Habana, June 3, 1940.

STRICTLY CONFIDENTIAL.

Subject: Observations with Respect to Some of the Major Decisions of Policy which our Government Shall have to Take, with Particular Reference to the Defense of the Western Hemisphere.

The Honorable
The Secretary of State,
Washington, D.C.

Sir:

I have the honor to transmit to the Department the following observations which may be of some interest to it, on major decisions of policy which I believe our Government will be required to make in the immediate and immediately foreseeable future. As there is no doubt in my mind from the observation of events in Europe and elsewhere during the past years, particularly
particularly since 1933, that the peace and security of the northern and southern continents of the Western Hemisphere will be definitely threatened in case of a dictated peace by Germany I am convinced that the defense of this Hemisphere becomes our problem.

I shall give first a brief summary of the major problems on which I believe our Government is now under the necessity of reaching a decision, or will shortly be required to do so in its vital self-interest. I shall, following that summary, give a statement of some of the problems involved in the defense of the Western Hemisphere.

In presenting the following thoughts to the Department it will appreciate that I am actuated only by a desire to bring to it any contribution which I may be able to make at this time to the consideration which the Department is giving to the grave problems before us.

The observations I am making are based on the possibility, and what increasingly appears to be a probability, that Germany will shortly be in a position to dictate a peace to England and France which will leave her in control of Europe and to a large extent the primary voice in policy in all parts of the world outside of the Western Hemisphere.

1. A dictated peace by Germany to England and France will leave Germany in control of Europe. Italy may temporarily be permitted the status of a partner in control of the Mediterranean and of a part of Africa, but
she will be a servile instrument of Germany. Germany and Italy together will control a good part of Africa. Japan will have her hand considerably strengthened in getting the upper hand in China and will undoubtedly take over the Dutch and perhaps parts of the British and French Far Eastern possessions and colonies. There will not be close identity of interests and even points of conflict between Japan and Germany but with no probability of their acting except in common so far as the Western Hemisphere is concerned.

2. Russia as a military force will probably not be effective in Europe for years to come and her military power in Asia will be reduced. In case of complete German victory in Europe attack by Germany on Russia cannot be excluded and in that case a considerable part of the Ukraine would undoubtedly be lost by Russia to Germany. It is not likely that Germany would miss this opportunity to take over this territory from Russia. While it is doubtful whether Japan would act against Russia in the Far East it is equally doubtful whether Russia could take any aggressive action with respect to Japan.

3. A dictated peace by Germany to England and France will result in the disarmament by Germany of most of Europe with the exception of Italy and a few smaller countries. Germany will undoubtedly completely disarm the Scandinavian countries, Belgium and Holland, France and England. In view of the political and economic
economic control over the smaller countries which she will exercise, disarmament in them may not be so complete but they will be impotent so far as any action against Germany or Italy is concerned.

4. Germany will remain in control of the productive capacity of most of Europe and will proceed with the physical, industrial and moral enslavement of the populations of these countries. The populations will be set to work in their own industrial plants to forge the chains to ensure their bondage and to produce the materials directed against future aggressions in the Western Hemisphere. This falling into the hands of Germany of the production machinery of Europe is of tremendous importance to us not only from the point of view of defense of the Western Hemisphere but from the point of view of trade. There is, however, for the present nothing we can do in the way of preventing this production machinery in Europe falling into German hands. What decisions of policy we may take in this respect can only be effective in slowing up the use which Germany can make of this machinery.

5. Germany will endeavor to place her hands on the merchant fleets, or whatever may be left of them, of England, France, Scandinavia, Belgium, Holland, etcetera. A good part of these fleets may be beyond her control and immediate reach. Unless our Government takes immediate, positive and effective steps towards preventing such merchant fleets from falling into the hands
hands of the Germans as far as may be possible, the Eastern and Western oceans which are still, if in a lesser degree, an important element in our defense, will be reduced to lakes. It must be reckoned that the shipyards of Europe will be under German control, and the ship construction facilities available in which enslaved populations can produce new units are a factor of primary importance to us and which challenge even our own construction capacity under the most favorable circumstances. This possession of the shipyard facilities only makes it the more important that such units of the merchant fleets of the defeated or controlled countries which are not within the reach of the Germans do not pass into their hands and it is a primary element of our defense that we not permit them to pass into German hands.

