and Cuba to suppress smuggling, signed at Habana on March 11, 1926.²⁴ I assure you that any information reaching the Department indicating that General Menocal is engaged in organizing any armed expedition in this country or in conspiracies against the Cuban Government will be promptly communicated to you as provided under the aforesaid treaty.

With kindest regards, I am, my dear Doctor Barón,
Sincerely yours,
FRANCIS WHITE

837.00/3350

The Chargé in Cuba (Reed) to the Secretary of State

No. 1358

Habana, September 15, 1932. [Received September 19.]

Sir: Referring to my despatches Nos. 1345 and 1353 of September 9 and 13, 1932,²⁵ I have the honor to report that Colonels Mendieta and Méndez Peñate, prominent opposition leaders, were yesterday returned to the Isle of Pines Penitentiary.

In reply to my inquiry as to the significance of this, Dr. Orestes Ferrara stated this morning that since the friends of the two prisoners felt that the latter could not make peace with the Administration without sacrificing their principles and consequent loss of prestige among their followers, it had been advisable to detain them in jail for some time longer. Dr. Ferrara said he did not know whether Cosme de la Torriente had seen Mendieta and Méndez Peñate during the week they passed in the Principe jail in Habana. He thought, however, that the time would soon be opportune for Dr. de la Torriente to visit them at the Isle of Pines.

With respect to the reenactment, with modifications, of the Law of Military Jurisdiction, Dr. Ferrara said there appeared to him to be nothing in this action inconsistent with the hope he had recently expressed to me that it would before long be possible to restore to the civil courts complete jurisdiction over all offenses committed by civilians. The new law would in fact facilitate matters, since the Gov-

²⁴ Foreign Relations, 1926, vol. II, p. 23.

²⁵ Neither printed.

ernment could now by a single executive act restore both the suspended guarantees and the jurisdictional authority of the ordinary courts.

To-day's *Heraldo de Cuba* publishes the names of 19 students and labor leaders who have been ordered released from jail, in addition to the 84 political prisoners discharged on September 12, as reported in my despatch No. 1353 of September 13, 1932.

Respectfully yours,

EDWARD L. REED

837.00/3359

The Chargé in Cuba (Reed) to the Secretary of State

No. 1375

Habana, September 29, 1932. [Received September 30.]

Sir: Referring to my telegrams Nos. 103 and 104 of September 27 and Nos. 105 and 106 of September 28, 1932,²⁶ I have the honor to report that the assassination of Dr. Vázquez Bello and the even more brutal murders of Congressmen Aguiar and Freyre de Andrade, and of the latter's two brothers, have inspired feelings of horror and terrified apprehension to a degree which it would be difficult to exaggerate. Practically every prominent member of the opposition who is not in prison fears that he may be the next victim of Vázquez Bello's avengers.

There is no doubt in the public mind that these murders were acts of reprisal. There is, however, a difference of opinion whether they were carried out with or without the connivance of the authorities, the more rabid adversaries of the Administration even insisting that the Government is to blame.

In discussing these deplorable events with me yesterday, Dr. Ferrara pointed out that every political "boss" in Cuba is surrounded by a group of persons dependent upon him for preferment, maintenance or funds. If their chief is removed, these persons suffer the consequences which may entail the ruin of all their hopes and aspirations. It was, therefore, not unnatural that Vázquez Bello's henchmen should have sought to avenge his murder on the persons of his political enemies. Dr. Ferrara reminded me that there had been two previous attempts on Vázquez Bello's life. It was understood, he said, that Vázquez Bello had instructed certain of his people, in the event of his meeting a violent death, to kill three men: Gonzalo Freyre de Andrade, Miguel Aguiar and Ricardo Dolz. Two of these had been immedi-

²⁶ None printed.

⁶⁴⁶²³¹⁻⁴⁸⁻⁴²

ately accounted for and the third was in hiding. The Government would gladly do everything possible to protect Dolz (ex-Senator and now Rector of the University) but it did not know his present whereabouts.

I asked Dr. Ferrara about Carlos Manuel de la Cruz, leader of the Orthodox Conservative faction in the House, who is also in hiding and who was insistently reported to have sought refuge in this Embassy. The Secretary replied that he understood that de la Cruz was at the Uruguayan Legation and that if this were true, the Cuban Government would raise no objection. He regarded such asylum as entirely justifiable in the circumstances, since it might protect the refugee from acts which the Cuban Government would be the first to condemn. Furthermore, de la Cruz was not a fugitive from justice.

The police report progress in running down the assassins of Vázquez Bello. The automobile which they used has been found and identified and they are working back from this important piece of evidence. The discovery yesterday of a 200 pound dynamite mine at Colon cemetery, close to the mausoleum in which Vázquez Bello would have been interred had it been determined to bury him in Habana, is regarded as furnishing definite proof that Vázquez Bello's assassination was but the prelude to a wholesale slaughter of government officials. This would seem to eliminate the theory that Vázquez Bello's death might have been due to dissention within the Liberal Party.

The authorities have adopted extraordinary precautions to maintain order and to prevent the escape of the criminals. I was informed this morning that the issuance to all Cubans of permits to embark for foreign ports has been indefinitely discontinued.

Respectfully yours,

EDWARD L. REED

837.00/8368

The Chargé in Cuba (Reed) to the Secretary of State

No. 1391

Habana, October 7, 1932. [Received October 10.]

Sir: I have the honor to report that I can discern little, if any, relaxation of the tension that has prevailed here since the assassination of Clemente Vásquez Bello and the subsequent murders of four members of the opposition on September 27.

The feeling of personal insecurity exists not only among adversaries of the Government; it extends as well to high officials of the administration. Should any of the latter meet a fate similar to that of the late president of the Senate, it is the common belief that there

will be further reprisals on an even larger scale against the lives of such opposition leaders or their sympathizers as are still at large.

That the situation of the Embassy in the present circumstances is one of extreme delicacy will, I am sure, be appreciated by the Department. I have received innumerable requests from anxious relatives and friends to intervene for the protection of persons who are in hiding and whose lives are believed to be in jeopardy. In one or two cases that appeared to be exceptionally meritorious I undertook to make personal and unofficial inquiries of the Secretary of State, but I was unable to obtain any assurances that could be regarded as satisfactory by the parties interested. I have also been asked in several instances to shelter persons in my home or in the chancery. I have consistently refused to grant such requests.

The Foreign Office announced yesterday that in so far as it was informed diplomatic asylum had been granted by the following missions:

Spanish Embassy: Gabriel and Marío Menocal y Moreno Mexican Embassy: Ricardo Dolz and Eliceo Arguelles, Sr. Uruguayan Legation: Carlos Manuel de la Cruz and Pedro Cué y Abreu

Colombian Legation: Eliseo Arguelles, Jr., and Julio Rabell

Of the eight persons listed only one, de la Cruz, has been permitted to leave the country. I was told yesterday in confidence by Dr. Ferrara that the President was very much annoyed at the freedom with which certain missions had extended their hospitality and that

with which certain missions had extended their hospitality and that he did not intend to permit any of the refugees to leave the country for the time being. The President, he said, felt that in the majority of cases the refugees had been actuated by a desire to embarrass the Government through unfavorable publicity abroad rather than by motives of personal fear. Judging from the degree of anxiety displayed by the many persons who have sought my assistance, I cannot, however, concur in that opinion.

Respectfully yours,

EDWARD L. REED

837.00/3371

The Chargé in Cuba (Reed) to the Secretary of State

No. 1394

Habana, October 14, 1932. [Received October 17.]

SIR: I have the honor to report that a presidential decree was signed yesterday providing that the suspended constitutional guarantees shall be restored from October 15 to November 1, 1932, inclusive, that is to say, during the fortnight preceding the elections

scheduled to occur on the latter date. After November 1 the constitutional guarantees will again be suspended.

Authorization for this action was given the executive by Article 4 of the Law of June 23, 1932 (see despatch No. 1230 of June 28, 1932.²⁷) It is not believed that the temporary reestablishment of the guarantees will exert any appreciable effect on the political situation. It is not the intention of the Government to permit political meetings or the free expression of opinions. However, it would appear that for the period stipulated in the decree the civil courts will recover their jurisdiction over offenses against the Explosives Law and certain other crimes committed by civilians.

Respectfully yours,

EDWARD L. REED

837.00/3368

The Secretary of State to the Chargé in Cuba (Reed)

No. 658

Washington, October 19, 1932.

SIR: The Department has received and read with interest your despatch No. 1391, dated October 7, 1932, reporting the present delicate situation in which you have been placed by the numerous requests received by you for protection from Cubans who believe themselves to be in jeopardy.

The Department approves the course you have followed in refusing to grant requests by Cubans for shelter in your home or in the chancery.

Very truly yours,

For the Secretary of State:

Francis White

837.00/3383

The Chargé in Cuba (Reed) to the Secretary of State

No. 1411

Habana, October 28, 1932. [Received October 31.]

SIR: I have the honor to report that on November 1, 1932, elections will be held in Cuba to select 69 representatives, governors and provincial councillors in the six provinces and mayors and municipal councillors in all the municipalities. One senator is to be elected in Camagüey and one in Pinar del Río, to fill vacancies caused by deaths.

Interest in the elections has been so slight that I have not thought it worth while to burden the Department with accounts of the progress of the campaign. In Habana the attitude of the public is apa-

 $^{^{\}rm 21}$ Not printed ; see telegram No. 78, June 22, 9 a. m., from the Chargé in Cuba, p. 550.

thetic, while in the smaller cities and rural districts the contest has centered around the personalities of the opposing candidates rather than the principles and platforms of the different parties.

The Government has repeatedly proclaimed its impartiality and announced that all possible measures were being adopted to prevent frauds and ensure freedom of voting. Military supervisers have been sent to many districts where there was indication of strife or where bitterness between candidates and their supporters had already resulted in bloodshed. There have been a number of such affrays, in one of which 3 persons were killed. No public meetings of a political nature have been permitted anywhere in the island.

As regards the probable results of the elections, it may be predicted with absolute safety that they will in no way affect the administration's control of congress, excepting in so far as its large majority consisting of Liberals, Populars and Coöperating Conservatives may be increased. In the provincial governments some changes may occur. The Conservatives are not attempting seriously to challenge the Liberal strength in the four eastern provinces, but in Pinar del Río, long a Conservative stronghold, the Liberals appear to have a fair chance of victory.

In Habana Province the principal opposing candidates for governor are the present Liberal incumbent, Antonio Ruiz, and President Machado's son-in-law, José Emilio Obregon. The latter's acceptance of the Conservative candidacy caused considerable surprise and conjecture in view of the President's position in the Liberal Party. It is, however, not known whether he has acted with or without the consent of his father-in-law. The fact that he has been plentifully supplied with funds for campaign purposes would seem to indicate that there has been no complete estrangement between them, but if Obregon is in fact receiving support from the President, the motive is not easily apparent. The governorship of a province in Cuba is neither a very influential nor remunerative position. The only possible explanation would be that the President desires to have a representative of his family in the higher councils of the Conservative Party. On the other hand, the theory that Obregon is acting independently of, if not in opposition to, his father-in-law's wishes finds support in the fact that a decree has been issued denying the national police of Habana the right to vote in the elections. It is recalled that the defeat of the Liberal candidate for mayor of Habana by Miguel Mariano Gómez in 1926 was attributed to the large vote given the latter by the Habana police.

Respectfully yours,

837.00/8385 : Telegram

The Chargé in Cuba (Reed) to the Secretary of Stats

Habana, November 2, 1932—noon. [Received 2:20 p. m.]

110. My despatch No. 1411, October 28. Elections held yesterday without serious disturbances although there was some bloodshed in provinces especially in Santa Clara. Four persons reported killed and many injured in factional disputes. Order was maintained by the Army, two soldiers being detailed to each polling place.

Early returns indicate Liberal successes in all but Pinar del Río Province where Conservative candidate appears to have been elected. Definite results will not be known for several days and in many cases will, as is customary, be delayed by court action in contested returns with probability of new elections being ordered in various districts where fraud can be proved. In any event political complexion of the country will not be appreciably affected.

Voting was light especially in Habana.

REED

837.00/3387

The Chargé in Cuba (Reed) to the Secretary of State

No. 1416

Habana, November 5, 1932. [Received November 7.]

SIR: Referring to my telegram No. 110 of November 2, I have the honor to report that later returns, which although still incomplete, appear to be conclusive, confirm the Liberal successes in the election of governors and congressmen in all provinces excepting Pinar del Río, where the Conservatives maintained their traditional ascendancy.

The Liberal majorities in Habana and Matanzas Provinces are said to have been very impressive, but in Camagüey, Santa Clara and Oriente their margins of victory were small and it is reported that the Conservatives made substantial gains in the election of mayors and other local officials, especially in the province last named. The Conservative candidate for mayor of the important city of Santiago de Cuba won easily over his Liberal opponent. Reports are contradictory regarding the majority obtained by Governor José Barceló, candidate for reelection on the Liberal ticket. The Conservatives in Oriente have thus far declined to concede his election and in some quarters the result is considered doubtful pending a complete count of votes.

The probabilities are that the Conservatives will have gained a few seats in the House of Representatives. If the various factions into which the party is divided can compose their differences, the additional strength may enable them to set themselves up as an effective opposition party.

Respectfully yours,

EDWARD L. REED

837.00/3399 : Telegram

The Ambassador in Cuba (Guggenheim) to the Secretary of State

Habana, November 29, 1932—4 p. m. [Received 5:25 p. m.]

121. Mendieta and Méndez Peñate were released from prison today and orders are being issued to set free more than 80 other political prisoners not held on definite charges of serious criminal offenses. Thirty-three military supervisors have been withdrawn from various points.

Guggenheim

837.00/3400 : Telegram

The Ambassador in Cuba (Guggenheim) to the Secretary of State

Habana, December 1, 1932—3 p. m. [Received 5:11 p. m.]

126. President Machado signed a decree this morning restoring constitutional guarantees and rescinding proclamation of martial law in all provinces excepting Habana. In declaration published over his signature he states he hopes to be able in the very near future to take similar action respecting Habana Province.

He adds:

"I know that my Government has adversaries. It is natural and normal that it should be so in any democratic regime. Cubans of the opposition have the same rights and may count on the same guarantees as the others. For the good of the country it would be patriotic if they would unite accepting the responsibilities of a party within the law."

GUGGENHEIM

837.00/3410

The Ambassador in Cuba (Guggenheim) to the Secretary of State

No. 1441

Habana, December 8, 1932. [Received December 12.]

SIR: I have the honor to inform the Department that it is reported that on the afternoon of December 6, 1932, an unsuccessful attempt was made by three or four young men on the life of Major Arsenio Ortiz, former military supervisor at Santiago de Cuba, whose alleged exploits in suppressing opposition to the Machado Administration in the spring of 1931 have been the subject of frequent reference in the Embassy's despatches.

. . . His arrest on various charges was ordered by the civil courts, but the general staff of the Army repeatedly refused to surrender him to their jurisdiction. He was confined to quarters at Camp Columbia for several months and all charges against him were finally quashed by the operation of the political amnesty act in January 1932. Subsequently, he is reputed to have directed the activities of the "porra" in Habana and to have resumed in that capacity his acts of "repression" against members of the opposition. He is undoubtedly one of the most bitterly hated men in Cuba and it was known that his life was in danger. The fact that the Government did not permit him to be punished for his conduct in Santiago or did not at least dispense with his services has been one of the principal objects of criticism against the President and against the Cuban Army.

According to the official version of the incident, Ortiz was on his way to visit his two sons at Belen College. While approaching his destination he noticed that his automobile was being pursued by a Ford in a manner which aroused his suspicions. As his automobile was about to turn into the road leading to the college, a bystander shouted to him, "Shoot them, Major. They are armed with machine guns." Ortiz and his two bodyguards thereupon opened fire with their revolvers. The occupants of the Ford returned the fire and endeavored to make their escape. In making a turn their car upset and the shooting continued until three of its occupants were so badly wounded that they had to submit. It is reported that one of them escaped amid the confusion. The three who were captured are said to be of the student type. Two of them are in a critical condition. Major Ortiz and his companions were uninjured.

It is possible that this incident may be cited by the Government as an excuse for delaying the promised restoration of constitutional guarantees in Habana Province. It will be recalled that guarantees were reestablished in the other five provinces on December 1, 1932,

and that all district military supervisers were previously withdrawn, as reported in my telegrams Nos. 121 and 126. This was followed by the demilitarization of the police in the provinces outside of Habana, by the removal of all but four military supervisors in the executive departments and by the announcement that guarantees would be reestablished in Habana as soon as the necessary arrangements could be carried out for the transfer of certain cases pending before the military tribunal to the jurisdiction of the civil courts. If the Government desires a pretext for further delay, it would seem now to have been furnished an adequate one.

The effects of the release of Mendieta and Méndez Peñate and of the partial restoration of normal political conditions have not been such as to encourage the hope that the Government and its adversaries are any nearer a settlement of their differences. A meeting of leaders of the Unión Nacionalista were held a few days ago at the house of Juan Gualberto Gomez, after which Colonel Mendieta issued a statement to the press in which he declared that the Unión would continue its labors, which were of a national rather than of a political character and which were aimed at a total transformation of the present régime in Cuba.

The Government organ, *Heraldo de Cuba*, recently gave scare head publicity to a statement by Juan Gualberto Gomez that there was no reason why the opposition should refuse to negotiate with the existing Government which, although illegal, was nevertheless an administration *de facto* and in control of all official activities.

In the meantime, messages from prominent Cuban oppositionists in the United States, such as General Marío Menocal, Miguel Mariano Gómez and Domingo Méndez Capote have sought to minimize the significance of the Government's recent actions as evidence of honest conciliatory intentions.

Respectfully yours,

HARRY F. GUGGENHEIM

EL SALVADOR

REFUSAL OF THE UNITED STATES TO RECOGNIZE THE MARTINEZ REGIME IN EL SALVADOR ¹

816.00 Revolutions/53: Telegram

The Minister in Guatemala (Whitehouse) to the Secretary of State

Guatemala, January 5, 1932—noon. [Received 2:35 p. m.]

1. Minister for Foreign Affairs ² informs me that Arrieta, Araujo's ³ Minister for Foreign Affairs, has arrived here on behalf of General Martínez ⁴ to seek a constitutional solution with the good offices of the Guatemalan Government. Arrieta proposed that both Araujo and Martínez should present their resignations and as the present designados' terms expire February 1 asked Araujo to submit the names of other designados satisfactory to him who would be likely to satisfy also Martínez. Araujo demurred at first but the Guatemalan Government insisted and he is now preparing his list which Arrieta will take back to Martínez.

The Guatemalan Minister for Foreign Affairs is very pleased at this solution and does not anticipate any difficulty in their agreeing on a designado. He will inform me as soon as he has the names.

Repeated to Salvador.

WHITEHOUSE

816.01/50a : Telegram

The Secretary of State to the Chargé in El Salvador (McCafferty)

Washington, January 13, 1932-7 p. m.

- 6. The following principles should govern your action in the present situation in Salvador:
 - 1) In view of the provisions of the 1923 Treaty ⁵ Martínez can under

² Alfredo Skinner Klee.

Maximiliano Hernández Martínez, de facto President of El Salvador.

¹ For previous correspondence concerning the revolution in El Salvador, see Foreign Relations, 1931, vol. II, pp. 169 ff.

Arturo Araujo, de jure President of El Salvador, who left the country on December 4, 1931, following the revolution of the night of December 2, 1931 (816.01/196).

General Treaty of Peace and Amity, signed February 7, 1923, Conference on Central American Affairs, Washington, December 4, 1922-February 7, 1923 (Washington, Government Printing Office, 1923), p. 287.

no circumstances be recognized. This is not due to any animus against Martínez, but because of the clear provisions of the Treaty. The other Central American states are in agreement concerning this. It would be useless for Martínez or his adherents to send a representative to Washington to seek recognition for him, and if anything of this nature is proposed you should discourage it.

2) It is the earnest hope of the Department that a Government may be established in Salvador at the earliest possible moment on a basis permitting its recognition by the other Central American countries and by the United States. See suggestion mentioned in Caffery's telegram No. 128, December 30, 6 p. m., 6 5th paragraph. The Department neither favors nor does it oppose any individual for appointment as first designate, its sole interest being that the appointment may fall on a person who can be recognized in conformity with the provisions of the 1923 Treaty. So far as the Department is concerned the door is wide open for the selection of any individual as first designate, the only essential qualification being that he be eligible for recognition under the Treaty. You will of course make the foregoing clear on appropriate occasions to the military authorities who are in control of the situation.

STIMSON

816.00 Revolutions/56 : Telegram

The Minister in Guatemala (Whitehouse) to the Secretary of State

Guatemala, January 15, 1932—11 a. m. [Received 2:15 p. m.]

3. My 1, January 5, noon. Minister for Foreign Affairs sent for me this morning to tell me that agreement will be reached on Gómez Zárate as successor to Martínez. The Minister saw Araujo last night who gave him to understand he would make no difficulties if Martínez would pay him his election expenses to the tune of about \$40,000 as Araujo said he was very hard up. Araujo has had some hope of armed assistance from Honduras but Skinner Klee told him that if he tried anything like that they would expel him at once from Guatemala.

Repeated to Salvador.

WHITEHOUSE

⁶ See telegram from the Minister in El Salvador, Foreign Relations, 1931. vol. II, p. 210.

816.00/825 : Telegram

The Chargé in El Salvador (McCafferty) to the Secretary of State

San Salvador, January 18, 1932—noon. [Received 2 p. m.]

5. I have been informed by Rudolpho Duke and other reliable sources that the military now in control are seriously considering the election of Colonel José Asensio Menéndez, present Under Secretary of War, as First Designate. Those who are opposed to his election claim that he would be debarred from recognition by the words "high military command" in clause 2 of article 2 of the treaty, because as Under Secretary of War he actually has control over the movements of troops which is really command. They also give as proof of their contention the page in the front of the official army register which lists the President, the Minister of War and the Under Secretary of War under the heading "high command of the army".

In order to avoid possible difficulties I respectfully request early instructions regarding the Department's opinion as to whether Menéndez could be recognized if elected First Designate.

McCafferty

816.01/51 : Telegram

The Chargé in El Salvador (McCafferty) to the Secretary of State

San Salvador, January 19, 1932—11 a. m. [Received 6:40 p. m.]

6. Yesterday afternoon I ascertained definitely that the Martínez regime had arranged to send to Washington Luis Anderson, former Costa Rican Minister to the United States, as its representative to seek recognition. I immediately talked informally with the de facto Minister of Foreign Affairs who said that the American press had been giving an unfavorable impression regarding the Martínez government and it was deemed necessary to send a man well known in the United States to counteract this impression. However later in the conversation he admitted that they planned to send Anderson to Washington to seek recognition because Martínez felt that his side of the case had never been presented to the Department. He spoke at length concerning the good administration which was being given, how the new regime had been unanimously and enthusiastically accepted by the people and of its friendliness towards American inter-

ests. I explained to him carefully and clearly the position of the United States as outlined in your telegram No. 6, January 13, 7 p. m., and pointed out that in view of the provisions of the treaty of 1923 Martínez could under no circumstances be recognized and that it would be useless to send a representative to Washington. He seemed disappointed but said he would explain the situation to Martínez and would advise me later of the result.

McCafferty

816.00/825: Telegram

The Secretary of State to the Chargé in El Salvador (McCafferty)

Washington, January 21, 1932-7 p.m.

8. Your 5, January 18, noon. You of course understand that this Government is not in any way urging or supporting any individual for election as First Designate. The Department's only connection with qualifications of any individual elected First Designate, who may eventually succeed to the Presidency, is in the scrupulous carrying out of its policy when it announced that it would be guided by the principles of the Treaty of 1923 in connection with the recognition of future Governments in Central America.

The Department of course does not wish to be too technical in its consideration of the matter and thus unduly limit the field of those whom it can recognize. In this connection it may be stated that the Department does not consider that the position of Under Secretary falls within the prohibition of Clause 2 of Article II regarding "a Secretary of State". The Department does not feel that the rank of Colonel indicates that such a person holds "some high military command" nor is the Department inclined to feel that the position of Under Secretary of War necessarily implies the holding of a high military command. In this connection the Department desires to have you cable as promptly as possible the exact functions of the Under Secretary of War.

Department also desires to be advised by you whether Colonel Menéndez was in any wise connected with the recent coup d'état or revolution or whether he is related through blood or marriage to one of the leaders as specified in Clause 1 of Article II of the Treaty.

STIMSON

816.00/829: Telegram

The Acting Secretary of State to the Chargé in El Salvador (McCafferty)

Washington, January 23, 1932—4 p. m.

10. The Department notes from your 11, January 22, 8 p. m.,⁷ that Menéndez was not connected with the recent revolution. It is further noted that he is unmarried and, so far as you can ascertain from reliable sources, he is not related through consanguinity to one of the leaders of the revolution as specified in Clause 1 of Article II of the Treaty.

As stated in the Department's 8, January 21, 7 p. m., the Department does not consider that the position of Under Secretary falls within the prohibition of Clause 2 of Article II regarding "a Secretary of State", nor does the Department feel that the rank of Colonel indicates that such a person holds "some high military command". The view which the Department stated, that it was not inclined to feel that the position of Under Secretary of War necessarily implies the holding of a high military command, is strengthened by the information you have reported concerning the regulations provided by executive order for the functions of an Under Secretary. It would appear from these regulations that the Under Secretary is limited to collaboration with the Minister in the direction of the work of the Ministry, and only in the absence of the Minister does he take charge of the performance of the work of the Ministry. While he is not in charge he must obtain the verbal authorization of the Minister for even the issuance of an order. It would seem from this that the Under Secretary of War, acting under the direction of the Minister of War, fulfills duties which probably are in their nature at least as much administrative as strictly military. It would also seem from the information you have transmitted that the Under Secretary of War does not actually exercise command over any important body of troops.

In view of the foregoing it seems to the Department that under any reasonable construction of the provisions of the 1923 Treaty Menéndez would not fall within any of the categories debarred by the Treaty.

As was stated in the Department's 8, January 21, 7 p. m., this Government is of course not in any way urging or supporting any individual for election as First Designate. The Department's only interest in the matter of qualifications of any individual elected First

⁷ Not printed.

Designate, who may eventually succeed to the presidency, is in the scrupulous carrying out of its announced policy to be guided by the principles of the Treaty of 1923 in connection with the recognition of future Governments in Central America.

CASTLE

816.01/63: Telegram

The Minister in Costa Rica (Eberhardt) to the Secretary of State

San José, January 28, 1932—2 p. m. [Received 9 p. m.]

7. Luis Anderson informs me that he expects to arrive at New York aboard steamship Toloa February 7th as confidential agent with broad powers of General Max Martínez to obtain recognition by the United States of present regime in Salvador. He stated that Congress of Salvador will assemble on February 1st and inaugurate former Vice President Martínez as President on the pretext that the previous incumbent deserted the country. In his arguments Anderson would present to the Department copies of testimonials by foreign diplomats at San Salvador stating their conviction that Martínez was not connected with coup d'état of December 3d. Anderson is concerned at possibility of higher Department officials refusing to receive him. I have refrained so far from discussing Anderson visit with Costa Rican officials. Above text telegraphed to American Legation San Salvador.

EBERHARDT

816.01/63: Telegram

The Secretary of State to the Minister in Costa Rica (Eberhardt)

Washington, January 29, 1932—1 p. m.

5. Your 7, January 28, 2 p. m. The Department assumes you have made entirely clear to Anderson the Department's position as set out in its No. 42, December 20, 1 p. m., and that you have done everything you could to discourage his taking this proposed trip. It is understood that the *Toloa* does not sail until tomorrow afternoon. The Department desires you to get in touch with Anderson immediately and to say to him categorically that the Department's decision that General Martínez could not be recognized was reached after the most thorough consideration; that there cannot be the slightest doubt that the regime headed by Martínez is barred from recognition by the terms of Article II of the Treaty of 1923; that the other Central American states have been unanimous in reaching the same

^{*} Foreign Relations, 1931, vol. II, p. 203.

decision; that under these circumstances the proposed trip of Anderson to Washington would be absolutely futile, and that if he persists in his plan to come to Washington he will not be received by any official of the Department of State in connection with this matter. You may add that the foregoing has been cabled to San Salvador for communication to General Martínez.

STIMSON

816.01/65 : Telegram

The Chargé in El Salvador (McCafferty) to the Secretary of State

San Salvador, January 30, 1932—4 p. m. [Received 7:30 p. m.]

24. In compliance with Department's telegram No. 16, January 29, 1 p. m., 9 yesterday I informally and orally advised the de facto authorities that there is not the slightest animus against Martínez personally on the part of the United States Government but that as has been already made clear the decision of your action, the nonrecognition of his regime, is the only possible decision which can be reached in view of the provisions of the 1923 treaty. I am informed that Congress will meet on February 7th. In spite of the fact that it has been made very clear to Martinez and the military leaders that his regime cannot be recognized all indications point out the fact that he still has hopes of obtaining recognition and that at the present time he has no intention of stepping aside. He will most likely endeavor to have Congress confirm him as Constitutional President on the excuse that his administration is backed by the people, that his government has been able to suppress the recent communist menace and that it would be disastrous for the state under the present serious state of affairs to have a change of Executive.

In an informal conversation with the Under Secretary of Foreign Affairs yesterday, I mentioned the rumors that were current that General Castañeda, Colonel Valdes or some other person barred by the treaty would be named First Designate and expressed to him my concern regarding the serious situation which would be created if Congress chose designates which the Department barred from recognition by the provisions of article 2 of the 1923 treaty. He assured me most emphatically that Congress would not name designates who would be barred from recognition by the terms of the treaty in case Martínez resigned.

McCafferty

[•] Not printed; it quoted telegram No. 5, January 29, to the Minister in Costa Rica, supra.

816.01/67 : Telegram

The Minister in Costa Rica (Eberhardt) to the Secretary of State

San José, February 1, 1932—4 p. m. [Received 8 p. m.]

9. This morning the Minister for Foreign Affairs 10 asked me to ascertain if possible how the Department would look upon his plan for an immediate conference in Guatemala City to be attended by representatives of Guatemala, Honduras, Nicaragua and Costa Rica 'arriving by airplane for the declared purpose of discussing ways and means of curbing communist activities in Central America and of helping El Salvador in her present fight against this common enemy. 11 After some questioning he practically admitted that the plot carried with it one for concerted effort to secure recognition for the present régime in Salvador, where Congress, meeting today, is expected to declare Martínez the legal successor to Araujo now absent from the country. While I could not refuse to transmit his ideas, I endeavored to discourage him, stating that I could not see how the Department could look favorably upon such a plan and supported this view by repeating to him statements contained in the Department's telegram number 5, of January 29, 5 [1] p. m. concerning the mission of Luis Anderson with whom I have reason to believe the Minister for Foreign Affairs is actively cooperating. Details by the next air mail.

Above message sent to San Salvador.

EBERHARDT

816.01/67 : Telegram

The Secretary of State to the Minister in Costa Rica (Eberhardt)

Washington, February 2, 1932—4 p. m.

6. Your 9, February 1, 4 p. m. If you have occasion to discuss this matter again with the Minister for Foreign Affairs you may say that the latest advices from San Salvador are that the *de facto* authorities have the situation well under control. In view of this the American and Canadian war vessels have been withdrawn from Salvadoran waters, and the British cruiser which had been held in readiness at Panama has returned to its station in the Caribbean. Our Legation at San Salvador has reported that on February 1 the three Communist leaders of the recent revolt were, after condemnation by court martial, publicly executed.

¹⁰ Leonidas Pacheco.

¹¹ See pp. 613 ff.

⁶⁴⁶²³¹⁻⁴⁸⁻⁴³

If, as you indicate, the real purpose of the plan proposed by the Minister for Foreign Affairs is to secure recognition for the present regime in Salvador, the Department is at a loss to understand how the Minister for Foreign Affairs intends to accomplish this consistently with the obligations assumed by Costa Rica under the 1923 Treaty. There cannot be the slightest doubt that under the provisions of that Treaty Martínez is debarred from recognition, and the other Central American states, including Costa Rica, have announced publicly their unanimous decision to that effect. It is not perceived how Costa Rica and the other Central American states could now take action looking to the recognition of Martínez, except by reversing the decision they have already announced and by a repudiation of their treaty obligations. It would, therefore, be interesting to know the grounds on which the Minister for Foreign Affairs may now believe that it would be possible to grant recognition to Martínez.

Repeated to San Salvador as Dept's 19.

STIMSON

816.00/839 : Telegram

The Chargé in El Salvador (McCafferty) to the Secretary of State

San Salvador, February 5, 1932—9 a.m.

[Received 1:36 p. m.]

30. Yesterday the Legislative Assembly declared General Martínez Constitutional President. The decree approved by Congress states that the treaty of 1923 can in no way affect the functions of the present government.

McCafferty

816.01/84 : Telegram

The Secretary of State to the Minister in Guatemala (Whitehouse)

Washington, February 9, 1932-6 p.m.

6. Your 14, February 8, 4 p. m.¹² You may say to the Minister for Foreign Affairs that the diplomatic representative of the United States in Salvador has stated categorically on several occasions to Martínez and to other officials of the *de facto* regime that the position of the United States is based on the 1923 Treaty and that in the Department's view it is clear that under that Treaty Martínez cannot be recognized. You may add for his confidential information that when the Department learned of Martínez' intention to send Luis Anderson to Washington to attempt to obtain recognition for his regime, the Department advised both Martínez and Anderson that

¹² Not printed.

the latter would not be received by any official of the Department in connection with this matter. Furthermore, the Department has in the past 24 hours been informed by the Legation at San Salvador that Martínez desires to send a financial representative to Washington to discuss with the Department the financial situation in connection with the 1922 Salvador loan. The Department has replied that it is not in a position to receive such a representative.

In view of the foregoing, the Department feels its position has been made amply clear to Martínez. The situation, however, is of course a difficult one. Martínez appears to have strengthened his position in Salvador as a result of having put down the recent disorders and he apparently has a favorable majority in the recently elected Salvadoran Congress. On the other hand, the 1923 Treaty appears clearly to bar him from recognition, and the other Central American states and the United States have announced their decision not to recognize him because of the provisions of that Treaty. It is evident that Martinez has been trying by every possible means to bring pressure to bear on the other states, including the United States, to alter their decision. It would seem, however, that Martínez must before long realize that these efforts have failed and that the only way which appears to be open to escape from the present impasse is for Salvador to put its Government on such a basis that it can be recognized by the other Central American states and the United States consistently with the obligations of the Treaty.

The Department would be interested to know just what "definite steps" the Minister for Foreign Affairs feels should be taken in order, as indicated in his conversation with you, to bring home to Martínez that the other states intend to support the Treaty.

STIMSON

816.01/88 : Telegram

The Minister in Guatemala (Whitehouse) to the Secretary of State

GUATEMALA, February 10, 1932—11 a.m. [Received 3:05 p.m.]

15. The Minister for Foreign Affairs was very satisfied with the information contained in your telegram No. 6, February 9, 6 p. m., and with the assurances regarding designates mentioned in the telegram of February 9, noon, from the Legation at San Salvador. The only definite steps that he had in mind were a refusal to honor passports issued by the Martínez regime and some action by the fiscal agent to withhold revenues. I suggested certain difficulties concern-

¹⁸ See Foreign Relations, 1922, vol. II, pp. 885 ff.

ing the latter and he agreed that it was impracticable. He seemed to know Anderson well and feared that if the Department would not receive him he would take his grievances to the Senate.

Repeated to Salvador.

WHITEHOUSE

816.00/846 : Telegram

The Chargé in El Salvador (McCafferty) to the Secretary of State

San Salvador, February 12, 1932—3 p. m. [Received 8:26 p. m.]

38. The Legislative Assembly today named the following designates: Colonel Fidel Cristino Garay, Commandant of the Department of San Miguel, as First Designate; Colonel Carlos Borromeo Flores, Under Secretary of Fomento, as Second Designate; and General Alberto J. Pinto, Commandant of the Department of Santa Ana as Third Designate. It appears that none of these are barred from recognition by the 1923 treaty. Further details will follow.

Repeated to Guatemala, Tegucigalpa, San José and Managua.

McCafferty

816.00/847 : Telegram

The Chargé in El Salvador (McCafferty) to the Secretary of State

San Salvador, February 13, 1932—11 a.m. [Received 3:15 p. m.]

41. My telegram No. 38, February 12, 3 p. m.

First Designate, Garay, who has been Commandant of the Department of San Miguel since March 1931 has under his charge between 100 and 200 troops, therefore he does not have a high military command. He had no connection with the military coup d'état of December 2nd and is not related to any of the leaders thereof.

Second Designate, Flores, was Chief of the Topographical Section of the War Department at the time of the recent revolution and was appointed Under Secretary of Fomento on December 9, 1931. He has not held any high military command, took no part in the coup d'état and is not related to any of the leaders thereof.

Third Designate, Pinto, is Chief of the Personnel Section of the Ministry of War which position he held prior to the revolution of December 2nd. He was not connected with the recent *coup d'état*, has not held any high military command and is not related to any of the revolutionary leaders.

Repeated to all Legations in Central America.

McCafferty

816.01/99 : Telegram

The Chargé in El Salvador (McCafferty) to the Secretary of State

San Salvador, February 17, 1932—11 a.m. [Received 1:30 p. m.]

46. My telegram No. 41, February 13, 11 a. m. I believe it would be helpful in working out a solution of the present political situation in Salvador if the Department could see its way clear to advise me, for my confidential information, whether it considers that First Designate Garay could be recognized if he took office as President after the government had been constitutionally reorganized in accordance with the provisions of the treaty of 1923. I believe that he does not come within the prohibitions of clause 2 of article No. 2 regarding high military command, implication in the revolution or consanguinity.

McCafferry

816.01/99 : Telegram

The Secretary of State to the Chargé in El Salvador (McCafferty)

Washington, February 17, 1932—6 p. m.

28. Your 46, February 17, 11 a.m., and 41, February 13, 11 a.m. The Department notes that Garay has been commandant of the Department of San Miguel since March 1931, and that he has under his command only 100 to 200 troops; also that you believe that he had no connection with the military coup d'état of December 2 and is not related to any of the leaders thereof. Upon reference to the Military Register of the Republic of Salvador for 1930 it appears that Colonel Garay takes rank after 1 General of Division, 30 Brigadier Generals and 15 other Colonels. It would therefore seem that he does not hold a "high military command" within the meaning of the Treaty. The Department is also informed by Mr. Curtis that when he was at the barracks conferring with the revolutionary leaders on the morning after the revolution broke out, he was shown a telegram received from Colonel Garay in reply to a request of the revolutionary leaders that he join the revolution. Colonel Garay, who was then at San Miguel, replied that he had received no news of the abdication or resignation of President Araujo and that until advised of such abdication or resignation he would remain at President Araujo's orders. This would tend to confirm that Colonel Garay was not in any way involved in the revolution.

In view of the foregoing which constitutes all the information before it the Department, subject to correction should later information to the contrary be presented, feels that Colonel Garay would not fall within any of the categories debarred by the 1923 Treaty.

Have there been any allegations that Garay is in fact debarred or have any doubts as to his eligibility under the treaty been expressed?

816.01/101 : Telegram

The Chargé in El Salvador (McCafferty) to the Secretary of State

San Salvador, February 18, 1932—2 p. m. [Received 8:33 p. m.]

48. Referring to the last paragraph of your telegram 28, February 17, 6 p. m., as far as I have been able to ascertain, no allegations that Colonel Garay is in fact debarred or no doubts as to his eligibility under the treaty have been expressed by any important person or groups.

I have also been reliably informed that both the Second and Third Designates accompanied Arturo Araujo in his retreat from San Salvador which would indicate that they were not implicated.

I had an informal conversation this morning with the de facto Under Secretary of Foreign Affairs and he stated to me confidentially that he had talked to General Martínez yesterday regarding the present political situation. Martínez told him that he had no ambitions, that he was willing to step aside for the good of the country and was now giving much thought to the matter. He said, however, that his retirement from the Presidency presented great difficulties especially in the matter of his personal protection. He stated that there were many ambitious politicians who would immediately endeavor to make difficulties for him if he stepped aside and furthermore that the very severe measures which he was obliged to take to suppress the recent communistic movement have put him in a position where he must be assured of his future protection.

I am inclined to think that Martínez's apprehension regarding future guarantees for himself is the principal reason for the delay in a reorganization of the Government in accordance with the treaty. This apprehension is very usual among outgoing Central American Presidents. There seems to be no doubt that the position of Martínez is a difficult one, but in my conversations with him I gained the impression that he desires to do the right thing.

I have heard from various sources that it had been proposed to

Martínez that he might insure himself against future molestation by accepting the post of Minister of War in a constitutionally reorganized government (there does not appear to be anything in the 1923 treaty or the Constitution of Salvador which would bar Martínez from accepting such a post in a government legally reorganized in conformity with this treaty). This, however, presents political difficulties because it would require the retirement of Colonel Valdes who has been a strong supporter of Martínez and who would undoubtedly resent being separated from the Cabinet.

I told the Under Secretary that I hoped that whatever action was taken would be in strict accord with the provisions of the treaty of 1923 and he said that he was convinced that General Martínez realized the importance of acting in conformity with the pact.

For the Department's information I may add that no adverse sentiment against the United States Government or this Legation has been evident here recently because of our stand on the question of nonrecognition.

McCafferty

816.00/849 : Telegram

The Chargé in El Salvador (McCafferty) to the Secretary of State

San Salvador, February 19, 1932—noon. [Received 2:25 p. m.]

49. The Legislative Assembly has now approved the recent declaration of martial law and has authorized the Executive to maintain it as long as the cause for its imposition continues.

McCafferty

816.00/850: Telegram

The Chargé in El Salvador (McCafferty) to the Secretary of State

San Salvador, February 20, 1932—3 p. m. [Received 11:20 p. m.]

52. The de facto Under Secretary of Foreign Affairs called this morning and said that he came with the full authorization of General Martínez to speak regarding a solution of the present political situation. He said that Martínez felt that the provisions of the treaty of 1923 would be complied with if he "deposited the power" in the First Designate and had the Legislative Assembly approve his action. (See the last sentence of first paragraph of this Legation's telegram

No. 128, December 30, 6 p. m.¹⁴) . The First Designate would then assume the Presidency in accordance with the Constitution.

The Under Secretary stated that Martínez desired to be absolutely frank with the United States Government regarding the matter and that if it were possible to follow this course he would legally continue to be Vice President and that if the First Designate should resign in say 6 or 7 months he would still be able to resume the Presidency in accordance with the Constitution and that there would then be no question of recognition by hesitating Central American States and the United States as the treaty would then not apply.

The Under Secretary then spoke again at some length of the latent but very serious danger of communism and said that Martínez was very concerned regarding his own protection, and that the very grave economic situation and the continually increasing political intrigues of ambitious persons demanded that the Government continue as at present constituted without any important change. Apparently Martínez feels that such a plan if possible to be carried out would give him adequate guarantees for the future.

I told the Under Secretary that I doubted very much whether the United States Government could accept any such an arrangement as it might be construed as an attempt to get around the clear provisions of the treaty, and I suggested that it would be preferable for Martínez to resign outright and that he could undoubtedly work out some plan to assure himself against future trouble.

He insisted, however, that I submit this proposal to the Department for its consideration and said that Martínez did not want to do anything which would not have the approval of the United States Government towards which he had the most friendly feeling.

For the Department's information I might add that the situation is extremely difficult because of the fact that Martínez has been giving a very efficient and honest administration and the people of the country are generally back of him. There has been some division evident among the military officers especially since each one was hoping that he might be named First Designate but the Army in general seems to be supporting Martínez. Garay is very little known, and is said to be a man of no outstanding ability and some of the higher officers resent the fact that he was chosen as First Designate. An early reply from the Department would be appreciated.

This telegram will be repeated to the other missions in Central America if the Department so instructs.

McCafferty

¹⁴ Foreign Relations, 1931, vol. II, p. 210.

816.00/850 : Telegram

The Secretary of State to the Chargé in El Salvador (McCafferty)

Washington, February 27, 1932—2 p. m.

31. Your 52, February 20, 3 p. m. The Constitution of Salvador apparently contains no provision authorizing the President to "deposit the power," other than that contained in Article 92. This article seems clearly to contemplate a temporary absence of the President from the country and his reassumption of power upon his return. The deposit of power in the first designate under the provisions of this article would thereby be effected only during the temporary absence of the President who would continue to hold the office de jure while the functions thereof were performed during his absence by the first designate as Acting President. In other words, the plan proposed by General Martínez means merely that the regime which would be headed by the first designate would be the continuation of the Martínez regime itself. In view of this the Department feels that it could not consistently with the provisions of the Treaty extend recognition to the first designate in whom Martínez would merely "deposit the power" or, a fortiori, extend recognition to Martínez upon his resumption of power a few months hence.

Apart from the legal position stated above, it is clear that the plan contemplates an evasion of the terms of the Treaty through a plot under which Martínez would merely retire for a short period from the Presidency and that the first designate to whom he would turn over the executive power for such period would be a party to the plot and would in turn retire after a few months so as to pave the way for the return to power of Martínez. Any such manoeuver would seem to be a clear violation of the spirit of the Treaty and if sanctioned by the other states would as a practical matter nullify the effectiveness thereof. The Department feels that it should not lend itself to any such attempted evasion of the obligations of the Treaty.

The Department cannot escape the conviction that if Salvador desires to put its Government on a basis whereby recognition can be extended consistently with the obligations of the 1923 Treaty, there is no other way open than for Martínez to resign the Presidency outright. You will of course make it clear that the Department as it has already stated is not motivated by any unfriendliness against General Martínez for whom it has great regard, but that its action in the matter must be consonant with the provisions of the treaty.

STIMSON

816.01/111 : Telegram

The Secretary of State to the Chargé in El Salvador (McCafferty)

Washington, March 7, 1932—6 p. m.

32. Department's 31, February 27, 2 p. m. What are the developments in this matter and what, if any, steps are being taken to put the Government of Salvador on a basis where recognition can be extended to it consistently with the provisions of the 1923 Treaty?

STIMSON

816.01/140

Memorandum by the Chief of the Division of Latin American Affairs (Wilson) of a Conversation With the British Ambassador (Lindsay)

[Washington,] March 7, 1932.

The British Ambassador came in to talk about Salvador. He referred to the conversation he had with Mr. White about ten days ago and said that he had cabled to his Government the views Mr. White expressed regarding the impossibility of recognizing Martínez in conformity with the provisions of the 1923 Treaty. The Ambassador said that three or four days ago the Secretary had asked him to come in and that the Secretary had told him of our policy of supporting the 1923 Treaty and that this had had a good effect in discouraging revolutions and promoting stability in Central America. The Ambassador said he had got the impression that the Secretary felt that if the British Government would hold off recognition of Martínez it would be helpful in working out stability in Central America. The Ambassador had cabled his interview with the Secretary to his Government, but had just now received word from London to the effect that the British Government had already replied to various Governments, such as the French and German, that it would extend recognition to Martinez whenever it became apparent that Martínez had consolidated his position and it seemed that he could continue to maintain himself in power. The Ambassador also mentioned that the British had signed a modus vivendi on commercial matters a short time ago with Salvador and that for this to go into effect it would require approval by the Salvadoran legislature. He also said that he believed there was a similar situation between the Irish Free State and Salvador.

The Ambassador said that the form of recognition would be merely that nothing had occurred to alter the friendly relations between the two countries and that the British Chargé d'Affaires would therefore carry on normal diplomatic relations with the Salvadoran Govern-

ment. He said that he supposed this action by his Government would not interfere greatly with the working out of our policy in Central America. I said that our position remained the same and that the other Central American states were standing firm on their decision that they could not recognize in conformity with the Treaty. I said that we had recently been advised from Guatemala that Martínez had sent a special agent to confer with the President of Guatemala. and that the latter had replied that it was useless for Martínez to carry on all these negotiations, and that he should resign the presidency as soon as possible in order to clear up the present situation, which was causing a good deal of uneasiness in Central America. In view of this, and of the firm stand the other Central American states had taken, I said that we had felt that there was every reason to hope that shortly steps would be taken in Salvador to put the Government on a basis where recognition could be extended to it. The designates who had been elected by the Salvadoran Congress appeared to be eligible for recognition and the way was therefore clearly open for Martinez to step out and let steps be taken to put the Government on a proper basis. I said that it was obvious that if the British Government should grant recognition to Martínez it would have the effect of encouraging him to stay on in power and would, therefore, probably delay for some time the taking of the steps necessary so that the Government of Salvador could be recognized by the other Central American states and by ourselves. The Ambassador said that there was no doubt about this, but that his Government had apparently already stated its position to various other Governments and could not change its stand. I then asked him whether his Government was contemplating extending recognition immediately. He said that the matter was left in the hands of the British Chargé d'Affaires in Salvador. He had been instructed that in his discretion when the situation appeared that Martínez had stabilized his position and could maintain himself in power, he could then extend recognition. The Ambassador said that of course one of the elements which might affect the stability of the Martínez regime would be the lack of recognition by the other Central American states and by the United States. I said that as regards this it was perfectly clear, as I had already told him, that the other Central American states could not recognize Martinez because of their treaty obligations, and that our position was that Martinez could not be recognized under the Treaty.

The Ambassador also mentioned that he understood that the Norwegian Government had recently signed in Paris a *modus vivendi* with Salvador and that this of course constituted recognition.

816.001 Araujo, Arturo/53 : Telegram

The Secretary of State to the Minister in Honduras (Lay)

Washington, March 8, 1932—3 p. m.

9. Your 20, March 2, 4 p. m.¹⁵ If Araujo again inquires your views regarding the wisdom of his attempting to return to Salvador there would be no objection to your expressing to him as your own personal opinion the view expressed by McCafferty in his telegram to you of March 3, 10 a. m.,¹⁵ to the effect that if Araujo should attempt to do this his life would probably be endangered.

STIMSON

816.01/117 : Telegram

The Chargé in El Salvador (McCafferty) to the Secretary of State

San Salvador, March 8, 1932—4 p. m. [Received 11:49 p. m.]

57. Replying to your telegram No. 32, March 7, 6 p. m. Upon receipt of your telegram 31, February 27, 2 p. m., I conveyed its contents very clearly to the *de facto* Under Secretary of Foreign Affairs in both English and Spanish and told him categorically that there was nothing else for Martínez to do but to resign the Presidency outright and to give up any idea of trying to evade the provisions of the 1923 treaty. He seemed disappointed but said he would explain it to Martínez. He attempted to argue that under the Salvadoran Constitution a Vice President could never lose his quality as such even though he had assumed the Presidency. I told him I disagreed with him and in support of my view I read to him article 81 of the Constitution which I claimed proved clearly my contention. He agreed with me after reading it and I was later on informed that Martínez called in the Chief Justice of the Supreme Court who also agreed with my interpretation.

Several days after I had heard from various sources that Martínez had told various persons who had called on him that he still expected to be recognized soon and that he had no intention of resigning. I therefore called on the Under Secretary of Foreign Affairs and asked him why it was that Martínez was making such statements when he (the Under Secretary) had told me definitely that Martínez had sent him to inform me that he (Martínez) intended to step aside but was only seeking a means to do so with guarantees for himself. I told him that the political situation of the country was daily going from bad

¹⁵ Not printed.

to worse without recognition and that it was imperative that steps should be taken immediately to reorganize the government in accordance with the provisions of the treaty. He protested that there was no intention of deceiving us and that he was certain Martínez intended not to disregard the treaty.

My conversation apparently had a beneficial effect because today the de facto Minister and Under Secretary of Foreign Affairs called and said that they came with the express authorization of Martínez to speak regarding the political situation. They told me categorically that Martínez was now absolutely convinced that he would not be recognized by the other Central American states and the United States, that Arrieta Rossi upon his return from Guatemala had stated that he was certain that the Guatemalan Government would never grant recognition to the Martínez regime, and that Martínez had decided to resign the Presidency outright.

They inquired however whether Martínez could not be permitted several weeks to make the proper arrangements for the transfer of power. I told them that they had already had sufficient time to have reorganized the government and I could not see why it could not be arranged in a few days' time. They then stated that the Army was divided and that the military were not all satisfied with Garay as First Designate consequently Martínez would need a little time to call all the principal officers to persuade them to support Garay if the latter assumed the Presidency. (It appears that considerable number of the military especially of the younger element favor Colonel Menéndez because they believe him to be intelligent, forceful and able). When I asked them if the military had not been consulted before the Designates were named, they answered that they had but in such a hesitating manner that I get the impression that they had not actually been consulted. They then inquired again regarding a short delay in the reorganization of the government and I told them that if they really intended to legalize the government I thought the most it should require would be 1 week. They then definitely promised that they would do so within that period of time.

During the conversation they stated that if Martínez resigned outright he might desire to assume the Ministry of War to guarantee his future protection (see paragraph 5 of my 48, February 18, 2 p. m.). I respectfully request that the Department inform me as soon as possible whether it would have any objection to this. In the telegram dated February 25, 4 p. m., from the Legation at Guatemala to the Department ¹⁶ it was stated that the Guatemalan Government would

¹⁶ Not printed.

insist that Martínez should not take another post sufficiently important to leave him still master of the situation but I cannot find anything in the 1923 treaty which would bar him from accepting such a position in a government legally reorganized in conformity with that pact.

McCafferty

816.01/117 : Telegram

The Secretary of State to the Chargé in El Salvador (McCafferty)

Washington, March 9, 1932-5 p.m.

34. Your 57, March 8, 4 p. m., final paragraph. The question of cabinet appointments which might be made by the designate who would succeed to the presidency following Martínez' resignation is one of internal order concerning which the Department does not care to express any opinion. If Martínez should be appointed in the cabinet by the new President this would not seem to constitute any bar to recognition of the latter under the terms of the 1923 Treaty.

Repeat this telegram and your 57 to the Legation at Guatemala for its information.

STIMSON

816.01/125 : Telegram

The Chargé in Nicaragua (Beaulac) to the Secretary of State

Managua, March 10, 1932—2 p. m. [Received 7:26 p. m.]

38. The Minister of Foreign Affairs called on me this morning and stated that two Salvadoreans, Carlos Varaona and Rafael Lima, representing the de facto President of Salvador had called on him and stated in confidence that General Martínez was determined not to resign the Presidency, that he had the support of all the foreigners in El Salvador, and that he was confident that he could maintain himself in power until the Central American treaties expired. They said that ex-President Araujo had enlisted elements on the north coast of Honduras and was prepared to re-enter El Salvador in an endeavor to overthrow the de facto regime. However the de facto government knew the details of his plan and was prepared to frustrate it. They thought Nicaragua would be interested on account of the danger that the defeated revolutionists would flee into Nicaragua and join Sandino whose assistance Araujo had likewise been promised. The two emissaries requested permission to call on President Moncada.

At the latter's request the Minister of Foreign Affairs asked my

advice as to whether the President should receive them. I told him I could only say that under like circumstances the President of the United States would decline to receive them and I agreed with him that the visit might be misinterpreted.

Repeated to San Salvador.

BEAULAC

816.00/856 : Telegram

The Chargé in El Salvador (McCafferty) to the Secretary of State

San Salvador, March 11, 1932—2 p. m. [Received 6:16 p. m.]

58. The Guatemalan Minister just called on me and stated that he had instructions from President Ubico to endeavor to have Gómez Zárate named President of Salvador. The Minister said he would like to have my views regarding the matter.

I told him that it was the policy of the United States neither to favor nor oppose any particular individual for appointment as First Designate its only interest being that he should be a person who can be recognized in conformity with the 1923 treaty and that I had most carefully abstained from any action which might be construed as favoring any individual. I told him further that the military were in control of the political situation and that on various occasions when I had spoken to Martínez and other military officers they stated categorically that no civilian would be acceptable as First Designate. Consequently any such suggestion on the part of the Guatemalan Government would only complicate the situation especially as it now appears that sincere efforts are being made to bring about a solution of the political difficulties. I said also that I could not see how the appointment of Gómez Zárate could be brought about as it would be clearly a case of mixing in the internal affairs of Salvador.

The Guatemalan Minister stated that he was in complete agreement with my opinion and that he would suggest to his Government the inadvisability and the impracticability of endeavoring to have Gómez Zárate named First Designate.

For the Department's information I might add that I believe that politically Gómez Zárate has been considerably weakened by the turn of events since December 2d and that a large number of his followers have changed their allegiance over to the military party now in control. His appointment as Chief Justice was made apparently to influence his partisans to support the present regime.

McCafferty

816.00/856 : Telegram

The Secretary of State to the Chargé in El Salvador (McCafferty)

Washington, March 12, 1932—2 p. m.

36. Your 58, March 11, 2 p. m. Department thoroughly approves the position you took in your discussion with the Guatemalan Minister.

Stimson

816.00/856 : Telegram

The Secretary of State to the Minister in Guatemala (Whitehouse)

Washington, March 12, 1932-2 p. m.

10. Reference telegram No. 58, March 11, 2 p. m. to the Department from Legation at San Salvador, which was repeated for your information.

The Department feels that any attempt to intervene in Salvadoran affairs through an effort to bring about the appointment of any particular person as first designate who would succeed to the presidency would be entirely unjustifiable. Such action, moreover, would appear to be contrary to the provisions of Article 14 of the General Treaty of Peace and Amity of 1923, which provides that each of the Governments of the Republics of Central America agrees not to intervene under any circumstances, directly or indirectly, in the internal political affairs of any other Central American Republic.

As you will have noted from McCafferty's 57, March 8, 4 p. m., to the Department, it would appear that Martínez is now convinced that he cannot obtain recognition from the other Central American states nor from the United States, and that it is therefore probable that he will resign the presidency outright within a short time, thus permitting the necessary steps to be taken by Salvador itself to place its Government on a basis where recognition can be extended to it.

You may in your discretion make such oral and discreet use of the foregoing as you judge advisable in conversation with President Ubico.

STIMSON

816.00/8571: Telegram

The Minister in Guatemala (Whitehouse) to the Secretary of State

GUATEMALA, March 14, 1932—10 a.m. [Received 12:50 p. m.]

24. Your 10, March 12, 2 p. m. On Saturday morning I spoke to Pinillos who said the Guatemalan Minister to Salvador had been stupid as his instructions were merely to report on the possibility of Gómez Zárate. The Guatemalan Government is not going to interfere, although the Minister of Foreign Affairs was inclined to object to Martínez becoming Minister of War. However, I mentioned the substance of your 34 to the Legation at San Salvador, 17 and he agreed it was the correct interpretation of the treaty.

McCafferty informed of above by telephone.

WHITEHOUSE

816.01/131 : Telegram

The Chargé in Nicaragua (Beaulac) to the Secretary of State

Managua, March 15, 1932—2 p. m. [Received 8:35 p. m.]

43. Department's 25, March 11, 6 p. m. 18 Salvadorean delegates returned to San Salvador March 15. It is my understanding that the President did not receive them and that they received no encouragement in their mission. The Minister for Foreign Affairs has assured me that Nicaragua's policy with respect to Martínez has not changed.

BEAULAG

816.01/133 : Telegram

The Chargé in El Salvador (McCafferty) to the Secretary of State

San Salvador, March 16, 1932—4 p. m. [Received 9:55 p. m.]

66. Referring to my telegram No. 57, March 8, 4 p. m., the Ministers of War and Gobernación called this morning to discuss the political situation and to request a little longer time to convince all the military that they should agree to support Garay if and when Martínez resigns. They added that their efforts would be strengthened if they could have the absolute assurance that the United States Govern-

¹⁷ Dated March 9, 5 p. m., p. 586.

¹³ Not printed.

ment would recognize Garay when he took office constitutionally. I replied that I could not find anything in the treaty which would bar Garay from recognition. This statement seemed to satisfy them. I am informed that some of the military still desire to have Colonel Menéndez named First Designate. I mentioned this to them and stressed the possible serious difficulties which might ensue if an endeavor were made at the present time to force the present Designates to resign in order that new ones might be named. I told them that in the interest of the welfare of the country and the maintenance of a stable administration I believed that the military should agree to remain united in support of a government established in conformity with the Constitution and the provisions of the 1923 treaty. They agreed that they felt that this was the only policy to pursue and that they would call a meeting of the principal military officers today and endeavor to convince them that they should unite in support of such a government so as to prevent future unrest and a possible resurgence of communist activities. They also insinuated that perhaps the supporters of Colonel Menéndez would be satisfied if he were offered a Cabinet Ministry such as Foreign Affairs. McCafferty

MOORFIERII

816.01/135 : Telegram

The Secretary of State to the Minister in Costa Rica (Eberhardt)

Washington, March 17, 1932—5 p.m.

14. The Costa Rican Chargé d'Affaires 19 called at the Department yesterday and exhibited a confidential letter he had just received from the Costa Rican Minister for Foreign Affairs, instructing him to inquire discreetly whether the State Department would be disposed to recognize Garay in Salvador, who was referred to in the letter as being an "obscure military man." The letter went on to say that a prominent Salvadoran was in San José discussing with the Costa Rican Government the political situation in Salvador. The Minister for Foreign Affairs expressed the view that it would be advisable for some leading Salvadoran to be elected designate and succeed to the presidency who would be satisfactory to the civilian and military elements of the country. Such a person, he said, should have had no connection with the recent revolution and also should not be any one of the three present designates. The Minister instructed the Chargé d'Affaires to ascertain whether the Department would be disposed to state that if such a person were elected designate and assumed the presidency of Salvador, it would recognize him.

¹⁹ Guillermo E. Gonzáles.

The Chargé d'Affaires was informed that this Government is not interested in the question of individuals who might be elected designate in Salvador. Our sole interest in the situation is that someone may legally assume the presidency who can be recognized by the other Central American states and by the United States consistently with the obligations of the Treaty. As regards Garay, the present first designate, the Chargé d'Affaires was advised that we had no information to indicate that he would be barred from recognition under the Treaty in case Martínez should resign the presidency.

The attention of the Chargé d'Affaires was also invited to Article 14 of the General Treaty of Peace and Amity of 1923 which provides that the Central American Governments agree not to intervene, under any circumstances, directly or indirectly, in the internal political affairs of any other Central American state. It was added that our information from Salvador indicated that Martínez would probably shortly resign the presidency outright, whereupon Garay, as first designate, would assume the presidency.

Repeat to the other missions in Central America for their confidential information.

STIMSON

816.01/138 : Telegram

The Acting Secretary of State to the Chargé in El Salvador (McCafferty)

Washington, March 31, 1932—6 p. m.

41. Your 68, March 18, 5 p. m., and 70, March 22, 1 p. m.²⁰ The press on March 30 published an AP despatch from San Salvador, dated March 29, to the effect that a petition signed by more than 20,000 Salvadorans was presented to Martínez urging him to maintain himself in power as long as the present difficult economic situation exists. Is this report substantially true and, if so, what effect do you think it will have on the plans of the *de facto* authorities? What, if anything, is being done by these authorities, now that Holy Week has passed, to carry out their indicated intention to reorganize the Government on a basis where recognition can be extended to it?

CASTLE

²⁰ Neither printed.

816.01/141 : Telegram

The Chargé in El Salvador (McCafferty) to the Secretary of State

San Salvador, April 1, 1932—1 p. m. [Received 7:45 p. m.]

71. Referring to your telegram No. 41, March 31, 6 p. m., the press despatch mentioned is substantially true except that the copy published in a local newspaper showed only about 2,600 signatures, the list being headed by those of approximately 100 prominent people while the rest are not very well known. I understand that a large number of the better-class people refused to sign it. The petition was undoubtedly inspired and encouraged by the de facto authorities and since there is now a strict press censorship it must have been published with their approval. The tone of the petition is very defiant towards the stand taken by the other Central American Republics and the United States regarding recognition and it is undoubtedly having the intended effect of arousing popular opinion against the resignation of Martínez and making it more difficult to bring about a reorganization of the government in accordance with the provisions of the 1923 treaty. A copy of the petition was forwarded by the ordinary pouch vesterday.

Referring to the last sentence in this telegram. Since nothing had apparently been done to carry out the definite promise of the *de facto* authorities that the government would be reorganized immediately after Holy Week, I spoke on Wednesday with the *de facto* Under Secretary of Foreign Affairs and asked him what was being done. I could obtain no definite information from him. I therefore called his attention to the seriousness of four Cabinet Ministers, upon the express authorization of Martínez, giving their pledged word to the United States Government that a reorganization of the government would be carried out without fail immediately after Easter and that I felt that it should be done without further delay. He said he would speak to Martínez and at my request he promised to arrange an interview for me with Martínez so that I might discuss the situation directly with him. I expect to see Martínez today and will cable the result of my interview later.

A number of the ambitious politicians such as the present Ministers of Foreign Affairs and Hacienda, Reyes Arrieta Rossi and others who fear to lose their positions or influence by change of government has advised that he should disregard the treaty and that he can stay in office indefinitely without recognition. They argue that no financial help can be expected should recognition be extended and that since

the Legations and Consulates of the Central American countries and the United States are maintained here in spite of nonrecognition, Salvador cannot suffer by continuing the present state of affairs.

McCafferty

816.01/142 : Telegram

The Chargé in El Salvador (McCafferty) to the Secretary of State

San Salvador, April 2, 1932—6 p. m. [Received 10:59 p. m.]

72. Referring to my telegram No. 71, April 1, 1 p. m., I had a very long talk with General Martínez today. I told him that I had come to speak frankly with him regarding the present political situation. I said that with his express authorization four of his Cabinet Ministers had come to me and requested me to inform the United States Government that immediately after Easter steps would be taken without fail to reorganize the government so that recognition could be extended to it by the other Central American Republics and the United States and that almost a week had already passed without any evidence of any steps being taken to carry out this promise. I added that I would like to be able to inform my Government what was being done and when a reorganization might be expected.

It was evident that he did not want to give any direct reply as he insisted upon talking at great length (as he has always done previously) to the effect that a change of government at the present time would be disastrous and would certainly result in a revolutionary outbreak. He argued that the latent communism was a serious menace, that public opinion which was very favorable to his administration was strongly opposed to his resignation and that the Army was divided in opinion and an important section of the military would not accept a change.

I replied that communism had been suppressed for the time being, that experience had shown that no unrecognized government in Central America could be strong or permanent and that the present very unsettled political situation was only an invitation to seditious movements by ambitious persons. I told him that I was convinced that a change now could be easily made but that if the present uncertain state of affairs should continue there was grave danger of serious troubles in the future. I also added that I was sure if he had the complete confidence of the Army, as he maintains, he should be able to convince them that a change is necessary for the good of the country.

I told him furthermore that the situation had in no way changed since his government had given its solemn pledge that a reorganization would be made after Easter and that when a government gave its promise to another it is generally expected that the promise will be kept; therefore I seriously hoped that he would carry out his indicated intention of reorganizing the government to admit of recognition.

When he saw that his arguments were of no avail he stated that the younger military officers (apparently those who engineered the recent coup d'état) were not convinced that Garay would be recognized. He therefore asked if the Ministers of Guatemala and Honduras and I would speak to some of these to assure them that there would be no difficulty in this respect. I told him that if it would help him I would be glad to see these officers and inform them that I could find nothing concerning Garay which would bar him from recognition. The Ministers of Guatemala and Honduras have also consented to do so and we may meet them tomorrow.

At the close of the conversation I asked him categorically if I might advise the Department of State that he intended to reorganize the government as he had promised and he answered in the affirmative but said that he desired us to speak to the young military officers to avoid difficulties.

In the course of the conversation he expressed apprehension that if Garay assumed the Presidency there might be considerable delay before he was recognized by the United States and during this delay unrest might ensue. I told him that I believed that it would be only a matter of a few days as the United States would have to consult with the other signatory powers. I assume in this case that the Department would accord recognition at the earliest possible moment because of the special conditions existing here.

McCafferty

816.01/145 : Telegram

The Chargé in El Salvador (McCafferty) to the Secretary of State

San Salvador, April 4, 1932—4 p. m. [Received April 5—1:31 a. m.]

73. Referring to my telegram No. 72, April 2, 6 p. m., paragraph number 5. This morning the Ministers of Honduras and Guatemala and I received in this Legation a delegation of five representatives of the younger military officers who carried out the *coup d'état* of December 2nd.

These officers spoke at great length concerning their patriotism in

having overthrown the incompetent Araujo administration, the constitutionality of the Martínez regime and the Salvadoran reservations to the 1923 treaty which made it inapplicable to that country. We explained to them very carefully and clearly the point of view of the other Central American countries and the United States regarding recognition and the Salvadoran reservations and stated that the decision had been made by these countries not to recognize Martínez and that it was useless now to discuss this matter any further.

They then said that they wished to have the assurance that Garay would be recognized if he assumed the Presidency. We read to them the pertinent parts of article number 2 of the 1923 treaty and said that we could not find anything therein which would bar Garay from recognition. They did not seem satisfied with this asssurance and said that on the morning after the revolution when Minister Curtis spoke to them at the Zapote Barracks Mr. Curtis suggested that Martínez as Vice President was the person according to the constitution who should assume the Presidency and that if this were done the United States would recognize the change in government. They said that they did not want a similar state of affairs if Garay assumed office and asked for a written statement that Garay would be recognized. Of course this put me in a most awkward position but the Honduran Minister explained to them the absolute good faith of Mr. Curtis in endeavoring to help in solving a difficult problem and said that this certainly was simply a misinterpretation of the meaning of the treaty on the part of Mr. Curtis who was incapable of deceiving them intentionally. Their attitude seemed to become more friendly after this explanation of the Honduran Minister.

I then told them that it was impossible to give them a written statement in advance. However in view of their apparently justified doubt I read to them the pertinent parts of the Department's telegram No. 28 of February 17, 6 p. m., and they seemed to be satisfied and no longer insisted on a statement in writing. The Honduran Minister then told them that from the information he had received from the President of Honduras he was certain that Garay would be immediately recognized. The Guatemalan Minister asserted that he did not have any definite instructions on the subject, that he felt pretty certain Garay would be recognized by his government but that he would be glad to request an opinion from Guatemala.

At the conclusion of the meeting the officers said that they were glad to have had an exchange of views with us and they felt it would make easier a solution of the present difficulties.

Repeated to Tegucigalpa and Guatemala City.

McCafferty

816.01/145

The Minister in El Salvador (Curtis), Temporarily in the United States, to the Chief of the Division of Latin American Affairs (Wilson)

[Washington,] April 5, 1932.

Telegram No. 73 of April 4, 4 p. m., from the Legation in San Salvador reports the second or third declaration made by officials of the Martínez regime to the effect that I promised that that regime would be recognized if certain steps were taken. As there appears to be no contradiction of these statements on file in the Department the following statement may be of some interest.

On the morning of December 3, 1931 I was first informed when I telephoned the Artillery Barracks at El Zapote that the revolutionists intended to make General José María Perralta Lagos president, but when I arrived at those barracks I was informed that it was intended to place Vice President (General) Martínez in the Presidency. (Accordingly, the statement contained in the telegram of April 4 is inexact.) Upon reaching the Infantry Barracks I was informed that it was the intention of that regiment to place General Perralta Lagos in the Presidency and I remarked that this was not the intention of the Artillery officers and that it would be wiser to adhere to constitutional forms as the assumption of the Presidency by General Perralta Lagos could not possibly be recognized; the matter of arranging an armistice was of the utmost urgency and the subject of the Presidency was dropped after I had made that one statement.

After President Araujo had left the country and the revolutionists were in complete control, there was great nervousness throughout the city because of the continued existence of the Military Directorate, composed chiefly of the very young officers who had led the revolution, as it was feared that General Martínez was only a figurehead and that the Government nominally headed by him was or would be dominated by the Military Directorate. In order to restore quiet as speedily as possible, I stated in one interview with General Martínez, in repeated interviews with his Subsecretary for Foreign Affairs (Mr. Avila), in one interview with Dr. Araujo, the newly appointed Secretary for Foreign Affairs, and in several interviews with different members of the Military Directorate, that the purpose of the latter organization had been accomplished and that it should now disband for the good of the country; that nobody felt sure whether the country was being governed by General Martínez or by the Military Directorate; and that, of course, recognition by foreign powers was out of the question so long as that doubt existed. On practically every

occasion I was asked whether recognition would be accorded if the Military Directorate was disbanded, and each time that I was asked this question I replied that I could not say whether recognition would be accorded as that matter was being considered in Washington, but that I could say that I was sure recognition would not be accorded until the Military Directorate had been disbanded; in later interviews I said frankly that I had recommended that recognition should not be granted in any case unless this had been done and that I felt sure that this purely negative recommendation made by me would be approved.

Charles B. Curtis

816.01/141: Telegram

The Acting Secretary of State to the Chargé in El Salvador (McCafferty)

Washington, April 6, 1932—2 p. m.

42. Your 71, April 1, 1 p. m. penultimate paragraph, and 72, April 2, 6 p.m., fourth paragraph. The Department does not understand that there has been any question of "pledged word to the United States Government" or of a "solemn pledge" by the present regime in Salvador to the Government of the United States to effect a reorganization of the Government in Salvador. It is the Department's understanding that the discussions you have had with Martínez and various officials of his regime have been on the basis of entirely informal and personal talks in an effort to be helpful in the present difficulties in which Salvador finds itself due to the fact that the present regime cannot be recognized by the other Central American countries and the United States, in view of the 1923 Treaty.

We are of course anxious that the present situation in Salvador may be regularized as soon as possible, so that we can extend recognition to a government there. Please maintain the conversations you have on the subject on the informal and personal basis mentioned hereinabove.

CASTLE

816.01/175 : Telegram

The Minister in Costa Rica (Eberhardt) to the Secretary of State

San José, May 11, 1932—3 p. m. [Received 9:12 p. m.]

41. Minister of Foreign Affairs has just called at the direction of President Jiménez to ascertain attitude of the Department if Costa Rica should recognize Martínez regime in Salvador, stating that

President considers recognition desirable for reasons of sentiment peculiar to Central America and on account of activity of Martínez in arresting Red expansion in Central America. I definitely refrained from any comment which would involve American policy but did remark that the United States would probably not change its policy now in force which was apparently only decided upon after complete study of the situation and status of Martínez, adding that I would be willing to comply with his request to transmit any brief prepared by Costa Rican Government exposing its legal interpretation of the present situation in Salvador.

EBERHARDT

816.01/175 : Telegram

The Acting Secretary of State to the Minister in Costa Rica (Eberhardt)

Washington, May 13, 1932—noon.

23. Your 41, May 11, 3 p. m. The Department's position regarding non-recognition of the Martínez regime was stated in its 42, December 20, 1 p. m.²¹ Refer also to Department's 45, December 22, 2 p. m.,²² 5, January 29, 1 p. m., and 14, March 17, 5 p. m. Department very much regrets you did not at once make its position clearly known to Minister of Foreign Affairs.

It is very difficult for this Government to believe that the new Costa Rican Government is seriously considering reversing the decision adopted by its predecessor in full accord with the other Central American states and in fulfillment of its treaty obligations. There cannot be the slightest doubt that under the provisions of the 1923 Treaty Martinez is debarred from recognition, and the other Central American states, including Costa Rica, after thorough consideration announced publicly their unanimous decision to that effect. You may express the foregoing orally to the Foreign Minister. You should also say that there is no animus on the part of this Government against Martínez personally but that our decision not to recognize him was taken in view of the clear stipulations of the Treaty and our policy to support that Treaty, which was adopted by the Central American states themselves as an effective measure to promote stability and discourage revolution in Central America. It would seem a pity for any of the Central American states to repudiate the policy of the Treaty merely for reasons of momentary expediency.

²² Ibid., p. 205,

²¹ Foreign Relations, 1931, vol. II, p. 203.

You may also say in confidence to the Minister for Foreign Affairs that Secretary Stimson has advised the Department that Justice Guerrero of Salvador sought two interviews with him recently in Europe in order to discuss the Salvador situation. The Secretary explained our position and made it clear that we proposed to stand by the policy of the Treaty and that it was hopeless for Martínez to expect our recognition. At the second interview, held early this month, Guerrero stated that he had communicated the Secretary's views to Martínez and that the latter had decided to turn over the presidency to the first designate, Colonel Garay, on June 1, Martínez himself becoming Minister of War; Martínez regarded the interval until June 1 as necessary to enable him to stabilize the situation and prevent danger of any further outbreak of Communism. For your information, the Department's views regarding the eligibility of Garay are stated in its 14, March 17, 5 p. m.

Repeat your 41 and this telegram to the other Legations in Central America.

CASTLE

816.01/183

Memorandum by the Assistant Secretary of State (White)

[Washington,] May 19, 1932.

The British Ambassador called and showed me a letter from Sir Robert Vansittart regarding the recognition of the Martínez regime which indicated that the British could not much longer feel justified in withholding recognition, although they want to cooperate with the United States in every possible way.

I explained to Sir Ronald again the position in Central America and told him I thought that a good many people had lost their heads in Salvador at the time of the so-called communist outbreak and had clamored for the landing of troops. Our Chargé d'Affaires had not felt that the situation was so serious and had not asked for troops. Of course the coffee planters pretty much lost their heads and when the difficulty was over had perhaps an exaggerated idea of what Martínez had accomplished, and therefore urged more strongly his recognition. I said that in any event our position was unchanged and that we were now looking forward in the hope that Martínez will do as he had said and get out on the First of June.

F[RANCIS] W[HITE]

816.00/872 : Telegram

The Chargé in El Salvador (McCafferty) to the Secretary of State

San Salvador, June 1, 1932—3 p. m. [Received 9:44 p. m.]

86. Late yesterday the Ministers of War and Gobernación called on me, presented the greetings of General Martínez and then talked at length on general topics. After much hesitation the subject of the political situation was broached and I asked them how things were going along. They said that there had been no new developments.

They spoke of latent communism but I told them I had reliable information that communism was a dead issue at the present time and that the feeling of the farm laborers was now very strong against the radical leaders who fooled them but not against the government. It was evident that they felt that their red argument was not very convincing. I then mentioned to them the two interviews of Justice Guerrero with Secretary of State Stimson in which the former stated General Martínez had consented to turn over the Presidency to the First Designate on June 1st, he assuming the Ministry of War, also that of the representative of the de facto government in Washington with the Under Secretary of State which indicated the same thing. They made it appear as if they knew nothing of these interviews and evaded any comment on them. They then said that the military officers were insisting that Martínez remain and that they would not permit any of the present Designates to assume the Presidency. I said that it was unfortunate that before the naming of the Designates the military were not consulted and an agreement reached. They said that the Army indicated its preference for General Castañeda, Colonel Valdes and Colonel Menéndez as First, Second and Third Designates respectively but that they had not been chosen because they would have been barred by the 1923 treaty. I told them that unfortunately they themselves would be barred from recognition because they were Secretaries of State within 6 months prior to the election of Designates but surely I could not find anything in the treaty which would bar Colonel Menéndez. They volunteered the information that Colonel Menéndez would be acceptable to the Army and to them and that if the present Designates voluntarily resigned he could then be named First Designate but that this presented difficulties. I made no comment.

I then reiterated to them that we had no animus against General Martínez or anyone else in the *de facto* government and that we neither favored nor opposed any person for the Presidency. I emphasized the fact that our only interest was that we were most anxious

to see a constitutional reorganization of the government in accordance with the provisions of the treaty of 1923 so that it could be recognized. I pointed out to them that without recognition the government could not be strong and firmly established and that the unsettled political disturbances were preventing a normalization of the serious economic situation. They agreed and said that it was very important that the situation should be normalized. They and General Martínez are undoubtedly concerned regarding nonrecognition. They said that they would talk to General Martínez regarding our conversation and would come back shortly. While the interview gave me no new information I obtained the impression that they had been sent by General Martínez to say that he could not turn over the Presidency at the present time to the First Designate but they left apparently without having the courage to say this definitely.

McCafferty

816.01/195

The Chargé in El Salvador (McCafferty) to the Secretary of State

No. 113

SAN SALVADOR, June 7, 1932. [Received June 13.]

Sir: I have the honor to refer to the Department's confidential instruction of May 24, 1932,²³ transmitting a copy of a memorandum of a conversation held on May 19, 1932 between the British Ambassador in Washington and Assistant Secretary of State White with respect to recognition of the *de facto* régime in El Salvador.

On various occasions I have endeavored to convince the British Chargé d'Affaires here that the de facto Government cannot be stable and firmly established while the recognition of the other Central American Governments and the United States is withheld. He expresses the opinion, however, that the de facto régime is popular, stable and organized according to the Constitution. He has also mentioned several times what he considers the inconsistent position of our governments in withholding recognition and at the same time maintaining diplomatic and consular representatives in El Salvador. From my conversations with him, he does not seem to feel that there is any reason why the British Government should cooperate with the United States in its endeavor to prevent revolutions in Central America.

I sincerely hope that the Department may be able to have the British Government withhold recognition for a longer period because

²³ Not printed.

some other European countries like France, Belgium and Spain may take similar action and it will only serve to encourage General Martínez to stay in office indefinitely and make him and his Minister of Foreign Affairs more defiant in their attitude towards the other Central American countries and the United States.

Respectfully yours,

W. J. McCafferty

816.00/876

The Chargé in El Salvador (McCafferty) to the Secretary of State

No. 116

San Salvador, June 10, 1932. [Received June 15.]

Sir: With reference to my telegram No. 87 of June 8, 1932 (5 p. m.),²⁴ I have the honor to transmit herewith a copy and translation of a public manifesto²⁴ of General Maximiliano H. Martínez which was published in the *Diario Oficial* of June 8, 1932, in which he makes known publicly his intention of disregarding the provisions of the 1923 Treaty.

In this proclamation the *de facto* President declares that since an overwhelming majority of the people of the country has requested him to remain in office and to cease any further efforts to obtain recognition from foreign governments, he accedes to their wishes and will continue in the exercise of the Presidency for the remainder of the constitutional term, in other words until March 1, 1935. He emphasizes the legality of his régime on the ground that he was elected Vice President by a large majority of the ballots cast in January, 1931.

It will be noted that he makes special reference to the fact that the Central American and foreign states have maintained and are maintaining the best international and fraternal relations with his government in spite of the lack of recognition. He apparently feels that since many of the powers still maintain legations and consulates in El Salvador and permit Salvadoran legations and consulates to function in their countries, the refusal of foreign nations to recognize him has not vitally affected his government, therefore recognition is a matter of minor concern and he can continue on in office for the reminder of the constitutional term, disregarding the provisions of the 1923 Central American Treaty.

I am reliably informed that his advisers have been telling him that non-recognition is of no importance since he has been able to carry

²⁴ Not printed.

on without it for many months, that the other Central American States have only insisted upon the fulfillment of the terms of the 1923 Treaty because they were forced to do so by the pressure of the United States Government, that it would be foolish for him to step aside when he has shown that he can maintain himself without recognition, and that even with recognition he could not hope to obtain any money from abroad to relieve the present serious state of finances of the Government.

Most of the thinking people here who have an interest in the country and who are not seeking public office or public favors, realize that if Martínez is able to maintain himself in the Presidency in disregard of the terms of the 1923 Treaty, it will undo a large part of the good work which has been accomplished in the past nine years in preventing ambitious persons from using violent measures to get into power and that it will encourage revolutionary movements in all Central American countries.

With reference to my despatch No. 112 of June 7, 1932,²⁵ it would now seem that the loan of \$400,000 which General Martínez asked Mr. Renwick to endeavor to obtain for him in order to purchase an exorbitant and unnecessary amount of ammunition, is for the purpose of maintaining himself in office.

Respectfully yours,

W. J. McCafferty

816.00/874 : Circular telegram

The Acting Secretary of State to the Diplomatic Representatives in Costa Rica, Guatemala, Honduras, Nicaragua, and Panama

Washington, June 17, 1932—6 p. m.

Please cable reaction in country to which you are accredited to manifesto of Martínez published in Salvador on June 8 ²⁶ in which he stated that he intended to remain on in power for the remainder of the constitutional term, that is until March 1935, and that the other Central American and foreign countries were maintaining the best of friendly relations with his Government in spite of lack of recognition. Department does not desire you to discuss this question with Government authorities but only to cable your own impressions.

CASTLE

²⁵ Not printed.

²⁶ See despatch No. 116, June 10, from the Chargé in El Salvador, supra.

816.00/882 : Telegram

The Minister in Costa Rica (Eberhardt) to the Secretary of State

San José, June 18, 1932—11 a. m. [Received 1:55 p. m.]

46. Referring to Department's circular telegram dated June 17, 6 p. m., the Martínez manifesto was published locally but occasioned little or no comment in or out of the press. See my despatch No. 936 of June 16 ²⁷ which left by air-mail pouch this morning.

EBERHARDT

816.00/879 : Telegram

The Chargé in Guatemala (Donald) to the Secretary of State

Guatemala, June 18, 1932—1 p. m. [Received 5:20 p. m.]

50. Your circular June 17, 6 p. m. My impression of reaction in Guatemala to Martínez manifesto is that it is felt that Martínez has put something over on the United States; that it is an extremely bad precedent and would very probably raise similar ambitions in other malcontents. Previous conversations with the Minister for Foreign Affairs lead me to believe the Guatemalan Government views the situation with concern and believes a stronger policy advisable, at least to the extent of closing the Legation. The Minister even hinted that an economic boycott would bring Martínez to terms in short order.

DONALD

816.00/880 : Telegram

The Chargé in Honduras (Higgins) to the Secretary of State

TEGUCIGALPA, June 18, 1932—1 p. m. [Received 8:33 p. m.]

54. Department's circular telegram of June 17, 6 p. m. Slight reaction here to Martínez manifesto because the general belief previously existed that he never had any intention to resign. On June 10th press published inconspicuously text of manifesto without comment then or subsequently. The Minister of Foreign Affairs however on that date remarked to me on his own initiative that inasmuch as Martínez had been permitted to seize all the customs revenues he might

²⁷ Not printed.

maintain himself in power indefinitely. Those in government circles regret Martínez's staying on but the anti-Americans of which there are many in Honduras are elated over his determination and success in remaining in spite of our nonrecognition. Both his determination and success are of course encouraging to the elements here contemplating or desiring revolution.

HIGGINS

816.00/881 : Telegram

The Minister in Nicaragua (Hanna) to the Secretary of State

Managua, June 18, 1932—4 p. m. [Received 10 p. m.]

95. Your circular telegram June 17, 6 p.m. There had been no noteworthy reaction here to the Martínez manifesto. It was given little attention by the local press.

Shortly before the manifesto was published I had a conversation with the Minister for Foreign Affairs at the time that the Costa Rican Government agitated the matter of recognizing Martínez and the Minister for Foreign Affairs gave me to understand that there had been no change in the attitude of Nicaragua on this subject.

HANNA

816.00/883 : Telegram

The Chargé in Panama (Finley) to the Secretary of State

Panama, June 20, 1932—11 a. m. [Received 12:45 p. m.]

82. Department's circular June 17, 6 p. m. My impression is that the Panaman Government and public regard the question of recognition of the *de facto* Salvadoran government with indifference. Press has contained only brief notice and no editorial comment regarding manifesto.

FINLEY

816.01/228

Memorandum by the Assistant Secretary of State (White) of a Conversation With the French Chargé (Henry)

[Washington,] August 11, 1932.

Mr. Henry called and said that he had a telegram from his Government saying that the Salvadoran Government had now told them, through the Salvadoran Chargé d'Affaires in Paris, that they were ready to sign the commercial treaty that has been under negotiation for some time between the two countries. If this proved to be the fact, the French Government did not see how it could delay recognition of Salvador much beyond the entering into effect of that treaty. He said that he was instructed to inform us of the facts.

Mr. Henry then inquired how we looked upon such recognition. I told Mr. Henry that we would not recognize Martínez and that our action was taken because we wished to support the efforts of the Central American countries themselves to maintain peace and order in Central America. Mr. Henry said that he understood that but that of course the European countries did not have the same interest. I told him I thought they did have. It is certainly to their interest that there should be peace and order in Central America and I thought it was really to their interest to support any measure designed to that purpose. Whenever there is trouble there, the European countries do not hesitate at once to call upon the United States to protect their nationals and we therefore felt that they might well want to cooperate with us in maintaining a policy which is designed to preserve peace and order. Mr. Henry said that he could see the force of the argument. I told him that of course they would have to judge the matter for themselves but that as he had asked my views I had given them to him very frankly.

F[RANCIS] W[HITE]

816.01/229

Memorandum by the Chief of the Division of Latin American Affairs (Wilson)

[Washington,] August 16, 1932.

In conversation with Mr. Leitner, the German Chargé d'Affaires, he asked if there was any change in the situation as regards our attitude towards the recognition of the Martínez' regime in Salvador. I said that there was no change, and as I had explained to him in a previous conversation, we would not recognize Martínez. He said that he understood that various European countries had given a sort of de facto recognition through carrying on negotiations with the Martínez' regime for an extension or modification of their commercial treaties. He mentioned France and Italy in this connection. I said that we had heard that there had been some discussions of this nature but that recognition had not been extended by the Governments in question, or, so far as we were informed, by any Government other than Mexico in accordance with the latter's own doctrine in the matter.

I asked Mr. Leitner if the German Government was being urged by

Martínez to extend recognition. He said that he thought that Martinez, through agents in Europe, was urging the German Government, as well as the other European Governments, to extend recognition and that there was quite a campaign being undertaken to this effect. He said that the German colony in Salvador was not particularly important and he did not believe that they were taking much part in this effort to get recognition for Martínez. He said that it had occurred to him that perhaps we had come to a sort of impasse with the Salvador situation, since Martínez was apparently able to maintain himself in power, and he wondered whether if some of the European countries should grant recognition this would not furnish us an easy way to alter our decision. I said that we were not going to alter our decision, since it was taken on principle and in furtherance of the policy of promoting stability in Central America. I said that I thought that the European states which had interests in Central America were also interested in the maintenance of stability there and that personally I thought it would be a shortsighted policy on their part to do anything which ran contrary to such a policy. When Europeans find their lives and interests endangered as a result of disturbances in Central America they look to us for assistance, as in the case of the Italian Consul General during the so-called Communist disturbances in Salvador, who appealed to us to extend protection to his fellow countrymen. I said that in these circumstances it would seem that the policy of discouraging revolution which the Central American states had themselves adopted and which we were supporting ought to get the support of European Governments too. Mr. Leitner said he thought there was a good deal in this. He said that Germany desired to act in accord with the United States in respect of recognition of new Governments in Central and South America.

EDWIN C. WILSON

816.01/242

The Chargé in El Salvador (McCafferty) to the Secretary of State

No. 168

San Salvador, September 17, 1932. [Received September 26.]

Sir: I have the honor to refer to my telegram No. 100 of September 6, 1932 (5 PM), 28 in which I informed the Department that the daily La Prensa of San Salvador had that day published a headline article announcing the recognition by the British Government of the Martínez régime basing this assertion on the fact that the British

²⁸ Not printed.

Minister in Guatemala the day previous had addressed a telegram to the Salvadoran Minister of Foreign Affairs requesting provisional recognition for the new British Chargé d'Affaires here until the receipt of his credentials by mail.

I immediately got in touch with the British Chargé d'Affaires who confirmed the text of the above mentioned telegram and stated that he had also been authorized by his Government to address official notes to the *de facto* Minister of Foreign Affairs and deal officially with the Martínez Government. While he had not been instructed to send an official note recognizing the *de facto* régime, he felt that the above action was tantamount to recognition.

The British Chargé d'Affaires also informed me that the British-Salvadoran commercial treaty expired on September 15th, and, from the conversation, it appeared to me that the desire to be able to carry on official negotiations with the *de facto* régime for its extension, was the immediate reason for the British action at this time. The treaty has since been renewed for the period of one year.

