AMERICAN CONSULATE GENERAL,

Berlin, Germany, September 9, 1933.

SUBJECT: With reference to the elimination of discriminatory action against American and foreign steamship lines.

CONFIDENTIAL.

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON.

SIR:

I have the honor to refer to my telegram of August 11, 5 p.m. and to my confidential despatches Nos. 1581 of August 21 and 1550 of August 29, with reference to the discriminatory action which had been taken by the Ministry of Commerce against American and foreign steamship lines which has since been eliminated by a new decree. In my despatch No. 1550 I reported to the Department that the settlement arrived at was entirely satisfactory to American steamship interests.

At the time that I wrote my despatch No. 1550, I did not have in my possession the official copy of the decree but only newspaper accounts, and an error as to the exact nature of the transfer requirements appears in the second paragraph of my despatch on page 2. This I understand has been corrected in a despatch which the Embassy transmitted on this subject.
I have since taken up the question of the transfer problem as far as it affects the American steamship lines and am informed by them that in practice they find the new decree entirely satisfactory and offering no difficulties whatever for them. The head office of the United States Lines in Hamburg informs me that the authorities have been particularly courteous with reference to the arrangements affecting their procedure under the new decree. They can sell passage costing any amount to any customer without previous authorization as long as the cost of the passage is not in excess of the published passenger rates of the line. They can accept in payment either German or foreign currencies for the amount of the passage. At the end of the month they are required only to submit a statement of the number of passages sold and of the total amounts received. The line is permitted to transfer out of Germany the total amount of foreign currencies received in payment of passage. The restrictions laid down in the decree affecting the transfer of passage money received in marks, do not in practice affect the American lines. As Hamburg and Bremen are their European terminals, the costs of operation and the purchases which they find it desirable to make in Germany, more than take up the amount received in passage money in German marks. The question of the transfer of marks, therefore, does not arise and would not be likely to unless there should be a very considerable increase in the number of passages bought from their offices in Germany in marks.
marks. The line, however, does not anticipate any difficulty in this connection. It seemed desirable to transmit this information to the Department so that it may be clear that for the present the American lines are entirely satisfied and do not anticipate any difficulties.

In this connection I think I should inform the Department that I believe that the public hearing which was held by the Shipping Board in Washington as a result of this discriminatory action by the German authorities, had a very useful effect. The representatives of the North German Lloyd and the Hamburg America Line present at this meeting, did not fail to inform their head offices in Bremen and Hamburg of this meeting at once, and made it clear what the consequences to German shipping might be if this discriminatory action were carried into effect. The rapid action in removing the discriminatory measures through the new decree now in effect, was undoubtedly brought about through the German shipping companies here which nevertheless I am confident from information which I have from official sources, were also the ones who stimulated the Government to issue the discriminatory decree. For the first time in years the German shipping lines really feel the competition of the American passenger lines and as I have already informed the Department, the popularity of the S.S. WASHINGTON and the S.S. MANHATTAN is causing them great concern. The passenger receipts of both the North German Lloyd and the Hamburg America Line in the north Atlantic trade, have dropped very considerably not only on account of the fact that Jews are for the most part travelling on other lines
lines when these in the past favored the German lines, but also because Americans in general are showing more preference for travel on American ships.

Respectfully yours,

George S. Messersmith,
American Consul General.