6. We have to reckon with the possibility of the navies of England, France, the Scandinavian countries, Belgium and Holland falling into the hands of Germany, or what may be left of these navies at the end of the war. The possession of these naval units together with the collaboration of Italy and of Japan would put us in an impossible position, would tremendously increase our problems of defense of the Western Hemisphere and practically take away whatever protection the two oceans have been. It has always been a primary policy of Germany in case of British and French defeat to secure possession of their navies. There are only two places, so far as we are concerned, where the British
British and French navies could be with safety, and that is either at the bottom of the sea or in our hands. Should these naval units fall into the hands of Germany it would be impossible for us even with our facilities and ingenuity to build up rapidly enough to this combined strength and it may be taken for certain that we would not be given the time to build up. It is therefore clear that we should already be taking the necessary steps to see that it is made sure that these navies will not fall into the hands of Germany. In this respect there is no time to be lost and the decisions, however drastic they may seem, must be made without delay in our own vital interest. There is no decision among the many which have to be taken which is of more vital importance than this.

7. Germany will endeavor to place her hands on the public and private holdings of the defeated and controlled countries which may be held in the United States and in the Western Hemisphere. It may be taken for granted that Germany will lay lands on public and private funds available in the subjugated or controlled countries, without any reserves for public or private right. Every endeavor will be made by Germany, in some cases through the instrumentality of the puppet Governments which she will set up, to get possession of public and private funds in the United States and in this Hemisphere. It is essential in our interest that such funds not be permitted under any circumstances to pass into German control or into
into the control of those who will be merely the instruments of Germany. The necessary measures which will prevent such withdrawals, utilization or control by Germany or by German instruments should in our vital interest now be under consideration and preparation so that any efforts in this direction will be thwarted and futile.

8. Germany will undoubtedly endeavor to impose heavy indemnities on the defeated and controlled countries. From certain countries which may not be actually involved in the war before it ends contributions in money and in materials will be exacted as payment for so-called protection. It may reasonably be assumed that these contributions will be imposed in the form of indemnities on the countries with which may Germany has been at war. It further be reasonably assumed that in addition to these contributions there will be wholesale confiscation of private property from which only those individuals will be exempt who may have lent themselves to Fifth Column activities in one form or another. The payments and contributions will be for the purpose of replenishing the empty coffers of the present financially impoverished Germany, for the maintenance of the program of control and further expansion and development which Germany will plan, and also for the purpose of completing the physical and moral subjugation of the peoples of other countries. There is nothing that we can do at this time to prevent the imposition of such contributions.

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or indemnities so far as they may be effective outside of the Western Hemisphere. It is, however, I believe in our vital interest that we should not permit the withdrawal of funds, public or private, from this Hemisphere to pass into German or German-controlled hands, as indicated in the previous section. It is further in our vital interest, no matter how much our humanitarian impulses might impel us in that direction, not to make available to England, France or other countries credits, materials or any resources to assist in these contributions to Germany. At the close of the last war we were of great material assistance to Germany in many ways in order to enable her to meet the indemnities imposed insofar as they were paid. To in any way assist England, France or other countries in paying contributions to Germany would be merely to aid in strengthening the beast which aims to attack us.

9. In case of a dictated peace by Germany, she will have reached to a very considerable degree that self-sufficiency which has been one of the primary economic objectives of the present Government. She will therefore be in a position to impose her barter practice within a good part of the world, certainly within Europe and most of Africa, if not all of it. She will be in a position to enter into barter arrangements with a good part of the Near and the Far East. This raises for our country one of the most serious problems growing out of a dictated peace. Our foreign trade outside of the Western Hemisphere
Hemisphere will be practically at a standstill as Germany will be in a position, so far as power goes, to dictate to these other States what trading arrangements they shall have with us and with the Western world. There will be no possibility of our entering into such arrangements without changing completely our own internal economy to a thoroughly regimented one and something to which our people should not and will not consent. The effects of such complete German imposition of barter over a good part of the world's trade, for the time being at least, will be serious within our own country and to a certain extent will involve Government controls, but not regimentation in the manner which would be involved if we endeavor to engage in trade on the German basis.