During the conversation with Mr. R. G. Goldie, the British Chargé d'Affaires, I explained to him our position regarding non-recognition of revolutionary governments in Central America. I told him that our only interest was to encourage peace and order in this part of the world and we believed that it was also to the interest of the British to cooperate with us in promoting stability in the Isthmus. He agreed that our policy designed to discourage revolutions was a sound one, but he felt that the fact that Great Britain had withheld recognition for so many months was a strong indication to the de factor régime that it disapproved of governments arising through violence.

I have observed that there has been a surprisingly small amount of local press comment on the British recognition of the Martínez régime, which would seem to indicate that the *de facto* Government has changed its former policy and at present is not encouraging publicity regarding the question of recognition.

Respectfully yours,

W. J. McCafferty

816.01/237 : Telegram

The Ambassador in Brazil (Morgan) to the Secretary of State

RIO DE JANEIRO, September 20, 1932—11 a.m. [Received September 20—10:35 a.m.]

109. Foreign Minister states that Argentina wishes Brazil to recognize in immediate future on same day and hour *de facto* government Salvador.

MORGAN

816.01/238 : Telegram

The Chargé in El Salvador (McCafferty) to the Secretary of State

SAN SALVADOR, September 21, 1932—8 p. m. [Received 9:46 p. m.]

101. The de facto Under Secretary of Foreign Affairs informed me that France has recognized the Martínez government by means of a note dated August 7th and presented September 19th, addressed by the French Foreign Minister to the Salvadoran Minister for Foreign Affairs, requesting the recognition of the French Chargé d'Affaires and Consul here and authorizing the latter to sign treaties with the Salvadoran government.

Today the French Chargé d'Affaires and the Salvadoran Foreign Minister signed two treaties, one extending for 5 years the present Zaldivar-Delcassé Commercial Treaty and the other giving protection to regional names of products.²⁹

McCafferty

816.01/237 : Telegram

The Secretary of State to the Ambassador in Brazil (Morgan)

Washington, September 22, 1932—11 a.m.

79. Your 109, September 20, 11 a.m. For your information and possible use in conversation with the Foreign Minister. This Government, at the request of the Central American Governments, announced in June, 1923, that, in the matter of recognition of new Governments in Central America, it would support the principles of the Central American General Treaty of Peace and Amity adopted by the five Central American Republics in February, 1923, as an effort on their part to promote stability in Central America and discourage revolutions in those countries. Article II of the treaty provides, in brief, that recognition shall not be extended to a Government coming into power through a revolution if, among other things, the head of that Government should have held a cabinet office within 6 months preceding the revolution. General Martínez was Minister of War at the time of the revolution in December, 1931, which overthrew the Araujo Government. There can, therefore, not be any doubt that under the treaty Martínez can not be recognized as President of Salvador. The other Central American states have been unanimous in this opinion and have refused recognition to Martínez. The United States. in view of its policy of supporting the treaty, has also declined to

²⁹ British and Foreign State Papers, vol. cxxxv, pp. 506 and 507; the dates of signature are given therein as September 20, 1932.

recognize Martínez and will not recognize him. Of course Brazil is in a somewhat different position, since it has not taken any stand in regard to the 1923 treaty, but it would nevertheless seem that the position taken by the Central American states themselves in an effort to promote stability and discourage revolutions in their countries merits the sympathetic support of other states on the American continent.

STIMSON

816.01/251

Memorandum by the Assistant Secretary of State (White) of a Conversation With the Argentine Ambassador (Espil)

[Washington,] September 23, 1932.

Mr. Espil called and returned the copy of the Central American Treaty of 1923 which I loaned him yesterday. He said that he found it difficult to take the matter up with Saavedra Lamas and that if this Government wanted to make a request of the Argentine Government he would rather have it come through Mr. Bliss. I told Mr. Espil that we were not making any request of the Argentine Government and that we had not instructed Mr. Bliss in the premises; that I thought what the Secretary had in mind in speaking to him the other day was to point out that we are working for stability in Central America and are embarked on a policy to that end which the five Central American Governments themselves have said would help to promote stability in Central America, and that the Secretary had merely expressed his regret that Argentina at this time seemed to be embarking on a different course. I told Mr. Espil that the Brazilian Ambassador had come in this morning and had spoken to me about the matter and that I had explained to him fully our position. We had also received word from Mr. Morgan in Rio and had advised him in the same sense. Mr. Espil said that if he could put the matter up to Saavedra Lamas on the basis that he had heard in the Department that the Brazilian Ambassador had inquired of us regarding our policy toward recognizing the Salvadoran Government and that we had told him thus and so, he would then feel free to make the report. I told him that he might do so and he then said he would handle it in that wav.

F[RANCIS] W[HITE]

816.01/240 : Telegram

The Chargé in El Salvador (McCafferty) to the Secretary of State

San Salvador, September 24, 1932—3 p. m. [Received 6:20 p. m.]

103. Referring to my telegram No. 102 of September 22, 3 p. m., 30 the Spanish Chargé d'Affaires informed me that upon instructions from his Government he had recognized the Martínez regime by formal note this morning.

McCafferty

816.01/244 : Telegram

The Ambassador in Brazil (Morgan) to the Secretary of State

Rio de Janeiro, September 28, 1932—3 p. m. [Received September 28—1:40 p. m.]

117. Department's 79, September 22, 11 a.m. Brazilian Government prefers to follow practice of the United States and has informed Argentine Government that it does not intend to recognize present government of Salvador.

MORGAN

816.01/244 : Telegram

The Secretary of State to the Ambassador in Brazil (Morgan)

Washington, October 1, 1932—2 p. m.

86. Your 117, September 28, 3 p. m. Please express appreciation to the Minister.

STIMSON

816.01/267 : Telegram

The Chargé in El Salvador (McCafferty) to the Secretary of State

SAN SALVADOR, November 25, 1932—5 p. m. [Received 6:55 p. m.]

105. The Italian Consul General in San Salvador today officially announced the recognition of the Martínez regime by Italy.

Repeated to Guatemala.

McCafferty

^{*} Not printed.

816.01/270

The Minister in the Dominican Republic (Schoenfeld) to the Secretary of State

No. 691

Santo Domingo, November 30, 1932. [Received December 5.]

Sir: I have the honor to report that the Minister of Foreign Affairs informed me today of the receipt recently by the Dominican Government of an autograph letter from President Hernández Martínez of Salvador, together with pamphlets and other documents purporting to support the legality of recognition of the present Government of Salvador. The Minister of Foreign Affairs stated that it was the intention of President Trujillo not to acknowledge the autograph letter of the President of Salvador for the present, since such acknowledgment would constitute recognition of the present Salvadorean Government.

Dr. Henríquez Ureña stated that the Dominican Government does not contemplate recognizing the present Government of Salvador so long as the other Central American Governments, parties to the Central American treaty, and the United States Government do not extend recognition to the Government of General Hernández Martínez.

Respectfully yours,

H. F. ARTHUR SCHOENFELD

816.01/272 : Telegram

The Chargé in El Salvador (McCafferty) to the Secretary of State

San Salvador, December 6, 1932—2 p. m. [Received 8:35 p. m.]

107. German Government has recognized Martínez regime.

McCafferty

701.1611/286

Dr. Carlos Leiva to the Secretary of State

New York, N. Y., December 14, 1932. [Received December 15.]

EXCELLENCY: I have the honour to inform your Excellency that on this date I have sent my resignation as Envoy Extraordinary and Minister Plenipotentiary of El Salvador in the United States of America. At the same time I have closed the offices of the Legation of El Salvador that were established at 817 West End Avenue, New York, N. Y.

I avail myself [etc.]

C. LEIVA

COMMUNIST UPRISING IN EL SALVADOR

816.00B/44 : Telegram

The Chargé in El Salvador (McCafferty) to the Secretary of State

San Salvador, January 20, 1932—3 p. m. [Received 7:55 p. m.]

9. During the past 3 years and especially during the Araujo administration, communism has been permitted to be spread throughout Salvador. It is now very well organized and has been actively carrying on radical propaganda. Since the revolution the leaders have taken advantage of the unsettled condition of the government to intensify their activities and have succeeded in inciting the farm laborers to take over control of several large coffee plantations and the government has been obliged to use force to expel them. About 10 days ago in the city of Ahuachapán the Communists attacked the government offices and were driven off by the police and the National Guard and it is estimated that at least 30 people were killed. An active radical campaign has been carried on in Santa Ana. The night before last communistic activities were discovered among the soldiers of the infantry barracks here. A number of sergeants were under arrest last night. A crowd of several hundred Communists including students well armed and with dynamite bombs attempted to attack the cavalry barracks here but were repulsed. It is said that a number were captured including the notorious agitator Augustin Marti.

It is difficult to obtain absolutely accurate information and while the details of the above may not be exact I believe that they are fundamentally true. The *de facto* government claims that it has the situation well in hand. It is difficult however to ascertain to what extent the loyalty of the Army has been undermined by radical propaganda. Even the most sober-minded Salvadoreans and foreigners are becoming deeply concerned regarding the situation and fear that the authorities may not be able to continue to suppress these communistic outbreaks. While I do not wish to be an alarmist I am inclined to feel that the present situation is serious.

McCafferty

816.00B/45 : Telegram

The Chargé in El Salvador (McCafferty) to the Secretary of State

San Salvador, January 21, 1932—10 a.m. [Received 1 p. m.]

10. Referring to my telegram No. 9, January 20, 3 p. m., because of communistic disturbances martial law has been declared in the six departments of Ahuachapán, Santa Ana, Sonsonate, La Libertad, San Salvador and Chalatenango.

McCafferty

816.00 Revolutions/60 : Telegram

The Chargé in El Salvador (McCafferty) to the Secretary of State

SAN SALVADOR, January 23, 1932-10 a.m. [Received 1:15 p. m.]

14. Consul General of Italy has just officially informed me that he feels lives and property of his citizens are seriously threatened and requests very urgently the assistance of the American Government for their protection. He, British Chargé d'Affaires and I, believe that the presence of war vessels in La Libertad would have a great moral effect and prevent much bloodshed.

McCafferty

816.00 Revolutions/62 : Telegram

The Chargé in El Salvador (McCafferty) to the Secretary of State

SAN SALVADOR, January 23, 1932-10 a.m. [Received 3:40 p. m.]

12. My telegram No. 9, January 20, 3 p. m. The situation is daily becoming more serious. The Communists have taken Juayua, second city in importance in Department of Sonsonate, and are now attempting to capture the city of Sonsonate. There is fighting in Santa Tecla, 8 miles from San Salvador, and in Panchimalco, 10 miles from here. Government has cut off all telephone communication and has given orders that members of armed forces found with communistic propaganda will be shot immediately.

The government is apparently taking strong measures to suppress these outbreaks but states that it will not be able to control the situation unless it can obtain money. General Martínez at meeting of the principal merchants, bankers and coffee growers, yesterday emphasized the gravity of the situation and admitted that the government could hardly hold out without funds and asked for their financial assistance.

The government urgently needs \$250,000 to pay for military supplies ordered in the United States and to pay salaries of the armed forces to date. Robinson Woodbridge is wiring to Manufacturer's Chatham Bank requesting them to advance this amount if possible because of the unusual gravity of the situation and has suggested that they also get in touch with the State Department. If the Department could help in any way it might prevent the threatened establishment of a communistic state here accompanied by much bloodshed.

I and the principal Americans here believe that there is really serious danger to American and foreign lives and property. The British Chargé d'Affaires is in full agreement with me regarding this sudden and serious turn of events. I am reliably informed that the Communists will make an attack on the capital tonight.

McCafferty

816.00 Revolutions/61: Telegram

The Minister in Guatemala (Whitehouse) to the Secretary of State

Guatemala, January 23, 1932—11 a.m. [Received 1:05 p. m.]

7. International Railway authorities have just informed me that Communists attacked and are in possession of Sonsonate; they failed in attempt on Ahuachapán. Salvadoran Government sending troop[s] but English railway torn up so they cannot reach Sonsonate before noon.

Whitehouse

816.00 Revolutions/64: Telegram

The Acting Secretary of State to the Chargé in El Salvador (McCafferty)

Washington, January 23, 1932—2 p. m.

9. The British Embassy has just informed Department that in view of the serious situation in Salvador resulting from Communistic outbreaks the British Government is sending a warship to Salvador, which will arrive in 4 or 5 days. The Canadian Government is sending a destroyer, which is now in the Pacific and which should arrive at Acajutla within a few hours.

The Navy Department has instructed the Commander of the Special Service Squadron to have the destroyers *Philip* and *Wickes*, which are now at Balboa, proceed at once to Corinto.

Please keep the Department fully and promptly informed of developments by cable.

CASTLE

816.00 Revolutions/58: Telegram

The Chargé in El Salvador (McCafferty) to the Secretary of State

San Salvador, January 23, 1932—3 p. m. [Received January 23—2:55 p. m.]

16. Two British destroyers arrived today at Acajutla.

McCafferty

816.00 Revolutions/66: Telegram

The Acting Secretary of State to the Chargé in El Salvador (McCafferty)

Washington, January 23, 1932—9 p.m.

13. Department's 12, January 23, 6 p. m.³¹ The *Rochester* and two destroyers have now been ordered to proceed immediately to Salvador. They should arrive in Salvadorean waters late Sunday night or early Monday morning. The Commander will communicate with you and with the Commander of the two Canadian destroyers.

CASTLE

816.00 Revolutions/63: Telegram

The Minister in Guatemala (Whitehouse) to the Secretary of State

Guatemala, January 23, 1932—10 p. m. [Received January 24—2:39 a. m.]

8. Have just seen the Minister for Foreign Affairs who guarantees that no incursions into Salvador will be permitted from Guatemala. Everything normal here but the frontier guards will be reenforced in view of the fears of the Salvadorean authorities. I have notified the Legation at San Salvador of the above.

The Minister for Foreign Affairs however requested me to invite your attention to two points which the Guatemalan Government considers of vital importance.

First, that if the communist movement gets the upper hand in Salvador no time should be lost in crushing it in order to prevent its spread to Honduras and they are willing to take active steps to this end if and when you authorize it:

Second, that pressure be used on Martínez to be sure that he lives up to the agreement to turn over the Presidency to Gómez Zárate when the Assembly has elected the latter First Designate, as the Guatemalan Government seems to feel that Martínez might try to profit by the present conditions.

WHITEHOUSE

⁸¹ Not printed.

816.00 Revolutions/76

Memorandum by the Assistant Chief of the Division of Latin American Affairs (Matthews) of a Conversation With the First Secretary of the British Embassy (Shone)

[Washington,] January 23, 1932.

Mr. Shone called this morning at 12:20 and, as Mr. White and Mr. Edwin C. Wilson were both busy, came to see me. He said that the British Foreign Office had received rather alarming reports of communistic disturbances from El Salvador and that Ambassador Lindsay had discussed the matter yesterday with Mr. Castle. However, since that conversation word has been received by the British Embassy from the Foreign Office to inquire what, if anything, our Government plans to do and to inform the Department that the British are sending a warship to El Salvador. Mr. Shone did not know the name of the warship or the port from which it was being sent. He added that Canada has substantial interests in El Salvador (electric light) and that he understands from Mr. Wrong of the Canadian Legation that Canada is sending a war vessel to El Salvador also, and that this latter vessel will arrive within twenty-four hours.

Mr. Shone said that information received by the Foreign Office from Mr. Rodgers, the British Chargé d'Affaires at Salvador, indicated that a communist plot to blow up banks in Salvador is scheduled to take place at midnight tonight; that, owing to the infiltration of communism in the army, the questionable loyalty of some of the officers, and the weakness of the President, the Government's ability to control the situation seemed open to doubt.

In reply, I told Mr. Shone that our telegrams received so far did not indicate that the situation was that serious and that we had received nothing during the past two days, and had not heard anything concerning the bank bombing plot. Consequently, on the basis of the information before us we are not at present planning to do anything other than to watch the situation carefully. I showed him Chargé d'Affaires McCafferty's telegrams Nos. 9 and 10.³² He requested me to let him know of any new developments in the situation and this I said I would gladly do.

H. Freeman Matthews

⁸² Dated January 20, 3 p. m., and January 21, 10 a. m., pp. 613 and 614.

816.00 Revolutions/59 : Telegram

The Chargé in El Salvador (McCafferty) to the Secretary of State

San Salvador, January 24, 1932—6 p. m. [Received 9:45 p. m.]

17. The situation described in my 12, January 23, 10 a.m., remains unchanged. While the threatened attack on the capital last night did not occur, there have been many disturbances in the section from Santa Tecla to Sonsonate. Many assassinations of prominent people have taken place. An Italian citizen was killed and Italian property burned at Juayua. I spoke informally to General Martínez last night regarding the protection of Americans and foreigners and he assured me that the authorities had the situation completely dominated but I have reason to believe that they are running dangerously short of munitions. A body of a few hundred civilians has been armed and is assisting the Government by patrolling the capital at night. A number of local capitalists are now collecting money for the government to purchase arms. There is naturally much pessimism amongst landowners. Yesterday martial law was declared in the entire country. McCafferty

816.00 Revolutions/70: Telegram

The Chargé in El Salvador (McCafferty) to the Secretary of State

San Salvador, January 25, 1932—5 p. m. [Received 7:17-p. m.]

19. The situation seems slightly improved today. Last night passed quietly in this capital except for sporadic firing due probably to nervousness. News from the provinces indicates that the *de facto* government is taking strong measures in the most seriously affected region between Santa Tecla and Ahuachapán and is apparently regaining control of the situation. A favorable sign is that the armed forces are being paid from funds requisitioned from the Banco Agrícola. Much alarm continues to be felt by the large landowners against whom the venom of the Communists is naturally directed and they are responsible for very disturbing and perhaps exaggerated rumors of butchery.

As far as can be ascertained American lives and interests have remained unharmed. Thus far the movement has exhibited no antiforeign character. The British colony in the capital has been especially excited about the situation although as far as known no British people or property have suffered. The other foreign colonies and

especially the American colony have remained calm to date. It has not been deemed necessary at any time to concentrate the Americans at the Legation nor to contemplate the evacuation of women and children.

At the moment I do not contemplate requesting the commanders of our two destroyers, which arrived this morning at Acajutla, to land armed forces but in my opinion the vessels should stand by in La Libertad rather than in Acajutla to await developments. Arrangements for transport from La Libertad to the [apparent omission] in case of necessity have been made.

McCafferty

816.00 Revolutions/71: Telegram

The Chargé in El Salvador (McCafferty) to the Secretary of State

San Salvador, January 26, 1932—7 p. m. [Received 7:42 p. m.]

21. At Legation's suggestion destroyers Wickes and Philip came to La Libertad today and the commander is now in San Salvador. There has been a noticeable improvement in the situation. The government forces have retaken Juayua, Izalco and the other towns which were in the hands of the Communists.

McCafferty

816.00 Revolutions/87 : Telegram

The Chargé in El Salvador (McCafferty) to the Secretary of State

San Salvador, January 29, 1932—2 p. m. [Received 3:05 p. m.]

23. All indications now point to the fact that the de facto government has the situation well in hand. However, the danger is by no means past. The continual maintenance of order during the next few months seems [to] depend largely on the ability of the authorities to obtain sufficient funds to pay the armed forces. At the present time the revenues from all sources except the customs are negligible. Therefore, the government has issued a decree providing for the temporary collection from January 25 of 100 percent of the import and export revenues directly by the government. The decree states that it has been absolutely necessary to take this measure because the serious communist movement threatens the very life of the state, emphasizes its temporary nature and reiterates the government's intention of complying with contracted obligations as soon as circumstances permit.

I have discussed the situation fully with Admiral Smith who arrived at La Libertad yesterday on the *Rochester* and we believe that presence of the Canadian destroyers is no longer necessary since we now have adequate forces to meet any situation which may arise.

McCafferty

816.00 Revolutions/90 : Telegram

The Secretary of State to the Chargé in El Salvador (McCafferty)

Washington, January 29, 1932-6 p.m.

17. After consultation with this Department the Navy Department has sent a radio message to the Commander of the Special Service Squadron stating that in view of his reports as to the improvement in the situation, and that the authorities have control over the Communistic outbreaks, the Navy Department desires, unless in his judgment later developments should make such a course inadvisable, that he withdraw his squadron from Salvadoran waters, sending such vessels as he may consider advisable to Corinto to await developments.

For your information we feel that the American ships should not be kept in Salvadoran waters longer than it is felt that there exists a serious danger to American lives which the authorities of the country are unable to control. In view of the statement in your 21, January 26, 7 p. m., that there had been at that time a noticeable improvement in the situation, and in view of the report received from the Commander of the Special Service Squadron today that the Salvadoran authorities have the situation well in hand, the Department feels it highly desirable that the American ships leave Salvadoran waters and proceed to Corinto to await developments, unless in fact later developments make this appear inadvisable to you and the Commander of the Special Service Squadron. It is assumed that Admiral Smith will communicate with you before replying to the instructions of the Navy Department above mentioned.

STIMSON

816.00 Revolutions/91 : Telegram

The Chargé in El Salvador (McCafferty) to the Secretary of State

San Salvador, January 31, 1932—4 p. m. [Received 9:26 p. m.]

25. Your telegram No. 17, January 29, 6 p. m. I have consulted with Admiral Smith regarding the situation and while we agree

with the Department's view that the American warships should be withdrawn at the earliest possible moment we feel that the danger is not yet past while the armed forces remain unpaid and that it would be advisable to have one of the destroyers stand by for the time being at La Libertad and that the other be retained at Corinto to be near in case of emergency. The presence of one war vessel here would not only have the effect of allaying the present feeling of panic among the people but would also undoubtedly prevent the *de facto* government from relaxing their repressive measures.

Admiral Smith informs me that he will sail on the *Rochester* for Corinto tomorrow night. I also understand that the two Canadian war vessels will leave Acajutla today.

McCafferty

816.00 Revolutions/106: Telegram

The Chargé in El Salvador (McCafferty) to the Secretary of State

SAN SALVADOR, February 1, 1932—noon. [Received 4:20 p. m.]

26. The three communist leaders Marti, Luna and Zapata after condemnation by court martial were publicly executed this morning in the cemetery in Salvador.

McCafferty

816.00 Revolutions/112: Telegram

The Secretary of State to the Chargé in El Salvador (McCafferty)

Washington, February 1, 1932—5 p.m.

18. Your 25, January 31, 4 p. m. As stated in the Department's 17, January 29, 6 p. m., it is felt that the American destroyers should be kept in Salvadoran waters only so long as there exists a serious danger to American lives which the authorities of the country are unable to control. In the absence of such actual danger the Department feels that both destroyers should withdraw from Salvadoran waters. One or both of them could stand by at Corinto, which is but 5 hours steaming time from La Libertad, to await developments.

In this connection your 24, January 30, 4 p. m.,³³ reports that the Salvadoran Congress will meet on February 7. One of the most important functions of this Congress will be to elect new designates who

³³ Ante, p. 572.

⁶⁴⁶²³¹⁻⁴⁸⁻⁴⁶

may succeed to the presidency. In order to avoid any possible criticism that we were trying to exert pressure in this situation, the Department believes it preferable that no American war vessels be in Salvadoran waters at the time of the meeting of Congress.

The foregoing has been communicated to the Navy Department.

STIMSON

816.00 Revolutions/135 : Telegram

The Chargé in El Salvador (McCafferty) to the Secretary of State

San Salvador, February 6, 1932—noon. [Received 2:55 p. m.]

32. Your 18, February 1, 5 p. m. In view of the further improvements in the situation in San Salvador I do not think it is any longer necessary for the destroyers to stand by in Corinto.

McCafferty

UNPERFECTED TREATY BETWEEN THE UNITED STATES AND HAITI FOR THE FURTHER HAITIANIZATION OF THE TREATY SERVICES ¹

838.51 A/213 : Telegram

The Minister in Haiti (Munro) to the Secretary of State

Port-au-Prince, October 22, 1931—10 a. m. [Received 1:35 p. m.]

124. The Haitian Government has proposed in a formal note the immediate negotiation of a modus operandi under which the office of the Financial Adviser-General Receiver would be abolished on December 31st and would be replaced by a fiscal agent and two assistants who would have rather vague powers with respect to the supervision of revenue collection and the maintenance of the debt service. Copy and translation will be transmitted as soon as practicable.

I shall inform the Minister for Foreign Affairs that I am transmitting his proposal to the Department but that I feel sure that the Government of the United States will be disinclined to discuss any new financial arrangements while the difficulties created by the Haitian Government in connection with the budgetary laws are still without solution and that in any event as we have repeatedly stated, we could not accept an arrangement which would virtually abolish the financial control existing under the treaty.

Munro

838.51 A/213 : Telegram

The Secretary of State to the Minister in Haiti (Munro)

Washington, October 23, 1931—6 p. m.

79. Your 124, October 22, 10 a. m. The Department approves your proposed reply.

STIMSON

¹ For correspondence concerning the agreement between the United States and Haiti for Haitianization of the Treaty Services, signed August 5, 1931, see Foreign Relations, 1931, vol. II, pp. 403 ff.

838.51 A/220

The Secretary of State to the Minister in Haiti (Munro)

No. 171

Washington, March 22, 1932.

Sir: The Department has given careful consideration to your despatch No. 293, dated January 6, 1932, transmitting a copy of a note dated December 22, 1931,2 from the Haitian Government discussing certain questions relating to Haitian finances and your proposed reply thereto. While, as you suggest, the position of the Government of the United States has already been expressed in regard to many of the principal matters discussed in the note, the Department feels that fundamental points are now being raised concerning the Treaty of 1915,3 the Additional Act of 1917,4 and the Protocol of 1919⁵ and their legal status vis-à-vis the loan of 1922 which should be dealt with definitely and in detail at this time. With this end in view there is enclosed a note in reply to the Haitian Government's note dated December 22, 1931, which you are instructed to present to the Haitian Government unless you now perceive some objection to such a course, in which case the Department will be glad to receive your views. You will note that the last paragraph of this reply has been drafted along the lines which you suggest in your telegram No. 29 of March 4, 3 p. m.7

The Department desires to call your attention to Page 5 of the enclosed note where, in discussing the Additional Act, a portion of a note addressed to the Legation on March 2, 1917, by the Haitian Government, is quoted. The text of this note was reported to the Department by a telegram dated March 3, 19178 and represents an obviously unsatisfactory translation as well as being slightly garbled in certain minor respects. The Department desires you, therefore, to interpolate in the note which you submit to the Haitian Government a more adequate translation of this communication reporting subsequently to the Department the text which you have substituted.

Very truly yours.

For the Secretary of State:

FRANCIS WHITE

² Neither printed.

³ Foreign Relations, 1916, p. 328.

^{*} *Ibid.*, 1917, p. 807. * *Ibid.*, 1919, vol. II, p. 347.

[•] For text of the note transmitted to the Haitian Government April 6, see Department of State, Press Releases, April 23, 1932, p. 365.

Not printed. ⁸ Foreign Relations, 1917, p. 805.

838.51/2418

The Secretary of State to the Minister in Haiti (Munro)

No. 175

Washington, March 28, 1932.

Sights: The Department has received your despatch No. 356 of March 18, 1932, enclosing a note from the Haitian Government dated March 15, 1932, dealing further with questions affecting the financial relationship between this Government and Haiti. It is observed that this note, when stripped of a certain amount of discursive references of a general nature, raises three questions, namely, (1), the validity of the Additional Act of 1917, (2), whether the Government of the United States will lend its good offices in any efforts which may be made to retire by anticipation the outstanding loan, and (3), in the event that the loan is so retired whether the Government of the United States will consent to the abolition of the office of the Financial Adviser.

The Department feels that the reply which it has made to the Haitian Government's note of December 22, 1931, (enclosed with your despatch No. 293 of January 6, 1932) 10 fully covers the points which are now being raised by that Government.

On the assumption that you have submitted the reply referred to above to the Haitian Government¹¹ you are instructed to transmit the enclosed answer to the Haitian Government's note of March 15 under reference. In the event that for any reason you have not deemed it desirable to present the Department's note enclosed with its instruction of March 22, 1932, you will, of course, refrain from transmitting the reply which is enclosed herewith until the Department has had an opportunity to consider your views.

Very truly yours,

For the Secretary of State: Francis White

[Enclosure]

Draft of Proposed Note to the Haitian Government

EXCELLENCY: I have the honor to refer to Your Excellency's note dated March 15, 1932, entering into further discussion concerning the questions raised in your note of December 22, 1931, relating to Haitian finances. A copy of your note was duly transmitted to my Government which has now instructed me to make the following reply.

My Government feels that the questions now being raised by the

⁹ Neither printed.

¹⁰ Not printed.

¹¹ See footnote 6, p. 624.

Haitian Government have been fully answered in my note addressed to you on, in which the validity of the Additional Act, and the position of the Government of the United States concerning the loan and the office of the Financial Adviser were fully set forth.

The final paragraph of my note stated:

"In presenting these views my Government wishes me to add that it does not desire to continue the existing régime longer than may be found necessary to fulfill adequately the obligations assumed by both Governments toward third parties and that it is prepared to examine in a friendly spirit any proposals for an equitable refunding operation which the Haitian Government may be in a position to submit to it, although it appears that present market conditions and the provisions of the loan contracts would make such an operation difficult at the present time."

At the time your note was written you had not, of course, received the reply to which I refer.

838.51 A/232 : Telegram

The Minister in Haiti (Munro) to the Secretary of State

Port-au-Prince, March 30, 1932—11 a.m. [Received 1:06 p. m.]

38. Reference Department's instruction No. 171, March 22nd. I suggest that I be authorized to change the text of the note submitted to the Haitian Government in order to make it a reply also to Leger's note of March 15th transmitted with my despatch No. 356, March 18th. 12 This would necessitate a slight change in the wording of the first paragraph to include reference to both notes as well as similar slight changes elsewhere.

In his note of March 15th Leger asked specifically whether the Government of the United States would consent to the discontinuance of the office of the Financial Adviser-General Receiver General if the 1922 loan was refunded. To reply to this I respectfully suggest adding a sentence at the head of the Department's draft note reading as follows:

"If it were possible to arrange a satisfactory refunding operation by which all of the outstanding bonds would be retired, the Government of the United States would of course have no objection to the discontinuance of the present system of financial administration."

Munro

¹² Neither printed.

838.51/2424 : Telegram

The Acting Secretary of State to the Minister in Haiti (Munro)

Washington, April 1, 1932-1 p.m.

16. Your 38, March 30, 11 a. m. The Department sent you by air mail March 28 its instruction No. 175 enclosing a reply to Leger's note of March 15. As you will note the Department drafted this reply on the assumption that the long and detailed reply to the Haitian Government's note of December 22, enclosed with the Department's instruction No. 171, March 22, had already been transmitted to the Haitian Government. Unless you perceive some objection to such a course, the Department therefore desires you to answer first the note of the Haitian Government dated December 22 by transmitting to that Government the reply enclosed with the Department's instruction No. 171 of March 22. After the lapse of a short period of time you may then present the reply to the Haitian Government's note dated March 15, transmitted with the Department's instruction No. 175, of March 28.

CASTLE

838.00/3068 : Telegram

The Minister in Haiti (Munro) to the Secretary of State

Port-Au-Prince, April 6, 1932—10 a.m. [Received 2:35 p. m.]

42. I have received a note from the Foreign Office proposing the negotiation of a new agreement looking toward the complete Haitianization of the Garde by December 31st, 1934 and the termination of the American Scientific Mission by August 5th, 1933, and the withdrawal of the marines by December 31st, 1932. The note also contemplates the establishment of a military mission to complete the instruction and discipline of the Garde without, however, specifying that the mission shall be obtained from the United States.

I presume that this note has been delivered now in order that the Government may report its action to Congress and thus meet the criticism to which it has been subjected on the part of extreme Nationalists by its recent policy of cooperation with American officials here.

Copy and translation will be forwarded by airmail.¹³

MUNRO

¹³ Post, p. 632.

838.51/2430 : Telegram

The Minister in Haiti (Munro) to the Secretary of State

Port-au-Prince, April 12, 1932—1 p. m. [Received 3:15 p. m.]

46. The Minister for Foreign Affairs told me this morning that he wanted to quote to Congress next Friday the last portion of the note delivered in accordance with Department's instruction No. 171 of March 22nd, and that the Haitian Government would be very grateful if the Department were willing to omit the last phrase reading as follows:

"although it appears that present market conditions and the provisions of the loan contracts would make such an operation difficult at the present time."

He said that this phrase would be interpreted by the Haitian public as an indication that the Government of the United States intended to block a refunding loan.

I see no objection to revising the note as suggested and I respectfully request authorization to do so. I think that Mr. Leger is probably right in his estimate of the psychological effect which this phrase would have.

Munro

838.51/2430 : Telegram

The Acting Secretary of State to the Minister in Haiti (Munro)

Washington, April 13, 1932-6 p. m.

21. Your 46, April 12, 1 p. m. You are authorized to omit the last phrase of the note enclosed with the Department's instruction No. 171 of March 22. Please say to the Minister of Foreign Affairs, however, that it is the Department's view that present market conditions and the provisions of the loan contracts would make a refunding operation difficult at the present time.

As the press has shown an interest in our reply to the Haitian Government, the Department intends to release for publication here on Friday next the text of the note enclosed with our instruction No. 171, with the omission mentioned above. Please telegraph whether you made the changes in the text of this note authorized in Department's No. 18, April 4, 6 p. m.¹⁴

CASTLE

¹⁴ Not printed.

838.51/2431 : Telegram

The Minister in Haiti (Munro) to the Secretary of State

Port-Au-Prince, April 14, 1932—10 a.m. [Received 12:03 p. m.]

47. Department's telegram No. 21, April 13, 6 p. m. Changes authorized in the Department's April 4, 6 p. m., 15 were made. Furthermore, the translation on pages 5 and 6 was revised to read as follows:

"Considering, that to remedy the grave economic and financial situation of the country, the Republic of Haiti is faced with the necessity of contracting a loan which will diminish the annual budgetary burden and will facilitate the economic development of the country;

Considering, that the bankers who are prepared to float this loan, which is fixed at \$30,000,000, require as a fundamental guarantee that the convention of September 16, 1915, shall remain in force during the period thereof, which will be approximately 20 years;

The Government of Haiti in consideration of this loan and reserving expressly the right to adopt any subsequent decisions with regard to the clauses and the precise conditions offered by the bankers;

Declares that the inevitable necessity of a loan destined to accomplish the purpose of the convention constitutes one of the specific reasons indicated in article 16 of this diplomatic document and that the necessity thereof is to give to the said convention a duration of 20 years."

MUNRO

838.00/3070

The Minister in Haiti (Munro) to the Secretary of State

[Extract]

No. 381

Port-Au-Prince, April 21, 1932. [Received April 25.]

SIR: With reference to my telegram No. 42 of April 6th. 10 A. M., I have the honor to transmit herewith a copy and translation of a note from the Minister of Foreign Affairs proposing an agreement regarding the further Haitianization of the Garde, the establishment of a Military Mission, and the early withdrawal of the Marine Brigade and the American Scientific Mission. This note, which is dated March 31, was not received at the Legation until just before the close of business on April 5th.

As stated in my telegram above referred to, the note was probably submitted partly for the purpose of enabling the Government to inform Congress that it was still taking active steps to bring about the

¹⁵ Not printed.

Haitianization of the Garde and the withdrawal of the Marine Brigade. I believe, however, that the note also represents a genuine effort to deal with the difficult problem of maintaining political stability in Haiti after the expiration of the Treaty with the United States. Several times during the past year, the present Minister of Foreign Affairs has indicated to me in informal conversation that the Haitian Government would probably desire the assistance of an American Military Mission in the difficult situation which will confront it when the Marine Brigade is withdrawn and the Garde is left entirely under Haitian officers. He has pointed out that a military mission could be arranged for now without serious political repercussions since the Government could defend it as a step toward the more rapid Haitianization of the Garde, whereas a proposal for a Mission would encounter more active hostility if made just before the expiration of the Treaty. In desiring to establish such a Mission and to make an agreement for this purpose at the present time, Mr. Leger doubtless represents the point of view of the more serious and substantial element among the Haitian elite, who look forward with misgivings to the possible reestablishment in Haiti of a Government dominated by military force.

In my opinion, it would be desirable to establish a Military Mission here if a satisfactory agreement to this end can be worked out. Such a mission, with proper personnel and adequate powers, could probably maintain a reasonable amount of efficiency and discipline in the Garde, and could prevent conflicts between officers of that organization and between the Garde and the Haitian Government. These conflicts are otherwise almost certain to occur, and with disastrous results. I am convinced that no other practicable plan would offer so much hope of preserving to Haiti at least a part of the benefits realized from the American Occupation and of diminishing the danger of the Republic's reverting to a situation where another intervention could not be avoided.

Without continued outside influence in some such form, several very serious dangers will confront this country after the complete Haitianization of the Garde. For one thing, the control of the Garde by American Officers and the policy necessarily followed to prevent improper political interference in its activities, have created a rather dangerous feeling that the Garde is independent of the other branches of the Haitian Government. This will militate against a harmonious working under the civil authorities, particularly when questions arise, as they inevitably will, about the supply and use of funds and the making of promotions and appointments. There is already evident in the Garde a feeling of distrust about the treatment which the

organization will receive from the Government and an inclination to contemplate the possibility of the Garde's having to take matters in its own hands if difficulties arise. The vicious example across the border in Santo Domingo has naturally had its effect. The Government is fully aware of the danger inherent in this situation, and the plan now submitted, like the more elaborate and entirely impracticable plan drawn up by the President himself last year, represents a serious effort to deal with this problem.

I have hitherto not considered it advisable to assume any very definite obligations regarding the early Haitianization of the Garde because it was impossible in the early stages of Haitianization to foresee how the Haitian officers would acquit themselves when placed in positions of responsibility and in general how the plan upon which the Garde was working would result in practice. The results of the policy carried out during the past two years, however, have been sufficiently satisfactory to make it possible to formulate more definite plans and to assume more definite commitments than has hitherto been advisable. Several of the senior Haitian officers have proved their ability and a good supply of younger officers has been made available through the successful operation of the Ecole Militaire. The tables 16 which I am transmitting herewith show that the process of Haitianization, particularly in the higher grades, is substantially ahead of that set forth in the plan published by the Forbes Commission.¹⁷ Postponing the withdrawal of American officers until the end of 1935 instead of the end of 1934 would provide one additional year of training under foreign direction, but the advantages derived from this training would be very much more than offset by the advantages which could be derived from a Military Mission.

In the opinion of all of the American officials here, it would be preferable not to withdraw the Marine Brigade until the process of Haitianization has been completed and the Military Mission has assumed its duties. While I believe that the Garde, even when more completely Haitianized than at present could handle any situation likely to arise in Haiti, the presence of the Brigade creates an atmosphere of confidence and stability which is very helpful from every point of view. Furthermore, we cannot be sure that the present political tranquility will continue indefinitely, particularly if the economic situation remains as bad as it is now; and such an event, for example, as the assassination of the President would put a severe strain on the Garde's ability to control the situation without the moral support of a foreign military force. It seems to me extremely impor-

¹⁶ Not printed.

[&]quot; See Foreign Relations, 1930, vol. III, pp. 198 ff.

tant that the final stages in the training and Haitianization of the Garde, upon the success of which the future political stability of the Republic depends, should be carried out under the best obtainable conditions. There is very little real desire among responsible people in Haiti for the immediate withdrawal of the Brigade, although no Haitian would dare to admit publicly that he desired it to remain indefinitely. The officials of the Haitian Government rather frankly indicate that while they are compelled for political reasons to talk as though they desired the withdrawal of the Brigade at a relatively early date, they nevertheless would not consider an immediate withdrawal advisable.

With this introduction, the following comment and recommendations upon the individual articles of the proposed *modus operandi* is submitted:

Respectfully yours,

DANA G. MUNRO

[Enclosure—Translation]

The Haitian Minister for Foreign Affairs (Leger) to the American Minister (Munro)

Port-AU-Prince, March 31, 1932.

Mr. Minister: In its report to President Hoover dated March 26, 1930, 18 the Forbes Commission recommended, as you are aware, a rapid Haitianization of all the services directed by American officials and a gradual withdrawal of the Marines in accordance with an arrangement to be effected between our two Governments.

The Accord of August 5, 1931, turning over the services of Public Works, Hygiene, Agriculture and Registration, abolishing the supplementary agreements which were irritating to our national sovereignty, withdrawing martial law and promising that the Government of the United States would continue the discussions and understandings with reference to the other problems arising from the Treaty of 1915, received the approbation of the great majority of the people.

The Department of State would render a great service to the maintenance of the friendship of our two countries, a friendship so lively and cordial before the intervention of 1915, by continuing to follow the suggestions of the Presidential Commission, by pursuing with us the conversations which have been undertaken in such a reassuring atmosphere and by aiding us to place the relations of our two countries

¹⁸ Foreign Relations, 1930, vol. III, p. 217.

on a normal status, thus dissipating any misunderstandings and avoiding the irritating discussions and the frictions inherent therein.

Since October 21, 1931, regardless of the difficulties encountered, the financial services of the Treaty in liquidation, have been the object of the positive projects now under discussion.

It would be equally desirable to establish a practical basis for our exchange of views on the Garde d'Haïti and the problem of military disoccupation.

With regard to this latter problem, I grant that on March 26, 1930, the Forbes report had not suggested an *immediate withdrawal*, but rather recommended a *gradual withdrawal*, in accordance with an understanding to be effected between the two Governments. But two years have passed by and we have not seen either an immediate or a gradual withdrawal.

Your Excellency's Government perhaps hesitated to make an early decision because of the events in prospect, such as the general elections of October 14, 1930, and January 10, 1932, periods usually marked by disorder, agitation and excitement in all countries. But these events took place here on two occasions in an atmosphere of calm and order which might be envied by more advanced democracies, showing the great wisdom of our political parties and revealing the profound sense of order of our population. This experience is behind us and the President of the Republic, after having advised the Government of the United States of its intention via diplomatic channels, at a ceremony held in your presence and before the Army, recently decorated General Williams, the Commandant of the Garde, with the Military Medal, in recognition of these memorable periods of peace, tranquillity and wisdom.

We believe that the moment has come, where in all safety we can envisage a mutually satisfactory accord concerning the Garde d'Haïti and the withdrawal of the expeditionary forces.

I therefore have the honor for these purposes to request Your Excellency to find herewith a project of a *Modus-Operandi* which the Government of the Republic proposes.

Please accept [etc.]

A. N. LEGER

[Subenclosure—Translation]

"Modus Operandi" Relating to the Garde d'Haïti and the Withdrawal of the Military Occupation

The undersigned plenipotentiaries, duly authorized, have agreed to the following:

ARTICLE I. The American officers who are now serving in the Garde

d'Haïti will be replaced as rapidly as possible by Haitian officers, in such a manner that by December 31, 1934, the said Garde shall be completely commanded by Haitian officers.

The present clause does not prejudice in any way the faculty of the high contracting parties, should the question arise in the interval to reach an agreement for the outright cancellation of Article X of the Treaty of September 16, 1915, in liquidation.

ARTICLE II. In order to attain the above ends it is agreed that an intensive training will be carried on so that by December 31, 1932, the program for the promotion of Haitian officers provided in the report of the Forbes Commission for the end of the year 1934 or 35 will have been carried out.

ARTICLE III. At the latest, on December 31, 1934, the completely haitianized Garde will be turned over to the officer whom the President of the Republic shall designate as Commandant.

ARTICLE IV. If the necessity therefore should arise the Haitian Government reserves the right to employ, through the good offices of the interested Government, a Military Mission which will be charged with the completion in a specific time of the instruction and discipline of the Garde and to give to this Mission the powers recognized as necessary for these objects.

ARTICLE V. The Department of the South will be completely haitianized at the latest on 1932; the district of the Palace at the latest on 1932; the Department of the North at the latest on December 31, 1933; and the Department of the West at the latest on December 31, 1934. (Note: Presumably the "Department of the West" should be the "Department of Port au Prince," as the former Department has already been Haitianized).

ARTICLE VI. The promotions to be effected during the course of the haitianization of the Garde will be carried out in the presence of the representative of the Government of Haiti in conformity with Article X of the Treaty in liquidation.

ARTICLE VII. In the event of the execution of Article I, second paragraph, the stipulations of Articles II, III, V and VI of the present arrangement will be without effect.

ARTICLE VIII. The expeditionary forces of the United States will be withdrawn from Haitian territory after December 31, 1932.

ARTICLE IX. In recompense for the arms, ammunition and depots which were destroyed by the expeditionary forces of the United States of America after 1915 and the buildings and barracks belonging to the State occupied without charge by the said forces since that time and furthermore, considering the need for the authorities to assure the maintenance of order in the country, the Government of the United

States agrees as compensation to leave to the Haitian Government upon withdrawal of its troops: 1, a quantity of supplies and arms in good condition equal to that now possessed by the Garde in accordance with an inventory to be drawn up in the presence of both parties, 2, three military airplanes, 3, the buildings and installations erected by the expeditionary forces.

ARTICLE X. The Government of Haiti will furthermore have the right to buy, in accordance with prices and conditions to be agreed upon, all supplies and armaments which might be necessary for its security.

ARTICLE XI. The American Scientific Mission established by the Accord of August 5, 1931 will automatically cease to function at the latest on August 5, 1933.

ARTICLE XII. The Government of the United States agrees that the Expeditionary forces of the United States will lend their good offices to the Government of Haiti, from the present time and without prejudice to Article VIII above, for the purpose of preparing Haitian officers in the aviation branch.

ARTICLE XIII. The Government of Haiti, in order to maintain the public order and peace necessary for the regular collection of the revenues pledged for the service of the loan, assumes the obligation of maintaining a strict discipline in the Garde d'Haïti and of applying during the life of the loan or until its anticipated redemption, the present regulations and a statute which will fix the conditions of appointments, promotions and retirement in this body.

838.00/3070 : Telegram

The Acting Secretary of State to the Minister in Haiti (Munro)

Washington, May 12, 1932—6 p.m.

26. Department has been giving careful consideration to your despatch No. 381 of April 21. It seems to us that before undertaking to discuss an arrangement for advancing the Haitianization of the Garde and the withdrawal of the Marine Brigade, we should reach an agreement with the Haitian Government concerning the system of financial control which, in accordance with Article VIII of the Protocol of 1919, will take effect on the termination of the Treaty.

In your telegrams 22 and 25, dated respectively March 20 and March 30, 1931,¹⁹ in commenting on the views expressed by the Department that the effective financial control as at present exercised should be

¹⁹ Foreign Relations, 1931, vol. II, pp. 428 and 438.

continued as long as any of the present bonds are outstanding, you expressed the view that, in your opinion, the control as now exercised goes much further than will be necessary adequately to protect the interests of the bondholders after 1936. You stated that you believed that an agreement providing sufficient control to protect the interests of the bondholders could be worked out after the Haitianization program was disposed of. Have you and the Financial Adviser worked out a draft agreement on this matter which you consider satisfactory? The Department would like to be furnished with such a draft in order that consideration can be given to the preparation of the necessary instructions to you regarding this matter, as well as regarding the Haitian proposal for early Haitianization of the Garde. Once you have prepared what you consider a satisfactory draft arrangement for financial control it might be advisable for you to come to Washington for consultation, and the Department will be prepared to instruct you in that sense, if you concur that this would be advisable.

CASTLE

838.51/2446 : Telegram

The Minister in Haiti (Munro) to the Secretary of State

PORT-AU-PRINCE, May 17, 1932—noon. [Received 3:12 p. m.]

55. Department's telegram No. 26, May 12, 6 p.m. I have nearly completed a detailed study of the problems involved in the new financial agreement and I shall endeavor to prepare a definite project for a draft of agreement as soon as possible. I feel that it is very important that I should have a chance to discuss the whole problem with the Department before beginning any active negotiations and I should therefore suggest that the Department instruct me to proceed to Washington on the steamer leaving June 8th which is the first American ship which it would be practicable for me to take. As accommodations are difficult to obtain at this time of year it would be helpful to have an immediate reply.²⁰

The Financial Adviser inquires whether the Department would desire his presence also. He would like to accompany me because he wishes to discuss the possibility of a short-term loan with the bankers in New York.

Munro

²⁰ In Department's telegram No. 27, May 19, 1 p. m., Mr. Munro was instructed "to proceed to Washington for consultation on the American steamer sailing June 8."

838.51/2453

The Minister in Haiti (Munro) to the Secretary of State

[Extracts]

No. 418

Port-au-Prince, June 6, 1932. [Received June 9.]

Sin: Since the delivery of the Department's reply to the Haitian Government's proposal for a reorganization of the system of financial control, the Minister of Foreign Affairs has repeatedly indicated a desire to continue the negotiations on this subject and to receive a counterproposal from this Legation. I have pointed out to him that the United States Government, in the proposal for a new financial convention which I outlined to Mr. Sannon last spring, has already indicated what it would consider desirable in the new agreement, M. Leger has replied, however, that this agreement, involving as it would a continuation of practically all features of the present control. would be absolutely unacceptable to the Haitian Government and could never receive the approval of the Haitian Congress. He has insisted that neither the Protocol nor the loan contracts give the Government of the United States any right to demand such complete control as that envisaged in the plan presented by the Legation and he has emphasized the unfairness of continuing so far-reaching an intervention in the Haitian Government's internal affairs simply to assure the payment of the small amount of bonds which will remain outstanding after 1936.

Pending a reply to the Haitian Government's proposal and in view of other circumstances which made me feel that the time was not yet ripe to undertake serious discussions on this subject, I have hitherto not considered it advisable to lay a concrete plan before the Department or to attempt to inaugurate active negotiations with the Haitian Government. I now feel that the time has come when an effort should be made to adjust all of the remaining questions connected with the Treaty of 1915 and that the present state of our relations with the Haitian Government makes it probable that we can obtain as satisfactory a settlement of these questions now as we could hope to obtain at any time in the future.

With reference to the financial control, there are two principal questions involved: (1) Should further changes in the existing financial control be made before 1936, and (2) what arrangements should be made to safeguard the bondholders after the expiration of the Treaty.

With regard to the first question, the United States Government would clearly have a right to insist upon the maintenance intact of the present system of financial control if it saw fit to do so. It would

perhaps be advisable to refuse to accept changes in the present system if the service of the bonds until 1936 was the only question to be considered; but it is obvious that the character of the arrangement governing the period after 1936 will be of greater importance from the standpoint of the bondholders than the precise nature of the system prevailing during the remaining years of the Treaty. It may, therefore, prove to be in their best interests to make some concessions with regard to the present system, if it proves that such action will make it possible to obtain a better arrangement after the termination of the Treaty. I do not think that we should propose such concessions in the first instance, but I believe that we should be prepared to make them during the course of the negotiations if necessary in order to obtain a satisfactory agreement.

In considering the second question, it is necessary to have in mind the exact situation which will exist when the Treaty expires. At that time there will be between nine and ten million dollars par value of bonds outstanding, the exact amount depending upon the rate at which amortization purchases are made in the meantime. Series B of the loan will be amortized in full before or just after 1936, so that the contractual requirements for interest and amortization will amount to approximately \$1,375,000.00 per annum or just under 20% of the Republic's average annual revenue for the past ten years. The service of the loan will, therefore, still require large annual payments and the interests of the bondholders will not be secure unless the Haitian Government continues to follow a sufficiently sound financial policy to assure the payment not only of the debt service but of the essential expenses of government. Before 1915 the Haitian Government showed itself totally unable to maintain such a policy; and despite the progress which has unquestionably been made in other respects, there is nothing in our recent experience which affords any ground for hope that the Haitian Government will be more competent to conduct its finances properly after 1936 than it was before 1915. A new financial agreement involving an adequate measure of control by representatives of the United States Government will, therefore, be necessary. The problem would be solved automatically if a general refunding arrangement were effected in the meantime, but the possibility of making a refunding loan between now and 1936 seems very small under current financial conditions and in view of the difficulties created by the existing loan contracts. Any new agreement which is made will remain in effect a relatively short time, however, as the entire outstanding debt will be retired by 1946, at the latest, and by 1942 or 1943 unless there is a much greater increase in the prices of the bonds than now seems probable.

As stated above, the present state of our relations with the Haitian Government makes this a favorable time to begin negotiations. I believe that our own position is stronger now than it will be later. If no general financial agreement is reached, we shall unquestionably continue to have controversies on such questions as the annual budget, the finance laws, and the powers of the Financial Adviser; and the almost inevitable result of such controversies during a period when we are rapidly relaxing our control in other respects will be a loss of influence and prestige. In dealing with questions connected with the financial control, we have discovered several points where our position from a legal and a practical point of view is somewhat weak and where a controversy almost inevitably involves some loss of authority unless we assume an extremely arbitrary position. It is obviously desirable to have a clear understanding on such points insofar as they are essential to continued financial control and to reach such an understanding before they have become the subjects of long-continued and bitter controversies.

It must be realized, however, that no agreement can be reached by friendly negotiation either now or later without making substantial concessions to the point of view and to the political necessities of the Haitian Government. A plan such as was proposed last year, involving practically the continuation of the financial control established by the Treaty, might perhaps have been accepted as a part of the Haitianization agreement by President Vincent's first Cabinet, which had been very modest in its demands, but it was summarily rejected by the following Cabinet and I do not believe that it would be voluntarily accepted by any future Haitian Government. The chief concrete advantage offered to the Haitian Government in this plan was the removal of the Financial Adviser's control over the distribution of funds as between the different Haitian Departments and activities. but this control was in fact abandoned during the budget negotiations last year because it proved utterly impracticable and inadvisable to attempt to maintain it. Without attempting to go into the history of last year's budget negotiations, I may point out that they offer an excellent example of the manner in which our actual authority in financial questions will be imperilled by each controversy even when we are prepared to take a very firm stand and to insist upon our point of view at the risk of serious disturbances in Haiti.

While emphasizing the fact that substantial concessions must be made if an agreement is to be reached, I nevertheless believe that we can obtain a more satisfactory agreement with less harmful concessions at the present time than if the negotiations are postponed until the Treaty is about to expire. By 1936 our control over the Haitian

Government's affairs in other respects will presumably have been reduced to a minimum and we shall have withdrawn or be on the point of withdrawing the Marine Brigade. The Haitian Government and people will be enthusiastically awaiting the end of the Treaty as the beginning of their second independence and will be disinclined to accept any agreement which would translate the rather general provisions of the protocol and the loan contracts into an effective financial control, except under such compulsion as the United States Government would find it exceedingly embarrassing to exercise. Whatever demands were put forward as a basis for negotiations, I believe that the Department would in the end find itself accepting as the only way out of a troublesome and noisy controversy an arrangement much less satisfactory than we can probably obtain now by friendly negotiations.

I am enclosing herewith a draft convention embodying the suggestions which I have made above. It will be noted that this draft departs in many respects from the language of the present Treaty even with regard to matters where the powers conferred by the Treaty are to be retained. I believe that it will be helpful to the success of any negotiations that the new convention should resemble the present Treaty as little as possible. It will also be noted that the draft does not embody the maximum concessions above suggested. It is intended to serve as a first proposal and a basis for negotiations. The question of possible changes to be put into effect before 1936 has been left to be considered during the course of the negotiations.

The Financial Adviser-General Receiver has read the rough draft of this despatch and has expressed his general accord with the views and recommendations contained therein. He has made a number of helpful suggestions regarding the draft agreement, practically all of which have been incorporated in the text as herewith transmitted. A copy of a letter written by him in response to my request for his views on the subject is transmitted herewith.

Respectfully yours,

Dana G. Munro

[Enclosure]

Draft Convention Regarding Financial Control

T

After the expiration of the Treaty of September 16, 1915, and until the total retirement of all bonds issued in accord with the Protocol of October 3, 1919, a Fiscal Representative and a Deputy Fiscal Representative appointed by the President of Haiti upon the nomi-

nation of the President of the United States, shall control the collection and allocation of the revenues hypothecated for the service of these bonds as provided in Article VIII of the said Protocol.

II

The Fiscal Representative shall administer the tariff and shall collect all duties on imports and exports accruing at the several customs houses and ports of entry of the Republic of Haiti under the customs tariff now or hereafter in force. He shall have for this purpose and for the necessary audit and accounting services such assistants and employees as he deems necessary. The expenses of the customs service, however, including the amount upon which the two Governments may agree as the salary of the Fiscal Representative, may not exceed five per centum of the receipts from the customs duties, unless by agreement of the two Governments, and these expenses will constitute a first charge upon the customs receipts.

TTT

The Service of Contributions shall be reorganized not later than May 3, 1936, under a Haitian Director and with an exclusively Haitian personnel, unless the Haitian Government should express its desire to retain the services of one or more foreign technical employes. The Director of Contributions shall have full administrative authority over the Service, under the high direction of the Minister of Finance, but the Fiscal Representative, in pursuance of the requirements of the Protocol of October 3, 1919, shall have the power and the duty to inspect all activities of the Internal Revenue Service and to make any appropriate recommendations regarding the conduct of the service or the efficiency of individual employes.

The Fiscal Representative, for this inspection service, shall employ such American and Haitian inspectors and assistants as he may deem to be necessary, providing, however, that the total amount allocated for this service shall not exceed \$84,000 annually, except by previous agreement between the two governments. This allocation shall be made by means of funds established, as set forth in Article V.

If the Fiscal Representative should notify the Minister of Finance that there is reason to suppose that the conduct of any officer or employe is incorrect or inefficient, such employe will be suspended and will not be reinstated until the charges against him have been disproved to the satisfaction of the Minister of Finance and of the Fiscal Representative.

The Fiscal Representative shall present to the Minister of Finance

such suggestions as may appear helpful regarding the perfection of existing internal revenue legislation and the enactment of new laws.

A law to be drafted by the Minister of Finance in accord with the Financial Adviser and to be enacted before the reorganization of the Service of Contributions will govern the appointment, promotion, and retirement of the personnel of this Service.

IV

If for any reason the internal revenues should decline so that the amount collected falls below 3,000,000 gourdes during the six months from October to March inclusive, or below 2,000,000 gourdes during the six months from April to September inclusive, the Fiscal Representative shall call the situation to the attention of the Minister of Finance and shall make such recommendations as he may deem appropriate for restoring collections to their proper level. If the decline should continue, so that the total collections for any consecutive twelve months are less than 5,000,000 gourdes, the Fiscal Representative, if so instructed by the Government of the United States, may assume temporarily full control of the administration of the Service of Contributions for the purpose of reorganizing it and restoring collections to their proper level. This temporary control shall not continue for a period longer than two years, except by agreement between the two Governments.

V

The expenses of the Service of Contributions shall be paid by the Fiscal Representative out of the amounts collected, in accord with a schedule of payments agreed upon between that official and the Minister of Finance. These expenses shall not exceed 15% of the total amount of internal revenue collections, except by agreement between the Minister of Finance and the Fiscal Representative, but an additional amount of not exceeding 84,000 Dollars per annum, as provided in Article III above, shall be included in the same schedule to cover the salaries and expenses of the inspectors who shall be attached to the office of the Fiscal Representative for the supervision of the Service of Contributions.

VI

The expenses of the Service of Contributions including the expenses of the inspectors attached to the office of the Fiscal Representative, shall constitute a second charge upon the internal revenues, next in order after the payment of interest and sinking fund upon the bonds issued in accord with the Protocol of October 3, 1919.

VII

The Haitian Government agrees that it will not reduce the customs duties nor modify the internal revenue laws in a manner to reduce the internal revenues without the accord of the Fiscal Representative.

VIII

All authorities of the Haitian Government will extend full protection and all proper assistance to the Customs Service and to the Internal Revenue Service in order to assure their proper operation and the enforcement of the tax laws.

Neither the Fiscal Representative nor those of his assistants who are not of Haitian nationality shall be subject to arrest or to any judicial proceedings without the consent of the Government of the United States.

IX

All monies received by the Haitian Government from all sources shall be deposited in the first instance in the National Bank to the credit of the Fiscal Representative, in order that he may make the payments for debt service required by the loan contracts. The balance remaining on the first day of each month, after making such payments and deducting for the payment of the expenses of collection, 5% of the customs revenues and 15% of the internal revenues, shall then be deposited in the National Bank to the order of the Minister of Finance, to be used by him to meet the other expenses of the Government, as hereinafter provided.

Unexpended and non-obligated balances in the customs 5% fund and the internal revenue 15% fund shall revert to the general treasury account at the end of each fiscal year.

\mathbf{X}

The Haitian Government agrees that it will balance its budget each year and that no supplemental or extraordinary appropriations will be made unless unobligated funds are available to cover them after setting up such reserves as may be necessary to assure the payment of the debt service and other budgetary expenses during those months of the fiscal year when receipts are normally reduced.

The Haitian Government further agrees to include in the budget the amounts necessary for the interest and sinking fund of the foreign debt and for the payment of other contractual obligations.

XI

In view of the requirement of Article VIII of the Protocol of October 3, 1919, that an officer nominated by the President of the United States shall control the allocation of the revenues hypothecated for the service of the bonds issued thereunder, the Haitian Government will proceed in agreement with the Fiscal Representative;

(1) In determining the amount of the estimate of ways and means to be used in preparing the annual budget.

(2) In estimating the ways and means available to meet extraordi-

nary or supplemental credits.

(3) In permitting any department of the Government under the conditions set forth in the Law of Finance, to exceed its monthly allocation (douzième).

In compliance with the same requirement of the Protocol of 1919, each check drawn by the Minister of Finance against a budgetary item or against a supplemental or extraordinary appropriation will be countersigned by the Fiscal Representative to show that he has determined the regularity of the payment under the law and the sufficiency of the justifying documents. The National Bank will be irrevocably instructed not to honor checks against government funds without such countersignature.

XII

If it should appear during the course of a fiscal year that the revenues will be substantially less than the estimates used in preparing the budget, the Haitian Government, acting in accord with the Fiscal Representative, will adopt adequate means to meet the deficit, either by reducing expenditures or by providing new sources of revenue.

The Government will not sell the securities held in the investment account, or other public property, except with the prior accord of the Fiscal Representative.

XIII

In order to establish on a more satisfactory basis the Republic's system of financial administration, a permanent law of finance, a copy of which is annexed to this agreement, will be enacted by the Haitian Congress, and the Haitian Government agrees that it will not make any changes in this law which may affect the work of the Fiscal Representative without obtaining the agreement of that official.

XIV

The Republic of Haiti shall not issue further series of the loan authorized June 26, 1922, nor otherwise increase its public debt, except by previous agreement with the President of the United States, and

shall not contract any debt or assume any financial obligation unless the ordinary revenues of the Republic available for that purpose, after defraying the expenses of the Government, shall be adequate to pay the interest and provide a sinking fund for the final discharge of such debt. No subsidy shall be granted for a period of more than one year except with the accord of the Fiscal Representative.

XV

In order to assure the maintenance of public order, the Minister of Finance will give instructions to the National Bank to set aside preferentially each month from the sums deposited by the Fiscal Representative to the credit of the Minister of Finance the monthly budgetary allocation for the Garde d'Haïti, and the sums thus set aside shall not be subject to withdrawal for any other purpose than the necessary expenses of the Garde. Any unexpended balance at the end of the fiscal year shall revert to the general fund of the Treasury.

XVI

The Fiscal Representative shall maintain adequate records of all receipts and disbursements, which records shall be open to inspection and verification by the appropriate authorities.

XVII

The Haitian Government reserves the right to retire the bonds issued under the Protocol of October 3, 1919, in advance of their due date; and the Government of the United States will not invoke the provisions of Article VI of the Protocol as an obstacle to such retirement before the expiration of the period of fifteen years fixed therein, provided that the Haitian Government is able to make an arrangement for this purpose satisfactory to the holders of the outstanding bonds.

XVIII

The convention shall automatically become null and void and of no effect upon the payment or retirement of all bonds issued or to be issued under the provisions of the Protocol of October 3, 1919.

838.51/2453

The Secretary of State to the Minister in Haiti (Munro), Temporarily in the United States

No. 204

Washington, June 27, 1932.

SIR: The Department has received your despatch No. 381 of April 21, discussing the further Haitianization of the Garde d'Haïti, and your despatch No. 418 of June 6, regarding the negotiation of an agreement for the administration of Haiti's finances after 1936.

The Department desires, if possible, to enter into an agreement with the Haitian Government along the lines proposed in your despatch No. 418. It is also prepared to enter into an agreement providing for the further Haitianization of the Garde but only upon condition that a satisfactory arrangement regarding the finances is reached. You may, therefore, notify the Haitian Government that you are authorized to discuss both questions but that the Government of the United States does not desire to enter into any agreement regarding the Haitianization of the Garde unless a new agreement regarding financial control can be signed either previously or at the same time.

As stated in the note which you delivered under instructions from the Department on April 6, this Government feels that the provisions of Article VIII of the Protocol of 1919 justify the Government of the United States in insisting upon such arrangements with regard to the administration of Haiti's finances after 1936 as in the reasonable view of the United States will assure that adequate provision is made for the amortization and interest of the bonds issued under the Protocol. It feels that a reasonable interpretation of Article VIII of the Protocol would justify this Government in insisting upon the maintenance of the existing system of financial control substantially in its present form if this appeared necessary for the protection of the interest of the bondholders. Since it appears, however, that the interests of the bondholders would not be unduly endangered by concessions to the wishes of the Haitian Government with respect to certain features of the present system of control, this Government is prepared to make such concessions if, but only if, it proves possible to conclude a satisfactory agreement at the present time. You may advise the Haitian Government to this effect, stating that the Government of the United States reserves the right to withdraw all proposals which may be made and to reconsider the entire question of the character of the financial organization to be set up in 1936 if the negotiations which you are now undertaking are not brought to a successful conclusion before your contemplated departure from Haiti in September next.

If you find that the Haitian Government is prepared to negotiate a new agreement along the general lines of the draft transmitted with your despatch No. 418 of June 6 you are authorized to present this draft, modified as indicated in the enclosure to this instruction, to the Minister of Foreign Affairs as a basis for discussion. During the subsequent negotiations you will be guided by the instructions hereinbelow set forth.

I. Customs Administration

The Department concurs in your view that the officer appointed upon the nomination of the President of the United States under Article VIII of the Protocol should have full administrative control of the customs service, including (1) the right to appoint and remove personnel, (2) the right to have such American collectors and other personnel as may appear necessary and (3) full administrative authority. Articles I and II of the draft agreement submitted by you cover this subject satisfactorily so far as the views of this Government are concerned.

The Haitian Government may, however, insist that the Protocol contemplates simply that the officer nominated by the President of the United States should supervise the collection of the customs duties without justifying this Government in a demand that he should actually collect, receive and apply them as under the Treaty of 1915. If this point is raised you will insist that the control given to the American Financial Representative must be adequate really to enable him to assure that the customs service is efficiently administered and that any arrangement for control must cover the three points above enumerated. In other words, the Department cannot accept an arrangement which would make any real change in the present system of customs administration. It would, however, have no objection to an arrangement under which officers in the customs service were appointed and commissioned by the President of Haiti, provided that such officers were appointed and removed solely upon the recommendation of the American Fiscal Representative.

II. INTERNAL REVENUE ADMINISTRATION

This Government considers that any new arrangement regarding the administration of the internal revenue service must provide that the official nominated by the President of the United States under the Protocol shall receive the proceeds of all of the internal taxes for disposition in accordance with the provisions of the loan contracts and that this official shall have an adequate measure of supervision over the internal revenue service. In view of the considerations set forth in your despatch No. 418 it is prepared to relinquish any demand for complete administrative control of the internal revenue service provided that the other provisions of the new agreement afford such safeguards to the interests of the bondholders as would justify this Government in making so important a concession to the wishes of the Haitian Government. The exact measure and character of the supervision by the American Financial Representative will be a matter for negotiation. While it might be desirable to obtain, if possible, the complete supervisory control contemplated by the draft agreement in its present form, the Department feels that \$84,000 per annum, the amount set aside for this purpose, represents a rather large proportion of the total cost of the internal revenue collection. You may in your discretion withhold any proposal for a specific sum for purposes of inspection until you have discussed with the Haitian Government the exact character of the inspection to be provided and you may agree to a substantial reduction in the amount allowed to the American Fiscal Representative for this purpose if you find it advisable to do so. In accordance with your oral suggestion, the amount allowed to the internal revenue service for the expenses of collection under Article V of the draft agreement should be reduced to 10 per cent if so large a sum as \$84,000 is expended upon the inspection service of the American Financial Representative, but that allowance may be increased to such extent as you see fit if a less complete American supervision is provided for. It is obvious that the amount of inspection work which will have to be performed by the Haitian Director will be increased if the inspection force at the disposal of the American Financial Representative is decreased.

If you find it advisable in the interest of reaching an agreement with the Haitian Government you are authorized to accept a provision placing the new system of internal revenue administration in operation either in whole or in part before the expiration of the present treaty upon condition that no important change in the organization shall be made until the ordinary revenues of the Republic shall have reached 34 or 35 million gourdes in one fiscal year or until the Haitian Government shall have so reduced its current expenses as to be able to show a surplus of 500,000 gourdes of ordinary receipts over ordinary revenues in any fiscal year.

While the Department considers it desirable to include in the new agreement a provision similar to Article IV of the draft agreement, you may in your discretion modify or withdraw this article should you find it advisable to do so.

III. MAINTENANCE OF A BALANCED BUDGET

In offering to accept changes in the internal revenue service you will say that the Haitianization of this service can be accepted by the Government of the United States only upon condition that the Haitian Government agrees on its side to satisfactory provisions assuring the maintenance of a balanced budget. The Government of the United States will feel compelled to insist upon the incorporation of provisions substantially similar to those contained in Article X and XI of the draft agreement in any new arrangement which may be signed. With reference to the final paragraph of Article XI, however, it would be prepared to accept any other adequate provision assuring the preaudit of payments made by the Haitian Government if that Government objects to this paragraph in its present form. It simply desires that the American Financial Representative should be given some adequate means for assuring himself that each payment made out of the Treasury is made in accordance with the budget or with other appropriations to which he has given his accord.

The provisions of Article XII of the draft agreement are considered desirable but not essential and you may withdraw or modify them if you consider it advisable to do so.

IV. THE ACCOUNTING SYSTEM

The Department does not consider a continued control over the accounting system absolutely essential and you are, therefore, authorized to withdraw or to modify Articles XIII and XVI of the draft agreement if you consider it advisable to do so. It is obvious, however, and it should be made clear to the Haitian Government, that the American Financial Representative in carrying out the duties imposed upon him by other articles in the agreement will under any circumstances maintain proper records of the receipts passing through his hands and of the expenditures to which he gives his approval.

V. SERVICE ON PAYMENTS

The Department concurs in your recommendations on this subject as embodied in Article IX and the last paragraph of Article XI of the draft agreement. As stated above, however, Article XI may be modified if it appears advisable.

VI. RESTRICTIONS Upon Changes in the Revenue Laws

You will insist upon the inclusion in the agreement of a provision that the customs duties and the internal revenue taxes will not be

reduced in such a manner as to decrease their total yield except with the accord of the American Financial Representative. Article VII of the draft agreement appears to cover this matter satisfactorily.

VII. RESTRICTIONS ON INCREASE IN THE PUBLIC DEBT

While the Department would prefer the wording of Article XIV of the draft agreement, it would nevertheless be willing if necessary to accept a provision to the effect that the Haitian Government will not increase its public debt unless the revenues of the Government are sufficient to provide for the interest payments and sinking fund of the new obligation. It will, however, insist that the Haitian Government relinquish any right to issue further series of the loan authorized under the Protocol of 1919 with the exception of one possible final issue to an amount not exceding \$3,000,000 to be made only after consultation and agreement between the two Governments.

VIII. PRIORITIES IN EXPENDITURES

This Government will, of course, expect the Haitian Government to inscribe each year in its budget the sums necessary for the service of its public debt and for other contractual obligations. It is not prepared to insist upon any specific provision giving the expense of the Garde priority over other expenses of the Government, but it believes that such a provision as incorporated in Article XV of the draft agreement would be desirable.

Referring to those articles of the draft agreement which are not specifically covered in the above detailed instructions, the Department considers that provisions similar to those of Article VIII are essential to the proper functioning of the new organization and it would be very reluctant to accept any substantial change in them. Article XVII of the draft agreement, which you have presumably inserted in response to the wishes of the Haitian Government as expressed in previous proposals made by it, is unobjectionable.

Article XVIII should be modified to include a specific statement that the new agreement will take effect on May 3, 1936.

The Department will instruct you later whether an agreement along the lines above outlined should take the form of a convention or merely that of an executive arrangement. It feels, however, that in any case the agreement should be specifically approved by the Haitian Congress in order to give legal force to its provisions in so far as they establish new governmental machinery in Haiti.

In negotiating the new agreement you are authorized to reject without further consultation with the Department any proposals of the Haitian Government which are obviously unacceptable in the light of the Department's views as above set forth and you are also authorized to accept such changes in the wording of specific articles as are consistent with the provisions of this instruction. You will, of course, keep the Department fully advised at frequent intervals of the progress of your negotiations and you will submit the final text to the Department for approval before signature.

The Department will send you a separate instruction regarding the proposed Haitianization of the Garde.

Very truly yours,

HENRY L. STIMSON

[Enclosure]

Modified Draft Convention Regarding Financial Control

T

After the expiration of the Treaty of September 16, 1915, and until the total retirement of all bonds issued in accord with the Protocol of October 3, 1919, a Fiscal Representative and a Deputy Fiscal Representative appointed by the President of Haiti upon the nomination of the President of the United States, shall control the collection and allocation of the revenues hypothecated for the service of these bonds as provided in Article VIII of the said Protocol.

\mathbf{II}

The Fiscal Representative shall administer the tariff and shall collect all duties and other charges on imports and exports accruing at the several custom houses and ports of entry of the Republic of Haiti under the customs tariff and laws now or hereafter in force. He shall appoint for this purpose and for the necessary audit and accounting services such assistants and employees as he deems necessary. The expenses of the customs service, however, including the amounts upon which the two Governments may agree as the salary of the Fiscal Representative, and the Deputy Fiscal Representative, may not exceed five per centum of the receipts from the customs duties, unless by agreement of the two Governments, and these expenses will constitute a second charge upon the customs receipts next in order after the payment of the service of the bonds issued in accord with the Protocol of October 3, 1919.

TTT

The Internal Revenue Service shall be reorganized not later than May 3, 1936, under a Haitian Director and with an exclusively Haitian personnel, unless the Haitian Government should express its desire to retain the services of one or more foreign technical employes. The Director of Internal Revenue shall have full administrative authority over the Service, under the high direction of the Minister of Finance, but the Fiscal Representative, in pursuance of the requirements of the Protocol of October 3, 1919, shall have the power and the duty to inspect all activities of the Internal Revenue Service and to make any appropriate recommendations regarding the conduct of the service or the efficiency of individual employes.

The Fiscal Representative, for this inspection service, shall employ such American and Haitian inspectors and assistants as he may deem to be necessary, providing, however, that the total amount allocated for this service shall not exceed annually, except by previous agreement between the two governments. This allocation shall be made by means of funds established, as set forth in Article V hereof.

If the Fiscal Representative should notify the Minister of Finance that there is reason to suppose that the conduct of any officer or employe of the Internal Revenue Service is incorrect or inefficient, such employe will be suspended and will not be reinstated until the charges against him have been disproved to the satisfaction of the Minister of Finance and of the Fiscal Representative.

The Fiscal Representative shall present to the Minister of Finance such suggestions as may appear helpful regarding the improvement of existing internal revenue legislation and the enactment of new laws.

The revenues collected by the Internal Revenue Service shall be deposited in the National Bank to the credit of the Fiscal Representative as provided in Article IX hereof.

A law to be drafted by the Minister of Finance in accord with the Financial Adviser and to be enacted before the reorganization of the Internal Revenue Service will govern the appointment, promotion, and retirement of the personnel of this Service.

IV

If for any reason the internal revenues should decline so that the amount collected falls below 3,000,000 gourdes during the six months from October to March inclusive, or below 2,000,000 gourdes during the six months from April to September inclusive, the Fiscal Representative shall call the situation to the attention of the Minister of

Finance and shall make such recommendations as he may deem appropriate for restoring collections to their proper level. If the decline should continue, so that the total collections for any consecutive twelve months are less than 5,000,000 gourdes, the Fiscal Representative, if so instructed by the Government of the United States, may assume temporarily full control of the administration of the Internal Revenue Service for the purpose of reorganizing it and restoring collections to their proper level. This temporary control shall in each case be limited to a period of not more than two years, except by agreement between the two Governments.

V

The expenses of the Internal Revenue Service shall be paid by the Fiscal Representative out of the amounts collected, in accord with a schedule of payments agreed upon between that official and the Minister of Finance. These expenses shall not exceed 15 per cent of the total amount of internal revenue collections, except by agreement between the Minister of Finance and the Fiscal Representative, but an additional amount of not exceeding dollars per annum, as provided in Article III above, shall be included in the same schedule to cover the salaries and expenses of the inspectors who shall be attached to the office of the Fiscal Representative for the inspection of the Internal Revenue Service.

VI

The expenses of the Internal Revenue Service including the expenses of the inspectors attached to the office of the Fiscal Representative, shall constitute a second charge upon the internal revenues, next in order after the payment of the service of the bonds issued in accord with the Protocol of October 3, 1919.

VII

The Haitian Government agrees that without the accord of the Fiscal Representative it will not reduce the customs duties nor modify the internal revenue laws in a manner to reduce the total yield of the internal revenues.

VIII

All authorities of the Haitian Government will extend full protection and all proper assistance to the Customs Service and to the Internal Revenue Service in order to assure their proper operation and the enforcement of the tax laws.

Neither the Fiscal Representative nor those of his assistants who are not of Haitian nationality shall be subject to arrest or to any judicial proceedings without the consent of the Government of the United States.

IX

All monies received by the Haitian Government from all sources shall be deposited in the first instance in the National Bank to the credit of the Fiscal Representative, in order that he may make the payments for debt service required by the loan contracts. The balance remaining from each month's revenue, after making such payments and deducting for the payment of the expenses of collection, 5 per cent of the customs revenues and 15 per cent of the internal revenues and the amount required for the internal revenue inspection service in accordance with Article V hereof shall be deposited in the National Bank to the order of the Minister of Finance, to be used by him to meet the other expenses of the Government, as hereinafter provided.

Unexpended and non-obligated balances in the customs 5 per cent fund, and the internal revenue 15 per cent fund and the internal revenue inspection service fund shall revert to the general treasury account at the end of each fiscal year.

\mathbf{X}

The Haitian Government agrees that it will balance its budget each year and that no supplemental or extraordinary appropriations will be made unless unobligated funds are available to cover them after setting up such reserves as may be necessary to assure the payment of the debt service and other budgetary expenses during those months of the fiscal year when receipts are normally reduced. If the revenues received in any month should be insufficient to meet the full debt service and expenses of collection, the Minister of Finance will pay to the Fiscal Representative from his reserves the amount required to make up the deficit.

The Haitian Government further agrees to include in the budget the amounts necessary for the interest and sinking fund of the foreign debt and for the payment of other contractual obligations and lump sums representing the 5 per cent and 15 per cent funds and the internal revenue inspection service fund.

XI

In view of the requirement of Article VIII of the Protocol of October 3, 1919, that an officer nominated by the President of the United States shall control the allocation of the revenues hypothecated

for the service of the bonds issued thereunder, the Haitian Government will proceed in agreement with the Fiscal Representative:

(1) In determining the amount of the estimate of ways and means to be used in preparing the annual budget.

(2) In estimating the ways and means available to meet extra-

ordinary or supplemental credits.

(3) In permitting any department of the Government, under the conditions set forth in the Law of Finance, to exceed its monthly allocation (douzième).

In compliance with the same requirement of the Protocol of 1919, each check drawn by the Minister of Finance against a budgetary item or against a supplemental or extraordinary appropriation will be countersigned by the Fiscal Representative to show that he has determined the regularity of the payment under the law and the sufficiency of the justifying documents. The National Bank will be irrevocably instructed not to honor checks against government funds without such countersignature.

XII

If it should appear during the course of a fiscal year that the revenues will be substantially less than the estimates used in preparing the budget, the Haitian Government, acting in accord with the Fiscal Representative, will adopt adequate means to meet the deficit, either by reducing expenditures or by providing new sources of revenue.

The Government will not sell the securities held in the investment account, or other public property, except with the prior accord of the Fiscal Representative.

XIII

In order to establish on a more satisfactory basis the Republic's system of financial administration, a permanent law of finance, a copy of which is annexed to this agreement,21 will be enacted by the Haitian Congress, and the Haitian Government agrees that it will not make any changes in this law which may affect the work of the Fiscal Representative without obtaining the agreement of that official.

XIV

The Republic of Haiti shall not issue further series of the loan authorized June 26, 1922, nor otherwise increase its public debt, except by previous agreement with the President of the United States, and shall not contract any debt or assume any financial obligation

⁵¹ Not printed.

unless the ordinary revenues of the Republic available for that purpose, after defraying the expenses of the Government, shall be adequate to pay the interest and provide a sinking fund for the final discharge of such debt. No subsidy shall be granted for a period of more than one year except with the accord of the Fiscal Representative.

XV

In order to assure the maintenance of public order, the Minister of Finance will give instructions to the National Bank to set aside preferentially each month from the sums deposited by the Fiscal Representative to the credit of the Minister of Finance the monthly budgetary allocation for the Garde d'Haïti, and the sums thus set aside shall not be subject to withdrawal for any other purpose than the necessary expenses of the Garde. Any unexpended balance at the end of the fiscal year shall revert to the general fund of the Treasury.

XVI

The Fiscal Representative shall maintain adequate records of all receipts and disbursements, which records shall be open to inspection and verification by the appropriate authorities.

XVII

The Haitian Government reserves the right to retire the bonds issued in accord with the Protocol of October 3, 1919, in advance of their due date; and the Government of the United States will not invoke the provisions of Article VI of the Protocol as an obstacle to such retirement before the expiration of the period of fifteen years fixed therein, provided that the Haitian Government is able to make an arrangement for this purpose satisfactory to the holders of the outstanding bonds.

XVIII

This convention shall take effect on May 3, 1936, and shall automatically become null and void and of no effect upon the payment or retirement of all bonds issued or to be issued under the provisions of the Protocol of October 3, 1919.

838.00/3070

The Secretary of State to the Minister in Haiti (Munro), Temporarily in the United States

No. 205

Washington, June 27, 1932.

SIR: The Department's instruction No. 204 of June 27, 1932 advised you that you could notify the Haitian Government that you were authorized to discuss the negotiation of an agreement for the administration of Haiti's finances after 1936, and also an agreement providing for the further Haitianization of the Garde, but that the Government of the United States does not desire to enter into any agreement regarding the Haitianization of the Garde unless the new agreement regarding the financial control can be signed either previously or at the same time.

With specific reference to the question of Haitianization of the Garde the Department has given careful consideration to the proposal put forward by the Haitian Government as transmitted with your despatch No. 381 of April 21, 1932, and to the comments and recommendations you make in that despatch. There is appended hereto a draft agreement with respect to this question which follows in general the lines of the Haitian proposal as modified by the recommendations made in your despatch. The Department would be prepared to approve an agreement in substantially these terms. In negotiating this agreement you are authorized to reject without further consultation with the Department any proposals of the Haitian Government which are obviously unacceptable in the light of the Department's views as set forth in this instruction and the enclosed draft agreement, and you are also authorized to accept such changes in the wording of specific articles as are consistent with the provisions of this instruction and the enclosed draft agreement.

The Department has noted your view that it would be desirable to accede to the Haitian Government's request for a Military Mission if a satisfactory agreement to this end can be worked out, and that such a Mission with proper personnel and adequate powers offers the most practicable plan for preserving to Haiti at least a part of the benefits realized from the American Occupation and of consequently diminishing the danger that the Republic may revert to a situation where another intervention could not be avoided. The Department has also taken note of your opinion that while postponing the withdrawal of American officers from the Garde until the end of 1935 instead of the end of 1934 would provide one additional year of training under American direction, nevertheless the advantages derived from this training would be very much more than offset by the ad-

vantages which could be derived from the Military Mission. While we of course have no mandate nor desire to continue indefinitely to exercise any control in regard to Haitian affairs, nevertheless we are obviously interested in seeing that Haiti does not relapse into a condition of prolonged disorder and anarchy which might make inevitable a further intervention on our part. Any assistance, therefore, which we can lawfully and appropriately render to Haiti, in accord with the Haitian Government, to enable that country to maintain stability and order, would seem amply justified and in accordance with our own best interests. With this in view, the Department will be prepared to accede to the request of the Haitian Government to provide a Military Mission, subject to satisfactory assurances that the Haitian Government will grant the Mission adequate powers to fulfill the objectives for which it is designated. It should of course be definitely understood that the Military Mission will be designated by the President of the United States. With respect to the powers to be granted the Mission, the Department agrees with your view that the essential elements involved in the question of the Mission's authority and influence pertain more to the tact and ability of the officers selected, as well as to the facts that its services will be needed in Haiti and that the Haitian authorities will be aware that the Mission will be withdrawn in case its recommendations are disregarded rather than to any formal grant of powers. It is clear, however, as you state in your despatch that the Mission should be granted sufficient authority to enable it in practice to control all phases of the administration of the Garde, and the Department agrees with the detailed recommendations in this respect set forth in the three numbered paragraphs on page 9 of your despatch. If the Haitian Government should not desire to include in the published agreement a definite statement as to the appointments and functions of the Mission the Department feels it essential that this should be detailed in writing, as you suggest, in an exchange of notes or supplementary agreement at the time when the agreement regarding Haitianization is signed.

With regard to the withdrawal of the Marine Brigade the Department feels that this should not take place at least until the complete Haitianization of the Garde has been effected. The Department also feels that the American Scientific Mission should not be withdrawn until such time as the Marine Brigade leaves Haiti.

The Department agrees with you that Article IX of the Haitian draft proposal need not be taken seriously and should be eliminated in its entirety from any agreement that is reached. The Department will request from the Navy Department information regarding the

destruction of military supplies in the early days of the intervention, and will advise you on this point. The Department will also consult with the Navy Department with respect to your recommendation that the Marine Corps rifles now used by the Garde should be turned over to the Garde as an act of friendship on our part, and will advise you later in this regard.

With respect to the request of the Haitian Government in Article X of its draft proposal, the Department agrees with your view that this article should be omitted from the Agreement, but that it should be pointed out to the Haitian Government that purchases of arms and ammunition after the withdrawal of American officers from the Garde will presumably be made in consultation with the Military Mission and that they will be subject to the availability of funds.

With respect to the Haitian request that the Marine Brigade should assist in training Haitian aviators (Article XII of the Haitian proposal) the Department has noted your statement that the Brigade does not have any planes suitable for training aviators. The Department feels that it should be practicable to include in the Military Mission to be provided Haiti a military aviator and such mechanics as may be necessary for the training of Haitian Garde aviators.

The Department regards an agreement along the foregoing lines as in the nature of an executive arrangement not requiring the approval of legislative bodies.

You will, of course, keep the Department fully advised at frequent intervals of the progress of your negotiations and you will submit the final text to the Department for approval before signature.

Very truly yours,

HENRY L. STIMSON

[Enclosure]

Draft Agreement Concerning the Haitianization of the Garde and Withdrawal of the Marine Brigade

ARTICLE I—The American officers now serving with the Garde d'Haïti will be replaced as rapidly as possible by Haitian officers, in such a manner that by December 31, 1934, the Garde shall be completely commanded by Haitian officers, unless unforeseen difficulties arise in the meantime.

The foregoing does not prejudice the rights of the two Governments to reach at any time an agreement for the abrogation of Article X of the Treaty of September 16, 1915.

ARTICLE II—In order to carry out the above program intensive training will be carried on so that the promotion of Haitian officers

will be, as of December 31, 1932 and December 31, 1933, respectively, at least that set forth in the tables annexed to this Agreement.

ARTICLE III—By December 31, 1934, unless unforeseen difficulties arise in the meantime, the Garde, under complete command of Haitian officers, will be turned over to a Colonel of the Garde in active service whom the President of the Republic shall designate as Commandant.

ARTICLE IV—In view of the desire of the Haitian Government to obtain the services of a Military Mission to complete the instruction, training and discipline of the Garde, the President of the United States agrees to designate not over . . officers and . . enlisted men to compose such a Mission. The compensation received by these officers from the Haitian Government shall be \$250.00 per month in the case of the Chief of the Mission, \$200.00 per month in the case of other officers, and \$50.00 per month in the case of enlisted men, and the amount necessary for the payment of this compensation shall be included each year in the budget of the Garde. The Haitian Government will grant the Commission adequate powers to fulfill the objectives for which it is designated, and to this end the Mission shall have authority:

1) To inspect all activities of the Garde and to make reports and recommendations to the Commandant or directly to the President of the Republic regarding measures for the improvement of training, organization, administration and discipline, regarding the capacity of officers for promotion and the conditions under which promotions are to be made, and regarding such other subjects as the Mission may consider advisable.

2) To recommend, when necessary, that disciplinary measures be

taken against any officer or enlisted man in the Garde.

3) To make any necessary recommendations or suggestions regarding the conduct of the Ecole Militaire and to give instruction in that institution if found desirable; also from time to time to recommend the detachment of Garde officers for advanced training in that institution when that shall appear necessary either to fit the officer for the proper discharge of his duties or to enable him to qualify for promotion.

ARTICLE V—The Department of the South will be completely Haitianized at the latest on , 1932; the Department of the North at the latest on December 31, 1933; and the Department of Port au Prince at the latest on December 31, 1934.

ARTICLE VI—The promotions to be effected during the course of the Haitianization of the Garde will be made after examinations held in the presence of the representative of the Government of Haiti in conformity with Article X of the Treaty of September 16, 1915.

ARTICLE VII-In the event of the execution of Article I, second

paragraph, the stipulations of Article II, III, V and VI of the present Agreement will remain without effect.

ARTICLE VIII—The Marine Brigade of the United States and the American Scientific Mission established by the accord of August 5, 1931, will be withdrawn from Haitian territory as soon as may prove practicable, and in any event withdrawal will begin not later than the time when complete Haitianization of the Garde is effected.

ARTICLE IX—The Government of Haiti, in order to maintain the public order and peace necessary for the regular collection of the revenues pledged for the service of the bonds issued in accord with the Protocol of October 3, 1919, assumes the obligation of maintaining strict discipline in the Garde and of applying, until all of the bonds are amortized or redeemed, the present regulations. It will enact a statute which will fix the conditions of appointments, promotions and retirement in the Garde.

838.51/2469 : Telegram

The Minister in Haiti (Munro) to the Secretary of State

Port-au-Prince, July 28, 1932—11 a.m. [Received 7:04 p. m.]

80. As soon as he assumed office, I gave the new Minister for Foreign Affairs an informal letter outlining the Department's views regarding the proposed agreements on the financial administration and the Garde. Yesterday morning we had our first definite conversation on the subject. The Minister proposed a new treaty of friendship which would abrogate the treaty of 1915 and which would be accompanied by a protocol providing for the gradual "liquidation" of American activities like the financial services which must continue for the time being. He felt that the Government could obtain approval in this manner of an agreement providing for continued financial control whereas a new treaty taking effect only in 1936 and continuing much of the American control would be objectionable. I replied that such an arrangement when given more definite form might receive consideration by the Department but that there would be no object in even discussing such a plan unless the Haitian Government was prepared to accept the general scheme of financial control outlined in my letter. The Minister objected to certain features of our plan and especially to continued American [control of the?] customs but I told him that we could make no concessions with regard to the fundamental bases of the plan which I had laid before him and that it would be useless to discuss proposals for a less effective American financial control.

When he inquired whether we could begin putting at least certain features of the new system into operation before 1936 if a new treaty were signed, I replied that I would be prepared to study the possibility of doing so provided that our plan of financial control was accepted.

I should like to know whether the Department perceives any objection in principle to the abrogation of the treaty of 1915 and possibly the substitution of the fiscal representative for the Financial-Adviser General-Receiver before 1936 provided that the general scheme of financial control outlined in my instructions of June 27 is accepted and provided that our other interests are safeguarded in a new agreement. I do not wish to accept such a procedure even in principle until the Haitian Government is committed to the acceptance of our views regarding the general features of the financial control but I should like to be free to explore possibility of an arrangement along the lines which the Minister has proposed.

Munro

838.51/2469 : Telegram

The Acting Secretary of State to the Minister in Haiti (Munro)

Washington, August 6, 1932-2 p.m.

45. Your 80, July 28, 11 a.m. Department would of course prefer following the procedure set out in its instruction No. 204 of June 27, namely, that the new financial agreement should not enter into force until the expiration on May 3, 1936 of the 1915 treaty. However, if it should appear to you as your negotiations develop, that it would be advisable in our own interests to agree to abrogate the treaty of 1915 and substitute the fiscal representative for the Financial Adviser-General Receiver before 1936, the Department perceives no objection in principle to this, provided that the new agreement which would replace the 1915 treaty embodies the system of financial control set forth in the Department's instruction above mentioned and affords adequate safeguards for our other interests. The Department is of the opinion that the draft financial agreement attached to its instruction of June 27 confers upon the United States all the essential powers with reference to the supervision over Haiti's finances and the collection of Haiti's revenues pledged to the service of its public debt which it possesses under the 1915 treaty as necessary for safeguarding the interests of the bondholders and if it shall ultimately appear advisable to replace the 1915 treaty by a new agreement prior to 1936, it will be necessary that the new agreement confer upon the United States powers at least equal to those contemplated in the proposed draft agreement forwarded with the Department's instruction of June 27, and that it shall contain

satisfactory provisions respecting other important interests of the United States dealt with in existing arrangements with Haiti.

Furthermore, the Department agrees with your view that we should not in any case agree to such a procedure even in principle unless and until the Haitian Government is committed to the acceptance of our views regarding the essential features of the financial control.

For your information and with reference to the third from the last paragraph of instruction No. 204, the Department considers that any agreement which may be entered into along the lines outlined in that instruction should take the form of a convention and not merely that of an executive arrangement.

CASTLE

838.51/2478

The Minister in Haiti (Munro) to the Secretary of State

No. 471

Port-Au-Prince, August 13, 1932. [Received August 17.]

Sir: With reference to my telegram no. 86 of this date,²² I have the honor to enclose herewith a draft of the proposed agreement for the administration of the finances of the Haitian Government, embodying the modifications proposed yesterday by the Minister for Foreign Affairs, except with respect to a change still desired by the Government in the fourth subsection of Article IX. The Minister has not yet seen my draft of the new last paragraph of Article II, or the new draft of Article VIII which latter I am withholding pending the receipt of instructions from the Department; but I believe that both of these articles will meet his wishes and that an agreement substantially following the enclosed draft can probably be signed. I have not accepted the Minister's text for Articles I and XV as included in the draft, and I shall probably suggest changes in these before final signature.

It will be noted that the agreement as tentatively accepted by the Minister for Foreign Affairs gives to the Fiscal Representative practically all of the power which that official would have had under the Department's original proposal. In one respect, in fact, it is a distinct improvement over the first draft, because it leaves under the control of the Fiscal Representative the physical preparation of checks used in making government payments. I believe that this provision, which was consented to by the Government in order to avoid any specific mention of a preaudit system, will more than offset any disadvantage which may be encountered if deposits were made to the credit of the Government rather than to that of the Fiscal Representative.

²² Not printed.

The Minister's tentative acceptance of the financial agreement is of course conditional upon our consenting to put at least part of the new arrangement into effect before the expiration of the present treaty. Upon the receipt of the Department's instructions on this point, I indicated that an agreement to this effect might be considered provided that the financial agreement was accepted by the Haitian Government in a form which gave adequate assurance of real financial stability. This matter is more fully discussed in my telegram of this date above referred to. I believe that an agreement to abrogate certain portions of the existing treaty, which is of course very unpopular here, would produce an excellent effect and would help to obtain congressional approval for the new financial agreement.

As anticipated, the principal obstacle to an agreement has been the Haitian Government's reluctance to consent to continued American administration of the customs. I believe that the Minister for Foreign Affairs is now convinced that this must be accepted, and he rather clearly indicated yesterday that it would not be an obstacle to an agreement. He said, however, that he wished me to have a frank talk with the President and the Minister of Finance, apparently in order to let those officials see for themselves how impossible it was to obtain a concession, and he promised to arrange such a conference in the very near future. I shall take advantage of this same conference to bring about a direct discussion between the Financial Adviser and the Minister of Finance regarding the amount of money to be allowed for the internal revenue inspection service, as this point has not yet been covered in my discussions with the Minister for Foreign Affairs. I hope that the question can be settled more easily in this way, because the Minister of Finance has worked especially harmoniously with Mr. de la Rue.

Respectfully yours,

Dana G. Munro

[Enclosure]

Draft of Proposed Agreement for the Administration of the Finances of the Haitian Government

T

Until the total retirement or refunding of all bonds of the Loan of 1922, a Fiscal Representative and a Deputy Fiscal Representative, appointed by the President of Haiti upon the nomination of the President of the United States, shall control the contractual guarantees of the holders of these bonds in order adequately to insure the interest and amortization of the said loan.

TT

The Fiscal Representative shall administer the tariff and shall collect all duties and other charges on imports and exports accruing at the several custom houses and ports of entry of the Republic of Haiti under the customs tariff and laws now or hereafter in force. He shall have for this purpose and for the necessary audit and accounting services such assistants and employees as may appear necessary. The expenses of the customs service, however, including the amounts upon which the two Governments may agree as the salary of the Fiscal Representative, and the Deputy Fiscal Representative, may not exceed five per centum of the receipts from the customs duties, unless by agreement of the two Governments, and these expenses will constitute a second charge upon the customs receipts next in order after the payment of the service of the bonds issued in accord with the Protocol of October 3, 1919.

The President of Haiti will issue commissions to employees occupying positions of authority and trust in the Customs Service upon the recommendation of the Fiscal Representative. The form of these commissions will be agreed upon by the Minister of Finance and the Fiscal Representative. If the services of a commissioned employee should not be satisfactory or if his removal should be deemed necessary for other reasons, the Fiscal Representative will terminate his services and will at the same time recommend such action as he considers advisable regarding his replacement, making a temporary appointment if necessary until a new commission is issued.

The Fiscal Representative will make every effort to train Haitian personnel for all positions in the Customs Service. At least one year before the complete amortization of the outstanding bonds, he shall select Haitian employes for special training as Receiver General and Deputy Receiver General of Customs in order that the Service, efficiently organized and fully Haitianized, may be turned over to their direction when complete amortization takes place.

TTT

The Internal Revenue Service with its present organization shall be placed under a Haitian Director and with an exclusively Haitian personnel, unless the Haitian Government should express its desire to retain the services of one or more foreign technical employes. The Director of Internal Revenue shall have full administrative authority over the Service, under the high direction of the Minister of Finance, but the Fiscal Representative shall have the power and the duty to inspect all activities of the Internal Revenue Service and to make any

appropriate recommendations regarding the conduct of the service or the efficiency of individual employes.

The Fiscal Representative, for this inspection service, shall employ such American and Haitian inspectors and assistants as may appear necessary, providing, however, that the total amount allocated for this service shall not exceed . . annually, except by previous agreement between the two governments. This allocation shall be made by means of funds established, as set forth in Article V hereof.

If the Fiscal Representative should notify the Minister of Finance that there is reason to suppose that the conduct of any officer or employe of the Internal Revenue Service is incorrect or inefficient, such employe will be suspended and will not be reinstated until the charges against him have been disproved to the satisfaction of the Minister of Finance and of the Fiscal Representative.

The Fiscal Representative shall present to the Minister of Finance such suggestions as may appear helpful regarding the improvement of existing internal revenue legislation.

The revenues collected by the Internal Revenue Service shall be deposited in the National Bank as provided in Article VIII hereof.

A law regarding the organization of the Internal Revenue Service will govern the appointment, promotion, and retirement of the personnel of this Service.

TT

If for any reason the internal revenues should decline so that the amount collected falls below 3,000,000 gourdes during the six months from October to March inclusive, or below 2,000,000 gourdes during the six months from April to September inclusive, the Fiscal Representative shall call the situation to the attention of the Minister of Finance and shall make such recommendations as he may deem appropriate for restoring collections to their proper level; and the Haitian Government will put these recommendations into effect.

V

The expenses of the Internal Revenue Service shall be paid out of the amounts collected, in accord with a schedule of payments agreed upon between that official and the Minister of Finance. These expenses shall not exceed . . per cent of the total amount of internal revenue collections, except by agreement between the Minister of Finance and the Fiscal Representative, but an additional amount of not exceeding dollars per annum, as provided in Article III above, shall be included in the same schedule to cover the salaries and expenses of the inspectors who shall be attached to the office of the Fiscal Representative for the inspection of the Internal Revenue Service.

VI

The expenses of the Internal Revenue Service including the expenses of the inspectors attached to the office of the Fiscal Representative, shall constitute a second charge upon the internal revenues, next in order after the payment of the service of the bonds issued in accord with the Protocol of October 3, 1919.

$\mathbf{v}\mathbf{r}$

All authorities of the Haitian Government will extend full protection and all proper assistance to the Customs Service and to the Internal Revenue Service in order to assure their proper operation and the enforcement of the tax laws.

Neither the Fiscal Representative nor those of his assistants who are not of Haitian nationality shall be subject to arrest or to any judicial proceedings without the consent of the Government of the United States.

VIII

All monies received by the Haitian Government shall be deposited in the National Bank, to the credit of the Haitian Government.

The Bank shall have irrevocable instructions to set aside each month to the credit of the Fiscal Representative, before permitting the withdrawal of any other funds belonging to the Government, the amounts required to be paid under the various loan contracts. It will also set aside preferentially to the credit of the Fiscal Representative, 5 per cent of the customs collections, . . per cent of the internal revenue collections and the amount required each month for the expenses of the internal revenue inspection service, as provided in Article V above.

All payments of government funds shall continue to be made by checks prepared by the Service of Payments. The existing arrangement, as agreed upon between the two governments on August 5, 1931, shall continue to govern this Service, but the checks except those for the payments of the debt service and the expenses of revenue collection, shall bear the signature of the Minister of Finance. The National Bank will be irrevocably instructed not to honor any check not emanating from the Service of Payments.

IX

Until the complete amortization of the bonds of the loan of 1922 or the retirement of these bonds before their due date, the Government of Haiti undertakes:

1. To balance its budget each year and not to authorize any extraordinary or supplemental appropriations in excess of budgetary items unless unobligated funds are available, after setting up such reserves as may be necessary to assure the payment of the debt service and other budgetary expenses during those months of the fiscal year when receipts are normally reduced, to cover such extraordinary or supplemental appropriations.

2. Not to permit any department of the Government to exceed its monthly allocation (douzième) except in case of demonstrated

necessity.

3. Not to reduce the customs tariff or to modify the internal taxes in

such a way as to reduce the total yield of the internal revenues.

4. Not to issue further series of the loan authorized June 26, 1922 except with the previous consent of the Government of the United States; not to contract any debt or assume any financial obligation unless the ordinary revenues of the Republic available for that purpose after defraying the expenses of the Government shall be adequate to pay the interest and provide a sinking fund for the final discharge of such debt; and not to grant any subsidy for a period of more than one year, except with the accord of the Fiscal Representative.

5. To include annually in the budget of the Republic the amounts necessary for the regular service of the public debt and other contractual obligations, as well as lump sums representing the customs 5 per cent and the internal revenue . . per cent and inspection service funds. If the revenues received in any month should be insufficient to meet the full debt service and expenses of collection, the Minister of Finance will pay to the Fiscal Representative from his reserves the

amount required to make up the deficit.

In everything relating to the matters dealt with in this article, the Haitian Government will proceed in accord with the Fiscal Representative.

\mathbf{x}

If it should appear during the course of a fiscal year that the revenues will be substantially less than the estimates used in preparing the budget, the Haitian Government, acting in accord with the Fiscal Representative, will adopt adequate means to meet the deficit, either by reducing expenditures or by providing new sources of revenue.

The Government will not sell the securities held in the investment account, or other public property, except with the prior accord of the Fiscal Representative.

XI

The system of financial administration of the Republic of Haiti shall be governed by a special law of finance the project of which has been submitted to the Legislative Body.

XII

In order to assure the maintenance of public order, the monthly allocation for the Garde d'Haïti will be set aside preferentially by the

National Bank from the funds remaining after deduction of the amounts necessary to pay the service of the debt and the expenses of revenue collection, as provided in Article VIII hereof, and the sums thus set aside shall not be subject to withdrawal for any other purpose than the necessary expenses of the Garde. Any unexpended balance at the end of the fiscal year shall revert to the general fund of the Treasury.

XIII

The Fiscal Representative shall maintain adequate records of all receipts and disbursements, which records shall be open to inspection and verification by the appropriate authorities.

XIV

The Haitian Government reserves the right to retire the bonds issued in accord with the Protocol of October 3, 1919, in advance of their due date; and the Government of the United States will not invoke the provisions of Article VI of the Protocol as an obstacle to such retirement before the expiration of the period of fifteen years fixed therein, provided that the Haitian Government is able to make an arrangement for this purpose satisfactory to the holders of the outstanding bonds.

xv

The present convention shall be ratified and the ratifications exchanged at Port au Prince without delay in order that it may take effect not later than 19 . . .

838.51/2483 : Telegram

The Minister in Haiti (Munro) to the Secretary of State

Port-Au-Prince, August 19, 1932—11 a.m. [Received 3:25 p. m.]

91. The Minister of Foreign Affairs suggested yesterday that the agreement regarding the Haitianization of the Garde should also be dealt with as a protocol to the treaty referred to in my telegram No. 83 and the Department's telegram No. 48.²³ In view of the probable difficulty of obtaining prompt ratification for the financial agreement, I think that it would be highly advisable to accept this suggestion. Please instruct.

Munro

²³ Neither printed.

838.51/2481 : Telegram

The Minister in Haiti (Munro) to the Secretary of State

Port-Au-Prince, August 19, 1932—1 p. m. [Received 6:38 p. m.]

- 92. 1. The Haitian Government objects very strongly to the words "unless unforeseen difficulties arise in the meantime" in articles I and III of the agreement about the Garde. After a long discussion this morning the Minister for Foreign Affairs insisted that this phrase would make it exceedingly difficult to obtain approval of the Legislature. He said, however, that it would of course be clearly understood that any unforeseen serious developments would prevent the execution of the program embodied in the agreement and finally accepted the idea of expressing this understanding in a separate exchange of notes. I recommended [sic] that I be authorized to handle the matter in this way. We have agreed to include the details regarding the appointment and powers of the military mission in a separate exchange of notes and the question of possible obstacles to the execution of the whole program could be dealt with in the same communications.
- 2. The Minister for Foreign Affairs pointed out that the inclusion of article No. 9 in the agreement about the Garde will make it unnecessary to incorporate a similar provision in the covering treaty. I assume that the Department will have no objection to the omission of a specific obligation to maintain the efficiency of the Garde from the treaty if the matter is fully covered elsewhere. Please instruct.

MUNRO

838.51/2483 : Telegram

The Acting Secretary of State to the Minister in Haiti (Munro)

Washington, August 20, 1932—2 p.m.

- 51. Your 91, August 19, 11 a.m.
- 1. Department has no objection to embodying the agreement regarding Haitianization of the Garde in a protocol to the new treaty of friendship.
- 2. Your 92, August 19, 1 p.m. We see no objection to omitting the words "unless unforeseen difficulties arise in the meantime" in Article 1 and 3 of the agreement about the Garde so long as this idea is clearly expressed in an exchange of notes, it being of course understood that such exchange of notes will form an integral part of the new treaty of friendship and its protocols and will be submitted to the legislative bodies of both countries in connection with approval of the treaty.

Department agrees that in view of Article 9 in the Garde Agreement concerning the obligation to maintain the efficiency of the Garde, there would be no reason for incorporating a similar provision in the covering treaty.

WHITE

838.51/2510

The Minister in Haiti (Munro) to the Secretary of State

No. 490

Port-au-Prince, September 14, 1932. [Received September 16.]

Sir: I have the honor to forward herewith the original of the Treaty which was signed on September 3, 1932.

Respectfully yours,

Dana G. Munro

[Enclosure]

Unperfected Treaty No. R-8

Treaty Between the United States of America and the Republic of Haiti for the Further Haitianization of the Treaty Services ²⁴

PREAMBLE

The United States of America and the Republic of Haiti, desirous of strengthening the bonds of amity which happily prevail between them and of giving a satisfactory solution to certain questions which have arisen in connection with the Treaty of September 16, 1915, have resolved to conclude a treaty for that purpose and have appointed as their plenipotentiaries:

The President of the United States of America, Dana G. Munro, Envoy Extraordinary and Minister Plenipotentiary of the United States to Haiti,

The President of the Republic of Haiti, Albert Blanchet, Secretary of State for Foreign Relations of the Republic of Haiti;

Who, after communicating to each other their full powers, found in good and due form, have agreed upon the following Articles:

ARTICLE I

In view of the substantial accomplishment of the purposes of the Treaty of September 16, 1915, the two Governments have agreed to terminate as soon as practicable and in an orderly manner the special situation created thereunder and for this purpose have agreed upon the following program:

²⁴ The treaty was rejected by the Haitian Congress on September 15, 1932, and for that reason was not sent to the United States Senate.

- 1. Articles IV, XII and XIII of the Treaty are declared to have been fully executed and are hereby abrogated.
- 2. Article X will be abrogated upon the complete Haitianization of the Garde, as provided for in Protocol A attached to this Treaty.
- 3. Articles II, III and V-IX inclusive will be abrogated on December 31, 1934, upon which date the two Governments will put into effect the provisions of Protocol B attached to this Treaty.

ARTICLE II

The present Treaty shall be ratified by each party in conformity with the respective constitutions of the two countries and ratifications shall be exchanged in the City of Port au Prince as soon as possible.

In witness whereof, We, the respective Plenipotentiaries, have signed this Treaty and hereunto affixed our seals.

Done at Port au Prince, in duplicate, in English and French, this third day of September one thousand nine hundred and thirty two.

[SEAL] DANA G. MUNRO A. BLANCHET

PROTOCOL A

ARTICLE I

The American officers now serving with the Garde d'Haiti will be replaced as rapidly as possible by Haitian officers, in such a manner that by December 31, 1934, the Garde shall be completely commanded by Haitian officers.

ARTICLE II

By December 31, 1934, the Garde, under complete command of Haitian officers, will be turned over to a Colonel of the Garde in active service whom the President of the Republic shall designate as Commandant.

ARTICLE III

In order to carry out the above program intensive training of Haitian officers will be carried on from the date of the present agreement.

ARTICLE IV

The Department of the South will be completely Haitianized at the latest on December 31, 1932; the Department of the North at the latest on December 31, 1933; and the Department of Port au Prince at the latest on December 31, 1934.

ARTICLE V

The promotions to be effected during the course of the Haitianization of the Garde will be made after examinations held in the presence of the representative of the Government of Haiti in conformity with Article X of the Treaty of September 16, 1915.

ARTICLE VI

Since it is considered desirable to employ the services of a Military Mission to complete the instruction, training and discipline of the Garde, the President of the United States agrees to designate such a mission. The details of the organization of this mission and the powers to be conferred upon it will be the subject of a separate agreement.

ARTICLE VII

The Marine Brigade of the United States and the American Scientific Mission established by the accord of August 5, 1931, will be withdrawn from Haitian territory as soon as may prove practicable, and in any event withdrawal will begin not later than the time when complete Haitianization of the Garde is effected.

ARTICLE VIII

The Government of Haiti, in order to maintain the public order and peace necessary for the regular collection of the revenues pledged for the service of the bonds issued in accord with the Protocol of October 3, 1919, assumes the obligation of maintaining strict discipline in the Garde and of applying, until all of the bonds are amortized or redeemed, the present regulations of the Garde d'Haiti. It will enact a statute which will fix the conditions of appointments, promotions and retirement in the Garde.

Dana G. Munro A. Blanchet

PROTOCOL B

ARTICLE I

Until the total retirement or refunding of all bonds issued in accord with the Protocol of October 3, 1919, a Fiscal Representative and a Deputy Fiscal Representative, appointed by the President of Haiti upon the nomination of the President of the United States, shall exercise the powers hereinafter conferred in order adequately to insure the interest and amortization of the said loan.

ARTICLE II

The Fiscal Representative shall administer the tariff and shall collect all duties and other charges on imports and exports accruing at

the several custom houses and ports of entry of the Republic of Haiti under the customs tariff and laws now or hereafter in force. He shall have for this purpose and for the necessary audit and accounting services such assistants and employees as may appear necessary. The expenses of the customs service, however, including the amounts upon which the two Governments may agree as the salary of the Fiscal Representative, and the Deputy Fiscal Representative, may not exceed five per centum of the receipts from the customs duties, unless by agreement of the two Governments, and these expenses will constitute a second charge upon the customs receipts next in order after the payment of the service of the bonds issued in accord with the Protocol of October 3, 1919.

The President of Haiti will issue commissions to employees occupying positions of authority and trust in the Customs Service upon the recommendation of the Fiscal Representative. The form of these commissions will be agreed upon by the Minister of Finance and the Fiscal Representative. If the services of a commissioned employee should not be satisfactory or if his removal should be deemed necessary for other reasons, the Fiscal Representative may terminate his services and may at the same time recommend such action as he considers advisable regarding his replacement, making a temporary appointment if necessary until a new commission is issued.

The Fiscal Representative will make every effort to train Haitian personnel for all positions in the Customs Service. At least two years before the complete amortization of the outstanding bonds, he shall select Haitian employees for special training as Receiver General and Deputy Receiver General of Customs in order that the Service, efficiently organized and fully Haitianized, may be turned over to their direction when complete amortization takes place.

ARTICLE IJI

The Internal Revenue Service with its present organization shall be placed under a Haitian Director and with an exclusively Haitian personnel, unless the Haitian Government should express its desire to retain the services of one or more foreign technical employees. The Director of Internal Revenue shall have full administrative authority over the Service, under the high direction of the Minister of Finance, but the Fiscal Representative shall have the power and the duty to inspect all activities of the Internal Revenue Service and to make any appropriate recommendations regarding the conduct of the service or the efficiency of individual employees.

The Fiscal Representative, for this inspection service, shall employ such American and Haitian inspectors and assistants as may appear necessary, providing, however, that the total amount allocated annually for this service shall not exceed five per cent of the total amount of the internal revenue collections, except by previous agreement between the two Governments. This allocation shall be made by means of funds established, as set forth in Article V hereof.

If the Fiscal Representative should notify the Minister of Finance that there is reason to suppose that the conduct of any officer or employee of the Internal Revenue Service is incorrect or inefficient, such employee will be suspended and will not be reinstated until the charges against him have been disproved to the satisfaction of the Minister of Finance and of the Fiscal Representative.

The Fiscal Representative shall present to the Minister of Finance such suggestions as may appear helpful regarding the improvement of existing internal revenue legislation.

The revenues collected by the Internal Revenue Service shall be deposited in the National Bank as provided in Article VIII hereof.

A law regarding the organization of the Internal Revenue Service will govern the appointment, promotion, and retirement of the personnel of this Service.

ARTICLE IV

If for any reason the internal revenues should decline so that the amount collected falls below 3,000,000 gourdes during the six months from October to March inclusive, or below 2,000,000 gourdes during the six months from April to September inclusive, the Fiscal Representative shall call the situation to the attention of the Minister of Finance and shall make such recommendations as he may deem appropriate for restoring collections to their proper level; and the Haitian Government will put these recommendations into effect.

ARTICLE V

The expenses of the Internal Revenue Service shall be paid out of the amounts collected, in accord with a schedule of payments agreed upon between the Fiscal Representative and the Minister of Finance. These expenses shall not exceed twelve per cent of the total amount of internal revenue collections, except by agreement between the Minister of Finance and the Fiscal Representative. An additional amount not exceeding five per cent of the total amount of the internal revenue collections shall be included in the same schedule to cover the salaries and expenses of the inspectors who shall be attached to the office of the Fiscal Representative for the inspection of the Internal Revenue Service.

ARTICLE VI

The expenses of the Internal Revenue Service, including the expenses of the inspectors attached to the office of the Fiscal Representative, shall constitute a second charge upon the internal revenues, next in order after the payment of the service of the bonds issued in accord with the Protocol of October 3, 1919.

ARTICLE VII

All authorities of the Haitian Government will extend full protection and all proper assistance to the Customs Service and to the Internal Revenue Service in order to assure their proper operation and the enforcement of the tax laws.

ARTICLE VIII

All monies received by the Haitian Government shall be deposited in the National Bank to the credit of the Haitian Government with the exception of the amounts needed for payment of the debt service as required by the loan contracts and five per cent of the customs collections which amounts shall be retained by the Fiscal Representative from the customs duties and charges collected and received by him. The Bank shall set aside preferentially each month to the credit of the Fiscal Representative before permitting the withdrawal of any funds belonging to the Government the amount required for the expenses of the internal revenue collection and of the Internal Revenue Inspection Service in addition to any amount which might be required in any month to cover a deficit in the sum needed for the service of the loans resulting from failure of the customs collections to aggregate that sum.

All payments of government funds shall continue to be made by checks prepared by the Service of Payments. The existing arrangement, as agreed upon between the two Governments on August 5, 1931, shall continue to govern this Service except that checks for the payment of the debt service and the expenses of revenue collection, shall be signed by the Fiscal Representative and checks for other governmental expenses shall bear the signature of the Minister of Finance.

ARTICLE IX

Until the complete amortization of the bonds issued in accord with the Protocol of October 3, 1919, or the retirement of these bonds before their due date, the Government of Haiti undertakes:

1. To balance its budget each year and not to authorize any extraordinary or supplemental appropriations in excess of budgetary items unless unobligated funds are available to cover such extraordinary or supplemental appropriations, after setting up such reserves as may be

necessary to assure the payment of the debt service and other budgetary expenses during those months of the fiscal year when receipts are normally reduced.

2. Not to permit any department of the Government to exceed its monthly allocation (douzième) except in case of demonstrated neces-

sity.

3. Not to reduce the customs tariff nor to modify the internal taxes in such a way as to reduce the total yield of the internal revenues.

4. Not to contract any debt nor assume any financial obligation unless the ordinary revenues of the Republic available for that purpose after defraying the expenses of the Government shall be adequate to pay the interest and provide a sinking fund for the final discharge of such debt; and not to grant any subsidy for a period of more than one

year, except with the accord of the Fiscal Representative.

5. To include annually in the budget of the Republic the amounts necessary for the regular service of the public debt and other contractual obligations, as well as lump sums representing the customs five per cent and the internal revenue twelve per cent and inspection service funds. If the revenues received in any month should be insufficient to meet the full debt service and expenses of collection, the Minister of Finance will pay to the Fiscal Representative from his reserves the amount required to make up the deficit.

In everything relating to the matters dealt with in this article, the Haitian Government will proceed in accord with the Fiscal Representative.

The Government of Haiti will reach an accord with the Government of the United States regarding the issue of any new series of the loan authorized by the law of June 26, 1922.

ARTICLE X

If it should appear during the course of a fiscal year that the revenues will be substantially less than the estimates used in preparing the budget, the Haitian Government, acting in accord with the Fiscal Representative, will adopt adequate means to meet the deficit, either by reducing expenditures or by providing new sources of revenue.

The Government will not sell the securities held in the investment account, or other public property, except with the prior accord of the Fiscal Representative.

ARTICLE XI

The system of financial administration of the Republic of Haiti shall be governed by a special law of finance the project of which has been submitted to the Legislative Body.

ARTICLE XII

In order to assure the maintenance of public order, the monthly allocation for the Garde d'Haiti will be set aside preferentially by the

National Bank from the funds remaining after deduction of any amounts which may be necessary to cover the service of the foreign debt and the expenses of the internal revenue collection including the internal revenue inspection service, and the sums thus set aside shall not be subject to withdrawal for any other purpose than the necessary expenses of the Garde. Any unexpended balance at the end of the fiscal year shall revert to the general fund of the treasury.

ARTICLE XIII

The Fiscal Representative shall maintain adequate records of all receipts and disbursements, which records shall be open to inspection and verification by the appropriate authorities. Monthly reports of his operations shall be submitted to the Secretary of State for Finance of Haiti and the Secretary of State of the United States.

ARTICLE XIV

The Haitian Government reserves the right to retire the bonds issued in accord with the Protocol of October 3, 1919, in advance of their due date; and the Government of the United States will not invoke the provisions of Article VI of the Protocol as an obstacle to such retirement before the expiration of the period of fifteen years fixed therein, provided that the Haitian Government is able to make an arrangement for this purpose satisfactory to the holders of the outstanding bonds.

In this case the provisions of this Protocol shall automatically become null and void and of no effect upon the completion of the refunding operation.

Dana G. Munro A. Blanchet

The American Minister in Haiti (Munro) to the Haitian Minister for Foreign Affairs (Blanchet)²⁵

No. 178

Port au Prince, September 3, 1932.

EXCELLENCY: I have the honor to confirm the understanding between us with regard to certain questions connected with the Treaty which we have signed today.

1. While it is the definite intention of the two Governments to carry out the program set forth in the agreement for the Haitianization of the Garde, it is realized that it might prove impossible to carry out this program at the times fixed if very serious disturbances or other

²⁵ A similar note was addressed to the American Minister in Haiti by the Haitian Minister for Foreign Affairs.

difficulties in Haiti now unforeseen should arise to prevent its execution. It is of course confidently hoped and expected that no such difficulties will occur and I may assure your Excellency that it is the earnest desire of both Governments to carry out the entire program at the earliest practicable date.

- 2. Since it will be necessary to begin at once the intensive training of the Garde in order to make possible the complete Haitianization of that organization by the end of 1934, such intensive training, including especially preparations to advance the graduation of the present class at the Military School, will begin immediately after the ratification of the Treaty by the Haitian National Assembly without awaiting the action of the United States Senate.
- 3. The compensation received from the Haitian Government by the members of the Military Mission established under Article VI of Protocol A shall be \$250 per month in the case of the chief of the Mission, \$200 per month in the case of other officers, and not over \$100 per month in the case of enlisted men. The amount necessary for the payment of this compensation shall be included each year in the budget of the Garde.
- 4. The Haitian Government will grant the Mission adequate powers to fulfill the objectives for which it is designated, and to this end the Mission shall have authority:
- a) To inspect all activities of the Garde and to make reports and recommendations to the Commandant or directly to the President of the Republic regarding measures for the improvement of training, organization, administration and discipline, regarding the capacity of officers for promotion and the conditions under which promotions are to be made, and regarding such other subjects as the Mission may consider advisable.

b) To recommend, when necessary, that disciplinary measures be taken against any officer or enlisted man in the Garde.

- c) To make any necessary recommendations or suggestions regarding the conduct of the Ecole Militaire and to give instruction in that institution if found desirable; also from time to time to recommend the detachment of Garde officers for advanced training in that institution when that shall appear necessary either to fit the officer for the proper discharge of his duties or to enable him to qualify for promotion.
- 5. Protocol B will be communicated by the Haitian Government to the National Bank with irrevocable instructions to give effect to those of its provisions which relate to the deposit and expenditure of Government funds.
- 6. In view of Article VII of Protocol B it is understood that if there should be occasion for judicial proceedings against the Fiscal Repre-

sentative or his American assistants such proceedings cannot be instituted without the consent of the Government of the United States.

This exchange of notes is an integral part of the agreement between the two Governments and will be communicated to the National Assembly of Haiti and to the United States Senate at the time of the ratification of the Treaty.

Accept [etc.]

Dana G. Munro

838.51/2506 : Telegram

The Chargé in Haiti (Heath) to the Secretary of State

Port-au-Prince, September 15, 1932—2 p.m. [Received 2:23 p.m.]

107. Haitian legislative body today voted to reject the new treaty. It is reported that there were no dissenting votes.

HEATH

838.51/2507 : Telegram

The Chargé in Haiti (Heath) to the Secretary of State

Port-au-Prince, September 16, 1932—2 p. m. [Received 5:54 p. m.]

108. President Vincent today issued a proclamation ²⁶ very strongly defending the treaty and pointing out the disadvantages to Haiti of its nonratification. Code proclamation is being sent by air mail.

HEATH

838.51/2511 : Telegram

The Chargé in Haiti (Heath) to the Secretary of State

Port-au-Prince, September 19, 1932—11 a.m. [Received 2:50 p. m.]

109. General [Williams?] has asked to be informed at the earliest possible date whether the Department perceives any objection to carrying out the Haitianization of the Military Department of the South by December 31, 1932, in accordance with plans formulated early this year which plans have been generally known by the Haitian Government and by Haitian and American Garde officers. He rec-

²⁶ Printed in *Le Moniteur*, September 16, 1932, copy of which was forwarded in despatch No. 497, September 16, 1932, from the Charge in Haiti.

ommends that this be approved by the Department and I concur. It would, of course, be indicated to the Haitian Government that Haitianization of the Department of the South would not commit us to carrying out the remainder of the provisions contained in protocol (a) of the treaty of September 3, 1932.

HEATH

838.51/2519 : Telegram

The Chargé in Haiti (Heath) to the Secretary of State

PORT-AU-PRINCE, September 21, 1932—11 a.m. [Received 1:47 p. m.]

110. The Minister for Foreign Affairs has requested me, in view of the failure of the legislative body to ratify the treaty signed September 3rd, to obtain:

(1) A statement from the Department as regards its present program for the withdrawal of the Marine Brigade and the Scientific Mission, and for the Haitianization of the Garde, and to ascertain:

(2) Whether the Department would consider negotiating a new treaty preferably leaving the question of financial control after 1926

[1936] for settlement at a later date.

(3) Whether the Department would consider concluding separate executive arrangements respecting the Garde and the Brigade but postponing settlement of the question of financial administration.

As regards his second question the Minister states that there has been a distinct improvement in the attitude of the legislative body as a result of the President's proclamation transmitted in my despatch No. 497, dated September 16,²⁷ but that there is scant probability of the Government being able to obtain favorable reconsideration of the treaty during the remaining few days of the session. He thinks, however, that the Legislature, although it rejected the treaty in principle, could now be influenced to pass a resolution asking for the negotiation of a new treaty.

He admitted that his request for delaying executive agreements and the postponement of an agreement for future financial control was probably unacceptable but asked nevertheless that it be transmitted.

I perceive no advantage at this time in considering the negotiation of a new treaty even of equivalent provisions. There is still possibility that the legislative body may ratify the treaty during a later session.

The President in his proclamation has taken a strong if belated

²⁷ Not printed.

stand as to the advantage and necessity of the new treaty, and this is having some effect on the Legislature. I believe that this trend and the Government's present attitude would be supported by a statement from the Department.

I recommend, therefore, that I be instructed to reply to the Minister of Foreign Affairs that the new treaty not having been sanctioned the presence of the Brigades and the Scientific Mission and the administration of the finances and of the Garde continue to be governed only by the treaty of 1915 and subsequent accords; that, with respect to the negotiation of a new treaty the Department is of the opinion that the convention signed September 3 contains all possible concessions to the wishes of the Haitian Government since the freedom of action of both Governments is limited by the fact that third parties have purchased bonds upon the faith and credit of the provisions of the treaty of 1915 and the protocol of 1919; that a reasonable interpretation of article 8 of the protocol would justify the maintenance after 1936 [of] the existing system of financial control substantially in its present form if this appeared necessary to protect the bondholders; that in any case the Government of the United States would not desire to conclude separate agreement concerning the Brigade and the Garde, unless a new agreement concerning the financial administration was made previously or at the same time.

The Minister for Foreign Affairs desires a reply to his inquiries if possible by Friday at the latest as the legislative session closes Saturday at midnight.

HEATH

838.51/2519 : Telegram

The Secretary of State to the Chargé in Haiti (Heath)

Washington, September 22, 1932—5 p. m.

62. Your 110, September 21, 11 a.m. Please communicate the following textually to the Minister for Foreign Affairs: ²⁸

"The Treaty signed at Port au Prince on September 3, 1932, represents, in the view of the United States Government, the logical culmination of the recommendations of the Forbes Commission. Under this Treaty, if ratified, the United States agrees to turn over the complete command of the Garde to Haiti by December 31, 1934, instead of in May, 1936, as would be the case under the Treaty of 1915; to withdraw the Marine Brigade, beginning such withdrawal not later than December 31, 1934; and to turn over to Haitian

²⁸ Addressed to the Haitian Minister for Foreign Affairs in note dated September 23, 1932.

control on December 31, 1934, the Internal Revenue Service. Furthermore, the United States agrees specifically to limit and define the powers of financial administration arising from existing agreements which obligate both Governments. The powers of the fiscal representative under Protocol B of the new Treaty are substantially less than those conferred on the Financial Adviser General Receiver under the Treaty of 1915.

The United States Government is prepared to carry out the foregoing, but it is obvious that the whole program hangs together and should be carried out accordingly and not piecemeal. The United States, therefore, is not disposed to discuss the withdrawal of the Marine Brigade, or the complete Haitianization of the Garde in advance of the date of the expiration of the Treaty of 1915, except in connection with a definite settlement of all the questions at issue.

This Government has noted with interest President Vincent's forceful statement of September 16, 1932, regarding the negotiation of the new Treaty. It is of course clear that in negotiating this Treaty freedom of action of both Governments was necessarily limited by the existence of definite obligations subscribed to by previous Governments in Haiti and the United States which must be respected and carried out. This Government feels that Protocol B of the new Treaty, relating to financial administration, contains the maximum concessions to the point of view of the Haitian Government, considering the obligations of existing agreements assumed by both Governments.["]

STIMSON

838.51/2511 : Telegram

The Secretary of State to the Chargé in Haiti (Heath)

Washington, September 23, 1932—5 p.m.

63. Your 109, September 19, 11 a.m. Inasmuch as this will merely be carrying out plans already made by the Commandant of the Garde early this year prior to treaty negotiations, Department sees no objection. At an appropriate time it should be clearly indicated to the Haitian Government that arrangements for Haitianization of the Department of the South are being carried out pursuant to earlier plans and entirely independently of the provisions of protocol (a) of the treaty of September 3, 1932, and that in the absence of ratification of that treaty the program for Haitianization of the Garde therein set forth obviously remains without effect.

STIMSON

838.51/2524 : Telegram

The Chargé in Haiti (Heath) to the Secretary of State

Port-au-Prince, September 27, 1932—9 p. m. [Received September 28—7:40 a. m.²⁹]

116. The Minister for Foreign Affairs this morning handed me a lengthy note ³⁰ in reply to a note from the Legation communicating the text of the Department's telegram No. 62 of September 22, 5 p. m. He stated that the Government desires to publish tomorrow both notes in an endeavor to inform public opinion of the situation resulting from the failure to ratify the treaty of September 3rd.

His note while conciliatory in language implies that the United States in view of the nonratification of the treaty is prepared to stop Haitianization of the Garde arguing that the text of the Department's telegram "would signify a sort of resolution to do nothing until 1936" which will be a "plausible solution" as there are "possibilities of a practical arrangement of the situation".

The note states that "to do nothing would not be in conformity with the declaration of President Hoover of February 4th, 1930, or the recommendations of the Forbes Commission" and that "if training does not begin now how can one hope for the discipline and efficiency of the Garde" upon which the stability of the Government will depend in 1936. "It cannot be" the note reads "the intention simply to withdraw the American officers leaving the corps in a state of inefficiency" and asks to avoid "later complications" that progressive and entire Haitianization be continued in accordance with the treaty of 1915 and the Forbes plan. It then states the belief that the United States will not place its moral responsibilities to the bondholders above those assumed "to the Government and people of this country". The note suggests to satisfy the obligations assumed in connection with the bond issues the conclusion of a new "exclusively technical agreement such as the one we have proposed" and in conclusion requests the reconsideration of the "question of guarantees of interest and amortization of the loans."

I objected to the Foreign Minister's attributing to the United States the design of stopping Haitianization of the Garde as a result of the nonratification of the new treaty and he admitted that he understood that this process would be continued in compliance with the treaty of 1915 although not at the accelerated rate provided in protocol A and that there was nothing in the Department's reply

²⁹ Telegram in two sections.

³⁰ For text of note, dated September 26, see Department of State, *Press Releases*, October 15, 1932, p. 217.

to justify this interpretation. He added that stopping Haitianization "would have been the logical result of the Legislature's rejection of the treaty." I informed him of the contemplated early Haitianization of the Department of the South which will be announced tomorrow.

Evidently it is the intention of the Government for political reasons and to persuade public opinion of the necessity of concluding an agreement on the pending issues to attribute obstructive intentions to the United States.

I do not consider it desirable for Minister Blanchet to publish his note including its apparent inaccuracies and possible effect on public opinion toward the United States and shall attempt to dissuade him from doing so tomorrow. I do not feel however that sufficient grounds exist for declining to permit publication of our note. Should the adverse effect on public feeling here be sufficiently strong to justify such a course, it occurs to me that it might be feasible for the Government at a later date to issue a statement which would correct any false impression concerning our intentions in regard to Haitianization of the Garde.

The Minister requests a reply by tomorrow if possible and I suggest that the Department instruct by cable to avoid delay.

HEATH

838.51/2526 : Telegram

The Chargé in Haiti (Heath) to the Secretary of State

Port-au-Prince, September 29, 1932—9 p. m. [Received September 30—7:15 a. m.]

117. The President sent for me today to request that I present, if possible, a note of objections to the implications in the Haitian note which was the subject of my telegram 116, September 27, 9 p. m., and which was written in answer to my [note] transmitting the Department's views on the situation resulting from nonratification of the treaty communicated in its [the Legation's] telegram No. 110, September 22 [21], 11 p. m. [a. m.] He would then publish all three notes simultaneously together with a note in which I had communicated textually the observations of the Department's telegram No. 63, September 23, 5 p. m., on the occasion of the report of the [Commander of the Garde?] to the President of his plans to Haitianize the Department of the South.

The President stated that he was anxious to publish this correspondence before public opinion crystallized against the idea of a new treaty.

The Government has not only been defending the advantages offered by the new treaty but has been seeking to arouse apprehension

of the consequences should a new agreement not be obtained. Thus the last Haitian note implies by the fact of raising the question that the United States is now prepared by reason of the nonratification of the treaty to stop Haitianization of the Garde until 1936.

Both the President and the Foreign Minister said that they apprehended the effect of a public statement by the Department in the matter and suggest as an alternative more acceptable to them that any protest of these implications be embodied in a note which would be made public with the rest of the correspondence.

This I think would be an acceptable solution. I advised the Foreign Minister, however, that it would not be practical immediately to reply in full to his last note.

I personally feel that it would be a mistake to leave uncorrected the inaccuracies of the Haitian note, the more so as I am not persuaded that fear of a retard in Garde Haitianization would have the desired effect on public opinion in regard to the treaty. It would very possibly cause a regrettable discontent among Haitian Garde officers to feel that their advancement was subject to political contingencies.

The text and translation of the Haitian note in question were sent air mail this morning and should arrive at Washington tomorrow. I request that the Department cable instructions by tomorrow if possible to present a note pointing out that the last Haitian note gives an erroneous impression of the Department's plans with respect to Haitianization of the Garde.

Неатн

838.51/2528 : Telegram

The Chargé in Haiti (Heath) to the Secretary of State

Port-au-Prince, September 30, 1932—2 p. m. [Received October 1—2:45 a. m.]

118. Reference Department's telegram No. 65, September 28, 5 p. m.³¹ I believe that the issuance at this time of the statement transmitted in the telegram referred to would help the present efforts of the Haitian Government to convince public opinion of the need and advantage of the new treaty or similar agreement. I do not believe, however, that there is any possibility of the Government resubmitting the treaty signed September 3, 1932, to the Haitian Legislature either at a special session or at the regular session beginning next April in view of the strong stand taken by that body against the treaty. I believe that only the exercise of great executive pressure, to which course the President obviously disinclined, could

⁸¹ Not printed.

in the near future persuade the present Legislature, which is now in office until 1936, to change its attitude.

The President said to me yesterday afternoon that he was inclined to consider the treaty a dead issue in view of its rejection and that with the arrival of Mr. Armour he hoped that the United States would renew conversations looking toward a new agreement. Such proposition is made in the Haitian note referred to in my telegram 117, September 29, 9 p. m. He was careful, however, not to state that the Government had definitely abandoned the idea of resubmitting the treaty of September 3. The Minister for Foreign Affairs has several times said that such an action was a possibility but only a very remote one provided that the Government was successful in its efforts to convince legislative and public opinion of the necessity of a new agreement although the point was not greatly stressed in the legislative debates and in the press. One of the reasons for the rejection "in principle" of the new treaty by the legislative body was that such a step would be in violation of the attitude taken in the Bellerive resolution of last year which declared that the treaty of 1915 was no longer in existence since the "additional act" of 1917 providing for its extension had never been submitted to it for approval. Therefore members of Legislature who were actively opposed to the treaty took the position that they could not logically approve an agreement which had as its object the "liquidation" of a treaty which they had declared nonexistent. Press comment on the treaty still continues and a favorite present argument of the opposition is that it is unnecessary to conclude a new treaty because after 1936 there would no longer be any legal basis for the continuance of military or financial control. This argument is apparently having some effect on public opinion as calmest proponents naturally avoid any mention of the loan contracts or of the protocol of 1919.

The President and the Minister of Foreign Affairs were somewhat careful in yesterday's conversations to refrain from offering any suggestions as to what modification of the treaty of September 3rd could be effected. Early yesterday, however, in a conversation with the Financial Adviser and General Receiver over the budget the President and the Deputy Minister of Finance informed their representative that new treaty was desired which would contain the essential stipulations of the one of September 3rd by [but?] which should contain some modifications which would render it more acceptable to the Haitian point of view and would facilitate its ratification; such would be regarded as an engagement by the United States to continue its good offices in the development of Haiti's economic resources and to obtain chiefly its aid for the protection

of Haiti against territorial aggression. The President asked the Financial Adviser whether he could not informally discuss this proposal in the Department during the latter's stay in Washington. The Financial Adviser reports that he replied that he had no competence in political matters and could not accede to their request.

I feel that it is important that no declaration should be made which might be interpreted as closing the door to negotiations for any modification of treaty of September 3rd. I find nothing in the contemplated statement which might be so interpreted. On the other hand, until the situation is clarified I see no advantage in definitely committing ourselves as to the nature of future negotiations.

While I believe that the Haitian Government could not object to the release of the Department's proposed statement, I recommend that I be authorized to inform Mr. Blanchet and the President of its general nature prior to publication.

HEATH

838.51/2528

The Secretary of State to the Chargé in Haiti (Heath)

No. 228

Washington, October 4, 1932.

Sir: With reference to the Department's telegram No. 66 of October 1, 3 p. m.,³² there is transmitted herewith the text of a note which you are instructed, unless you perceive objection, to address to the Minister for Foreign Affairs in reply to his note of September 26, 1932, forwarded with your despatch No. 503.³³ If you have any comment in regard to this note, or suggestion as to change in the text thereof, please cable promptly.

You are authorized to agree to publication of the following: (a) your note of September 23; (b) the note of the Minister of Foreign Affairs dated September 26; and (c) the note which you are now instructed to communicate to the Foreign Office. There appears to be no reason for publication of the note you sent the Minister embodying the Department's telegram No. 63 of September 23, 5 p. m., regarding Haitianization of the Department of the South, since this question is adequately covered in the note you are now to communicate to him.

Please advise by telegraph in advance of the date when the notes will be made public in Haiti so that arrangements for simultaneous release may be made here.

Very truly yours,

For the Secretary of State: Francis White

²² Not printed.

¹⁸ Despatch not printed; for text of Haitian note of September 26, see Department of State, *Press Releases*, October 15, 1932, p. 217.

[Enclosure]

Text of Note to the Haitian Government 34

With reference to Your Excellency's note of September 26, 1932, I am instructed by my Government to reply as follows:

Your Excellency appears to have interpreted my note dated September 23, 1932, as implying that the Government of the United States, in view of the action of the Haitian Legislature in declining ratification of the treaty signed at Port au Prince on September 3. 1932, intends to stop any further Haitianization of the Garde. I can assure Your Excellency that any such interpretation is entirely unwarranted. Arrangements are now being carried forward for the Haitianization of the Department of the South by December 31, 1932, in accordance with plans formulated early this year by the Commander of the Garde. The process of Haitianization of the Garde. in accordance with the treaty of 1915 and following out the recommendations of the President's Commission for the Study and Review of Conditions in the Republic of Haiti, will in any case be carried forward. The accelerated rate of Haitianization of the Garde provided in Protocol A of the new treaty, however, being a part of the whole program of that treaty which hangs together and must be carried out as a whole, would of course depend for its execution upon the placing in effect of the treaty.

It appears to my Government that it would be helpful to review at this time certain points in connection with the treaty of September 3, 1932, and in that connection to expand somewhat the views expressed in my note of September 23. As stated in that note, my Government views this treaty as the logical culmination of the recommendations of the President's Commission. The United States has agreed, upon the ratification of this treaty, to turn over the complete command of the Haitian Constabulary to Haitian officers by December 31, 1934, instead of in May, 1936, as would be the case under the treaty of 1915 now in force; to withdraw the Marine Brigade, beginning such withdrawal not later than December 31, 1934; and to turn over the internal revenue service to Haitian control on December 31, 1934. The new agreement furthermore specifically limits and defines the powers of financial administration arising out of existing agreements which obligate both Governments, as will be pointed out in detail hereinafter.

My Government has noted with interest the report of the special committee appointed by the Haitian Legislature to examine the treaty of September 3, 1932. It feels that there has apparently been a failure

⁸⁴ Addressed to the Haitian Minister for Foreign Affairs, October 7, 1932.

to understand the real nature of the treaty. The special committee's report unfortunately contains certain errors which have evidently been the cause of a misunderstanding of the situation. For instance, the report states that the powers of the Fiscal Representative under Protocol B of the new treaty are more extensive than those of the Financial Adviser-General Receiver under the treaty of 1915 now in force. As a matter of fact the very opposite is true and the powers of the Fiscal Representative, as defined and limited in the new treaty, are substantially less than those conferred on the Financial Adviser-General Receiver by the Treaty of 1915. Under the treaty of 1915 the Financial Adviser-General Receiver was given and has exercised exceedingly broad powers over all phases of the Haitian Government's financial organization, collecting all revenues, acting as custodian of all funds, and controlling the allocation of funds among the administrative departments. Under the new treaty the Fiscal Representative will collect the customs revenues and merely supervise the internal revenue service. He will have custody only of the funds necessary for the payment of the expenses of revenue collection and for the service of the foreign debt, and his powers regarding the budget are limited to those necessary to see that expenses are kept within the Government's revenues. Such powers as he will exercise are clearly specified and limited, so that there is no broad general grant of power as in the 1915

Furthermore, the special committee's report states that the new treaty may be continued in force indefinitely and subject only to the power of the United States to put an end to it. This is, of course, entirely erroneous. As pointed out hereinabove the treaty provides for the complete Haitianization of the Garde by December 31, 1934, and the beginning of the withdrawal of the Marine Brigade by that date. Protocol B of the treaty, dealing with financial administration, provides in Article I that the powers of the Fiscal Representative shall be exercised only "until the total retirement or refunding of all bonds issued in accord with the Protocol of October 3, 1919." Article XIV of Protocol B reserves to the Haitian Government the right to retire the bonds in advance of their due date subject to an arrangement satisfactory to the holders of the outstanding bonds, and states that in this case the provisions of the protocol "shall automatically become null and void and of no effect upon the completion of the refunding operation." In other words, these powers of financial administration exercised by virtue of existing obligations entered into by both Governments to insure adequately the interest and amortization of the Haitian bonds, will cease and determine upon the retirement or refunding of the bonds. It has been estimated by the Financial Adviser that the bonds issued in

accord with the Protocol of October 3, 1919, will be completely amortized in 1943.

It is understood that there has been criticism in Haiti of the reference in the exchange of notes between the American Minister and the Haitian Government to the possibility that serious disturbances or other difficulties in Haiti now unforeseen might arise to prevent the carrying out of the program for the Haitianization of the Garde. In this connection I am instructed to state that it is the desire and definite intention of the United States Government, upon the entrance into force of this treaty, to carry out in full the program set forth in the agreement for the Haitianization of the Garde. The possibility that serious disturbances or other difficulties now unforeseen might prevent its execution was contemplated only in case a serious emergency might arise, now entirely unforeseeable, which might make it advisable in the interest of both Governments to delay temporarily the completion of the program. Reference to this possibility was made in the exchange of notes so that, if such an emergency should arise and prevent temporarily the completion of the program, there could be no question of bad faith imputed to either Government. However, so far as can be foreseen at present there is no reason to expect that any such serious emergency will arise in the future and, as stated hereinabove, it is the desire and definite intention of the Government of the United States. upon ratification of the treaty, to carry out the program by the dates set forth therein.

In my note of September 23 I referred to the interest my Government had taken in President Vincent's forceful statement of September 16, 1932, regarding the negotiation of the new treaty and the advantages accruing to Haiti under it. In that statement President Vincent referred to the obligations assumed by both Governments in the past relating to financial questions in Haiti. As was pointed out in my note, it is, of course, clear that in negotiating this new treaty the freedom of action of both Governments was necessarily limited by the existence of definite obligations subscribed to by previous governments in Haiti and the United States which must be respected and carried out. Your Excellency's note of September 26 referring to these financial questions, suggests an agreement giving a form of adequate protection "of an exclusively technical character." My Government feels that Protocol B of the new treaty, negotiated in accord with the Haitian Government, is in fact such an agreement. As pointed out above, this Protocol gives to the Fiscal Representative powers substantially less than those conferred on the Financial Adviser-General Receiver under the treaty of 1915 and, in the view of my Government, it contains the maximum concessions in this direction consistent with the obligations of existing agreements assumed by both Governments.

The Government of the United States desires to withdraw its forces from Haitian territory at the earliest practicable moment. It desires to limit its responsibilities in connection with Haitian financial matters to the minimum required by the existing obligations undertaken by both Governments. It sincerely hopes that the entire program set out in the treaty of September 3, 1932, affecting the Garde, the Marine Brigade and Financial Administration, which was drawn up with the foregoing objectives in mind, may be put into force through the ratification of that treaty. It is, of course, obvious that this program hangs together and must be carried out as a whole and that it cannot be put into effect piecemeal.

123 AR 52/205

The Acting Secretary of State to the Appointed Minister in Haiti (Armour) 35

No. 1

Washington, October 26, 1932.

Sir: There is transmitted herewith a copy of the basic instructions, dated October 18, 1930,36 issued to your predecessor when he, as the first civilian Minister of the United States to succeed the High Commissioner in Haiti, undertook his mission to that country just two years ago. These instructions are, with such minor exceptions due to changes in the situation since October, 1930, as are noted hereinafter, fully applicable to your present mission and they are hereby confirmed to you.

The Haitianization Agreement of August 5, 1931,37 which was made pursuant to the aforementioned instructions to Dr. Munro, turned over to the control of the Haitian authorities as of October 1, 1931, the Public Works Service, the Technical Service of Agriculture, and the Public Health Service except for the sanitation of Port au Prince and Cape Haitien, which is being currently carried out by the American Scientific Mission provided for in Article III of the August 5, 1931 agreement. The so-called "Treaty Services" have, therefore, been reduced to the service operating under the Financial Adviser-General Receiver, the American officers commanding the Garde, and the American Scientific Mission.

³⁵ Mr. Armour presented his credentials on November 7, 1932.

³⁶ Foreign Relations, 1930, vol. III, p. 255. ³⁷ Ibid., 1931, vol. II, p. 504.

At the foot of page two of the basic instructions of October 18, 1930, reference was made to the action to be followed in connection with the then existing technical state of martial law. The state of martial law which was in existence at that time was lifted on August 5, 1931, but the instructions regarding the action to be taken by the Brigade Commander under your direction remain fully applicable in the case of proclamation at any time of martial law by the Haitian Government.

On page six of the instructions of October 18, 1930, it was stated that this Government would "expect that laws relating to subjects covered by the Treaty or affecting the Treaty services will be submitted to the diplomatic representative of the United States for an expression of his views before promulgation, in accord with the practice established by the agreement of August 24, 1918."38 Article V of the Haitianization Agreement of August 5, 1931, abrogated the accord of August 24, 1918, regarding the communication of projects of Haitian laws to the United States Legation, but stated that, nevertheless, if the Government of the United States "should deem a given law to be seriously inconsistent with any rights arising from provisions of agreements still in force, it will present its views to the Haitian Government through diplomatic channels for all proper purposes." It is of course to be expected that in the case of any law relating to subjects covered by the Treaty or affecting the Treaty Services the Haitian Government will desire to obtain your views before promulgating the law. As regards any measures affecting particularly the law of finance or legislation which might impair Haiti's credit or prevent the maintenance of a balanced budget, Article VI of the Haitianization Agreement of August 5, 1931, provides specifically that in questions of this nature the Haitian Government will proceed in agreement with the Financial Adviser.

It was also stated on page six of the instructions of October 18, 1930, that in view of the provisions of Article 127 of the Haitian Constitution this Government considered that a law which would tend to prevent the United States from carrying out its obligations under the Treaty would be invalid, and that the American Minister would, therefore, be justified, if it became necessary, in directing the treaty officials not to recognize such a law. As you are aware, the Haitian Constitution was amended effective July 21, 1932, and the provisions of the former Article 127 referred to in the instructions to Dr. Munro were not retained in the amended Constitution. This Government, however, in view of its obligations under the Treaty, considers that it must maintain the same position as set forth above, namely, that it must regard

¹⁸ See note of August 24, 1918, from the Haitian Secretary of State for Foreign Affairs, Foreign Relations, 1919, vol. II, p. 309.

as invalid any law which would tend to prevent the United States from carrying out its obligations under the Treaty, and that you would be justified, in the event such action becomes necessary, in directing the treaty officials not to recognize or give effect to such a law. As pointed out, however, in the instructions of October 18, 1930, the Department does not desire that you should exercise this authority except in cases where it appears absolutely necessary to do so, and desires you to avoid so far as possible any interference with the freedom of action of the Haitian Government. As stated in the basic instructions under reference, the authority conferred upon the United States by the Treaty should not be invoked "except in cases where a proposed law would clearly operate to prevent the effective work of one of the treaty services, and then only in cases where this interference would be of a sufficiently serious nature to make it improper for the United States Government to acquiesce therein."

The instructions to Dr. Munro made various references to the recommendations of the President's Commission for the Study and Review of Conditions in the Republic of Haiti regarding the desirability of reaching an agreement with the Haitian Government providing for the early withdrawal of our activities in Haiti. The instructions stated that this Government "wishes to withdraw its military forces at the earliest practicable moment and it would not consider any arrangement which provided for an indefinite continuance of the present military occupation. It likewise desires to relinquish the control now exercised by American treaty officials in so far as this can be done under the existing contractual arrangements and without placing this Government in the position of failing to fulfill the responsibilities assumed by it under the Treaty." In accordance with these instructions, and in line with the recommendations of the President's Commission, the Haitianization accord of August 5, 1931, referred to hereinabove, was duly negotiated with the Haitian Government. Furthermore, on September 3, 1932, Dr. Munro signed at Port au Prince with the Haitian Minister of Foreign Affairs a Treaty with related Protocols providing in detail for the progressive and orderly relinquishment of the control now exercised by the United States in Haiti. This agreement failed of ratification by the Haitian legislature. In response to inquiry from the Haitian Foreign Office as to the attitude of the United States Government in view of the action of the Haitian legislature, this Government made its position clear in notes despatched by the American Legation to the Foreign Office dated September 23 and October 7, 1932.

As was stated in these notes, the Government of the United States desires to withdraw its forces from Haiti at the earliest practicable moment, and it also desires to limit its responsibilities in connection

with Haitian financial matters to the minimum required by the existing obligations assumed by both Governments. A comprehensive program for the fulfillment of these objectives was embodied in the Treatv of September 3, 1932, and it was, and still is, the hope of this Government that this program, which must be carried out as a whole and not piecemeal, can be put into effect on the ratification of the Treaty. Under this Treaty the United States agrees to turn over the complete command of the Haitian Garde to Haitian officers by December 31, 1934, instead of in May, 1936, as would be the case under the Treaty of 1915 now in force: to withdraw the Marine Brigade, beginning the withdrawal not later than December 31, 1934; to turn over the Internal Revenue Service to Haiti on December 31, 1934; and to limit and define the powers of financial administration arising out of the existing agreements which obligate both Governments, conferring upon the Fiscal Representative powers which are substantially less than those given the Financial Adviser-General Receiver under the Treaty of 1915. This Government feels that the provisions of Protocol B of the new Treaty, relating to financial questions, contain the maximum concessions as to the basic principles of financial administration which can be made to the point of view of the Haitian Government consistently with the obligations resting on both Governments.

The Department will be glad to have you, after your arrival in Haiti, consider the situation with respect to the failure of the Haitian legislature to ratify the new Treaty and to advise it of your views in the matter. As you are aware, when the Haitian legislature acted upon the Treaty it did so on the basis of a report formulated by a special committee of the legislature. This report contained obvious errors regarding the Treaty and revealed a rather complete misunderstanding of the true nature of the Treaty. The Legation's note to the Haitian Foreign Office of October 7, 1932, called attention to the errors and misunderstandings appearing in the special committee's report, and explained in some detail the true nature and significance of the Treaty. It is possible that, as the Haitian legislature apparently based its action upon a misconception of the Treaty, the Haitian Government may consider it feasible to re-submit the Treaty for the consideration of the legislature. The Department hopes that this may prove to be the case and that the Treaty may ultimately be ratified in its present form. If, however, the Haitian Government should regard such a course impracticable, and it should appear to you that certain clarifications or changes in the phraseology of the Treaty, which would not weaken the fundamental principles thereof, would make the Treaty acceptable to the Haitian Government and legislature, the Department would be glad to have your considered views in the matter.

In conclusion it may be said that perhaps the major part of your work in Haiti, having to do with the coordination and direction of American activities in that country under existing agreements, will be found to be of an administrative nature. In order to carry out successfully work of such a nature it will frequently be essential for you to make immediate decisions on your own responsibility, consulting the Department only when important questions of policy are involved. You will be on the ground and familiar with the many details concerning the functioning of the American services, and you will therefore be in a position to make such decisions as you feel warranted in the circumstances. This was the policy pursued by your predecessor, and the Department desires to entrust to you the same measure of authority and responsibility.

Very truly yours,

FRANCIS WHITE

838.51/2565

The Minister in Haiti (Armour) to the Secretary of State

No. 12

Port-Au-Prince, November 28, 1932. [Received December 3.]

Sir: I have the honor to transmit herewith a memorandum of a conversation ³⁹ which I had on Thursday November 24, last, with the President of the Republic.

I called at the Palace at M. Vincent's request and the talk took place in his private office, no other official being present.

As this is the first time that the President has really discussed at any length the Treaty of September 3, or given any indication as to what, if anything, he proposes to do next with a view to securing ratification of the Treaty, I felt that a somewhat detailed account of the conversation might be of interest to the Department.

In telling the President that I would be willing to consider certain changes in form or clarification in phraseology in the Treaty, that [he?] might propose, provided that such changes did not affect the substance, I had in mind the Department's instructions particularly as set forth in instruction No. 1 of October 26, 1932, pages six and seven.

I should not wish, however, to give the Department the impression that I feel at all optimistic as to this first "feeler" on the part of the President leading to very much. From the way M. Vincent spoke, I am inclined to believe that such new proposals as he may make with re-

⁸⁹ Not printed.

gard to changes in Protocol B will probably follow the general lines set forth in the penultimate paragraph of the Haitian Government's note addressed to the Legation under date of September 26, last. Although it is true that the Legation's note of October 7, pointed out to the Haitian Government that we felt that Protocol B of the new Treaty negotiated in accord with the Haitian Government constituted such an agreement as suggested by M. Blanchet in his note of September 26, 1932, nevertheless, the President seems to refuse to take no for an answer. He made it plain that it was in Protocol B that opposition to the Treaty centered, and that Protocol A was—with certain minor changes in form—acceptable.

I shall not fail to notify the Department as soon as I receive such new proposals as the President may decide to make.

However, I do not believe that this will be for some little time, for when I saw the President for a moment yesterday, he told me that he did not expect to be able to submit anything for my consideration until after his return from Aux Cayes about the middle of December. As I consider it important that the Haitian Government should not receive the impression that we are unduly exercised over this matter, or over desirous of securing immediate action on the Treaty, I shall not raise the question again, for the present, unless instructed to do so.

Respectfully yours,

NORMAN ARMOUR

AGREEMENT BETWEEN THE UNITED STATES AND HAITI AMENDING THE GARDE AGREEMENT OF AUGUST 24, 1916; AMENDED MARCH 23, 1920, AND FEBRUARY 28, 1925

838.105/409 : Telegram

The Minister in Haiti (Munro) to the Secretary of State

Port-Au-Prince, June 3, 1932—noon. [Received 5:20 p. m.]

60. In response to an urgent popular demand the President recently expressed a desire to issue a commission as First Lieutenant in the Garde to Leon Paris who made himself a national hero by flying from New York to Port-au-Prince. The Acting Commandant of the Garde approved the idea on condition that a new position in the Garde should be created in order not to prejudice the promotion of Haitian officers now in the service. The President has now issued the commission apparently without realizing that there should be first a modification of the Garde agreement to provide for one additional First Lieutenant. I have discussed the situation with the Minister for Foreign Affairs

who agrees with me that we should modify the agreement by a short agreement simply providing for one additional First Lieutenant. I request authorization to sign such an agreement. Both General Vogel and I feel that it would be very inadvisable to be unsympathetic toward the Government's efforts to give recognition to what the Haitians regard as one of the great achievements of their race.

Munro

838.105/409 : Telegram

The Secretary of State to the Minister in Haiti (Munro)

Washington, June 4, 1932—2 p. m.

30. Your 60, June 3, noon. Department is prepared to authorize you to sign an agreement modifying the Garde agreement to provide for one additional First Lieutenant. Before actually signing the agreement, however, please submit proposed text thereof to Department either by cable or air mail.

STIMSON

838.105/410 : Telegram

The Minister in Haiti (Munro) to the Secretary of State

Port-Au-Prince, June 6, 1932—noon. [Received 1:50 p. m.]

61. Department's telegram No. 30, June 4, 2 p.m. The Minister for Foreign Affairs and I have tentatively agreed to and the Acting Commandant of the Garde has approved the following text modifying the Garde agreement to provide for one additional First Lieutenant:

MUNRO

838.105/410 : Telegram

The Secretary of State to the Minister in Haiti (Munro)

Washington, June 7, 1932—5 p.m.

31. Your 61, June 6, noon. The Department approves proposed text and authorizes you to sign.

STIMSON

838.105/412

The Chargé in Haiti (McGurk) to the Secretary of State

No. 419

Port-Au-Prince, June 9, 1932. [Received June 13.]

Sir: With reference to the Department's telegraphic instruction number 31, June 7, 5 p. m., approving and authorizing the Legation to sign the amendment to the Garde Agreement to permit the appointment of a First Lieutenant for aviation duty, I have the honor to transmit herewith the originals in English and French ⁴⁰ of this Agreement signed today.

Respectfully yours,

J. F. McGurk

[Enclosure]

Agreement Signed June 9, 1932, Amending the Garde Agreement Signed August 24, 1916, and Amended on March 23, 1920, and February 28, 1925

Port-AU-Prince, June 9, 1932.

The undersigned duly authorized by their respective governments have this day agreed that the Garde Agreement signed on August 24, 1916,⁴¹ and amended on March 23, 1920, and February 28, 1925, shall be and hereby is further amended as follows:

Article I. Upon recommendation of the Commandant of the Garde, a properly qualified person may be appointed as First Lieutenant, in addition to the number already authorized, said First Lieutenant to be assigned to aviation duty.

Signed at Port au Prince in duplicate in the English and French languages this ninth day of June, 1932.

A. N. LEGER J. F. McGurk

⁴⁰ French text not printed.

[&]quot;Foreign Relations, 1916, p. 334.

REPRESENTATIONS AGAINST ARREST OF COLLECTOR OF CUSTOMS WITHOUT PRIOR REFERENCE TO GARDE HEADQUARTERS

838.51/2453

The Minister in Haiti (Munro) to the Secretary of State

No. 397

Port-Au-Prince, May 7, 1932. [Received May 12.]

SIR: I have the honor to report that the Collector of Customs at Glore, who was the subject of this Legation's despatch No. 169 of July 11, 1931, and the Department's Instruction No. 116 of September 14, 1931,42 was arrested on March 3rd by order of the Juge de Paix at Thomazeau and sentenced to twenty-four hours in jail for contempt of court. It appears that a Dominican had presented himself to Mr. Innocent on the previous day with twenty-one head of cattle. As the man had no money with which to pay import duties, Mr. Innocent took technical possession of the cattle by taking over the documents covering them, but permitted the owner to proceed to Thomazeau in order to obtain pasturage, which was not available at Glore. Upon arrival at Thomazeau, the Dominican was arrested by order of the Magistrat, although he informed the latter that the papers covering the cattle were in the hands of the Customs Collector. On the following day the Juge de Paix summoned Mr. Innocent to appear before him and demanded that he give up the papers. This Mr. Innocent very properly refused to do. He was then sentenced to twenty-four hours imprisonment for contempt of court.

When I was informed of these events late in the afternoon of the day on which sentence was pronounced, I instructed the Acting Commandant of the Garde to release Mr. Innocent from custody. Under other circumstances I should have demanded that this instruction be given by the Haitian Government rather than by this Legation, but it appeared certain owing to the lateness of the hour and the probability of deliberate delay, that Mr. Innocent's release would not be effected by this procedure before the expiration of his twenty-four hour sentence. I considered it inadvisable as a matter of principle to permit the sentence of the Juge de Paix to be carried out in full and I also felt that we could not permit the suspension of the entire work of the Customs Service at a frontier post while the matter was under discussion.

When I discussed the matter subsequently with the Haitian Government, the Minister of Foreign Affairs made no formal protest against the Legation's action, although it was evident that the other

⁴⁹ Neither printed.

Haitian Officials concerned, including especially those of the Department of Justice, were somewhat agitated over the release of Mr. Innocent against whom they apparently had a rather bitter personal feeling. I pointed out to the Minister of Foreign Affairs that the Government of the United States could not permit Haitian local authorities to interfere with actions performed by Customs Collectors in the discharge of their official duties and that attempts so to interfere would inevitably cause disagreeable incidents between this Legation and the Foreign Office. In order to prevent further incidents of the same nature, I proposed to the Minister that the Haitian Government issue instructions to all authorities, including the Garde. to the effect that orders of arrest should not be issued or executed against Customs Collectors without prior reference to the higher authorities at Port-au-Prince, to give the interested Haitian Officials and the Financial Adviser-General Receiver an opportunity to investigate each case which arose. The Minister replied that the Haitian Government could not recognize the immunity from Haitian jurisdiction of any Haitian citizen and that it would be severely criticized if it placed Haitians in the Customs Service in a privileged position. I pointed out that we were not demanding immunity from the jurisdiction of the courts in any case where there were good grounds for proceedings but that the United States Government under the Treaty had a right to demand that the Customs Service receive assistance and protection from all other branches of the Haitian Government. I suggested that the Government might make its instructions very general in their scope, stating for example that no Government employee should be arrested except in urgent cases until after the matter had been referred to Port-au-Prince for instructions. Mr. Leger repeatedly promised to discuss the question with the President and the Cabinet, but he evaded for several weeks giving any definite reply. He finally informed me that the Government could not issue any instructions which would detract from the prestige and authority of the Haitian courts, and that it would be compelled to make a formal protest if the Legation issued instructions to the Garde not to execute warrants of arrest against Customs Collectors. At our last conversation on the subject, however, when I informed him that I should feel compelled to issue such instructions if the Government failed to take action, he said that he would prefer not to know of any step of this kind which I might take.

On May 3rd I addressed a letter to the Acting Commandant of the Garde, a copy of which is transmitted herewith, requesting him to instruct Garde officials in places where there were Customs Collectors not to execute orders of arrest against such collectors without prior

consultation with Garde Headquarters at Port-au-Prince. This reestablishes the rule which had governed in such matters until last September, when the Commandant of the Garde issued a general instruction that warrants of arrest should be served on all Haitian Officials when received. This order was apparently issued through a misunderstanding, as Mr. McGurk, who was Chargé d'Affaires at the time, had informed the Commandant of the Garde orally that no such instructions should be given.

I did not consider it advisable for the time being to extend the instructions above mentioned to include all aids and employees of the Financial Adviser-General Receiver. In view of the different position of the Internal Revenue Service and the very large number of minor Internal Revenue Officials serving in the interior, I felt that it was advisable for the time being to leave matters in *status quo* so far as this service is concerned.

Respectfully yours,

Dana G. Munro

[Enclosure]

The American Minister (Munro) to the Acting Commandant of the Garde d'Haïti (Vogel)

PORT-AU-PRINCE, May 3, 1932.

MY DEAR GENERAL VOGEL: I understand that there was formerly a standing instruction in the Garde to the effect that Haitian employees of the office of the Financial Adviser-General Receiver should not be arrested without prior consultation with Headquarters at Port-au-Prince, but that this order was changed last September so that mandates of arrest in due form are now served by the Garde on all Haitian civilian employees of other Government services when received. This change appears to have been made through some misunderstanding without the approval of this Legation and it recently led, as you are aware, to a disagreeable incident when the Customs Collector at Glore was arrested because of a dispute arising out of the performance of his official duties.

Article III of the Treaty of 1915⁴³ provides that the Haitian Government shall extend to the Customs Receivership all needful aid and full protection in the execution of the powers conferred and the duties imposed therein and that the United States on its part will extend like aid and protection. In view of this provision, it is clearly the duty of both Governments to take the necessary measures to prevent

⁴⁸ Foreign Relations, 1916, p. 328.

improper interference by other Haitian authorities with the Collectors of Customs in the discharge of their official duties.

I do not think it is necessary to withdraw formally the order of September 9th. enclosed by General Williams in his letter to this Legation, dated September 11th., but I should like to have you issue confidential instructions to officers of the Garde in places where there are Collectors of Customs informing them that they should not execute mandates of arrest on Customs Collectors without first requesting instructions from Garde Headquarters at Port-au-Prince. When it is reported to you that a mandate of arrest has been issued against a Customs Collector you will please confer with this Legation before taking any action in the matter.

It is not contemplated that Customs Officials of Haitian nationality should be exempted from the jurisdiction of the Haitian courts either in civil or criminal offenses, if any good ground exists for proceedings against them. It is, however, essential that they should not be subjected to court proceedings brought for the purpose of interfering with the performance of their official duties. The object of the above instruction is simply to afford an opportunity for investigation by the Financial Adviser-General Receiver and other officials of the Haitian Government before permitting action by local authorities which would tend to prevent the proper collection of the customs duties.

The above applies of course to all Collectors of Haitian nationality. I assume that all officers of the Garde already have instructions not to serve warrants of arrest against any American Treaty Official.

Very sincerely yours,

Dana G. Munro

338.51/2453

The Secretary of State to the Minister in Haiti (Munro)

No. 194

WASHINGTON, May 19, 1932.

Sir: The Department has read with interest your despatch No. 397 of May 7, 1932, on the subject of the arrest of the Collector of Customs at Glore, and has noted the letter which you addressed on May 3 to the Commandant of the Garde requesting him to instruct Garde officials in places where there are Customs Collectors not to execute orders of arrest against such Collectors without prior consultation with Garde headquarters at Port au Prince. The Department approves the action which you have taken.

Very truly yours,

For the Secretary of State: Francis White

RESERVATION BY THE UNITED STATES OF RIGHTS TO NAVASSA ISLAND

838.011/125

The Chargé in Haiti (McGurk) to the Secretary of State

No. 422

Port-Au-Prince, June 15, 1932. [Received June 20.]

SIR: I have the honor respectfully to direct the Department's attention to the proposed amendment to Article I of the Constitution of Haiti whereby Navassa Island is claimed as Haitian territory.

In conversation with the Minister of Foreign Affairs yesterday, I informally mentioned that the proposed amendment to Article I of the Constitution included Navassa Island within the territory of the Republic of Haiti and that the Island belonged to the United States. I also repeated to him Dr. Munro's often repeated statement that nothing be included in the proposed amendments to the Constitution to which the Government of the United States would have to object. He stated that Haiti has always considered Navassa Island as Haitian territory and that he thought it was time that some settlement was made of the question. I merely repeated that ownership of the Island was vested in the United States and that on one or two occasions in the past, Haitian claims to the Island had been denied by the United States Government.

Two copies of the Haitian Constitution as amended by the National Assembly, and which has not yet been voted, are enclosed herewith.44 Respectfully yours, J. F. McGurk

888.011/125

The Secretary of State to the Chargé in Haiti (McGurk)

No. 207

Washington, July 5, 1932.

SIR: The Department has received your despatch No. 422 of June 15, 1932, in relation to a proposed amendment to Article I of the Constitution of Haiti, wherein Navassa Island is referred to as Haitian territory.

A proclamation was issued by this Government on December 8, 1859, to the effect that E. K. Cooper, as assignee of Peter Duncan, was entitled in respect to the guano on Navassa Island to all the privileges and advantages intended by the Act of Congress of August 18, 1856,45 to be secured to citizens of the United States who may have discovered deposits of guano.

44 Not reprinted.

^{*11} Stat. 119. For an account of the Guano Islands, see Moore, International Law Digest, vol. 1, pp. 556-580.

The proclamation in question was held by the United States Supreme Court in the case of Jones vs. The United States (137 U.S. 202) as equivalent to a declaration that the President considered the Island as appertaining to the United States. Moreover, the Court held that the subsequent acts of the President, through the Departments of State and Treasury, had confirmed the indicated view. The acts referred to were the inclusion of the Island in a list of guano islands appertaining to the United States and bonded under the said Act of Congress, annexed to a circular of the Treasury Department of February 12, 1869; the denial by the State Department in letters addressed to the Haitian Minister on December 31, 1872, and June 10, 1873, of the claim of the Haitian Government to that Island, and the reassertion of the exclusive jurisdiction of the United States over the Island.

It may further be pointed out that by a proclamation of the President of the United States dated January 17, 1916,46 Navassa Island was reserved for lighthouse purposes and that it is still used for such purposes. This action of the President was based upon the said Act of Congress of August 18, 1856, and upon the further Act of October 22, 1913,47 providing for the construction of a light station on the Island.

Reference may also be made to a note sent to the Haitian Legation on July 14, 1915, wherein the said note of June 10, 1873, was quoted from, to the effect that the United States had given careful attention to the claims of the Government of Haiti with respect to Navassa Island but had concluded that the position of the United States with respect thereto "is fully sustained by facts, by history and by the well settled principles of public law".

In the note of July 14, 1915, the Department said that it was unable to discover that the Haitian Government had produced since the note of June 10, 1873, "any argument or evidence that would affect the position then taken by the United States".

The last mentioned statement of the Department remains true to this date.

You may communicate the foregoing to the Haitian Government and say that the Government of the United States is confident that the Haitian Government will not desire to include in its Constitution any statement regarding Navassa Island which is not borne out by the facts and the law.

Very truly yours,

For the Secretary of State: FRANCIS WHITE

^{46 39} Stat. 1763. 47 38 Stat. 224.

838.011/129

The Minister in Haiti (Munro) to the Secretary of State

No. 455

PORT-AU-PRINCE, July 25, 1932. [Received August 1.]

Sir: I have the honor to report that the Department's instruction no. 207 of July 5, 1932, regarding the reference to Navassa Island as Haitian territory in Article I of the new Constitution, was not received by this Legation until the work of the Constituent Assembly had been practically completed. The Assembly had already taken final action upon the text of the Article in question. Under these circumstances, I felt certain that no representations which this Legation might make to the Minister for Foreign Affairs would have the slightest effect in persuading the Constituent Assembly to change the proposed text of Article I. Furthermore, the political situation at the moment, with an impending change in the Cabinet and a considerable amount of discussion regarding the effect of this change upon the relations between Haiti and the United States made it seem extremely inadvisable to take any action which would serve no useful purpose but which would very probably afford an opportunity for one or another of the contending political elements to make capital out of the affair. For these reasons, and especially in view of the fact that Mr. McGurk had already pointed out to the Haitian Government the fact that Navassa Island was claimed by the United States, I did not consider it advisable for the time being to take the action indicated in the last paragraph of the Department's instruction no. 207.

Since the new Constitution has now been promulgated and published, I should recommend that I be instructed to make a formal reservation of our rights, setting forth the facts outlined in the Department's instruction no. 207, and stating that the Island is now actually occupied by the United States for the purpose of maintaining a lighthouse there.

Respectfully yours,

DANA G. MUNRO

838.011/129

The Secretary of State to the Minister in Haiti (Munro)

No. 218

Washington, August 13, 1932.

Sir: The Department has received your despatch No. 455, of July 25, 1932, in which you state that the new Constitution of Haiti, including the reference in Article I to Navassa Island as Haitian territory, has been promulgated and published and you, therefore,

recommend that you be instructed to make a formal reservation of the rights of the United States with respect to that island, setting forth the facts outlined in the Department's instruction No. 207, of July 5, 1932, and stating that the island is now actually occupied by the United States for the purpose of maintaining a lighthouse thereon.

The Department authorizes you to take the action mentioned.

Very truly yours,

For the Secretary of State:

FRANCIS WHITE

838.011/131

The Minister in Haiti (Munro) to the Secretary of State

No. 489

Port-Au-Prince, September 12, 1932. [Received September 20.]

Sir: With reference to the Department's instruction No. 218, of August 13, 1932, I have the honor to transmit herewith a copy of a note which I have today addressed to the Haitian Government.

Respectfully yours,

Dana G. Munro

[Enclosure]

The American Minister (Munro) to the Haitian Minister for Foreign Affairs (Blanchet)

No. 180

PORT-AU-PRINCE, September 12, 1932.

EXCELLENCY: I have the honor to inform Your Excellency that my Government has observed that Article I of the new Constitution of Haiti, in defining the territory of the Republic, includes Navassa Island as a part of that territory. I have been instructed to bring the following facts to Your Excellency's attention.

A proclamation was issued by the United States Government on December 8, 1859, to the effect that E. K. Cooper, as assignee of Peter Duncan, was entitled in respect to the guano on Navassa Island to all the privileges and advantages intended by the Act of Congress of August 18, 1856, to be secured to citizens of the United States who may have discovered deposits of guano.

The proclamation in question was held by the United States Supreme Court in the case of *Jones* vs. *The United States* (137 U. S. 202) as equivalent to a declaration that the President considered the Island as appertaining to the United States. Moreover, the Court held that the subsequent acts of the President, through the Depart-

ments of State and Treasury, had confirmed the indicated view. The acts referred to were the inclusion of the Island in a list of guano islands appertaining to the United States and bonded under the said Act of Congress, annexed to a circular of the Treasury Department of February 12, 1869; the denial by the State Department in letters addressed to the Haitian Minister on December 31, 1872, and June 10, 1873, of the claim of the Haitian Government to that Island, and the reassertion of the exclusive jurisdiction of the United States over the Island.

In a note sent to the Haitian Legation at Washington on July 14, 1915, the Department of State quoted that portion of the note of June 10, 1873, which stated that the United States had given careful attention to the claims of the Government of Haiti with respect to Navassa Island but had concluded that the position of the United States with respect thereto "is fully sustained by facts, by history and by the well settled principles of public laws." In a further communication dated July 14, 1915, the Department of State said that it was unable to discover that the Haitian Government had produced since the note of June 10, 1873, "any argument or evidence that would affect the position then taken by the United States." The last mentioned statement remains true to this date.

By a proclamation of the President of the United States dated January 17, 1916, Navassa Island was reserved for lighthouse purposes and that it is still used for such purposes. This action of the President was based upon the said act of Congress of August 18, 1856, and upon the further Act of October 22, 1913, providing for the construction of a light station on the Island.

In view of the above I have been instructed to make a formal reservation of the rights of the United States with respect to Navassa Island, which is now actually occupied by the United States for the purpose of maintaining a lighthouse thereon.

Accept [etc.]

[File copy not signed]

HONDURAS

INSURRECTION IN HONDURAS

815.00/4496

The Minister in Honduras (Lay) to the Secretary of State

No. 467

TEGUCIGALPA, April 28, 1932. [Received May 4.]

Sir: I have the honor to report that since sending my despatches No. 412 and 443 of March 2 and April 4, respectively, regarding the nomination of the Liberal and Nationalist candidates for President in the coming elections, there have been a few important developments in the political situation. Nearly every member of the President's cabinet has indicated by some action that he will lend his support to the Zuñiga Huete-Paredes ticket and some of them command a substantial number of votes from the more conservative liberal element. One prominent Liberal, however, who has so far refused to join the Huete ranks is Díaz Chávez, the Vice President, who has a strong conservative following and it is predicted that he may still launch his candidacy within the next two weeks. If he should run, the Liberal vote will be widely split as Díaz Chávez would not only poll a large vote among conservative Liberals but also could count upon Nationalists who do not favor General Carías. This split in the Liberal ranks was expected by Carías but now that Zuñiga Huete appears to be the sole Liberal candidate and is the most difficult opponent to defeat in a regular election, and the only one from whom the Nationalists fear a coup d'état, their former confidence in success has subsided and they are redoubling their efforts to strengthen their appeal to the electorate. . . .

In spite of Huete's added support from the conservative wing of the Liberal party and the effective campaign he is conducting, he undoubtedly cannot poll as large a vote as General Carías in a free election. Many Nationalists and even Liberals and foreign merchants contend that before election day, possibly in August or September, when Huete realizes that he cannot rely on a victory at the polls, he will arrange a coup d'état and install a figurehead as President who

¹ Not printed.

will conduct the elections to insure a victory for Huete. On the other hand those who have no confidence in the effectiveness of the President's efforts to insure an honest election, feel that Zuñiga Huete will take his chances at the polls to be elected through corrupt practices which the President cannot prevent and that the Nationalists will protest with force and start an uprising.

I will withhold my opinion on these predictions until there are clearer indications that either of them are likely to materialize.

Respectfully yours,

JULIUS G. LAY

815.00/4502

The Minister in Honduras (Lay) to the Secretary of State

No. 483

TEGUCIGALPA, May 20, 1932. [Received May 25.]

Sir: I have the honor to report that on the 9th of May the Liberal candidate for the Presidency, Sr. Angel Zuñiga Huete called upon me at the Legation and during our conversation I mentioned the unfortunate apprehension among the people of Honduras at the present time that an armed uprising will take place in Honduras before the elections next fall; that the tension has become apparently so acute that some prominent Hondurans are leaving the country until the inauguration of the new President; that a merchant had informed me that he had insured his stores against looting at a high premium; and that other merchants had liquidated their stocks and that business is at a standstill. I added that there was a feeling that there would be a coup d'état within the next few weeks which would throw the country into a revolution. I told him that, of course, I could not and had no desire to meddle in the politics of this country and that my Government and its representatives would maintain their traditional impartiality toward both candidates, but as a true friend of Honduras and both candidates I was anxious to do anything proper that I could in the interest of tranquility and peace in this country. Sr. Zuñiga Huete did not deny the existence of fear among many people that there would be trouble before the elections but said that so far as he was concerned he would do nothing illegal to become President. I then told him that I believed it would accomplish much toward tranquilizing the country if he would publish in the press over his own signature a declaration to this effect that would dispel the prevailing fear among the people. I told him that this was a personal idea of mine and that in no sense did I wish to convey the impression HONDURAS 711

that this declaration was expected by me or my Government or should it be made to me in my official or private capacity but directly to the Honduran people. Sr. Zuñiga Huete assured me that he would issue a statement in the press in a few days at an appropriate time.

The following day I mentioned to President Mejía Colindres my conversation with Sr. Zuñiga Huete and the former expressed the firm belief that if both candidates would issue such a statement over their own names in the press the chances of an uprising before elections would be greatly diminished. The President told me confidentially that while he belonged to the same party as Zuñiga Huete they were not particular friends and that he did not wish to discuss this matter with Sr. Zuñiga Huete but that he was sure his promise to issue the declaration could be accepted in good faith and that he hoped I would have a talk with General Carías and encourage him also to make a similar "peace" statement.

Yesterday El Combate, the organ of Zuñiga Huete in Tegucigalpa, published a signed statement, one copy of which, that being all that is available, is enclosed herewith together with translation.³ The President expressed himself to me this morning as being entirely satisfied with this statement and stated that if General Carías will issue a similar one, he believes Honduras will enjoy tranquility at least until the elections. From what General Carías told me a few days ago I am confident that he will issue a satisfactory declaration of his peaceful intentions.

The President, while apparently pleased with the political outlook, called my attention to some disquieting news he had just received. He showed me some telegrams from Commandants in three places in western Honduras reporting that Filiberto Díaz Zelaya with three small groups was threatening to raid towns near the Guatemalan frontier and that a report from Santa Rosa de Copán was so alarming that he felt obliged to order three hundred men to be recruited to prevent that place from being looted. The threats of Díaz Zelaya to disturb the peace of this country during the past year and the efforts of the Nationalist Party to prevent him starting an insurrection have been reported in numerous despatches and telegrams from this Legation and recently in No. 467 of April 28, 1932.

The Nationalists are still hopeful that they will be able to eliminate Díaz Zelaya as a disturbing factor in their campaign either by buying him off or by denouncing him and disclaiming any connection or association with his activities. He may complicate the political situation but he has not enough force nor the following to menace dangerously the peace of the country.

³ Not reprinted.

Since the above was written, a man who has actually been with Díaz Zelaya's force near Santa Rosa de Copán states that this group does not number more than seventy-five undisciplined men, very poorly armed with a few old rifles and revolvers and the majority of them with machetes and that their main occupation is looting farms to secure food. He reports that they have killed a Government officer who was after some smugglers and who strayed by mistake into their camp and that it was this incident more than anything else that provoked the Government here to recruit a force to pursue Zelaya.

It is reported that Dr. Díaz Chávez, the Vice President, who was regarded as a probable Liberal candidate for the Presidency, representing the more conservative element of that party, has definitely decided not to run.

From sections where Zuñiga Huete has made a vigorous campaign, impartial observers inform me that he is gaining supporters and by election time if he continues to make a strong appeal to the people he will stand more than an even chance of being elected at a fair election. General Carías on the other hand has not so far conducted a vigorous campaign.

Feeling now that a serious revolt is not likely to take place in this country before September, I am taking leave from my post on May 27th, returning here in early August and expect to be in Washington in July.

Respectfully yours,

Julius G. Lay

815.00/4510

The Vice Consul at Tela (Stout) to the Secretary of State

No. 62

Tela, June 11, 1932. [Received June 20.]

Sir: I have the honor to report local repercussions from the recognized disturbances on the western frontier and the apparent entry of a third party into this year's political campaign.