There is, however, the even more serious consideration that we shall have to decide to what degree we shall trade at all with Germany and German-controlled countries. As the production machinery of so much of the world will be under the control of Germany and unquestionably directed against us, it is a question as to how much it will be to our interest to engage in trade with these countries at all. By doing so we may merely be aiding Germany in building up its power against us and this Hemisphere.

It is in this respect that we will have one of the most serious problems to face in the Western Hemisphere and in inter-American solidarity. This is no place to go into details with respect to that considerable dependence of certain of the American

Republics
Republics on European and Far Eastern markets for the taking of their exports. The problem is only too patent and too serious with the obvious difficulty on our part to absorb all of the exports of all the other American Republics. In this particular respect Chile and the Argentine, and to a certain extent Brazil, are crucial foci of trouble and there is always the possibility that shortsighted economic and emotional considerations might lead them into trading arrangements breaking up inter-American solidarity.

In our own country the question will be a serious one, for our foreign trade has been an important element in our domestic economy.

It may well come to the point of determining to what degree this Western Hemisphere may become self-sufficient.

10. The defense of the Western Hemisphere raises military and naval questions which go beyond the scope of this despatch, but certain factors such as distance, great extent of coast line, lack of military and naval power of practically everyone of the Western Hemisphere countries except the United States and certain inherent weaknesses within most of the American Republics, are important. We shall have to keep definitely in mind that if some of the European countries which have succumbed to Germany were weak they were, from the military, economic and financial point of view stronger than most of the American States. The determination of the degree to which we will give protection to the other
other American States and the physical scope which that protection can take is one of major importance and the problem is undoubtedly receiving the earnest consideration in our own country of those elements in Government best qualified.

11. We shall have to realistically consider the problem presented in the defense of the Western Hemisphere through the weakness, military, financial and in some other respects, of many of the Western Hemisphere countries. We shall have to frankly and realistically consider the economic problems and factors which will influence some of these States in the maintenance of inter-American union. We shall have to recognize and realistically deal with the situation growing out of the existence in some of these countries of venality and self-seeking of public officials who can easily carry their countries, not yet firmly trained in the democratic tradition, into a course not in line with a common inter-American policy.

12. It would be futile not to recognize it as a reality that Germany will demand the British, French and Dutch possessions and colonies in the Western Hemisphere. Even though at the outset of peace negotiations and after a certain period such claim might be left in the background, it would be unrealistic for us not to recognize that Germany will consider these as her own and will endeavor to gain control of them. This will be one of the most immediate questions in which we will have to make a firm and realistic decision
and any wise consideration of our public interests will lead to the conclusion that under no circumstances can Germany be permitted to gain in any way direct or indirect control over these territories. To endeavor to evade this issue would be unrealistic just as it would be unrealistic not to recognize that Germany hopes eventually to control a good part of South America. It may be that for a time we might not be able to protect the whole of the South American Continent and that several of the countries of that Continent might pass under direct or indirect control of Germany. This possibility, however, which may grow out of the difficulties in the defense of the Western Hemisphere should not affect our decision, in my opinion, that under no circumstances can the British, French and Dutch possessions in this Hemisphere pass into German hands. The considerations of proximity and strategy are in themselves the deciding factors so far as our policy is concerned.

13. There are other questions on which we may be under the necessity of reaching a decision sooner than we anticipate such as those which may be precipitated by German aggression against the Philippines or Australia.

The foregoing is not intended to be in any sense a complete résumé of the problems which may arise for us out of a dictated peace by Germany to England and France, nor is it intended to be even an adequate résumé.
resume of those set forth. It would, however, I believe be extremely dangerous in the public interest for us not to consider that everyone of the foregoing considerations is one of vital interest to us and one on which we must take positive action. Although the scope of the military reverses which England and France are suffering in this war is becoming increasingly apparent to our people there is in my opinion a complete lack of comprehension, except in a few well informed quarters, as to the devastating nature of the peace which will be imposed, of the enslavement of peoples which will follow and of the threat which all this has for our country and its institutions.