On June 5 a government patrol under Lieutenant Cantarero clashed with irregular forces of Filiberto Díaz Zelaya at Barranca, near the village of Florida in Copán. The next day The President of Honduras declared martial law in the frontier provinces of Copán, Santa Barbara, and Cortés in order to combat the "Revolutionary" activities of Díaz Zelaya. The center of Díaz Zelaya's activities over the past three months has been about sixty miles from Tela and, although the area governed by Martial Law borders my district on the west, no immediate danger is apparent and the government is taking no active measures locally. However, economic repercussions are notice-

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able. Business conditions and collections have dropped off about ten per cent and new insurance, even at the prevailing rate of five per cent for fire and two per cent for riots and civil commotion, is not available. There is roughly \$273,000 outstanding insurance from American companies.

There is enclosed herewith a document,⁴ printed in San Pedro Sula and widely distributed in the plantation area, purporting to offer a national labor program for the coming elections. The candidate for President, Manuel Cálix Herrera, is the well known communist who was exiled to the Bay Islands after the January strike in Tela. While there are a number of political units alienated from or but slightly attached to the major political parties, I believe there is little chance that this new organization will be able to gain their loyalty. At the last municipal election, the Labor Party polled 82 out of 1366 votes.

Respectfully yours,

Kenneth S. Stout

815.00/4534

The Minister in Honduras (Lay) to the Secretary of State

No. 613

TEGUCIGALPA, September 14, 1932. [Received September 21.]

Sir: I have the honor to advise the Department of a continuance of calm and tranquility to a degree which is rare and remarkable in Honduras on the eve of a Presidential election. Considering that the President has not punished government officials caught in assisting the Liberal Party or hindering the Nationalists, against which practices he has given the strictest orders, there have been surprisingly few instances of acts of this nature. Except for the peculation of considerable government funds for the use of the Liberal cause, the Nationalists have little of which to complain up to the present writing. While the press of both sides fulminates against their adversaries, and regrettably indulges in the wildest and most damning accusations, serious people pay little attention to them. The fairer minded Nationalists realize that all things considered the President is handling matters quite well, and recognize, as one prominent Nationalist expressed it to me, that it is probably wiser for him not to be too strict with the Liberal government officials, because otherwise they might be goaded into attempting a golpe de estado.

Peace seems well assured until the elections on October 30. Its chief guarantee consists in the fact that both parties feel very confident that victory at the polls will be theirs. Another favoring circumstance is that while the newspapers and campaign speakers may

⁴ Not reprinted.

charge their opponents with plotting and preparing for a stroke at arms, they all condemn such action in the strongest terms, declaring that there would be no justification for it. It may be stated that public opinion is now solidly and unanimously against a resort to arms to decide the Presidential succession, which was not the case previous to the elections of 1923 which led to the revolution of the following February.

With elections only six weeks off both parties are very active, withal orderly, in their campaigning. On Sunday, September 11, Dr. Miguel Paz Baraona, Honduras' only living ex-President, made a triumphal entry into Tegucigalpa to the acclamations of some 4000 Nationalists, a well behaved crowd. The demonstrations which followed were effected without any untoward incident, which is in good part attributable to the dispositions of the excellent Director of National Police, Colonel Napoleon Cubas Turcios.

Dr. Paz made a speech on arrival which is remarkable for its lofty viewpoint, the concreteness of its advice, its freedom from oratorical flights, and its disinterestedness. I consider it the most statesmanlike utterance that I have ever read coming from a Honduran. A copy and translation are enclosed.⁵

Friends of Dr. Paz have indicated that he intends to call on me during his visit here.

The same day of Dr. Paz's arrival here, Zuñiga Huete, the Liberal candidate, was received in San Pedro Sula with a demonstration as orderly as that here.

It is interesting, of course, to speculate at this time on who is going to win the election. The Nationalists began the campaign with a large advantage. The municipal elections of last November recorded a vote more than eighty per cent Nationalist, which is probably a reliable indication of the size of their advantage at the beginning of this year's presidential and congressional campaign. The principal cause for so large a pro-Nationalist sentiment was the disgust on the part of the people in general with the incompetence shown in all departments of the Mejía Colindres administration, which has been exceedingly bad even for Honduras. But with Zuñiga Huete as Liberal candidate, a man who is acknowledged even by his enemies to be capable and energetic, the belief has grown that he will be able to pull the public services out of their present deplorable state. There are not a few persons, particularly among the business men, who favor Zuñiga Huete, not because he is a Liberal but because they believe he will give the country a more efficient administration than Carías can.

⁵ Not printed.

HONDURAS 715

While Carías has made no speeches and done no traveling to date, Zuñiga Huete has visited every department and town of any size in the country. The Liberal campaign has been more actively and vigorously pushed because the Liberals have had much more money, —money for the most part, as aforestated, filched from the fearfully depleted government coffers.

Thus the Liberals have cut down a large part of the Nationalists' initial advantage; perhaps all of it, and more too. How much, nobody can say until the vote is taken, and a prediction as to who will win would be most uncertain and fruitless, because it is quite evident that the result of the elections will be close, whichever way it is.

I think it very probable that after the elections the losers will attempt to take the Government by force. If the Nationalists, they will allege acts of "Imposition" or fraud on the part of the Executive; if the Liberals, their pretext will probably be alleged falsification of the returns by Municipal authorities, the majority of which are Nationalist. President Mejía Colindres has confidentially stated that the danger of a golpe de estado or revolution will be greater if the Nationalists win at the polls. If the Liberals do attempt to seize the Government by force, it is certain that from the day on which they establish their dictatorship, Nationalist revolutionary groups will crop up here and there, and coalesce to overthrow their antagonists.

Although the President, foreseeing the danger and likelihood of a revolution, will, of course, take measures to forestall it, it must be remembered that he . . . cannot be counted upon to control a situation created by strong forces. It seems probable therefore that civil war will break out in Honduras sometime between November 10, when the election returns will have been fully counted, and February 1, 1933, the date on which the present administration's term of office expires. I believe that it is more likely to occur in December than November, and more probable in January than in December.

Respectfully yours,

Julius G. Lay

815.00/4541

The Minister in Honduras (Lay) to the Secretary of State

No. 636

TEGUCIGALPA, October 14, 1932. [Received October 21.]

SIR: I have the honor to report that in the past fortnight the political situation has suffered some modifications in consequence of an outburst of rumors to the effect that fighting will break out in a number of places on election day, October 30. Heretofore a tran-

quility, unusual for a pre-election period in Honduras, has prevailed, and the general consensus of opinion has been that the country would get through elections peacefully, any disturbance that might occur coming only after the results of the elections were known. The assurance of peace through elections was predicated on the fact that each party, very confident of a victory at the polls, had strong interest in the effectuation of an orderly election which would demonstrate that its candidates were the people's choice. Now, however, there are indications that the Nationalist Party is losing confidence in its success. Each estimate of Carías' winning majority heard by the Legation as coming from a Nationalist is smaller than the previous. While the Nationalists still express unshaken belief in their victory, a good part of their assurance may be discounted as the usual boastful line of talk of politicians; or be attributed to the psychology of optimism which characterizes political campaigns in general.

It is plainly logical that their impulse to prevent free elections increases in direct proportion to the decline of their hopes for success in them. Hence some credence may be given to the statement made to me yesterday by a prominent Nationalist who probably has access to the deliberations of the party leaders to the effect that the Nationalists will start a revolution on election day if it develops that the Government is practicing an "imposition" against them. He explained that such a move would be dictated by the belief that it would have a quicker and surer success than if postponed until later when the Government and the Liberals would have had time to make counter preparations.

Nationalist visitors to the Legation have been harping to a grossly exaggerated extent on the theme that the Executive is not insuring a free and fair campaign. If the Nationalists are in reality hatching a revolutionary *coup*, this talk is of course calculated to indoctrinate the Legation with the justice of their cause. I have, however, taken every opportunity to impress on all political leaders my view as to the reprehensibility of revolutions, and that any attempt to interfere with the manifestation of the will of the people in its selection of its governors by thwarting an election would be as criminal as it would be unjustifiable.

Until recently the prospect was that there would be no golpe de estado or revolution until well after the election, and then only on the part of the Liberals if the Nationalists won at the polls. Now the outlook is that whoever wins, the losing side will start a fight, and that it may be begun on election day.

In fear of such developments the exodus of prominent and well-to-do families to neighboring countries has begun in Tegucigalpa.

Merchants are trying to dispose of their stocks to which they have made no additions for some time. Trade is nearly at a standstill. The situation is aggravated by the fact that six days of heavy rains have paralyzed telephone and telegraph communications throughout the country, cut traffic on both the north and south highways out of the capital, interrupted mail and passenger service on airways, and generally blocked movements of persons, goods, and communications.

In this connection the British Chargé d'Affaires has asked what assurances of protection to British subjects I can give him, for if definite assurances of timely protection cannot be given him, he wishes so to inform his Government so that a British war vessel may be held in readiness.

Of course the Legation will call upon the Honduran Government to furnish protection to the lives and property of Americans and other foreigners, but the Department is reminded that it by no means follows that adequate protection will be forthcoming, especially in Honduras where the police are apt to become a part of the contending armies, and drunken and disorderly soldiery are numerous, frequently taking to assaults on non-combatants and to looting. I desire, therefore, to receive advance authorization from the Department to call upon the Commander of the Special Service Squadron for such emergency assistance as I think necessary when the lives of Americans and other foreigners are in imminent danger. For example the situation may be such that I will not consider the presence of a large force in Tegucigalpa necessary, but in which the Legation will urgently need protection. In that case I would feel it expedient for the Admiral to send immediately by plane from Managua a dozen Marines for that purpose.

Respectfully yours,

Julius G. Lay

815.00/4543 : Telegram

The Minister in Honduras (Lay) to the Secretary of State

TEGUCIGALPA, October 20, 1932—1 p. m. [Received 7:28 p. m.]

85. Department's telegram No. 46, October 19, 6 p.m.6 Considering that elections are only 10 days off Honduras is remarkably tranquil and there has been no material change in the political situation since the Legation's air-mail despatch No. 636 of October 14th was written. Nevertheless the belief is general and well founded that a revolution will certainly occur sometime between elections and in-

Not printed.

auguration February 1st. A few believe that it will break loose on election day or night. My opinion is that the elections will be peaceable except for a few sporadic incidents in places other than Tegucigalpa.

With respect to the last sentence of the Department's telegram under reference I have been under the impression from a study of the Legation's records relating to the last revolution which touched Tegucigalpa that the Department would as it did in 1924 authorize the sending of a naval force to the capital if American lives should be in imminent peril. There are in and about Tegucigalpa 75 Americans and several hundred other non-Latin American foreigners who would as in past look to the Legation for protection. Even if their lives were in danger a good many Americans and other foreigners would find it impossible to go to Amapala. If Tegucigalpa should be attacked the danger might easily be greater to foreigners than it was in 1925 [1924] because of Communists now here and the possible intervention of Sandinistas. Day before yesterday 60 of the capital police mutinied because of pay arrears. The mutiny was quelled but there are now only 20 policemen for the protection of this city of over 35,000 and lawlessness has become almost epidemic. Moreover recent landslides have rendered the only road to the South impassable to wheeled transport for the next fortnight or more. In view of the foregoing the Department will appreciate the necessity of my knowing in advance if it is intended that under no circumstances and no matter how great the peril to American lives a United States naval force will not be sent to Tegucigalpa. Americans hereabouts desire to know how much more protection they can count on in an emergency and I believe that it is only fair that I should be able to inform them in advance. LAY

815.00/4543 : Telegram

The Secretary of State to the Minister in Honduras (Lay)

Washington, October 24, 1932-6 p.m.

47. Your 85, October 21 [20], 1 p. m. The Department of course cannot attempt to give a definite answer to such a purely hypothetical question as the one you raise in the penultimate sentence of your telegram.

You are doubtless familiar with the Department's instruction to the Legation at Managua on April 16, 1931, which read as follows:

"In view of the outbreak of banditry in portions of Nicaragua hitherto free from such violence you will advise American citizens that this Government cannot undertake general protection of Americans throughout that country with American forces. To do so would lead to difficulties and commitments which this Government does not propose to undertake. Therefore, the Department recommends to all Americans who do not feel secure under the protection afforded them by the Nicaraguan Government through the Nicaraguan National Guard to withdraw from the country, or at least to the coast towns whence they can be protected or evacuated in case of necessity. Those who remain do so at their own risk and must not expect American forces to be sent inland to their aid."

While the foregoing instruction referred to a situation brought about by an outbreak of banditry as distinct from revolutionary disturbances growing out of the operations of opposed armed forces, it nevertheless represents the general policy of this Government.

The sending of armed forces of this Government into the interior of a foreign country is a step which would be considered only with the greatest reluctance and in the event of a most serious emergency in which the local authorities for law and order had broken down completely and every effort on the part of our diplomatic representative to obtain adequate measures of protection for American lives had failed.

Reference your strictly confidential despatch No. 636 of October 14, just received. You are of course in no position to give the British Chargé d'Affaires any "assurances of protection to British subjects". If he desires to inform his Government that British war vessel should be held in readiness, that is a matter for him alone to determine.

In the event of disorders in Honduras you will of course keep the Department promptly and fully informed of developments and of your recommendations.

STIMSON

815.00/4545 : Telegram

The Minister in Honduras (Lay) to the Secretary of State

TEGUCIGALPA, October 28, 1932—5 p. m. [Received 8:50 p. m.]

86. With Presidential and congressional elections 2 days off order prevails throughout Honduras. The Nationalists continue their accusations of imposition against the Executive which can be largely discounted as party prejudice and the desires to furnish an excuse for Congress which is expected to have Nationalist majority to refuse to ratify the election of the Liberal candidate if Nationalist candidate loses Presidential election. The President is taking extensive measures to insure orderly and free elections and both candidates have urged their following to refrain from violence during election

period. Disturbances and possible interference voting is nevertheless feared in some districts. Police in Tegucigalpa report that Communists are under surveillance. Tropical Radio taking precautions against possible interruption of communications. Nearly all commercial planes have left for Salvador to await events in safety. Temporary interruption of air mail probable. President has promised protection for Legation and Americans. I am more hopeful that election period will pass without serious trouble.

LAY

815.00/4552

The Minister in Honduras (Lay) to the Secretary of State

No. 651

TEGUCIGALPA, November 4, 1932. [Received November 10.]

Sir: I have the honor to refer to my despatch No. 648 of October 28, 1932,⁷ and to report that nearly a week has passed since elections with continued peace and tranquillity and rapidly returning public confidence. The commercial planes which sought safety in neighboring countries have returned and resumed their accustomed runs. It is probable that prominent refugees will also begin coming home, as the danger of revolution seems definitely past.

This extraordinary turn of events is due, I think, primarily to six factors, five tangible and one intangible but perhaps more efficacious than all the rest. First, the pacific proclamations of the two candidates on October 27, as described in my despatch referred to. Second, the sale of all alcoholic beverages was effectively prohibited three days before elections thus preventing last minute stocking up. Third, stricter enforcement of the President's decree forbidding the carrying of weapons. Fourth, the prompt action of the President in dealing with reported cases of *imposición* during elections. Fifth, the sweeping, countrywide victory of the Nationalists which convinced the Liberal candidate that opposition would be useless and would only compromise his future political fortunes. Sixth, the fear of American intervention and non-recognition in case of a revolution.

Connected with the latter factor was an event that at first blush must appear trivial but which in a country as small and primitive as this and with a population so impressionable and credulous may have been of real importance. I refer to the showing of a moving picture at the largest local theater a few days prior to elections which had for its subject the maneuvers of the American fleet in the Pacific. At any rate, a persistent rumor circulated among the people

Not printed.

that the United States airplane carrier Saratoga was in the Gulf of Fonseca waiting events and that other United States naval vessels were in North Coast waters, which rumors had an undeniably salutory effect. Since the elections good will toward Americans has been marked and the belief appears to exist that the United States in some way was responsible for the fact that the expected revolution did not take place. The first call paid by the president-elect was to this Legation in the early morning of the day following elections. He afterwards called upon the President to thank him for his efforts towards a peaceful election and later received the congratulations of the defeated candidate.

On the night following elections, October 31, a street fight occurred in Tegucigalpa between a Liberal and a Nationalist in front of the Liberal Party headquarters. Doctor Zuñiga Huete, defeated Liberal candidate for President, and General José María Reina, who is recognized as being the military leader of the Liberal Party, exerted a calming effect on the crowd and permitted the police to control the situation. Later a delegation of disappointed Liberals called at the residence of Doctor Zuñiga Huete and urged him to take up arms and not to submit to "dishonest elections". Doctor Zuñiga Huete replied that he did not consider the elections dishonest and that he desired his party to accept their defeat and to work for victory in the next elections four years hence. I believe that the attitude of Doctor Zuñiga Huete will insure a peaceful transfer of power in February.

I have offered my personal congratulations to the President on the way the elections were conducted and to Doctor Zuñiga Huete on his subsequent behavior.

Respectfully yours,

Julius G. Lay

815.00/4539

The Secretary of State to the Minister in Honduras (Lay)

No. 360

Washington, November 7, 1932.

The Secretary of State transmits herewith for the information of the Minister a copy of despatch No. 795, dated October 7, 1932, from the American Legation at Guatemala, with respect to a conversation which Minister Whitehouse had with President Ubico on October 3, 1932, and in which the latter is reported to have made known his willingness to loan arms and munitions to Zuñiga Huete in case he is elected President of Honduras.

^{*} Not printed.

In this connection the Minister is informed that the Department in telegram No. 41, dated October 27, 1932, instructed Minister Whitehouse promptly and orally to call to the attention of President Ubico the provisions of Article XIV of the General Treaty of Peace and Amity and Article III of the Convention for the Limitation of Armaments signed at Washington February 7, 1923, both of which agreements were ratified on May 23, 1924, by the National Legislative Assembly of Guatemala. Minister Whitehouse also was instructed to endeavor to impress upon President Ubico the extremely unfortunate effect of any non-observance of the terms of the treaties mentioned. Telegram No. 72 of October 28, 1932, from Minister Whitehouse informed the Department that the Guatemalan Government will strictly observe the provisions of the treaties.

815.00 Revolutions/334 : Telegram

The Minister in Honduras (Lay) to the Secretary of State

Tegucigalpa, November 13, 1932—9 a.m. [Received 12:25 p. m.]

91. San Pedro Sula barracks taken last night by rebel liberals dissatisfied with outcome of elections and led by Willie Coleman, an examerican citizen. Women and children being evacuated to Puerto Cortés from La Lima and to Castilla from Truxillo District. Americans advised to go to coast. Rebels now moving on Olanchito in motor cars and will probably take the place before noon. Fruit company ports will probably be next objective. All prisoners San Pedro Sula jail released and looting feared. Guy Maloney with Blue Generals Martinez Funez and Eduardo Rosales reported leading counter attack on San Pedro Sula this morning. Defeated liberal candidate Angel Zuñiga Huete appears to be holding aloof. Tegucigalpa garrison is so far remaining loyal. Have advised admiral to have vessel in Nicaragua waters as near Honduras north coast as practicable.

LAY

Not printed.

¹⁰ Conference on Central American Affairs, Washington, December 4, 1922–February 7, 1923 (Washington, Government Printing Office, 1923), pp. 287 and 339.

815.00 Revolutions/339 : Telegram

The Vice Consul at Puerto Cortés (Wasson) to the Secretary of State

Puerro Cortés, November 14, 1932—8 a.m. [Received 10:55 a.m.]

Government forces captured San Pedro Sula early this morning. Coleman reported killed in plaza. Am informed that no foreigners were killed or wounded.

WASSON

815.00 Revolutions/362 : Telegram

The Chargé in El Salvador (McCafferty) to the Secretary of State

SAN SALVADOR, November 23, 1932—4 p. m. [Received 6:43 p. m.]

104. I am reliably informed that 500 old rifles and 500,000 rounds of 11 and 7 millimeter ammunition are being furnished to the Honduran Government by the Martinez regime to suppress the revolution there. Planes of the Taca Company have been making two trips to San Salvador daily to transport these arms. Although without foundation the general impression here is that the Guatemalan Government has been aiding the rebels. Repeated to Legations Tegucigalpa and Guatemala.

McCafferty

815.00/4560

The Minister in Honduras (Lay) to the Secretary of State

No. 668

Tegucigalpa, November 23, 1932. [Received December 1.]

Sir: Referring to the Legation's telegram No. 100 of November 22, 12 noon, I have the honor to transmit at the request of General Tiburcio Carías the attached memorandum signed by him for the attention of the Department. . . .

There is also enclosed as of possible interest an unsigned memorandum of the domestic policy of the forthcoming Nationalist government which was prepared by Dr. Paz Baraona and accepted by General Carías.

Respectfully yours,

JULIUS G. LAY

¹¹ Not printed.

[Enclosure 1—Translation]

The President-Elect of Honduras (Carías) to the American Minister (Lay)

MEMORANDUM

The President-elect of the Republic of Honduras.

DECLARES:

That his government will be orderly and will give guarantees both to persons and business, equally to nationals and foreigners:

That in international policy it will maintain the most cordial relations with the governments of other nations, especially with that of the United States and those of Central America;

That in relation to the Central American Pacts signed in Washington in 1923, these having contributed to maintaining the benefits the Governments of the contracting parties have finally obtained, said pacts must not be denounced.

TEGUCIGALPA, November 22, 1932.

TIBURCIO CARÍAS

[Enclosure 2—Translation]

Dr. Paz Baraona to General Tiburcio Carías

MEMORANDUM

Dr. Paz Baraona on his return from Europe sent the following to General Carías, which was accepted by him.

Below are the conditions that Dr. Paz Baraona handed to the candidates Carías-Williams.

To clean up the Department of Justice, placing as Magistrates of the Courts and as Judges of Letters only the most honorable lawyers of the country and making vigorous laws without compassion for the punishment of the transgressors.

To do all that is possible to keep in force the pacts of Washington. The efficient reorganization of the Department of Public Health and the carrying of its benefits to the towns, villages and homes of the Republic.

Making great economies in the General Budget of the Public Expenses, as a country with debts and impoverished must live with the greatest economy, in order to pay its debts and give the country the advantages that all honorable governments are obligated to do.

To avail itself of the services of honorable and competent men from the Liberal Party in important places. HONDURAS 725

Changing completely the system of education, making it practical, so that the youth of the country may learn agriculture, industries, mining and all that tends to produce and develop the riches of the Republic.

815.00 Revolutions/366 : Telegram

The Minister in Honduras (Lay) to the Secretary of State

TEGUCIGALPA, November 28, 1932—7 p. m. [Received 9:08 p. m.]

103. The population of Tegucigalpa has been in a very excited state for several days on account of the presence of insurgent groups estimated up to 600 men in the close vicinity of town and an attack has been expected. None has occurred but 500 men have been sent today in pursuit of a band of 200 insurgents about 20 kilometers from Tegucigalpa on the south coast road. General Umaña is now reported a week's march from Tegucigalpa and heading this way with possibly 1,000 men from direction of Santa Barbara. General Carías has a force of 2,000 for defense of the capital and little doubt is felt of his ability to defend it. The principal danger now is the presence in this city of so many armed and uncontrolled men both Government-Liberals and Nationalists with resultant irresponsible firing in streets. Zuñiga Huete has fled with family to Nicaragua and ex-Foreign Minister Zelaya contemplates flight for personal safety. American lives have not been threatened and except for unsafe conditions of the streets, especially after dark, I do not anticipate danger to them. The manager of the Rosario Mine reports no anxiety there as insurgents have withdrawn from that vicinity and he has reduced his own guard.

LAY

815.00 Revolutions/384

The Minister in Honduras (Lay) to the Secretary of State

No. 674

Tegucigalpa, November 28, 1932. [Received December 7.]

Sir: Saturday morning, November 26, Mr. Purificación Sierra, a Liberal, called at the Legation and showed me a letter he had received signed by the insurgent Generals José A. Sanchez and José M. Fonseca, who according to the letterhead were at El Hatillo, a village about four miles from Tegucigalpa in the direction of the New York-Rosario Mine. A translation of this letter is attached. 11a I called at

¹¹a Not printed.

once upon the President and found that he had received a similar letter. The President did not appear alarmed and said that he regarded the letter as a bluff, although the signatures were undoubtedly genuine. Market people coming into the city from the direction mentioned above, however, reported the presence of a considerable band of insurgents on the outskirts of the town which report was quickly confirmed by observation and caused the most intense nervousness and excitement among the populace as an attack was believed to be imminent. General Carías stationed Nationalist troops on the various strategic heights encircling the city and sent a considerable force to guard the approach to the city in the direction from which the insurgents were expected to advance. No attack took place either Saturday or yesterday but today General Carías is sending out 500 men to engage a group of 200 insurgents which were sighted this morning a few miles beyond the Tegucigalpa airport along the South Coast road. The total number of insurgent groups in the vicinity of Tegucigalpa at present is estimated by the Government not to exceed 600 men and are probably less.

It is reported that General Umaña, with 1000 or more insurgents under his command, has turned back temporarily, at least, on Santa Barbara and the North Coast and may be heading toward Tegucigalpa. The roads are in such condition that it would take several days hard going even with motor trucks and perhaps a week without them for Umaña to reach the vicinity of this capital and, with commercial planes making almost daily flights between here and the North Coast, such a large body of men would have little chance of approaching the city unobserved.

There is little doubt that General Carías with the 1500 to 2000 armed men under his command in Tegucigalpa will not [sic] be able to defend the city from without. Much uneasiness is felt, however, on account of the large number of Liberals in town who are potential insurgents. Besides the Palace Guard and the Cuartel there are at least 500 armed Liberals in Tegucigalpa. As these men and Nationalists alike roam the streets without discipline or restraint clashes between them resulting in street riots and looting is greatly feared and would be far more dangerous for the civilian population than a siege of the city. Desultory firing in various parts of the city is heard almost continuously day and night and the streets are already unsafe at night for passers-by irrespective of nationality or political color. I am endeavoring to get the authorities to establish some sort of police patrol to circulate through the streets and afford some protection to the populace.

I was called upon yesterday to use my good offices to get Doctor

HONDURAS 727

Angel Zuñiga Huete safely out of the city as he feared for his life. He departed yesterday afternoon with his wife for Nicaragua by airplane. Last night Doctor Salvador Zelaya, the ex-Foreign Minister, called upon me to say that he would also leave town in a few days unless conditions improved. He told me that his next door neighbor's house had been broken into the night before by an armed mob and that many prominent Liberals were being threatened with death.

The Government has discussed with Mr. Lowell Yerex, owner and chief pilot of the Taca, the question of bombing operations for it and four aerial bombs of an old type have already been brought from Salvador. Mr. Yerex, who is a New Zealander, assures me that if he undertakes any such engagement he will do so himself and under no circumstances allow his American pilots to participate in these operations. Airplanes of the Taca continue to make daily trips to Salvador for ammunition. A considerable quantity of the 7 millimeter long range variety is now being obtained. The Legation has had to entrust its despatches to the Taca pilots for mailing in Salvador as the local Post Office does not receive mail.

Much satisfaction is felt among the Nationalists at the President's action in appointing General Carías "Chief of Military Operations" which gives him a free hand in commanding the Government-Nationalist troops.

There is also enclosed a translation of an article from the Nationalist paper *El Cronista* ¹² which reflects the excited point of view which obtains among the native populace of Tegucigalpa.

Respectfully yours,

JULIUS G. LAY

815.00 Revolutions/368: Telegram

The Minister in Honduras (Lay) to the Secretary of State

TEGUCIGALPA, November 30, 1932—6 p. m. [Received 8:15 p. m.]

104. Five hundred government Nationalist troops defeated 200 insurgents yesterday 20 kilometres south of Tegucigalpa capturing 75 rifles, 5 machine guns and 3 trucks. Fonseca, with perhaps 50 followers, fled westerly direction pursued by small body Nationalists. Five hundred loyal troops now leaving for Comayagua to engage Umaña who is reported with 1,000 men coming from Siguatepeque. About 700 Nationalist troops are pursuing Umaña from north and west. If Umaña decisively defeated this week backbone of revolution

¹² Not printed.

probably would be broken and problem of securing funds to continue campaign settled.

Desultory shooting by uncontrolled drunken soldiers prevalent in streets here last few days. A few military patrols placed in Tegucigalpa last night to protect civilians.

LAY

815.00/4563

The Minister in Nicaragua (Hanna) to the Secretary of State

No. 989

Managua, November 30, 1932. [Received December 8.]

Sir: I have the honor to report that Doctor Angel Zuñiga Huete, the defeated candidate for the Presidency of Honduras, arrived in Managua by air on November 27, accompanied by his wife, a Nicaraguan. Doctor Zuñiga Huete is reported to have said that he came to Nicaragua to remain during the present troubled period in Honduras. Upon being questioned as to when he had issued his celebrated manifesto calling upon his followers to abide by the results of the elections, he replied that he had issued it three days before the revolution broke out. He is quoted as having said that the revolution has become general and that it represents the opinion of many people whose desires were unlawfully frustrated in the elections.

It is generally suspected, of course, that Zuñiga Huete's object in coming to Nicaragua at this time is to secure support for the Liberal revolution in Honduras. It is significant that none of his published remarks here have been directed against the revolution notwithstanding his celebrated manifesto of November 3, in Honduras.

Respectfully yours,

MATTHEW E. HANNA

815.00 Revolutions/391 : Telegram

The Minister in Honduras (Lay) to the Secretary of State

Tegucigalpa, December 11, 1932—4 p. m. [Received 10:50 p. m.]

110. Despite the assurances of the Government of Guatemala that it would not allow him to return to Honduras General José María Reina arrived yesterday from Champerico at Amapala where the Military Commandant General Andres García went over to the revolution. This creates a serious situation for Amapala has not been taken by force within the past 60 years and it is now well garrisoned

and munitioned. There is a large accumulation of merchandise there consigned to foreign merchants in Tegucigalpa, among it considerable from the United States to Pablo Uhler and Company of which the manager and part owner is George Abadie, an American citizen; and also a substantial quantity of dynamite and mining equipment for the New York and Honduras Rosario Mining Company. Mr. Abadie and President Mejía Colindres have requested that an American warship make a call there. I told them that my Government was opposed to sending war vessels to foreign ports except for the protection of American lives and property in imminent danger, that it would not send one to protect merchandise alone, and that there are no Americans at Amapala. The President stated that some years ago a warship was sent to Amapala when the island was threatened during a revolution and therefore urged me to ask the Department if it would not make an exception in this case in the interests of American and other foreign property. Amapala is a port of call for American vessels, notably those of the Grace Line and Dollar Line.

President states that Reina has asked Sandino for arms but Sandino's secretary here at Mexican Legation told President Sandino refused. I question reliability of this information.

Repeated to Comsperon,¹³ all Central American Legations, Panama and North Coast Consuls.

LAY

815.00/4560

The Secretary of State to the Minister in Honduras (Lay)

No. 371

Washington, December 12, 1932.

Sir: The Department acknowledges the receipt of your despatch No. 668 dated November 23, 1932, with which are transmitted two memoranda of policy which General Tiburcio Carías expects to follow after being inaugurated as President of Honduras. These memoranda have been read with much interest and in case it may appear to you to be desirable, you are authorized informally and orally to state to President-elect Carías that the Government of the United States appreciates having been spontaneously informed of the policies which his Government proposes to follow.

Very truly yours,

For the Secretary of State:
FRANCIS WHITE

¹⁸ Commander, Special Service Squadron.

815.00 Revolutions/398 : Telegram

The Secretary of State to the Minister in Honduras (Lay)

Washington, December 13, 1932—6 p. m.

57. Your 110, December 11, 4 p.m. Department approves your statement to the President and feels that the situation as at present reported does not warrant the dispatch of a war vessel to Amapala.

Please keep Department fully advised of developments at Amapala.

STIMSON

815.00 Revolutions/410 : Telegram

The Minister in Honduras (Lay) to the Secretary of State

TEGUCIGALPA, December 23, 1932—4 p.m. [Received 7:15 p. m.]

116. Referring to my telegram No. 115, December 20, 1 [3] p. m. ¹⁴ German Legation at Guatemala City has advised German Consul here that German merchant vessel near Honduras has been ordered to call at Amapala to take off foreign women and children and foreigners who wish to leave the island. Permission to do so granted by President Mejía Colindres. Military authorities here endeavoring to obtain four launches from Salvador and with small boats believe they can retake Amapala. Understand that bombing port from air abandoned. Military authorities believe Reina with 100 armed followers has left island and joined force of about 300 insurgents now north of Goascoran and being pursued by Nationalist troops. Congress extended martial law 60 days and authorized President to effect loan for \$500,000. Government has already hypothecated all its income for next 6 weeks available for guarantees except for small loan.

Repeated to Central American missions and Comsperon.

LAY

815.00 Revolutions/425 : Telegram

The Minister in Honduras (Lay) to the Secretary of State

TEGUCIGALPA, December 29, 1932—6 p. m. [Received 7:52 p. m.]

119. Amapala retaken by Nationalist troops without opposition after former Commandant fled to Nicaragua last night. Insurgent

¹⁴ Not printed.

force mentioned my telegram No. 117, December 27, 1 p. m., ¹⁵ marching rapidly toward San Marcos pursued by large force Nationalist troops. Former will probably cross Nicaraguan boundary. Garrison in Tegucigalpa which under control of the Government was source of danger turned over to Nationalist troops and Blue General appointed Commandant Province of Tegucigalpa.

LAY

¹⁵ Not printed.

CONVENTIONS BETWEEN THE UNITED STATES AND MEXICO FUR-THER EXTENDING THE GENERAL AND SPECIAL CLAIMS CONVEN-TIONS OF SEPTEMBER 8 AND 10, 1923

411.12/1206

The Secretary of State to the Ambassador in Mexico (Clark)

No. 284

Washington, June 20, 1931.

SIR: By the terms of the Convention signed by the United States and Mexico on September 2, 1929,1 extending the period for the adjudication of claims before the General Claims Commission, provided for by the Convention originally concluded between the United States and Mexico on September 8, 1923,2 the life of the Commission will expire on August 30, 1931.

By the terms of the Convention signed by the United States and Mexico on August 17, 1929,3 extending the period for the adjudication of claims before the Special Claims Commission, provided for by the Convention originally concluded between the two governments on September 10, 1923,4 the life of the Commission will expire on August 17, 1931.

The necessity for extending the period for the operation of these Commissions, due to the present state of their work, of which a large part remains unfinished, is therefore apparent. With this situation in mind and having in view the approaching expiration of the Conventions establishing the two Commissions, the Senate of the United States on February 17, 1931, adopted a resolution (S. Res. 480)⁵ requesting the President, in his discretion, to negotiate and conclude with the Mexican Government such agreement or agreements as might be necessary and appropriate for the purpose of extending the duration of the two Commissions. The adoption of this resolution by the Senate, which is perhaps equivalent to prior advice and consent to ratification of the two renewal conventions, when concluded,

¹ Foreign Relations, 1929, vol. III, p. 460.

² Ibid., 1923, vol. 11, p. 555. ³ Ibid., 1929, vol. 11, p. 451. ⁴ Ibid., 1923, vol. 11, p. 560. ⁵ See Congressional Record, 71st Cong., 3d sess., p. 6410.

is in accord with the action taken when the Conventions expired, in 1927 and again in 1929. A copy of the Senate Resolution, which was transmitted to the Department by the President, is enclosed for your information.

There are also enclosed drafts of two conventions extending, for a further period not exceeding two years in each case, the time allowed for the adjudication of the claims covered respectively by the present General and Special Claims Conventions. You are requested to submit these drafts to the Mexican Government in the manner and under the circumstances which you may deem most appropriate, with the request that that Government will signify its approval and proceed to the signing of the Conventions at as early a date as practicable. The Department considers it highly desirable that these renewal conventions be concluded and signed before the expiration of the present conventions, unless some other form of agreement with the Mexican Government for the adjustment of the claims pending between the two countries is in the meantime adopted.

The Department has received and given careful consideration to your despatch No. 250 of March 13, 1931,6 with which was transmitted the full text, as published in the Mexico City newspapers of March 10, 1931, of a statement said to have been made by Mr. Genaro Estrada, the Minister for Foreign Affairs,7 regarding the recent renewal of claims conventions between Mexico and France, Great Britain and Italy, respectively, and regarding the principles which were embodied in the conventions so renewed. In that statement Mr. Estrada says that his Government does not wish in general to accept any further extensions of other claims conventions if these are not subjected previously to all the juridical points favorable to Mexico which have been obtained from decisions of the different commissions during their first periods, nor accept any negotiation in the future which is not based upon these principles. The statement then proceeds to outline the rights which, according to Mr. Estrada, Mexico has demanded and obtained in its new instruments extending the Conventions. These, as given in the enclosure to your despatch, are as follows:

"First; The new wording of the first article of the Convention with France eliminates the possibility of persons of Syrian nationality (Sirios Libaneses) being considered as claimants, since in said article it is stated that the claims refer to French citizens. In view thereof, it was asked and obtained that the claims presented by Syrians under the protection of France, through a mandate of the

Not printed.

Printed in El Universal, March 10, 1931.

League of Nations (Sociedad de las Naciones) be withdrawn from the Convention.

"Second; In this and the other conventions the recognition was secured that Mexico is not responsible for the legitimate acts of its authorities.

"Third; The recognition was obtained that Mexico is not responsible for damages caused during the regime of General Huerta.8

"Fourth; The recognition was obtained that Mexico will not recognize the claims arising from the voluntary or compulsory circulation or acceptance of paper money.

"Fifth; The suppression was obtained of indemnities for damages caused by revolutionary forces opposed to those which had estab-

lished a Government.

"Sixth; The suppression of indemnity for damages caused by forces resulting from the disbanding of any revolutionary force was obtained.

"Seventh; The recognition was obtained that the Commissions resulting from the extension of these Conventions shall meet only in Mexico."

Although no specific reference is made by Mr. Estrada to the Claims Conventions between the United States and Mexico, it is obvious that such a reference is intended. The Department, therefore, feels that it cannot fail to take cognizance of such a declaration in connection with the renewal, herewith proposed, of the two Conventions establishing our Claims Commissions with Mexico. In the event that the Mexican Government should, when the question of renewal of the Conventions is taken up, insist upon the above conditions restricting the jurisdiction of the Commissions set up under the Conventions, you are instructed to say that the United States Government cannot consent to any restriction of jurisdiction of the two Claims Commissions and will not be disposed to agree to their renewal upon any terms which would diminish the rights of its citizens as established thereby. In the event that Mexico should refuse to renew the Conventions except upon a curtailment of jurisdiction, as defined by the Conventions in their present form, and should be unwilling to adopt some other satisfactory substitute, such as an en bloc settlement, you should state that the Conventions, as originally negotiated and concluded, were only a part of a general adjustment between the two countries, one of the other matters involved being the formal recognition of the then existing Mexican Government; that the United States has fully performed its part of that general adjustment; that Mexico's part as undertaken at the time, could be performed only by an unconditioned renewal of these Conventions; and that if Mexico should be unwilling to make such

⁸ See Foreign Relations, 1913, pp. 723 ff.

a renewal now, the United States Government will wait until the situation may change, feeling assured that such a time will come. A declaration of this nature, defining the position of this Government, should be clearly stated to the Mexican Minister for Foreign Affairs as soon as, and if it should become apparent that, Mr. Estrada will insist upon our acceptance of the conditions outlined in his statement or any other conditions curtailing the jurisdiction of the Commissions as defined by the present Conventions, without agreeing to a satisfactory alternative.

Judging from the past attitude of Mr. Estrada toward the renewal of claims conventions with other countries, as reported by you, and from your observations in general, the Department is not hopeful that the Mexican Government will consent now to a renewal of the two Conventions strictly on their present terms. It is, therefore, necessary to consider the advisability of obtaining some other means of settlement which will not leave the rights of American citizens impaired nor in suspense for an indefinite period of time. The possibility of an en bloc settlement of the claims, as you know, has been long under consideration by the Department, and by both yourself and your predecessor, Ambassador Morrow. It is indicated by the reports of the Embassy, that the Mexican Government would in fact prefer an en bloc settlement of the claims 9 to a further renewal of the life of the Commissions as they now exist. In the opinion of the Department an en bloc settlement in principle offers manifest advantages from the viewpoint of all concerned, not the least advantage being that it will remove a constant and outstanding source of friction between the two countries caused by the very existence of the two Claims Commissions.

The Department itself would prefer an en bloc settlement, upon reasonable terms, to a renewal of the Conventions, and it is felt that request for renewal of the Conventions may afford an excellent approach to the subject. Our interests probably would be best served if the suggestion for an en bloc settlement should come from Mexico. Of this you will be in the best position to judge. It may well be on the other hand that you will consider it desirable yourself to propose an en bloc settlement before suggesting renewal of the Conventions or concurrently therewith, as an alternative to such renewal. The Department leaves the question of procedure in the matter to your discretion.

Should the Mexican Government be willing to enter upon such a negotiation, it is the desire of the Department that it be conducted in Mexico City by you and for this purpose, if you so desire, the

See Foreign Relations, 1930, vol. III, pp. 495 ff.

Department will order Colonel A. Moreno of the Staff of the Agency of the United States before the two Commissions, to Mexico City to assist you in the technical work and will be glad to give you any other assistance which you may require in the way of personnel or equipment.

As a general basis upon which to proceed in conducting a negotiation for an en bloc settlement, the Department would desire you to be guided by the principles and figures laid down in Ambassador Morrow's confidential despatch No. 928 of August 31, 1928, 10 transmitting a collection of tables entitled "The Adjustment of International Claims", together with covering memoranda. It is the understanding of the Department that these studies were largely the fruit of your own labors and the matter is, therefore, one with which you are fully familiar.

The Department is hopeful that it may be quickly determined whether or not the Mexican Government will be agreeable to the idea of an en bloc settlement and disposed to enter into negotiations. With the general principles outlined in Mr. Morrow's confidential report above referred to, for your guidance, the Department feels that you should be able to proceed. It is not desired to hamper you by prescribing any rigid formula for settlement nor precise terms of payment. These matters will have to be determined through your negotiations. The Department, of course, will give prompt consideration to any requests which you may feel necessary to make for specific instructions, as the course of the negotiations may develop, upon the receipt of advice thereof, with your recommendations.

Very truly yours,

HENRY L. STIMSON

[Enclosure 1]

Draft Convention Between the United States and Mexico Extending Duration of the General Claims Commission Provided for in the Convention of September 8, 1923

Whereas a convention was signed on September 8, 1923, between the United States of America and the United Mexican States for the settlement and amicable adjustment of certain claims therein defined; and

Whereas under Article VI of said convention the Commission constituted pursuant thereto was required to hear, examine and decide within three years from the date of its first meeting all the claims filed with it, except as provided in Article VII; and

¹⁰ Not printed.

Whereas by a convention concluded between the two Governments on August 16, 1927,¹¹ the time for hearing, examining and deciding the said claims was extended for a period of two years; and

Whereas by a convention concluded between the two Governments on September 2, 1929, the time for hearing, examining and deciding the said claims was extended for a further period of two years; and

Whereas it now appears that the said Commission cannot hear, examine and decide such claims within the time limit thus fixed;

The President of the United States of America and the President of the United Mexican States are desirous that the time thus fixed for the duration of the said Commission should be further extended, and to this end have named as their respective plenipotentiaries, that is to say:

The President of the United States of America, J. Reuben Clark, Jr., Ambassador Extraordinary and Plenipotentiary of the United States of America to Mexico; and

The President of the United Mexican States,

Who, after having communicated to each other their respective full powers found in good and due form, have agreed upon the following articles:

ARTICLE I

The High Contracting Parties agree that the term assigned by Article VI of the Convention of September 8, 1923, as extended by Article I of the Convention concluded between the two Governments on September 2, 1929, for the hearing, examination and decision of claims for loss or damage accruing prior to August 30, 1927, and filed with the Commission prior to said date, shall be, and the same is hereby extended for a further period not exceeding two years from August 30, 1931, the date on which pursuant to the provisions of the said Article I of the Convention of 1929, the functions of the said Commission would terminate in respect of such claims.

It is agreed that nothing contained in this Article shall in any wise alter or extend the time originally fixed in the said Convention of September 8, 1923, for the presentation of claims to the Commission, or confer upon the Commission any jurisdiction over any claim for loss or damage accruing subsequent to August 30, 1927.

ARTICLE II

The present Convention shall be ratified and the ratifications shall be exchanged at Washington as soon as possible.

¹¹ Foreign Relations, 1927, vol. III, p. 228.

In witness whereof the above-mentioned Plenipotentiaries have signed the same and affixed their respective seals.

Done in duplicate at the City of Mexico, in the English and Spanish languages, this day of in the year one thousand nine hundred and thirty-one.

[Enclosure 2]

Draft Convention Between the United States and Mexico Extending Duration of the Special Claims Commission Provided for in the Convention of September 10, 1923

Whereas a convention was signed on September 10, 1923, between the United States of America and the United Mexican States for the settlement and amicable adjustment of certain claims therein defined; and

WHEREAS Article VII of said convention provided that the Commission constituted pursuant thereto should hear, examine and decide within five years from the date of its first meeting all the claims filed with it; and

Whereas by a convention concluded between the two Governments on August 17, 1929, the time for hearing, examining and deciding the said claims was extended for a period of two years; and

WHEREAS it now appears that the said Commission cannot hear, examine and decide such claims within the time limit thus fixed;

The President of the United States of America and the President of the United Mexican States are desirous that the time originally fixed for the duration of the said Commission should be extended, and to this end have named as their respective plenipotentiaries, that is to say:

The President of the United States of America, J. Reuben Clark, Jr., Ambassador Extraordinary and Plenipotentiary of the United States of America to Mexico; and

The President of the United Mexican States,

Who, after having communicated to each other their respective full powers found in good and due form, have agreed upon the following articles:

ARTICLE I

The High Contracting Parties agree that the term assigned by Article VII of the Convention of September 10, 1923, as extended by Article I of the Convention concluded between the two Governments

on August 17, 1929, for the hearing, examination and decision of claims for loss or damage accruing during the period from November 20, 1910 to May 31, 1920, inclusive, shall be and the same hereby is extended for a time not exceeding two years from August 17, 1931, the day when pursuant to the provisions of the said Article I of the Convention of 1929, the functions of the said Convention would terminate in respect of said claims.

It is agreed that nothing contained in this Article shall in any wise alter or extend the time originally fixed in the said Convention of September 10, 1923, for the presentation of claims to the Commission, or confer upon the Commission any jurisdiction over any claim for loss or damage accruing prior to November 20, 1910, or subsequent to May 31, 1920.

ARTICLE II

The present Convention shall be ratified and the ratifications shall be exchanged at Washington as soon as possible.

In witness whereof the above-mentioned Plenipotentiaries have signed the same and affixed their respective seals.

Done in duplicate at the City of Mexico, in the English and Spanish languages, this day of in the year one thousand nine hundred and thirty-one.

411.12/1471 : Telegram

The Ambassador in Mexico (Clark) to the Secretary of State

Mexico, June 18, 1932—5 p. m. [Received 6:44 p. m.]

- 110. Referring to the Department's instruction No. 284, June 20, and [here follows list of telegrams not printed.]
- 1. I understand the Department wishes me to proceed to discuss en bloc settlement so soon as the claims convention renewals and protocols are signed.
- 2. If Department confirms this understanding I shall, subject to the Department's further instructions, proceed as follows:
- (a) Having ascertained that Mexican officials desire me to name the minimum sum we can accept as an en bloc settlement I shall name 50 million dollars as the "take it or leave it" amount explaining to them how we arrive at that figure (Department's telegram number 55 12 under reference paragraph 6).
- (b) I shall at the same time suggest as the other terms of the adjustment,

¹² Dated April 6, noon; not printed.

First. Mutual relinquishment of all those claims from the nationals of the one country against the other that are covered by the two claims conventions including relinquishment of awards already made, the

barring clauses of the two conventions to be fully operative.

Second. The United States will establish a domestic commission to pass upon all claims filed before the two Commissions in accordance with the rules and principles laid down in the conventions, the Mexican Government to furnish upon request all the evidence in its possession regarding such claims.

Third. The United States will relieve the Mexican Government from the payment of such part of the 50 million dollars as is not required to cover the awards already made plus the awards made by the domestic commission on the claims filed before the two Com-

missions.

- 3. The Mexican Government will be asked to suggest for the Department's consideration the terms of payment including interest on all installments.
 - 4. I await Department's instructions.

CLARK

Treaty Series No. 883

Convention Between the United States of America and Mexico Extending the Duration of the General Claims Commission Provided for in the Convention of September 8, 1923, Signed at Mexico City, June 18, 1932 13

Whereas a convention was signed on September 8, 1923, between the United States of America and the United Mexican States for the settlement and amicable adjustment of certain claims therein defined; and

Whereas under Article VI of said Convention the Commission constituted pursuant thereto was required to hear, examine and decide within three years from the date of its first meeting all the claims filed with it, except as provided in Article VII; and

Whereas by a convention concluded between the two Governments on August 16, 1927, the time for hearing, examining and deciding the said claims was extended for a period of two years; and

Whereas by a convention concluded between the two Governments on September 2, 1929, the time for hearing, examining and deciding the said claims was extended for a further period of two years; and

WHEREAS it has been found that the said Commission could not hear, examine, and decide such claims within the time limit thus fixed:

¹⁸ In English and Spanish; Spanish text not printed. Ratified by the President, January 14, 1935; ratified by Mexico, October 7, 1932; ratifications exchanged at Washington, February 1, 1935; proclaimed by the President, February 1, 1935.

The President of the United States of America and the President of the United Mexican States are desirous that the time thus fixed for the duration of the said Commission should be further extended, and to this end have named as their respective plenipotentiaries, that is to say:

The President of the United States of America, J. Reuben Clark, Jr., Ambassador Extraordinary and Plenipotentiary of the United States of America to Mexico; and

The President of the United Mexican States, Manuel C. Téllez, Secretary of State for Foreign Affairs;

Who, after having communicated to each other their respective full powers found in good and due form, have agreed upon the following articles:

ARTICLE I

The High Contracting Parties agree that the term assigned by Article VI of the Convention of September 8, 1923, as extended by Article I of the Convention concluded between the two Governments on September 2, 1929, for the hearing, examination, and decision of claims for loss or damage accruing prior to August 30, 1927, and filed with the Commission prior to said date, shall be, and the same is hereby extended from August 30, 1931, the date on which, pursuant to the provisions of the said Article I of the Convention of 1929, the functions of the said Commission terminated in respect to such claims for a further period which shall expire in two full years from the date of the exchange of ratifications of this Convention.

It is agreed that nothing contained in this Article shall in any wise alter or extend the time originally fixed in the said Convention of September 8, 1923, for the presentation of claims to the Commission, or confer upon the Commission any jurisdiction over any claim for loss or damage accruing subsequent to August 30, 1927.

ARTICLE II

The present Convention shall be ratified and the ratifications shall be exchanged at Washington as soon as possible.

In witness whereof the above-mentioned Plenipotentiaries have signed the same and affixed their respective seals.

Done in duplicate at the City of Mexico, in the English and Spanish languages, this eighteenth day of June in the year one thousand nine hundred and thirty-two.

J. REUBEN CLARK, JR. [SEAL]

MANUEL C. TÉLLEZ [SEAL]

411.12/1480

Protocol Concerning the Convention of June 18, 1932, Extending the Duration of the General Claims Commission Provided for in the Convention of September 8, 1923 14

J. Reuben Clark, Jr., Ambassador Extraordinary and Plenipotentiary of the United States of America to Mexico and Manuel C. Téllez, Secretary of State for Foreign Affairs, duly authorized, have agreed to sign the following Protocol:

In proceeding to the signature of the Convention providing for a further extension of the General Claims Convention (signed September 8, 1923) for a period which shall expire two years from the date of the exchange of ratifications of the Convention signed this date, it is expressly agreed between the two Governments as follows:

- 1. The two Governments will proceed to an informal discussion of the agrarian claims now pending before the General Claims Commission, with a view to making an adjustment thereof that shall be consistent with the rights and equities of the claimants and the rights and obligations of the Mexican Government. Pending such discussion no agrarian claims will be presented to the Commission for decision, but memorials of cases not yet memorialized may be filed in order to regularize the awards of the Commission made upon the agreed adjustments.
- 2. The meetings of the General Claims Commission shall be held partly in the City of Mexico, and partly in the City of Washington. The Commission shall, in fixing the place of future meetings pursuant to the terms of Article II of the General Claims Convention, have in mind the convenience, for the Mexican Government, of hearing in Mexico City the claims against Mexico, and the convenience, for the Government of the United States, of hearing in Washington the claims against the United States.
- 3. The Presiding Commissioner shall be requested to have the Commission sit continuously, with only short and occasional vacations.
- 4. The agents of the respective Governments shall be instructed to amend, with the approval of the Commission, the rules of procedure to the following effect:
 - A As to the memorializing of claims:
 - (a) Within one year from the date on which the joint secretariat begins its work, under the renewed Convention, memorials shall be filed on all claims to be memorialized, provided the joint

 $^{^{14}\,}A$ penciled notation on the cover page of the Protocol reads: "Not to be ratified. See protocol of April 24, 1934."

secretariat shall remain open for the filing of memorials for a continuous year from the date on which it opens for work.

- (b) At the expiration of said year, claims that have not been memorialized shall be adjudicated by decisions based only on the memoranda filed, and on no other document, it being understood that in each of said cases the defendant Government denies all responsibility upon the facts alleged or arguments made in the various memoranda.
- B At the expiration of the year provided for the memorialization of cases, either Agent may ask the Commission to dispose of any case on which a memorial has not been filed.
- C With a view to curtailing oral arguments as much as may be possible, having in mind an adequate presentation of the facts and of the principles of law involved in the cases, so as to expedite the work of the Commission, a plan shall be elaborated by which:
 - (a) General oral arguments shall be curtailed as much as possible, consistent with the due and adequate presentation of the cases;
 - (b) Oral arguments in cases involving points of law already determined by the Commission, shall be omitted and the case be decided upon the written record, except in those cases in which either Government, through its Agent or otherwise, shall request permission for the making of a further oral argument, and in such an instance the request shall specify the particular points on which oral argument is desired.
- D Where there are a group of claims which, as to their facts and as to the points of law involved, are the same, and where one of such cases has been dismissed by the Commission, the two Agents will consult together with a view to having the other claims of the group determined by the Commission, without argument. When the Agents are unable to agree on any given case, either Government may, if it wishes, bring that case directly to the attention of the other Government with a view to reaching an agreement as to its disposition. If an agreement as to the dismissal of any claim be reached, either by the Agents or by the two Governments, such agreement shall be reported to the Commission with a request that the case be dismissed by the Commission in accordance with the terms of the agreement. The two Governments will request their respective Commissioners to give effect to such agreements by making awards in accordance with the terms of such agreements. If the two Agents are unable to agree, and neither of the two Governments intervenes, or if either or both of the two Governments intervene and are unable to agree, the case shall go before the Commission for decision.

E Where one of a group of claims, that as to their facts and as to the points of law involved are the same, has been decided affirmatively by the Commission, the two Agents will consult together regarding all the other claims of the group, with a view to reaching an agreement as to the amount of the award which should be made in each of such cases. If the Agents are unable, as to any such case, to agree

upon an award, either Government may, if it desires, bring such case to the attention of the other Government with a view to reaching an agreement on an award thereon. If an agreement as to an award be reached either by the Agents or by the Governments, such an agreement shall be reported to the Commission with a request that an award be made in such case in consonance with the agreement. The two Governments will request their respective Commissioners to give effect to such agreements by making awards in accordance with the terms of such agreements. If no agreement is reached regarding any case, the case shall then go before the Commission in due course.

Done in duplicate in the City of Mexico in the English and Spanish languages this eighteenth day of June one thousand nine hundred and thirty-two.

J. REUBEN CLARK, JR.

MANUEL C. TÉLLEZ

Unperfected Treaty No. N-9

Convention Between the United States and Mexico Extending the Duration of the Special Claims Commission Provided for in the Convention of September 10, 1923, Signed at Mexico City, June 18, 1932 15

Whereas a convention was signed on September 10, 1923, between the United States of America and the United Mexican States for the settlement and amicable adjustment of certain claims therein defined; and

Whereas Article VII of said convention provided that the Commission constituted pursuant thereto should hear, examine, and decide within five years from the date of its first meeting all the claims filed with it; and

Whereas by a convention concluded between the two Governments on August 17, 1929, the time for hearing, examining, and deciding the said claims was extended for a period of two years; and

WHEREAS it has been found that the said Commission could not hear, examine, and decide such claims within the time limit thus fixed;

The President of the United States of America and the President of the United Mexican States are desirous that the time originally fixed for the duration of the said Commission should be extended, and to this end have named as their respective plenipotentiaries, that is to say:

¹⁵ This convention and the accompanying protocol not ratified (returned to the Department April 2, 1935); they were replaced by protocol of April 24, 1934 (Treaty Series No. 878).

The President of the United States of America, J. Reuben Clark, Jr., Ambassador Extraordinary and Plenipotentiary of the United States of America to Mexico; and

The President of the United Mexican States, Manuel C. Téllez, Secretary of State for Foreign Affairs.

Who, after having communicated to each other their respective full powers found in good and due form, have agreed upon the following articles:

ARTICLE I

The High Contracting Parties agree that the term assigned by Article VII of the Convention of September 10, 1923, as extended by Article I of the Convention concluded between the two Governments on August 17, 1929, for the hearing, examination, and decision of claims for loss or damage accruing during the period from November 20, 1910 to May 31, 1920, inclusive, shall be and the same is hereby extended from August 17, 1931, the date on which, pursuant to the provisions of said Article I of the Convention of 1929, the functions of the said Commission terminated in respect of such claims, for a further period which shall expire in two full years from the date of the exchange of ratifications of this Convention.

It is agreed that nothing contained in this Article shall in any wise alter or extend the time originally fixed in the said Convention of September 10, 1923, for the presentation of claims to the Commission, or confer upon the Commission any jurisdiction over any claim for loss or damage accruing prior to November 20, 1910, or subsequent to May 31, 1920.

ARTICLE II

The present Convention shall be ratified and the ratifications shall be exchanged at Washington as soon as possible.

In witness whereof the above-mentioned Plenipotentiaries have signed the same and affixed their respective seals.

Done in duplicate at the City of Mexico, in the English and Spanish languages, this eighteenth day of June in the year one thousand nine hundred and thirty-two.

[SEAL] J. REUBEN CLARK, JR. [SEAL] MANUEL C. TÉLLEZ

Protocol Concerning the Convention of June 18, 1932, Extending the Duration of the Special Claims Commission Provided for in the Convention of September 10, 1923

J. Reuben Clark, Jr., Ambassador Extraordinary and Plenipotentiary of the United States of America to Mexico, and Manuel C. Téllez, Secretary of State for Foreign Affairs, duly authorized have agreed to sign the following Protocol:

In proceeding to the signature of the Convention providing for a further extension of the Special Claims Convention (signed September 10, 1923) for a period which shall expire two years from the date of the exchange of the ratifications of the Convention signed this date, it is expressly agreed between the two Governments as follows:

- 1.—All meetings of the Special Claims Commission shall be held in Mexico City.
- 2.—With a view to establishing for the future assistance of the two Governments in their mutual relations a spirit of broad cordiality, it is agreed that the two Governments will instruct their respective Commissioners to admit the terms of the renewed Claims Conventions between Mexico, on the one hand, and France, Great Britain, and Spain, respectively, on the other hand, as one clear interpretation of the Convention which is being renewed today, in the terms common to this Convention and to the Conventions between Mexico, on the one hand, and France, Great Britain, and Spain, on the other hand, as originally signed, to consult together on the points of law and matters of fact involved in the cases in which such interpretation may be invoked, with a view to reaching such an agreement regarding the disposition of such cases as shall be consistent with the principles of international law and comity recognized among nations, and to give to the decisions of the recent Commissions between Mexico, on the one hand, and France, Germany, and Great Britain, respectively, on the other hand, the same consideration which they give to the decisions of other Commissions and tribunals to which they may refer or be referred in the consideration of the cases presented to them for determination and award.
- 3.—The Presiding Commissioner shall be requested to have the Commission sit continuously, with only short and occasional vacations.
- 4.—The Agents of the respective Governments shall be instructed to amend, with the approval of the Commission, the rules of procedure to the following effect:
 - A As to the memorializing of claims:
 - (a) Within one year from the date on which the joint secre-

tariat begins its work, under the renewed Convention, memorials shall be filed on all claims to be memorialized, provided the joint secretariat shall remain open for the filing of memorials for a continuous year from the date on which it opens for work.

- (b) At the expiration of said year, claims that have not been memorialized shall be adjudicated by decisions based only on the memoranda filed, and on no other document, it being understood that in each of said cases the defendant Government denies all responsibility upon the facts alleged or arguments made in the various memoranda.
- B At the expiration of the year provided for the memorialization of cases, either Agent may ask the Commission to dispose of any case on which a memorial has not been filed.
- C With a view to curtailing oral arguments as much as possible, having in mind an adequate presentation of the facts and of the principles of law involved in the cases, so as to expedite the work of the Commission, a plan shall be elaborated by which:
 - (a) General oral arguments shall be curtailed as much as possible, consistent with the due and adequate presentation of the cases;
 - (b) Oral arguments in cases involving points of law already determined by the Commission, shall be omitted and the case be decided upon the written record, except in those cases in which either Government, through its Agent or otherwise, shall request permission for the making of a further oral argument, and in such an instance the request shall specify the particular points on which oral argument is desired.
- D Where there are a group of claims which, as to their facts and as to the points of law involved, are the same, and where one of such cases has been dismissed by the Commission, the two Agents will consult together with a view to having the other claims of the group determined by the Commission, without argument. When the Agents are unable to agree on any given case, either Government may, if it wishes, bring that case directly to the attention of the other Government with a view to reaching an agreement as to its disposition. If an agreement as to the dismissal of any claim be reached, either by the Agents or by the two Governments, such agreement shall be reported to the Commission with a request that the case be dismissed by the Commission in accordance with the terms of the agreement. The two Governments will request their respective Commissioners to give effect to such agreements by making awards in accordance with the terms of such agreements. If the two Agents are unable to agree, and neither of the two Governments intervenes, or either or both of the Governments intervene and are unable to agree, the case shall go before the Commission for decision.

E Where one of a group of claims that as to their facts and as to the points of law involved are the same, has been decided affirmatively by the Commission, the two Agents will consult together regarding all the other claims of the same group, with a view to reaching an agreement as to the amount of the award which should be made in each of such cases. If the Agents are unable, as to any such case, to agree upon an award, either Government may, if it desires, bring such case to the attention of the other Government with a view to reaching an agreement on an award thereon. If an agreement as to an award be reached either by the Agents or by the Governments, such an agreement shall be reported to the Commission with a request that an award be made in such case in consonance with the agreement. The two Governments will request their respective Commissioners to give effect to such agreements by making awards in accordance with the terms of such agreements. If no agreement is reached regarding any case, the case shall then go before the Commission in due course.

Done in duplicate at the City of Mexico in the Spanish and English languages, this eighteenth day of June, one thousand nine hundred and thirty two.

[SEAL]

J. REUBEN CLARK, JR. MANUEL C. TÉLLEZ

411.12/1471 : Telegram

The Secretary of State to the Ambassador in Mexico (Clark)

Washington, June 22, 1932—7 p. m.

84. The Department approves the procedure outlined in your telegram 110 of June 18, 5 p.m., and authorizes you to proceed with discussions for an en bloc settlement of the American-Mexican claims when you may consider expedient.

STIMSON

411.12/1480

The Ambassador in Mexico (Clark) to the Secretary of State

No. 1608

Mexico, June 24, 1932. [Received June 29.]

Sir: Referring to my telegram 108 of June 18, 1932, 3 p. m., ¹⁶ reporting the signing of the Claims Conventions and of the protocols relating thereto, I have the honor to forward herewith the original documents that were signed by Minister Téllez and myself. ¹⁷

It will be observed that in these documents I have signed under the English text and Minister Téllez has signed under the Spanish text. The copies retained by the Mexican Government are signed in the same way. While normally, I believe, it is customary for each

¹⁶ Not printed.

¹⁷ Supra.

representative to sign under each text, the diplomatic section of the Mexican Foreign Office considered that unnecessary, and Minister Téllez acquiesced in their view. I raised the question with Minister Téllez, but he felt that there could be no question that conventions so signed would be properly executed. I did not deem the matter of sufficient importance to make a point of it.

The head of the diplomatic section of the Mexican Foreign Office, Mr. Sierra, raised a question regarding the translation into Spanish of the final clause of paragraph 4-A-(a) of the protocol relating to the General Convention and of the same clause in the same paragraph and sub-paragraphs of the protocol relating to the Special Claims Convention, which clause reads:

"provided the Joint Secretariat shall remain open for the filing of memorials for a continuous year from the date on which it opens for work."

Mr. Sierra told Mr. Hawks, of the Embassy staff, that he understood the provision to mean that there must be twelve full months during which the Joint Secretariat would be open for the filing of pleadings. Mr. Sierra asked Mr. Hawks if that was my understanding. I told Mr. Hawks to inform Mr. Sierra that that was my understanding of that provision.

During the checking of the translation of the Conventions and protocols from English into Spanish (which for the Embassy was done by Mr. Stanley Hawks and Colonel A. Moreno), Mr. Sierra sought, at several places, to secure some change in the texts as agreed upon by Minister Téllez and myself. I instructed Messrs. Hawks and Moreno to inform Mr. Sierra that they were merely translating texts and were not negotiating them. Mr. Sierra then made no further efforts to secure changes.

The Department is already in possession of the full texts of the Conventions and of the protocols. For convenience, however, I may summarize the documents as follows:

1. The Conventions are extended from August 17, 1931 for the Special, and from August 30, 1931 for the General, for a period that shall expire in two years from the date of exchange of ratifications.

2. The protocol relating to the General Claims Convention provides specially for:

- (a) Informal discussions of agrarian claims between the two Governments; pending the discussions, no agrarian claims to be decided by the Commission; but agrarian memorials may be filed.
- (b) In fixing the meeting place of the General Claims Commission, the Commission shall have in mind the convenience for

the respective Governments of having meetings in Mexico City for hearing of claims against Mexico, and in Washington for claims against the United States.

3. The protocol relating to the Special Claims Convention provides specially for:

(a) All meetings in Mexico City.

- (b) The Commissioners are to be instructed: to admit the terms of renewed Claims Conventions between Mexico and France, Great Britain and Spain, respectively, as one clear interpretation of the Convention that is being renewed by us in the terms common to our renewed Convention and to such above mentioned Conventions as originally signed; to consult together on the points of law and matters of fact involved in the cases in which such interpretation is invoked, and to dispose of such cases in accordance with principles of international law and comity; and to give the decisions of French, German and British Commissions same consideration as decisions of other commissions or tribunals.
- 4. Both protocols contain the following terms:

Agents to petition revision of rules so as to embody following principles:

- A. Memorialization of claims.
- (a) All memorials to be filed within one year from date Joint Secretariat functions.
- (b) At end of said year, unmemorialized claims to be decided only on basis of memoranda.
- B. At end of said year, either agent may ask Commission to dispose of unmemorialized claims.

 \bar{C} . Curtailment of oral arguments.

(a) General oral arguments to be curtailed.

- (b) Oral arguments on points of law already determined by Commission to be omitted except under certain conditions.
- D. Consultation between agents so that Commission may pass, without oral argument, on groups of claims in which facts and points of law are the same and in which Commission has already dismissed one claim of said group.

E. Consultation between Agents for agreement as to awards in groups of claims in which Commission has given award in

one claim for said group.

The Conventions were renewed in the same terms as the renewals heretofore made, except that the two-year extension period was made to date from exchange of ratifications of the renewal Conventions, instead of two years from the expiration of the prior renewals.

Referring to my telegram No. 113 of June 23, 1932, 5 p. m., 18 the

¹⁸ Not printed.

Department will recall that Minister Estrada's first proposal was that we accept the changes which he had secured from France, Great Britain, and Spain in their renewed Conventions (corresponding to our Special Claims Convention), and that we either incorporate such changes in our renewed Conventions, or execute what would have amounted to a supplementary convention for the accomplishment of the same purpose.

Under the Department's instructions (which entirely coincided with my own views on the matter), we resisted this suggestion during the entire period of negotiation with Minister Estrada. The Department will, however, recall that with its approval I repeatedly informed Minister Estrada that we were prepared to meet the wishes of the Mexican Government as far as it was possible to do so by an exchange of notes to accompany the signing of the Conventions, but stopping short of making changes in the Convention terms themselves.

When Minister Téllez submitted his suggestion (see enclosure No. 4, my despatch number 1429 of April 22, 1932), 19 he made the same proposal in these words:

"The United States will agree to accept the amendments which were accepted by the Governments of France, Great Britain, and Spain for the extension of the Claims Commissions which Mexico concluded with them."

In my negotiations with Minister Téllez I took, with the Department's approval, the same position that we had taken with Minister Estrada, both as to the terms of the renewal of the Conventions, and as to ancillary documents.

The Department's records will show that in response to these proposals of Minister Téllez, I submitted (ad referendum) two proposed protocols, one for the General and for the Special Convention (enclosures 16 and 17, my despatch number 1429 of April 22, 1932). As pointed out above, the greater part of these two protocols were identical. Each, however, contained special provisions regarding the Convention to which it related.

My suggestions for the protocol for the General Claims Convention were accepted by Minister Téllez with practically no change. The Department approved this also. The same was true as to the protocol for the Special Convention save as to paragraph 2. In that paragraph, as I originally drafted it, it was stated:

"2. With a view to working out, for the future assistance of the two governments in their mutual relations, rules of conduct which shall

¹⁹ Not printed.

be mutually satisfactory, it is agreed that the two governments will request their respective Commissioners, to give consideration to the terms of the renewed Claims Conventions between Mexico, on the one side, and France, Great Britain, and Spain, respectively, on the other side, and to give to the decisions of the current and recent Commissions between Mexico, on the one hand, and France, Germany, and Great Britain, respectively, on the other hand, the same consideration which they give to the decisions of other Commissions and tribunals to which they may refer or be referred in consideration of the cases presented to them for determination and award."

The last half of this suggestion, beginning with the words "and to give to the decisions", was accepted by Minister Téllez. To the first half of the paragraph, he suggested certain changes.

After discussion and negotiation, the first half of this paragraph was finally amended to read as follows:

"2. With a view to establishing for the future assistance of the two governments in their mutual relations a spirit of broad cordiality, it is agreed that the two governments will instruct their respective Commissioners to admit the terms of the renewed Claims Conventions between Mexico, on the one hand, and France, Great Britain, and Spain, respectively, on the other hand, as one clear interpretation of the Convention which is being renewed today, in the terms common to this Convention and to the Conventions between Mexico, on the one hand, and France, Great Britain, and Spain, on the other hand, as originally signed, to consult together on the points of law and matters of fact involved in the cases in which such interpretation may be invoked, with a view to reaching such an agreement regarding the disposition of such cases as shall be consistent with the principles of international law and comity recognized among nations. . . ."

The final text was the result of a suggested form which I submitted to Minister Téllez, and also to the Department (see enclosure 2-C, despatch number 1526 of May 22, 1932),²¹ with the exception that the two words "for consideration" before the words "one clear interpretation," which were in the text I had suggested, were eliminated in the final text agreed upon.

The Department regarded this text as having certain advantages over other texts I had suggested to Minister Téllez (see Department's telegram number 75, June 3, 4 p. m., 1932),²¹ and it seemed to me that the Department's preference had been soundly made.

For the Department's convenient reference, I incorporate here the pertinent provisions of the renewed Convention between Great Britain and Mexico, in which the parts of the original text which

²¹ Not printed.

were omitted in the renewed Convention have been lined through, and the additions made to the text of the original Convention have been underlined.

"... The losses or damages mentioned in this article must have been caused during the period included between the 20th November, 1910, and the 31st May, 1920, inclusive, by one or any of the following forces:—

1. By the forces of a Government de jure or de facto;

2. By revolutionary forces, which, after the triumph of their cause, have established Governments de jure or de facto, or by revolutionary forces opposed to them;

2. By forces arising from the disjunction of those mentioned in the next preceding paragraph up to the time when a de jure Government had been established, after a particular revolution.

(3) 4. By forces arising from the disbandment of the Federal Army;

(4) 5. By mutinies or risings or by insurrectionary forces other than those referred to under subdivisions 2, 3 and 4 of this Article, or by brigands, provided that in each case it be established that the competent authorities omitted to take reasonable measures to suppress the insurrections, risings, riots or acts of brigandage in question, or to punish those responsible for the same; or that it be established in like manner that the authorities were blamable in any other way.

The Commission shall also deal with claims for losses or damages caused by acts of civil authorities, provided such acts were due to revolutionary events and disturbed conditions within the period referred to in this Article, and that the said acts were committed by any of the forces specified in sub-divisions 1, 2 (3 omitted) of this Article.

The claims within the competence of the Commission shall not include those caused by the forces of Victoriano Huerta or by the acts of his regime.

The Commission shall not be competent to admit claims concerning the circulation or acceptance, voluntary or forced, of paper money."

There were other changes made in other paragaphs, but those indicated hereinbefore are the ones essentially involved in the negotiations between the Mexican Government and ourselves with reference to the renewal of our Convention.

Similar provisions were incorporated by Mexico in the renewed Conventions with France and Spain.

Referring to the considerations set out in my telegram No. 85 of May 8, 1932, 12 noon,²² I venture to suggest that comparatively few of our claims should be adversely affected by the provisions of para-

²² Not printed.

graph 2 of the protocol relating to the Special Convention, providing we do not choose a Presiding Commissioner who is already committed to principles hostile to the proper carrying out of the Convention as renewed (see my telegram No. 113, June 23, 5 p.m., 1932).

Colonel Moreno has prepared a report reviewing the diplomatic negotiations conducted by the two Governments in connection with claims. It covers the period October 26, 1920–June 18, 1932. It is hoped this report will be ready for forwarding by next pouch.

Respectfully yours,

J. REUBEN CLARK, JR.

411.12/1473 : Telegram

The Ambassador in Mexico (Clark) to the Secretary of State

Mexico, June 25, 1932—11 a. m. [Received 4:38 p. m.]

- 114. Referring to the Department's telegram No. 84, June 22, 7 p. m., 1932 and also to the Department's instruction No. 284, June 20, 1931; Department's telegram 301, November 9, 5 p. m., 1931.²³
- 1. I had the initial interview with Minister Téllez regarding en bloc settlement yesterday and explained fully and frankly our method of computing amount of probable recovery and named 50 million dollars as "take it or leave it" sum.
- 2. I also explained that in the event of en bloc settlement we would not make pro rata distribution among all claimants but we would establish domestic commission to pass upon all claims and make awards where commission found liability; that we would expect Mexico to furnish evidence as requested by us for use in determining validity of claims; and that we would agree to turn back to Mexico such part if any of the 50 million dollars as was not needed to satisfy awards already made, with interest, plus awards made by domestic commission.
- 3. I asked him to suggest terms of payment for consideration by the Department.
- 4. Minister Téllez made two observations after saying he could express no definite views until he had opportunity to study matter.
- (a) that his advisers would take position that a domestic commission would be more liberal in the awards than an international commission to which I replied that our own experience seemed to be otherwise.
- (b) that the terms of payment should be such that Mexico could meet them; that they already had defaulted three times on their

²⁸ Latter not printed.

agreements with the bankers; that he thought this was bad for Mexico and that he did not wish to add another agreement upon which Mexico would default.

- 5. As I was leaving he expressed the hope that the Department could do something about the Ardmore cases²⁴ without too much delay.
- 6. I urge that arrangement be made for Colonel Moreno to remain here until this negotiation for en bloc settlement is either terminated or advanced to its final stages. Please advise.

CLARK

411.12/1482 : Telegram

The Secretary of State to the Ambassador in Mexico (Clark)

Washington, June 28, 1932—3 p. m.

93. Your 114, June 25, 11 a.m., paragraph 6. Colonel Moreno may remain in Mexico City during negotiation for en bloc settlement. You will be further advised by telegraph of details of arrangement.

STIMSON

411.12/1535 : Telegram

The Ambassador in Mexico (Clark) to the Secretary of State

Mexico, [November 5, 1932.] [Received 10:30 p. m.]

- 190. Referring to my telegram No. 110, June 18, 5 p. m., 1932.
- 1. Minister Téllez informed me Thursday, November 3, that he could not accept the proposed sum for en bloc settlement.
- 2. He handed me a small list of arbitral proceedings, including Mexico's recent arbitrations with other governments, the percentage of recovery of which he averaged at 461 [4.61?] percent.
- 3. Yesterday November 4 I called his attention to the fact that his list was small and included small recoveries only; showed him the studies we had made (Howell tables); called attention to the fact that our own average of all experiences was 10.037 percent (table 5); that average experience of the world, other than United States was, so far as we could secure data, 20.0412 percent (table 6); and offered to discuss with him percentages of recovery with a view to discovering whether our proposed percentage (actually approximately 10 percent, as it worked out for amount asked) was too high.

²⁴ Shooting of Manuel García Gómez and Emilio Cortéz Rubio; see Foreign Relations, 1931, vol. II, pp. 708 ff.

- 4. While not specifically saying he would not discuss question, he gave me to understand he did not care to do so, and said several times it was impossible for him to consider 10 percent.
 - 5. Am sending full report by mail.
- (a) There is some reason to believe his position is required by political situation here. A strong sentiment appears to exist, particularly in congressional circles, against paying awards already obtained and against agreeing to pay anything more on claims.

 (b) I am informed by the German Minister that the Mexican Gov-

ernment has defaulted on payment of German awards; he also tells

me it has also defaulted on payment on awards to all other countries.

(c) Minister of Treasury Pani has apparently acquired an unusual amount of self-assurance due perhaps to his success in currency inflation without any untoward results to date and he seems to be exercising considerable influence in administration circles.

(e) I thought I detected some regret in attitude of Minister Téllez regarding inability to proceed on en bloc settlement though I may be

(f) I await Department's instructions regarding further proceedings on en bloc settlement. There may be some advantage in allowing matter to rest where it is for the present.

CLARK

411.12/1535 : Telegram

The Secretary of State to the Ambassador in Mexico (Clark)

Washington, November 14, 1932—1 p. m.

169. Your 190, November 5. In view of considerations you present, the Department perceives nothing to be gained at present by conceding a reduction in the amount already indicated as basis for en bloc settlement of American claims against Mexico. The Department concurs in your opinion that there may be some advantage in allowing the matter to rest where it is for the present.

A further approach to the Foreign Minister for discussion of this question when you may consider it wise to do so is left to your discretion. STIMSON

PROTECTION OF GENERAL CALLES AGAINST THREATENED ARREST BY DISTRICT ATTORNEY, WEBB COUNTY, TEXAS 25

812.00/29729 : Telegram

The Ambassador in Mexico (Clark) to the Secretary of State

Mexico, June 16, 1932—1 p. m. [Received 4:15 p. m.]

104. Referring to my telegram No. 103, June 13 [15], 11 a. m., 1932.26

- 1. Minister Téllez informs me that General Calles and wife leave here today for the United States via Laredo, destination New York,—whether on regular Laredo train leaving this evening or on a special train this afternoon seems not decided.
- 2. Foreign Office states that they are taking up matter through the Mexican Embassy in Washington.
- 3. I will telegraph details as soon as I can obtain them, and will likewise advise border.
- 4. Recalling the Valls situation at Laredo ²⁷ I respectfully urge that a military guard of honor from Fort McIntosh be used to escort General Calles and wife through Texas (see Department's telegram 541, December 14, 1929).²⁸

CLARK

812.001C13/122 : Telegram

28 Ibid., p. 515.

The Ambassador in Mexico (Clark) to the Secretary of State

Mexico, June 16, 1932—6 p. m. [Received 11:05 p. m.]

105. Referring to my telegram 104, June 16, 1 p. m.

1. General Calles and his wife left by special train for Laredo this evening. I will advise of exact time of crossing the border later.

- 2. I have consulted Minister of Foreign Affairs as to whether military guard if given by the Department should take train at Nuevo Laredo or Laredo; the Minister says Laredo, Texas, and that the Mexico Government will appreciate such a guard.
- 3. General Calles and wife have been given diplomatic visas; I have also given diplomatic visa to General Carlos Riva Palacio but do not know that he is accompanying General Calles though assume he is. It is understood here that physicians will accompany General

²⁵ For previous correspondence, see Foreign Relations, 1930, vol. III, pp. 508 ff.

<sup>Not printed.
See Foreign Relations, 1930, vol. III, pp. 508 ff.</sup>

Calles but no others have applied for visas here nor, so far as I can learn, at the Consulate.

- 4. I have instructed our Consul at Nuevo Laredo to report to the Department and to the Embassy his opinion as to whether Valls will try to create trouble.
- 5. I have also instructed Consul to request our border officials to facilitate in every way possible border crossing by Calles party.
- 6. I suggest the Department similarly instruct the Consul and have Treasury and Labor instruct its representatives to waive technical requirements on entry since General Calles has left on short notice and I am advised under great urgency.
- 7. I renew the recommendation made in my telegram under reference, paragraph 4.

CLARK

812.001C13/124 : Telegram

The Acting Secretary of State to the Consul at Nuevo Laredo (Wormuth)

Washington, June 17, 1932—noon.

Reference General Calles' approaching visit to United States through port of Laredo and Ambassador Clark's instructions to you.

Please report immediately by telegraph whether in your opinion District Attorney Valls will endeavor to create trouble or any kind of unpleasant situation.

Please request American border officials to facilitate in every way possible the crossing of the border by the entire Calles party.

Appropriate action is being taken by the Department directly with the Treasury and Labor Departments.

CASTLE

812.001C13/126 : Telegram

The Acting Secretary of State to the Ambassador in Mexico (Clark)

Washington, June 17, 1932—3 p. m.

79. Your 104, June 16, 1 p.m., and 105, June 16, 6 p.m. Appropriate instructions in regard to General Calles have been sent by Treasury and Labor Departments to their representatives.

War Department states that following telegram has been sent to the Commanding General, Eighth Corps Area, San Antonio, Texas:

"General Calles, Mexican Minister of War, and former President, en route to New York City from Mexico, expected to enter United States at Laredo this afternoon or tonight. Secretary of War directs

that Commanding Officer garrison at Laredo extend appropriate honors on arrival of Calles, and that an officer of that command be detailed as special aide-de-camp to accompany Calles as far as San Antonio or Houston, according to route, if Calles so desires. Keep informed as to arrival of train and be governed accordingly."

Appropriate instructions have been telegraphed to the American Consul at Nuevo Laredo.

CASTLE

812.001C13/125 : Telegram

The Consul at Nuevo Laredo (Wormuth) to the Secretary of State

Nuevo Laredo, June 17, 1932—8 p. m. [Received 10:45 p. m.]

Your telegram reference General Calles. Entire party passed border without difficulty. Report follows.

WORMUTH

812.001C13/133

The Consul at Nuevo Laredo (Wormuth) to the Secretary of State

No. 146

Nuevo Laredo, June 20, 1932. [Received June 23.]

Sir: I have the honor to acknowledge receipt of the Department's instructions (code telegrams) of June 17, 1932, instructing me to obtain information as to whether District Attorney Valls of Laredo, Texas, would cause any trouble to General Calles while crossing through Texas to New York with his wife, who is ill.

I have the honor to confirm the report made by long distance telephone to Mr. Johnson, Chief of Mexican Division, about 5 p.m., on the same date, assuring Mr. Johnson that there would be no molestation of General Calles or any of his party, on his way through to New York, but that there might be upon his return.

General Calles and his party passed through Laredo about 7:30 p.m. June 17th and were received quietly, without demonstrations, in accordance with the wishes of General Calles, by Major Chambers in charge at Fort McIntosh, with Captain Hodapp, Lieut. Lorence and Lieut. Currie of his staff, and the usual courtesies were tendered him, but declined. These officers were personally received by General Calles, as well and [as] myself and Vice Consul Harper, and the Mexican Consul and staff in Laredo and a few other prominent citizens. The Department's instruction relative to courtesies to be offered at request of the Secretary of War was communicated to

Major Chambers and fully complied with. A clipping from the *Laredo Times* is herewith inclosed ²⁹ descriptive of the incident, which is quite accurate.

Some little difficulty was experienced in obtaining an assurance from District Attorney Valls that he would not occasion any trouble in this matter. The following is a brief résume of the steps taken to secure such assurance.

On the morning of June 17th, after carefully studying our Ambassador's instructions and the telegrams and despatches therein referred to regarding the previous incidents in 1929, when General Calles crossed the border with considerable turmoil resulting in disastrous consequences to both Nuevo Laredo and Laredo and considerable ill feeling engendered between the two countries, accompanied by Vice Consul Harper, who throughout a very trying day was a tower of strength to me in decoding the various telegrams received and assisting me with his advice, counsel and unremitting industry, I visited Mayor Albert Martin, of Laredo, who is personally very friendly to both Mr. Valls and the Consulate and who is extremely anxious to preserve the most friendly relations between the two countries. In accordance with my instructions, I asked Mr. Martin if he thought there would be any trouble if General Calles passed through Laredo. He stated that in his opinion there would be none, but advised a personal interview with Mr. Valls, on the ground that no definite assurance could be given without such an interview. The Mayor was kind enough to arrange such an interview and accompany us. At 2 p. m. we saw Mr. Valls personally and he stated that his attitude had not changed since 1929 and that he required the same assurance from the Department that he had received in that year direct from the Department stating that the diplomatic standing of General Calles was recognized by the Government of the United States and that he was entitled to protection from arrest or molestation while within the confines of the United States. I pointed out that it would be difficult to submit this request to the Department as, on account of the illness of Mrs. Calles, the matter was one of the gravest urgency, but agreed to submit his request to the Ambassador by telephone. This I did and the Ambassador suggested that I show his telegram to Mr. Valls. . . . I examined the correspondence again and found that the Department had authorized Mr. Boyce in 1929 to communicate with Mr. Valls and state to him that at that time General Calles was in possession of Diplomatic Passports entitling him to the usual immunities and courtesies attached thereto. It was now about 3 p. m. and we had received another telegram from Ambassa-

²⁹ Not reprinted.

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dor Clark stating that the train would arrive at about 5 p.m. I therefore prepared a short letter stating that I had been informed by the Ambassador that General Calles bore a diplomatic passport and I also stated that such a passport entitled the bearer to the usual immunities and courtesies.

In our telephone conversation, the Ambassador suggested that I get in touch with Fort McIntosh and I therefore called up Major Chambers and asked him to meet me at the Mayor's office. (The Department's last instruction relative to the courtesies to be extended by Major Chambers had not yet been received). We met at the Mayor's office and I asked the Mayor and Major Chambers if they wished to accompany me, but both deemed it inadvisable, so that about 4 p. m., accompanied by Vice Consul Harper I proceeded to Mr. Valls' office and stated that General Calles was expected some time that day and that it was impossible to procure the direct assurance he requested but that I could show him a copy of the Ambassador's telegram or give him a letter as Consul stating that General Calles bore a diplomatic passport properly visaed by the Embassy entitling him to the usual immunities and courtesies. At first he refused to accept even the letter, stating he had refused such a letter in 1929 and he could not reasonably change his position at this time for the reason that local inhabitants would feel that he had weakened in the matter. He claimed that General Calles might as well have passed through Vera Cruz but came through Laredo purposely to "show him up." We discussed the matter at length from about 4 p. m. to about 5 p. m., stating and restating our position until finally, although I fear rather reluctantly, Mr. Valls stated that in view of the emergency existing and the illness of Mrs. Calles and the good relations existing between our respective offices, he would accept such written assurance from me personally to cover the passage of the entire party through Texas, but he would expect direct assurance from the Ambassador or the State Department to cover his return, or otherwise he would arrest him just as he threatened to do in 1929 upon his return.

I realize that such a letter should not be furnished under the regulations without specific instructions from the Department, but in view of the fact that it was authorized in 1929 by the Department's instruction dated December 9, 1929, 30 File No. 812.001 C 13/58 [77], to Consul Boyce and in view of the emergency requiring immediate decision, I trust the Department will approve of my course. A copy of the letter is herewith attached, 31 and it was explained verbally to

Foreign Relations, 1930, vol. III, p. 514.

⁸¹ Not printed.

Mr. Valls that it covered just the points raised by him and not some other references by the Ambassador to our files.

I immediately returned to the Mayor's office, notified the Mayor and Major Chambers. I then got in touch with Mr. Johnson who had been trying to reach me for about an hour from the Department and assured him that the General and his party would not be molested on their way to New York but might on their return. I then returned to the office, where we were at once immersed in decoding the Department's code telegram referring to the instructions to Major Chambers, which we transmitted to him. In the meantime the train had been delayed and we hurried to the Nuevo Laredo station to meet it and arrived just in time to see it pulling out for Laredo. . . . Vice Consul Harper succeeded in getting me to Laredo in time to meet the train, where we were presented to the General and waited until the train pulled out unmolested, whereupon we reported to the Department and Ambassador that the party had passed without difficulty.

In this connection I believe I ought to state my impression of District Attorney Valls during this trying day. In the first place I believe that he is a deadly enemy of General Calles. However, I also believe that an assurance that Calles is entitled to diplomatic immunity from our Ambassador or the Department will avoid any possible action on his part, as he impresses me as a gentleman of scholarly attainments and a reputation of being a fearless public prosecutor, with a very remarkable record of convictions. I believe he is a man of his word, and for that reason I hesitate to express an opinion that it would be safe for General Calles to return, unless the Department give Mr. Valls the assurance requested or be prepared for the action he threatens to take. Valls is a man of means and powerful politically. He was appointed and elected in 1930, in spite of the disastrous consequences to Laredo of the incidents happening in 1929, with which he was so intimately connected. He is running again in the Democratic Primary, to be held July 23, next, and while he is opposed by an estimable young man, Mr. S. T. Phelps, Jr., it is believed he will be nominated, which is of course equivalent to an election.

Respectfully yours,

ROMEYN WORMUTH

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812.001C13/148 : Telegram

The Consul at Nuevo Laredo (Wormuth) to the Secretary of State

Nuevo Laredo, July 14, 1932—2 p. m. [Received 4:40 p. m.]

Have just received Judge Valls' assurance that General Calles will have no difficulty upon return to Mexico via Laredo.

WORMUTH

812.001C13/149

The Secretary of State to the Secretary of War (Hurley)

Washington, July 14, 1932.

Sir: I have the honor to inform you that General Plutarco Elías Calles, former President of Mexico, and now Minister of War of that country, is, according to information received by this Department, leaving Boston today at noon, New York this afternoon, and St. Louis Friday afternoon, en route to Mexico via Laredo, where apparently he is due to pass at 2 a. m. Sunday next. General Calles is accompanied, among others, by his wife, who has been in this country under treatment for a serious illness, and by Dr. José Manuel Puig Cassauranc, Ambassador of Mexico to the United States.

In view of threats which have been made by the District Attorney of Webb County, Texas, who has announced his intention of serving a warrant on General Calles with respect to an incident which occurred in 1922 while General Calles was in Mexico City, this Department wishes to take every precaution to prevent any such action on the part of the District Attorney the results of which would be calamitous to the relations between this country and Mexico. The Department holds, without entering into the legal aspect of the matter, that General Calles, carrying a diplomatic passport recognized by the President of the United States is entitled, under international law, to the protection of this Government while traveling through the United States.

It would be very much appreciated if your Department would make discreetly and without publicity, the necessary arrangement for General Calles' safety and freedom from molestation during the journey from San Antonio until after he crosses the Mexican border.

Very truly yours,

For the Secretary of State:

JAMES GRAFTON ROGERS

Assistant Secretary

812.001C13/153 : Telegram

The Secretary of State to the Consul at Nuevo Laredo (Wormuth)

Washington, July 15, 1932—5 p. m.

The Department is gratified to receive the information contained in your telegram July 14, 2 p.m., relative General Calles' return to Mexico.

For your strictly confidential information and for use only in the event of an unforeseen emergency the Department desires you to inform District Attorney Valls that you have been instructed by the Department to state to him that General Calles is the bearer of a Mexican diplomatic passport carrying a diplomatic visa issued by the Ambassador of the United States to Mexico; that this passport and visa are authentic and recognized by the Government of the United States, and further that General Calles is entitled to all courtesies and privileges attaching to his diplomatic quality and to his status as a distinguished member of the cabinet of a government friendly to the United States, on a temporary visit to this country.

STIMSON

812.001C13/159

The Consul at Nuevo Laredo (Wormuth) to the Secretary of State

No. 153

Nuevo Laredo, July 18, 1932. [Received July 21.]

Sir: I have the honor to acknowledge receipt of the Department's telegraphic instruction in code of July 15, 1932, expressing its gratification for the information contained in this consulate's telegram of July 14th transmitting the assurance of District Attorney Valls at Laredo, Texas, that General Calles would encounter no difficulty upon his return to Mexico via Laredo and also furnishing this consulate certain information relative to the diplomatic status of General Calles in the event that it should become necessary owing to some unforeseen emergency to communicate such information to Mr. Valls.

I have the honor to report that General Calles and his wife together with other high Mexican officials arrived at Laredo at 2 o'clock A. M. Sunday morning July 17th and passed into Mexico without encountering any difficulty whatsoever and that it was not necessary to use the confidential information furnished by the Department.

The Department's other instructions in reference to communicating to General Calles the felicitations of President Hoover and his wife and yourself and Mrs. Stimson were complied with but on account of MEXICO 765

the early hour and the fact that General Calles and his wife did not wish to be disturbed, the messages were transmitted by letters, copies of which are herewith attached.³² These letters were taken to the train personally by myself and Vice Consul Williams and his wife and delivered personally to General Riva Palacio at the train at 2 A. M. There were no demonstrations at the train at Laredo and the only ones present to receive General Calles were the Mexican Consul, Alejandro V. Martinez, and staff and myself and Vice Consul Williams. The train proceeded from Laredo to Nuevo Laredo on approximately schedule time 2:30 A. M.

For the Department's further confidential information I might state that upon the interview had with Judge Valls on July 14th, the latter stated to myself and Vice Consul Harper who accompanied me at that time, after assuring us that General Calles and his party would encounter no difficulty upon their return to Mexico on this occasion, that he was not through with General Calles yet and that, to use his own words, "I will get him yet". However, it is believed that so long as General Calles is armed with proper diplomatic credentials he will experience no difficulty in crossing the border. In this connection Valls raises the point that he should receive direct information from the Department that Calles is traveling not only with a diplomatic passport properly visaed but also that he is traveling upon a diplomatic mission. In this particular trip of General Calles, Valls has waived this point and taken my assurances that General Calles was armed with proper credentials. I am not so sure, however, that he will continue so to do because his expressions and statements indicate a personal animosity toward Calles that might on some occasion push him into some hasty and ill considered action, contrary to what might be reasonably expected from an official holding a high and important governmental position.

Respectfully yours,

ROMEYN WORMUTH

²² Not printed.

ADVERSE OPINION OF THE DEPARTMENT OF STATE REGARDING THE ELECTION OF A CONSTITUENT ASSEMBLY ¹

817.011/47

The Secretary of State to the Nicaraguan Minister (Sacasa)

Washington, October 1, 1931.

My Dear Mr. Minister: With reference to your conversation with me on September 24, in which you asked my opinion regarding the electing of a Constituent Assembly to revise the Constitution of Nicaragua in a number of important matters before the Marines finally evacuate Nicaragua, I have been thinking this matter over since and my views are as follows:

(1) I feel there should be no attempt made to amend the Constitution unless public opinion in Nicaragua is decidedly in favor thereof and the two major political parties are also in agreement. I do not think that steps should be taken to amend the Constitution merely by the party now in office.

(2) The Constituent Assembly, if it is decided to hold one, should be chosen at elections supervised by the United States Marines³ in order to give confidence to the people of the country in the fairness of

the election.

(3) It would be far too costly to hold two supervised elections within a year, and this Government would not be prepared to participate in more than one. Therefore, if the Constituent Assembly is to be elected, I feel that the election should be held in November, 1932, at the same time that elections for the President and the new Congress will take place.

There are, of course, a number of details in the arrangement which will have to be worked out by constitutional lawyers in Nicaragua, such as the date when the Constituent Assembly will meet and whether the Constituent Assembly and the Congress can be in session at the same time, et cetera.

The other matter which you brought up at the same time, regarding a moratorium for one year on the sinking fund provision of the

¹ For previous correspondence, see Foreign Relations, 1930, vol. III, pp. 695 ff.

<sup>See pp. 852 ff.
See pp. 785 ff.</sup>

foreign debt of Nicaragua and the interest still being paid, is receiving very careful consideration in the Department, and I shall communicate with you later regarding it.

I am, my dear Señor Sacasa, Very sincerely yours,

HENRY L. STIMSON

817.011/91

The Nicaraguan Chargé (Debayle) to the Secretary of State

No. 89

Washington, February 3, 1932.

EXCELLENCY: In accordance with instructions I have just received from His Excellency President Moncada, I have the honor to present herewith a letter addressed to Your Excellency, which for your convenience, I have accompanied by a translation into English.

Accept [etc.]

LUIS M. DEBAYLE

[Enclosure—Translation]

The President of Nicaragua (Moncada) to the Secretary of State

Managua, Enero 22 de 1932.

DEAR MR. STIMSON: Before anything else, in answer to your last kind letter, let me say that I regret that I did not speak clearly to Mr. Hanna, or that he did not understand me, when I talked with him about the reform of the Nicaraguan Constitution, and gave him the memorandum you know of.

From boyhood I have always respected the rights of others and since my rise to the Presidency I have affirmed both orally and in writing that the Nicaraguan people gave me their votes for four years, which period ends December 31st of the present year.

All my life I have kept my word and I shall do so in the case of the promise I gave to the Conservative candidate Benard, in the letter which you are kind enough to recall to me,⁴ translated into English. Mr. Hanna himself has heard these words on various occasions; and for that reason, because I had no thought of extending my term, I said nothing of this to you, either in the memorandum referred to or in my letter of October 14, 1931.⁵

But I did indeed say to Mr. Hanna, in taking leave of him, that Nicaragua is a poor country, that cannot afford elections every four

⁵ Not printed.

Letter of October 19, 1928, Foreign Relations, 1928, vol. III, p. 510.

years; that a reform of our Constitution to prolong the presidential term to six years or more, if possible, is necessary; but these words did not at all embrace the idea of my own continuation in office; but that my successor should enjoy a longer term in virtue of a reform in the Constitution.

On the other hand, I sent you the arguments in favor of the case. I have always believed that the present Constitution is a dead letter; I do not feel convinced to the contrary by the arguments you present; but I do admit that a discussion of this point is not as essential as other matters of greater importance and gravity for my country.

I come to the point: If you will be kind enough to reread my letter to Mr. Benard and recall some of my statements in Tipitapa, you will remember that I spoke then to you of the necessity of supervision for more than two election periods in order to accustom the people to honest and free elections. I said the same in the last part of the first paragraph of my letter of October last, of which I have made mention.

I did not reckon, and I do not think you did either, on the change of public opinion in the United States; and did not think that, in 1933, we would be forgotten by the hand of God and exposed once more, by the abandonment of this policy, to civil war, which from the time of our independence to the present, has cost us so many tears, so much loss of life, property and honor. Civil war has created our bandits. They are adventurers from other countries and people accustomed to not working and to living off the property of others.

Furthermore, could you assure me that opinion in the United States will not change again and that, in the case of a civil war, there would not be another intervention?

If the marines go away, why not look for a middle course that would allow us to live in peace and would be a justification, for you and me, of our agreement in Tipitapa, when you solemnly declared that that date—May fourth—marked an era of peace for Nicaragua?

I have always been candid. I have always said that neither Conservatives nor Liberals, by themselves, would give us free elections. If I have gone to war, which I so much detest, for any reason it was to secure liberty of suffrage. It was my one urgent demand at Tipitapa and it came from the bottom of my heart.

When you told me, in one of your letters, that the marines would withdraw in 1933, I thought with sorrow of all the blood that had been shed, from the Rio Grande to Managua, and that, after my administration, would again flow over our fields and cities, because the hatred and passions of our two parties has not disappeared.

[•] See Foreign Relations, 1927, vol. III, pp. 336-350.

For these reasons and fears I conceived the idea of the reform of the Constitution so that the two historic parties could live together in peace on a basis of proportional minority representation, secured by the Statutes of the Liberal Party.

The idea was accepted most willingly by the principal men of the Conservative party on the 17th of the present month, and public opinion continues favorable to it.

We could make arrangements similar to those of the Dawson Agreements of 1910,7 which provided for a Constituent Assembly and a Constitution.

But the arrangements should this time, in my opinion, tend towards a constitutional reform so that minority representation in all public offices of popular election be established, as I have said above, in the Fundamental Charter. This is a principle of representative republican government, which would allow the losing party to get along with the winning one and would promote harmony in the Republic.

If the signature of a Delegate from the Department of State be added to the agreements as mediator, it would be the means for the parties of beginning the new era of which you spoke in the present Villa Stimson, because our parties are so weak that they need a prudent hand to help in the development of the Republic, and because the mediation of the American Legation in each Presidential election would be sufficient to guarantee the observance of these agreements and of the Constitution.

My reasons are fundamental. The United States cannot abandon the Monroe Doctrine.8 If there is civil war, there will be intervention again and the difficulties and struggles of the United States and Nicaragua with world opinion will reappear.

I trust, my dear friend, that you will never regret having expressed the hope that I would not forget my word. I desire most strongly that the marines supervise the election of representatives of the Constituent Assembly and therefore I received Admiral Woodward with most cordial goodwill and requested his appointment by the Supreme Court, and I am now taking the first steps to further his task.

With nothing more for the present, I beg to remain, Very truly yours, J. M. Moncada

<sup>Foreign Relations, 1910, p. 765; 1911, pp. 649–654.
See ibid., 1929, vol. 1, pp. 698 ff.</sup>

817.011/52 : Telegram

The Chargé in Nicaragua (Beaulac) to the Secretary of State

Managua, February 9, 1932—5 p. m. [Received 8:21 p. m.]

21. Doctor Carlos Morales, a Liberal member of the Supreme Court, and Doctor Horacio Arguello Bolaños, a Conservative Deputy and member of the National Board of Elections, left by plane today for Washington to discuss with the Department President Moncada's plan to amend the Constitution. They are going as representatives both of President Moncada and their respective parties. President Moncada told me in conversation last week that the Department had informed Doctor Sacasa by note that he [it?] would not object to the Constitution's being amended if the political parties agreed.

Doctors Morales and Arguello have been authorized to make the trip by the national and legal boards of their respective parties. The President obtained the authority of a majority of the Liberal board only after much effort and persuasion. Prominent leaders in the Liberal Party have privately expressed their opposition to the mission and their opinion that it represents a continuation of the President's effort to extend his term of office. It is understood that the Liberal Grand Convention which was in session in Leon last week will issue a statement in the sense that the mission does not represent the party since the national board has no authority to handle such matters (see article 7 page 2 enclosure number 1 despatch No. 617, January 7, 1932).9

Both General Chamorro and Adolfo Diaz representing the Conservative Party have told me that the reform of the Constitution is a matter of indifference to them and that in sending Doctor Arguello they are merely complying with President Moncada's wishes. The Conservative Party is apparently impelled by two desires in the matter, first, a possible political alliance with President Moncada whose control of the funds of the Liberal Party gives him great power, and second, a desire to increase the dissension within the Liberal Party, a majority of whom appear to be opposed to the mission. I have seen the instructions of the Liberal delegate. At first glance the reforms suggested appear to be inoffensive. The important point of how the reforms are to be completed this year is not touched upon. President Moncada and the two delegates have expressed to me their belief that a Constituent Assembly meeting this year may complete the reform of the Constitution initiated during the de facto Chamorro regime. The opinion of leading Conservatives 2 years ago when the reform

Not printed.

of the Constitution was prepared was directly opposed to this thesis (see Legation's correspondence during that period).

President Moncada has not chosen to discuss this mission with me at length. He did tell me, however, that he had written you a letter lately concerning it. I would appreciate receiving a copy of the letter and of the note which it is alleged the Department sent Doctor Sacasa concerning a reform of the Constitution.

BEAULAC

817.011/55 : Telegram

The Chargé in Nicaragua (Beaulac) to the Secretary of State

Managua, February 12, 1932—3 p. m. [Received 11:11 p. m.]

25. My 21, February 9, 5 p. m. The Conservative Party has sent me a copy of the instructions it gave Dr. Horacio Arguello Bolaños. In them the party expresses its approval of the principle of minority representation but considers it should be agreed to by the parties dealing with each side through committee legally appointed. It also favors an improvement in the legal status of the Guardia Nacional. It does not refer to the President's project to extend the presidential term to 6 years but believes that infrequency of political contests is in the public interest. It maintains its opposition to reelection. It authorizes Dr. Arguello to receive direct from President Moncada instructions within the scope of the conference which he had with the Conservatives on January 17 (My despatch 635, January 20)¹⁰ and carry them out as party policies. It instructs him to consult the opinion of the Department before reaching any agreement. He is ordered to cable his party concerning points not covered in his instructions.

I reminded Dr. Cuadra Pasos today that President Moncada had in mind the convocation of a Constituent Assembly to complete the total reform of the Constitution this year and that Conservative leaders including Dr. Cuadra Pasos himself, Adolfo Diaz and Emiliano Chamorro had maintained 2 years ago that this could not be done legally. Dr. Cuadra Pasos said that he still was of this opinion, that the President had not mentioned a Constituent Assembly to the party, that the Conservative party desires a reform of the Constitution but a partial reform to be initiated by Congress this year and completed 2 years from now in accordance with the Nicaraguan Constitution.

BEAULAC

¹⁰ Not printed.

817.011/56 : Telegram

The Chargé in Nicaragua (Beaulac) to the Secretary of State

Managua, February 15, 1932—5 p. m. [Received 10:45 p. m.]

27. My 25, February 12, 3 p. m. It now appears that the Liberal Grand Convention was prevented from expressing disapproval of the mission to Washington by the hurried departures of the administration element which destroyed the quorum. President Moncada has told me that if the Department disapproves of his object to reform the Constitution he would abandon it. He is now consulting with members of Congress and it is generally reported that he is planning the convocation of a Constituent Assembly in the near future in the event the mission to Washington is successful. While few people believe that the President's representatives will receive any encouragement in Washington there is real fear that the President's plan if it continues to gain headway may result in the illegal convocation of Constituent Assembly which might endeavor to continue President Moncada in power for 2 or more years.

BEAULAC

817.011/64

The Chargé in Nicaragua (Beaulac) to the Secretary of State

No. 677

Managua, February 23, 1932. [Received February 29.]

Sir: I have the honor to refer to the Department's confidential instruction No. 310, of February 16, 1932, 11 and to previous correspondence concerning the desire of President Moncada to effect a reform of the Nicaraguan Constitution.

In the last paragraph of his letter of January 22, 1932, to the Secretary of State, ¹² President Moncada clearly indicates that he desires to effect a total reform of the Constitution by a Constituent Assembly, elected this year under American supervision.

I believe that such a project should not only not receive the encouragement of the Government of the United States but should be actively discouraged and indeed not tolerated while American armed forces continue to assist the Government of Nicaragua. As I see it the project has two principal objections. In the first place it is unneces-

¹¹ Not printed.

¹² Ante, p. 767.

sary and illegal, and in the second place public opinion in Nicaragua is opposed to it.

I am transmitting herewith a translation of a confidential memorandum ¹³ prepared by the Vice President of the Supreme Court of Nicaragua, Dr. Cordero Reyes, concerning the manner in which the reform of the Nicaraguan Constitution can be effected. It will be seen that Dr. Cordero Reyes is of the opinion that the convocation of a Constituent Assembly this year is not legally possible.

It is true that Dr. Cordero Reyes is opposed to President Moncada politically for the moment. His opinion regarding a reform of the Constitution, however, is precisely that he expressed two years ago as Minister of Foreign Affairs when the matter of Constitutional reform was a subject of discussion between President Moncada and the Legation.

Furthermore the most distinguished leaders of the Liberal Party have privately expressed to me the same opinion as that set forth by Dr. Cordero Reyes in his memorandum, that the reform of the Constitution by a Constituent Assembly this year can not be legally effected.

In this connection I have just received a communication from the Secretaries of the Liberal Grand Convention, which is charged by the Statutes of the Liberal Party with the duty of naming representatives of the Party outside the country (Art. 10, paragraph f), stating that it has no information except through the press concerning the mission now in Washington treating of the proposed reform of the Nicaraguan Constitution. The National and Legal Governing Board of the Liberal Party, which authorized Dr. Morales to proceed on the mission, apparently made no report of its action to the Liberal Grand Convention which met in Leon some days later.

Two years ago the leaders of the Conservative Party likewise shared the opinion then and now expressed by Dr. Cordero Reyes. Don Adolfo Diaz and Dr. Carlos Cuadra Pasos now inform me that their opinion has not changed and that the Party will not agree to the convocation of a Constituent Assembly even by legal methods, that is, with a two-year interval between the first decision of Congress to convoke the Assembly and the actual convocation. They state that the Party is mildly in favor of most of the reforms suggested by President Moncada and will approve of their adoption by a partial reform of the Constitution to be initiated by this Congress or that which will convene December 15, and concluded two years hence.

¹⁸ Not printed.

The proposal that the United States should supervise elections to the Presidency and Congress, and to a Constituent Assembly at the same time, would not appear to be practical inasmuch as a Constituent Assembly is sovereign and does not permit of the simultaneous existence of a Congress. Being sovereign the Assembly would have no obligation to recognize the Congress elected under American supervision as the legal Congress, or the President elected as the legal President. It would have full powers to convoke new elections and elect a new President, as it might normally do after adopting a new Constitution.

I desire to point out the apparent inconsistency between President Moncada's announced purpose in encouraging a reform of the Constitution and his insistence that such a reform be effected by a Constituent Assembly elected this year. His principal desire, as he has several times stated, is to establish in the Constitution the principle of minority representation. The principle of minority representation is embodied in the permanent platforms of both the political parties here. All principal leaders of both parties have lately expressed their willingness to see the principle embodied in the Constitution. There would therefore appear to be no good reason to suppose that this could not be accomplished by the present Congress or that which will convene December 15, and a Congress two years hence, by means of a partial reform of the Constitution. Furthermore there is no need of an immediate or earlier reform since the result of a supervised election is to insure minority representation in Congress, where it is most desired. At the present time, therefore, and for the next two years, the period which must elapse before a partial reform of the Constitution can be completed, minority representation is insured.

I have noted President Moncada's reference in his letter of January 22, 1932, to his reiterated decision not to remain in the Presidency beyond December 31, 1932. He has told me this privately and has stated the same thing publicly here. Nevertheless, the most distinguished men in his own party appear to fear that he will actually endeavor to extend his term of office, and that his insistence on the convocaton of a Constituent Assembly this year arises out of a belief that he can induce that Assembly to extend his period as President, as it might conceivably do. It should be remembered that the Central American treaties will have expired in two years, and if not renewed there will be no international commitment against reelection. I refer

to Article V of the General Treaty of Peace and Amity of 1923, subscribed to by the Central American republics, 4 which reads:

"The contracting parties obligate themselves to maintain in their respective Constitutions the principle of non-reelection to the office of President and Vice-President of the Republic; and those of the contracting parties whose Constitutions permit such reelection, obligate themselves to introduce a constitutional reform to this effect in their next legislative session after the ratification of the present treaty."

It is interesting to recall that a few weeks ago, at a reception which I attended at the President's country home, his brother, who is close to him and has just been appointed Jefe Politico of Bluefields, took me to one side and exhorted me in an impassioned way to help to keep the President in office on the ground that there was no individual in Nicaragua capable of carrying on if he should leave office. It was noticeable also that at the various reunions of Liberal notables, held at the President's home before the convocation of the Liberal Grand Convention, those leaders forming the President's own clique openly preached his continuance in office.

Respectfully yours,

WILLARD L. BEAULAC

817.011/79

The Chargé in Nicaragua (Beaulac) to the Secretary of State

Managua, March 21, 1932—noon. [Received 8:48 p. m.]

51. My 45, March 17, 4 p. m.¹⁵ Liberal Grand Convention meeting in Leon, generally recognized as having better claim to legitimacy, denounced mission of Doctor Morales to Washington. Other decisions of Grand Convention will be telegraphed later.

BEAULAC

817.011/89a

The Secretary of State to the Chargé in Nicaragua (Beaulac)

No. 333

Washington, March 23, 1932.

Sir: There is enclosed herewith a copy of the memorandum of the Secretary of State in reply to the memoranda of Doctors Morales and Arguello dated March 2 and March 10, 1932, 16 which was handed

¹⁴ Conference on Central American Affairs, Washington, December 4, 1922-February 7, 1923, p. 287.

¹⁵ Not printed.

¹⁶ Neither printed.

to the latter today. You may give such publicity as you think desirable to this document.

There is also transmitted for your information copies of the memoranda of Messrs. Morales and Arguello of March 2 and March 10, 1932.

Very truly yours,

For the Secretary of State: Francis White

[Enclosure]

The Secretary of State to Doctors Morales and Arguello

MEMORANDUM

The Secretary of State has given careful and sympathetic consideration to the two memoranda dated March 2 and March 10, 1932, presented by Doctor Carlos A. Morales and Doctor Horacio Arguello Bolaños, regarding the desire of the political entities which they represent to revise the Constitution of Nicaragua.

The Secretary of State has been very gratified to receive the statements of Messrs. Morales and Arguello that their parties deem that peace is the highest consideration in the welfare of Nicaragua, and that the Tipitapa Agreement closed the chapter of Nicaragua's civil discord and opened a new era for the Republic by means of the free election of supreme authorities, and the establishment of a National Guard as a foundation of peace and a guarantee of public liberties.

Mr. Stimson desires in the first place to state that the question of amending the Nicaraguan Constitution is, of course, one for decision by Nicaragua itself. It is understood that the Department of State is being consulted because of the fact that the United States has consented, at the request of Nicaragua, to supervise the elections for supreme authorities in November, 1932, and that it is now desired to ascertain the views of the Department of State as to the extension of this electoral supervision to comprise elections for representatives to a Constituent Assembly for the purpose of effecting a total revision of the Constitution. This plan, it may be noted, would eliminate the scheduled elections for the regular Congress.

The memoranda of Messrs. Morales and Arguello set out four reasons for desiring a total amendment of the Constitution:

(1) The situation created by the ratification of the Canal Treaty of August 5, 1914;¹⁷

(2) The establishment of the National Guard on a firm basis;

¹⁷ Foreign Relations, 1916, p. 849.

(3) The establishment of proportional representation in certain branches of the Government; and

(4) The extension of the term of office of certain Government officials.

With regard to the Canal Treaty Mr. Stimson is gratified to note the following statement from the memorandum of March 10, 1932, presented by Messrs. Morales and Arguello:

"We believe it proper to declare, that we hold the considerations which we offered incidentally in our Memorandum of the 2nd of the current month of March on the approval of the Canal Treaty of 1914 to be eliminated from the discussion on the problem now before us, since we frankly acknowledge that Mr. White's reply on that point is technically and legally correct and the Treaty has all its constitutional effectiveness."

Mr. White, in the conference of March 7, 1932, in which he set forth the views alluded to by Messrs. Morales and Arguello, referred to the letter of the Secretary of State to President Moncada dated December 9, 1931,18 in which it was pointed out that it was selfevident that the provisions of the Canal Treaty were not regarded by the Nicaraguan Government which negotiated it as being in conflict with the Constitution. Mr. White then went on to say that since this matter was brought up again now, it would be well to dispose of it by pointing out that Article 162 of the Nicaraguan Constitution provides that the treaties or compacts referred to in the last part of Article 2 of the Constitution (with the exception of those treaties looking toward union with one or more Republics of Central America) shall be ratified by a two-thirds vote of each House, and by this act the Constitution shall be considered as amended, notwithstanding the other provision of Title XXIII of the Constitution. In other words, the Canal Treaty having been ratified by the Senate of Nicaragua unanimously and by the Chamber of Deputies by 28 votes in favor and 7 against, it was therefore ratified in accordance with Article 162 of the Constitution and by that act the Constitution was amended. Mr. White pointed out that there was, therefore, no occasion to make any further amendments to the Constitution on this score. The Secretary of State is gratified to take note that Messrs. Morales and Arguello agree with this point of view.

With regard to the question of the National Guard the Secretary of State desires to refer to the letter which he wrote on December 9, 1931, to President Moncada, in which he stated:

"I have asked my legal advisers to examine the various points raised in your letter and in your memorandum of September 10 re-

¹⁸ Not printed.

specting the constitutionality of the Guardia and the regulations issued for its governance. Without entering upon a lengthy discussion of the matter, I may say that their advice confirms what has always been my understanding since the question of the formation of a single, non-partisan military force was discussed at Tipitapa, where it became one of the bases of the settlement reached, namely, that under the Constitution of Nicaragua the President enjoys sufficient authority to establish the Guardia as the sole military force of the Republic for the assurance of the rights of the nation, the enforcement of law and the maintenance of public order, and to issue the necessary regulations to govern the Guardia."

Should the Congress of Nicaragua feel that there are amendments to the Constitution which would be desirable in order to give the National Guard greater prestige through provisions therefor in the Constitution, Article 160 of Constitution would seem to provide means by which this may be done. It should not appear to be necessary to reform completely the Constitution for this object.

As respects the questions of minority representation and the extension of the term of office of Government officials, it would also seem that the method of partial amendment in Article 160 of the Constitution provides a means for accomplishing desired reforms without resorting to the extraordinary procedure of completely revising the Constitution.

In the first section of the March 10 memorandum, Messrs. Morales and Arguello set forth a résumé of their understanding of the views expressed by Mr. White in the conference of March 7. It might be pointed out that this résumé does not in all points represent exactly what was said by Mr. White. For instance, under a sub-paragraph (f) the résumé states that Mr. White said that:

"in order to ascertain whether the country desires absolute amendment of the Constitution, a referendum must first be taken, in the November elections, by providing a special square in the ballot for this purpose, . . . ; that in case of securing favorable public opinion, the Constituent Assembly would be convoked the following year."

Mr. White, of course, did not say that in his view this procedure "must" be followed. He merely suggested that if it were desired to consult popular opinion in Nicaragua as to the advisability of a complete reform of the Constitution, this could perhaps take the form of a popular expression of opinion at the time of the regular elections in November 1932 and if an affirmative opinion was expressed the regular Congress in 1933 could then take appropriate action in accordance with the Constitution. This suggestion was made, moreover, in view of the fact that the State Department's information

seems to indicate that the desire for a complete reform of the Constitution is by no means general in Nicaragua.

In considering the supervision of Nicaraguan elections by the United States it would seem well to bear in mind the antecedents of the matter. One of the bases of the Tipitapa agreement of 192719 was that the presidential elections of 1928 should be held under the supervision of the United States in order to assure free and fair elections. Prior to holding the 1928 elections, the candidates of the two parties, General Moncada and Señor Benard, agreed by an exchange of letters that the one who was successful would request the supervision of the next elections for supreme authorities in 1932 by the United States. President Moncada, shortly after his inauguration in 1929 and in pursuance of this agreement, formally requested the United States to supervise the 1932 elections. The United States Government has consented to this and is now making appropriate arrangements to that end. The elections which the United States Government has consented to supervise, however, are for "supreme authorities", namely, for President, Vice President, one-half of the membership of the Chamber of Deputies and one-third of the Senate. What is now proposed by Messrs. Morales and Arguello is a very different election, namely, an election for President and for a Constituent Assembly, thus eliminating the elections for the regular Congress.

The Secretary of State has given most careful consideration to this proposal. He cannot escape the conviction that a situation might be created through the election of a Constituent Assembly which would jeopardize the induction into office on January 1, 1933, as well as the constitutional authority of the President elected at the same time. Messrs. Morales and Arguello have not indicated, either in their conversations with Mr. White or in their memorandum of the 10th instant, how this difficulty—which frankly appears insurmountable-might be overcome. Indeed, the views they expressed in conversation were to the effect that the Constituent Assembly would embody the sovereign authority of Nicaragua and would in itself constitute the executive, legislative and judicial organs of the Government. Moreover, it appears to be somewhat doubtful whether, in view of the pertinent provisions of the Nicaraguan Constitution, a Constituent Assembly could legally be chosen during the present year. The Secretary of State is, therefore, confirmed in his view of the unwisdom of considering such action at this time. Nicaragua has made admirable progress through the holding of free and fair

¹⁰ i.e., the agreement between Colonel Stimson and General Moncada, confirmed by Colonel Stimson's note to General Moncada, dated at Tipitapa, May 11, 1927, Foreign Relations, 1927, vol. III, p. 345.

elections in 1928 and 1930. The course of wisdom would seem to be to consolidate this progress and to add another step to it through holding the 1932 elections in the form and manner scheduled and thus continuing on the pathway of regular and orderly procedure under the Constitution. To do anything else would seem to prejudice the progress heretofore realized, and certainly no friend of Nicaragua would wish to lend support to that end.

In view of the foregoing, therefore, the Secretary of State desires to reply to Messrs. Morales and Arguello as follows:

(a) The United States is prepared, upon the issuance of the decrees deemed necessary to insure a fair election, to supervise the normal and regular elections for supreme authorities in November, 1932, namely, elections for President, Vice President, one-half of the membership of the Chamber of Deputies, and one-third of the Senate of the regular Congress;

(b) The United States cannot consent, for the reasons given, to lend its assistance in supervising elections of any other nature than

those set forth above;

(c) The question of whether or not Nicaragua should amend its Constitution is one for Nicaragua alone to determine. Article 160 of the present Constitution provides a method for accomplishing a partial amendment. If Nicaragua desires a complete amendment of the Constitution through the convocation of a Constituent Assembly, this could be accomplished after 1932, through appropriate action in accordance with the Constitution. If, however, Nicaragua should decide to elect a Constituent Assembly in the present year the United States would be unable to continue with its plans to supervise the November elections.

In terminating, the Secretary of State desires again to express his pleasure at the assurances given in the two memoranda under acknowledgment of the desire for peace and the aspiration for constitutional life in Nicaragua. These are sentiments which the Secretary of State heartily reciprocates and in which he extends his best wishes to Nicaraguans of all Parties. Mr. Stimson's associations in Nicaragua have been so intimate in the past, and his interest is so enduring, that he sincerely hopes that the regular elections in November, if held as scheduled, will advance the Republic one more step toward the goal which all Nicaraguans and all friends of Nicaragua desire, namely, towards peace, order and stability; the development of a tradition of holding free and fair elections; and the maintenance of order through the existence of a non-partisan constabulary. Nicaragua is well embarked on this program and carries the sincere and cordial good wishes of the Secretary of State for its complete realization.

817.011/91

The Secretary of State to the President of Nicaragua (Moncada)

Washington, April 5, 1932.

My Dear Mr. President: I duly received your letter of January 22, 1932, 20 setting forth your ideas concerning constitutional reform in Nicaragua. As I was advised about the time of receiving your letter that you were sending personal representatives to Washington to discuss this very question with me, I delayed my reply to your letter until after I had had an opportunity of hearing their views. I assumed that they would explain in amplified form the ideas which you had outlined, and this has proved to be the case.

Doctors Morales and Arguello have been, as you know, in contact with us since I first had the pleasure of receiving them on February 25. My assistants in the Department and I personally have examined with the greatest care the proposal which they explained to us. My interest in Nicaragua, as you know, is so intimate and enduring that whenever problems affecting your country arise I feel impelled to give them my most sympathetic and friendly consideration. I have always tried to approach these problems primarily from the point of view of what is in the best interests of Nicaragua. Therefore, and for the reasons set out at some length in the memorandum of March 23, 1932, which was handed to Doctors Morales and Arguello, I became confirmed of the unwisdom of considering the election of a Constituent Assembly at this time. As I pointed out in that memorandum, I cannot escape the conviction that a situation might be created through the election of a Constituent Assembly which would jeopardize the induction into office on January 1, 1933, as well as the constitutional authority of the President elected at the same time. Messrs. Morales and Arguello did not indicate, either in their conversations with Assistant Secretary of State White or in their memoranda, how this difficulty—which frankly appears insurmountable might be overcome. Indeed, the views they expressed in conversation were to the effect that the Constituent Assembly would embody the sovereign authority of Nicaragua and would in itself constitute the executive, legislative and judicial organs of the Government. Moreover, it appears to be somewhat doubtful whether, in view of the pertinent provisions of the Nicaraguan Constitution, a Constituent Assembly could legally be chosen during the present year.

I therefore replied to Messrs. Morales and Arguello as follows:

"(a) The United States is prepared, upon the issuance of the decrees deemed necessary to insure a fair election, to supervise the normal and regular elections for supreme authorities in November,

²⁰ Ante, p. 767.

⁶⁴⁶²³¹⁻⁻⁻⁴⁸⁻⁻⁻⁵⁶

1932, namely, elections for President, Vice-President, one-half of the membership of the Chamber of Deputies, and one-third of the Senate of the regular Congress;

"(b) The United States cannot consent, for the reasons given, to lend its assistance in supervising elections of any other nature than

those set forth above;

"(c) The question of whether or not Nicaragua should amend its Constitution is one for Nicaragua alone to determine. Article 160 of the present Constitution provides a method for accomplishing a partial amendment. If Nicaragua desires a complete amendment of the Constitution through the convocation of a Constituent Assembly, this could be accomplished after 1932, through appropriate action in accordance with the Constitution. If, however, Nicaragua should decide to elect a Constituent Assembly in the present year the United States would be unable to continue with its plans to supervise the November elections".

In my memorandum I called attention to the admirable progress which Nicaragua has made through the holding of free and fair elections in 1928 and 1930.²¹ The course of wisdom, I should think, would be to consolidate this progress and to add another step to it through holding the 1932 elections in the form and manner scheduled and thus continuing on the pathway of regular and orderly procedure under the Constitution. To do anything else would seem to prejudice the progress heretofore realized, and certainly I, as a sincere and genuine friend of Nicaragua could not lend my support to that end.

Please let me take this opportunity of expressing my appreciation and thanks for your kindness in sending me an autographed copy of your brochure "La Reforma se Impone". I have been much interested in your argument set forth therein relative to the validity of the Canal Treaty of 1914. I have been gratified to read your statement that: "Acting as sovereign, the National Congress of Nicaragua gave its consent and ratification to the Bryan-Chamorro Treaty and we Nicaraguans cannot allege that it was this or that political party which formed the Legislative Chambers. It was the National Congress of Nicaragua, legally constituted, and it is our duty, consequently, to consider the question as one of national honor," and further; "In résumé, therefore, the Bryan-Chamorro Treaty cannot now be submitted to new decisions of Constituent Assemblies or National Congresses, or of Arbitration Congresses or the League of Nations. It is valid for Nicaragua and the United States." However, and to speak frankly, I am not in agreement with you when you go on to state that the existence of this Treaty provides a reason

 $^{^{\}rm n}$ See Foreign Relations, 1928, vol. III, pp. 418 ff., and ibid., 1930, vol. III, pp. 636 ff.

for completely reforming the Nicaraguan Constitution. My views on this matter were set out by Mr. White in the conference he held on March 7 with Messrs. Morales and Arguello. Mr. White pointed out that Article 162 of the Nicaraguan Constitution provides that the treaties or compacts referred to in the last part of Article 2 of the Constitution (with the exception of those treaties looking toward union with one or more republics of Central America) shall be ratified by a two-thirds vote of each House, and by this act the Constitution shall be considered as amended, notwithstanding the other provisions of Title XXIII of the Constitution. In other words, the Canal Treaty having been ratified by the Senate of Nicaragua unanimously and by the Chamber of Deputies by 28 votes in favor and 7 against, it was therefore ratified in accordance with Article 162 of the Constitution and by that act the Constitution was amended. Mr. White pointed out that there was, therefore, no occasion to make any further amendments to the Constitution on this score. Messrs. Morales and Arguello in their memorandum of March 10, 1932, made the following statement:

"We believe it proper to declare, that we hold the considerations which we offered incidentally in our Memorandum of the 2nd of the current month of March on the approval of the Canal Treaty of 1914 to be eliminated from the discussion on the problem now before us, since we frankly acknowledge that Mr. White's reply on that point is technically and legally correct and the Treaty has all its constitutional effectiveness."

It was gratifying to me to take note that Messrs. Morales and Argüello agreed with the point of view expressed by Mr. White.

Mr. President, I feel that you are in a unique position to contribute permanently to the well-being of Nicaragua and to leave to posterity a record of your administration of which your fellow countrymen may always be justifiably proud. If the regular and normal elections of November next take place under conditions of complete freedom and fairness, as I am certain they will, this will add one more step towards the goal of peace, order and stability in Nicaragua. As of assistance to that end we are now engaged in studying, in the light of past experience, the measures required to strengthen the electoral law. But the progress achieved in this field of free and fair elections will undoubtedly be in large measure due to your own wise leadership and patriotic devotion. No one desires more than I that your name may go down in history indissolubly linked to such an admirable record of achievement.

Cordially yours,

817.011/100 : Telegram

The Minister in Nicaragua (Hanna) to the Secretary of State

Managua, April 27, 1932—3 p. m. [Received 7:25 p. m.]

65. Reference Legation's despatch No. 763 of April 26,²² air mailed the same date, in which reference is made to the project to reform the Nicaraguan Constitution, President Moncada today read a message to Congress in which he reviewed the history of the negotiations in Washington to bring about such a reform of the Constitution, indicated his continued belief in the necessity of constitutional reform, reminding Congress that the Secretary of State had stated that the matter was one for Nicaragua's decision and urged it to consider this problem which was now entirely in its hands. Copy of message will be forwarded by air mail.

HANNA

817.011/104 : Telegram

The Minister in Nicaragua (Hanna) to the Secretary of State

Managua, May 6, 1932—3 p. m. [Received May 7—1:50 a. m.]

72. President Moncada held a conference on May 4 at country home with some forty Liberal senators and deputies at which he sought approval of his plan for a total reform of the Constitution by the constitution [calling?] of a Constituent Assembly this year. He referred to the Department's statement that the United States is not prepared to supervise the November elections in the event Nicaragua decides to convoke a Constituent Assembly and said that the opportunity was thus presented to bring about the immediate withdrawal of American armed forces in Nicaragua. He appealed to the patriotism of those present to restore in this manner the complete liberty and sovereignty of Nicaragua. The way was prepared for his utterance by previous speakers who pointed out that a lack of appropriations in their opinion to defray the expenses of the electoral mission would prevent the supervision of the elections. This information has just been given to me by an entirely reliable Nicaraguan who obtained it from one of those present.

General Chamorro had a conference with President Moncada a few days ago at the invitation of the latter in the course of which the President asked General Chamorro's support for the total reform project intimating that this would result in the withdrawal of the

²² Not printed.

marines and proposing cooperation between himself and General Chamorro to pacify the country thereafter. General Chamorro refused this cooperation. . . .

All the indications are that it is not possible to get the necessary majority in Congress for the total reform project. I have been assured by the leaders of the Conservative Party that the project will not have that party's support.

Both my informants referred to above stated that President Moncada expressed his intention of having Congress take a recess until July at which time presumably he might desire its presence to assist him in his electoral plans. In this connection I have heard that he favors legalizing the above mentioned changes in the electoral law by congressional act instead of by Presidential decree as heretofore. The indications are that he is content to allow the fight in his party to continue unless it can be terminated on his own terms.

HANNA

817.011/105 : Telegram

The Minister in Nicaragua (Hanna) to the Secretary of State

Managua, May 12, 1932—3 p. m. [Received 9:18 p. m.]

74. My telegram No. 65, April 27, 3 p. m. The Nicaraguan Congress has recessed until May 31, 1932. It seems that this recess was brought about by President Moncada. The matter of constitutional reform is still pending in the Congress.

HANNA

ASSISTANCE BY THE UNITED STATES IN THE SUPERVISION OF ELECTIONS IN NICARAGUA²³

817.00 Woodward Electoral Mission/3a: Telegram

The Secretary of State to the Chargé in Nicaragua (Beaulac)

Washington, December 29, 1931—6 p. m.

223. The President has designated Rear Admiral Clark H. Woodward as his Personal Representative in Nicaragua to head the American Electoral Mission and to be appointed by the Supreme Court of Nicaragua as Chairman of the National Board of Elections. Admiral Woodward, accompanied by Lieutenant Stephenson, will arrive in Managua by airplane on January 10 to spend 3 days on a preliminary visit in order to pay his respects to President Moncada and to meet other high officials of the Nicaraguan Government. He will then

²² For previous correspondence, see Foreign Relations, 1931, vol. 11, pp. 873 ff.

proceed to Panama to rejoin his command. After completion of his duties in connection with the fleet maneuvers in the Pacific he will return to Managua at the end of May or the first part of June to remain until the termination of his mission in connection with the supervision of the elections. Until Admiral Woodward is appointed by the Supreme Court and assumes office, he will not, of course, receive a salary from the Nicaraguan Government.

You will please apprise President Moncada of the foregoing, making such reference as you deem appropriate to the following:

1. The letters exchanged by Moncada and Adolfo Benard in October, 1928, regarding the supervision of the 1932 elections by the United States (Your despatch 832, October 30, 1928);²⁴

2. Letter of February 12, 1929, from the Minister of Foreign Affairs to the Legation announcing an agreement with the Supreme Court of Justice by which that tribunal would appoint an American citizen previously designated by the President of the United States, as Chairman of the National Board of Elections, (Your despatch No. 914, February 13, 1929, 25 pursuant to which the President designated Captain Johnson who was appointed by the Supreme Court

on May 23, 1930);

3. Your letter of June 16, 1931, to President Moncada²⁶ (a) informing him that if the Nicaraguan Government so desired, the Department would request the resignation of Captain Johnson as Chairman of the National Board of Elections so that a Nicaraguan might be appointed in his stead to conduct the municipal elections of 1931; (b) pointing out that the supervision of the 1932 presidential elections would necessitate the presence of an American as Chairman of the National Board of Elections and President Moncada's reply of June 18, 1931 (Your despatch No. 405, June 20, 1931, enclosures 5 and 7).27

4. Supreme Court decree of July 21, 1931, which accepted the resignation of Captain Johnson and appointed Doctor Aguado to the Chairmanship of the National Board of Elections. (Your despatch

No. 434, July 22, 1931).28

5. The clear understanding that the designation of Captain Johnson and the appointment of Doctor Aguado were in order that a Nicaraguan might be Chairman of the National Board of Elections during the municipal elections of 1931, and that when the time for holding the 1932 presidential elections approached Doctor Aguado would, in turn, resign so that an American, as requested by Nicaragua, could again be appointed Chairman to supervise the presidential elections. This is the same procedure as was employed in 1929

Mot printed.

²⁸ Ibid., p. 887.

²⁴ Foreign Relations, 1928, vol. III, p. 510.

²⁵ Ibid, 1929, vol. 111, p. 646.

²⁷ Enclosures 5 and 7 not printed; for despatch No. 405, see Foreign Relations, 1931, vol. 11, p. 881.

at the time of the resignation of General McCoy,29 and the appointment of Roman y Reyes, who, in turn, resigned in favor of Captain Johnson (Your telegram No. 177, June 28, 5 p. m.).30

The Department will issue on January 4 a press release regarding the appointment of Admiral Woodward, the text of which will be telegraphed to you for simultaneous release in Managua. You will please inform President Moncada of the Department's intentions in this regard.

The Department desires you to discuss with President Moncada the question of the date when Admiral Woodward should be appointed by the Supreme Court of Nicaragua as Chairman of the National Electoral Board. It appears evident from sub-section 3 of the Executive Decree of July 26, 1930, which put into effect the electoral law of the same date,³¹ that when an American has been appointed by the Supreme Court as Chairman of the National Board of Elections and for the purposes of elections for supreme authorities, the provisions of the electoral law of 1930 automatically come into effect. Until such action is taken by the Supreme Court the Dodds' Law will continue in force. In connection with this matter there are certain considerations to be borne in mind:

1) By decree 44 of August 31, 1931, President Moncada suspended municipal elections in the five departments of Nueva Segovia, Esteli, Matagalpa, Jinotega and Chontales, and proposed to submit to Congress a scheme for municipal elections in the above-mentioned departments. What are the intentions of President Moncada in this matter?

If these elections are to be held this spring they should of course take place under the provisions of the Dodds' Law with a Nicaraguan as Chairman of the National Board of Elections (For your information, the Department would consider the presence of an American observer at these municipal elections desirable, as it was in the case of the municipal elections held November 1, 1931. Please do not inform the appropriate authorities of this until after receipt of instructions from the Department.) It would, therefore, appear advisable that Admiral Woodward should not be appointed Chairman of the National Board of Elections until after these municipal elections have been held, assuming of course that these elections, if held, will take place not later than next spring.

2) Under the Dodds' Electoral Law, now in force, registration for the presidential elections would take place in March, 1932. It is of course highly important that this registration should be held under

²⁹ See ibid., 1927, vol. III, pp. 350 ff., and ibid., 1928, vol. III, pp. 418 ff. ³⁰ Ibid., 1929, vol. III, p. 650; see also telegram No. 39, May 8, 1930, to the Minister in Nicaragua, *ibid.*, 1930, vol. 111, p. 636.

1 See *ibid.*, p. 651, footnote 13.

the supervision of the American Electoral Mission at such time as Admiral Woodward is the Chairman of the National Board of Elections. Under the provisions of Article 32, subsection e, of the 1930 electoral law, the date for registration for the presidential elections would be fixed by the National Board of Elections, and would probably be held about 60 days prior to the date of the elections. If, however, because of the possibility of municipal elections being held some time this spring it appears inadvisable to have Admiral Woodward appointed Chairman of the National Board of Elections until some date after March 1, it will obviously be necessary for the Nicaraguan Government to take appropriate action to postpone the date for holding the registration for the presidential elections.

Please discuss the foregoing points thoroughly with President Moncada and Doctor Aguado and report by cable.

STIMSON

817.00 Woodward Electoral Mission/9: Telegram

The Chargé in Nicaragua (Beaulac) to the Secretary of State

Managua, January 2, 1932—noon. [Received 1:40 p. m.]

1. Department's 227, December 31, 8 p. m.³² I am communicating the Department's 223, December 29, 6 p. m. to President Moncada by special messenger today. I am prepared to release Department's statement for publication on January 5th. I shall discuss details of the Department's telegram with President Moncada on his return to Managua next week, and shall report by telegraph.

BEAULAC

817.00 Woodward Mission/15: Telegram

The Chargé in Nicaragua (Beaulac) to the Secretary of State

Managua, January 6, 1932—noon. [Received 2:02 p. m.]

2. President Moncada yesterday expressed to me personally his great pleasure at Admiral Woodward's designation as head of the American electoral mission to supervise this year's presidential elections in Nicaragua. He said he would do everything within his power to cooperate with Admiral Woodward to insure the success of his mission. The Nicaraguan press and people have likewise commented very favorably on Admiral Woodward's designation. They regard it as a new and hopeful step toward the establishment of permanent stable government in Nicaragua.

BEAULAC

[&]quot; Not printed.

817.00 Woodward Electoral Mission/21a: Telegram

The Secretary of State to the Chargé in Nicaragua (Beaulac)

Washington, January 12, 1932—noon.

5. The Navy Department has instructed the Commander of the Second Brigade and the Chief of the Guardia to confer with Admiral Woodward and with you regarding the question of security to be afforded during the supervision of the forthcoming presidential elections. The Department would be glad to receive a report from you in due course in order that this question can be given further consideration here.

STIMSON

817.00 Woodward Electoral Mission/22: Telegram

The Chargé in Nicaragua (Beaulac) to the Secretary of State

Managua, January 12, 1932—5 p. m. [Received 9:30 p. m.]

5. Department's 5, January 12, noon. Admiral Woodward and I conferred yesterday with the Brigade Commander and the Jefe director of the Guardia Nacional and arrived at the following unanimous recommendation:

That a minimum of 1,800 marines in addition to the number already in Nicaragua and to the number to be furnished by special service squadron (about 150) will be needed for protection purposes during the electoral period (about 5 months beginning June). If it should become practical to increase the Guardia Nacional beyond its present strength during the electoral period the number of additional marines mentioned above may be reduced by the total of such increase. It should be understood that the figures above set forth do not include electoral personnel.

It is evident that the Nicaraguan Government during the present year will be hard pressed to meet its existing financial obligations, including the cost of supervision.

I therefore recommend that the Department not request the Government of Nicaragua to make any large increase in the Guardia Nacional and that plans be made to furnish at least the 1,800 additional marines referred to above.

BEAULAC

817.00 Woodward Electoral Mission/24: Telegram

The Chargé in Nicaragua (Beaulac) to the Secretary of State

Managua, January 12, 1932—5 p. m. [Received 9:45 p. m.]

6. From Admiral Woodward.

"Was received by President Moncada on Sunday,³³ day of my arrival, and during call he personally assured me of his full cooperation during coming presidential elections. Subsequently have exchanged visits with principal leaders of Liberal and Conservative parties with apparently very satisfactory reaction. Reception given my honor by President yesterday was attended by large number including Conservative leaders.

Conferred yesterday with Mr. Beaulac, Brigade Commander and director of the Guardia Nacional regarding question of security during electoral period (about 5 months beginning June) and came to unanimous decision to recommend minimum increase of 1800 marines over and above those already here and the 150 to be furnished by special service squadron. Should Guardia Nacional be increased, however, amount of such increase may be deducted from the 1800 mentioned.

Have this date received notification from Supreme Court of Justice that I have been appointed President of the National Board of Elections vice Dr. Aguado, resigned, such resignation to be effective upon my assuming office on return to Nicaragua.

Am departing tomorrow morning for Panama on marine transport plane. Will forward detailed report of activities since leaving Wash-

ington by air mail prior to departure from Panama on 14th."

BEAULAC

817.00 Woodward Electoral Mission/22: Telegram

The Acting Secretary of State to the Chargé in Nicaragua (Beaulac)

Washington, January 23, 1932-4 p.m.

8. Your 5, January 12, 5 p. m. The Department has been giving careful consideration to your recommendations in regard to protection for the Electoral Mission. In connection with this matter certain considerations must be borne in mind as follows:

The maintenance of peace and order during the elections is the direct obligation of the Nicaraguan Government and the responsibility therefor rests upon the Guardia Nacional. At the conference held in the State Department in February, 1931 34 in connection with the Nicaraguan situation, General McDougal, the Commander of the

³³ January 10.

³⁴ See memorandum by the Secretary of State, February 5, 1931, Foreign Relations, 1931, vol. II, p. 841.

Guardia, informed the Secretary of State that the contemplated addition of 500 men to the Guardia, making a total force of 2150 men, would be sufficient not only to replace the marines who were then guarding American lives and property at Matagalpa and stationed for moral effect in the Segovias, but also vigorously to prosecute the campaign against the bandits. The Guardia was in fact augmented by 500 men, the marine forces were withdrawn from the bandit areas and the Guardia assumed the sole responsibility for the maintenance of law and order in the country. During the recent outbreak of banditry the Guardia, judging from reports received, handled the situation admirably, assumed a vigorous offensive and succeeded in dispersing the bandits and driving them back into their accustomed haunts in the northern part of the country. The Department would, therefore, suppose that the Guardia is capable of dealing with any bandit situation which may develop during the elections.

There will of course also arise the problem of furnishing guards for the electoral mesas. This is also a necessary and proper function of the Guardia. Is there any reason to believe that the Guardia will be unable to furnish the personnel for this purpose? Have you given consideration to the question of using the municipal guards to assist the regular Guardia in this matter? The letter of the Secretary of State to President Moncada dated November 24, 1930,35 agreed to the organization by President Moncada of these municipal guards for the purpose of freeing the regular Guardia for patrol and combat activities in other parts of the country, and the statement of policy regarding Nicaragua drawn up in the State Department in February, 1931, pointed out that President Moncada should lose no time in organizing the municipal guards as rapidly as possible. Please report what progress has been made in the organization of this force and what its numbers are today.

In any consideration given to this matter it must be borne in mind that the United States Government would be extremely reluctant even to consider sending any more of its armed forces to Nicaragua. The recommendation has been made by Colonel Price that a numerous personnel, approximately 1000 men, will be required for the work of the Electoral Mission proper. It is, therefore, the earnest hope of this Government that it will not be necessary to send any additional armed forces for purposes of protection.

As has been stated above, the responsibility for maintaining law and order and furnishing guards for the electoral *mesas* during the elections rests on the Guardia, and if the Guardia is not now able to handle the situation immediate steps should be taken by the Com-

²⁵ Foreign Relations, 1930, vol. III, p. 683.

mander thereof to see that it is able to do so well in advance of the elections. As has also been stated, the Guardia Municipal should be temporarily expanded and utilized to assist the regular Guardia during this period.

The Secretary of State in his letter to President Moncada of November 24, 1930, notified the latter that the time was rapidly approaching when the marines must be taken out of Nicaragua, and that the very latest time must be after the elections of 1932. In the statement of policy of last February it was said that the feeling in the United States as represented in Congress and by the public in general was growing stronger all the time that these steps were necessary and that the United States Government must not be drawn into the position of policing Nicaragua indefinitely. It is felt that for the United States to send to Nicaragua at this time, in addition to the personnel of the Electoral Mission proper, a large armed force for protection purposes, might be considered as inconsistent with the foregoing policy and would be difficult for public opinion in this country to understand. Furthermore, it was the Department's understanding at the time of the February conference that with the augmented Guardia and the organization of the Municipal Guards adequate protection for the personnel of the 1932 elections could be provided without the necessity of sending additional forces to Nicaragua.

The Department desires you to confer again with the Commander of the Second Brigade and the Commander of the Guardia and after giving careful consideration to the foregoing and canvassing the whole situation thoroughly, again report further to the Department.

CASTLE

817.00 Woodward Electoral Mission/33: Telegram

The Chargé in Nicaragua (Beaulac) to the Secretary of State

Managua, January 28, 1932—9 a. m. [Received 8:35 p. m.]

15. Department's 8, January 24, 10 a. m. [23, 4 p. m.] I have again conferred with the Commander, Second Brigade and the Commander of the Guardia Nacional and after thoroughly considering the situation in the light of the Department's telegram referred to we have found ourselves unable to recommend that any lesser force of marines than that mentioned in my telegram 5 of January 12, 5 p. m., be sent to Nicaragua for the purpose of protecting the electoral personnel to be engaged in the supervision of approaching presidential elections here.

It is fully realized that the responsibility of maintaining peace and order in Nicaragua rests upon the Guardia Nacional, and under normal circumstances the Guardia is able to fulfill its mission satisfactorily. However, the presence in Nicaragua of an electoral mission creates an extraordinary situation involving the security of the mission itself which is beyond the ability of the Guardia, with its limited numbers, to cope with.

There are throughout Nicaragua many persons definitely hostile to American electoral supervision, particularly in the areas where banditry exists. Sandino himself has announced his intention to oppose the supervision. During the electoral supervision of 1928 there were a total of 431 polling places scattered throughout the Republic, at all of which supervisory personnel were placed. It is presumed that the number of polling places this year will not be appreciably less. At most of these places no Guardia are normally stationed. Under the circumstances, unless special protection is given to the electoral personnel detailed to serve in isolated or exposed places, their lives will be placed in grave danger and the very success of the supervision will be jeopardized.

Even where banditry does not exist the problem of protecting electoral personnel will arise by reason of the depth of feeling which will surely be manifested between the two parties during the approaching elections. The announcement of the withdrawal of the marines following the elections has given an added importance to the result of those elections and it can be anticipated that feeling will be higher than in 1928 when the country looked forward to a second supervision.

During the supervision of 1928 a total of 4,276 marines were used directly or indirectly as electoral guards. There were at that time in addition 1,834 Guardia doing police work throughout the country.

The Commander of the Second Brigade and the Commander of the Guardia Nacional are of the opinion that conditions, insofar as they affect the security of the electoral supervisors, have not changed since 1928.

The Guardia Nacional consists at the present time of 204 officers and 2,150 men. In addition there is a total of 246 municipal police maintained by the various municipalities throughout the country. General Matthews is of the opinion that this latter number represents all the police that the municipalities can afford to maintain with their very limited revenues. Furthermore, the raising of these municipal police has not released an appreciable number of Guardia Nacional since there was not a great number of Guardia Nacional stationed in the towns where these police have been furnished.

The Commander of the Guardia Nacional estimates that to require the Guardia to assume the task of furnishing guards to all the widely scattered groups of supervisors would necessitate the withdrawal of about 60 percent of the Guardia now engaged in active patrolling, and that their removal from this active combat mission and assignment to local guard duties would be followed immediately by renewal of organized bandit operations which might easily defeat the supervision.

The Department is probably correct in supposing that the Guardia is capable of dealing with any bandit situation which may develop during the elections in the sense that the Guardia, if its active forces are not depleted in order to protect electoral personnel, can probably meet successfully any organized bandit activity which is likely to arise during that period. With its present number, however, it is not in a position to undertake the protection of some 1,000 persons on electoral duty scattered in tiny groups throughout the Republic.

The Department's reluctance to send any more armed forces to Nicaragua is thoroughly appreciated. However, it would appear that at least 1,000 armed men must be sent for purely supervisory purposes. Since the Department has already committed itself to send such armed forces, it is suggested that any anticipated criticism of sending additional forces might be forestalled by designating all the armed forces to be sent, including those needed for protection, as supervisory forces. Whether such forces consist of 1,000 or 3,000 men would appear to be of comparative unimportance once the Department has committed itself to sending any armed forces for the purpose of the supervision. Furthermore, it is believed that the risk of incurring severe public criticism would be greatly increased if adequate guards were not furnished and if, as a result, casualties to the electoral personnel occurred, and the electoral supervision, constituting our final act of cooperation prior to evacuation of all the marines from Nicaragua, failed.

BEAULAC

817.00 Woodward Electoral Mission/44

The Assistant Secretary of State (White) to the Chargé in Nicaragua (Beaulac)

Washington, March 30, 1932.

DEAR WILLARD: I am enclosing for your information certain papers in regard to a revised plan for supervision of the Nicaraguan elections which we have been considering. I want to give you in this letter the background of this revised plan.

About the first of March Secretary Adams of the Navy handed Mr. Stimson at cabinet meeting a letter ³⁶ regarding the personnel plans for the electoral mission and the forces needed for protective purposes. This letter stated that the personnel plan for the Electoral Mission as prepared by Colonel Price called for 48 officers and 1045 enlisted men, plus medical personnel, making a total of 1115 in the mission. As regards the protective forces, Mr. Adams' letter recalled the recommendations made by the Director of the Guardia, the Commander of the Second Brigade and the Commander Special Service Squadron that in addition to the present strength of the Guardia and the Second Brigade a minimum of 1800 marines, plus 150 from the Special Service Squadron together with officers and medical personnel, or a total of 2063, should be sent. This would mean, therefore, sending to Nicaragua a grand total of 3178 naval personnel to supplement the approximate 1000 now in Nicaragua. According to Mr. Adams this would involve an expense to the United States over and above the pay of personnel and the current operating costs, of about three-quarters of a million dollars. When Secretary Adams discussed this letter with Mr. Stimson at the cabinet meeting there was considerable adverse criticism of the plan to send so many additional Navy personnel to Nicaragua. The Navy Department's budget for the fiscal year 1933 does not contain any provision for this extraordinary expense and it would be necessary either to go to Congress for an appropriation or else to obtain the approval of the President to incur a deficiency. As a matter of fact, neither course seems to hold any possibility of success. There is an urgent demand by Congress that the Government cut its expenditures drastically, and as a practical matter it seems impossible to obtain approval for the expenditure of three-quarters of a million dollars for sending this large additional force to Nicaragua. These reasons of a financial nature are entirely apart from those of policy which argue against sending so many of our armed forces to Nicaragua when we have announced that we shall withdraw completely after the elections.

In view of this situation we wrote the Navy Department on March 9, 1932,³⁷ asking them whether they could not examine the matter again and see whether they would be able to devise means by which the safety of the Electoral Mission could be taken care of without sending the additional protective forces. A copy of this letter is enclosed for your information. We then considered the matter in this Department from all angles, and Mr. Hanna drew up a revised plan for supervising the elections, a copy of which is transmitted herewith.

⁸⁶ Not printed.

⁸⁷ Letter not printed.

This plan in brief was based on the principle of having American personnel in the Electoral Mission function in the peaceful areas of the country and in only such places in the more exposed regions where they could be afforded ample protection by the Guardia Nacional. In order to carry out this principle, Nicaraguans would be selected and trained to perfrom the work of supervision at the mesas, that is, to be chairmen of these mesas; a system of "visiting inspectors" would check up on the efficiency and honesty of their performance. Furthermore, a non-partisan Nicaraguan Guardia Civil would be created to assist in affording protection during the registration and voting. These proposals would in the first place reduce the United States personnel estimated for the work of electoral supervision, and in the second place would eliminate the necessity for the additional armed forces which had been estimated for protection.

The foregoing plan was discussed at a conference in this Department on March 15, attended by General Fuller, Commandant of the Marine Corps, Captain Johnson, who supervised the 1930 elections, Commander Lammers of the Bureau of Operations of the Navy, and Colonel Price, and on our side by Hanna, Wilson, Duggan and myself. We reached an agreement at that conference that ways and means should be considered to reduce the estimated number of personnel to be sent to Nicaragua and that the plan drawn up by Mr. Hanna should be used as a basis for study. Colonel Price was requested to prepare a memorandum as to the personnel which would be required to carry out a satisfactory supervision on the basis of the revised plan.

A copy of Colonel Price's memorandum, marked plan "B", is enclosed herewith.³⁸ This memorandum proceeds on the basis that American presidents shall be appointed for the most important mesas of the greatest voting strength and so located that the normal disposition of the available police force will afford them adequate protection. Other mesas are to be manned entirely by Nicaraguan personnel and the "visiting inspectors" will check them up. This personnel plan of Colonel Price calls for an American personnel, officers and enlisted men, of 643, or a net reduction from the original estimate of 472. As it is drawn up on the principle of keeping the American personnel out of any place where they would not be afforded adequate protection by the Nicaraguan police forces, it would seem that the necessity for additional forces for protection purposes would thereby be eliminated.

On March 28 we had a second conference with the same people

¹⁸ Not printed; for substance of plans A, B, and C, see memorandum by the Division of Latin American Affairs, April 29, p. 799.

who attended the March 15 conference, in order to consider Colonel Price's revised personnel plan. It was agreed that the Navy would send this plan "B" to Admiral Smith, General Matthews and the Commander of the Second Brigade, asking for a report on the question of protection in relation to the American personnel to be employed under this revised plan. You will doubtless be consulted and I therefore wanted you to have the background of this question. We hope it may prove possible, in the judgment of those on the ground, to carry out a supervision such as that outlined in plan "B" without the necessity of sending further forces for protection purposes, other than the Marines now stationed in Managua and those available from the Special Service Squadron. Please let us have your views after you have considered the matter thoroughly.

Needless to say this plan "B" is strictly confidential and is not to be mentioned in any way to the Nicaraguans at this time. In any case, it is for us to determine what plan of supervision we think will provide a reasonably fair and free election, and I see no reason to discuss the matter with the Nicaraguan Government. So long as we give them a fair election, that is their only concern. Of course we shall have to see later that necessary amendments to the electoral law are adopted to permit the functioning of plan "B". Colonel Price is now engaged in drawing up these amendments. If, after receiving the report from Managua regarding the protection question, it appears advisable to go ahead with this plan "B" we shall then forward to the Legation the proposed amendments of the electoral law for the Legation's consideration.

Yours, very sincerely,

Francis White

817.00 Woodward Electoral Mission/62

The Chargé in Nicaragua (Beaulac) to the Assistant Secretary of State (White)

Managua, April 12, 1932. [Received May 5.]

Dear Francis: I have received your letter of March 30, regarding Mr. Hanna's plan for electoral supervision with reduced personnel. My concurrence in the estimate of the military on the ground here that a minimum of 1800 men would be needed to protect the Electoral Mission was based on the assumption that the supervision would be on the line of that conducted in 1928, and indeed Colonel Price's plan contemplated that it would be. I do not see how that kind of

supervision would have been possible without large numbers of protective personnel.

Mr. Hanna's plan, however, makes it possible for us not only to forego sending a large number of electoral guards but to reduce the number of American electoral personnel. The plan seems entirely practical and even superior to the original plan, for the reasons outlined by Mr. Hanna. Admiral Woodward may be a little disappointed at first, but I am sure that when he thinks it over he will see the advantages of the plan and will be enthusiastic over it. The question of expense is already being raised here by persons who would be glad if there were no supervision. Mr. Hanna's plan largely destroys that objection.

Sincerely yours,

WILLARD L. BEAULAC

817.00 Woodward Electoral Mission/56

The Minister in Nicaragua (Hanna) to the Chief of the Division of Latin American Affairs (Wilson)

Managua, April 19, 1932. [Received April 26.]

DEAR ED: I am sending in the air mail today Confidential Despatch No. 753 of April 18, 1932,³⁹ enclosing the modified plan for the protection of the Electoral Mission as forwarded to the Navy Department by Admiral Smith.

When I passed through Panama, Admiral Smith received instructions from the Navy Department to come to Managua, if he saw fit, for a conference in an effort to arrive at some arrangement which would obviate the sending of Marine reinforcements which he had previously recommended. Consequently, the conferences we have had here in the last day or so, have been for the purpose of enabling Admiral Smith to reply to the Navy Department, and I have thought it desirable that the changes recommended should reach the Department of State from the Navy Department. The modification of plan "B" is, therefore, the recommendation of Admiral Smith and his colleagues here, and I wanted the record clear in that respect. I am in complete accord, however, with the recommendation, and this was stated in Admiral Smith's telegram to the Navy Department.

The guiding principle in formulating the revised plan was that Americans should not be used in places of danger and that therefore no additional forces would be needed for their protection. You will

^{*} Not printed.

note that there has been an increase in the number of mesas to be under the supervision of Nicaraguans, but it was deemed here that there could be no valid objection to making this increase as it was merely an extension of the principle already adopted in plan "B".

Very sincerely yours,

MATTHEW E. HANNA

817.00 Woodward Electoral Mission/571

Memorandum by the Division of Latin American Affairs

[Washington,] April 29, 1932.

PLAN "A"

This contemplated supervision on the same basis as the 1928 and 1930 elections, with American chairmen at every electoral mesa. It called for an electoral personnel of 1115 and 1800 additional marines for protective purposes. Cost to this Government estimated at \$750,000.

PLAN "B"

This provided for a modified form of supervision under which Nicaraguans would be chairmen of the electoral booths in the bandit areas, that is, in 178 out of the 432 booths or about 42% of the total number of booths. The registered voters who would vote in these mesas are approximately 35% of the total voters. This plan provided for a system of American inspectors who would visit the booths under Nicaraguan chairmen and check and control their activities. Originally it was planned that the American inspectors would be protected by patrols of Nicaraguan National Guards, but Admiral Smith has recommended that United States marines be used to augment this protection. Under Plan "B" 643 electoral personnel would be required and 718 additional marines for protective purposes. Cost to the United States \$500,000.

PLAN "C"

This provides for a further modification of the supervision in that the American inspectors are eliminated. This would leave 178 electoral booths under Nicaraguan chairmen with little, if any, direct control from the American mission, although of course in the last analysis the American chairman of the National Electoral Board would have the power to order an investigation of frauds, re-count, etc. This plan would call for an American electoral personnel of 643 and for no additional protective forces. Cost to the United States \$200,000.

817.00 Woodward Electoral Mission/53a: Telegram

The Acting Secretary of State to the Minister in Nicaragua (Hanna)

Washington, April 29, 1932—6 p. m.

42. Admiral Woodward as head of the Electoral Mission desires to commission Perales as legal adviser, and inquires in this connection whether assurances have yet been obtained from the Nicaraguan Government that the sum of \$104,000, estimated as Nicaragua's share of the electoral expenses, will be made available, and that the first installment of \$25,000 will be deposited in the National Bank of Nicaragua to the order of the finance officer of the Mission on June 1.

CASTLE

817.00 Woodward Electoral Mission/57: Telegram

The Minister in Nicaragua (Hanna) to the Secretary of State

Managua, April 30, 1932—3 p. m. [Received 9:48 p. m.]

69. Department's telegram No. 42, April 29, 6 p. m. I have not yet discussed the subject of electoral expense with this Government and there are reasons why doing so at this time is inadvisable.

President Moncada's insistence on a total reform of the Constitution,⁴⁰ however, is attributed by some informed Nicaraguans to his belief that [if?] a Constituent Assembly should be [called?] in the present year the United States would not supervise the November elections. One of the pre-convention candidates of the Liberal Party for the presidency told me this morning that the conviction is growing that President Moncada hopes to attain his end by creating a situation such that the United States will not supervise the elections.

I have had two long conversations with President Moncada since my return, in which I gave him ample opportunity to discuss the supervision but he avoided the subject and seemingly his evasion of it was intentional. Because of the nature of the political controversy raging here I have not thought it advisable to initiate and press the subject, pending a more favorable atmosphere, which may be created in the near future.

The President's recent message, submitting the subject of constitutional reform to Congress has aroused bitter controversy, but my information is that the President is decidedly in the minority in this matter and may be compelled to abandon the subject within a reasonable time.

[&]quot; See pp. 766 ff.

My attitude is that the supervision will be made unless the President should by chance succeed in his plans for a Constituent Assembly and that this Government, in requesting the supervision, has of course committed itself to bearing its portion of the expense. The supervisions of 1928 and 1930 furnished this Government with a basis to estimate what that expense will be, and I assumed that the Department's estimate for this year is proportionately less than for the other two supervisions. I consider the commitment of this Government in this matter of expense to be a fact and I anticipate no insuperable difficulty in obtaining the funds as they are needed, presumably at the rate of approximately \$15,000 per month over period of 7 months.

I have reason to fear that a discussion of this subject with President Moncada at this time might inject a new element into the political discussion which would not be unwelcome to the President and his supporters, in that it might furnish him with a useful argument against the supervision.

For the foregoing reasons I believe it desirable to delay discussion of the subject until a more favorable opportunity and preferably to treat it as a subject requiring no discussion unless the matter is brought up by this Government. I would appreciate the Department's further instructions.

HANNA

817.00 Woodward Electoral Mission/63: Telegram

The Acting Secretary of State to the Minister in Nicaragua (Hanna)

Washington, May 7, 1932—noon.

44. Your 69, April 30, 3 p. m. You are on the ground and the Department will accept your judgment as to the best way to handle this matter. Admiral Woodward, however, has requested particularly that when you do take this question up with the Nicaraguan Government the funds should be deposited as follows: \$25,000 on June 1, \$25,000 on July 1, \$25,000 on August 1, \$25,000 on September 1, and the balance on October 1. The Admiral believes that only by such a provision clearly agreed to beforehand can he be relieved of the continuous uncertainty concerning the availability of funds which was so troublesome to Captain Johnson.

CASTLE

817.00 Woodward Electoral Mission/70c : Telegram

The Secretary of State to the Minister in Nicaragua (Hanna)

Washington, May 24, 1932-6 p. m.

49. Department has received from Nicaraguan Chargé d'Affaires a note ⁴¹ transcribing a telegram from President Moncada on May 17th, giving the text of a note sent under his instructions by Minister for Foreign Affairs to you, setting forth the difficulty of Nicaragua in meeting the electoral expenses and implying a moral obligation on the part of the United States to help out in this matter.

Under the original understanding made by me in 1927 for the supervision of the 1928 elections, the expenses were to be paid by the Nicaraguan Government. Whatever contributions this Government made in 1928 and 1930 towards meeting the electoral expenditures were made purely voluntarily to assist Nicaragua in a situation where she was then unable to pay for herself. The situation this year makes it impossible for us to contribute anything like the amount we have contributed in the past. This letter of President Moncada's indicates that he does not intend to contribute even what he contributed in the past. We can not go forward with preparations for the elections without knowing whether the expenses will be paid by Nicaragua, and I therefore desire you to call on President Moncada at once and find out exactly what his position is and whether he will definitely undertake to contribute on the dates requested the funds called for by Admiral Woodward in the Department's telegram No. 44 of May 7, noon.

It is necessary for me to go before Congress to get the funds required for our part in the elections. Under present economic conditions I have very little hope at best that Congress will appropriate these funds. I want to know immediately President Moncada's position in order to know whether we have any basis for asking for this money. If Nicaragua will not put up the small amount asked of her, certainly I have no grounds for asking our Congress to make funds available to us. If Moncada, as indicated by his letter, is not going to pay, I should rather have a refusal now in order that we can call the whole thing off at once and get the Marines out of Nicaragua. The purpose of this is to get an unequivocal answer—yes or no—as I have to go before a Congressional Committee in the next day or two.

STIMSON

⁴¹ Note No. 361, May 19, 1932; not printed.

\$17.00 Woodward Electoral Mission/801

The Chairman of the United States Electoral Mission to Nicaragua (Woodward) to the Secretary of State

[Washington,] May 25, 1932.

MY DEAR MR. SECRETARY: Pursuant to my conference with you yesterday, I feel that, before leaving Washington, I should confirm to you my understanding of the plan to be followed in supervising the Nicaraguan elections this year, and the questions with respect to the possible effects of pursuing this plan.

It is my understanding that the American electoral personnel are to be employed only in the places where adequate security can be afforded, either by the Nicaraguan National Guard or by the units of the Second Brigade which may be stationed at various points in Nicaragua for this purpose; that the mesas at all other places will be under direct control of Nicaraguan citizens acting as electoral officials; that American personnel will not be required to perform any function whatsoever, either as chairman of mesas, or as supervisors, or for protective purposes in areas other than the immediate vicinity of the mesa under direct American supervision; and that American electoral personnel will not be sent into other areas for inspection, investigation, or for any other purposes.

It is understood clearly by the Department of State that I personally consider that the procedure proposed in Plan "B" under which there was to be some degree of American supervision over all mesas, constitutes the minimum plan with which the necessary control can be exercised over the registration and the voting to insure a free, fair and legal election. The personnel for the electoral mission as set down in Plan "B" included forty-eight officers and five hundred and ninety-six men plus the number of troops, in addition to those now in Nicaragua, recommended by the Commander Special Service Squadron for protective forces to support that plan, eight hundred and fourteen officers and men.

Notwithstanding my recommendation to that effect, the Department of State, for reasons which it considers cogent and compelling, has decided that this task shall be undertaken with a force less than that stated in order to obviate the necessity for dispatching additional protective troops to Nicaragua and to reduce the item of extraordinary expense incident to the supervision to a figure not exceeding \$200,000.00.

It is understood that the means thus placed at my command will control positively only about fifty per cent of the voting precincts and only about fifty-three per cent of the estimated vote, though the number of electoral personnel being taken to Nicaragua will be sufficient to increase the number of *mesas* under American supervision in case local conditions at the time should warrant. On the other hand, it is also possible that disturbances in that country may necessitate a reduction in the number of such *mesas*.

There are two questions with regard to the possible effect of extending only partial American supervision over the elections this year. The first is whether, under the plan now adopted, the United States Government will be fulfilling its commitment. The second question is with respect to the manner in which I am to discharge my responsibilities to the Nicaraguan Government.

From a study of the documents relating to this undertaking by the United States Government, it appears to me that under the plan now adopted this Government may be subjected to criticism and protest as not completely fulfilling the obligation which it assumed to guarantee a free, fair, and impartial election, and one not open to fraud or intimidation. On this point, however, although I feel I should make this view clear to you, I also feel that the question involved is one entirely within your responsibility, and I understand your view that the United States is obligated to carry through this project by such means as may be practicable regardless of the fact that the result may prove unsatisfactory both to the State Department and to the Nicaraguan people.

The second question is one which concerns my own responsibility. The Nicaraguan electoral law requires me to certify to the Nicaraguan Congress the results of the elections, and such action on my part would seem to be in any case an inherent part of my duties as President of the Nicaraguan National Board of Elections as it would appear that the electoral mission will have performed no useful service unless it is prepared to make such certificate. It is not yet clear to me how I will be able to adjudicate the questions which might arise at the mesas which are not to be supervised or visited by American personnel. A clarification of this point appears necessary in order to carry out the electoral plan.

With the hope that the Department of State may be able to suggest a satisfactory solution to this last question, permit me to express my readiness to carry out zealously and loyally the plan now adopted.

Very respectfully,

C. H. WOODWARD

817.00 Woodward Electoral Mission/73: Telegram

The Minister in Nicaragua (Hanna) to the Secretary of State

Managua [undated.] [Received May 25, 1932—11:22 p. m.]

79. Department's telegram No. 49, May 24, 6 p. m. I saw President Moncada this afternoon at Masatepe Lagoon. The Minister for Foreign Affairs was also present. The President assures me emphatically that he will make available \$25,000 per month for the electoral supervision for the months of June, July, August and September and the balance of \$4,000 in October. The purpose of the President's note was to set forth the serious state of this Government's finances and the grave difficulty it will encounter in meeting other absolutely necessary expenditures during the period of the elections, and to solicit the aid of the Department in any form that the Department may see fit to cooperate in this emergency, which solicitation he now repeats.

The Minister for Foreign Affairs read the foregoing paragraph in English to the President who then authorized me to transmit it to you.

HANNA

817.00 Woodward Electoral Mission/73: Telegram

The Acting Secretary of State to the Minister in Nicaragua (Hanna)

Washington, May 28, 1932—11 a.m.

51. Your 79, undated. For your confidential information, satisfactory arrangements are being made at this end to cover that part of the expenses to be borne by the United States. Plan "C" has been adopted as the basis for supervision and in accordance therewith arrangements are being made to send to Nicaragua an Electoral Mission of approximately 640. There will be no additional protection troops.

Colonel Price leaves Washington for Managua May 30 by Marine Corps plane. He carries an instruction to you concerning the amendments to the electoral law.

Admiral Woodward, accompanied by Mrs. Woodward, sails from Los Angeles June 9 by steamship Santa Cecelia, due Corinto June 19.

CASTLE

817.00 Woodward Electoral Mission/91

The Minister in Nicaragua (Hanna) to the Secretary of State

Managua, June 21, 1932—11 a. m. [Received 2:45 p. m.]

97. Admiral Woodward arrived here yesterday accompanied by Mrs. Woodward.

HANNA

817.00 Woodward Electoral Mission/92a: Telegram

The Secretary of State to the Minister in Nicaragua (Hanna)

Washington, June 21, 1932—2 p. m.

57. For your strictly confidential information and that of Admiral Woodward. Action taken by the Senate on the Navy appropriation bill makes it impossible to send additional marines to Nicaragua to supervise the elections, with the possible exception of a very minimum number of key men who could be sent before July 1. It will, therefore, be necessary to carry out the supervision with the marines now in Nicaragua and those from the Special Service Squadron. The Navy had estimated the cost for such expense items as transportation within Nicaragua and commutation for the 643 electoral personnel originally contemplated at \$80,000. It is believed that, inasmuch as the electoral personnel will now be reduced below 643, these costs may also be less than \$80,000.

To meet these costs it will be necessary to utilize the entire amount of \$150,000 (and possibly somewhat more) which it is understood the Nicaraguan Government will be prepared to put up from the proceeds of the 1,500,000 cordoba issue which will be received from the National Bank. Assuming that in line with our original estimates the so-called Nicaraguan share of the expenses will be approximately \$100,000, there would, therefore, be \$50,000 available from Nicaraguan funds to meet the costs of transportation within Nicaragua and commutation for the reduced electoral personnel, plus the \$10,000 which was made available to Admiral Woodward before he left Washington. The balance, if any, of these costs will have to be met by Nicaragua. Please cable revised estimates of electoral mission based on above.

Information regarding loan project will be sent to you shortly by air mail.

STIMSON

817.00 Woodward Electoral Mission/93: Telegram

The Minister in Nicaragua (Hanna) to the Secretary of State

Managua, June 23, 1932—noon. [Received 9:54 p. m.]

98. Admiral Woodward took oath of office as President of the National Board of Elections before the Supreme Court of Justice at 11:30 this morning.

HANNA

817.00 Woodward Electoral Mission/98a: Telegram

The Secretary of State to the Minister in Nicaragua (Hanna)

Washington, June 23, 1932—5 p. m.

60. Personal for Admiral Woodward from the Secretary. I want you to know that we appreciate the difficulties which you may have to face in carrying out the supervision with a possibly reduced and less selective personnel. We made every effort we could to see that you were furnished with the full complement of personnel contemplated by the plan for electoral supervision discussed with you on your last visit to the Department, but circumstances beyond our control have made this impossible. However, I have every confidence that you are going to do an admirable piece of work and give the Nicaraguans a highly satisfactory supervision. You may be assured that we are doing and shall do everything we can to give you full support.

STIMSON

817.00 Woodward Electoral Mission/99: Telegram

The Minister in Nicaragua (Hanna) to the Secretary of State

Managua, June 24, 1932-3 p. m. [Received 9:18 p. m.]

105. Department's telegram No. 57, June 21, 2 p. m. Admiral Woodward informs me that he has made a thorough study of the situation and submits the following revised estimate:

"If such personnel as now en route and order is increased by marine personnel from Special Service Squadron (approximately 4 officers and 150 men) plus 60 enlisted marine personnel from coco stockade [Coco Solo?], the Electoral Mission can approximately execute plan 'C' as regards electoral supervision, but with material reduction in security. Such reduction of security will result in further reduction of polling places under American control and consequent degree of supervision below the approximate 50 percent contemplated under

plan 'C'. Security forces and electoral personnel will have to be balanced as conditions and unforeseen changes in situation demand

at time of registration and election.

With regard to the cost and money available for such, if \$150,000 is obtained from the Nicaraguan Government this amount plus the money from the State Department will be approximately sufficient to cover the expenses within Nicaragua (transportation, commutation, et cetera) by reducing the per diem for enlisted personnel from \$3.10 to \$2.50 and by possible savings in items.

In view of the indefiniteness of so many uncertain factors bearing on this situation it must be understood that the Electoral Mission reserves the right to make further call upon the Nicaraguan Government in excess of \$150,000 as noted in the State Department's telegram if it should finally prove that with our best efforts for econom-

ical administration this amount is not sufficient.["]

HANNA

817.00 Woodward Electoral Mission/107: Telegram

The Minister in Nicaragua (Hanna) to the Secretary of State

Managua, June 28, 1932—noon. [Received 10:04 p. m.]

107. Your 60, June 23, 5 p. m. Admiral Woodward transmits the following personal telegram to the Secretary of State:

"I acknowledge with thanks your very courageous [courteous?] message of the 23rd instant which came through the American Legation and appreciate the confidence you have expressed in my work. I realize of course the many obstacles encountered which made it impossible to furnish me with the proper personnel for electoral and security purposes. Nevertheless I shall endeavor to carry out zealously and loyally and to a successful end the plan finally adopted, looking to the State Department for such support as may be needed from time to time."

HANNA

817.00 Woodward Electoral Mission/123: Telegram

The Minister in Nicaragua (Hanna) to the Secretary of State

Managua, July 15, 1932—9 a. m. [Received 11:35 p. m.]

124. My telegram No. 79, May 25, 9 p. m. 42 In view of President Moncada's emphatic assurance given to me on May 25 that he would make available \$25,000 per month for the electoral supervision for the months of June, July, August and September, with the specific

⁴ Ante, p. 805.

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understanding that his assurance was not contingent upon a loan to this Government or any other factor which might improve the Government's financial status, I made no further representation in the matter until June 15 when, in view of the Government's failure to provide the June allotment of \$25,000, I transmitted to President Moncada a letter signed by Admiral Woodward requesting that this allotment be placed to his credit in the National Bank of Nicaragua. Having received no reply from President Moncada I called upon him on July 2 and requested that the June allotment be made available at once. He set forth again the financial difficulties of his Government but gave me his word that the June allotment would be provided immediately after July 4. On July 8 the Minister for Foreign Affairs called upon me and expressed the President's regret that he had not kept his word in the matter but would give the electoral mission \$5,000 that same day. He told me that the Government would take that sum from the \$10,000 it had just received from the West India Oil Company as first payment on the purchase price of the oil tank at Corinto. I conferred with Admiral Woodward who told me that he must have at least \$15,000 to meet obligations due, and prospective. I communicated this information to General Somoza immediately and he said he would confer at once with the President. The Minister for Foreign Affairs called upon me at noon time the following day, it being Saturday and all offices closed in the afternoon, and stated that unexpected demands made upon the Government had compelled the President to expend his available funds and that consequently there were no funds for the Electoral Mission. President Moncada had previously left Managua for his country residence. I endeavored to make clear to the Minister for Foreign Affairs worries created by the President's failure to furnish funds for the Mission and he volunteered to see the President over the week-end and present my views of the matter. I gave him a letter to deliver to the President in which I urged the President to give the subject his immediate and serious consideration.

On July 11 the Minister for Foreign Affairs gave the Electoral Mission \$10,000 that he obtained that day from the West India Oil Company as a second payment for the Corinto tank. The oil company made both payments in advance of congressional approval of the contract of sale with the expectations that the contract would be approved July 12. The contract has not yet been approved. I told the Minister for Foreign Affairs on July 11 that the foregoing, in acknowledgment of this matter, would be laid before the Department of State if the balance of the June quota was not made available in

the next day or so. This has not been done and I have had no further communication from this Government on the subject.

The Electoral Mission will need additional funds by July 20. Lindberg has approximately 25,000 cordobas on hand as collections for July and his total collections for July will be from 80,000 to 100,000 cordobas. He customarily delivers this at the end of each month and it is applied almost exclusively to the Guardia for the following month. The Guardia has received its entire allotment for July. Lindberg is informed that internal revenues for the month will be approximately 40,000 cordobas, that is about one half the usual revenue from this source. The only practical solution that I can see is for the fiscal agents to make further advances on the existing million dollar loan to meet the needs of the Electoral Mission until the new loan can be approved or some other provision made. The effect this procedure would have on the new loan would be to increase the sums owed to the fiscal agent by the Republic mentioned in article 4 (c) (1) of the proposed fiscal agency agreement.

HANNA

817.00 Woodward Electoral Mission/124: Telegram

The Minister in Nicaragua (Hanna) to the Secretary of State

Managua, July 16, 1932—4 p. m. [Received 11:45 p. m.]

129. Legation's telegram 124, July 15, 9 a. m. Contract for sale of gasoline storage tank in Corinto to West India Oil Company was approved by Congress yesterday. Balance of sale price, approximately \$10,000, will probably be paid to Government sometime next week. I intend to discuss with President Moncada tomorrow the possibility of securing from this source additional funds urgently needed by the Electoral Mission.

HANNA

817.00 Woodward Electoral Mission/125: Telegram

The Minister in Nicaragua (Hanna) to the Secretary of State

Managua, July 18, 1932—1 p. m. [Received 11:35 p. m.]

132. From Admiral Woodward.

"I am sending this date to the Presidents of the 'Juntas Nacional Liberal', respectively, of Managua and Leon the following letters which are self-explanatory.

'Sir: Under date of July 7, 1932, I advised you by letter that the brief submitted by that faction of the Liberal Party which you rep-

resent has been received and was being given careful study and consideration by this mission in order to determine the relative legal merits of the points in controversy between the two factions of the party. At the same time I suggested that, in order to avoid the possibility of more than one candidate for each of the offices of supreme authorities of the republic being nominated in the name of the Liberal Party, it might be well for the representatives of the so-called Leon and Managua factions of said party to meet together during the period July 7 to 12 with the view of reaching an accord satisfactory to the party as a whole. I am now informed by the representatives of both factions that the suggested meeting was held on July 11th and 12th, but somehow the results have failed of the object sought.

Your attention is invited to the fact that, declaration, supervision and conduct of the forthcoming national elections, the United States Electoral Mission must deal directly with the national governing bodies of the two historic parties, or such other parties as may be formed by petition in accordance with the Nicaraguan electoral law now in force, and to the further fact that the presentation and certification of party nominations to public office, as prescribed in the aforementioned electoral law, can be made only by that national governing body of the party concerned which is legally constituted in accordance with the statutes of said party. It is, therefore, of major importance to all concerned that the legality of the national governing body of every party be definitely established. Such is not the case at the present time with regard to the Liberal Party.

In view of the foregoing, it is my duty to inform you of the results of my study of the situation existing within the Liberal Party, as disclosed in the briefs submitted by the two opposing factions thereof

and other information available to this Mission.

Several assemblies of delegates have been held at Leon and Managua since November 1931, and an alleged party plebiscite was held on April 3rd last for the election of party authorities. The legality of these proceedings has been challenged by one or the other faction of the party with the result that there are now in existence two rival national governing bodies of the Liberal Party, to wit, the "Junta Directiva Nacional y Legal" elected at the above mentioned alleged party plebiscite, and the "Provisional Junta Directiva Nacional y Legal" appointed by the March convention of the Liberal Party at Leon to substitute for the then incumbent Junta pending trial of the five members there of whom this convention declared suspended from office.

After making a minute and complete analysis of the facts and party laws relating to this situation, I find, and so resolve, that neither of the foregoing Juntas at this time constitutes the legal governing bodies of Liberal Party according to its own statutes. Consequently, it is necessary that a lawful party plebiscite be held at the earliest practicable date in the election of party authorities. The exact date for this plebiscite should be set by the Comision General de Control Electoral as organized by the March 1, 1932, convention at Leon but, because of the short time remaining in which the provisions of the party statutes and of the electoral law can be

carried into effect, such date should be not later than August 7, 1932. Lastly, you are advised that the Junta Directiva Nacional y Legal which may be elected at the above mentioned plebiscite, in conformity with the statutes of said party, will be accorded full recognition by the United States Electoral Mission in Nicaragua as the legal national governing body of the Liberal Party.

An identical letter to the above is being forwarded at this time to (President of the Junta Nacional Liberal of the opposite faction) and copies are also being furnished to the members of the Comision General de Control Electoral as organized by the March, 1932, con-

vention at Leon.

With assurances of my high esteem, I am very respectfully, C. H. Woodward, Rear-Admiral, United States Navy, Chairman, United States Electoral Mission to Nicaragua.' (Signed) Woodward."

HANNA

817.00 Woodward Electoral Mission/131: Telegram

The Minister in Nicaragua (Hanna) to the Secretary of State

Managua, July 22, 1932—5 p. m. [Received July 23—6:29 p. m.]

136. My telegram 132, July 18, 1 p. m. President Moncada called me to his office yesterday morning and showed me the following telegram in translation which he sent to the Nicaraguan Legation in Washington:

"The seriousness of the decision of the Admiral does not lie entirely in the injury it causes to one political party but in the signature as chairman of the Electoral Mission and not of the National Board of Elections, the tribunal created by the Dodd-Matthews Cox and Johnson laws, exclusively designated by those laws to decide electoral questions of importance. There is unrest in the country because of this".