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It is already clear to a good part of the American people that the defense of the Western Hemisphere is our problem and our responsibility. While this may be accepted already as a policy of our Government as growing out of our inter-American policy it is increasingly understood by our people that it is the only policy which we can follow in our vital self-interest. Just as the Scandinavian, Low countries and France were the bulwark of the protection of the British Isles, so the protection of the United States proper lies to a considerable extent in other parts of the Western Hemisphere. These things being so and the defense of the Western Hemisphere being our responsibility and problem, it is necessary for us to give realistic consideration to important factors
in that defense problem which heretofore has been dealt with more from the emotional rather than from the material and realistic viewpoint. It is my desire in the second part of this despatch to outline some of these factors.

1. We have to recognize that outside of the United States and Canada the countries of the Western Hemisphere are militarily weak. The army in most of these countries is small and relatively poorly equipped. What is even more serious is that the army which does exist in a good many of these States is undependable and has heretofore been used as an internal political instrument and police force rather than for defense purposes. These armies have been equipped to deal with defenseless populations or with adversaries less well armed and their equipment is therefore relatively meagre and ineffective from the point of view of defense against a real adversary. Most of the countries of the Western Hemisphere have no navy and no construction facilities for the building up of a navy. Those countries which have naval vessels have very few units which at the most possess value for defensive and patrol purposes.

Outside of the United States and Canada none of the American States has any appreciable air force and no real capacity for construction, depending entirely upon the United States or European powers for the supply of those air instruments possessed.

This military, naval and aerial weakness of the American States is such that not a single one of them is
is in a position to defend itself, by itself or by common action. The only possibility of defense lies in the contribution which we can make. There are certain possibilities in the way of recruitment of land forces but training and equipment would have to be provided by us. It is not for me here to go into the details of this weakness but merely to point out that it is a reality which we have to face and realistically recognize in our planning.

2. Most of the American Republics outside of the United States and Canada are industrially weak. There is some capacity for production in the Argentine and in Brazil. There is no potential war industry outside of the United States and Canada. Apart from the production of war materials the needs of the American States will be an additional drain upon us for the European markets will be largely closed to them and they will depend upon us not only for armament but for the supplying of ordinary industrial needs.

3. The economic weakness and the financial weakness of practically all of the American Republics is so patent and well known that it is not necessary to go into this further here except to point out that it is a serious factor which we have to consider in the defense of the Western Hemisphere. The capacity of these States to pay even for the defense material which they may be provided with is limited.

4. A serious factor of weakness in the defense of the Western Hemisphere is the still inadequate experience
of most of the American Republics in democratic government. Most of these countries are still partially dictatorships. This may be turned in a time of emergency such as this into an element of strength rather than weakness if those in control can be kept to see where the interest of their country lies. While this may be an element of strength in emergency it is also an element of weakness, for we have over a long period of years had to witness the ease with which a few individuals with a small army force at their command can control their respective countries. We have further to recognize that in most of the American Republics there are large sections of the population which are illiterate, have taken no real part in public affairs and it is a question as to how far they can be used in national defense against a foreign enemy. We have to realistically recognize that to a very considerable extent up to now the greater mass of these illiterate populations in the smaller American Republic have been educated into believing that the United States is their enemy rather than their protector.

5. We shall have to realistically recognize that in a good part of the American Republics there are sentimental ties with other countries which are more deepseated than the more recent service given to the idea of Pan-Americanism. In most of these countries there are great sections of the population with sentimental ties binding them to Spain. In some of them, and this happens to be among the large and important of the American Republics, there are large sections of
the populations of German and Italian origin whose national allegiances are basically still towards the mother country rather than to the one they now owe allegiance to. While the feelings of the Spanish population of the American Republics were a good deal divided over the Civil War in Spain, the overwhelming majority of them were in sympathy with the Franco Government which has influenced their sympathies in the present war in Europe to be on the side of Germany and Italy against England and France. While this does not mean that in case of aggression on this Hemisphere by Germany and Italy, or both, their sentiments would not change the foregoing state of their feelings is a factor which must be considered. It must also be borne in mind that the ties with England and with France have been those of trade, finance and culture, and strong as these ties have been they will not count in times of emergency.