The President then objected to that portion of Admiral Woodward's decision in this matter which designated the Comision General de Control Electoral as organized by the March 1932 convention at Leon in connection with the plebiscite specified in the decision. The president expressed the opinion that the Commission of Electoral Control previously existing should have been designated. The President stated that the Commission organized in March does not include representatives of the faction of the party headed by Dr. Leonardo Arguello. The President's complaint reduced to its lowest terms seemed to be that the Electoral Mission in giving this decision prescribed a proclamation which will not insure a true expression of the desire of the Liberal Party in this matter but will work serious injustice to one important faction of the party, and that this is not

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in accord with the purpose of the Mission which is to insure justice during the steps of the electoral procedure.

The President also complained because Admiral Woodward had given his decision in this matter without consulting him as President of the Republic and securing his cooperation as contemplated in article 2 [20] of the electoral law.

I have shown the foregoing to Admiral Woodward and he has requested me to transmit the following:

"With regard to the complaint that the action taken by me in this case was executed in my capacity as 'Chairman of the Electoral Mission' and not 'of the National Board of Elections', this appears to be merely a quibble for in any case I am the final arbiter. One of the opposing factions requested my decision addressing me in my dual capacity as Chairman of the Electoral Mission and President of the National Board of Elections. I should be glad in my capacity as Chairman of the Electoral Mission, [sic] because the matter involved was of a preliminary nature to the actual work of conducting the elections, and related particularly to the functions of the Mission itself as contemplated in the Tipitapa Agreement. Unless the lawful governing body of the Liberal Party was definitely established well in advance of the time set by law for the submission of nominations to the National Board of Elections, this latter body would be severely handicapped and embarrassed in the performance of its functions at a time when there would be no opportunity to bring about a lawful party plebiscite for the elections of party authorities. The proper supervision of these national elections, whereby the will of the electors may be fairly expressed, necessitated the holding of a new plebiscite by the Liberal Party. Also, by acting in the name of the Electoral Mission I avoided committing the National Board of Elections to any decision and prevented the Conservative member thereof from engaging in a strictly Liberal Party dispute.

The Comision General Electoral organized by the March 1932 convention at Leon was designated by me as the body charged with the duty of conducting and supervising said plebiscite because this was strictly in accordance with the laws of the party and the existing facts. To have designated the Commission of Electoral Control previously existing would not have been in accordance with the law. If the Commission organized in March fails to include representatives of the faction of the party headed by Dr. Leonardo Arguello that is the fault of his faction which declined or failed to appoint representatives from the governing body of the party on said Commission when the opportunity existed. However the records show that there are five members on the Commission organized in March who were on the Commission of November and the Commission of February. Neither the Electoral Mission nor the National Board of Elections has authority to add any member to the General Electoral Commission of the Liberal Party as that can only be done by a convention or properly elected Junta. However, in accordance with the statutes of the Liberal Party each candidate has the right to nominate an observer at each voting place and also a representative in the Departmental electoral commissions and in the Comision General Electoral to be present at the counting of the votes and for other objects referred to in the party statutes, and the President of the Comision General Electoral of the Liberal Party recognized by my decision has already notified the propaganda committee of Dr. Arguello to that effect.

The procedure prescribed by the Electoral Mission is in strict accord with the laws and reforms of the statutes of the Liberal Party adopted before the split in said party, which laws and reforms were specifically designed to guarantee free and fair party elections. The question of whether or not such procedure will work serious injustice to one important faction of the party is a matter of opinion pending the outcome of the plebiscite.

The only 'Unrest in the country' as result of my decision is exclusively among the adherents of the Managua faction which disregarded entire party statutes in all of its operations. The plebiscite held on April 3rd last by that faction of the Liberal Party which supports Dr. Arguello (Managua faction) was not only illegal but was so conducted as to seriously prejudice the rights and opportunities of all other factions.

I did not confer with the President 'as contemplated in article 20 of the electoral law' because the subject matter of my decision was not one directly related to the actual conduct of the national election, which is the province of the National Board of Elections. (signed) Woodward'.

Two factions of the Liberal Party are supporting the candidacy of Arguello—the faction represented by the Managua convention and Arguello's own faction in all a large percentage of the Liberal Party. Under the decision of Admiral Woodward these two factions have no representation on the Electoral Board of Control designated by him to conduct the plebiscite. This is the substance of Moncada's principal complaint to me and I am bringing the matter to the attention of the Department in response to his request. I think his point is well taken.

I have discussed this matter thoroughly with Admiral Woodward in an entirely friendly manner and acquainted him with my concurrence with the opinion of Moncada. I have suggested that he seek an appropriate procedure to give these factions proper guarantees in the plebiscite as I am of the opinion that all parties are entitled to representation even though the legality of their respective situations is not in all ways entirely sound. He seems to feel, however, that any departure from a strictly legal procedure is undesirable. Admiral Smith who is here concurs with my views and took part in my conference with Admiral Woodward.

I called on President Moncada again this afternoon to learn whether his attitude had changed as a result of the reported concilia-

tory efforts being made by the various party leaders. He told me in substance that his attitude is founded on the fundamental injustice and illegality of the decision of Admiral Woodward and that the Government of Nicaragua would never accept the decision. He said it would be acceptable if the Electoral Board of Control designated by the Leon convention in February which was [established?] before the definite split in the party should be designated to hold the plebiscite.

Hanna

817.0131/55 : Telegram

The Minister in Nicaragua (Hanna) to the Secretary of State

Managua, July 23, 1932—11 a. m. [Received 4:32 p. m.]

138. President Moncada on July 21 placed the Johnson law in effect by executive decree. He told me he had done this pending the approval by Congress of the new amendments because doubt was being expressed as to whether the Johnson law had become automatically effective when Admiral Woodward assumed the Chairmanship of the National Board of Elections.

HANNA

817.00 Woodward Electoral Mission/132: Telegram

The Minister in Nicaragua (Hanna) to the Secretary of State

Managua, July 23, 1932—4 p. m. [Received July 24—9:51 p. m.]

139. My telegram 136, July 22, 5 p. m.; Department's telegram 223, December 29, 6 p. m., 8th paragraph; and Legation's No. 6, January 12, 7 [5] p. m.

I have just received the following note in translation from the Minister of Foreign Affairs dated July 23rd:

"Under instructions from His Excellency the President of the Republic I have the honor to address Your Excellency in order in the first place to confirm to you the words which that high functionary expressed to Your Excellency in his office yesterday concerning the declarations of Admiral Woodward.

The Admiral dictated his resolution of July 18 without the Johnson laws being in effect, this law not having been effected by it within the Republic until yesterday, according to the corresponding decree of the executive power; and furthermore the resolution referred to was dictated by the Chief of the Electoral Mission, which title has no place in the electoral law except as the name of the supervisory

body designated by Your Excellency's Government. Said resolution therefore is lacking in legal support, and might cause or will later cause discontent on the part of the element or political party which loses in the approaching elections, exposing the country to the perils of civil war.

By reason of the arrangements made with Your Excellency's Government both Governments, that of the United States and that of Nicaragua, have desired to proceed as in the years 1928 and 1930 to holding of free and honest elections in this year 1932. To this therefore the honor of both countries is committed.

I understand that the resolution referred to was dictated as result of the error of believing that the Johnson law was in effect. But if it was believed that this law governed, article 20 of the same should have been taken into consideration, said article reading:

(a) The national Board of Elections will cooperate with the President of the Republic in the supervision of elections of supreme authorities in 1930 and 1932, et cetera.

But His Excellency the President of the Republic did not hear of the resolution referred to until it was published in the press. He was not consulted or heard in conformity with the article referred to.

Furthermore, according to said article, the President of the National Board is fully authorized to supervise and decide with obligatory force all questions concerning elections of supreme authorities and not to interfere by himself in the internal regime of the parties [unless] as Chief of the Electoral Mission, a tribunal which is not

mentioned in any part of the law.

Apart from these circumstances the law itself establishes that the parties are bound to it with immovable ties and the Admiral with his request destroyed all those ties at least as far as the Liberal Nationalist Party is concerned. It has left no conventions, although there are actually two in existence, not even the one which existed at the beginning of February elected in 1927; nor any national and legal board, charged with many functions in the law referred to. In short, the resolution left the party without authorities, the latter being concentrated in so-called general commission of electoral control formed in Leon by an incomplete convention of the party in March of this year. His Excellency the President of the Republic in giving me the instructions referred to above, has told me that in addressing Your Excellency I should express to you his sincere desire that you inform the Department of State of this also requesting Your Excellency to kindly mediate in these difficulties, in order to return to the fulfillment of the law. He also has instructed me to say to Your Excellency that according to a statement of the political member of the Liberal Party on the Board the matter or complaint of the dissident liberal faction was not presented to the Board, and although the President of the Board has full powers to settle with his exclusive vote the questions which arise during the electoral period, he should doubtless do this as President of said Board, and after citing the political members of the parties in order that they may be heard. As these considerations, on merely being expounded, are seen

to possess entire justice, His Excellency the President through me insinuates to Your Excellency the necessity of reconsidering the decision taken by Admiral Woodward. I am, et cetera. (Signed) A. Somoza."

I am just now furnishing Admiral Woodward with a copy of this.

HANNA

817.00 Woodward Electoral Mission/132: Telegram

The Secretary of State to the Minister in Nicaragua (Hanna)

Washington, July 27, 1932—1 p. m.

77. Your 139, July 23, 4 p. m. The Department is not in a position to interpret the provisions of the electoral law and regulations and the party statutes, nor has it any authority concerning decisions of the Nicaraguan Electoral Board. Even when Admiral Woodward acts as Chairman of the American Electoral Mission it is far preferable that decisions should not be referred here for review but should be fully, frankly and sympathetically discussed by him with President Moncada and the other Nicaraguan authorities concerned.

In the present case there does not seem to be dissent by either faction to Admiral Woodward's statement that "after making a minute and complete analysis of the facts and party laws relating to the situation I find, and so resolve, that neither of the foregoing Juntas constitutes the legal governing body of the Liberal party according to its own statutes". (See sixth paragraph your 132, July 18, 1 p. m.). In view of Admiral Woodward's denial of legality to either of the factions of the Liberal party, it is not clear why he selected the appointees of the electoral agency of one of the illegal factions as the body to conduct the elections. If both factions are illegal it would seem that the Electoral Commission appointed by one of them is also illegal. In view of the foregoing please request Admiral Woodward to amplify further to the Department his statement that "the Comision General Electoral organized by the March 1932 Convention at Leon was designated by me as the body charged with the duty of conducting and supervising said plebiscite because this was strictly in accordance with the laws of the party and the existing facts". (See sixth paragraph your 136, July 22, 5 p. m.).

Ask Admiral Woodward whether he has considered the advisability of employing General Electoral Commission of February which was appointed before there was any split in the party and may therefore be acceptable to both factions.

President Moncada should be encouraged to discuss his electoral problems frankly with Woodward. If he feels he can constantly

appeal over Woodward's head it will make the latter's task vastly more difficult, and as stated, the Department has not authority to pass on decisions of the Nicaraguan Electoral Board. This does not mean that the Department is not following the situation with the greatest interest and with full sympathy for all concerned, but a definite task has been assigned to Woodward and Department does not want to cause any unnecessary complications or to add to his already heavy burdens.

STIMSON

817.00 Woodward Electoral Mission/137: Telegram

The Minister in Nicaragua (Hanna) to the Secretary of State

Managua, July 31, 1932—5 p. m. [Received 7:45 a.m.]

146. Department's telegram No. 77, July 27, 1 p. m. The following is from Admiral Woodward:

"With regard to the contents of the second paragraph State Department telegram No. 77, dated July 27th, the Comision General Electoral organized by the March 1932 convention at Leon was designated by me to supervise and conduct the forthcoming Liberal Party plebiscite for the election of party authorities, even though I found the alleged national governing bodies of both factions to be illegal, for the following reasons:

(1) The convention delegates and the national junta elected in 1927 were legally in office at the time of the November 1931 convention at Leon.

(2) This latter convention was legally convened and its reforms

of the party statutes were lawfully adopted.

(3) This latter convention created and organized a General Electoral Commission to supervise and conduct party elections vice the national governing body then in office.

(4) The said governing body opposed said reforms and convoked the Leon convention of February 1932 for the purpose of causing the

cancellation of said reforms.

(5) Before the said governing body discovered that it could not bring about cancellation of those reforms and before its adherents bolted the convention, the said General Electoral Commission was legally reorganized by said convention.

(6) The action taken by those delegates who bolted said February convention at Leon and authorized the Managua convention was illegal whereas the action taken by those delegates who remained in

convention at Leon was legal.

(7) The Managua convention in 1932 was entirely illegal under the prevailing party statutes.

(8) The March convention at Leon was legal.

(9) This latter convention legally suspended [the majority?] of the members of the national governing body pending trial for insubordination.

(10) This latter convention appointed the provisional national governing body which action was illegal as it had no power to do this because the party statutes required that the national governing body must be elected at popular party election.
(11) This latter convention lawfully reorganized the General

Electoral Commission, the personnel of which has not since been

changed.

(12) The members of the suspended national governing body caused a party plebiscite to be held on April 3rd for the election of party authorities.

(13) This plebiscite was unlawfully held and was against the

orders March convention at Leon.

(14) Hence the national governing body elected by this plebiscite (and to whom the members of the suspended body surrendered their

offices) was not lawfully in office.

(15) The result was that the General Electoral Commission, appointed by the March convention at Leon, was the only remaining party organization which could or should hold the lawful party plebiscite for the election of party authorities, including a new national governing body, in accordance with the party statutes and pursuant to the orders of the March convention at Leon. Thus, to summarize, it was found that the national governing body alleged to have been elected on April 3rd, and which represented the Managua faction, was illegal. The old suspended national governing body, which also represented the Managua faction, had left office and was in a suspended status anyway. The provisional national governing body appointed by the March Leon convention, and which represented the Leon faction, was illegally appointed because the convention, though otherwise entirely legal, had no power to appoint a national governing body. The General Electoral Commission appointed by the said March Leon convention was legally appointed and legally organized. It was charged with the duty of conducting and supervising the next party plebiscite as ordered by the said convention. Therefore, the said General Electoral Commission was designated by me to conduct said elections of party authorities.

With respect to the contents of the third paragraph of aforesaid telegram, I carefully studied and considered the personnel of the November, February and March General Electoral Commission. Whereas, the commission as organized in February may have been actual representatives of the Managua Arguello faction in its membership, and whereas, the commission as organized in March may have been composed of members who were not favorable to the Managua Arguello faction, I could not have designated the February commission as the body which should hold the plebiscite and still have correctly interpreted the party statutes. I gave this deep consideration and decided to adhere to the law which applied. I considered ways and means of permitting the old suspended national governing body, which will become favorable to the Managua Arguello faction, to appoint members on the said March General Electoral Commission but concluded that there was no legal way in which this could be done. However, I did note that of the nine members of the said March General Electoral Commission, five had sat on either the February or the November commissions. These gentlemen are responsible and respected members of long standing in the Liberal party.

During the past week, I addressed a letter to the head of the Managua junta (the national governing body alleged to have been elected in the April 3rd plebiscite) which was in answer to inquiries made by him concerning the aforesaid matters referred to by the Secretary of State in his telegram of July 27th. In the same letter I again strongly advised the rival factions of the Liberal Party to reach an early accord and stressed the fact that it was entirely tangible with respect to both factions and candidates. I also personally conferred with each of the four leading candidates for the Liberal presidential nomination and their principal adherents, counselling them to adjust their differences as soon as possible. As a direct result of these measures, these said candidates, together with the representatives of both rival factions met at the residence of the President of the Republic, adjusted their differences, and upon withdrawal of Dr. Arguello's candidacy agreed on Dr. Juan Sacasa as the party's sole candidate for president, and furthermore unanimously decided to participate amicably in the forthcoming party plebiscite, to be held on July 31st, and August 1st, such action being considered by them as in the best [interests?] of the party.

I have sent observers of the various departments so that I may know if the plebiscite is fairly and honestly held in substantial accord with the party statutes. At the present time the affairs of the Liberal Party appear to be adjusting themselves both rapidly and effectively." [Woodward].

HANNA

817.00 Woodward Electoral Mission/143a: Telegram

The Acting Secretary of State to the Minister in Nicaragua (Hanna)

Washington, August 3, 1932-7 p.m.

80. For Admiral Woodward.

"We have received with much appreciation your message of July 31⁴³ setting forth in detail the reasons which led you to take the decision you announced to the two factions of the Liberal party in your

⁴⁸ See supra.

letter of July 18. It is a very encouraging development that following their further talks with you the leaders of the Liberal factions were able to meet among themselves and compose their difficulties, and we congratulate you heartily on the outcome."

CASTLE

817.00 Woodward Electoral Mission/143b: Telegram

The Acting Secretary of State to the Minister in Nicaragua (Hanna)

Washington, August 3, 1932—8 p. m.

81. Your 139, July 23, 4 p. m. Please deliver the following note over your own signature to the Minister of Foreign Affairs. After acknowledging the receipt of his letter of July 23 state:

"My Government has noted Your Excellency's desire that it mediate in the difficulties which were confronting the Liberal party at the date of your communication under reference. Although my Government is deeply appreciative of this fresh evidence of confidence, the nature and circumstances of Admiral Woodward's positions as Chairman of the National Board of Elections and of the American Electoral Mission would clearly preclude the acceptance of any such request. Regarding the former, the powers delegated to him by the Nicaraguan electoral law are broad and comprehensive and are set forth in the law itself, being designed for the purpose of insuring a free and fair election. Regarding the latter, the President of the United States designated Admiral Woodward as his Personal Representative in Nicaragua to head the American Electoral Mission, and entrusted him with full responsibility to conduct the elections in a manner that would fulfill the trust placed in the United States Government by the Nicaraguan Government and people. The obligation and responsibility of fulfilling this mission now rest with Admiral Woodward and my Government has the most complete confidence in his judgment and ability to carry out his mission with entire success.

My Government understands that, following conversations between Admiral Woodward and the leaders of the Liberal party, the latter met separately and happily succeeded in adjusting the difficulties besetting the party. My Government desires me to express its hope that this practice will be continued of discussing fully, frankly and sympathetically with Admiral Woodward such matters as the Government of Nicaragua and the political parties may deem vital to the success of the elections. Your Excellency may rest assured that Admiral Woodward will give them his most earnest and unpreju-

diced consideration."

Please furnish Admiral Woodward with copy of foregoing.

CASTLE

817.00/7528 : Telegram

The Minister in Nicaragua (Hanna) to the Secretary of State

Managua, September 9, 1932—5 p. m. [Received 9:55 p. m.]

172. From Admiral Woodward.

"Electoral period began September 7th. Nominations closed on that date. National Board of Elections received and accepted following nominations, as well as complete list of candidates for senators and deputies to be elected this year: Conservative Party for president Adolfo Diaz, for vice president Emiliano Chamorro; Liberal Party for president Juan Bautista Sacasa, for vice president Rodolfo Espinosa.

At the last moment the various factions of the Liberal Party came to an understanding and Doctor Leonardo Arguello decided not to present his petition for a third national party although signatures had been secured throughout the country with great effort and at considerable expense. All Liberal factions, even President Moncada and the Government group, now profess to support Sacasa. This favorable development has greatly simplified the problems confronting the Mission. Nine independent petitions for senators or deputies were submitted and are being checked for validity of signatures and qualifications of voters signing same. They will not present any serious complications.

Measures requested of President to insure freedom of suffrage have

been executed essentially as requested.

Loan bill finally passed Congress and relief financial situation of

mission at early date apparently assured.

Distribution electoral personnel to departments will be completed September 10th. Registrations will begin September 18th. No serious bandit activities presenting any problem at present."

HANNA

817.00 Woodward Electoral Mission/161: Telegram

The Minister in Nicaragua (Hanna) to the Secretary of State

Managua, September 13, 1932—2 p. m. [Received 4:34 p. m.]

175. Conditions along the Managua-Matagalpa road make an armed escort necessary for supplies sent from here to Matagalpa for the personnel of the Electoral Mission there and protective detachment of marines—a total of approximately 50 marines. General Matthews states that this escort cannot be furnished by the Guardia at this time and consequently must be furnished by marines. From information given me by General Berkeley it seems that the Navy Department is withholding its approval of the employment of marines

for this purpose on the ground that the State Department may object. The Navy Department doubtless will consult you in this connection. I concur in General Berkeley's and General Matthews' views that the marines escort is necessary. The matter is urgent.

HANNA

817.00 Woodward Electoral Mission/165: Telegram

The Secretary of State to the Minister in Nicaragua (Hanna)

Washington, September 15, 1932—6 p. m.

92. Your 175, September 13, 2 p. m. After consultation with this Department the Navy Department, in view of the fact that the Commander of the Guardia states that escort for supplies for the electoral and marine personnel at Matagalpa cannot be furnished by the Guardia, is authorizing the temporary employment of marines to act as escort in this particular instance.

STIMSON

817.00 Woodward Electoral Mission/166a: Telegram

The Secretary of State to the Minister of Nicaragua (Hanna)

Washington, September 17, 1932—5 p.m.

93. For Admiral Woodward. Debayle came in today with a telegram from President Moncada asking him to say to the Department that recent resolutions of the Electoral Board presided over by you provided for secrecy in the voting in the 1932 elections. Moncada called attention to Article 22 of the Constitution which provides that voting shall be "direct and public" and suggested the possibility that these resolutions might in the future be attacked, bringing into question the legality of the elections.

We told Debayle that, as he had been informed on previous occasions, the place to deal with the Nicaraguan elections is in Nicaragua and not in Washington. He was told that we have every confidence in your carrying out your responsibilities in an able and proper manner and we knew that you would of course not subscribe to any resolution which would run counter to the Constitution of Nicaragua. It was suggested that if President Moncada is concerned over this matter he should discuss it fully and frankly with you.

As we have no information regarding the resolutions in question it would be appreciated if you would cable a brief report in the matter.

STIMBON

817.00 Woodward Electoral Mission/171: Telegram

The Minister in Nicaragua (Hanna) to the Secretary of State

Managua, September 20, 1932—10 a.m. [Received September 21—7 a. m.]

178. From Admiral Woodward.

"With regard to third paragraph of State Department's 93 of September 17, 5 p. m., the following information is submitted:

First, the Nicaraguan Constitution, articles 21 and 22 (latter erroneously cited as 28 in your despatch), provide 'the active vote is personal and cannot be delegated. The suffrage shall be direct and public. The elections shall be held at the time and in the manner prescribed by law.' The extra electoral law, by article 55, provides that the elections shall be free and direct. To preserve the freedom of electoral and to enable the electors to vote without being subjected to duress and the influence of employers, party workers and others and to apply the provisions of the electoral law, the National Board of Elections on 6 September adopted a resolution providing as follows:

'No officer of election shall disclose to any person the name of any candidate for whom any elector has voted; no person shall show his ballot after it is marked to any person in such a way as to reveal the contents thereof, or the party, or the names of the candidate or candidates for whom he has marked his ballot; no person, except a member of the electoral directorio, shall receive from any voter a ballot prepared by such voter, or examine such ballot, or solicit the voter to show the same; no person shall ask another at the polling place for whom he intends to vote; no voter shall place any mark upon his ballot by which it may afterwards be identified as the one voted by him; and no person in a polling place shall observe the marking of a ballot by a voter, except in the cases contemplated in and pursuant to the manner specified in article 61, section C, of the electoral law.'

This last provision relates to the marking of a ballot for an elector by a watcher when the elector cannot read and write or is unable to mark his ballot. The resolution further made an exception where there is a challenge based on auto de prision in order that the ballot may be temporarily identified pending determination of challenge. These regulations by which the secrecy of the ballot is preserved are, in my opinion, entirely constitutional and are in line with the similar views of General McCoy in 1928 as shown in his report, second section, page 12, wherein he says 'the voter is, in turn, afforded due security for the marking of his ballot without interference and without such disclosure of his individual vote as might subject him

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to being called to account by party workers or others desirous of limiting his exercise of the fullest electoral freedom.'

In my opinion, the elector should not be required to disclose his vote involuntarily. There is nothing in the resolution of the National Board which prohibits the voter from stating who he has or will vote for or the questioning of the voter in that regard at places away from polls. But the ballot itself is secret.

Second, both the Liberal and Conservative members of the National Board voted for the adoption of this resolution and neither have filed any protest since its adoption. No person in Nicaragua, officially or otherwise, has notified me or the National Board that he objects to or questions the legality of the provisions of the resolution adopted by said board. Comments of Government controlled press show either bias or misconception of the meaning of the resolution. They confuse public suffrage and the secrecy of the ballot. The conduct of the proceedings at a polling place is entirely open and public but the ballot is private to the elector. (Signed) Woodward."

HANNA

817.00/7560 : Telegram

The Minister in Nicaragua (Hanna) to the Secretary of State

Managua, October 3, 1932—4 p. m. [Received October 4—4:45 a.m.]

184. General Chamorro called on me this morning and said that the apathy within his party is such that he has been forced to give serious consideration to widespread demand in the party to abstain from the presidential elections. He said the principal reason for the party's pessimism and indifference is its lack of funds. He said the efforts to collect funds have been almost a complete failure. He said he personally solicited funds from the prominent and well-to-do leaders in Granada and obtained only \$100.

It appears from what he told me that the Granada leaders advocated coalition with Moncada, with Barberena as the candidate for president, and that they resented Diaz's refusal to accept this coalition. This resentment combined with the failure of Diaz's mission in the United States has materially weakened Diaz prestige. The Liberals are claiming a large majority in the registration now almost completed but Chamorro said their claims are greatly exaggerated.

General Chamorro told me that he has not failed to consider the implied obligation contracted by his party in the 1928 agreement for electoral supervision this year and that he has no complaint to make against the Electoral Mission but that the influences within his

party opposed to participation in the elections are assuming irresistible proportions. He said that consequently it was his intention to present the subject to the legal governing board of his party this week for decision.

I told him I hoped he would meditate maturely before taking a step so radical and grave and asked him to defer action until I could consult you. He readily consented but expressed the hope that I expedite the consultation.

It may be that he is seeking an expression from the Department that will help him to stem the present revolt in his party. He manifestly realizes the force of the 1928 agreement and probably expects the Department to point out his party's obligations under the agreement. He doubtless realizes that the abstention of his party would mean that the next congress would have a minority so insignificant and powerless that it could not carry on a useful opposition. He said he fully comprehends that abstention by his party would defeat one of the essential purposes of the electoral supervision, namely, a creation of a workable minority in proportion to the strength of the defeated party.

The withdrawal of the Conservative candidates will endanger our plan for the transfer of the Guardia. The idea of some pre-election agreement between the candidates of the two parties for the preservation of order and to meet other serious internal problems after the withdrawal of the marines which idea has been taking form during the last 2 or 3 months, has culminated in a meeting of the leaders of both parties to be held in this city tonight to begin conversations to put the idea into effect. This proposal also will be defeated if the Conservative candidates are withdrawn.

I told General Chamorro that I thought he should confer with Admiral Woodward without delay but he said he preferred to keep discussion of the subject in the smallest possible circle until he had reached a decision. On my insisting that Admiral Woodward should be acquainted with our conversation immediately, he requested me to inform him. A copy of this telegram has been furnished to Admiral Woodward.

HANNA

817.00/7560 : Telegram

The Secretary of State to the Minister in Nicaragua (Hanna)

Washington, October 5, 1932—6 p. m.

100. Your 184, October 3, 4 p. m. Please say to General Chamorro that this question is of course an internal one and depends for its final answer on the decision of the Conservative Party itself. How-

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ever, since General Chamorro has consulted you in the matter and desires an expression of the Department's views, we have no hesitation in saying that we are unwilling to believe that the Conservative Party sets so little store on the well being and enduring interests of Nicaragua that it would seriously contemplate abstaining from the presidential elections. On April 22, 1927, in the preliminary negotiations leading up to the Tipitapa conferences, Adolfo Diaz, who was at that time President of Nicaragua and head of the Conservative Party, proposed peace terms to the revolutionists, among his proposals being "supervision of the 1928 and subsequent elections by Americans". Prior to the 1928 elections the candidates of the two historic parties, General Moncada for the Liberals and Señor Adolfo Benard for the Conservatives, agreed by an exchange of letters that the one who was successful would request the supervision of the next presidential elections in 1932 by the United States. In accepting the proposal made by General Moncada Señor Benard stated: "That peace which we all, as good Nicaraguans, should endeavor to obtain, will necessarily come as the logical result of a free and honest election in which each citizen may cast his vote, without restriction, for the candidate whom his sympathies favor."

The United States Government, acquiescing in the request of the Government of Nicaragua and the two historic parties of that country, supervised the presidential elections of 1928 and the congressional elections of 1930. President Moncada, in pursuance of the agreement reached with the Conservatives in 1928, reiterated his request for the cooperation of the United States in the 1932 presidential elections. Again acquiescing in the wishes of the Nicaraguan Government and the political parties, the President of the United States designated Admiral Woodward to be appointed by the Supreme Court of Nicaragua as Chairman of the Nicaraguan National Board of Elections. Admiral Woodward made a temporary visit to Nicaragua in January, 1932, in order to pay his respects to the President of Nicaragua and to establish contact with the leaders of the political parties. At that time, the Department understands, he was assured of the support of the Conservative leaders as well as those of the Liberal Party in his efforts to give Nicaragua a free and fair election. Subsequent to that date active plans have been carried forward for the fulfillment by the United States of the obligation it assumed, on the request, be it repeated, of the Nicaraguan Government and the Nicaraguan political parties, to supervise the presidential elections this autumn. Admiral Woodward has returned to Nicaragua, has taken the oath of office before the Supreme Court as Chairman of the National Board of Elections, the necessary election personnel has been dispatched to Nicaragua and has dispersed to the various election posts. The amendments to the electoral law have been voted by the Nicaraguan Congress and the electoral law has been placed in effect. Registrations have recently been held successfully throughout the country, and the elections are but 30 days in the future. At the specific request of the leaders of the Conservative Party Admiral Woodward has made every effort to see that adequate guarantees as to freedom of suffrage are established for the forthcoming election and the Department understands that the Conservative leaders have expressed themselves as fully satisfied with the measures taken to this end.

Now, for the first time, following all the aforesaid measures extending over a period of years, there comes the intimation that the Conservative leaders are considering abstaining from the elections this fall. Any such course of action, on the part of either party, would undoubtedly wreck the admirable progress which has been achieved in Nicaragua through the holding of fair and free elections in 1928 and 1930, and would unquestionably seriously prejudice the hopes of peace and stability for the future of Nicaragua. Failure on the part of either party to participate in the elections would mean the election of a congress not truly representative of the people of the country, and the political party which by its decision not to participate had brought about this situation, would make itself responsible for whatever dissatisfaction and unrest might ensue. One of the major purposes of holding free and fair elections in Nicaragua has been to ensure the formation of an orderly and workable representation of the minority party so that the principles of republican institutions might be strengthened and safeguarded. Abstention from the elections by either party would defeat this purpose. Furthermore, plans have been made, in connection with which the leaders of the Conservative Party have been consulted, for the orderly turnover to Nicaraguan control of the Guardia Nacional and the establishment of the Guardia on a firm, non-partisan basis for the future. The cooperation of the Conservative Party through participation in the elections is a prerequisite to the successful carrying out of these plans.

The Department is convinced that upon thoughtful consideration of the commitments assumed by the Conservative Party and of the responsibilities resting upon the Party, the leaders of that Party will not seek to evade such responsibilities or lose sight of the broad and far-reaching principles involved, which affect the future well-being and orderly development of Nicaragua.

STIMSON

817.00/7610 : Telegram

The Minister in Nicaragua (Hanna) to the Secretary of State

Managua, November 7, 1932—noon. [Received 5:32 p. m.]

204. From Admiral Woodward.

"Elections yesterday throughout Republic were quiet and exceedingly orderly, there being no bandit interference reported. Guardia Nacional very active and efficient. Incomplete returns show approximately same percentage voters compared with registrations as for elections 1928. Total voters reported up to 10 o'clock today, Monday, 99,000 giving Liberals majority of 19,000. Only 34 protested votes in entire country received so far. Reports three departments not yet received due to interrupted communications. Conservative presidential candidate Adolfo Diaz arrived from States by plane at 8 o'clock yesterday morning the 6th."

HANNA

817.00/7622 : Telegram

The Secretary of State to the Minister in Nicaragua (Hanna)

Washington, November 12, 1932—1 p. m.

117. Please deliver following message from the Secretary of State to President Moncada:

"It has been a matter of sincere gratification to me to learn that the elections on November 6 were held in an orderly and peaceful manner and under conditions which for the third successive time assured to the voters of Nicaragua an opportunity for the free, fair and impartial expression of their views. I congratulate Your Excellency and the people of Nicaragua on this further demonstration of the sense of civic responsibility achieved by your country, which has thus steadily built up an invaluable tradition of holding free and fair elections.["]

Stimson

817.00/7620 : Telegram

The Minister in Nicaragua (Hanna) to the Secretary of State

Managua, November 13, 1932—8 a.m. [Received 1:10 p. m.]

207. From Admiral Woodward.

"Result of election 6 November as follows: Liberal President, Vice-President, 6 senators and 14 deputies, and Conservative 2 senators and 8 deputies. This shows gain of 1 senator for Conservatives, making the composition of new Congress as follows: senators 15 Liberals and 8 Conservatives; deputies 29 Liberals and 14 Conservatives. (signed) Woodward".

817.00/7635

The Minister in Nicaragua (Hanna) to the Secretary of State

No. 970

Managua, November 16, 1932. [Received November 23.]

Sir: I have the honor to report that in compliance with the Department's telegraphic instruction No. 117 of November 12, 1932, I transmitted the message of the Secretary of State contained therein to the President of Nicaragua and I am now enclosing a copy and a translation of his reply to that message, addressed to me on November 15, 1932.

Respectfully yours,

MATTHEW E. HANNA

[Enclosure—Translation]

The President of Nicaragua (Moncada) to the American Minister (Hanna)

[Managua,] November 15, 1932.

Dear Mr. Hanna: I have read the telegraphic instructions which you transmitted to me containing a message addressed to me as President of Nicaragua by the Secretary of State of the United States, Henry L. Stimson, with much attention and gratitude. In that message he congratulates the people of Nicaragua and their Government for the three successive elections of Supreme Authorities, which demonstrate the sense of civic responsibility achieved by Nicaragua, which contributes to form an invaluable tradition of honest and free elections.

With pleasure I recognize that these elections were held under the direction of the Department of State and that definitely, in each one of them, without taking into account the difficulties of the problems and the procedures employed, the three successive electoral missions (1928–1930–1932) have carried out their duty in counting the votes, in the impartiality of the count and in the ideals of the United States, expressed in Tipitapa, now Villa Stimson, by the present Secretary of State of the United States of America, Henry L. Stimson.

I am [etc.]

J. M. Moncada

817.00/7636 : Telegram

The Minister in Nicaragua (Hanna) to the Secretary of State

[Extract]

Managua, November 26, 1932. [Received November 27—3:30 p. m.]

222. From Admiral Woodward.

"At twenty-first session of the National Board of Elections on 25 November the following candidates were unanimously declared elected, subject to the approval of Congress in accordance with article 95, sub-paragraph 5-a, of the electoral 1932:

President Juan Bautista Sacasa, Liberal, Vice-President Rodolfo Espinosa R, Liberal for the terms of January 1933 to 31 December 1936.

[Here follow lists of senators propietarios, senators suplentes, deputies propietarios, and deputies suplentes elected.] (Signed) Woodward."

HANNA

817.00 Woodward Electoral Mission/217: Telegram

The Minister in Nicaragua (Hanna) to the Secretary of State

Managua, December 17, 1932—7 a. m. [Received 4:29 p. m.]

243. From Admiral Woodward.

"Report of National Board of Elections relative newly elected senators and deputies presented to respective houses at preliminary session, 10 December. By 14 December all new members had been accepted by credential committees and seated. On 15 December I personally presented report of Board to President of Joint Congress prior to inaugural session. Following opening ceremony this report was read to Congress and the Credentials Committee appointed to study same. Friday at noon the Committee's report (which approved National Board's report) was presented to joint session and on motion of General Chamorro (Conservative Senator and excandidate for Vice President) was accepted by acclaim and Dr. Juan B. Sacasa and Dr. Rodolfo Espinosa declared elected President and Vice President respectively.

Through scrupulous economy have made saving and returned today to Nicaraguan Government \$36,157 (or 24 percent) of the money

appropriated for expenses of Electoral Mission.

I am leaving for Washington via Mexico by Pan American today and expect to arrive on or before 31st. Signed Woodward."

817.00 Woodward Electoral Mission/229

The Chairman of the United States Electoral Mission (Woodward) to the Secretary of State

Washington, January 20, 1933.

Sir: I hereby tender my resignation as Chairman of the United States Electoral Mission to Nicaragua, with rank of Envoy Extraordinary and Minister Plenipotentiary, which office I hold by virtue of my commission from the President of the United States dated 24 December, 1931, transmitted by your letter of instructions to me dated 30 December, 1931.

The detailed report covering the activities of that Mission in Supervising the Elections for Supreme Authorities in Nicaragua, held on 6 November, 1932, is submitted herewith.⁴⁴

Under date of 11 January, 1933, I tendered my resignation as President of the National Board of Elections of Nicaragua to the President of the Supreme Court of that Country, which letter was forwarded through your office.

Very respectfully,

C. H. WOODWARD

817.00 Woodward Electoral Mission/238

Mr. Lawrence Duggan of the Division of Latin American Affairs to the Chief of the Division (Wilson)

[Washington,] January 27, 1933.

Admiral Woodward has presented his report in four bulky volumes.⁴⁵ The first volume contains his own report which comprises a survey of the work of the mission from the time of his appointment. It is a splendid brief summary of the work of the mission. I doubt, however, whether you will want to read it as it contains very little not already presented in his monthly reports or that is helpful in interpreting the present situation there.

Admiral Woodward makes two suggestions:

"1. That the Government of the United States seek, by every means possible, to avoid again becoming involved in a commitment of the nature of the three recent Supervisions of Elections in Nicaragua.

"2. That if it proves desirable or expedient for the Government of the United States to again assume such a responsibility the most absolute powers for its 'Electoral Mission' be ensured from the start."

[&]quot;See infra.

⁴⁵ Not printed. The report of the Chairman of the United States Electoral Mission to Nicaragua and inventory of the files of the Mission, are in Department of State files, under 817.00 Woodward Electoral Mission/231, 242.

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Volumes two and three contain documents and correspondence referred to by Admiral Woodward in Volume 1. These are very complete and seem to comprise all of the information necessary to an understanding of the subject. Volume 4 is a huge book of press clippings.

This report is a fine piece of work, being characteristic of Admiral Woodward's thoroughness.

AGREEMENTS FOR COOPERATION BETWEEN THE TWO POLITICAL PARTIES TO EFFECT THE PACIFICATION AND TO INSURE THE PEACE OF NICARAGUA

817.00/7580

The Minister in Nicaragua (Hanna) to the Secretary of State

No. 927

Managua, October 8, 1932. [Received October 19.]

Sir: For many months there has been evident a growing sentiment in both the political parties in Nicaragua favoring some sort of cooperation between the parties to insure peace and political stability in the country following the withdrawal of the United States marines early in 1932.46 It appears to be the unanimous opinion of all classes of Nicaraguans, including the leaders as well as the rank and file of both parties that at the best Nicaragua will be faced with a grave situation at that time, perhaps as grave as it has ever been called upon to confront in all its turbulent history. Three principal factors may be cited as accounting for this opinion: first, the history of the failure of the parties to live in peace with each other without the presence of Americans in Nicaragua; the existence of a serious bandit situation in a number of Departments which is being held in check only by the most strenuous efforts of a Guardia Nacional at present officered by trained Americans; the circumstance that the present plan of evacuation of marines contemplates that all, including all the Americans now serving as officers in the Guardia Nacional, will be evacuated not later than January 2, that is, one day after the new President takes office, and before he can fairly be expected to have organized his new government.

There is a practically unanimous desire on the part of all classes that the Marines be permitted to stay here a longer time, but since they have been given no hope that this desire will be met, the necessity of some kind of cooperation among themselves, and principally between the parties, has become increasingly evident if Nicaragua is not again to be plunged into general civil strife and perhaps anarchy.

⁴⁶ See pp. 852 ff.

President Moncada first voiced the need of a "national government" in 1933 [1931], at least a year ago. As the Department knows, he campaigned vigorously and tenaciously for an agreement between the Liberal Party, or a portion of the Liberal Party, and the Conservative Party to form a "national government", even going so far as to recommend that no elections for President be held in 1932, but that a coalition government be chosen by agreement between the parties.

However, there were strong reasons to believe that President Moncada was not so much interested in maintaining peace between the parties as in himself dictating the choice of the next President, with the hope of continuing himself in power in one way or another, and the mass of the Liberal Party declined to associate itself with him. His continued efforts produced a definite split in the Party, which has only recently been healed.

Once the two parties had definitely decided to participate as parties in the approaching presidential elections, and had named their candidates, however, leaders of both showed a disposition and a desire to arrive at some plan of cooperation to insure peace and stability after the withdrawal of the marines in 1933. Practically all the important leaders of both parties have at one time or another expressed this desire in conversations with me and have even suggested that the Legation assist them in arriving at a satisfactory agreement.

I have listened to them with great interest and have told them that any agreement which should be mutually satisfactory to them, and was made by them of their own free will, to aid in ensuring peace and order in Nicaragua, would naturally be learned of with satisfaction in the United States, but that of course the matter was an internal one, in which the United States could not intervene, nor accept any responsibility.

When the Legation's attitude was made clear to the Party leaders who had consulted with it they intensified their efforts to reach an agreement. They were assisted by a group consisting largely of members of the old "Progressive Party", including men generally opposed to intervention by the United States in Nicaraguan affairs. These men formed what they called a Patriotic Group (Grupo Patriotico), and at their invitation a number of the principal leaders of the two Parties, including Dr. Sacasa and General Chamorro, met at the home of one of their number on the evening of October 3, to discuss a concrete plan of cooperation, based principally on the pacification of Nicaragua and the representation of minorities in the new Government.

Dr. Sacasa, the Liberal candidate for the presidency, called on me

on October 5, and showed me an original copy of an agreement which had been signed by the principal leaders present. A copy of this agreement is attached. It will be seen that the general program, the details of which have not been generally divulged, but which Dr. Sacasa says include minority representation in the cabinet, courts, appointive offices such as that of Jefe Politico, etc., and the pacification of Nicaragua, have been accepted as a point of departure for further discussion. It was agreed that the Patriotic Group would extend invitations to the National and Legal Governing Boards of both Parties to continue the discussions on behalf of their Parties in order to reach a final agreement on the basis of the principles set forth above. General Chamorro informed me this morning that the Conservative Board had already received its invitation and that he hoped that it would take action today. He anticipated that the Board would delegate a Committee from its members to represent it in the discussions with the Liberal Board.

As has been noted, an important part of the program is the pacification of Nicaragua, that is, the elimination of banditry. In this connection, one Dr. Escolastica Lara, an alternate Senator from León and a well-known anti-interventionist closely associated in his expressed ideas with the members of the Patriotic Group which have brought about the present understanding between the Parties, is now in Honduras, and it is generally believed that his visit may have as its object communication with Sandino. The Legation has no information that there is any connection between his visit and the recent acts of the Patriotic Group but it is significant that General Chamorro told me confidentially some weeks ago that Dr. Lara had approached him in an unsuccessful effort to bring about cooperation between Sandino and the Conservative Party in the present electoral campaign. Dr. Sacasa, on the other hand, professed ignorance of Dr. Lara's mission and said he had had no contact with him.

While he openly professes extreme nationalistic views and in particular is opposed to the presence of American armed forces, Dr. Lara is considered to be opposed to violence in general as a means to obtaining his ends. The suggestion that he hopes to induce Sandino to lay down his arms in exchange for some concession from the next government is therefore plausible in view of the important role taken by the *Grupo Patriotico*, closely affiliated with him in ideas and political aims, in furthering a plan of cooperation between the Parties which includes the pacification of Nicaragua.

I will keep the Department closely informed of developments in this matter.

Respectfully yours,

MATTHEW E, HANNA

[Enclosure—Translation]

Copy of Agreement Between Representatives of the Two Parties in Nicaragua

In the city of Managua, at 9 p. m. October 3, 1932,—The undersigned, doctor Juan Bautista Sacasa, General Emiliano Chamorro, Dr. Rodolfo Espinosa R., Dr. Carlos Cuadra Pasos and Dr. Leonardo Argüello, having met in the house of Dr. Rosendo Argüello, at the invitation of the Patriotic Group, don Sofonías Salvatierra, in the name of this Group, explained the purposes of its organization and presented the attached Bases, which in the judgment of the Group, may be taken as a point of departure in order that the two great political entities of the country discuss and agree to a plan of cooperation in order to assure due representation of minorities and obtain permanent stability of national peace,

RESOLVE

- Upon the motion of General Emiliano Chamorro, to accept in general the Bases, referred to, proposed by the Patriotic Group;
 Upon the motion of Doctor Juan Bautista Sacasa, of General
- 2. Upon the motion of Doctor Juan Bautista Sacasa, of General Chamorro and of Dr. Carlos Cuadra Pasos:—that said Bases be immediately submitted by the Group in a formal invitation to the Boards of both Parties in order that they may reach an agreement concerning the vital national political problem of cooperation of the Parties, majority and minority, and to recommend to them that they first of all reach an agreement between the two Parties to unite to settle the question of the pacification of Nicaragua, as an urgent and fundamental necessity for the country and to assure at the same time the future peace of the Republic.
 - 3. To sign four identical copies.

E. CHAMORRO
LEONARDO ARGÜEILO
JUAN B. SACASA
RODOLFO ESPINOSA R.
CARLOS CUADRA PASOS

817.00/7582

The Minister in Nicaragua (Hanna) to the Secretary of State

No. 934

Managua, October 14, 1932. [Received October 20.]

Sir: Supplementing my despatch No. 927 of October 8, 1932, with which were transmitted a copy and translation of an agreement signed by the principal political leaders now in Nicaragua with re-

spect to cooperation between the parties to maintain peace and order in Nicaragua following the next elections, I have the honor to transmit herewith copy and translation of the detailed plan which accompanied the agreement referred to. Invitations have been issued by the Patriotic Group to the National and Legal Governing Boards of the two parties and the latter have named delegates to meet with each other to agree on the manner of carrying out the detailed plan referred to. The representatives met for the first time on October 13 in Managua. While the meeting was limited to organizing the procedure to be followed, etc., it is reported that the best possible feeling existed among the delegates and high hope was held that successful results would follow.

Respectfully yours,

MATTHEW E. HANNA

[Enclosure—Translation]

Copy of Plan Which Accompanied Agreement of October 3, 1932

Pacification. To send immediately to General Sandino a representative of each party and one of the Group to negotiate national peace. Agreement between the two parties to work together to solve the problem of national pacification.

Judicial Power. The Supreme Court of Justice will be made up of a majority of Magistrates of the party which obtains the larger number of votes in the elections of Supreme Authorities, and the remainder, of Magistrates of the minority party. The Courts of Appeals shall be made up as follows: a majority of Liberal Magistrates in the Courts of León and Bluefields, and a majority of Conservative Magistrates in the Courts of Grenada and Matagalpa. The District Judges shall be named in the same proportion.

Public Instruction. It is agreed that the profession of teacher is not political and consequently is not subordinate to partisan considerations: therefore, teachers with diplomas should be engaged in the first place, and lacking such, teachers without diplomas but whose competence is recognized.

Economic Control. That the Supreme Tribunal of Accounts should be made up, one half, of accountants of the minority party; and that in the reform of the Constitution provision be included that these appointments should be made by Congress.

Executive Power. To organize the Cabinet under the control of the two parties in the portfolios of Foreign Relations and Finance. Each one of the two parties will have a member in each one of those Ministries, and they, with the respective Minister, will form a Council.

Consular and Diplomatic Career. Equitable distribution of these functions among citizens able to assist the progress of the country.

Payment of Pensions. Non-preferential payment of pensions.

Constitutional Reform. To agree to request the next Congress to decree the reform of the Constitution for the purpose of including in it the representation of minorities and all those points which conciliate the public acts of Nicaraguans and harmonize in a national way the functions of Government.

Important Administrative Point. Protection of workmen, endeavoring to see that they will not be without work, attending to their just claims, assisting the technical progress of their trades and supporting their social organization.

Propaganda Newspapers. To extend an effective influence in order that the respective propaganda newspapers set forth their points of view on the basis of the merits of the ideas and purposes of the parties, and not by discrediting and defaming their opponents. In any case, it is necessary that comparisons be made in terms which conform to public interest and decorum and the necessary democratic conviviality of the Nicaraguans.

Managua, September 29, 1932.

817.00/7604

The Minister in Nicaragua (Hanna) to the Secretary of State

No. 941

Managua, October 20, 1932. [Received November 2.]

Sir: Supplementing my despatches Nos. 927 and 934 of October 8 and October 14, 1932, with respect to cooperation between the two political parties in Nicaragua to maintain peace and order in the country following the next elections, I have the honor to report that conversations between representatives of the National Boards of the two parties have taken place and, according to information supplied by Dr. Sacasa, the Liberal Presidential candidate, the respective Boards are now considering a draft agreement covering steps to be taken toward the pacification of the northern area.

Dr. Sacasa showed me the draft agreement which contained principally the following points:

- 1. The parties will unite in an effort to solve the problem of pacification.
- 2. This problem is declared to be the principal task confronting the Nicaraguan Government.
- 3. Pacific and conciliatory methods are to be preferred and an effort will be made to treat with Sandino along these lines, immediately.

- 4. If pacific methods fail the parties are to unite with the President elect in carrying out some other method.
- 5. The minority party pledges its unconditional support to the authorities elected in the coming elections.
- 6. The agreement is to be submitted to the Governing Boards of the two parties and to their respective Presidential candidates.

In conversation with Dr. Sacasa, I suggested the importance of insuring that concentration by the representatives of the parties on the problem of pacification alone would not lessen interest in the other topics to be discussed by the parties. He said he would bear this in mind and appeared to continue to recognize the importance of the entire conciliatory movement to the success of the Administration which comes into office on January 1, 1933.

In conversations with various political leaders recently, new information has become available to the Legation concerning the origin of the present conciliatory plan. On June 30, 1932, Emiliano Chamorro and Carlos Cuadra Pasos, representing the Conservative Party, and Juan Bautista Sacasa, Leonardo Argüello, Enoc Aguado, and Rodolfo Espinosa R., representing the Liberal Party, signed an agreement in Managua obligating themselves to use their influence as public officials or private citizens to bring about immediate minority representation in the new government and to assist in the maintenance of peace throughout the country. A copy and translation of this agreement, as published in La Prensa on October 9, 1932, are enclosed.

The movement thus initiated made little progress at the time. However, after the two parties had nominated their candidates, interest in the question of cooperation between the parties was revived and I had a number of conversations on the subject with the various leaders of the two political parties.

In one conversation with Dr. Carlos Cuadra Pasos, he brought out the circumstance that while both parties were sincerely desirous of reaching a pre-election agreement providing for cooperation between the parties, each group hesitated to take the initiative for fear that it would be interpreted by the public at large as indicating lack of confidence in the group's chances at the elections in November. I then suggested that the parties endeavor to arrange that a third group, one not closely associated with either party, extend an invitation to the two parties simultaneously. Dr. Cuadra Pasos immediately communicated with the leaders of the Patriotic Group with the results reported in my two previous despatches.

The movement toward cooperation between the parties after 1932 continues to hold the public interest and there is continued optimism that it may result in a unification of the hitherto conflicting political

interests in the country which will insure peace and order following the evacuation of the Marines at the end of this year.

Respectfully yours,

MATTHEW E. HANNA

[Enclosure—Translation]

Copy of Agreement Between Leaders of the Two Political Parties for Cooperation of the Parties

We the undersigned members of the two militant political parties, in attention to the tendencies evidently manifested in public opinion and to our own personal convictions, in the sentiment to remove the obstacles that have impeded the unity of our people, and of opening a new way to the democratic stability of the nation which will guarantee peace and the well-being of all Nicaraguans, through a system which permits in the government just and necessary cooperation by the minority parties, solemnly agree:

I. Each one of the undersigned, whatever should be the official position which he obtains during the approaching elections of Supreme Authorities, or as a simple citizen within his party, will endeavor, beginning January 1 next, through all effective means which may offer themselves or which may be suggested, to bring about immediate representation of minorities in the government of the Republic; and to endeavor likewise that this system be incorporated as soon as possible in our Constitution.

II. Moved by a highly patriotic sentiment, any one of the undersigned who may belong to the party which wins in the elections, whether as a public functionary or as a simple citizen, deriving inspiration from sentiments of national brotherhood, will endeavor to see that just and friendly treatment is accorded the members of the minority party in order that the conciliation which is pursued should

be stable and fruitful.

III. In the same manner, the undersigned who may be placed in the minority as a result of the next elections will influence their fellow party members, who, through a spirit of opposition, do not desire to recognize the authority of the government elected to change that attitude to one of cooperation which will tend to preserve peace and strengthen the foundations of our nationality.

In Witness Whereof we sign in Managua, June 30, 1932.

Rod. Espinosa R.
Emiliano Chamorro
Leonardo Argüello
Juan Bautista Sacasa
E. Aguado
Carlos Cuadra Pasos

(Don Adolfo Diaz did not sign this agreement on account of his absence).

817.00/7605 : Telegram

The Minister in Nicaragua (Hanna) to the Secretary of State

Managua, November 3, 1932—2 p. m. [Received 10:39 p. m.]

202. My despatch 941, October 20, and previous correspondence.

The representatives of the two historic parties lately engaged in drawing up agreements to be entered into by the parties to insure cooperation between the two parties and peace in Nicaragua following the withdrawal of the marines, called on me yesterday and stated that they had unanimously approved and submitted to the national and legal governing boards of the state parties three agreements covering (1) pacification of Nicaragua (2) partial amendment of the Constitution principally to provide for minority representation in the Government and (3) measures to achieve such minority representation in the next Government pending the reform of the Constitution. They expressed confidence that the agreements would be approved by the National Boards without change prior to election day November 6. It is understood that such approval would constitute acceptance by the parties.

Please note that the agreement for pacification described in my despatch referred to is being held strictly confidential here.

HANNA

817.00/7605 : Telegram

The Secretary of State to the Minister in Nicaragua (Hanna)

Washington, November 16, 1932—1 p. m.

118. Your 202, November 3. Have the Governing Boards of the two major parties ratified the three agreements and if so what steps are intended to put them into effect? Please send by airmail text of agreements as signed.

STIMSON

817.00/7633

The Minister in Nicaragua (Hanna) to the Secretary of State

No. 969

Managua, November 16, 1932. [Received November 23.]

Sir: Supplementing my telegram No. 202 of November 3, 1932, and previous correspondence regarding the pre-election agreements entered into between the two historic parties in Nicaragua for the

purpose of cooperating to maintain peace and stability of Government in Nicaragua following the withdrawal of the United States Marines in January, 1933, I have the honor to transmit herewith copies and translations of the four Agreements signed by representatives of the two parties and approved by the National and Legal Governing Boards of the two parties prior to the elections. The Agreements referred to are the following:

First Agreement — Pacification of Nicaragua. Second Agreement — Reforms of the Constitution. Third Agreement — Immediate Participation of the Minor-

ities.

Fourth Agreement — On the manner in which vacancies in the Supreme Court of Justice will be filled.

The details of the first Agreement, on pacification, are still being kept secret in Nicaragua.

Respectfully yours,

MATTHEW E. HANNA

[Enclosure 1—Translation] FIRST AGREEMENT (Pacification of Nicaragua)

The undersigned, who comprise the delegations of the two historic parties of Nicaragua, assembled in a single body in order to seek measures conducive to the reestablishment of peace in the Republic and to consolidate and to maintain it as the best basis for the national well-being, agree as follows:

First: The two historic parties of Nicaragua declare themselves to be solidly united in the face of the problem of the reestablishment of the peace of the Republic, unfortunately at present perturbed by the rebellion that has afflicted some Departments for more than four years. Consequently, erasing all party differences, the two bodies join themselves into a single aspiration in the sense of obtaining the best solution to the problem mentioned.

Second: As the aforementioned rebellion constitutes, for the Republic, a sad reality that must be studied for all good administrative progress, the activity necessary for the reestablishment of the peace is declared to be the prime objective of government.

Third: The united parties shall adopt by preference pacific and conciliatory methods to achieve the abandonment by the rebels of their present attitude which disturbs peace. Therefore, the two National Boards of the two united parties, in agreement with the candidates of the parties, will immediately seek out means for communicating with General Augusto C. Sandino, recognized leader of the rebellion, in order to effect with him a peace compact on a basis that considers the aspirations of all and, fundamentally, national well-being.

Fourth: If, due to any unfortunate circumstance, these peaceful and amply patriotic methods come to naught, the two historic parties will do their utmost to aid the legitimate authority in the action of regaining public peace. It is understood that this aid, decided upon by the two parties, will be given even more effectively, if that is possible, to the President who may be elected in the forthcoming elections of Supreme Authorities, which will be considered by both parties to be the expression of the National will.

Fifth: To the end that peace, once reestablished, may be a stable benefit in Nicaragua, the party that may come out in the minority in said elections, agrees to conform in every respect with the results of the election, and to give its unconditional support to the authorities elected, in the sense of maintaining public order.

Sixth: This agreement will be submitted as an urgent matter for their approval, to the respective National and Legal Governing Boards of the two parties, Liberal and Conservative, and to the candidates, Doctors Juan Bautista Sacasa and Rodolfo Espinosa R., don Adolfo Diaz and General Emiliano Chamorro.

Seventh: As a guarantee, two copies will be signed which, with their respective approval, will be the documents that will guarantee the validity of these decisions upon the public faith of the two historic parties.

Managua, October 14, 1932.

J. Irias Antonio Reyes Leonardo Argüello Carlos Cuadra Pasos Gonzalo Ocón D. STADTHAGEN CRISANTO SACASA M. BENARD FERNANDO SABALLOS RAMÓN CASTILLO C.

[Enclosure 2—Translation]

Second Agreement
(On Reforms of the Constitution)

In Managua the 18th of October, 1932, being assembled the undersigned delegates of the historic parties in which public opinion of Nicaragua is divided, who have gathered together in these conferences moved by a desire to find legal and lasting means which, in the structure of the State, may assure the patriotic cooperation of the two great elements of public opinion, with the object of obtaining a stable peace, the establishment of sound government and of admin-

istration that expresses, wherever possible, the patriotic aspirations of all Nicaraguans, after having calmly discussed the matter, have agreed as follows:

First: The two historic parties shall adopt as an ideal that should be reached in the next legislature, the reform of the Constitution of the Republic, in a sense that will establish the administration of the State upon a system of proportional cooperation between the parties that figure highest in popular prestige, in the Nation.

Second: There shall be established by this Constitutional reform, representation of the minorities in all organized popular electoral groups or in the Congress so that in the Senate, Chamber of Deputies, Courts of Law and in the municipalities the minority party may collaborate together with the majority party, in a participation of equitable proportion.

Third: In the organization of the Executive Power, it should be established that for matters of transcendental importance determined by law, in the branches in which public funds are to be administered, in which the public domain is disposed of, or which attend the relations of Nicaragua with other States, the President of the Republic be advised by a permanent commission composed of the Minister of the governmental department concerned, of a member representing the majority, and a member representing the minority. These Commissions, two in number, shall be acquainted with the business of these governmental departments, and the Executive shall take no final steps in matters concerning them except with the approval of the majority of the commission. The dissenting member of a commission will be able to explain to the Congress in its regular session, his motives for disapproving the transaction or transactions which were submitted to him. The members of these commissions shall be appointed by the President of the Republic, who shall select them from lists of ten citizens each which the National and Legal Governing Boards of the two major parties of the Republic shall submit to him.

Fourth: It shall be established in the projected Constitutional reforms that the President of the Supreme Tribunal of Accounts must be appointed by the President of the Republic, who will select him from a list which the National Congress will present to him; and that the Board of Accountants of this same Tribunal shall be organized by the President of the Republic on the basis of representation of the minorities.

Fifth: The Presidential candidate who runs second in the voting in the Presidential elections, will be, for the four year term concerned, President ex-officio of the Senate.

Sixth: The corresponding article of the Constitution shall be

clarified in the sense that the Presidential designate, who may succeed to the Presidency shall serve out the corresponding presidential term even though his term as a representative in the Congress may expire in the meantime.

Seventh: The Electoral Power shall be created as one of the Constitutional Powers which should be exercised by a National Board of Elections consisting of three members, as follows: a member of the majority party, a member of the minority party, and a Chairman from the majority party. These members ought to have the same qualifications that are demanded for a Justice of the Supreme Court. The nomination of the ordinary members will be made by the respective National and Legal Governing Boards of the major parties of the Republic. The nomination of the Chairman will be made by the President of the Republic, selecting him from a list of three citizens of the majority party presented to him by the National and Legal Governing Board of the minority party, selected from a list of six citizens compiled by the National and Legal Governing Board of the majority party.

Eighth: The Law of Injunction shall be reformed in the sense that all injunctions, so far as electoral political matters are concerned, shall be removed from the jurisdiction of the Courts of Justice and resolved by the National Board of Elections.

Ninth: There shall be established, in Congress, a Permanent Commission composed of two majority Deputies, of one minority Deputy, of one majority Senator and of one minority Senator, which shall function permanently for the consideration of all requests for pensions and benefactions, including those at present in force. This Commission will be presided over by the Minister of the Governmental Department concerned, and the Congress of the Republic will take cognizance of only those requests for benefaction that said Commission may submit to it, approved by not less than two thirds vote.

Tenth: In order to proceed with the reform of the Constitution in accordance with this Agreement each one of the National and Legal Governing Boards of the historic parties shall designate a representative to the Congress in order that they may elaborate the project and present it by the system of partial reforms contemplated in Article 160 of the Constitution.

Eleventh: The candidates, Dr. Juan Bautista Sacasa, Dr. Rodolfo Espinosa R., don Adolfo Diaz and General Emiliano Chamorro, agree in case that they are elected to the Presidency of the Republic to sponsor these reforms and to exercise their influence as functionaries and as citizens to the end of securing their approval by the National Congress.

Twelfth: The provisions of this Agreement shall be brought before the National and Legal Governing Boards of the two historic parties, and before the candidates, doctors Juan Bautista Sacasa, Rodolfo Espinosa R., don Adolfo Diaz and General Emiliano Chamorro, for their approval in order that it may rest upon the public faith of the parties.

Two copies in the same tenor are signed, with the respective ratifications below, which will be exchanged between the National and Legal Governing Boards of the Liberal and Conservative Parties.

J. Irías Antonio Reyes Leonardo Argüello D. Stadthagen M. Benard Gonzalo Ocón Crisanto Sacasa Carlos Cuadra Pasos Fernando Saballos Ramón Castillo C.

[Enclosure 3—Translation]

THIRD AGREEMENT

(Immediate Participation of the Minority)

In order to secure a stable peace, which is the desire of the Nicaraguan people, the delegations have believed that the best system is that of harmonious conviviality between the two historic parties, whose differences have been the cause of the disturbances of social tranquility in our history, and they consider that the means for achieving such harmony is to guarantee to their elements a proportional cooperation and co-responsibility in the destiny of the Fatherland. The delegates believe that in order for this method to be productive of results it should be given a legal status by embodying it in the structure of the State by Constitutional provision, and for this purpose they have proceeded to formulate an agreement concerning the reforms of our Fundamental Charter, conducive to the maintenance of peace; and frankly animated by the desire that this plan of harmony should begin to be carried out during the next Presidential period, in accordance with the national aspirations, they have endeavored to embody in an agreement between the two historic unities the provisions to this end concerning which there is no legal obstacle to prevent their immediate fulfillment. With this object in view they establish the following clauses of a formal agreement:

First: To achieve in the Judicial Power insofar as possible that system of cooperation through an equitable representation of minorities, the two historic parties agree to take advantage of the approaching renewal of the personnel of the Courts of Appeal, recommending to their representatives in Congress that in all harmony they

should choose the Magistrates of said Courts in the following form: After the next elections of Supreme Authorities, a count will be made of the votes of the Departments which form the jurisdiction of each Court of Appeals, to determine which party is in the majority and which is in the minority. After this premise is established, in the Courts of Granada and León two majority Magistrates and one Minority Magistrate shall be chosen in each branch. In the Courts of Matagalpa and Bluefields two principal Magistrates of the majority party and one of the minority party will be chosen, together with one alternate from each one of the parties.

Second: In order to maintain the judgment which has inspired this agreement as well as to raise even higher the level of those officials charged with the work of social vindication and having jurisdiction over individuals, the two parties adopt as a program, that in the selection of Judges, competence, honorable conduct and circumstances of social character which may affect the appropriateness of the choice, take precedence over political considerations, and they hope that the Magistrates of the Supreme Court who direct the machinery of justice in our country will also adopt this program.

Third: Immediately after his inauguration the President of the Republic who is elected will send to Congress a Bill in which the Commission referred to in the Third Clause of the Second Agreement relative to the reform of the Constitution will be established. Those two Commissions will have to do, one with the branch of Foreign Relations and the other with Finance and Public Credit. In said Commission, the majority member will be freely designated by the President, and to designate the minority member the President of the Republic will take into account first the opinion of the National and Legal Governing Board of the minority party concerning the circumstances of the political affiliation of the person nominated.

Fourth: For the organization of the Supreme Tribunal of Accounts, the President of the Republic who shall be elected shall agree to designate the Accountants in an equitable proportion between the majority and minority parties. In order to make the designation of Accountants of the minority party, the President should take into account, with reference to their affiliations, the opinion of the member of said party on the Finance Commission referred to in the previous Clause.

Fifth: In order to organize the Board for the Management of the Direct Tax, the President of the Republic will nominate a member belonging to the minority party, in the same form indicated in the preceding Clause for the minority Accountants on the Supreme Tribunal of Accounts.

Sixth: The President of the Republic during the month of January next year will submit a project reforming the present Electoral Law with respect to the National Board of Elections. This organization will be made in the form indicated in the Seventh Clause of the Agreement for the reform of the Constitution.

Seventh: In order that in treating with other nations the interests of the Fatherland be always contemplated without partisan ends, an endeavor will be made, without departing from final reality in the sense of the necessity which exists that the representatives abroad should have the confidence of the Executive, to seek the greatest competence, the highest conduct and ability for the greatest success of the work at hand and the good name of the Republic. In Missions of diplomatic character composed of a number of persons, appointments should be made in such manner that the two historic parties whose patriotic aspirations constitute the national aspiration, should be represented.

Eighth: In order that in the hearts of the youth of the country love for the Fatherland should be placed above any partisan feeling and in order also to give the greatest efficiency to the branch of Public Instruction, the President-elect will make a statement upon assuming office that in selecting teachers he will take into special account the characteristics of each teacher, that is his competence, and honesty, and that he will leave out all political considerations.

Ninth: The representatives of the two parties in Congress will endeavor to reform the regulations of the Chambers in order to create a Commission which will occupy itself with examining pensions and charity in the manner stipulated in Clause Nine of the Agreement for the reform of the Constitution, and will also endeavor to arrange that in both the Chambers the approval of these matters should require not less than two thirds votes, the object to be followed being the establishment of a proportional relation between awards and the possibilities of the State.

Tenth: The Superior Authorities of the two parties, after the elections of November 6, will issue a manifesto adhering to the results of said elections. They will also express in the manifesto their support of the new Government for the maintenance of public order and for the continuance of the healthy policy of harmony set forth in the clauses of this Agreement and of the two prior Agreements, and agreed to because of the need which Nicaragua has for peace to cement its progress and social wellbeing.

Eleventh: The candidates, don Adolfo Diaz, Doctor Juan Bautista Sacasa, General Emiliano Chamorro and Doctor Rodolfo Espinosa R., solemnly promise, in case they should occupy the Presidency

of the Republic, to carry out the Clauses of this Agreement and to maintain its spirit as the inspiration of their policy of Government.

Twelfth: The Clauses of this Agreement will be submitted for revision and approval to the National and Legal Governing Boards of the two Historic Parties and to the candidates, Doctors Juan Bautista Sacasa, Rodolfo Espinosa R., don Adolfo Diaz and General Emiliano Chamorro, in order that it may have the support of the public faith of the parties.

Thirteenth: The exchange of ratifications of the present Agreement and of the two preceding Agreements, after they have been approved, or a report of their rejection, should be effected between the National and Legal Governing Boards of the two parties not later than November 5 next.

Two copies of the same tenor with the respective ratifications affixed, will be exchanged between the National and Legal Governing Boards of the two parties, Liberal and Conservative.

Managua, October 21, 1932.

J. Irías Leonardo Argüello Gonzalo Ocón Crisanto Sacasa Fernando Saballos Antonio Reyes
Carlos Cuadra Pasos
D. Stadthagen
M. Benard
Ramón Castillo C.

[Enclosure 4—Translation]

FOURTH AGREEMENT

(On the manner in which vacancies in the Supreme Court of Justice will be filled)

The method which the delegations have adopted to establish national harmony, consists of combining, in the management of the public powers, proportional cooperation and responsibilities of the two Historic Parties in each one of said Powers. But in proceeding to organize the Judicial Power by that system, they have found in the Supreme Court of Justice an obstacle which cannot be legally overcome in that that Tribunal is already made up Constitutionally, with the personnel of Magistrates immovable until December 31, 1936.

On account of this circumstance, the delegates, restrained by respect for the constituted authorities, whom they want to support and give greater prestige to, have decided with respect to this point to agree that the two National and Legal Governing Boards of the parties should recommend to the Conservative and Liberal representatives in the National Congress that in case any vacancy should occur in the Supreme Court of Justice it should be filled in such

manner as to establish gradually the proportionate cooperation and responsibility within that Body which is at the head of the Judicial Power, until such time as the reform of the Constitution stipulated in the respective Agreement, becomes effective.

Consequently, the undersigned delegates of the Conservative and Liberal parties have agreed to the following:

First: In case vacancies in the Supreme Court of Justice should occur during the period which ends December 31, 1936, the National and Legal Governing Boards of the Conservative and Liberal Parties will recommend to the Senators and Deputies of their respective parties to proceed to the election of the Magistrate in the sense of establishing an equitable equilibrium in the representation of the two parties on the High Tribunal which will be considered to have been reached insofar as possible once there are two members of Conservative affiliation on said Tribunal.

Second: This Agreement shall be submitted for approval to the National and Legal Governing Boards of the two parties, Liberal and Conservative, and to the candidates, don Adolfo Diaz, doctor Juan Bautista Sacasa, General Emiliano Chamorro and doctor Rodolfo Espinosa R.

Two copies of the same tenor are signed which, with the ratifications of the National and Legal Governing Boards and of the two candidates, will be exchanged by the Secretariats of said Governing Boards within the period fixed by the thirteenth clause of the Third Agreement.

Managua, November 2, 1932.

Antonio Reyes Carlos Cuadra Pasos D. Stadthagen M. Benard Ramón Castillo C. J. Irías Leonardo Argüello Gonzalo Ocón Crisanto Sacasa Fernando Saballos

817.00/7629 : Telegram

The Minister in Nicaragua (Hanna) to the Secretary of State

Managua, November 17, 1932—11 a. m. [Received 5:35 p. m.]

214. Department's 118, November 16, 1 p. m. The governing boards of the two major parties ratified the agreements and are now taking preliminary steps to place them into effect. Text of agreements will go forward by air mail Saturday.

HANNA

817.00/7632 : Telegram

The Minister in Nicaragua (Hanna) to the Secretary of State

Managua, November 22, 1932—2 p. m. [Received November 23—9:25 a. m.]

217. Department's telegram 118, November 16, 1 p. m.; and my despatch 969, November 16, first enclosure. National and Legal Governing Boards of the Liberal and Conservative Parties met together November 19 and appointed a commission representing the two parties to confer with President-elect Sacasa and reach an agreement with him concerning the procedure to be followed in the common endeavor of the parties to effect the pacification of Nicaragua under agreement No. 1.

Hanna

817.00/7671

The Minister in Nicaragua (Hanna) to the Secretary of State

No. 1013

Managua, December 19, 1932. [Received December 27.]

Sir: With reference to my telegram No. 217 of November 22, 2 p. m., and previous correspondence concerning the pre-election agreement between the two political parties in Nicaragua to cooperate in the pacification of the Segovias, I have the honor to report that the representatives of the Liberal and Conservative parties, Dr. Crisanto Sacasa and Dr. Davíd Stadthagen, have been cooperating with President-elect Sacasa in an endeavor to initiate negotiations by which Sandino would agree to lay down his arms.

The President-elect has told me that he is endeavoring, through several persons known to have or to have had relations with Sandino, to get in touch with the latter. Dr. Sacasa says he will first endeavor to ascertain whether or not Sandino is in a mood to negotiate on a reasonable basis. His desire is to offer Sandino terms so obviously fair that if Sandino refuses he will be clearly stamped as a bandit and an enemy of Nicaragua.

Dr. Sacasa considers that the present revolution in Honduras ⁴⁷ is probably delaying the progress of whatever negotiations the persons with whom he is in communication may be conducting with Sandino. In fact, Dr. Sacasa informed me confidentially that he feared no progress would be made, that Sandino would not negotiate on a fair basis and that the Nicaraguan Government would probably have to continue to oppose him by force of arms.

Respectfully yours,

MATTHEW E. HANNA

⁴⁷ See pp. 709 ff.

TRANSFERENCE OF CONTROL OVER THE GUARDIA NACIONAL TO NICARAGUAN OFFICERS AND WITHDRAWAL OF THE UNITED STATES MARINES FROM NICARAGUA⁴⁸

817.1051/612a : Telegram

The Secretary of State to the Chargé in Nicaragua (Beaulac)

Washington, March 11, 1932-7 p.m.

26. Please confer immediately with the Commander of the Guardia and report in detail by first possible air mail the plans for carrying out the policy as set forth in the memorandum of February 5, 1931,⁴⁹ in so far as it relates to turning over the Guardia Nacional to Nicaraguan control.

STIMSON

817.1051/613

The Nicaraguan Chargé (Debayle) to the Secretary of State

No. 209

Washington, March 16, 1932.

EXCELLENCY: Both in my official capacity as Chargé d'Affaires and privately as a citizen of Nicaragua, I have been interested in statements appearing recently in the Press regarding the attitude of President Moncada towards the National Guard. To clarify this point, I have the honor to transcribe a cable message just received from the President, which, for the convenience of Your Excellency, I have had translated into English as follows:

"Managua, March 15, 1932. The National Guard is giving palpable proof of its efficiency and splendid discipline. Peace has been maintained thanks to the excellent work of the Guardia. The movements of the Sandinistas have been always kept within bounds and their activities have been confined to the less populated regions. As President and as citizen I wish to urge that the Guardia, under the direction of the Marines, be permitted to conclude its mission, but more time for training is needed. It would be most unfortunate if the plan which inspired Secretary Stimson and myself to hope for a new era of peace in Nicaragua, with no more civil wars, should be abandoned at this time. I should like you to express my opinion on this point to Secretary Stimson. (signed) President"

With reference to the statement published by the Associated Press on Monday, and attributed to President Moncada, regarding the constitutionality of the Bryan-Chamorro Treaty,⁵⁰ I have the honor to inform Your Excellency that President Moncada declares in a cable just received, that he has been misquoted and that his opinions are

^{**} For previous correspondence, see Foreign Relations, 1931, vol. 11, pp. 832 ff. ** Ibid., p. 841.

⁵⁰ Signed at Washington August 5, 1914, *ibid.*, 1916, p. 849.

the exact opposite of those published. In this connection I take pleasure in quoting a translation of a paragraph on page 7 of the statement issued by the President on March 10th of this year, on the Reforms to the Constitution. He says:

"The Bryan-Chamorro Treaty cannot now be submitted to new decisions, either of Constituent Assemblies, National Congresses, courts of arbitration nor to the League of Nations. It is obligatory to the Nicaraguans and to the United States."

Accept [etc.]

Luis M. Debayle

817.1051/619 : Telegram

The Chargé in Nicaragua (Beaulac) to the Secretary of State

Managua, April 2, 1932—11 a. m. [Received 9:55 p. m.]

53. Department's 26, March 11, 7 p. m. There are now 35 Nicaraguan line officers in the Guardia. Sixty-three additional will graduate from the Military Academy, April 7. A class of 80 will graduate in December. At that time there will be 178 Nicaraguan line officers which is considered lowest needed by the Nicaraguan Government. In addition there will be 6 trained Nicaraguan medical officers. Other medical service will be taken care of by contract civilian doctors. Present plans call for turning over commands to departments and areas by December 15 and the higher commands comprising departments, areas and general headquarters on January 2, the latter date permitting the newly inaugurated President to commission the higher officers. Air mail letter follows.

BEAULAC

817.1051/628

The Chargé in Nicaragua (Beaulac) to the Secretary of State

No. 740

Managua, April 5, 1932. [Received April 11.]

SIR: Supplementing my telegram No. 53, of April 2, 1932, in reply to the Department's telegram No. 26, of March 11, 1932, I have the honor to transmit herewith a copy of General Matthews' letter of April 4, 1932, concerning his plans for turning the Guardia Nacional de Nicaragua over to Nicaraguan control after the November elections, as well as a copy of his letter of November 16, 1931, referred to therein.

Following the receipt of General Matthews' letter of November 16, 1931, referred to, I discussed with him the project which existed at that time of total reform of the Nicaraguan Constitution, and pointed

out to him the consequent inadvisability of bringing up the matter of legislative reform at that time.

General Matthews agreed with me that under the circumstances it would be better to let the matter rest until after the question of Constitutional reform had been disposed of.

Respectfully yours,

WILLARD L. BEAULAC

[Enclosure 1]

The Jefe Director of the Guardia Nacional de Nicaragua (Matthews) to the American Chargé (Beaulac)

[Managua,] 16 November, 1931.

My Dear Mr. Beaulac: Under the announced policy of the Government of the United States to withdraw all American troops from Nicaragua, including those now serving with the Guardia Nacional, on January 1, 1932, there arises the question of the status of the Guardia Nacional after that date. The Guardia agreement ⁵¹ will naturally cease to be operative once all American officers are withdrawn and presumably the Guardia, or whatever military organization is maintained, will fall back upon the old laws which governed the military forces maintained prior to the establishment of the Guardia.

Under the conditions then existing, if our experience is any criterion, the military forces in each locality were subject to the orders of the Jefe Politico, the Director of Police, the Commandante de Armas, the Criminal Judge, the Local Judge, etc. One of the greatest problems with which the Guardia has had to contend has been the attempt on the part of the above officers to issue orders to privates, non-commissioned officers, and officers of the Guardia, assuming that authority to be one of the prerogatives of their office in accordance with old customs and laws.

The former military organizations were officered by military appointees commissioned by the government which happened to be in power, and in accordance with the political favors which that government desired to bestow. Consequently there was no permanent corps of officers or any basic law providing for a continuous military organization in which the officers and men had reasonable protection or assurance of continuing in the service other than the whim of the government officials in power.

⁵¹ Agreement Between the United States and Nicaragua Establishing the "Guardia Nacional de Nicaragua," signed at Managua December 22, 1927, Foreign Relations, 1927, vol. III, p. 434.

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As a natural result of the above described state of affairs no government of Nicaragua ever had a force upon which it could fully depend to exercise its authority or to maintain it in power during times of internal stress or attempted revolutions. Hence the inability of all past governments to exercise authority or control the internal conditions of the country, and as a sequence thereof the maintenance of a legation guard since 1912, which was the primary factor in keeping the constituted authority in power. It would appear that for the Guardia organization to revert to the former chaotic condition would be merely to invite disaster, and that the only result which could be expected would be the rapid disintegration of the Guardia organization and the resultant inability of any future government to exert its authority whenever a revolution is attempted.

The Guardia today, as has been the case since the day of its inception, is engaged in combating banditry which is in effect an attempt to overthrow the present government by means of force exerted through guerilla warfare. Since the withdrawal of the marines, the Guardia alone has so far been able to keep the warfare within bounds which eliminates any doubt as to their ability to maintain the government. This of course is because the Guardia is based upon the Guardia agreement which makes it a federal force responsible only to the central government, and impartial in its attitude towards any political faction. The loyalty of the men is obtained because they receive their pay, rations, and clothing regularly. They are trained to maintain an impartial attitude in regard to politics, and they are treated by their officers in a manner which stimulates their national patriotism. They live, work and carry on their campaign in the field and their police work in the more peaceful sections under conditions which prohibit the interference with their duties on the part of any officials except their own officers, to whom they are responsible for their conduct and for their manner of performing their duty. Under these conditions they have been welded into a compact, loval, and enthusiastic body with a growing Esprit de Corps, a consciousness of their usefulness to the nation, and a spirit of patriotism which makes them loyal to the state. There has been hardly a case of disloyalty among the men, and as long as they operate under American officers, and with the organization based on the Guardia agreement, it is firmly believed that they could be counted upon to the last man to carry out any orders which might be necessary to uphold and maintain the constituted government.

It is believed that one of the important steps necessary before this organization is put completely into the hands of the Nicaraguan officers is to put it on a basis that will enable it to carry on its work

and continue its existence without interference on the part of civilian officials of the government, and without participating in any political movements. Such an attitude cannot be attained unless the Nicaraguan Government, before the Guardia passes completely into its own hands, takes the necessary measures to enact a law which will place its military forces upon a sound basis. It appears as a paramount necessity that the legislative body of Nicaragua should work out a basic law governing the establishment and maintenance of its military forces. This law should make it possible for the officers to choose it as their profession and to make the military service their career. It should forbid participation in politics, take away the right to vote in the election of national officials, and make it responsible only to the federal authority. It should provide for a set of Regulations for the Government and Discipline of the body along the lines of the present Regulations for the Government and Discipline of the Guardia, which afford protection to the individual in the performance of his duty, while at the same time affording the proper methods of punishing him for abuse of authority.

It is suggested as a means of making permanent the benefits derived from a long American occupation and the money and services expended in the establishment and maintenance of the Guardia, that the Department of State of the United States use its good offices in bringing to the attention of the Nicaraguan Government the necessity for a law along the lines indicated above, because it is believed that the moment the Guardia reverts to the control of the old laws governing military bodies which existed prior to the establishment of the Guardia, a rapid disintegration will begin and Nicaragua within a short time will again be without an efficient, well disciplined force with which to maintain the authority of the central government.

I have refrained from presenting this matter to the President of the Republic because of the fact that it is of a nature which appears to me to be beyond the attributes of the Jefe Director of the Guardia. It more or less concerns an international political situation in that it would be an attempt on the part of an officer of the United States Government to initiate legislation in the Nicaraguan Congress. Also it would be likely to create the impression that the Jefe Director of the Guardia was interesting himself in the political aspects of the situation, which would be contrary to the intent of the proposed law. It is believed however that the Department of State of the United States could logically present this matter in its proper light to the Nicaraguan Government, and that as a sequence the Jefe Director of

the Guardia, when called upon by the Nicaraguan Government, could present the draft of a proposed law, for which purpose the necessary data could be obtained from the War and Navy Departments of the United States.

I am, my dear Mr. Beaulac, Very truly yours,

C. B. Matthews

[Enclosure 2]

The Jefe Director of the Guardia Nacional de Nicaragua (Matthews) to the American Chargé (Beaulac)

Managua, April 4, 1932.

Sir: In reply to your letter of April 1, 1932,⁵² in regard to the measures being taken for carrying out the policy set forth in the memorandum of February 5, 1931,⁵⁸ I have the honor to furnish you herewith the following detailed information as to what has already been accomplished, and the plans for the future turning-over of the Guardia Nacional to control of native Nicaraguan officers.

At the present writing the following officers of Nicaraguan nationality have been commissioned and are in active service:

Lieutenants (line) Lieutenants (Medical Corps)	35 3
Total	38

The present class of the Military Academy will graduate, and the students will receive their commissions as Second Lieutenants, on the 7th of the present month of April, and the total of Nicaraguan officers will be as follows on and after April 7, 1932:

From above Non-commissioned officers—to be commissioned April 6th Students to be commissioned April 7th	38 4 59
•	
Total	101

Examinations have already been held and a class of students selected for the next class at the Military Academy, with a total of eighty. These students will graduate from the Military Academy on or about December 15, 1932, and on that date the total number of

⁵² Not found in Department files.

⁵⁸ Foreign Relations, 1931, vol. II, p. 841.

Nicaraguan officers, without making any calculations for natural attrition will be as follows:

From above	101
Graduates on December 15th	80
Medical officers—to be appointed	3
(T-4-1	104
Total	184

On that date it is contemplated that any vacancies in the above total which may be created by the failure of some students to graduate, and from other causes, can easily be filled by the commissioning of outstanding non-commissioned officers who have had sufficient training and experience to warrant promoting them to commissioned rank, in continuation of the policy now in effect.

It will be noted from the above figures that it is contemplated commissioning only six medical officers. This is because it has been demonstrated by experience that it is impracticable to obtain trained men of the medical profession for the salary paid a Guardia officer. It is consequently believed that better results will be obtained by the system of contract surgeons. This system is applicable to the Guardia because of the large number of widely scattered posts where ordinary first aid and routine treatments are administered by the enlisted personnel of the Medical Corps, while cases necessitating the services of a medical officer are transported to the larger centers.

It goes without saying that the young officers in service and those yet to pass through the Military Academy have not the age or experience to assume command in the higher ranks of the Guardia. To meet this situation our present plans contemplate the appointment of Nicaraguans of mature age and with previous military experience as Jefe Director, Area Commanders, and the Staff. It is believed that these appointments should be made about two months prior to the final turn-over of the Guardia, that they may work side by side with the present Command and Staff for that period of time, in order to familiarize themselves with the situation and the duties which will devolve upon them.

It is recommended that commands below that of Department Commander be turned over to the Nicaraguan officers on December 15th of this year, and that General Headquarters with the Command and Staff and Department Commanders make the final turn-over on January 2, 1933, to the officers designated by the newly elected President of the Republic.

In closing, I again wish to invite attention to my letter of 16 November, 1931, recommending basic legislation for the maintenance and control of the future army of Nicaragua; and I cannot reiterate

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too strongly that this matter is of outstanding importance if the ground work already laid by our government in the establishment of the present comparatively non-partisan Guardia Nacional, is to endure and furnish any guarantee for the future stability of the Nicaraguan Federal Government.

Very truly yours,

C. B. Matthews

817.1051/622

The Acting Secretary of State to the Chargé in Nicaragua (Beaulac)

No. 346

Washington, April 16, 1932.

Sir: Reference is made to your despatch No. 739 of April 4, 1932, enclosing a copy of your note of March 21, 1932, to the Minister for Foreign Affairs ⁵⁴ informing him of the completion of Lieutenant Colonel Matthews' tour of duty and of the designation of Lieutenant Colonel Denig to suceed him, and a copy in translation of the note of the Foreign Office of April 1, 1932, in reply.⁵⁵

It is noted that the Nicaraguan Government has no objection to accepting Lieutenant Colonel Denig, to whom it refers in high terms, as Jefe Director of the Guardia, but that in view of Colonel Matthews' long experience and special abilities it would be pleased if he could be retained as the Commander of the Guardia.

Please advise the Nicaraguan Foreign Office that this question was taken up with the Navy Department, which in an effort to be agreeable to the Nicaraguan Government, has given every consideration to the matter. However, the Navy Department regrets very much that in view of the fact that Colonel Matthews will complete his tour of duty in Nicaragua about June, 1932, and that definite plans have been made to utilize his services for other duties in this country, it will not be possible to alter the plan under which he will be relieved at that time as Commander of the Guardia by Colonel Denig.

This Government is gratified at the expressions of appreciation used by the Nicaraguan Minister for Foreign Affairs in speaking of the services of Colonel Matthews, and is confident that Colonel Denig, a very capable officer who has had experience in Nicaragua, will perform his duties as Commander of the Guardia to the satisfaction of the Nicaraguan Government.

Very truly yours,

For the Acting Secretary of State:
FRANCIS WHITE

⁵⁴ Neither printed.

⁵⁵ Not printed.

817.1051/627 : Telegram

The Minister in Nicaragua (Hanna) to the Secretary of State

Managua, April 19, 1932—11 a. m. [Received 10:07 p. m.]

62. Legation's telegram No. 59, April 16, 2 p.m.⁵⁶ It asserted very undesirable to change the chief of the Guardia during the remaining months that it will be under the control of marine officers, especially as Nicaragua is just entering upon an electoral campaign which will be followed immediately by the important and difficult task of transferring control of the Guardia to Nicaraguan officers.

President Moncada has made it clear that he desires General Matthews to remain in command of the Guardia until the American officers are withdrawn and I think his wishes in this connection should be given much weight. He has complete confidence in General Matthews and this will be of the utmost importance in effective cooperation between the Guardia and the Nicaraguan Government, especially during the electoral period when the Guardia's operations against the bandits will play an important role in the electoral supervision.

I have discussed this matter with General Matthews and he has confirmed his views as set forth in the Legation's despatch No. 739 of April 4. He has told me however that of course he will remain here in command of the Guardia until it is turned over to Nicaraguans if the Navy Department should decide in that sense.

I know that General Matthews in thus indicating his willingness to give up the detail to the Navy War College is subordinating his own wishes to what others deem to be for the best interest of the service. Although I am reluctant to recommend any action which might interfere with General Matthews' prospects for advancement in the [Navy], I feel compelled to do so in view of the extreme desirability of his being retained in command of the Guardia during the important and possibly critical period ahead of us.

I desire to suggest that an arrangement satisfactory to all others might be reached if General Matthews were left here with the [understanding?] that he would be detailed for the War College in 1933.

Admiral Smith has requested me to say that he unreservedly concurs in the foregoing and I believe he would welcome the opportunity to confirm if the Navy Department would ask him for his views.

HANNA

⁵⁶ Not printed.

NICARAGUA 861

817.1051/629a

The Acting Secretary of State to the Minister in Nicaragua (Hanna)

No. 354

Washington, April 20, 1932.

SIR: The Department has noted the opinion of General Matthews as expressed in his letter to the Legation of November 16, 1931 (Legation's despatch No. 740, April 5, 1932), that upon the withdrawal of the American officers in the Guardia the agreement under which the Guardia has been functioning will cease to be operative, and that presumably the Guardia will then be governed by the former laws regarding the military forces, which can only be expected to lead to the "rapid disintegration of the Guardia". It is also noted that General Matthews recommends the enactment by the Nicaraguan Government of a basic law governing the establishment and maintenance of the Guardia. The Department observes that in his letter to the Legation of April 5 [4], 1932 (Legation's despatch No. 740, April 5, 1932), General Matthews reaffirmed his recommendation regarding basic legislation for the future Guardia, reiterating "that this matter is of outstanding importance if the groundwork already laid by our Government in the establishment of the present comparatively nonpartisan Guardia Nacional is to endure".

The Department agrees in general with the views expressed by General Matthews on this subject in his two letters and deems it highly important in the best interests of Nicaragua that the Guardia organization be put on a permanent basis by a basic law enacted before the final retirement of the Marines from the Guardia. If you perceive no objection, therefore, you are requested to discuss the matter with President Moncada, informing him that General Matthews would be prepared, if the Nicaraguan Government so desires, to consult with the War and Navy Departments of the United States Government in order to prepare a draft of the proposed law for submission to President Moncada. Kindly keep the Department informed by telegram of developments in this matter.

Very truly yours,

For the Acting Secretary of State:
FRANCIS WHITE

817.1051/636

The Minister in Nicaragua (Hanna) to the Secretary of State

No. 763

Managua, April 26, 1932. [Received May 2.]

Sir: With reference to the Department's instruction No. 354 of April 20, 1932, concerning the preparation of a basic law to govern the Guardia Nacional de Nicaragua once the present Guardia Agreement between the United States and Nicaragua becomes ineffective, I have the honor to report that I have discussed this question with General Matthews, and it is our opinion that there is still some danger that if the subject is brought up now, so soon after President Moncada's endeavor to arrange for a reform of the constitution this year, it may be injected into the present disordered political situation and its chance of final success prejudiced.

It would appear now that the earliest time at which this matter might be brought up with reasonable safety will be after the present conflict within the Liberal Party has been settled, presumably with the nomination of its candidate for the Presidency. If the Department has no objection, therefore, I should prefer not to discuss this matter until that time. This should not result in any delay in passing the legislation recommended, as the proposed law probably cannot be presented to Congress in any case until its next sessions in December.

Respectfully yours,

MATTHEW E. HANNA

817.1051/627: Telegram

The Acting Secretary of State to the Minister in Nicaragua (Hanna)

Washington, May 2, 1932-6 p. m.

43. Department's instruction No. 346 of April 16 and Legation's telegram 62 of April 19. Navy Department has arranged to retain Colonel Matthews in command of the Guardia until American officers are withdrawn. Please so inform Nicaraguan Government in reply to its note of April 1, 1932.⁵⁷

Express to Colonel Matthews the Department's appreciation for his sacrifice and cooperation.

CASTLE

⁸⁷ Not printed.

⁶⁴⁶²³¹⁻⁴⁸⁻⁶¹

NICARAGUA 863

817.1051/613

The Acting Secretary of State to the Chargé in Nicaragua (Debayle)

Washington, May 3, 1932.

Sir: I acknowledge the receipt of your note No. 209, dated March 16, 1932, in which you quote in translation a message you have received from His Excellency the President of Nicaragua expressing satisfaction with the Guardia Nacional de Nicaragua, and the desire "that the Guardia, under the direction of the marines, be permitted to conclude its mission."

As you are of course aware, this Government announced some time ago its intention to withdraw its forces from Nicaragua after the elections to be held in November of this year. In this connection you will recall that in the conference held on February 24, 1932, in this Department, when you were present, together with Doctors Morales and Argüello, the Personal Representatives of President Moncada, Doctor Morales brought up the question of the withdrawal of the marines from the Guardia at the close of this year. Assistant Secretary White pointed out to Doctor Morales that this had been agreed upon in February, 1931, between the Secretary of State and President Moncada. At that time, at the request of President Moncada, very careful consideration had been given by the Department of State to various problems with which Nicaragua was then faced. A memorandum embodying a program was then drawn up which provided for an increase in the strength of the Guardia, for the withdrawal of the Marine detachments stationed outside of Managua, and for the reduction by June 1, 1931, of the marine forces in Nicaragua to an instruction battalion in the city of Managua and the aviation force. The program also provided for additional funds to increase the military school in order to train additional Nicaraguan officers so as to replace all American officers in the Guardia by Nicaraguan officers immediately after the elections of 1932. This program was approved by President Moncada. In accordance with the program the Officers' Training School of the Guardia was greatly expanded and a large number of additional cadet officers were enrolled in order that there might be sufficient Nicaraguan officers trained to take over the Guardia after the elections this November. In accordance with this program, which was adopted well over a year ago, the United States Government has been making the necessary arrangements to withdraw all its forces from Nicaragua after the elections, including its officers with the Guardia, and to turn the latter organization over to the Nicaraguan Government.

Your statement that President Moncada has been misquoted in

the press with respect to the Canal Treaty of August 5, 1914, has been noted, and also the quotation which you give of a paragraph on this subject taken from the statement issued by President Moncada on March 10 of this year. I am gratified to note that President Moncada takes the view that there can be no question regarding the validity of this Treaty.

Accept [etc.]

For the Acting Secretary of State:
FRANCIS WHITE

817.1051/636

The Acting Secretary of State to the Minister in Nicaragua (Hanna)

No. 365

WASHINGTON, May 7, 1932.

Sir: Reference is made to your despatch No. 763 of April 26, 1932, in which you report that General Matthews and yourself are in agreement that it would be unwise under the present circumstances to bring up at this time with the Nicaraguan Government the question of a basic law to govern the Guardia Nacional after the withdrawal of the American officers serving in that force.

The Department concurs in this view. At the same time the Department suggests that in order to expedite the enactment of the law once the Nicaraguan Government deems it advisable, General Matthews and his advisers in Nicaragua and Washington might give consideration to the preparation at this time of a draft law which could be held ready for presentation at the appropriate time.

Unless you perceive some objection, the Department would like to have you discuss this suggestion with General Matthews.

Very truly yours,

For the Acting Secretary of State:
FRANCIS WHITE

FRANCIS WI

817.1051/642

The Minister in Nicaragua (Hanna) to the Secretary of State

No. 784

Managua, May 13, 1932. [Received May 18.]

Sir: In reply to the Department's instruction No. 365 of May 7, 1932, file 817.1051/636, I have the honor to report that General Matthews is now preparing a draft of a basic law for the government of the Guardia to be presented to the Nicaraguan Government at an appropriate time. General Matthews plans to have the draft finished

in ample time for presentation to the next Congress, and it is hoped that in the meantime the political situation here will be so clarified as to permit the matter to be taken up with the Nicaraguan Government and the draft revised in consultation with the representatives of the Nicaraguan Government before it is presented to Congress. Colonel Walter Sheard, Chief of Staff of the Guardia Nacional, is on his way to Washington on leave of absence and will consult with the Navy Department on the subject while he is there.

Respectfully yours,

MATTHEW E. HANNA

817.1051/657

The Minister in Nicaragua (Hanna) to the Secretary of State

No. 828

Managua, June 21, 1932. [Received June 29.]

Sir: With reference to the Legation's despatch No. 740 of April 5, 1932, transmitting General Matthews' plan for turning the Guardia Nacional of Nicaragua over to Nicaraguan control, I have the honor to report that, after thorough discussion of this matter, General Matthews has indicated his desire to modify his plan somewhat.

General Matthews quite probably based his original plan on the assumption the turnover would be completed on January 2, 1933, but he is of the opinion that the plan would be materially improved if the final turnover could be postponed until about the end of February, 1933. This extension of the time for the final turnover would greatly simplify the highly important task of selecting Nicaraguan officers for the higher grades. On this point General Matthews has given me the following statement of his views:

It will in all probability not be practicable to secure the appointment of suitable native officers for the higher commands during the current administration. The President who will be elected on 1 November, 1932, and inaugurated on 1 January, 1933, will have to be depended upon to make these appointments. I believe that some time should be allowed the incoming President for the making of these appointments after he takes office. It is probable that these appointments could be made and an orderly turn-over effected in one month. However in the instructions issued to the Jefe Director for the turn-over he should be allowed some latitude. A maximum of two months time after the inauguration of the new President should be sufficient. The Jefe Director should be authorized to retain fifty American officers until the turn-over is completed.

I do not believe that the little bit of training in higher command that could be given the newly appointed Nicaraguan officers, in the short time allowed, would be of enough importance to warrant serious consideration. The best that can be hoped for is that men of char-

acter and standing in the country with some previous experience in administrative matters and in handling men and with a minimum of political bias may be secured. It would be most helpful if these officers could be selected in equal numbers from the two political parties and I recommend that our Government use its good offices with the new President to bring about this result.

General Matthews states further that "while the turn-over once started should be completed as promptly as possible to avoid responsibility devolving upon a small number of American officers without their having the commensurate authority and force of numbers to meet it, an orderly turn-over is vitally important and the short time available under the present plan makes such a turn-over highly problematical."

I concur in General Matthews' views expressed above. There doubtless will be an impairment of the high standard of efficiency maintained in the Guardia under American officers as a consequence of the transfer to inexperienced officers for the higher grades and it seems highly desirable to minimize this impairment by appointing these officers in the manner set forth by General Matthews.

Respectfully yours,

MATTHEW E. HANNA

817.1051/657 : Telegram

The Secretary of State to the Minister in Nicaragua (Hanna)

Washington, July 19, 1932—4 p. m.

72. Legation's despatch 828, June 21. The Department has given careful consideration to the question of turning over the Guardia to Nicaraguan control. While it agrees with General Matthews that an "orderly turnover is vitally important" and notes his opinion "that the short time available under the present plan makes such a turnover highly problematical", the Department is strongly of the opinion that it would not be advisable to leave any Marines in Nicaragua after the date already announced for their withdrawal, and considers it essential to adhere to the plan to withdraw the Marines immediately after the new President takes office.

The Department notes that General Matthews does not believe that "the little bit of training in higher command that could be given the newly appointed Nicaraguan officers in the short time allowed (he apparently means 2 months) would be of enough importance to warrant serious consideration". The basis of a really orderly turnover that would not immediately break down would seem to lie not merely in the transfer of positions to Nicaraguan officers but in the ability of these officers to handle capably and efficiently their new duties when once assumed. It appears to the Department, therefore, that

the first step should consist in the immediate selection by Matthews of those Nicaraguans who will hold the higher commands upon the withdrawal of the Marines, particularly of those men who will occupy the key positions, both on headquarters staff and in the field, in order that they may serve an apprenticeship by working alongside the American officers now holding these positions for the time remaining before January 1. In this connection the Department is seriously concerned that there are no Nicaraguan commissioned officers of a rank higher than Lieutenant. In fact, it understands that all but two of these officers are Second Lieutenants. It is in order that such inexperienced men shall not be suddenly appointed to positions of responsibility that the Department feels steps should be taken to select and appoint immediately those who will hold higher commands in the Guardia after American withdrawal. In this connection it is suggested that General Matthews divide his selections as nearly as possible both as to number and rank between Liberals and Conservatives. The important point would seem to be that those Nicaraguans who are to occupy higher and responsible positions obtain as much instruction and experience as possible in order to prepare them to take over their commands when the new President takes office.

Furthermore the Commander of the Guardia will be able to judge in these succeeding months, and especially by their conduct in the electoral period, how trustworthy these officers are and any who do not measure up to requirements can be removed before the Guardia is turned over.

STIMSON

817.1051/677

The Minister in Nicaragua (Hanna) to the Secretary of State

No. 865

Managua, August 9, 1932. [Received August 17.]

Sir: With reference to the Department's telegram No. 72 of July 19, 4 p. m., regarding the question of turning over the Guardia to Nicaraguan control, I have the honor to transmit herewith a copy of a letter of August 8, 1932, from General Matthews in which he presents for the Department's consideration the plan he suggests for the selection of the Nicaraguan officers to replace the American officers serving with the Guardia.

The essential points of General Matthews' proposal are as follows:

(1) To arrange with each Presidential candidate of the leading political parties, immediately after the nomination of the candidates, for the selection of a list of names composed equally of members of both parties acceptable to such candidate.

(2) To request President Moncada, immediately after the Presidential election has been decided, to appoint to the higher commands in the Guardia the persons on the list of the successful candidate, such appointments to be made permanent by the new President on January 2, 1933.

It will be specially noted that the list approved by each Presidential candidate is to be composed equally of members of both political parties.

The officers thus appointed probably would begin their service about the middle of November and the additional appropriation for their salaries would be approximately \$5,625 until January 1, 1933.

General Matthews has set forth in his letter his reasons for rejecting other plans considered by him and for recommending the proposed plan as the one best suited for an orderly turnover of the Guardia under the conditions confronting him.

General Matthews will proceed to carry out this plan as soon as he learns that it has received the Department's approval. He has not consulted President Moncada in this connection nor have I. I think President Moncada should be advised of the plan adopted when it has received the Department's approval and I would appreciate the Department's instruction as to the manner in which that advice should be given to him.

Respectfully yours,

MATTHEW E. HANNA

[Enclosure]

The Jefe Director of the Guardia Nacional de Nicaragua (Matthews) .
to the American Minister (Hanna)

Managua, August 8, 1932.

Sir: I note that in Despatch No. 72 of July 19, 1932, from the Secretary of State, Washington, D. C., that the State Department agrees with me that an orderly turnover of the Guardia to Nicaraguan control is vitally important but is strongly of the opinion that it would not be advisable to leave any marines in Nicaragua after the date already announced for their withdrawal, and considers it essential to adhere to the plan to withdraw the marines immediately after the new President takes office.

This of course renders impossible the adoption of my original plan that the new president appoint, upon his assumption of office, Nicaraguans in the higher offices of the Guardia and that the present incumbents, Marine Corps officers, remain for a period of not to exceed two months in order to insure an orderly turnover.

In view of the conditions of political unrest and financial instability existing in Nicaragua and the fact that there is no immediate prospect of the cessation of the armed resistance to the government. led by Sandino who has announced that he will continue his resistance against any president elected under American supervision, it is inconceivable to me that any president will accept or continue in office Nicaraguan officers, of high rank in key positions in the Guardia, of whose personal loyalty to himself and to his party there is the slightest doubt. His Excellency, the present Chief Executive, has shown conclusively that party and personal loyalty are large considerations in the appointment of even the present junior Nicaraguan officers of the Guardia and of the cadets of the Military Academy, who because of their youth have not become seriously involved in politics. He has passed personally on each applicant for appointment and rejected many who appeared in every way eligible for appointment except for their political or family affiliations. In certain cases I have even been required to investigate the enlistments of members of the Conservative Party as privates in the Guardia.

In view of these conditions, the existence of which I believe everyone familiar with the situation here will admit, it is obviously impossible to select for the higher commands of the Guardia, Nicaraguans who will be acceptable to the new president until it is known who the new president will be. Hence my alternate plan is: Immediately upon the nomination of the candidates of the leading political parties, to arrange with each candidate for the selection of a list of names, composed equally of members of both parties acceptable to him; and immediately after the election has been decided, request the present Chief Executive to appoint to the higher commands the persons on the list of the successful candidate, to work alongside the American personnel until January 2nd when their appointments will be made permanent by the new president. This plan overcomes the objection to leaving any marines in Nicaragua after January 2nd, and is one which I hope can be put into effect without serious difficulties.

It will be necessary to give the additional officers appointed under this plan the rank and pay of at least Captains, and for this purpose an additional appropriation will be required. The number of this class of officers should be thirty (30) and the additional appropriation should therefore be three thousand seven hundred and fifty cordobas (\$3,750.00) per month.

I have considered and rejected as impracticable the plan of requesting the President to appoint Nicaraguans whom I believe to be qualified for the higher ranks before the candidates of the leading parties are known; both because I am certain that the present Chief Execu-

tive will refuse to make the necessary appointments because of the expense involved, and because no one would accept an appointment without assurance that it would be made permanent by the new president, an assurance which it is of course impossible to give at the present time.

There is another plan that suggests itself which has much in its favor but in addition to the expense involved presents so many difficulties, due to the uncertainty of the political situation, that I have also rejected it as impracticable at this time. It is to have the leading candidates agree upon a list of names and request President Moncada to make the necessary appointments from this list, both candidates pledging themselves to continue these appointees in office. This also rests upon the uncertainty as to the identity of the leading candidates, and its success depends upon the possibility of obtaining an agreement between them.

Very truly yours,

C. B. MATTHEWS

817.00/7524

Memorandum by the Assistant Secretary of State (White)

[Washington,] August 26, 1932.

Mr. Salvador Guerrero Montalvan called and said that he had been asked by Doctor Sacasa, who has now been appointed candidate of the Liberal Party in Nicaragua for President of that country during the next four years, to come to the Department and say that Doctor Sacasa hoped that the United States Government would continue to take the interest that it has in the past in Nicaraguan affairs and that we would not abandon Nicaragua now but would continue the Marines on in that country. Mr. Guerrero said he realized that there had been criticism in the past regarding having the Marines there but that public opinion has completely changed in Nicaragua and they now realize the benefit of our cooperation and help and want this to continue.

I told Mr. Guerrero that the policy of withdrawing our Marines had been very carefully thought out and had been decided on over eighteen months ago and public statement to that effect had been made in February, 1931. This decision had been supported by Congress and public opinion generally in this country. We in the Department thought it was the wise policy and we would not change it now.

I told Señor Guerrero that he might tell Doctor Sacasa that we would of course continue our great interest in Nicaragua and our desire to be helpful and the very fact that this policy had been an-

nounced eighteen months ago clearly showed that it was a policy based on questions of principle and not of personality as to who might be the next President. It was made eighteen months before Doctor Sacasa's nomination so of course it had nothing to do therewith. Furthermore, no one can tell until after the elections who the next President will be.

Señor Guerrero then asked that the Marines be withdrawn little by little and not all at once next January. I said it was my understanding that they would probably not all be withdrawn at one time but that preparations would be begun some time in November and would be completed during the first few days of January.

Señor Guerrero then suggested that American officers be left in the higher positions in the Guardia Nacional. I told him that so far as I knew the Nicaraguan Government had not suggested a military Mission of a few officers and that the matter had not been considered; that we were making all our plans to get out bag and baggage in January and this applied to the officers in the Guardia as well as the Marine Brigade. I added that I thought that in the long run it was perhaps better for Nicaragua to take over now complete responsibility for the preservation of order rather than look to a foreign country to do so. After all, this is the obligation of Nicaragua and should be assumed by her.

F[RANCIS] W[HITE]

817.1051/676 : Telegram

The Acting Secretary of State to the Minister in Nicaragua (Hanna)

Washington, August 30, 1932—2 p. m.

87. Your despatch 865, August 9, 1932. The Department supports General Matthews' plan for turning over the Guardia to Nicaraguan officers, and desires you to lay it before President Moncada for his approval at an early opportunity. You may consider it advisable to request General Matthews to accompany you.

The Department leaves to your discretion the manner of presenting the plan to President Moncada. You know his present mood and the type of argument best calculated to gain his support. However, if you see fit you may inform President Moncada of the Department's views as follows:

It was inherent in the logic of the Tipitapa Agreement 58 that a day must arrive when Nicaragua would take over the control of the

⁸⁸ i.e., the agreement between Colonel Stimson and General Moncada, confirmed by Colonel Stimson's note to General Moncada, dated at Tipitapa, May 11, 1927, Foreign Relations, 1927, vol. III, p. 345.

Guardia. The plan drawn up in February 1931 after consultation with Mr. Hanna and General McDougall contemplated the withdrawal of all the American forces immediately after the presidential elections of 1932. This plan was thereupon submitted to President Moncada, who approved and initialed it. The elections are now not far off and consequently the time is rapidly approaching when, in accordance with this predetermined plan, the Guardia must be turned over to Nicaraguan officers. It is of vital importance that this transfer be effected smoothly and with the least loss of efficiency. The Department considers that the plan now proposed is satisfactory from both the military and political standpoint. It will permit those Nicaraguan officers who are to fill the higher and most responsible positions to gain instruction and experience by working alongside the American personnel. It also will allow the incoming President, whoever he may be, to select the officers who will command the Guardia during his term. Finally it will assure the continuance of the non-partisan basis of the Guardia since its officers will be drawn equally from the two historic political parties.

Please urge upon President Moncada the early acceptance of this plan so that General Matthews may take the necessary steps at once to secure the lists of names from the presidential candidates. Should President Moncada raise objection and fail to submit some equally sound proposal would a personal letter from the Secretary supporting General Matthews' plan strengthen your hand?

Please suggest to General Matthews the importance of having the two presidential candidates in selecting for their lists men from the opposing political party name those who are able and reliable and will strengthen the Guardia instead of figureheads who will later have to be replaced. The new President will have to place great reliance on the Guardia to maintain peace and order and should be interested in having the best possible persons drawn from both parties. The advantages of selecting at least some of the higher officers from those already in the Guardia are obvious. It would, of course, be very helpful for the success of the plan if the two candidates could be persuaded to draw up lists composed of practially the same names.

817.1051/685 : Telegram

The Minister in Nicaragua (Hanna) to the Secretary of State

Managua, September 16, 1932—3 p. m. [Received September 17—11:50 a. m.]

176. Department's telegram No. 87, August 30, 2 p. m. I recently laid before President Moncada a memorandum of the plan proposed for appointing Nicaraguan officers for the Guardia and subsequently discussed the subject with him. I have just received the following letter from the President, dated today:

"I have read and reread with attention the memorandum of September 8 which you were kind enough to deliver to me, with reference to the Guardia Nacional.

I understand well the spirit of the Tipitapa agreements and approve in general the plan which the Department of State proposes for the organization of the Guardia Nacional, now that the day for the withdrawal of the American forces in Nicaragua is approaching.

I desire only to make an observation to you and through you to the Department of State, that is, that the 29 officers to be selected by each candidate should be persons of equable character and not of exalted

political passions.

I also wish to state to you that, there being no guarantee that the new arrangements will be carried out, the next government, whichever it may be, might make changes, and the idea of the Department of State would be abandoned, perhaps completely, for the return of what was formerly called Government troops. Perhaps the candidates might be asked to sign an agreement, involving a clear and precise obligation, in the presence of a representative of the Department of State, since I am certain that there will be an effort on the part of the candidate who wins at the elections to carry out the arrangements referred to, since in Nicaragua there is great respect for a simple promise made before the Government of the United States of America."

General Matthews and I concur in President Moncada's above recommendation and the Department's view is requested. General Matthews will proceed in full with President Moncada to carry out the other phases of the plan.

Hanna

817.1051/685 : Telegram

The Secretary of State to the Minister in Nicaragua (Hanna)

Washington, September 19, 1932—6 p. m.

95. Your 176, September 16, 3 p. m. Department has no objection to President Moncada's suggestion that the candidates should sign an agreement in your presence that they will carry out the provisions

of the plan proposed by the Commander of the Guardia and accepted by President Moncada, for the appointment of the higher officers in the Guardia.

STIMSON

817.1051/700

The Minister in Nicaragua (Hanna) to the Secretary of State

No. 949

Managua, October 28, 1932. [Received November 9.]

Sir: With reference to the Department's telegram No. 95 of September 19, 1932, and to previous correspondence concerning the plan approved by the Department and President Moncada for the appointment of Nicaraguan officers to the higher commands in the Guardia Nacional, in connection with the turning over of that institution to Nicaraguan control on January 2 next, I have the honor to transmit herewith copy and translation of a letter addressed by the Jefe Director of the Guardia Nacional to General Emiliano Chamorro, the Conservative candidate for the Vice Presidency, in the absence from Nicaragua of don Adolfo Diaz, the Presidential candidate, outlining the plan referred to. A similar letter was transmitted to Dr. Juan Bautista Sacasa, the Liberal Presidential candidate, at the same time.

It will be noted that in accordance with their request General Matthews has presented to each of the candidates identical lists containing both Conservatives and Liberals, in the way of a suggestion, while making it clear that each of the candidates is free to submit his own list. General Matthews likewise refers in his letter to the agreement which it is proposed that the candidates will sign before me guaranteeing to preserve the non-partisan character of the Guardia Nacional during the next Presidential period.

Respectfully yours,

MATTHEW E. HANNA

[Enclosure—Translation]

The Jefe Director of the Guardia Nacional de Nicaragua (Matthews) to the Nicaraguan Conservative Candidate for the Vice Presidency (Chamorro)

Managua, 20 October, 1932.

DISTINGUISHED GENERAL: I have received due instructions to proceed to execute the plan hereinafter set forth for the selection of Nicaraguan officers who will replace the American officers serving in the

Guardia Nacional, which plan has received the approval of the Governments of Nicaragua and the United States:

(a) Each one of the Presidential candidates of the two Historic Parties of Nicaragua will be asked to present immediately a list containing the names of persons acceptable to said candidate from among whom the Nicaraguan officers who are going to replace the American officers at present serving in the Guardia may be chosen. The list which each candidate will present in this manner should contain the names of members of both political Parties in equal parts (half and half).

(b) The two Presidential candidates will be requested to sign an agreement, in the presence of the American Minister, in which they agree respectively to strictly preserve the non-political character of the Guardia during the period in which one or the other of the candidates shall be President of Nicaragua. (Note: I have been informed that this aspect of the plan has been communicated by the American

Minister to the respective candidates).

(c) Immediately after the Presidential election has been decided, President Moncada will be requested to make the appointments in order that the persons appearing in the list of the winning candidate may occupy the highest posts of command in the Guardia.

(d) The Nicaraguan Officers who are named in this manner will work together with the American officers until January 2, the date on which their appointments will be made permanent by the new

President of the Republic who is inaugurating his period.

In accordance with our conversation of recent date and in compliance with your request, I have the pleasure of submitting to your consideration the attached list⁵⁹ of names of Nicaraguan citizens who have been recommended to me as appropriate as officers in the higher command of the Guardia Nacional. I beg you to give me as soon as possible a list of fifty names of Nicaraguan citizens composed in equal parts of members of both political Parties whom you would like to be appointed in the Guardia Nacional if the Conservative Party is successful in the approaching elections. Said names may be taken from the list which I present to you or you may give us any other list of appropriate citizens whom you consider convenient to select.

I am [etc.]

C. B. Matthews

⁵⁰ Not attached to file copy.

817.00/7614

The Minister in Nicaragua (Hanna) to the Secretary of State

No. 954

Managua, November 4, 1932. [Received November 9.]

Sir: With reference to previous correspondence in this connection, I have the honor to report that the decision of the Government of the United States to complete the withdrawal of the American Marines from Nicaragua by January 2, 1932 [1933?], was originally received with doubt by large numbers of Nicaraguans and that their doubt was changed to consternation as they recently became convinced that our decision to withdraw our forces at that time will not be altered.

The general opinion among those who have accepted our Government's decision as final is that such action, as early as January 2, 1933, is essentially unfair to the Government and people of Nicaragua. While, aside from one vicious editorial in *El Comercio*, there has been no tendency to blame the present unfortunate military situation on Americans, yet there is a complete failure here to understand the logic of American policy in abandoning Nicaragua to a situation in which, as the matter is viewed by Nicaraguans, great numbers of innocent lives are almost sure to be imperiled. It does not appear to them either consistent or fair that the United States, after intervening to put an end to a civil war in which the participants were the principal sufferers, should abruptly abandon Nicaragua to the horrors of bandit depredations in which the innocent are the principal sufferers.

When they remember that, in the face of an efficient, splendidly officered Guardia Nacional, innocent persons are being assassinated, after torture and mutilation, it is difficult for them to accept a policy which would leave Nicaragua to combat these dangers with her own feeble resources.

There is no doubt that many consider that American honor requires that, after having had sole responsibility for directing Nicaragua's military forces for some five years, American officers should not give up in the face of a bandit situation fully as strong as, if not stronger than at any time since its inception. Many are of the opinion that the present campaign, if continued, would eventually rid Nicaragua of bandits. There is likewise a general opinion that the withdrawal of the American officers will give courage and prestige to banditry and add to its menace.

Objection to the withdrawal of the Marines so soon after the inauguration of the new President has been expressed privately to the Legation by the Minister of Foreign Affairs, speaking for President Moncada, by the two candidates for the Presidency of Nicaragua, and by other leaders in both the Nicaraguan parties. There has hardly been a voice raised in favor of the marines' departure, even among the comparatively small anti-intervention element in Nicaragua.

Dr. Sacasa has pointed out that the President to be inaugurated on January 1 cannot fairly be expected to have achieved control of the Government on January 2. He has told me that, in addition to the confusion and uncertainty attending the nearly complete turnover in government offices which ordinarily marks the accession of a new President in Nicaragua, the next incumbent, while being required to confront a bandit menace which threatens the very existence of the Government, will likewise be dependent upon a Guardia which, while it has given an excellent account of itself under American-direction, will be, until then, untried under Nicaraguan leadership. Few persons dare to hope that the present efficiency of the Guardia can be maintained in any large degree, and many actually anticipate the disintegration of that organization.

The leaders of both parties have not failed to point out to me the brief period of training that the Guardia has had under American officers. The Guardia, as the Department knows, did not really take the field until 1929, only three years ago. In all it has had only five years to establish a tradition and to overcome the habits of more than a century. No American-trained Nicaraguan officer has been advanced to a grade higher than first lieutenant. Under the present plan it will become necessary to turn over the higher commands to persons taken from civil life, none of whom probably will have the specialized training which the younger officers have received under American officers. These are points that the party leaders have emphasized in their conversations with me.

Dr. Sacasa and others have pointed out also that no provision exists at the present time for continuing the Nicaraguan Military Academy. At least, Nicaragua has no instructors capable of continuing the work now being done by American officers, and no plans have been laid to obtain new instructors. This circumstance, as well as the situation in general, has prompted many of the leaders in and out of Government and in both parties to suggest that at least a military mission be left in Nicaragua.

I have given no one any encouragement to think that there is any possibility of a modification by the United States of its present plan of withdrawal. In fact I have stated my conviction that no modification is possible. I have pointed out to General Somoza, the Minister for Foreign Affairs, that for the United States to leave any portion

of the forces now in Nicaragua would detract from the effect of the withdrawal, and would be interpreted as a continuance of the so-called intervention. I have told him, also, that if Nicaragua desired to request a military mission at some later date the Government of the United States would of course give the request every consideration, although I had no idea whether it would be granted or not. In this connection *La Noticia*, usually anti-American in its attitude, published recently, without comment a report that the Government of the United States intended to suggest to Nicaragua that fifteen American reserve officers be chosen to occupy the higher posts in the Guardia Nacional after the departure of the Marines.

Naturally, in my conversations with leaders of both parties, I have not failed to point out certain common misunderstandings and misinterpretations concerning the departure of the Marines. In reply to the common charge that the evacuation of Nicaragua will be abrupt, I have pointed out that it could not be so considered since the plan being followed was agreed to between the two Governments concerned in February, 1931, and made public at that time.

I have endeavored to calm the fears shared by all who have consulted me and have particularly pointed out the extent to which the approaching departure of the Marines may be of actual assistance at the present time when the two major political parties are reaching an agreement to cooperate in the maintenance of peace in Nicaragua following the evacuation, and are formulating plans for a united front against banditry. I have pointed out that the possibility of conciliating Sandino will be greater if no marines remain in Nicaragua and that even if conciliation proved to be impossible, a united Nicaragua, having deprived Sandino of his principal excuse for continued belligerency, that is, the presence of American Marines on foreign soil, might be in a better position to eliminate banditry than the present Government assisted by the Marines.

Respectfully yours,

MATTHEW E. HANNA

817.1051/701

The Minister in Nicaragua (Hanna) to the Secretary of State

No. 958

Managua, November 5, 1932. [Received November 14.]

Sir: I have the honor to submit for the Department's consideration a copy of a letter addressed to me by the Jefe Director of the Guardia Nacional on November 2, 1932, recommending that steps be taken, either by treaty arrangement or by legislative enactment by the Nicaraguan Congress, to insure that trials by court martial of members of the Guardia Nacional be considered valid, and that members of the Guardia Nacional who may be charged with committing military offenses, but who shall not have been tried prior to the delivery of the Guardia to Nicaraguan Control, be insured a valid trial by court martial.

There is transmitted also a translation of Article 32 of the Constitution of Nicaragua, as quoted on page 2 of General Matthews' letter.

Respectfully yours,

MATTHEW E. HANNA

[Enclosure 1]

The Jefe Director of the Guardia Nacional de Nicaragua (Matthews) to the American Minister (Hanna)

Managua, 2 November, 1932.

My Dear Mr. Hanna: In view of the fact that the time for the withdrawing of the personnel of the U. S. Marine Corps and U. S. Navy from duty with the Guardia Nacional de Nicaragua and from the Republic of Nicaragua is, under the provisions of the Tipitapa Agreement of 1927, drawing near, I feel that there are certain matters which I, in justice to the Nicaraguan officers and men who have served in the Guardia Nacional de Nicaragua, should bring to your attention.

The Congress of Nicaragua has never formally ratified the Guardia Agreement, under the authority of which the Guardia Nacional de Nicaragua came into existence and has since functioned; nor has it formally given legislative enactment to the Articles for the Government and Discipline of the Guardia Nacional de Nicaragua. These articles have as their sole legal basis the approval of the President of the Republic.

During the existence of the Guardia Nacional de Nicaragua certain Nicaraguan officers and enlisted men have been brought to trial by consejos de guerra under the authority of the Articles for the Government and Discipline of the Guardia Nacional de Nicaragua for offenses which were of a military nature or were committed when in line of duty as members of the Guardia Nacional de Nicaragua. From time to time Nicaraguan officers and enlisted men have been discharged and turned over to the civil authorities for trial when the offenses were not military ones or were not committed in line of duty as members of the Guardia Nacional de Nicaragua. However, there have been cases where jurisdiction has been taken and trials had by

consejos de guerra when the civil courts of first instance have also claimed jurisdiction. The courts of first instance have in a number of these cases appealed to higher courts and these appeals have finally reached the Supreme Court of Nicaragua. This court has never rendered a decision as to the validity of the trials by consejos de guerra. In view of the fact that there exists no authority in the legislation by the Congress of Nicaragua and, further, that the Supreme Court of Nicaragua has so far failed to make a decision in these cases, the question of the validity of the trials so far had by consejos de guerra of the Guardia Nacional de Nicaragua as a bar to further trial by the civil and criminal courts of the Republic of Nicaragua as provided for in Article 32 of the Constitution of Nicaragua remains open and undetermined.

It is highly probable that the civil and criminal courts may attempt to bring members or ex-members of the Guardia Nacional de Nicaragua to trial for offenses for which trial by a consejo de guerra has already been had. They may, also, attempt to exercise jurisdiction in cases of some alleged offenses committed in line of duty as members of the Guardia Nacional de Nicaragua for which no trial by a consejo de guerra has been had, as a means of satisfying a personal grudge or from motives of revenge.

In the Military and Naval services of the United States the authority for the existence of Military and Naval courts-martial exists in the legislation by the Congress and accordingly a trial by a court-martial operates as a bar to further trial in a federal court.

Article 32 of the Constitution of Nicaragua reads as follows:

"Artículo 32—Ningún poder público podrá avocar causas pendientes ante autoridad competente, ni abrir juicios fenecidos.

"En lo criminal podrá admitirse el recurso de revisión de juicios fenecidos, en que se haya impuesto pena más que correccional. La Ley reglamentará el ejercicio de este derecho."

In view of the existing situation and legal status of the Guardia Nacional de Nicaragua, I submit to your consideration the question of the securing by means of either treaty or by legislative enactment by the Congress of Nicaragua the following:

(1) Giving effect and validity to all trials of Nicaraguan officers and enlisted men of the Guardia Nacional de Nicaragua by consejos de guerra under authority of the Articles for the Government and Discipline of the Guardia Nacional de Nicaragua and providing that such trials shall constitute a bar to further trial by military, civil and criminal tribunals of the Republic of Nicaragua as provided for in Article 32 of the Constitution of Nicaragua.

(2) Reserving to Nicaraguan officers and enlisted men of the Guardia Nacional de Nicaragua the right to trial by a consejo de

guerra for offenses committed in line of duty as members of the Guardia Nacional de Nicaragua prior to the date the Guardia Nacional de Nicaragua passes to full control of the Government of Nicaragua, for which they have not prior thereto been brought to trial.

Very truly yours,

C. B. Matthews

[Enclosure 2—Translation]

Translation of Article 32 of the Nicaraguan Constitution

ARTICLE 32. No public power may remove cases pending before competent authority, nor reopen cases which are terminated.

In criminal matters recourse to revision of cases which have terminated, in which the penalty imposed is more than correctional, may be had.

817.1051/702

The Minister in Nicaragua (Hanna) to the Secretary of State

No. 959

Managua, November 7, 1932. [Received November 14.]

SIR: Supplementing my despatch No. 949 of October 28, 1932, relative to a plan for the selection of Nicaraguan officers for the Guardia Nacional, I have the honor to transmit herewith a letter I have addressed to Major General Calvin B. Matthews, Jefe Director of the Guardia Nacional, advising him concerning the negotiations with the candidates of the two political parties for the Presidency and Vice Presidency which terminated in the signing of an agreement to preserve the non-partisan character of the Guardia Nacional during the next Presidential period.

This agreement is the outcome of a suggestion made by President Moncada in a letter he addressed to me on September 16, 1932, which was transmitted to the Department in my telegram No. 176 of September 16, 1932, and received the Department's concurrence as set forth in the Department's telegram No. 95 of September 19, 1932.

I am transmitting herewith a copy and translation of the agreement as it was signed in my presence at 8 p.m. November 5, 1932, on the eve of the Presidential elections. Don Adolfo Diaz was en route to Managua from the United States and did not arrive until the following day. General Chamorro stated that he had Señor Diaz' authority to represent him in the matter and that Señor Diaz would add his signature after his arrival here.

Respectfully yours,

MATTHEW E. HANNA

[Enclosure 1]

The American Minister (Hanna) to the Jefe Director of the Guardia Nacional de Nicaragua (Matthews)

Managua, November 7, 1932.

MY DEAR GENERAL MATTHEWS: With reference to your letter of October 22, 1932,60 with which you enclosed copies of identical letters addressed by you to Doctor Juan B. Sacasa and General Emiliano Chamorro relative to carrying out the plan agreed upon between the Government of the United States and the Government of Nicaragua for the transfer of the Guardia Nacional to Nicaraguan control, I have the honor to inform you that an agreement to maintain the non-partisan character of the Guardia Nacional throughout the next Presidential term was signed in my presence on November 5 by those candidates of the two political parties for the Presidency and Vice Presidency who were at that time present in Managua.

On November 3, 1932, I addressed identical letters to Doctor Juan B. Sacasa, Presidential candidate of the Liberal party, and to General Emiliano Chamorro, Vice Presidential candidate of the Conservative party, in which I set forth my interpretation of the purpose and scope of the proposed agreement between them "to strictly preserve the non-political character of the Guardia during the period in which one or the other of the candidates shall be President of Nicaragua". I also submitted for their consideration a draft of an agreement intended to accomplish the purpose in view. A copy of the letter is transmitted herewith.

General Chamorro replied by letter on November 3 in which he stated the following:

"Estoy en un todo de acuerdo con el plan trazado, así como en el proyecto de compromiso aludido; y es particularmente grato para mí poder comunicar a S. E. que estoy en disposición de suscribir el dicho compromiso y tener la conferencia que S. E. desea con el Doctor Juan B. Sacasa, cuando S. E. tenga a bien participarme que ha llegado la hora para efectuarla". 61

Doctor Sacasa called on me and expressed his strong desire that the successful Presidential candidate should be free to assign officers to the higher grades in the Guardia Nacional irrespective of their

⁶⁰ Not found in Department files.

at "I am in full accord with the plan outlined as well as with the form of agreement referred to: and I am especially pleased to be able to communicate to Your Excellency that I am prepared to subscribe to the said agreement and to have the conference with Doctor Juan B. Sacasa, which Your Excellency desired, whenever Your Excellency shall be good enough to inform me that it is time to do so." [Translation by the editors.]

party affiliations. I pointed out that what he proposed would impair in large measure the non-partisan character of the Guardia.

I subsequently laid the matter before the Minister for Foreign Affairs, General Anastasio Somoza, with the request that he advise President Moncada of the proposed agreement and the views of General Chamorro and Doctor Sacasa. General Somoza called on me shortly thereafter and stated that President Moncada was in accord with the proposed agreement in general but suggested that provision be added thereto specifying that the Jefe Director of the Guardia Nacional should have the authority to select the personnel of the Estado Mayor from officers of whatever grade or grades he might deem appropriate without taking into consideration the political affiliations of the officers so selected. I told General Somoza that in my opinion the privilege of the Commander of the Military Forces to select his staff should not be questioned and that I was in accord in general with the President's suggestion. Accordingly, the following additional paragraph was added to the agreement:

The Commanding General of the Republic, in agreement with the Jefe Director de la Guardia Nacional, shall select the personnel of the Estado Mayor from officers of whatever grade or grades they deem appropriate.

When this additional paragraph was subsequently submitted to General Chamorro he expressed a desire that the personnel constituting the General Staff be specified. He expressed this desire in the presence of Doctor Sacasa and Doctor Espinosa, the Vice Presidential candidate of the Liberal Party, at a conference with me in the Legation on the evening of November 5, at which General Somoza was also present in his capacity as Minister for Foreign Affairs in representation of President Moncada.

It was agreed among us that the point raised by Chamorro should be clarified in a letter that I would address to Doctor Sacasa and General Chamorro. A copy of that letter, dated November 5, is transmitted herewith.

I stated to the candidates that my letters to them of November 3, 1932, and November 5, 1932, to both of which reference is made above, should be considered as documents clarifying the intent and scope of the agreement. General Chamorro assented thereto and, in reply to his inquiry addressed to Doctor Sacasa, the latter also expressed his assent.

The agreement was then signed in my presence, with the understanding that the signature of don Adolfo Diaz would be obtained

after his return to Managua from the United States. A copy of the agreement is transmitted herewith.

I am [etc.]

Sincerely yours,

MATTHEW E. HANNA

[Subenclosure 1]

The American Minister (Hanna) to the Nicaraguan Conservative Candidate for the Vice Presidency (Chamorro)

Managua, November 3, 1932.

My Dear General Chamorro: In a letter that Major General C. B. Matthews, Jefe Director de la Guardia Nacional, addressed to you on October 20, 1932,62 you were advised that a plan for transferring the Guardia Nacional to complete Nicaraguan control had received the approval of the Government of Nicaragua and the Government of the United States, and that the principal features of the plan were the following:

(a) Each of the Presidential candidates of the two historical parties in Nicaragua will be requested to present immediately a list of names acceptable to such candidate from which may be selected the Nicaraguan officers who are to replace the American officers now serving in the Guardia. The list of names thus presented by each candidate shall be composed equally of members of both political

(b) The two Presidential candidates will be requested to sign an agreement in the presence of the American Minister in which they pledge themselves respectively to preserve strictly the non-partisan character of the Guardia during the period that one or the other of the candidates is President of Nicaragua.

(c) His Excellency, President Moncada will be requested, immediately after the Presidential election has been decided, to appoint to the higher commands in the Guardia the persons on the list of the successful candidate.

(d) The Nicaraguan officers thus appointed will work alongside the American officers until January 2 when their appointments will be made permanent by the newly inaugurated President of the Republic.

I understand that the preparation of the lists of names mentioned in paragraph (a) above is now nearing completion, and it would seem that the moment has arrived to decide upon and sign the agreement mentioned in paragraph (b) above.

The purpose of the agreement as set forth in its broadest terms is "to strictly preserve the non-political character of the Guardia during the

⁶² Ante, p. 874.

period in which one or the other of the candidates shall be President of Nicaragua". I interpret the purpose of this agreement to embrace the following fundamental ideas:

(1) The Guardia Nacional shall be the sole national armed force

of the Government of Nicaragua.

(2) If any increase is made in the Government's armed forces, to meet an emergency or for any other purpose, such increase shall constitute a part of the Guardia Nacional.

(3) The continuance of the Guardia Nacional on a non-partisan basis makes it imperative that the officers in each grade (excepting the grade of Jefe Director) shall be equally divided between members of the two historic political parties and that the equal division be maintained.

(4) The same equal division between the two political parties shall be maintained in the enlisted personnel and in the cadets of the

Military Academy.

(5) No commissioned officer or enlisted man of the Guardia or cadet of the Military Academy shall be dismissed without a fair

and just trial in accordance with Nicaraguan law.

(6) Any vacancy in the commissioned strength, however created, shall be filled by the appointment of an officer selected from the same political party as that to which the officer creating the vacancy belong at the time such latter officer was originally commissioned in the Guardia Nacional thus maintaining the equal division between the two political parties of the officers in each grade. The appointments to the National Military Academy shall be equally divided between the two political parties, and the instructors assigned to the National Military Academy shall likewise be equally divided between the two parties.

The foregoing are not presented as the only measures necessary to preserve the non-political character of the Guardia, but merely as some of the essentials by way of setting forth the scope of the intent of the proposed agreement. I am of the opinion that the complete purpose we have in view may be better attained by making the agreement comprehensive but general in character rather than by endeavoring to specify therein the detailed procedure to be followed to preserve the non-political character of the Guardia in every possible situation which may arise. I therefore submit for your consideration the following as a draft of such general agreement:

The Guardia Nacional de Nicaragua shall be the sole national armed force of the Government of Nicaragua. Any increase made in the Government's armed forces to meet an emergency or for any other purpose shall constitute a part of the Guardia Nacional.

The non-partisan character of the Guardia Nacional shall be strictly maintained in the enlisted personnel, the cadets of the Military Academy, and in each grade of commissioned officers, except

the grade of Jefe Director, and vacancies shall be filled so as to

maintain this non-partisan character.

Political considerations in conflict with the non-partisan character of the Guardia shall be wholly eliminated from all decisions affecting the promotion and dismissal of commissioned officers, cadets, and enlisted men, the selections to fill vacancies in the commissioned and enlisted strength, the discipline and command, and from all other decisions in connection with the administration of the Guardia.

I have submitted an identical letter to Doctor Juan B. Sacasa for his consideration. I will be pleased to confer with you both at any time to the end that we may arrive at a mutually satisfactory agreement.

I am [etc.]

MATTHEW E. HANNA

[Subenclosure 2]

The American Minister (Hanna) to the Nicaraguan Liberal Candidate for the Presidency (Sacasa)⁶³

Managua, November 5, 1932.

My Dear Doctor Sacasa: Supplementing my letter of the third instant⁶⁴ concerning a plan for transferring the Guardia Nacional to complete Nicaraguan control, I desire to confirm my complete accord with the suggestion that the following paragraph be added to the proposed draft agreement set forth on page 4 of my letter in reference:

The Commanding General of the Republic, in agreement with the Jefe Director de la Guardia Nacional, shall select the personnel of the Estado Mayor from officers of whatever grade or grades they deem appropriate.

It is my understanding that the Estado Mayor shall be selected from the officers of the Guardia without altering the non-partisan character of each grade, and shall embrace only those serving as the heads of Bureaus at the Headquarters of the Guardia who, at the present time, consist of the Chief of Staff, the Intelligence and Operations Officer, the Quartermaster, the Paymaster, and the Law Officer. It is also my understanding that the selections thus made of officers of the Estado Mayor may be freely made without taking into consideration the previous political affiliation or antecedents of the officers so selected.

I am [etc.]

MATTHEW E. HANNA

⁶⁴ See letter of the same date to the Conservative Candidate for the Vice Presidency, supra.

⁶³ Presumably a similar letter was addressed to General Chamorro but no copy thereof accompanied despatch No. 959.

[Enclosure 2-Translation]

Copy of Agreement Signed on November 5, 1932, Providing for the Maintenance of the Non-Partisan Character of the Guardia Nacional de Nicaragua

The undersigned candidates to the Presidency and Vice-Presidency of the Republic of Nicaragua, of the two parties, Liberal and Conservative, completely convinced that the peace of Nicaragua is a permanent necessity, to which all good patriots are obligated, mutually agree to maintain the non-partisan quality of the Guardia Nacional; and in the same manner they obligate themselves, for the good of Nicaragua, to respect and sustain the constituted Government which shall result from the elections of November 6, 1932, during the presidential period from January 1, 1933, to December 31, 1936; and in effect agree to the following:

1. The Guardia Nacional of Nicaragua shall be the sole armed force of the Government of the Republic. Any increase made in the Government's armed forces, to meet an emergency or for any other purpose, shall constitute an integral part of the Guardia Nacional.

2. The non-partisan character of the Guardia Nacional shall be strictly maintained in the enlisted personnel, the cadets of the Military Academy, and in each grade of commissioned officers, except the grade of Jefe Director, and all vacancies shall be filled so as to maintain this non-partisan character.

3. The Commanding General of the Republic, in agreement with the Jefe Director de la Guardia Nacional, shall select the personnel of the Estado Mayor from officers of whatever grade or grades they

deem appropriate.

4. Political considerations in conflict with the non-partisan character of the Guardia shall be wholly eliminated from all decisions affecting the promotion and dismissal of commissioned officers, cadets, and enlisted men, the selections to fill vacancies in the commissioned and enlisted strength, the discipline and command, and from all other decisions in connection with the administration of the Guardia.

IN WITNESS WHEREOF, and in the presence of His Excellency Matthew E. Hanna, Envoy Extraordinary and Minister Plenipotentiary of the United States of America in Nicaragua, we sign five identical copies in the city of Managua, National District, on the fifth day of November, 1932.

Adolfo Diaz

Candidate to the Presidency of
the Conservative Party

Emiliano Chamorro
Candidate to the Vice-Presidency of the Conservative Party

Juan B. Sacasa Candidate to the Presidency of the Liberal Nationalist Party

Rod. Espinosa R.

Candidate to the Vice-Presidency of the Liberal Nationalist Party

Before me Matthew E. Hanna

Envoy Extraordinary and Minister Plenipotentiary of the United States of America in Nicaragua

Seal of the American Legation, MANAGUA

817.1051/703

The Minister in Nicaragua (Hanna) to the Secretary of State

No. 960

Managua, November 7, 1932. [Received November 14.]

Sir: With reference to my despatch No. 784 of May 13, 1932, and previous correspondence concerning the preparation of a basic law for the foundation of the military structure of the Republic of Nicaragua, for submission to the Nicaraguan Congress at its next sessions, I have the honor to transmit herewith for the Department's consideration a draft of such basic law submitted to me by the Jefe Director of the Guardia Nacional on November 3.

I have examined the enclosed draft and consider it, in general, very satisfactory. I desire to invite the Department's attention, however, to that portion of Article I, Part I, which reads: "but this provision shall not be interpreted to prohibit the organization of Municipal Police forces by municipalities or Hacienda Guards or Customs Guards or other forces dedicated solely to the enforcement of civil or criminal laws".

I reminded General Matthews that the above provision was contrary to the spirit and letter of the Guardia Agreement which contemplated that the Guardia Nacional should constitute the sole military and police force of the Republic. General Matthews stated that he was aware of this, but that while he fully agreed that municipal police should be under the Guardia while American officers continued to command that organization he did not think that Guardia control of municipal police would be desirable with the Guardia under Nicaraguan officers. He further stated, however, that while the article referred to represented his own opinion accurately, he had carefully considered the other view, and recognized that it had advantages as well as disadvantages, and that he would gladly yield his views to the Department's opinion in the event that it might differ from his own.

In this connection I desire to point out that the candidates of the two parties, as I have separately reported, have just signed an agreement in my presence to maintain the non-partisan character of the Guardia during the next presidential administration. At no time during the discussions leading up to the agreement was any objection presented by either side to the continuance of Guardia control of municipal police. It is my opinion that if partisan influences are unrestrained in the municipal police forces of the Republic, the beneficial effects of the agreement will be greatly impaired and the abuses it is intended to prevent may be committed without restraint.

Additional copies of the draft law are not being submitted in this mail because of press of work and time.

Respectfully yours,

MATTHEW E. HANNA

[Enclosure]

Text of Proposed Legislation for Enactment by the Congress of Nicaragua to Constitute the Basic Law for the Foundation of the Military Structure of the Republic of Nicaragua

Be it enacted by the Cámara de Senadores and the Cámara de Diputados de Nicaragua en asemblea de Congreso:—

The provisions of this law shall constitute the basic legislation for the foundation of the Military structure of the Republic of Nicaragua; all existing laws, rules, decrees, regulations and orders now in effect which are in conflict with this law are hereby abrogated.

PART I—General Provisions Article I

The military force of the Republic of Nicaragua shall be known as the Guardia Nacional de Nicaragua, and it shall constitute the only armed national force of the Republic. Any additional armed forces which are now or may hereafter be authorized shall be as additions to the Guardia Nacional de Nicaragua and shall become an integral part of that organization, but this provision shall not be interpreted to prohibit the organization of Municipal Police forces by municipalities or Hacienda Guards or Customs Guards or other forces dedicated solely to the enforcement of civil or criminal laws.

Article II

The Guardia Nacional de Nicaragua is clothed with full power to preserve domestic peace and the security of individual rights. It shall have control of all arms and ammunition, military supplies and supervision of the traffic therein throughout the Republic. It shall have control of all fortifications, barracks, buildings, grounds, prisons, penitentiaries, vessels, and other government property used by the Guardia.

Article III

The President of the Republic of Nicaragua shall be Commanding General of the Guardia Nacional de Nicaragua, and all orders from him pertaining to the Guardia Nacional de Nicaragua except in cases of emergency shall be delivered through the Minister of War to the Jefe Director for execution.

Article IV

The strength of the Guardia Nacional de Nicaragua shall be fixed annually by Congress upon recommendation of the President of the Republic, and for the ensuing year is hereby fixed as follows:

TABLE OF STRENGTH:

Officers:

LINE:	
Rank:	Number:
Major-General—Jefe Director	1
Brigadier-General—Chief of Staff	1
Colonels	4
Majors	8
Captains	26
First Lieutenants	40
Second Lieutenants (Permanent)	50
	70
Second Lieutenants (Temporary)	10
Total Line	900
TOTAL LINE	200
MEDICAL:	
Colonel—Medical Director	1
Captains	$\bar{\overline{3}}$
First Lieutenants	
Tilst Lieutenants	U
TOTAL MEDICAL COMMISSIONED	7
Medical Contract Surgeons	10
Total Medical	
AGGREGATE	217
Enlisted:	
LINE:	
Sergeants-Major	4
Quartermaster-Sergeants	15
First Sergeants	94

Corporals 238 Trumpeters 14 Privates 1638	
Total Line	
MEDICAL:	
First Sergeants 4 Sergeants 10 Corporals 31 Privates 17	
Total Medical	
BANDS:	
Second Leader1First Class Musicians10Second Class Musicians5Third Class Musicians14	
Total Band	50
Total Officers and Enlisted	67

Article V

Moneys shall be appropriated annually to defray the expenses for pay, subsistance, allowances, equipment, uniforms, transportation, administration, and other current expenses of the Guardia Nacional de Nicaragua. Allotments for the various needs of the Guardia Nacional de Nicaragua shall be made from these moneys by the Jefe Director.

PART II—Composition

Article I

The Guardia Nacional de Nicaragua shall consist of a General Staff Corps, line combatant troops, the Medical Department, Quartermaster Department, Paymaster Department, and such other administrative staff departments as may hereafter be created by law, and of all officers and men who may be called into the military service as volunteers or auxiliaries and all such persons as are drafted into the military service of the Republic of Nicaragua in accordance with the authority contained in Article 142 of the Constitution of Nicaragua.

Article II

The Guardia Nacional de Nicaragua shall at all times be organized so far as practicable into companies, battalions, regiments and brigades, and whenever the national interests so require and the President may deem it expedient, into divisions or larger units. For the purpose of administration and tactical control the territory of Nicaragua shall be divided into military areas and departments with an appropriate number of troops assigned to each in accordance with the existing situation.

Part III—The Corps of Officers Article I

All officers commissioned in the Guardia Nacional de Nicaragua shall be commissioned as either line or medical officers.

Officers of the line shall be detailed in the number required for duty in the General Staff Corps, Quartermaster Department, Paymaster Department and other staff departments; while so serving they shall be designated as staff officers.

Article II

All officers of the line of the Guardia Nacional de Nicaragua shall be carried on one lineal list and take rank and precedence in accordance therewith, the officer holding the commission of oldest date in his rank being senior officer in that rank, the officer holding the second oldest commission being the second senior officer in his rank and so on from the Jefe Director downward through the lineal list to the foot of the rank of second lieutenant. Officers of the same rank and date of commission shall take rank among themselves in accordance with the number stated on their commissions, a lower number being senior in rank to a higher number.

All officers of the Medical Department shall be carried on one lineal list and take rank and precedence therewith, the officer holding the commission of oldest date in his rank being senior officer of that rank, the officer holding the second oldest commission being the second senior officer in his rank and so on from the Medical Director downward through the lineal list to the foot of the rank of second lieutenant. Officers of the same rank and date of commission shall take rank and precedence among themselves in accordance with the number stated on their commissions, a lower number being senior to a higher number.

All officers commissioned in the Guardia Nacional de Nicaragua after the passage of this act shall enter the Guardia as and be com-

missioned as second lieutenants and be placed at the foot of the lineal list in accordance with the dates of their commissions. Officers commissioned on the same date shall be placed on the lineal list and their commissions numbered in accordance with their relative standing as determined by a competitive examination.

Article III

All promotions of officers from one rank to another shall be made by seniority after having demonstrated before an examining board appointed by the Jefe Director their professional, moral and physical fitness for promotion to the next higher rank. Should the senior officer of a rank due for promotion to the next higher rank fail to pass the prescribed examination, the next senior officer shall be examined to fill the existing vacancy. Examination of officers to fill the vacancy will be continued until an officer is found competent.

Article IV

Examining boards for the appointment of promotion of officers of the line and Medical Department shall be convened by the Jefe Director and shall be composed as follows:

(a) In the case of examination for original appointment as a second lieutenant of the line, of three line officers.

(b) In the case of examination for promotion of line officers, of three officers of the line senior in rank to the officer being examined.

(c) In the case of examination for original appointment as a second lieutenant in the Medical Department, of three Medical officers.

(d) In the case of examination for promotion in the Medical Department, of three medical officers senior in rank, if practicable, to the officer being examined.

(e) Appointments to office as Jefe Director and Medical Director shall not be made subject to examination by either a Medical Board or Examining Board.

Article V

All candidates for appointment as commissioned officers in the Guardia Nacional de Nicaragua, shall, prior to appearing before an Examining Board, for examination for appointment, be examined by a board of medical examiners convened by the Jefe Director, which shall determine the candidate's physical fitness or unfitness for appointment. The report of the board of medical examiners shall be referred to the Examining Board.

Article VI

All officers who are to be examined for promotion from one rank to a higher one shall, prior to appearing before an Examining Board for examination for such promotion, be examined by a board of medical examiners, convened by the Jefe Director, which shall determine the officer's fitness or unfitness for promotion. The report of the board of medical examiners shall be referred to the Examining Board.

Article VII

A board of medical examiners convened for the examination of candidates for appointment as commissioned officers of the Guardia Nacional de Nicaragua or for promotion of commissioned officers of the Guardia Nacional de Nicaragua to a higher rank shall consist of two officers of the Medical Department of the Guardia Nacional de Nicaragua.

In the event a candidate for original appointment as a commissioned officer in the Guardia Nacional de Nicaragua fails to pass successfully the prescribed physical examination by the board of medical examiners, the Examining Board will not proceed with the mental, moral or professional examination.

In the event an officer, due for promotion, fails to pass the required physical examination for promotion before a board of medical examiners, the Examining Board will not proceed with the professional examination of the candidate but shall definitely determine whether the physical incapacity is a result of the officer's own misconduct or whether it was incurred in line of duty and incident to the service.

Article VIII

Any officer found physically incapacitated for further service or for promotion will be retired from the service. If disability results as an incident to service he shall be placed on the retired list at of the regular pay of his rank; if the disability results from his own misconduct he shall be retired without pay.

Article IX

Any officer found professionally unqualified for promotion shall, provided he be found physically, mentally and morally qualified for such promotion, be re-examined within six months by an examining board. If he again fails, either mentally, morally or professionally, he shall be discharged from the service. If he is found physically, mentally, morally and professionally qualified he shall be promoted subject to the following provisions:

- (a) When the examination is for promotion from major to colonel he shall lose one number from what he would have had had he not failed in his first examination.
 - (b) When the examination is for promotion from captain to major

he shall lose two numbers from what he would have had had he not failed in his first examination.

(c) When the examination is for promotion from first lieutenant to captain he shall lose three numbers from what he would have had had he not failed in his first examination.

(d) When the examination for promotion is from second lieutenant to first lieutenant he shall lose five numbers from what he would have had had he not failed in his first examination.

Article X

No commissioned officer of the Guardia Nacional de Nicaragua shall hold any other elective or appointive office in the Government of the Republic, nor take active part in promoting the election of any political candidate to any office. The acceptance of any other office by a commissioned officer of the Guardia Nacional de Nicaragua shall be considered as his resignation from the Guardia provided that a Guardia officer may be appointed by the President to fill the office of Jefe Politico of a department in time of internal disorder, rebellion, or war, or when Martial Law has been declared in that department, and the officer so appointed may detail officers serving under his command to subordinate positions for the administration of Martial Law throughout the department. In such a case the officer so appointed shall be known as the Military Governor of the department.

Article XI

No commissioned officer of the Guardia Nacional de Nicaragua shall be arbitrarily dismissed from the Guardia service, without cause, by any authority.

Article XII

All officers shall be required, upon their original appointment as commissioned officers, to take an oath to sustain the Constitution of Nicaragua and to abstain from an active participation in politics during their service in the Guardia Nacional de Nicaragua.

Part IV—The Enlisted Personnel

Article I

In time of peace all enlistments in the Guardia Nacional de Nicaragua shall be voluntary. Each person enlisting shall take an oath to sustain the Constitution of Nicaragua and sign a contract to serve faithfully for a period of two years, and to abstain from active participation in politics during the period of their enlistment.

The ranks of enlisted men and their distribution therein shall be such as the President may from time to time direct.

The Jefe Director with the approval of the President shall promulgate special rules and regulations regarding all matters of recruiting, instruction, training, promotion, examination, discipline, operations, clothing, rations, arms and equipment, quarters and administration, but for the purpose of this act the existing orders, rules, and regulations now in force in the Guardia Nacional shall continue in effect until revoked or modified by competent authority.

Article II

No enlisted man shall be discharged by any authority except by the order of the Jefe Director, the President of the Republic, or, pursuant to the sentence of a consejo de guerra. In every case of the separation of an enlisted man from the Guardia Nacional except in cases of death or desertion, there shall be delivered to the man a certificate of discharge signed by the Jefe Director or an officer designated by him to sign such certificate.

PART V-Miscellaneous Provisions

Article I

An enlisted man of the Guardia Nacional de Nicaragua who has been turned over to civil or criminal courts shall, at the discretion of the Jefe Director, be either discharged from the Guardia Nacional de Nicaragua or be suspended from the pay and allowances of his rank during the time he is absent from duty while in the hands of such authorities. In every case of conviction of a criminal charge in which more than a correctional sentence involving confinement is adjudged, the enlisted man concerned shall be discharged from the Guardia Nacional de Nicaragua.

Article II

A commissioned officer of the Guardia Nacional de Nicaragua who has been turned over to a civil or criminal court for trial shall be suspended from his rank, pay and allowances of his rank during the period he is in the hands of such civil authorities. In all cases of conviction in a civil or criminal court in which more than a correctional sentence involving confinement is adjudged, the officer concerned shall be dismissed from the Guardia Nacional.

Article III

All offenses committed by members of the Guardia Nacional de Nicaragua in violation of the Articles for the Government and Discipline of the Guardia Nacional de Nicaragua, or in violation of the civil or criminal laws of the Republic will be brought to trial by a consejo de guerra or the person involved turned over to the civil or criminal courts for trial.

Article IV

The Jefe Director shall, subject to the approval of the President of the Republic, promulgate the necessary rules and regulations governing the administration of the staff departments of the Guardia Nacional de Nicaragua, but for the purpose of this law the rules and regulations now in effect pertaining to the staff departments shall be continued in full effect and force until they shall have been revoked or modified by competent authority.

Article V

The Jefe Director shall, subject to the approval of the President of the Republic, promulgate the necessary regulations for the administration of the Guardia Nacional de Nicaragua, but for the purpose of this law the regulations now in effect shall remain in full force and effect until revoked or modified by competent authority.

Article VI

It shall be the duty of the Jefe Director to issue the necessary and timely orders for the interior government of the Guardia Nacional de Nicaragua and the conduct of its military operations.

It shall be the duty of all officers who are in command of stations, districts, departments and areas, to issue such necessary and timely orders as may be necessary for the proper interior government of their respective commands and the conduct of military operations.

Article VII

Officers and enlisted men of the Guardia Nacional de Nicaragua shall have the right to purchase for their personal use articles carried on the property account of the Quartermaster Department, under the provisions of such regulations as shall be issued by the Jefe Director.

Article VIII

It shall be illegal for any person not in the military service of the Republic of Nicaragua to wear any distinctive parts of the uniform or insignia of rank adopted by and prescribed for the Guardia Nacional de Nicaragua.

Part VI—Jurisdiction of Civil and Criminal Courts and Consejos de Guerra Defined in Relation to Members of the Guardia Nacional de Nicaragua

Article I

All offenses committed by members of the Guardia Nacional de Nicaragua in violation of the Articles for the Government and Discipline of the Guardia Nacional de Nicaragua shall be subject to trial by a *Consejo de guerra* composed of commissioned officers of the Guardia Nacional de Nicaragua in accordance with the provisions of the Articles for the Government and Discipline of the Guardia Nacional de Nicaragua.

Article II

All offenses committed by members of the Guardia Nacional de Nicaragua against the civil and criminal laws of the country, if committed as individuals not in the performance of assigned military or police duties shall be tried by the civil or criminal courts of the Republic.

All offenses committed by members of the Guardia Nacional de Nicaragua while in the performance of their assigned military or police duties shall be tried by a consejo de guerra and punished as such consejo may direct.

Article III

In cases where an offense is committed by a member of the Guardia Nacional de Nicaragua which is in violation of both the Articles for the Government and Discipline of the Guardia Nacional de Nicaragua and the civil or criminal laws of the Republic, the decision as to which tribunal shall take jurisdiction shall rest with the President, who will be furnished with the report of an investigation of the case conducted by an officer or officers of the Guardia Nacional de Nicaragua, but if the offense is committed in the performance of an assigned military or police duty or in time of Martial Law a court martial shall have exclusive jurisdiction.

Article IV

The findings of the consejos de guerra of the Guardia Nacional de Nicaragua after approval by the Jefe Director in the case of enlisted men and after approval by the President in the cases of officers are final, and not subject to appeal or review except by the Supreme Court of Nicaragua and then only in questions of jurisdiction.

Part VII—Articles for the Government and Discipline of the Guardia Nacional de Nicaragua

NICARAGUA

Note: A revision of the present Articles for the Government and Discipline of the Guardia Nacional de Nicaragua to correct certain defects which experience has demonstrated exist therein and to make certain necessary changes to meet the situation that will exist after the withdrawal of the American Personnel now serving in the Guardia Nacional, will be made for insertion in this part of the proposed legislation. It is desired that these Articles for the Government and discipline of the Guardia Nacional de Nicaragua be included in this proposed legislation for the Guardia Nacional de Nicaragua in order that consejos de guerra convened under the authority thereof may secure a recognized legal status in law and insure that trials had by such consejos de guerra may operate as a bar to further trial by civil or criminal courts as provided in Article 32 of the Constitution of Nicaragua.

817.1051/705

The Minister in Nicaragua (Hanna) to the Secretary of State

No. 962

Managua, November 12, 1932. [Received November 21.]

Sin: Supplementing my despatch No. 959 of November 7, 1932, transmitting a copy of an Agreement for the maintenance of the non-partisan character of the Guardia Nacional de Nicaragua, I have the honor to inform the Department that don Adolfo Diaz added his signature to the Agreement in my presence on November 12, 1932.

Respectfully yours,

MATTHEW E. HANNA

817.1051/712

The Minister in Nicaragua (Hanna) to the Secretary of State

No. 979

Managua, November 21, 1932. [Received November 30.]

Sir: Supplementing my telegram No. 213 of November 15, 1932,65 I have the honor to report that General Anastasio Somoza, late Under-Secretary in charge of the Ministry of Foreign Relations, has entered upon his duties as an officer of the Guardia Nacional as Assistant to General Matthews, the present Jefe Director of the Guardia Nacional. General Somoza will take over the post of Jefe Director upon General Matthews' departure early in January, 1932 [1933].

⁶⁵ Not printed.

As the Department knows, General Somoza was educated in the United States, being a graduate accountant, and has had a distinguished career in civil government in Nicaragua as well as having taken an active and successful part in the last revolutionary movement. While there is some criticism of his appointment because of his comparative youth and because he was so closely connected with President Moncada as Secretary of the Comandancia General, and later as Under-Secretary and Acting Minister for Foreign Affairs, the choice is generally applauded here.

Respectfully yours,

MATTHEW E. HANNA

817.1051/702

The Secretary of State to the Minister in Nicaragua (Hanna)

No. 471

Washington, December 1, 1932.

Sir: Reference is made to your despatch No. 959 of November 7, 1932, with regard to the signing of an agreement by the Presidential and Vice-Presidential candidates for the maintenance of the non-partisan character of the Guardia Nacional during the next presidential period.

The Department is pleased to learn of the signing of this agreement since it has always considered the continuance of the non-partisan basis of the Guardia to be essential to the efficiency and prestige of that force. The Department is appreciative of your efforts in connection with this matter, and desires to commend you for their successful conclusion.

In studying the draft of the basic law of the Guardia, enclosed with your despatch No. 960 of November 7, the Department has noticed what appears to be an inconsistency with one of the bases of the recently signed agreement regarding the non-partisan character of the Guardia. Article 3, part 3, of the proposed basic law reads in part: "All promotions of officers from one rank to another shall be made by seniority . . ." Subsequent articles provide the conditions under which such promotion shall be made.

The second article of the recently signed agreement provides that "the non-partisan character of the Guardia Nacional shall be strictly maintained . . . in each grade of commissioned officers, except the grade of Jefe Director, and all vacancies shall be filled so as to maintain this non-partisan character." Moreover, in your identical letters of November 3, 1932,66 to Dr. Sacasa and General Chamorro, which

⁴⁶ See p. 882.

the Department notes are to be considered as "documents clarifying the intent and scope" of the recently signed agreement, it is stated as fundamental that "(3) The continuance of the Guardia Nacional on a non-partisan basis makes it imperative that the officers in each grade (excepting the grade of Jefe Director) shall be equally divided between members of the two historic political parties and that the equal division be maintained" and "(6) Any vacancy in the commissioned strength, however created, shall be filled by the appointment of an officer selected from the same political party as that to which the officer creating the vacancy belonged at the time such latter officer was originally commissioned in the Guardia Nacional, thus maintaining the equal division between the two political parties of the officers in each grade."

If the Department views the matter correctly, there is here a contradiction between the provisions in the proposed basic law and in the recent Guardia agreement. According to the former promotions are to be made by seniority; according to the latter all vacancies "however created" are to be filled in a manner which might involve the promotion of a junior officer instead of a senior officer from the rank next below.

If the maintenance of a non-partisan or more strictly of a bipartisan Guardia is to involve the promotion of junior over senior officers, the Department is apprehensive lest the morale and discipline of the Guardia be seriously undermined.

Since General Matthews and yourself doubtless have recognized this apparent contradiction and have in mind some changes to bring the recently signed agreement regarding the Guardia in conformity with the proposed basic law, or vice versa, the Department would be interested in receiving your comments in this matter.

Very truly yours,

For the Secretary of State: Francis White

817.1051/703

The Secretary of State to the Minister in Nicaragua (Hanna)

No. 475

Washington, December 2, 1932.

Sir: Reference is made to your despatch No. 960 of November 7, 1932, transmitting a draft of the proposed basic law for the Guardia Nacional prepared by the Jefe Director.

The Department has carefully studied this draft which, in its opinion, embodies principles and measures that are well adapted to maintaining the Guardia along the lines of its present organization.

The Department desires to submit the following observations which it wishes you to present to the Jefe Director for his consideration and embodiment in the project, if they meet with his and your concurrence.

1. Part I—Article I.

One of the bases of the Tipitapa Agreement was the organization of a new constabulary force, the Guardia Nacional, which was to displace all other military and police forces. The Department agrees with your comment that if the prestige and the efficiency of the Guardia are to remain unimpaired the Guardia must have control over all of the military and police forces. The Department notes that none of the presidential candidates who signed the recent agreement to maintain the non-partisan character of the Guardia raised any objection to the continuance of Guardia control of the municipal police. To continue this control, as well as to bring the Hacienda Guards, the Customs Guards, and other enforcement forces under the authority of the Guardia, it is suggested that the following sentence be added to Part I, Article I:

"Any such forces last mentioned, as now exist, or as shall hereafter be organized, shall immediately become subject to the authority of the Jefe director of the Guardia Nacional de Nicaragua in the same manner and to the same extent as the Guardia itself."

Please explain to General Matthews that it is not the intent of the Department to make it impossible to continue or to organize these separate forces, but to endow the Jefe Director with sufficient power to bring them under his jurisdiction should he find them working at cross-purposes to the Guardia.

2. Part I—Article III.

To avoid any possible appearance of conflict with the provisions of Part III, Article X, it is suggested that after the words "shall be" at the end of the first line in Part I, Article III, there be added the words "ex-officio". It is also suggested that in the second line of the same Article, the words "Commanding General" be changed to "Commander in Chief".

3. Part I—Article IV.

At the time the original Guardia agreement was drawn up it was considered advisable to state the pay per annum which officers and enlisted men were to receive. The experience of the last five years has proved the desirability of this provision; it has given to the Guardia personnel a sense of economic security which has tended to make that body loyal and reliable. In the Department's opinion these advan-

tages are clear and should not now be lost sight of. It is therefore suggested that consideration be given to incorporating an appropriate provision either in the basic law (preferably in Part I, Article IV) or in the annual appropriation act. The Department is fully aware of the disadvantages of inserting a provision that will probably require revision in the permanent basic law. If, in General Matthews' opinion, it would be preferable to leave the decision regarding pay to each Congress at the time it draws up the annual appropriation act, the Department will of course yield to his views. The chief interest of the Department in this matter is that it be not overlooked at this time.

4. Part I—Article V.

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In view of the difficulty the Jefe Director has experienced in the past in securing funds for the Guardia regularly and promptly, the Department recommends there be substituted for the last sentence which begins: "Allotments for the various needs . . . " in Part I, Article V, the following:

"The proportionate monthly installments of the amount appropriated for the fiscal year shall be delivered on or before the first day of each month to the Jefe Director who shall make allotments from these moneys for the various needs of the Guardia."

5. Part III—Article II.

The last paragraph of this Article provides that all commissioned officers entering the Guardia "after the passage of this act" shall be commissioned as Second Lieutenants. Should Congress pass the basic law before the Nicaraguan officers receive their full commission from the incoming President an awkward situation might arise. It is suggested that as a precaution there might be added after the words "with the dates of their commissions" the following:

"provided, however, that nothing contained herein shall prevent the commissioning in a higher grade than Second Lieutenant of those Nicaraguan officers serving under temporary commission as of the date of the passage of this act".

In any case, the Department trusts that General Matthews will bear this possible difficulty in mind and be prepared to suggest measures to meet it in the event the law should be enacted prior to the commissioning of the new Nicaraguan officers by the incoming President.

6. Part III—Article VIII.

The language used in this Article covers the matter of the payment, or non-payment, as the case may be, of officers retired for disability resulting as "an incident to service" and from disability resulting

from misconduct, but there is no provision for persons who shall have retired on disability resulting neither as an incident to service nor from misconduct. The Department believes that this omission should be supplied.

7. Part V—Articles I, II, III.

The Department presumes that these three Articles were the preliminary drafts and that later Part VI was added, which deals in full with the trial of Guardia personnel. It is suggested that Articles I and II of Part V be inserted without change at the end of Part VI and that the third Article of Part V be omitted entirely as it is more completely covered in Part VI.

8. Part V-Article V.

Since the provisions of this Article seem to be fully covered by the last paragraph of Part IV, Article I, the Department suggests that it be entirely omitted.

9. Part VI, Articles II and III.

The provisions of the second paragraph of Article II seem to involve some possible conflict with the provisions of Article III, and in any event the situation as covered by these two Articles does not seem to be entirely clear. Moreover, there appears to be a repetition in Article III of matter covered by Article II. It is suggested, therefore, that the second paragraph of Article II be amended by inserting after the word "duties" in the third line, the words "or in time of martial law".

It is further suggested that Article III be recast to read as follows:

"Subject to the provisions of the preceding Article, the President of the Republic shall decide whether the ordinary tribunals or a Court Martial shall take jurisdiction in a given case where an offense is committed by a member of the Guardia Nacional de Nicaragua against both the Articles for the Government and Discipline of the Guardia Nacional de Nicaragua and the civil or criminal laws of the Republic. In all such cases the President shall be supplied with the report of an investigation of the case conducted by an officer or officers of the Guardia."

10. Part VI-Article IV.

It is suggested that for the final words in this Article, "in questions of jurisidiction", there be substituted the words "on matters of jurisdictional authority".

11. Part VII.

It is noted that one of the reasons given for the inclusion of the Articles for the Government and Discipline of the Guardia in the

basic law was to insure the validity of court martials held under the Guardia. The Department considers this to be a wise proposal and, if provision is also made in this Part reserving to Nicaraguan officers and enlisted men the right to trial by Guardia court martial for offenses committed in line of duty prior to the date when the Guardia passes to full control of the Nicaraguan Government for which they have not, prior thereto, been brought to trial, the Department believes that this will care for the matter mentioned in General Matthews' letter to you of November 2, 1932, enclosed in your despatch No. 958 of November 5, 1932. The Department presumes, in any case, that an effort will be made by General Matthews to clear up all of these cases before the withdrawal of the American officers from the Guardia.

If, after discussing the views of the Department with General Matthews, there are any matters on which you desire further comment, the Department will be glad to hear from you by telegraph.

The Department feels that with the presentation to the Nicaraguan Government of the completed draft law, the responsibility of this Government in the matter will have been terminated. The Department trusts, of course, that the law will be enacted without detrimental change, and it believes that it will be appropriate for you to give such informal advice to that end as you may deem advisable. The Department will be interested to learn of the progress of the law in Congress and desires you to keep it fully informed by cable should you consider it desirable.

Very truly yours,

For the Secretary of State:
FRANCIS WHITE

817.1051/706

The Secretary of State to the Minister in Nicaragua (Hanna)

No. 478

Washington, December 5, 1932.

Sir: Reference is made to your despatch No. 963 of November 14, 1932, 67 transmitting a copy of a letter addressed to you on November 9, 1932, by the Jefe Director of the Guardia Nacional on the subject of the disbursements made by the Guardia under the terms of the Guardia Agreement between the United States and Nicaragua. The Department notes that General Matthews does not recommend that any action be taken now to legalize the financial operations of the Guardia, but does suggest that it might be advisable for the Legation to be prepared to act, should questions be raised regarding the legality of disbursements of funds in cases where Nicaraguan citizens either have been or are to be the recipients.

⁶⁷ Not printed.

It is the opinion of the Department that once the Guardia has been turned over to Nicaraguan control the Department will be unable to take steps to protect Nicaraguan citizens so involved; such persons should appeal for protection to the courts or other appropriate agencies of the Nicaraguan Government. The Department will, of course, desire to be kept informed in the event such cases arise, and to receive any expression of your views and recommendations which you may judge advisable.

The Department notes from General Matthews' letter of November 9, 1932, that:

"Disbursements of Nicaraguan funds allocated to the Guardia Nacional for its pay and maintenance have, since the Guardia Nacional came into existence, been made in accordance with orders, regulations and instructions issued by the Jefe Director of the Guardia Nacional de Nicaragua under the general authority contained in the Guardia Agreement;"

and that:

"All disbursements of funds allocated to the Guardia Nacional de Nicaragua have been made on vouchers which are incorporated by the Paymaster, Guardia Nacional, into a monthly account which is submitted to the Ministro de la Gobernación and this account is audited by the Tribunal Supremo de Cuentas. The Tribunal Supremo de Cuentas informs the Paymaster, Guardia Nacional, of any matters noted in the audit which in its judgment is not in strict conformity with law, regulations, orders and instructions. To date all exceptions noted in this audit have been or are now in process of being adjusted."

The Department assumes from the foregoing and from General Matthews' statement that he does not recommend that any action be taken now to legalize the operations of the Guardia that it is deemed that there are no reasons to expect any claim on the part of the Nicaraguan Government against the United States Government arising out of the disbursements of Guardia funds which would make it advisable to seek formal approval from the Nicaraguan Government of such financial operations of the Guardia.

Very truly yours,

For the Secretary of State: Francis White

817.1051/720

The Minister in Nicaragua (Hanna) to the Secretary of State

No. 997

Managua, December 6, 1932. [Received December 14.]

Sir: Supplementing my despatch No. 959 of November 7, 1932, I have the honor to report that the publication of the pre-electoral agreement between the candidates for the maintenance of the non-partisan character of the Guardia Nacional during the presidential period commencing January 1, 1933, gave rise for a few days to mild criticism in the local press, and to the opposition of the small "autonomist" group, who have lately called themselves the "Patriotic Group" and who sponsored the recent agreements between the parties for the maintenance of peace 68 following the withdrawal of the marines from Nicaragua. The criticism adopted the view that the Agreement represented unwarranted American interference in a purely Nicaraguan matter.

Dr. Rosendo Argüello and Federico Lacayo called on Dr. Sacasa some days ago, in representation of this group, and urged him to abandon the agreement. They told him that don Adolfo Diaz, one of the other parties to the agreement, had made it clear to them, that he was not interested in whether Dr. Sacasa lived up to the agreement or not. I have reason to doubt that this is a correct statement of Señor Diaz' attitude on the matter. Dr. Sacasa informed me that he stated to these gentlemen that he had signed the agreement and was going to carry it out.

For some days there has been practically no comment with reference to the agreement. It is more than possible, however, that criticism will appear from time to time, and that it may become so severe as to make it difficult for the new government to live up to the agreement strictly.

Respectfully yours,

MATTHEW E. HANNA

817.1051/718 : Telegram

The Minister in Nicaragua (Hanna) to the Secretary of State

Managua, December 7, 1932—3 p. m. [Received December 8—9:10 a. m.]

232. My telegram No. 220, November 25, 2 p. m. 69 With one or two minor exceptions all officers have been commissioned for the higher grades in the Guardia and are at their posts. Orders have been issued

⁶⁸ See pp. 833 ff.

[&]quot;Not printed.

for the Americans now serving as officers of the Guardia to be concentrated, from western Nicaragua to the cities on the railroads, and from eastern Nicaragua to Bluefields and Puerto Cabezas, on or about December 15. Commands of posts, districts, departments and areas will pass to Nicaraguan officers on the respective dates of their evacuation by American officers.

HANNA

817.1051/723 : Telegram

The Minister in Nicaragua (Hanna) to the Secretary of State

Managua, December 16, 1932—noon. [Received 10:33 p. m.]

239. My 232 December 7, 3 p. m. All grades in the Guardia have now been filled with Nicaraguan officers who are at their posts. In accordance with the pre-electoral agreement between the political parties to continue the Guardia Nacional as a nonpartisan, noncombatant institution, one half of the officers in each grade newly appointed to the higher grades are Liberals and one half Conservatives. All American officers were withdrawn yesterday from the departments of Nueva Segovia, Jinotega, Esteli, Matagalpa, and Chontales and all posts in those departments are now commanded by Nicaraguan officers under control of course of the headquarters in Managua. Complete evacuation of all American troops from Nicaragua will be effected January 2.

817.1051/724 : Telegram

The Minister in Nicaragua (Hanna) to the Secretary of State

Managua, December 16, 1932—3 p. m. [Received December 17—11:50 a. m.]

241. Department's instruction No. 475 of December 2. The Department's observation concerning part I, article 1, of the project of a basic law for the Guardia has been embodied in the project in so far as it applies to municipal police. General Matthews deems it inadvisable to bring customs and hacienda guards under control of the Guardia for the following reasons:

1. These two organizations have never operated under control of the Guardia (excepting the hacienda guard during supervised elections):

2. The nature of the duties performed by these two organizations are such that it is deemed impracticable and unwise to attempt now to have them pass under the control of the Guardia;

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3. The customs guards were organized and have operated under the terms of a prior agreement which will still be in effect after the Guardia agreement has ceased to exist. For political reasons the foregoing provide the essential safeguard by retaining the municipal police under control of the Guardia.

It is deemed preferable to retain the designation "Commanding General" in part I, article 3, because the Spanish equivalent is the term established by long custom here and used in the Nicaraguan Constitution, article 109. The other change suggested for this article has been made.

With reference to the change suggested for part I, article 4, please see article 85, clauses 11 and 19 of the Nicaraguan Constitution. To meet this suggestion we have added a provision to the effect that for the ensuing year the pay for the various grades, commissioned and enlisted, shall be as fixed in the project.

Article 3 of part VI has not been changed as suggested as the objection raised thereto apparently has arisen from a misunderstanding of the existing conditions or such as will probably confront the Guardia after the withdrawal of marine officers.

The project has been modified in such manner as to embody in substance the remaining changes suggested by the Department.

In the absence of further instructions the proclamation as thus modified will be submitted to President Moncada at the earliest practicable moment which probably will be about December 21.

HANNA

817.1051/781

The Minister in Nicaragua (Hanna) to the Secretary of State

No. 1021

Managua, December 21, 1932. [Received December 29.]

Sir: With reference to the Department's instruction No. 475 of December 2, 1932, submitting observations for consideration in connection with the project of the proposed basic law for the Guardia Nacional, and supplementing my telegram No. 241, of December 16, 3 p. m., setting forth in a general way the extent to which the Department's observations were embodied in the project, I have the honor to transmit herewith a copy of the project in its final form as submitted to me by General Matthews. Following out the procedure in this matter suggested by the Department in its instruction No. 354 of April 20, 1932, I again took up the subject with President Moncada a day or so ago and informed him that General Matthews was prepared to submit the project to the President. President Moncada

replied that he would give it immediate attention to the end that it might be presented to Congress before it takes its holiday recess.

The project as submitted herewith does not embrace Part VII—Articles for the Government of the Guardia Nacional de Nicaragua. General Matthews expects to be able to furnish me the text of Part VII in the next day or so and I will transmit it to the Department without delay.

Respectfully yours,

MATTHEW E. HANNA

[Enclosure]

Text of Proposed Legislation for Enactment by the Congress of Nicaragua to Constitute the Basic Law for the Foundation of the Military Structure of the Republic of Nicaragua

Be it enacted by the Cámara de Senadores and the Cámara de Diputados de Nicaragua en asemblea de Congreso:—

The provisions of this law shall constitute the basic legislation for the foundation of the Military structure of the Republic of Nicaragua; all existing laws, rules, decrees, regulations and orders now in effect which are in conflict with this law are hereby abrogated: *Provided*, That if this legislation be enacted prior to January 2, 1933, it shall become effective on January 2, 1933; if it be enacted on or subsequent to January 2, 1933, it shall become effective as provided for in Article 94 of the Constitution of the Republic of Nicaragua.

Part I—General Provisions

Article 1

The military force of the Republic of Nicaragua shall be known as the Guardia Nacional de Nicaragua, and it shall constitute the only armed national force of the Republic. Any additional armed forces which are now or may hereafter be authorized shall be as additions to the Guardia Nacional de Nicaragua and shall become an integral part of that organization, but this provision shall not be interpreted to prohibit the organization of Municipal Police forces by municipalities or Hacienda Guards or Customs Guards or other forces dedicated solely to the enforcement of civil or criminal laws. Any such forces as now exist, or as shall hereafter be organized, except Hacienda Guards or Customs Guards, shall immediately become subject to authority and control of the Jefe Director of the Guardia Nacional de Nicaragua and be subject to the provisions of the Articles for the Government of the Guardia Nacional de Nicaragua in the same manner and to the same extent as the Guardia Nacional de Nicaragua.

Article 2

The Guardia Nacional de Nicaragua is clothed with full power to preserve domestic peace and the security of individual rights. It shall have control of all arms and ammunition, military supplies and supervision of the traffic therein throughout the Republic. It shall have control of all fortifications, barracks, buildings, grounds, prisons, penitentiaries, vessels and other government property used by the Guardia.

Article 3

The President of the Republic of Nicaragua shall be ex officio Commanding General of the Guardia Nacional de Nicaragua, and all orders from him pertaining to the Guardia Nacional de Nicaragua, except in cases of emergency, shall be delivered through the Minister of War to the Jefe Director for execution.

Article 4

The strength of the Guardia Nacional de Nicaragua shall be fixed annually by the Congress upon recommendation of the President of the Republic, and for the ensuing year is hereby fixed as follows:

OFFICERS, LINE

Rank:	Number:
Major General, Jefe Director	1
Brigadier General, Chief of Staff	1
Colonels	1 4 8
Majors	-
Captains	26
First Lieutenants	4 0
Second Lieutenants (Permanent)	50
Second Lieutenants (Temporary)	7 0
TOTAL LINE	200
MEDICAL	
Colonel, Medical Director	1
Captains	$egin{array}{c} 1 \ 3 \ 3 \end{array}$
First Lieutenants	3
_	
TOTAL MEDICAL COMMISSIONED	7
Medical Contract Surgeons	10
Dental Contract Surgeon	1
TOTAL MEDICAL	18
	10
AGGREGATE	218

ENLISTED, LINE

Sergeants Major Quartermaster Sergeants First Sergeants Sergeants Corporals Trumpeters Privates	4 15 34 115 238 14 1638
TOTAL LINE	2058
$\mathbf{M}_{\mathbf{EDICAL}}$	
First Sergeants Sergeants Corporals Privates	4 10 31 17
Total Medical	62
Band	
Second Leader First Class Musicians Second Class Musicians Third Class Musicians	1 10 5 14
TOTAL BAND AGGREGATE ENLISTED TOTAL OFFICERS AND ENLISTED (Including ten (10) Medical Contract Surgeon	2150
and one (1) Medical Contract Dentist).	

Article 5

Moneys shall be appropriated annually to defray the expenses for pay, subsistence, allowances, equipment, uniforms, transportation, administration and other current expenses of the Guardia Nacional de Nicaragua. The proportionate monthly installments of the amount appropriated for the fiscal year shall be delivered on or before the first day of each month to the Jefe Director, Guardia Nacional de Nicaragua, who shall make allotments from these moneys for the various needs of the Guardia Nacional de Nicaragua.

Article 6

The rates of pay of the various ranks, commissioned and enlisted, of the Guardia Nacional de Nicaragua, shall be fixed annually by the Congress upon recommendation of the President of the Republic, and for the ensuing year is hereby fixed as follows:

COMMISSIONED

Major General, Jefe Director
Brigadier General, Chief of Staff
Colonel (Line and Medical)
Major (Line and Medical)
Captain (Line and Medical)
First Lieutenant (Line and Medical) Second Lieutenant (Line and Medical)
Second Lieutenant (Line and Medical)
Second Lieutenant (Temporary)
(Medical Contract Surgeons and Medical Dental Surgeons
will receive one-half the regular pay of the ranks which are assigned to them).
Enlisted
Sergeant Major
Sergeant Major
Quartermaster Sergeant
Spragant (Line Medical and Drum Major)
Corporal (Line and Medical)
Corporal (Line and Medical)
Private (Line and Medical)
Private (Medical after three (3) months training)
${f B}_{f AND}$
Director (Leader)
Sub-Director (second leader)
Musician, First Class
Musician, Second Class
Musician, Third Class
(The Drum Major of the band will be paid the pay of a
Sergeant).

PART II—Composition

Article 1

The Guardia Nacional de Nicaragua shall consist of a General Staff Corps, line combatant troops, the Medical Department, Quartermaster Department, Paymaster Department, and such other administrative staff departments as may hereafter be created by law, and of all officers and men who may be called into the military service as volunteers or auxiliaries and all such persons as are drafted into the military service of the Republic of Nicaragua in accordance with the authority contained in Article 142 of the Constitution of Nicaragua.

Article 2

The Guardia Nacional de Nicaragua shall at all times be organized so far as practicable into companies, battalions, regiments and brigades, and whenever the national interests so require and the President may deem it expedient, into divisions or larger units. For

the purpose of administration and tactical control the territory of Nicaragua shall be divided into military areas and departments with an appropriate number of troops assigned to each in accordance with the existing situation.

PART III-The Corps of Officers

Article 1

All officers commissioned in the Guardia Nacional de Nicaragua shall be commissioned as either line or medical officers.

Officers of the line shall be detailed in the number required for duty in the General Staff Corps, Quartermaster Department, Paymaster Department and other staff departments; while so serving they shall be designated as staff officers.

Article 2

All officers of the line of the Guardia Nacional de Nicaragua shall be carried on one lineal list and take rank and precedence in accordance therewith, the officer holding the commission of oldest date in his rank being senior officer in that rank, the officer holding the second oldest commission being the second senior officer in his rank and so on from the Jefe Director downward through the lineal list to the foot of the rank of second lieutenant. Officers of the same rank and date of commission shall take rank among themselves in accordance with the number stated on their commissions, a lower number being senior in rank to a higher number.

All officers of the Medical Department shall be carried on one lineal list and take rank and precedence therewith, the officer holding the commission of oldest date in his rank being senior officer of that rank, the officer holding the second oldest commission being the second senior officer in his rank and so on from the Medical Director downward through the lineal list to the foot of the rank of second lieutenant. Officers of the same rank and date of commission shall take rank and precedence among themselves in accordance with the number stated on their commissions, a lower number being senior to a higher number.

All officers commissioned in the Guardia Nacional de Nicaragua after the passage of this act shall enter the Guardia as and be commissioned as second lieutenants and be placed at the foot of the lineal list in accordance with the dates of their commissions. Officers commissioned on the same date shall be placed on the lineal list and their commissions numbered in accordance with their relative standing as determined by a competitive examination.

Article 3

All promotions of officers from one rank to another shall be made by seniority after having demonstrated before an examining board appointed by the Jefe Director, their professional moral and physical fitness for promotion to the next higher rank. Should the senior officer of a rank due for promotion to the next higher rank fail to pass the prescribed examination, the next senior officer shall be examined to fill the existing vacancy. Examination of officers to fill the vacancy will be continued until an officer is found competent.

Article 4

Examining boards for the appointment or promotion of officers of the line and Medical Department shall be convened by the Jefe Director and shall be composed as follows:

(a) In the case of examination for original appointment as a second lieutenant of the line, of three line officers.

(b) In the case of examination for promotion of line officers, of three officers of the line senior in rank to the officer being examined.

(c) In the case of examination for original appointment as a second lieutenant in the Medical Department, of three Medical officers.

(d) In the case of examination for promotion in the Medical Department, of three Medical officers senior in rank, if practicable, to the officer being examined.

(e) Appointments to office as Jefe Director and Medical Director shall not be made subject to examination by either a Medical Board or Examining Board.

Article 5

All candidates for appointment as commissioned officers in the Guardia Nacional de Nicaragua, shall, prior to appearing before an Examining Board, for examination for appointment, be examined by a board of medical examiners convened by the Jefe Director, which shall determine the candidate's physical fitness or unfitness for appointment. The report of the board of medical examiners shall be referred to the Examining Board.

Article 6

All officers who are to be examined for promotion from one rank to a higher one shall, prior to appearing before an Examining Board for examination for such promotion, be examined by a board of medical examiners, convened by the Jefe Director, which shall determine the officer's fitness or unfitness for promotion. The report of the board of medical examiners shall be referred to the Examining Board.

Article 7

A board of medical examiners convened for the examination of candidates for appointment as commissioned officers of the Guardia Nacional de Nicaragua or for promotion of commissioned officers of the Guardia Nacional de Nicaragua to a higher rank shall consist of two officers of the Medical Department of the Guardia Nacional de Nicaragua.

In the event a candidate for original appointment as a commissioned officer in the Guardia Nacional de Nicaragua fails to pass successfully the prescribed physical examination by the board of medical examiners, the Examining Board will not proceed with the mental, moral or professional examination.

In the event an officer, due for promotion, fails to pass the required physical examination for promotion before a board of medical examiners, the Examining Board will not proceed with the professional examination of the candidate but shall definitely determine whether the physical incapacity is a result of the officer's own misconduct or whether it was incurred in line of duty and incident to the service.

Article 8

Any officer found physically incapacitated for further service or for promotion will be retired from the service. If the disability results as an incident to service, he shall be placed on the retired list at of his regular pay of his rank; if the disability results from his own misconduct or is not incident to service he shall be retired without pay.

Article 9

Any officer found professionally unqualified for promotion shall, provided he be found physically, mentally and morally qualified for such promotion, be re-examined within six months by an examining board. If he again fails, either mentally, morally or professionally, he shall be discharged from the service. If he is found physically, mentally, morally and professionally qualified he shall be, promoted subject to the following provisions:

- (a) When the examination is for promotion from major to colonel he shall lose one number from what he would have had had he not failed in his first examination.
- (b) When the examination is for promotion from captain to major he shall lose two numbers from what he would have had had he not failed in his first examination.
- (c) When the examination is for promotion from first lieutenant to captain he shall lose three numbers from what he would have had had he not failed in his first examination.

(d) When the examination for promotion is from second lieutenant to first lieutenant he shall lose five numbers from what he would have had had he not failed in his first examination.

Article 10

No commissioned officer of the Guardia Nacional de Nicaragua shall hold any other elective or appointive office in the Government of the Republic, nor take active part in promoting the election of any political candidate to any office. The acceptance of any other office by a commissioned officer of the Guardia Nacional de Nicaragua shall be considered as his resignation from the Guardia: Provided, That a Guardia officer may be appointed by the President to fill the office of Jefe Politico of a department in time of internal disorder, rebellion, or war, or when Martial Law has been declared in that department, and the officer so appointed may detail officers serving under his command to subordinate positions for the administration of Martial Law throughout the department. In such a case the officer so appointed shall be known as the Military Governor of the department.

Article 11

No commissioned officer of the Guardia Nacional de Nicaragua shall be arbitrarily dismissed from the Guardia service, without cause, by any authority.

Article 12

All officers shall be required, upon their original appointment as commissioned officers, to take an oath to sustain the Constitution of Nicaragua and to abstain from an active participation in politics during their service in the Guardia Nacional de Nicaragua.

PART IV—The Enlisted Personnel

Article 1

In time of peace all enlistments in the Guardia Nacional de Nicaragua shall be voluntary. Each person enlisting shall take an oath to sustain the Constitution of Nicaragua and sign a contract to serve faithfully for a period of two years, and to abstain from active participation in politics during the period of their enlistment.

The ranks of enlisted men and their distribution therein shall be such as the President may from time to time direct.

The Jefe Director with the approval of the President shall promulgate special rules and regulations regarding all matters of recruiting, instruction, training, promotion, examination, discipline, operations, clothing, rations, arms and equipment, quarters and administration,

but for the purpose of this act the existing orders, rules, and regulations now in force in the Guardia Nacional shall continue in effect until revoked or modified by competent authority.

Article 2

No enlisted men shall be discharged by any authority except by the order of the Jefe Director, the President of the Republic, or, pursuant to the sentence of a consejo de guerra. In every case of the separation of an enlisted man from the Guardia Nacional, except in cases of death or desertion, there shall be delivered to the man a certificate of discharge signed by the Jefe Director or an officer designated by him to sign each certificate.

PART V-Miscellaneous Provisions

Article 1

The Jefe Director shall, subject to the approval of the President of the Republic, promulgate the necessary rules and regulations governing the administration of the staff departments of the Guardia Nacional de Nicaragua, but for the purpose of this law the rules and regulations now in effect pertaining to the staff departments shall be continued in full effect and force until they shall have been revoked or modified by competent authority.

Article 2

The Jefe Director shall, subject to the approval of the President of the Republic, promulgate the necessary regulations for the administration of the Guardia Nacional de Nicaragua, but for the purpose of this law the regulations now in effect shall remain in full force and effect until revoked or modified by competent authority.

Article 3

It shall be the duty of the Jefe Director to issue the necessary and timely orders for the interior government of the Guardia Nacional de Nicaragua and the conduct of its military operations.

It shall be the duty of all officers who are in command of stations, districts, departments and areas, to issue such necessary and timely orders as may be necessary for the proper interior government of their respective commands and the conduct of military operations.

Article 4

Officers and enlisted men of the Guardia Nacional de Nicaragua shall have the right to purchase for their personal use articles carried on the property account of the Quartermaster Department, under the provisions of such regulations as shall be issued by the Jefe Director.

Article 5

It shall be illegal for any person not in the military service of the Republic of Nicaragua to wear any distinctive parts of the uniform or insignia of rank adopted by and prescribed for the Guardia Nacional de Nicaragua.

PART VI—Jurisdiction of Civil and Criminal Courts and Consejos de Guerra Defined in Relation to Members of the Guardia Nacional de Nicaragua

Article 1

All offenses committed by members of the Guardia Nacional de Nicaragua in violation of the Articles for the Government of the Guardia Nacional shall be subject to trial by a consejo de guerra composed of commissioned officers of the Guardia Nacional de Nicaragua in accordance with the provisions of the Articles for the Government of the Guardia Nacional de Nicaragua.

Article 2

All offenses committed by members of the Guardia Nacional de Nicaragua against the civil and criminal laws of the country, if committed as individuals not in the performance of assigned military or police duties, shall be tried by the civil or criminal courts of the Republic.

All offenses committed by members of the Guardia Nacional de Nicaragua while in the performance of their assigned military or police duties, or in time of martial law, shall be tried by a consejo de guerra and punished as such consejo de guerra may direct.

Article 3

In cases where an offense is committed by a member of the Guardia Nacional de Nicaragua which is in violation of both the Articles for the Government of the Guardia Nacional de Nicaragua and the civil or criminal laws of the Republic, the decision as to which tribunal shall take jurisdiction shall rest with the President, who will be furnished with the report of an investigation of the case conducted by an officer or officers of the Guardia Nacional de Nicaragua, but if the offense is committed in the performance of an assigned military or police duty or in time of martial law, a court-martial shall have exclusive jurisdiction.

Article 4

The findings of the consejos de guerra of the Guardia Nacional de Nicaragua, after approval by the Jefe Director in the cases of enlisted men and after approval by the President in the cases of officers, are final, and not subject to appeal or review except by the Supreme Court of Justice of Nicaragua, and then only on matters of jurisdictional authority.

Article 5

An enlisted man of the Guardia Nacional de Nicaragua who has been turned over to civil or criminal courts shall, at the discretion of the Jefe Director, be either discharged from the Guardia Nacional de Nicaragua or be suspended from the pay and allowances of his rank during the time he is absent from duty while in the hands of such authorities. In every case of conviction of a criminal charge in which more than a correctional sentence involving confinement is adjudged, the enlisted man concerned shall be discharged from the Guardia Nacional de Nicaragua.

Article 6

A commissioned officer of the Guardia Nacional de Nicaragua who has been turned over to a civil or criminal court for trial, shall be suspended from his rank, pay and allowances of his rank during the period he is in the hands of such civil authorities. In all cases of conviction in a civil or criminal court in which more than a correctional sentence involving confinement is adjudged, the officer concerned shall be dismissed from the Guardia Nacional.

Article 7

All trials by consejos de guerra in the cases of officers and enlisted men of the Guardia Nacional de Nicaragua which have been had prior to the enactment of this law under authority of the Articles for the Government of the Guardia Nacional de Nicaragua, shall have full validity and effect and such trials shall constitute a bar to further trial by military, civil or criminal tribunals of the Republic of Nicaragua as provided for in Article 32 of the Constitution of Nicaragua.

Article 8

Officers and enlisted men of the Guardia Nacional de Nicaragua, who prior to the enactment of this legislation, have committed offenses in line of duty as members of the Guardia Nacional de Nicaragua and who have not, prior thereto, been brought to trial by consejos de guerra, shall not be deprived of their right to trial by consejos de guerra as provided for in the Articles for the Government of the Guardia Nacional de Nicaragua.

817.1051/724 : Telegram

The Secretary of State to the Minister in Nicaragua (Hanna)

Washington, December 22, 1932—11 a.m.

132. Your telegram No. 241, December 16. Department concurs in your modifications and sincerely hopes, in the interests of Nicaragua. that the project may be enacted at an early date. STIMSON

817.1051/732

The Minister in Nicaragua (Hanna) to the Secretary of State

No. 1030

Managua, December 23, 1932. [Received December 29.1

Sr: Supplementing my despatch No. 1021 of December 21, 1932, transmitting a copy of the project of the proposed basic law for the Guardia Nacional, exclusive of Part VII thereof, I have the honor to transmit herewith the English text of Part VII-Articles for the Government of the Guardia Nacional de Nicaragua, 70 as furnished to me by General Matthews who states that it is a revision and amendment "to correct certain defects which experience has demonstrated existed in the original draft of these Articles as published for the government of the Guardia Nacional de Nicaragua in 1929".

General Matthews submitted to President Moncada on the 19th instant the complete project, including Part VII, with the recommendation that it be submitted to the Nicaraguan Congress. A copy of General Matthews' letter of submission, dated December 19, 1932, addressed to President Moncada, and a translation thereof are enclosed herewith.

Respectfully yours,

MATTHEW E. HANNA

[Enclosure—Translation]

The Jefe Director of the Guardia Nacional de Nicaragua (Matthews) to the President of Nicaragua (Moncada)

Managua, 19 December, 1932.

EXCELLENCY Mr. PRESIDENT: I have the honor to submit for your consideration, the original and one copy of the "Text of Proposed Legislation for Enactment by the Congress of Nicaragua to Constitute the Basic Law for the Foundation of the Military Structure of the Republic of Nicaragua."

^{*} Not printed.

It is recommended that this proposed legislation be submitted to the Congress of Nicaragua, for its consideration and formal incorporation in the laws of Nicaragua. It is, further, recommended that this legislation, if enacted, be designated as "The Military Code of the Republic of Nicaragua."

I feel that I can not too strongly recommend to Your Excellency, and, through Your Excellency, to the Congress of Nicaragua, the desirability and necessity for the enactment of this proposed legislation or some similar legislation as soon as practicable for the government and orderly administration of the Guardia Nacional de Nicaragua.

My reasons for making these recommendations are as follows:

(1) The Guardia Agreement by which the Guardia Nacional de Nicaragua was created, and under which the Guardia Nacional has functioned until the present time, will cease to exist on 1 January, 1933 upon the withdrawal of American personnel from duty with the Guardia Nacional de Nicaragua.

(2) The last Military Code of Nicaragua was published on or about 15 October, 1896, prior to the adoption of the present Constitution of

Nicaragua on 21 December, 1911.

(3) It is obvious that the Military Code of 1896, enacted and published 36 years ago, fails to and can not meet the present and more modern conditions existing in the Republic of Nicaragua.

(4) If the Guardia Nacional de Nicaragua is to be expected to operate with the maximum efficiency, it must have a recognized legal

status in the laws of Nicaragua.

(5) I believe that the proposed legislation which I have the honor to submit herewith to Your Excellency includes the necessary principles for establishment of the military structure of the Republic of Nicaragua on a sound basis in accord with the latest military thought, developments and experiences of other nations.

With highest consideration and esteem, I am [etc.]

C. B. Matthews

817.1051/729 : Telegram

The Minister in Nicaragua (Hanna) to the Secretary of State

Managua, December 24, 1932—2 p. m. [Received December 25—12:35 p. m.]

247. Department's telegram 132, December 22, 11 a.m. President Moncada has submitted the basic law for the Guardia Nacional to Congress. The latter has adjourned for the holidays and it is improbable that the project will be acted upon until after the inauguration of Dr. Sacasa on January 1st.

HANNA

817.00/7671a : Telegram

The Secretary of State to the Minister in Nicaragua (Hanna)

Washington, December 28, 1932—6 p. m.

137. The Department would like your comment and any suggestions you may care to make on the following statement. In its final form this statement, which you should attribute to the Secretary of State, should be released to the Nicaraguan press for publication in the morning newspapers on the day the last marines depart from Nicaraguan soil. Please notify the Department of the exact date of the evacuation sufficiently in advance so that the necessary arrangements may be made for simultaneous publication in the United States:

"Today the United States marines leave Nicaragua. No American armed forces will remain in that country, either as instructors in the constabulary, as a Legation Guard, or in any other capacity whatsoever. Their retirement at this time realizes in fact the intention announced by the Department of State in February, 1931, of withdraw-

ing the marines following the presidential elections of 1932.

The American forces were sent to Nicaragua in 1926 because the Nicaraguan authorities stated that they were unable to protect Americans whose lives were endangered by the civil war then in progress, and that they desired the American Government to take appropriate steps to protect its citizens in Nicaragua. They were retained there after the termination of hostilities in accordance with the request of the Nicaraguan Government, and under the terms of the Tipitapa Agreement which put an end to the civil war—first, that American forces organize and train a non-partisan constabulary, and secondly, that they assist in the supervision of the elections for the presidency and the Congress. The United States accepted these obligations out of a desire to assist Nicaragua to terminate the disastrous civil war and to lay the foundations for permanent peace through holding free, fair and impartial elections.

On three successive occasions, in 1928, 1930 and 1932, national elections have been held under American supervision and under conditions which guaranteed to the voters of Nicaragua the opportunity to express their free and untrammeled choice. With the conclusion of the election on November 6 last, by which Dr. Sacasa was elected to the Presidency, the commitment of the United States in so far as electoral supervision is concerned has been fulfilled. That the Nicaraguan people have just cause to be proud of their sense of civic responsibility is amply demonstrated by the services performed by the Nicaraguans who presided at 247 of the 429 local electoral boards. These chairmen performed their duties in a manner that has not admitted of criticism or reproach. This fact combined with the admirable attitude of the party in defeat should augur well for the future of popular govern-

ment in Nicaragua.

Both Nicaraguan political parties to the settlement which ended the civil war supported the disbanding of the old National Army, which had frequently been an instrument of undisguised political aggression. In its place, at the request of Nicaragua, American officers and enlisted men have organized and trained an entirely new and non-partisan force, the Guardia Nacional, grounded upon the fundamental precept of service to the country as a whole. During the past 5 years this force has developed into a well-disciplined and efficient organization with a high esprit-de-corps. The direction of the Guardia has now passed from American to Nicaraguan officers, and it is noteworthy that both political parties have agreed on their own initiative to a plan for insuring the non-political character of that organization. This act of turning over the direction of the Guardia to Nicaraguan officers marks the realisation of the other major commitment which the United States assumed at Tipitapa.

The withdrawal of the American forces, therefore, follows upon the fulfillment of the above-mentioned obligations and marks the termination of the special relationship which has existed between the United States and Nicaragua. This country has considered it a privilege to assist Nicaragua and will always look with friendly sympathy and satisfaction upon the progress which Nicaragua through her own efforts will inevitably achieve in the future. The United States desires for Nicaragua, as for her sister republics in Central America, peace, tranquillity, well-being, and the just pride that comes from

unimpaired integrity."

STIMSON

817.00/7677 : Telegram

The Minister in Nicaragua (Hanna) to the Secretary of State

Managua, December 30, 1932—noon. [Received 4:02 p. m.]

249. Department's 137, December 28, 6 p. m. The Legation suggests no changes in the statement. The complete evacuation on January 2 seems to be assured and the statement may be released for publication in the morning papers of that day in the United States. I will delay publication here until the evening papers of January 3 so as not to compete with the news of the inauguration of Dr. Sacasa which will monopolize the papers before that date.

HANNA

817.00/7679 : Telegram

The Minister in Nicaragua (Hanna) to the Secretary of State

Managua, January 2, 1933—1 p. m. [Received 3 p. m.]

2. Dr. Sacasa was inaugurated President the morning of January 1st and General Matthews turned over command of the Guardia Nacional to Nicaraguan officers immediately thereafter. Evacuation of United States forces from Eastern Nicaragua completed by United

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States Ship Overton January 1st. First contingent of aeroplanes left Managua January 1st; final contingent left this morning. All remaining United States forces are now en route by rail to Corinto where they will be evacuated today by the United States Ship Henderson and the United States Ship Antares. The United States Ship Memphis will also depart from Corinto today.

Hanna

817.00/7680 : Telegram

The Nicaraguan Minister for Foreign Affairs (Argüello) to the Secretary of State

[Translation]

Managua, January 3, 1933. [Received 11:10 a. m.]

I have the honor to advise Your Excellency that yesterday the last body stationed in Nicaragua of the United States Army left the Republic. Various committees of the Government went to take leave of them at the station in this city and at the Port of Corinto, after the American forces had lent to this country, for several years, their valuable cooperation in the maintenance of order and peace. I take pleasure in expressing to Your Excellency the gratitude of the Nicaraguan Government and people for the fruitful work which culminated in a free and just election by which this people was able freely to elect its President, under the shield of the noble aid rendered by the Electoral Mission presided over by Admiral Woodward.

I avail myself [etc.]

Leonardo Argüello

817.00/7680 : Telegram

The Secretary of State to the Nicaraguan Minister for Foreign Affairs (Argüello)

Washington, January 4, 1933.

I warmly thank Your Excellency for your courteous telegram ⁷¹ regarding the achievements effected in Nicaragua with the assistance of this Government. It is with pleasure that I take this opportunity to wish the Nicaraguan Government and people the benefits of peace, tranquillity and progress.

HENRY L. STIMSON

[&]quot; Supra.

⁶⁴⁶²³¹⁻⁴⁸⁻⁻⁶⁵

ASSISTANCE BY THE UNITED STATES IN THE SUPPRESSION OF BANDIT ACTIVITIES IN NICARAGUA 72

817.00 Bandit Activities/462

The Secretary of State to the Chargé in Honduras (Higgins)

No. 305

Washington, July 1, 1932.

Sir: The Department desires you to seek an early interview with President Mejía Colindres and, unless you perceive objection, to say to him substantially the following:

Information received by the Department from numerous sources over a period of many months indicates beyond reasonable doubt that Honduran territory is being used as a base by bandits operating in Nicaragua and by individuals plotting a revolution to overthrow the present Nicaraguan Government. It is constantly reported that bandit groups pursued by the Nicaraguan National Guard take refuge over the Honduran frontier, where they sell their booty, outfit themselves and receive assistance from their sympathizers in Honduras. Reports also allege that the Honduran authorities along the frontier are failing to take adequate measures to put a stop to this deplorable situation and charges are even made that these authorities have assisted the bandits.

The Nicaraguan Government has on various occasions brought the foregoing situation to the attention of this Government, and this Government, particularly because of the fact that officers of its armed forces are instructing the Nicaraguan National Guard and serving with it against the bandits, feels compelled to bring the matter to the attention of the President of Honduras and to point out the necessity of some adequate action to cure this condition. This Government feels all the more impelled to call attention to the importance of this question because of the fact that the openly avowed intentions of the bandits and the leaders of revolt against Nicaragua are to obstruct the holding of the Nicaraguan elections for supreme authorities this autumn. The United States is making the necessary arrangements at the specific request of the Nicaraguan Government and the Nicaraguan political parties to supervise these elections,78 in an effort to give to Nicaragua the benefit of a free and fair election, and the Government of the United States is, therefore, particularly interested in seeing that the elections take place under conditions of peace and order and that every possible effort be made to suppress the activities of those individuals who are seeking to throw Nicaragua into a condition of disorder and chaos.

⁷² For previous correspondence regarding bandit activities in Nicaragua, see *Foreign Relations*, 1931, vol. 11, pp. 805 ff.

⁷⁸ See pp. 785 ff.

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It is further desired to call attention to the provisions of Article XIV of the General Treaty of Peace and Amity of 1923,74 which state in part as follows:

"Each of the Governments of the Republics of Central America, in the desire to maintain a permanent peace, agree not to intervene, under any circumstances, directly or indirectly, in the internal political affairs of any other Central American Republic; furthermore, not to permit any person, whether a national, Central American or foreigner, to organize or foment revolutionary activities within its territory against a recognized Government of any other Central American Republic. None of the Contracting Governments will permit the persons under its jurisdiction to organize armed expeditions or to take part in any hostilities which may arise in a neighboring country, or to furnish money or war supplies to the contending parties; the Contracting Governments bind themselves to adopt and dictate any effective measures, compatible with the political constitution of their countries, that may be necessary to avoid the occurrence of acts of this nature within their territory."

There is, therefore, apart from any general considerations of comity, a definite treaty obligation on Honduras to take the steps necessary to clear up this situation in which armed movements against a friendly government are being prepared and assisted on Honduran territory.

The Department also desires you, provided you see no objection thereto, to discuss very discreetly with President Mejía the following:

The Honduran Government has recently complained, both to you and to the Nicaraguan Government, concerning alleged violations of Honduran territory by the Nicaraguan National Guard in pursuit of bandits across the Honduran frontier. If, however, the Honduran Government is unable or unwilling, for financial or other reasons, to take the necessary steps to fulfill its obligations to suppress the activities of bandits and plotters of revolution against Nicaragua on the Honduran side of the frontier, it becomes very difficult to regard sympathetically complaints from the Honduran Government against actions of the Nicaraguan constabulary in attempting themselves to put an end to these abuses. In this connection it is conceivable that the Honduran Government might be willing to raise no objection if detachments of the Nicaraguan National Guard should temporarily cross the frontier in hot pursuit of the bandits in an effort to abate this nuisance. It is of course understandable that the Honduran Government might not be in a position to grant its formal consent to such action, and it might even feel compelled to make a pro forma protest if the occasion arises, but it might nevertheless, in view of the special

[&]quot;Conference on Central American Affairs, Washington, December 4, 1922-February 7, 1923 (Washington, Government Printing Office, 1923), p. 287.

circumstances of this situation, agree tacitly to raise no fundamental objection to such a course.

After you have given careful consideration to the foregoing, if you perceive any objection to discussing any of the points mentioned with President Mejía Colindres, you will please telegraph the Department. In case you perceive no objection to a discussion along the lines indicated, you will then, after your conference with the President, report by telegraph to the Department.

Very truly yours.

For the Secretary of State: FRANCIS WHITE

817.00 Bandit Activities/467: Telegram

The Chargé in Honduras (Higgins) to the Secretary of State

TEGUCIGALPA, July 10, 1932-9 a.m. [Received 5:35 p. m.]

58. Department's instruction No. 305 of July 1 has been carefully considered. I perceive no objection to discussing all of the points mentioned except those contained in the last two sentences of the penultimate paragraph of the Department's instruction. President Mejía cannot be counted on not to inform his Cabinet and other officials and intimates of this proposal however discreetly conveved to him and thev will broadcast it. A very undesirable impression would be created if it became generally known that the United States Government or its representative had suggested that he take a step in violation of his constitutional oath to defend the territorial integrity of Honduras. Moreover, he would almost certainly not agree to the proposition.

In lieu of the part referred to I would rather request him to take the following specific measures which I believe, if strictly carried out, would have considerable effect in curbing Honduran assistance to the bandits and which represent the maximum which can be reasonably expected of the Honduran Government under present conditions:

1st. To reestablish border expeditionary force, which has been completely disbanded, with a strength of 50 men and put General Plata

2nd. To place all sub-commandants on border and commandant at Danlí under his orders.

3rd. To search all persons crossing the border for arms and papers or other articles indicating they are bandits or their helpers.

4th. To confine all those shown to be bandits or those supplying them

arms to Tegucigalpa.

5th. To remove commandants from Danlí and Las Manos and Collector of Revenue of Yuscaran who are known to be cooperating with the bandits.

The foregoing measures have been selected as the most efficacious among those which it is now possible or feasible for the Executive to undertake. Proposing them has the merit of giving the President a definite program to work on without the opportunity for his evading or equivocating. I shall await Department's reply before presenting the matter to the President.

HIGGINS

817.00 Bandit Activities/469: Telegram

The Secretary of State to the Chargé in Honduras (Higgins)

Washington, July 12, 1932—6 p. m.

29. Your 58, July 10, 9 a.m. In your discussion with the President you may omit reference to the points mentioned in the last two sentences of the penultimate paragraph of the Department's instruction No. 305 of July 1.

Department approves your suggestion as to the specific measures which you should propose that the President carry out in an effort to improve the situation on the frontier.

STIMSON

817.00 Bandit Activities/473: Telegram

The Chargé in Honduras (Higgins) to the Secretary of State

Tegucigalpa, July 14, 1932—7 p. m. [Received July 15—11:45 a. m.]

61. Department's telegram No. 29, July 12, 6 p. m. Statement regarding Nicaraguan bandit situation made to President Mejía this afternoon who replied that he would do all that he could to comply with the Department's wishes. He spoke at great length about budget limitations and indicated that this might make impossible providing the expeditionary force with 50 men. I strove to combat this thesis. With regard to the other measures proposed he said that he would study the list of them I left with him, would confer with his Cabinet and General Plata and give me a reply in a few days.

I believe that he will offer to give the expeditionary force a smaller number than proposed but will agree to putting all the other measures into effect.

HIGGINS

817.00 Bandit Activities/474: Telegram

The Chargé in Honduras (Higgins) to the Secretary of State

TEGUCIGALPA, July 18, 1932—11 a. m. [Received 6:35 p. m.]

63. Legation's telegram number 61 July 14, 7 p. m. The President of Honduras has handed me a memorandum indicating full compliance with all five points stated in Legation's telegram number 58 July 10, 9 a. m. except that

1st. He can only furnish 25 men for General Plata's expeditionary force, explaining that as the budget provides no funds for such a force, he is creating it by merger of five small garrisons from interior;

2nd. The commandant of Danlí cannot be placed under Plata's orders because the law provides that expeditionary chiefs are subordinate to commandants of jurisdictions in which they operate.

I requested that General Plata proceed to border immediately and get in touch with the Guardia commands there with a view to interchange of information and full cooperation. The President agreed.

As the measures to be taken by the Honduran Government fall only slightly short of what was proposed, and what I regard as the maximum reasonably to be expected under present conditions, I suggest that the Department authorize me to express to President Mejía its satisfaction at his prompt and favorable action.

Legation at Managua informed of General Plata's assignment by telegraph and other measures by letter carried by trustworthy messenger to San Lorenzo and thence by Pan American Airways.

HIGGINS

817.00 Bandit Activities/478: Telegram

The Secretary of State to the Chargé in Honduras (Higgins)

Washington, July 20, 1932—3 p. m.

32. Your confidential telegram 63, July 18, 11 a. m. With respect to your second point it is hoped that when the appointments are made of the new commandants at Danlí and Las Manos and of the Collector of Revenue at Yuscaran appropriate consideration will be given to their ability and willingness to cooperate effectively with General Plata.

Please express to President Mejía the appreciation of the Department, as suggested in the penultimate paragraph of your telegram.

STIMSON

817.00 Bandit Activities/479: Telegram

The Chargé in Honduras (Higgins) to the Secretary of State

TEGUCIGALPA, July 23, 1932—11 a. m. [Received 2:35 p. m.]

65. Legation's telegram No. 63, July 18, 11 a.m. General Plata will arrive at San Marcos de Colon on Nicaraguan border tomorrow where he will organize his special border patrol of 25 men and will communicate with Guardia Commander at Ocotal to arrange for cooperation. August 1st he will proceed to Danlí of which he has been appointed Commandant but with special authorization to operate in other jurisdictions. He will thus command special force, Danlí garrison of 25 and 4 frontier posts a total of 70 men.

Details sent by yesterday's air mail pouch and Legation at Managua informed.

HIGGINS

817.00 Bandit Activities/497

The Chargé in Honduras (Higgins) to the Secretary of State

No. 579

TEGUCIGALPA, July 30, 1932. [Received August 11.]

Sir: I have the honor to refer to the Legation's strictly confidential despatch No. 570 of July 22, 1932, 75 (Legation file No. 800–N) and to its telegram No. 65 of July 23, 11 A. M., relating to the efforts being made by the Honduran Government toward cooperation with the Nicaraguan Government in combatting banditry, and to submit suggestions as to what further steps can be taken in this direction.

The task, undertaken pursuant to the Department's confidential instruction No. 305 of July 1, 1932, of getting the Honduran Government to take all measures against the bandits which can be reasonably expected of it at this time has now been successfully terminated. The Collector of Revenue of El Paraíso, the commandant at Danlí, and the sub-commandant of Las Manos, whose reliefs were requested, have all been sent to other posts. General Plata has been a week on the border and should have the organization of his special patrol force well begun. By getting him appointed as commandant of the section of Danlí as well as chief of the special force, even more men have been brought under his direct command than was expected or hoped for. The President stated at first that he could give him only twenty-five men (for the special force). The Danlí garrison doubles this number, and, counting the four border detachments under sub-commandants, pro-

⁷⁵ Not printed.

vides him with a total of seventy officers and men. Of the use it is desired that he make of his command, General Plata has been given a thorough understanding.

It is not to be anticipated, however, that signal results will appear forthwith. I do not expect that bandit activities in Nicaragua will rapidly decrease in consequence of Plata's presence in their rear, nor that he will capture large groups of Sandinistas or substantial quantities of arms and ammunition. All the precedents are against it. Moreover it must be borne in mind that the principal result will be entirely inconspicuous and that there will be no means of evaluating it. It consists of all the difficulty and inconvenience that the presence of an active patrol exercising a strict vigilance along the border will cause the bandits in entering Honduras for refuge or recuperation, in bringing booty over for sale, and in procurement of supplies and munitions. This is an important and valuable service, and, notwithstanding its inconspicuousness and the fact that it cannot be accurately appraised, credit for it should be given to the Honduran Government.

Beyond this general service, the tangible results will be slight if one is to judge by the record of the last five years,—since the beginning of Sandinismo. The efforts of the Honduran Government in that time have nevertheless been sizeable. In May, 1927, the month in which Sandino took the field, it declared martial law and put a force of 400 men on the border. In June, 1929, it again declared martial law for thirty days in the frontier departments, and inasmuch as the Marine commander in Nicaragua thought that length of time insufficient, it convoked Congress in extraordinary sessions in order to extend martial law an additional thirty days. This sixty days effort cost the Government one hundred thousand pesos. At all times it has maintained along the border a special expeditionary force to combat bandit activities, varying from forty to one hundred and fifty men, until a year ago when they were moved elsewhere to assist in the suppression of the Ferrera revolt. The Foreign Minister has told me that cooperation with Nicaragua in dealing with the bandits has cost Honduras in five years a half million pesos. Yet at all times the heads of government (Presidents Paz and Mejía) have shown themselves well disposed and ready to cooperate in response to this Legation's representations.

Still the tangible, calculable results have been certainly insignificant. They total as follows (according to the Legation's records):

- 1. In July, 1928, secret advance permission was obtained from President Paz for the attack delivered by Marine airplanes on Sandino's encampment a few miles above the mouth of the Patuca river, far within Honduran territory.
 - 2. In April, 1929, the expeditionary force found and seized a ma-

chine gun, 32 rifles and considerable ammunition which the bandits had hidden. At another time it captured a bandit pack train.

3. During the five years a total of about twenty bandits or their agents have been captured and "reconcentrated" in towns of the interior, from which they have doubtless departed at will.

4. The Government arrested and imprisoned one Sandinista, by

name Sequiera. He was allowed to escape shortly after.

5. It has refused entry into Honduras, of a few Nicaraguan revolutionists or bandits. The most recent case was Horacio Portocarrero, Sandino's candidate for President of Nicaragua, who was turned back at Amapala a couple of months ago.

These results are almost pathetic when considered in relation to the effort made and the expense borne, but they are the sum total of tangible accomplishment for five years.

I can think of four reasons for this lack of accomplishment. The first is that the desire for carrying out treaty obligations to Nicaragua and the corresponding interest in an effective frontier control, which is fairly keen in the President, is less in the cabinet officers, still less in their undersecretaries, and diminishes down the scale of the official hierarchy until in the lower grades it disappears altogether. The general average of interest and consciousness of obligation is therefore very small indeed.

The second reason is the physical impossibility of maintaining a really effective control over a frontier as long as that between Honduras and Nicaragua which passes through such extremely difficult terrain.

The third reason is the inadequacy of the means at the disposal of the Honduran Executive. It has no customs or frontier guard service, no police force or constabulary in the frontier districts, and its army, I venture to say, while not the smallest, is the weakest of any independent state in the world. In recent years the latter has been reduced to an unusually low strength, and has been incapable of coping with even small group of bandits and desperadoes within the country to say nothing of preventing their incursions from outside.

For the past three years and a half the Executive and Judiciary have been of opposite parties, have not cooperated, and have thwarted each other whenever possible. The Executive cannot, in consquence, obtain prosecution of Nicaraguan bandits, their agents, and helpers even if it does apprehend them. There is, besides, a lack of laws for the punishment of offenders of this class. Congress has never passed the legislation necessary for the due fulfillment of Article XIV of the General Treaty of Peace and Amity of 1923.

Finally the districts along the Nicaraguan frontier are so thickly peopled with Sandino sympathizers, both Nicaraguans and Hondurans, that hindrances and resistance are presented at every point to efforts to suppress bandit activities.

There is no remedy for Honduran lack of interest or consciousness of obligation in border cooperation; nor can the physical obstacles thereto, and the inadequacy of means for it be eliminated; but better results can be achieved by the United States and Nicaraguan Governments taking certain measures.

The Nicaraguan Government could and should send a diplomatic mission to Tegucigalpa—there has been none for a year and a half—for the twofold purpose of overcoming the estrangement which has arisen between these two countries and to make representations in border matters in an appropriate form. I believe that it would be preferable for this Legation to make its representations in support of those from a Nicaraguan Legation, rather than in the first instance and solitarily, for it would thereby avoid being placed in the awkward position of making a request on Nicaragua's behalf for something in the obtaining of which the Nicaraguan Government does not appear to be sincerely interested.

This Legation, if the Department so instructs, can further results by informally keeping in close touch with General Plata in order that it may become immediately aware of any action on the part of the Honduran Government which would vitiate the border control, such as the transfer of Plata, reduction of his force, failure to liquidate payrolls, issuance of orders nullifying his power of action. It could also keep under informal observation, through the Naval Attaché the bandit reconcentrados sent to Tegucigalpa by General Plata to the end that they be kept here. . . .

There are two more useful measures which can be undertaken by the Legation. (1) Make representations for effective border control to the new government, which takes office February 1, 1933, shortly after its inauguration in order that it will start off "on the right foot"; (2) Endeavor to get passed in the next Congress legislation for making effective Article XIV of the 1923 Treaty. By the last paragraph of this article the contracting governments obligate themselves to present such projects of law to their respective congresses. I cannot find that the Honduran Executive has ever carried out this obligation, but whether or not, it is certain that the Congress has never enacted such legislation. The only thing of the sort which exists is Executive Decree No. 27 of July 19, 1928, which provided for refusal of entry to or expulsion of anyone writing or speaking propaganda designed to organize or foment a revolutionary movement against a recognized Central American Government. The Honduran press bitterly assailed

this measure of President Paz, and the Press Association passed a resolution of protest, of which Vincente Mejía Colindres, now President of the Republic, was a signer, stigmatizing it as unconstitutional. However, Froylan Turcios, the principal agent of Sandino in Central America, was successfully dealt with by means of it. Its constitutionality was never questioned in Congress, and it is presumably in force today, as the single legislative measure by which Sandinistas can in any way be prosecuted.

If the foregoing measures suggested are adopted, it is my belief that genuine progress will be made in the suppression of the activities of Nicaraguan bandits in Honduras. There will, however, still be a slight amount of arms and ammunition smuggled across the border, for given its length and difficulties of terrain, it is impossible for the Honduran Government to prevent it entirely. It should be remembered that next to "dope" and diamonds, there is nothing as easy to smuggle as small arms ammunition, and that in the kind of warfare being waged by the bandits in the Segovias a little ammunition goes a long way.

Reports of arms smuggling and of other bandit activities against Nicaragua in Honduras there always will be in profusion. The Legation records since the beginning of Sandino banditry are teeming with them, emanating from Nicaragua: these records also plainly reveal that nine tenths of these reports are either utterly false, or gross exaggerations. . . . In 1928 Minister Summerlin reported to the Department that "according to reliable information it does not appear that arms and ammunition purchased from any source are reaching Sandino through Honduras except possibly in entirely negligible quantities". In 1929 in writing to Minister Hanna at Managua in refutation of such reports, Minister Summerlin stated that it was "not true that Honduran officials are fomenting revolutionary acts against Nicaragua". In 1931 Minister Lay wired the Department that "Geyer returned from Nicaraguan Border states that the reports that Sandino agents are openly recruiting in Danlí and other Honduran towns and that bandit chiefs in conference in Paraíso are without foundation". In January, 1932, Mr. Lay reported to the Department that "after investigations made by the Naval Attaché here it has been found that many of the reports, emanating from Nicaragua, of the activities of bandit agents in Honduras are very much exaggerated. Naval Attaché reported that for over two years no consignments of ammunition have passed through Danlí No men are being recruited, nor supplies or ammunition obtained in Danlí for Sandino", and in May, 1932, he telegraphed the Department "perhaps these reports are circulated by Moncada to support some argument that change of government undesirable while country threatened with attack".

These reports would appear, therefore, to have a long and consistent record for unreliability and exaggeration.

Respectfully yours,

LAWRENCE HIGGINS

817.00 Bandit Activities/505

The Minister in Nicaragua (Hanna) to the Secretary of State

No. 875

Managua, August 16, 1932. [Received August 24.]

Sir: I have the honor to refer to despatch No. 579 of July 30, 1932, from the Legation at Tegucigalpa, a copy of which has been received by this Legation.

I have read the despatch referred to with great interest and have found in it much material of value to this Legation.

As previously reported, this Legation has not failed to impress upon the Nicaraguan Government its belief that the appointment of a Nicaraguan representative to Tegucigalpa is the logical initial step in any endeavor to induce the Honduran Government to furnish greater cooperation on the Honduran-Nicaraguan border in connection with the Nicaraguan campaign against banditry. Not later than last week I discussed this subject with the Minister of Foreign Affairs who pointed out to me however that in the present confused political situation in Nicaragua it was extremely doubtful that President Moncada could obtain the services of a man of the character desired to go to Tegucigalpa. I believe that it can be taken for granted in this connection that it is preferable to have no representative than to have other than one of the highest character, who can be counted upon to represent his country in a fitting manner.

The Legation has been devoting a good deal of thought to the question of possible developments in Nicaraguan-Honduran relations following the withdrawal of the American Marines from Nicaragua. The presence of banditry in Nicaragua, and the manner in which banditry is facilitated by the proximity of Honduran territory to the field of bandit operations, have naturally intensified the chronic bad feeling existing between Honduras and Nicaragua arising largely out of the unsettled boundary dispute between the two countries.

Since the inception of banditry in Nicaragua this increased bad feeling has been noticeable, apparently in both countries. That it has not resulted in overt acts by one or the other of the parties, and probably in the severance of relations between the two countries, has been due largely to the conciliatory role played by the American Legations here and in Tegucigalpa.

The fact that the Nicaraguan Guardia Nacional has been commanded by American officers has had a powerful restraining influence on the Nicaraguan Government. The possibility of an open break between the two countries will be vastly increased after the Guardia is turned over to Nicaraguan control. Furthermore there appears at the present time to be little possibility that any marked improvement in the bandit situation may be expected in the near future. Sandino, as is known, has expressed his intention to continue opposition to whatever candidate becomes President of Nicaragua in 1933 as a result of American-supervised elections. On the other hand, there are indications that he would be willing to enter into some arrangement under which he would terminate his warlike activities. The possibility of terminating banditry in this manner has been discussed recently among Nicaraguans here, and definite steps with that in view may be taken after the presidential candidates have been selected.

The Legation has contemplated the possible advantages of a formal agreement between the two countries permitting the armed forces of each to cross into the territory of the other in hot pursuit of bandits, similar to that between the United States and Mexico which was effective in limiting depredations on our Mexican frontier some years ago. There is a question in my mind, however, as to whether the dangers of misunderstanding and conflict arising out of such an agreement might overshadow any advantage to be obtained from it.

The Legation considers that the logical time to send a Nicaraguan representative to Honduras, in view of existing conditions here, will be after the inauguration of the new President in January.

Respectfully yours,

MATTHEW E. HANNA

817.00 Bandit Activities/507

The Minister in Honduras (Lay) to the Secretary of State

No. 599

TEGUCIGALPA, August 19, 1932. [Received August 25.]

Sir: Referring to my despatch No. 598 of August 18, 1932,⁷⁸ I have the honor to enclose herewith the report of Third Secretary Higgins of his conference with General Plata at Danlí on yesterday.⁷⁸

I have made it very clear to the President, both in a conversation and in a memorandum, that the Legation has thoroughly reliable information that during the past ten days large shipments of arms,

⁷⁸ Not printed.

many of them taken from the Government arsenals have been purchased by Sandino agents here and have been sent to the Nicaraguan frontier; that within the last few days mules were loaded with munitions, in daylight, in front of the Ritz Hotel in Tegucigalpa, destined for the frontier and that a truck load of rifles left Tegucigalpa on the early morning of August 16 for the same destination; and that Mr. Higgins was informed by a Nicaraguan at Danlí that part of this shipment was yesterday at a place between Tulanga and Danlí.

I told the President that it was difficult for me to understand and it would be difficult to explain to the Department how large shipments of arms could be stolen from the National arsenals in Honduras and sold and sent to Sandino through known agents of Sandino without any of them having been captured. This observation seemed to impress the President as he assured me that he would not only see that the recommendations in Mr. Higgins's report were carried out at once, but he would order immediately to Danlí twenty police agents and some machine guns to be placed under General Plata's orders.

I pointed out to the President, however, that it was easier to capture arms for the bandits before they left Tegucigalpa than while they were en route, and that greater vigilance should be exercised over the activities of Sandino agents who have, to the knowledge of many people, negotiated for the purchase of large quantities of arms in Tegucigalpa and exchanged 14,000 cordobas for this purpose.

I have not much hope that any arms now en route will be captured by General Plata's men, although he is apparently doing everything that is humanly possible to effect a capture. The Legation will continue to urge the President to take more effective action on this end.

Respectfully yours, Julius G. Lay

817.00 Bandit Activities/517

The Minister in Honduras (Lay) to the Secretary of State

No. 600

TEGUCIGALPA, August 23, 1932. [Received September 7.]

Sir: I have the honor to refer to my telegram No. 76 of August 19, 3 PM.⁷⁹ and my confidential despatch No. 599 of the same date with regard to the additional measures being taken, pursuant to my representations, by the Honduran Government to secure greater effectiveness in prevention of munitions smuggling to the Nicaraguan bandits. The President informed the Legation yesterday that he had

¹⁰ Not printed.

sent by airplane to General Plata two machine guns, uniforms for his entire command, and pay for his men until September 1; that he had gotten a telegram from Plata saying that they had been received; and that he had arrived at Pedragalito, a place on the frontier where contraband munitions were reported to be collected.

The President in our interview of August 19 stated that he would also place all the inspectors of police and treasury, which he thought numbered four, of the Department of El Paraíso, with their armed escorts, each of four to six men, at Plata's orders, which would increase his strength from 75 to 95 or 100 men.

On my informing the President that arms were being smuggled from La Union, El Salvador, to points in Honduras on the Gulf of Fonseca close to the Nicaraguan border by the vessels *Eva* and *Choluteca* of Paulino Carias, a Honduran, he stated that he would have a government ship put in service to break up this traffic.

The President is showing himself more than willing to please the Legation in this matter by taking every measure that his extremely limited means will permit, and I hope that from all these measures will come some tangible and substantial result in the form of the seizure of quantities of bandit munitions.

Respectfully yours,

JULIUS G. LAY

817.00 Bandit Activities/512: Telegram

The Acting Secretary of State to the Minister in Honduras (Lay)

Washington, September 2, 1932—11 a.m.

40. Reference Department's instruction No. 305, July 1, and Legation's despatch 599, August 19. The Department desires you to continue to exert your efforts to have the Honduran authorities take every step possible to prevent arms and munitions from reaching Nicaraguan bandits.

You may in your discretion orally inform the President and other Honduran authorities that the Department was surprised to learn of the theft and shipment of Honduran official war materials to Nicaraguan outlaws, and sincerely hopes that the Honduran Government will find the means hereafter effectively to prevent the exportation not only of Government owned stocks but all arms and ammunition in Honduras as required under Article III of the Central American Convention for the Limitation of Armaments signed at Washington February 7, 1923, and ratified by Honduran Congress February 27, 1925.80

⁸⁰ Conference on Central American Affairs, p. 339.

PANAMA

CONVENTION BETWEEN THE UNITED STATES AND PANAMA MOD-IFYING CLAIMS CONVENTION OF JULY 28, 1926 ¹

Treaty Series No. 860

Convention Between the United States of America and Panama Modifying the Claims Convention of July 28, 1926, Signed at Panama, December 17, 1932 ²

The United States of America and the Republic of Panama desiring to modify certain provisions of a Convention for the settlement and amicable adjustment of claims presented by the citizens of each country against the other, signed at Washington July 28, 1926, have decided to conclude a Convention for that purpose and have nominated as their plenipotentiaries:

The President of the United States of America, Mr. Roy Tasco Davis, Envoy Extraordinary and Minister Plenipotentiary of the United States to Panama; and

The President of the Republic of Panama, His Excellency Doctor J. Demóstenes Arosemena, Secretary for Foreign Affairs of the Republic of Panama;

who after having communicated to each other their respective full powers found to be in due and proper form, have agreed upon the following articles:

ARTICLE I

The second paragraph of Article VI of the Convention between the United States of America and the Republic of Panama for the settlement and amicable adjustment of claims by citizens of each country against the other, signed at Washington July 28, 1926, is amended to read as follows:

The Commission shall be bound to hear, examine and decide, before July 1, 1933, all the claims filed on or before October 1, 1932.

² In English and Spanish; Spanish text not printed. Ratification advised by the Senate, February 18, 1933; ratified by the President, February 23, 1933; ratified by Panama, March 20, 1933; ratifications exchanged at Panama, March 25, 1933;

proclaimed by the President, March 30, 1933.

¹ For previous correspondence, see Foreign Relations, 1926, vol. II, pp. 865 ff. For report of the agent of the United States in the arbitration, see Department of State Arbitration Series No. 6: American and Panamanian Claims Arbitration between the United States and Panama of July 28, 1926, and December 17, 1932, Report of Bert L. Hunt, Agent for the United States (Washington, Government Printing Office, 1934).

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ARTICLE II

Article VIII of the Claims Convention signed at Washington on July 28, 1926, by plenipotentiaries of the United States of America and the Republic of Panama is amended to read as follows:

The total amount awarded in all the cases decided in favor of the citizens of one country shall be deducted from the total amount awarded to the citizens of the other country, and the balance shall be paid at the city of Panama or at Washington, in gold coin or its equivalent the first of July, 1936, or before, to the Government of the country in favor of whose citizens the greater amount may have been awarded.

ARTICLE III

The present Convention shall be ratified by the High Contracting Parties in accordance with their respective Constitutions. Ratifications of this Convention shall be exchanged in Panama as soon as practicable and the Convention shall take effect on the date of the exchange of ratifications.

In witness whereof, the respective Plenipotentiaries have signed and affixed their seals to this Convention.

Done in duplicate in Panama this seventeenth day of December, 1932.

[SEAL] ROY T. DAVIS
[SEAL] J. D. AROSEMENA

STATEMENT BY THE DEPARTMENT OF STATE THAT THE CLAIMS CONVENTION BETWEEN THE UNITED STATES AND PANAMA OF JULY 28, 1926, WAS RATIFIED BY PANAMA ON SEPTEMBER 25, 1931

411.19/162

The Minister in Panama (Davis) to the Secretary of State

No. 1095

Panama, June 4, 1932. [Received June 13.]

Sir: I have the honor to bring to the attention of the Department an apparent error which appears in the Department's publication: "Claims—Convention between the United States of America and Panama", Treaty Series No. 842, Government Printing Office, Washington, 1931.4

On the face of the publication in question appears the following statement, which is believed to be in error: "Ratified by Panamá, Sep-

⁴ Text also printed in Foreign Relations, 1926, vol. Π, p. 865.

tember 25, 1931". In this connection I wish to quote from my despatch No. 309 of January 8, 1931, as follows:

"Immediately after the Claims Convention was ratified by the Panamanian Congress on December 22 (1930), it was signed by the President and Secretary of that body and forwarded to the Executive Power. The President of Panama and the Minister of Foreign Affairs signed the decree on December 23."

"It appears, however, that the decree has not as yet been published in the Official Gazette, due to the fact that the Gazette is published irregularly. I understand that Acts of Congress approved by the Executive Power do not become effective until they are published in the

Official Gazette".

"... I am transmitting herewith a copy and translation of the ratification decree."

The enclosure shows that the treaty was ratified by Congress on December 23, 1930, and signed by the President of the Republic and the Minister of Foreign Affairs on the same date.

My telegram No. 38 of January 19, 1931, reads as follows:

"My Telegram No. 25, January 7, 4 p. m. Decree ratifying Claims Convention was published in *Official Gazette* on January 13. Davis".

Respectfully yours, Roy T. Davis

411.19/169

The Secretary of State to the Minister in Panama (Davis)

No. 376

Washington, June 28, 1932.

Sir: The receipt is acknowledged of your despatch No. 1095 of June 4, 1932, in regard to an apparent error on the title page of Treaty Series No. 842 (Claims Convention between the United States and Panama, signed July 28, 1926) in that it is there stated that the convention was ratified by Panama on September 25, 1931. You advert to a statement contained in your despatch No. 309 of January 8, 1931, to the effect that this convention was ratified by the Panamanian Congress on December 22, 1930, and that the decree ratifying the convention was signed by the President of Panama on December 23, 1930; as well as to your telegram No. 38 of January 19, 1931, reporting that the decree ratifying the convention was published in the Panamanian Official Gazette on January 13, 1931.

In reply you are informed that the action above mentioned was merely national in character. It required no official recognition by the Government of the United States because it had no international effect and did not constitute on the part of Panama the act of ratification which by the convention Panama was required to exchange for the ratification of the United States in order to give the convention effect.

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Internationally ratification is an Executive Act; and the instrument of ratification executed by R. J. Alfaro, Primer Designado for the exercise of the Executive Power, which, in accordance with the provisions of the convention, was exchanged for the instrument of ratification executed by the President of the United States, and is now on file in the Department, is dated September 25, 1931, the date stated on the title page of Treaty Series No. 842.

Very truly yours,

For the Secretary of State: Francis White

INSURRECTION IN PERU

823.00 Revolutions/323 : Telegram

The Chargé in Peru (Burdett) to the Secretary of State

Lima, July 7, 1932—2 p. m. [Received 3:45 p. m.]

96. Radical uprising occurred Trujillo early today. Military activities in Lima but no disorder.

BURDETT

823.00 Revolutions/324 : Telegram

The Chargé in Peru (Burdett) to the Secretary of State

Lima, July 8, 1932—10 a. m. [Received 12:40 p. m.]

97. Trujillo uprising is aprista and is most serious one since March 1931. Rebels control city and Chicama Valley after street fighting with 30 casualties reported. Rebels reported to be under command of Colonel Ruben del Castillo and Augustin Haya de la Torre brother of Victor.

Six bombing planes from Lima are today based at Chimbote. Panagra plane requisitioned to carry gasoline to Chimbote for them.

Seventh infantry left on cruiser *Grau* last night for Trujillo and Guardia Republicana detachment leaving today.

American interests in Trujillo region are Grace and Northern Peru Mining and Smelting Company.

Martial law since noon yesterday. Lima quiet and south reported quiet.

Burdert

¹ See Foreign Relations, 1931, vol. II, pp. 905 ff.

823.00 Revolutions/325 : Telegram

The Chargé in Peru (Burdett) to the Secretary of State

Lima, July 8, 1932—10 p. m. [Received July 9—12:03 a. m.]

98. Seven hundred troops now on the way to Trujillo. Government has officially closed ports of Salaverry, Puerto Chicama, Huanchaco which are in the hands of the rebels.

Augustin Haya de la Torre has telegraphed Government threatening to excute prisoners unless his brother now imprisoned in Lima is released.

Thirty-five American citizens are in Trujillo district mostly in Cartavio, Grace sugar estate. Communications are cut off with the entire district but all Americans believed to be safe. Movement is anti-Sanchez Cerro not anti-foreign. Lima relatively quiet, south quiet. Developments depend upon the doubtful loyalty of the Army, Navy and Aviation service.

BURDETT

823.00 Revolutions/326: Telegram

The Chargé in Peru (Burdett) to the Secretary of State

Lima, July 9, 1932—2 p. m. [Received 4:10 p. m.]

99. Trujillo bombed from air yesterday and prominent citizens telegraphed Government July 9, 1 p. m. offering surrender of city to avoid further bombing. Troops after capturing Salaverry are advancing on rebels from three sides and revolt should be promptly subdued if troops continue loyal.

The Embassy is attempting to communicate with Whyte ² concerning safety of Americans. Nothing to indicate they have been harmed. Panagra aviator reports that nothing abnormal in appearance at Cartavio from the air. Press despatches from Lima are being strictly censored.

BURDETT

² Neil Whyte, Consular Agent at Salaverry.

823.00 Revolutions/327 : Telegram

The Chargé in Peru (Burdett) to the Secretary of State

Lima, July 9, 1932—4 p. m. [Received 6:14 p. m.]

100. Regarding cable advice Chief of U. S. Navy Mission today to Naval Intelligence concerning Peruvian request for naval air bombs from Panama, this would strengthen position of the Naval Mission but revolutionary movement can be suppressed without air bombardment and native aviators would probably kill helpless non-combatants. Embassy suggests that approval of the Department be deferred until the revolutionary movement in Peru is over which will probably be very soon.

BURDETT

823.00 Revolutions/328 : Telegram

The Chargé in Peru (Burdett) to the Secretary of State

Lima, July 11, 1932—9 a. m. [Received 1:05 p. m.]

101. Last night President personally and urgently asked Harold R. Harris, manager Panagra, for reserve tri-motor plane with American pilot to carry munitions to revolutionary zone and emphatically declared Government's contractual right to requisition Panagra planes and personnel in the event domestic disorder. President plans to send Peruvian pilot as passenger and announce that plane was flown by Peruvian.

Point hitherto never brought up is while contract is actually between Government and Peruvian airways latter owns no planes but rents them from Pan American. For the sake of (in order to assure) future harmonious relations Panagra it is unwise to bring up this technicality at this stage.

My advice to Harris: allow Government to requisition plane according contract reservation, question now ownership planes by Peruvian Airways; permit but not order pilots to go, they must volunteer freely without pressure from any source and understand they go at own risk without responsibility by Panagra or Peruvian Government for their lives or welfare. In the event international mail suffers interference, or if planes are used for air raids or taken into zone of fire Embassy will immediately make strong formal protest.

Department's approval requested.

BURDETT

823.00 Revolutions/330 : Telegram

The Secretary of State to the Chargé in Peru (Burdett)

Washington, July 11, 1932-7 p. m.

31. Your 100, July 9, 4 p. m. Department understands from Navy Department that Chief of the Naval Mission advised the Peruvian authorities that their request should be transmitted through the Peruvian Embassy in Washington. Department therefore will not take any action unless and until the matter is taken up by the Peruvian Embassy here.

STIMSON

823.00 Revolutions/331: Telegram

The Chargé in Peru (Burdett) to the Secretary of State

Lima, July 12, 1932—9 a. m. [Received 11:40 a. m.]

103. Embassy learns authentic source Trujillo only partially occupied by Government July 11, 4 p. m. and street fighting and sniping continued. Total casualties exceed 100.

Only Americans thought to be the city are H. A. Jaynes, United States Department of Agriculture, and Arthur Erickson, Pentecostal missionary.

Situation in Lima normal.

BURDETT

828.00 Revolutions/832 : Telegram

The Chargé in Peru (Burdett) to the Secretary of State

Lima, July 12, 1932—4 p. m. [Received 6:15 p. m.]

104. My 101, and 102, July 11, [9 a. m. and] 11 a. m.³ Returned safely last night after being obliged to land under fire outskirts Trujillo. Embassy today sent formal note of protest to the Minister of Foreign Affairs and in the event further requisition Panagra planes it will endeavor to prevent American pilots from flying under army orders unless Department instructs to the contrary.

Trujillo today in the hands of the Government. All Americans Cartavio safe. Impossible to learn welfare of others in district.

BURDETT

^{*} Latter not printed.

823.00 Revolutions/343

The Peruvian Ambassador (Freyre) to the Secretary of State

The Peruvian Ambassador presents his compliments to His Excellency the Secretary of State and, with reference to the Embassy's note dated July 9th of this month, has the honour to set forth as follows the quantity of the war material requested by the Peruvian Government: one hundred and fifty bombs of fifty pounds and one hundred and fifty bombs of twenty pounds.

Washington, 12 July, 1932.

823.00 Revolutions/334 : Telegram

The Chargé in Peru (Burdett) to the Secretary of State

Lima, July 13, 1932—11 a. m. [Received 1:20 p. m.]

105. Faucett plane returned to Lima last night. Pilot reports he was fired upon over Laredo, rebels holding suburb of Trujillo July 12, 5 p. m., fighting continues, Government shooting all prisoners caught with arms. Now verified that non-combatants were killed and many atrocities committed by both sides.

Whyte is safe at Salaverry but reports he cannot communicate with Trujillo.

BURDETT

828.00 Revolutions/335 : Telegram

The Chargé in Peru (Burdett) to the Secretary of State

Lima, July 13, 1932—1 p. m. [Received 3:26 p. m.]

106. Referring to my telegram No. 104, this morning Government requisitioned Panagra Fairchild plane using Peruvian pilot. Asked Harris for Ford with American pilot in as much as Peruvians cannot fly tri-motor plane. Harris replied that Embassy declined to authorize Americans to fly to zone hostilities. Minister of Foreign Affairs called for me and considerably agitated threatened cancellation contract with Peruvian Airways unless material and personnel is placed at disposition of Government during revolution. I refrained from registering protest against use of planes but reiterated position of Embassy that it would endeavor to prevent American pilots flying to danger zone.

Not printed.

Embassy believes Government desires to establish an uncontested basis whereby it can use Panagra planes whenever revolutions or political disorders occur anywhere in Peru, placing Panagra in the position of auxiliary to Peruvian military aviation.

BURDETT

823.00 Revolutions/336 : Telegram

The Chargé in Peru (Burdett) to the Secretary of State

LIMA, July 13, 1932—4 p. m. [Received 4:45 p. m.]

107. Following telegram from Whyte:

"July 13, 11 a. m. All Americans Trujillo well".

BURDETT

823.00 Revolutions/341 : Telegram

The Secretary of State to the Chargé in Peru (Burdett)

Washington, July 13, 1932—6 p. m.

33. Your 101, July 11, 9 a. m. and 104, July 12, 4 p. m. Department assumes that your advice to Harris (your 101) was given informally and personally and that you made it plain to him that the responsibility for making a decision regarding the furnishing of planes and pilots and participation in domestic strife rests with the company or its representatives in Peru.

It is noted from your 104 that the Embassy has made a formal protest to the Minister for Foreign Affairs because of the fact that the plane was used in the zone of fire. The Department believes that any further representations which you may find it advisable to make should be informal in character and based on broad grounds of policy with particular reference to interference with carriage of mails rather than on any strictly legal grounds. In this connection please refer to Embassy's despatch No. 976 of May 30, 1928,5 transmitting text of concession (which was subsequently transferred to the Peruvian Airways) which provides in Article 9 that in case of internal disorders the planes shall be placed at the disposal of the Government.

Department shares your view that it is highly inadvisable for Americans to take part in military operations and if they do so it is of course entirely at their own risk. STIMSON

⁵ Not printed; for related correspondence, see Foreign Relations, 1928, vol. 1, pp. 800-805.

⁶⁴⁶²³¹⁻⁴⁸⁻⁶⁷

823.00 Revolutions/345

The Secretary of State to the Peruvian Ambassador (Freyre)

Washington, July 15, 1932.

EXCELLENCY: I have the honor to acknowledge the receipt of Your Excellency's courteous communications of July 9 and 12, 1932,6 inquiring under instructions from your Government regarding the possibility of the sale to it by the United States of 300 explosive bombs for bombing airplanes to be delivered at the Canal Zone. My Government has given careful consideration to this request and regrets that the War Department finds it impossible to deplete its reserve stock of bombs at the present time.

Accept [etc.]

For the Secretary of State:

FRANCIS WHITE

823.00 Revolutions/347 : Telegram

The Ambassador in Peru (Dearing) to the Secretary of State

Lima, July 17, 1932—noon. [Received 2:10 p. m.]

109. My telegram No. 105 and 107. Fighting vicinity Trujillo has terminated but scattered rebel bands operating mountains east of Trujillo. Court martial functioning with a number of summary executions. Imposing funeral of officers killed Trujillo held at Lima yesterday used as demonstration of strength Government and for political effect.

Strong undercurrent discontent prevalent in Lima and throughout country and wholesale arrests being made. All press despatches, including Associated Press and United Press are dictated by Government and Department should place no reliance in their accuracy.

DEARING

823.00 Revolutions/354

The Ambassador in Peru (Dearing) to the Secretary of State

No. 1938

LIMA, July 18, 1932. [Received July 25.]

Sir: I have the honor to confirm my telegrams Nos. 101, July 11, 9 a. m., 104, July 12, 4 p. m., and 106, July 13, 1 p. m., concerning the requisition of Pan American Grace Airways airplanes and pilots during the recent revolutionary troubles.

⁶ Communication of July 9 not printed.

The Government bases its right to utilize these airplanes and pilots on the contract between the Peruvian Government and the Huff-Daland Dusters, Inc., of May 28, 1928, wherein the ninth section states "in case of serious internal disturbances, the airplanes, elements, and personnel of the Company shall be placed gratuitously at the disposal of the Government". The Peruvian Airways Corporation succeeded the Huff-Daland Dusters, Inc. in the operation of Peruvian air lines, but the airplanes are owned by the Pan American Grace Airways and not by the Peruvian Airways. It is felt that employment by the Peruvian Government of these airplanes during local revolutions would lead to unfortunate results. It is felt that if the Government should find itself in a tight position, it would welcome injury to a Panagra plane or an American pilot, if such injury could be proved to have been inflicted by the rebels and could consequently be used as an argument for American aid. With American planes flown by American pilots and dropping air bombs, any transient Government in Lima could maintain itself indefinitely against almost any possible opposition in Peru, and I believe that the Government desires now to establish an uncontested precedent whereby it can employ Panagra planes whenever revolutions or political disorders occur in Peru. The Government would be in a position to say which of these disorders would be considered within the meaning of their contract with Peruvian Airways, and such action would place Panagra in the position of an auxiliary to Peruvian military aviation. It was believed by Captain Harold R. Harris, Vice President and General Manager of Panagra with residence in Lima, that it was not policy to bring up at this stage the point that the airplanes are not owned by Peruvian Airways. This point has never been mentioned to the Peruvian Government.

On July 7th the Government requested a Panagra plane to carry a cargo of gasoline from Lima to Chimbote. An American citizen, with Captain Harris' consent, piloted the plane. The gasoline was turned over to Peruvian military aviators at Chimbote and the plane returned to Lima. This trip was considered to be a purely commercial one.

On the night of July 11th, Captain Harris was called to the Palace for a conference with the President. The latter peremptorily stated his intention of enforcing the Government's contractual rights in taking over such Panagra planes and personnel as were needed during the existing revolution. The President specifically stated that he wanted a Ford tri-motor plane to go North early July 12th. Both the President and the Minister of Marine assured Captain Harris that they would endeavor to have the plane carry only material of a non-

military nature, and both of them gave the assurance that the planes would not be taken into the zone of hostilities, which at that time was confined to the immediate vicinity of Trujillo.

Panagra maintains two reserve Fords and two reserve Fairchilds at the Lima air port. Peruvian military aviators cannot fly Ford planes but can fly Fairchilds which are single motor planes.

Captain Harris requested the advice of the Embassy and stated that he was extremely reluctant to turn over either their planes or pilots to the Peruvian Government. The reasons for this attitude were obvious.

Mr. Burdett informally and unofficially advised Captain Harris to allow the Government to requisition the reserve planes and to refrain from basing opposition to such requisition on the point of non-ownership by Peruvian Airways, reserving this point for use later if it should be necessary; to permit pilots to fly under military orders but not to order them to do so; to inform the American pilots that they must volunteer freely without pressure from any source and understand distinctly that they were making trips under Government orders at their own risk and without responsibility by Panagra; also to impress fully on the pilots that in going under Peruvian military orders they would forfeit their rights to protection from the American Government.

Mr. Burdett further informed Captain Harris that in the event the international mail service suffered delay or interference, or in the event the planes were used for air raids or ordered into the zone of fire, the Embassy would immediately make formal protest.

On the morning of July 11th Captain Harris accompanied by Mr. H. V. Farris, Chief of Operations of Panagra, informed pilot Thomas Jardine, an American citizen, of the desire of the Government to use a Ford plane and repeated the conversation he had had the night before with Mr. Burdett. Jardine stated that he understood the conditions and would assume the risk. He left Lima July 11th with a Peruvian Army officer and several packing cases believed by Jardine to contain ammunition.

Mr. Jardine reports that he was ordered to Chimbote, thence to Casa Grande, and thence to Trujillo, where he was ordered to land at the Faucett aviation field which is on the edge of the city. He obeyed military orders in making the landing at Trujillo and was not aware until he landed that the field was under rifle fire. After landing, he was ordered to move the plane behind an adobe wall in order to protect it from the flying bullets proceeding from the center of the city which was at that time in the hands of the rebels. Two military planes were also on the field and the headquarters of the attacking

infantry were at this same field behind some buildings. It is clearly established that the landing of Jardine at this exposed position during a military engagement endangered his life and safety. The feeling in Trujillo against aviators was most violent, and it was only two days after the bombing of the city by Government flyers had so infuriated the people that they murdered many prisoners in a most atrocious fashion. If Jardine had been forced down in any territory controlled by the rebels he would have been shockingly murdered.

On July 12th Mr. Burdett sent a note of protest to the Minister of Foreign Affairs, a copy of which is attached. The expression "presence of American citizens" in the fourth paragraph of this note referred to sending American citizens to the territory of military operations and was not intended to cover those American citizens who happened to be in hostile territory, as for example, the Americans in the Northern Peru Mining & Smelting Company camps. It was not, of course, intended to cause the Government to try to remove such Americans. This ambiguous expression in the note will be taken care of in case the note is discussed further with the Foreign Minister.

In the third paragraph of the note the inclusion of "any of" just before "the several republics" would have made the text clearer.

The Minister of Foreign Affairs replied to this note under date of July 13th, copy of which with translation is herewith attached.

In addition to sending the note to the Foreign Office, Mr. Burdett informed Captain Harris that he should instruct his American personnel that the Embassy strongly advised them against further flying under military orders during the progress of the revolution. Captain Harris communicated this advice to the pilots, who thereupon declined to make further trips under military direction.

On July 13th the Government requested a Ford plane for July 14th, stating that it was necessary to carry cigarettes and supplies to the troops in Trujillo and to return to Lima with wounded. Captain Harris replied that the Embassy had cautioned the pilots and had declined to authorize Americans to fly to the zone of hostilities. Shortly afterwards the Foreign Office called Mr. Burdett and requested him to go to see the Minister. The Minister stated that the Government wished to exercise its rights under the contract with the Peruvian Airways and to take over a Ford plane for the early morning of July 14th; that it was to carry the Minister of Government to Trujillo and that he did not understand the Embassy's attitude in declining to allow the pilots to make the trip, inasmuch as the Government could take over the personnel of Panagra in the event of internal disorder. Mr. Burdett reiterated the position taken in the Embassy's note and stated that the Embassy could not view with

indifference the placing of American citizens in a position of danger; that he had advised the American pilots to desist from entering the zone of hostilities and that he could not do otherwise. The Minister said that he would at once inform the President of Mr. Burdett's attitude and that very probably the Panagra contract would be amended in a manner that would require the planes being flown by Peruvian pilots. The Minister likewise threatened the cancelation of the entire contract.

The Embassy has no faith in any of the Government's promises as to where they would take a plane once it was requisitioned. If the Government feels that ammunition is needed in an attack on Huaraz, for example, it is believed that they would not hesitate to send a Ford plane to that point.

A Fairchild single-motor plane was taken over by the Government on July 14th and was flown North by a Peruvian pilot. It returned in good shape July 15th. The Minister of Marine sent Admiral Spears, Chief of the American Naval Mission, to the Embassy to state that the Government was surprised at the attitude of the Embassy, in view of the contract with the Peruvian Airways. The Minister of Marine intimated to Admiral Spears that the Government would force Panagra to train Peruvian pilots and fly their planes with a Peruvian in each ship on commercial trips. Admiral Spears asked Captain Harris, who was present at the interview with Mr. Burdett, whether Panagra was prepared for the contingency of Peru canceling the contract altogether and not allowing Panagra planes to land in Peru. Captain Harris said that Panagra was not so prepared but that it wished to insist against impressment of its pilots for military purposes; that while he regretted the present controversy, it could not be helped. He would not consent to the drafting of his pilots in what the local Government chooses to term local disorders.

Captain Harris further stated the position of Panagra in declining to train Peruvian pilots; that use of American pilots in every little Peruvian war would prevent the Company from obtaining the kind of men they want; that the precedent would quickly be followed by other Latin American countries, lay the Panagra open to heavy damage suits, and that the whole question of immunity of international air line planes from seizure by the countries through which they pass was recognized by European countries and should be brought up for settlement at the next Pan American Congress.

The Department is informed, with reference to its telegram No. 33, July 13, 6 p. m., that any further representations necessary will be made informally on broad grounds of policy. The Embassy believes

that in addition to citing interference with the carriage of mail, the point should be stressed that Americans must not in any way interfere in domestic troubles even though the Government may wish them to do so.

The Embassy will appreciate an instruction from the Department as to whether it views the contract provision cited above as being similar to those clauses in various contracts which waive the right of Americans or American companies to diplomatic intervention. A statement from the Department is requested as to whether it still holds the position that no American or American interests can contract away any part of the right of the American Government to extend protection if it feels necessary to do so. It is requested that the Department confidentially instruct the Embassy as to its position on the above points, in order that when quick action is necessary the Embassy will be in a position to know how vigorous the protest can be made.

Respectfully yours,

FRED MORRIS DEARING

[Enclosure 1]

The American Chargé (Burdett) to the Peruvian Minister for Foreign Affairs (Freundt Rosell)

No. 281

Lima, July 12, 1932.

EXCELLENCY: I have the honor to express the viewpoint held by the Embassy regarding the employment on a military mission by Your Excellency's Government on July 11th of a Panagra airplane with an American citizen as pilot. A report of the matter has been transmitted to my Government and its instructions to the Embassy will be communicated to Your Excellency.

It was understood when the airplane was requisitioned that it would be employed exclusively for the transport of material, and that the orders under which it was operating would preclude its entry into the zone of gun fire, whereas, in fact, it was ordered to land at Trujillo at a point subjected to rifle fire. The Embassy protests against the placing of an American citizen in danger and cannot acquiesce, even under the present extraordinary circumstances, in waiving the protection to life and safety to which these peaceable American citizens are entitled while they are under the jurisdiction of Peru.

The disturbed conditions in the North are a source of profound regret to the Embassy which, of course, has no desire to interfere with the efforts leading to a restoration of tranquility, but expresses its confidence that Your Excellency will at once perceive the urgency of avoiding the employment for military purposes of the equipment and personnel of the Pan American Grace Airways by any of the several republics which it serves.

These pilots are American citizens domiciled temporarily in Peru for the sole and primary purpose of operating an international mail and transport service, and I beg to point out to Your Excellency the advisability of avoiding a situation which unintentionally might endanger the security of these persons, and to urge Your Excellency to put forth every effort to prevent the presence of American citizens in the territory of military operations. It is the duty of foreigners in Peru to refrain from exposing themselves to such risks and I particularly request that Your Excellency's Government will enjoin upon the appropriate authorities the desirability of abstaining from further employment of citizens of the United States for military purposes.

I avail myself [etc.]

WILLIAM C. BURDETT

[Enclosure 2—Translation]

The Peruvian Minister for Foreign Affairs (Freundt Rosell) to the American Chargé (Burdett)

No. 61

Lima, 13 de Julio de 1932.

Mr. Chargé d'Affaires: I have the honor to acknowledge receipt of your note No. 281, dated yesterday, outlining to me the point of view of your Embassy with respect to the use by my Government of a Panagra airplane, on military service with an American pilot, concerning which matter you have informed your Government and whose instructions you offer to convey to me.

The ideas which you express concerning the object of the requisition of the above-mentioned airplane; the protest against the risk to which you say an American citizen has been exposed; and the confidence that you express that I will appreciate the urgency to prevent the employment, with military objectives, of the equipment and personnel of the Pan American Grace Airways can only be explained by the strange circumstance that you have not been informed of the terms under which the proposal was accepted and permission given on the 28th of May, 1928, to establish the aviation service proposed by The Huff Daland Dusters, Inc., of Louisiana, subsequently replaced by the Peruvian Airways Corp., Inc. (Panagra), under the authorization given by my Government on the 26 of November, 1928. Among the conditions under which this proposal was accepted is

the ninth article which states: "In the event of grave internal disorders, pestilence or whatever other public calamity, the planes, equipment, and personnel of the Company will be freely placed at the disposition of the Government."

It is, then, in the exercise of a right emanating from the stipulations of the agreement willingly entered into, and which my Government is not disposed to renounce, that a Panagra airplane with its pilot is being utilized for the transportation of equipment to be used in the quick reestablishment of order in a circumscribed territory in which are established valuable interests belonging to American citizens, who were seriously endangered by the disturbances which occurred there.

I avail myself [etc.]

A. FREUNDT ROSELL

823.00 Revolutions/365 : Telegram

The Secretary of State to the Ambassador in Peru (Dearing)

Washington, August 9, 1932—noon.

40. Your despatch 1938, July 18. With reference to first paragraph of your note of July 12 to Foreign Minister and his reply of July 13, you are authorized to address another note to him stating that this Government denies right of the Peruvian authorities to compel citizens of the United States to fly airplanes in military operations, and does not admit that the immunity of such citizens is impaired by provisions in the contract between Peruvian Government and the Peruvian Airways Company.

From strictly legal standpoint it is doubtful at the least that this Government can deny the right of Peruvian Government to requisition, in case of military necessity, American owned airplanes and material in Peruvian territory, but you may continue to urge Peruvian authorities to avoid action which will interfere with airplane service between the United States and Peru.

STIMSON

823.00 Revolutions/372

The Ambassador in Peru (Dearing) to the Secretary of State

No. 2058

Lima, August 31, 1932. [Received September 8.]

Sir: I have the honor to report to the Department how an American moving picture exerted a marked effect on the accepted manner for conducting military operations in Peru. During the latter part of

May an American moving picture entitled "Hell Divers" was exhibited in Peru for the first time. This picture shows excellent views of American naval aviators dropping bombs on stationary targets. As is customary with first nights of new films in Lima, the exhibitors endeavored to make the first showing of ["]Hell Divers["] a gala occasion. The chief of the American Naval Mission to Peru had seen this picture and realized its value in promoting interest in American aviation by having the chief military authorities attend the opening. The President, accompanied by his advisers and the ranking military and naval authorities of Peru attended. All aviators on active service were likewise invited and the audience was composed exclusively of Peruvian officials. The President is stated to have been very much impressed by the amazing accuracy of the naval bombers and the Peruvian military people were likewise highly interested in the showing.

Two weeks later the Trujillo revolution broke out. Ordinarily the revolutionists would have been given time to consolidate themselves while waiting for the Peruvian Army to get in position to attack. In this case, however, the President had his military advisers immediately mobilize all available military and naval planes, six in number, and based them on a town near Trujillo. The planes were equipped with all the available bombs in Peru. It appears evident that the influence of the bombing moving picture caused this rapid employment of the Peruvian bombing planes.

The day after the revolutionists captured Trujillo, they were bombed from the air and thrown into indescribable confusion. The aviators dropped twenty-six 25-lb. bombs and, while they were dropped without regard for any particular target and indeed inflicted damage to the life and property of the noncombatants, the military effect was decisive. The rebels abandoned the city, after massacring all of their principal prisoners. It is stated that the rebels were so infuriated by the bombing that they took revenge on these defenseless hostages, but at the same time they were so frightened that their will to resist was broken. Thereafter the revolution was a chase through the mountains with the planes dropping bombs here and there in the vicinity of the retiring forces and adding to their demoralization.

The moral effect of a sudden attack from the skies on the ignorant Indians, who compose the majority of the Peruvian Army, is impressive and overwhelming. The stories of the damage caused by these air bombs, none of which hit anywhere near their respective targets, are greatly exaggerated and current throughout Peru.

After the bombing of Trujillo, the Government feverishly en-

deavored to obtain a further supply of aerial bombs. A telegraphic request was made through the Peruvian Ambassador in Washington for a supply of American bombs from Colón. This request was denied in view of the War Department's statement that it could not spare the bombs. Arrangements were made to obtain this supply at once from an American company furnishing such material. The total supply in Peru was used at once in the Trujillo operation and, pending arrival of a further supply, bombs were made locally by placing dynamite in shell cases equipped with artillery detonators and fitted with homemade tin vanes.

Flying conditions in Peru are excellent and the terrain is almost entirely bare of vegetation in all regions likely to be the theatre of military operations. Bombing planes can thus seek out opposition forces and either physically disable them or exert such moral effect on the Indians as to render them helpless. The Government is jubilant over the success of the air bombing and feels it is in a much stronger position to quell armed opposition than before.

It would seem that this development in Peruvian aerial offense indicates its adoption throughout Latin America and is of the highest importance. Whereas formerly groups of insurgents could maintain themselves indefinitely in regions remote from highways or railroad, now they can be sought out and destroyed in a few hours. Another feature of prime concern to Latin American governments is the fact that a few planes with a few dozen aerial bombs are more efficient in offensive operation than several thousand soldiers. It is not unlikely that the aviation arm will in the future be the most important one in Latin American Armies, and that in some of the more backward countries a few aviators will take the place of groups of semi-independent Army officers in dictating to the Government.

Respectfully yours,

For the Ambassador: WILLIAM C. BURDETT

823.00 Revolutions/373

The Ambassador in Peru (Dearing) to the Secretary of State

No. 2097

Lima, September 10, 1932. [Received September 19.]

Sir: I have the honor to refer to my despatch No. 1938 of July 18, and the Department's telegram No. 40 of August 9, 12 noon, regarding the employment by the Peruvian Government, during domestic disorders, of pilots of the Pan American Grace Airways who are American citizens, and to enclose copies of the Embassy's note to the

Foreign Office No. 288 of August 10, 1932, the Foreign Office's reply thereto dated August 29, 1932 with translation, and the Embassy's note No. 297 [296] of September 12 [10], 1932.

Since the July Trujillo revolution, the Government has not requisitioned Panagra planes or pilots, but the question is almost certain to recur. A very delicate situation now exists with the Leticia incident with Colombia, complicating an acute domestic unrest.

In the event of local uprising, it is probable that the Government would wish to utilize Panagra planes which can only be flown by American citizens. Both the Company and the pilots themselves object to undergoing the risks inherent to military missions, but the Company is not in a position to protest too strongly, first, because of its contract with the Government whereby it agreed to furnish its planes and equipment gratuitously in the event of domestic disorder, and, second, because it must maintain amicable relations with the Government in order to be free in the conduct of its business from as many harassing regulations and retaliatory restrictions as possible. Thus, it appears that the course to be taken is that followed during the Trujillo revolution, namely, when the Embassy deems that the safety or lives of American citizens are imperiled, to informally advise them that they accept Government military service at their own risk and that they cannot be forced to undertake such service through any provisions in the contract between the Company and the Peruvian Government. They will, of course, be informed that no contractual stipulations deprive them of their right to protection as American citizens.

I should be very grateful for the Department's instructions and after their receipt shall make appropriate reply to the Foreign Office note.

Respectfully yours,

FRED MORRIS DEARING

[Enclosure 1]

The American Ambassador (Dearing) to the Peruvian Minister for Foreign Affairs (Freundt Rosell)

No. 288

Lima, August 10, 1932.

EXCELLENCY: I have the honor to refer to the Embassy's note No. 281 of July 12, 1932, regarding the use by Your Excellency's Government of pilots who are American citizens in the employ of the Panagra Company at times of domestic disorder. I have the honor also to refer

⁷ See pp. 270 ff.

to Your Excellency's note No. 61 of July 13th in reply and to say that I furnished copies of both these notes to my Government.

I have now received from my Government a cable instruction directing me to say to Your Excellency's Government, with regard to this subject, that the Government of the United States denies the right of the authorities of Your Excellency's Government to compel citizens of the United States to fly aeroplanes in military operations and does not admit that the immunity of such citizens from such enforced service is affected by provisions in the contract between the Peruvian Government and the Peruvian Airways Corporation, since it is derived from their status as citizens of the United States, and the right of the Government of the United States to protect its citizens cannot be contracted away.

I avail myself [etc.]

FRED MORRIS DEARING

[Enclosure 2—Translation]

The Peruvian Minister for Foreign Affairs (Freundt Rosell)
to the American Ambassador (Dearing)

No. 76

LIMA, August 29, 1932.

Mr. Ambassador: Referring to Your Excellency's No. 288 dated August 10, 1932, concerning the recognition by the Panagra Company of the right of the Government of Peru to utilize the airplanes of the Company and the services of the pilots who operate them, I have the honor to call the attention of Your Excellency to the fact that the statement which your Government has charged you by telegraph to make to mine, is founded in the erroneous conception that Peruvian authorities oblige American citizens to operate airplanes in military movements, whereas such obligation was assumed voluntarily by the Company in the contract which it entered into with my Government. If this contract in any manner affects the immunity of these citizens, it is certainly not because the authorities oblige a forced service, but in virtue of a freely contracted obligation, the responsibility for which can not be blamed on my Government, inasmuch as it was the American Panagra Company which engaged for the services of its pilots in the emergencies of military operations. Regarding which, and in all truthfulness, I should certify that we have no advices that either the company or its pilots have entered objections to the obligation which they contracted. Thus, if the status of American citizens and the right of protection which corresponds to Your Excellency's Government cannot be the subject of contractual stipulations, neither is it possible to doubt the right of these same citizens to contract

personal obligations in determined emergencies, without grounds for the exercise of diplomatic protection in their behalf, inasmuch as they acquiesce in the carrying out of the obligations they assume with prescindence [prescindencia] of this protection.

I am confident that when the Government of Your Excellency considers this aspect of the matter, it will feel disposed to clarify the sense of the instructions which it imparted on the subject to Your Excellency by cable.

I take [etc.]

A. FREUNDT ROSELL

[Enclosure 3]

The American Ambassador (Dearing) to the Peruvian Minister for Foreign Affairs (Zavala Loayza)

No. 296

Lima, September 10, 1932.

EXCELLENCY: I have the honor to refer to Your Excellency's note Number 76 of August 29, 1932, concerning the right of the Government of Peru to utilize in times of domestic disorders the services of American citizens who are pilots of the Panagra Company, and have put before my Government the consideration therein expressed.

I shall be glad to communicate to your Excellency such reply as my Government may instruct me to make.

I avail myself [etc.]

FRED MORRIS DEARING

823.00 Revolutions/381

The Secretary of State to the Ambassador in Peru (Dearing)

No. 423

Washington, December 10, 1932.

Sir: With reference to the Department's telegram No. 40 of August 9, 1932, and the Embassy's despatch No. 2097 of September 10, 1932, concerning the requisitioning in Peru of American airplanes and the attempt of the Peruvian Government to compel American pilots to serve in connection with military operations in Peru, the Department encloses herewith, for your information, copies of memoranda prepared in the Office of the Legal Adviser, dated August 3 and August 4, 1932.8

You will perceive from a reading of these memoranda that in view of accepted principles of international law, the Department does not feel justified in protesting against the requisitioning by the Peruvian Government of foreign aircraft in time of war or domestic disturb-

Not printed.

ances. The Department believes, however, should circumstances again arise which would render such a course of action desirable, the Embassy would be justified in urging the Peruvian Government not to interfere unnecessarily with the regular operation of air mail planes between the United States and South America. With regard to the impressment of American pilots to fly such planes, however, the Department has, as it informed you in its telegraphic instruction of August 9, made it clear that this Government cannot admit the right of any foreign government to impress American aviators into military service, regardless of any provisions which may be found in contracts between such government and the aviation companies by which those aviators may be employed.

In his reply to your representations on this subject, dated August 4, the Foreign Minister of Peru states that the Peruvian Government has not been informed of any objection to the enforcement of Article IX of the company's contract, either on the part of the American company concerned or of its pilots. The Department would be glad to have the Embassy's comment on this assertion. Meanwhile, you are authorized to transmit to the Peruvian Minister for Foreign Affairs, in answer to his note of August 4 above referred to, a note in the terms of the draft enclosed herewith.

Should another occasion similar to the Trujillo incident arise, the Embassy should inform such American pilots as apply to it for advice that this Government does not admit that private contractual stipulations, the intent of which is to compel them under certain circumstances to take foreign military service under a foreign government, can deprive them of their right of protection as American citizens. You may inform them, moreover, that this Government views with disfavor the participation of American citizens in foreign military enterprises, and point out that if they accept foreign military service, they must do so upon their own responsibility and at their own risk.

In connection with the suggestion contained on page eight of the Embassy's despatch No. 1938 of July 18, 1932, that this Government might care to consider "the whole question of immunity of international air line planes from seizure by the countries through which they pass", the statement is made that such immunity is recognized by European countries. The Department has not been informed of any such recognition and would appreciate whatever specific information the Embassy may have in this connection. Regarding the suggestion, however, and for your confidential information, the Department is not at all sure that an endeavor to persuade the Governments of Latin America to enter into an agreement depriving themselves of a right recognized by international law, in order

to favor commercial air lines principally owned by citizens of the United States, would be successful, even on the ground of obviating interference with the regularity of air mail and communication, and is apprehensive lest an attempt to initiate such an agreement might have the opposite effect from that desired. However, the Department will be glad to consider any further suggestions you may see fit to submit in the matter.

Very truly yours,

For the Secretary of State: Francis White

[Enclosure]

Draft of Note to the Peruvian Minister for Foreign Affairs

Excellency's courteous note No. 76 of August 29, 1932, with further reference to the use by Your Excellency's Government during times of domestic disorder of pilots who are American citizens in the employ of the Panagra Company. A copy of this communication has been transmitted to my Government, which has taken due note thereof and instructs me to inform Your Excellency that as previously stated, it is unable to admit that immunity of American pilots from enforced military service is affected by provisions in any contract concluded between third parties (even though one of them be a foreign government) envisaging the compulsory piloting of planes by American citizens, since that immunity is derived from the status of such pilots as citizens of the United States and the right of the Government of the United States to protect its citizens cannot be contracted away.

Accept [etc.]



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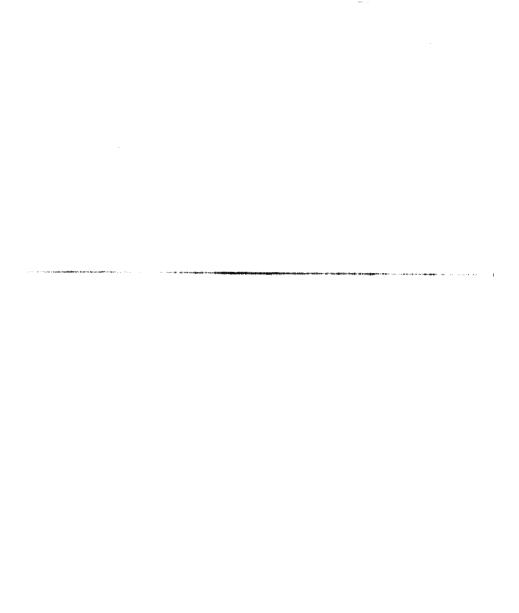
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