6. The existence of large German and Italian populations in certain of the American Republics is bound to present a serious problem in their defense against aggression from Europe. Should by some combination of circumstances Spain be drawn into the European struggle on the side of Germany and Italy over the question of Gibraltar, this would undoubtedly affect a good part of the Spanish populations of these countries. Brazil, in the Argentine, Chile, Venezuela, Colombia and in some of the Central American States the German element has to
a large extent been naturalized, but under German law retains German citizenship. These naturalized German citizens have become an intimate part of the business, financial and social structure of the countries in which they live and have a very considerable influence. These foreign elements may become a physical and a moral danger in the defense of the American Republics and they present a problem in many respects more serious than that presented by similar alien populations in the United States.

7. There is real danger of moral sabotage in practically everyone of the American Republics, this danger existing among the political, financial and industrial leaders as well as among the masses of the people and among the foreign elements.

8. There is a psychological weakness in the American Republics which is real if not so apparent as those weaknesses already set forth. The Pan-American ideal which has gained such strength in recent years had a good deal of lip service paid to it in most of the American Republics, but it is only in recent years that this policy has really taken root. The distrust which existed in most of the other American Republics of so-called American imperialism may be said to be completely gone. There is now in place of it, more particularly in more informed circles in all of the American Republics, a recognition of the fact that the United States is the only country upon which they can
can depend for the protection of their sovereignty. A new form of distrust, however, has arisen which is almost as dangerous, if not more dangerous, than that which formerly existed. This distrust takes the form of a doubt as to whether we will be able to protect them in their sovereignty. This is just beginning to make itself felt and is a psychological factor of primary importance.

There is a recognition by certain sections of the populations in the other American States that it may be difficult for the United States with the best will in the world to take on their exports and as these elements are impelled by selfish considerations they may not be slow to follow the example which has been set for them by similar groups in countries in Europe which hoped to buy immunity for themselves at the general expense. This desire to maintain trade with certain countries in Europe is a psychological factor of primary importance in our consideration of the probable eventual attitudes of American States. They are perhaps even more likely to be led astray by promises of illusory advantages than others have been who should have been wiser than they.

It is also well to remember that most of the American Republics are debtor States and they are debtors to England, France and the United States and not debtors in any appreciable degree to Germany, Italy and Japan. As there is this general race for the have-nots to
get something from the have-gots and this general race to escape from the payment of obligations, it is to be expected that a certain part of the peoples of the American Republics will be led astray by the illusory hope that a change would mean escape from obligations. They do not realize that the change would mean merely the putting on of chains and of real financial and industrial servitude. It is well to keep in mind, however, that the great mass of the people do not think about these things in a reasoned manner but understand change only as being something for the better although it may be in reality very much for the worse.

There are persons well informed in our relations with the other American Republics who believe that the more recent enthusiasm for a Pan-American policy has been basically more enthusiastic for President Roosevelt and for the so-called New Deal than for the real principle of inter-American cooperation. These observers point out that in the majority of the American Republics the great mass of the people have a very low standard of living and that these people saw in the principles of the New Deal a chance for the little and what they believed to be the suppressed individuals. Although in more informed circles the real principles of inter-American cooperation have undoubtedly gained many new and real adherents, and although the reciprocal trade agreements policy and the "Good Neighbor" policy which we have practiced have
gone far in strengthening the Pan-American ideal, there is reason to believe that among the great masses of the people in the American Republics it is the belief that Pan-Americanism and inter-American cooperation will bring something to the little man that has had the greatest appeal. The foregoing observations have merely been made to bring out the possibility that the idea of inter-American cooperation has not yet had adequate time to radicate itself in the lives of most of the American peoples.

9. There are certain emotional factors which deserve consideration. We cannot neglect the fact that some of the leaders of opinion in some of the American States may be affected and profoundly impressed by the apparent successes of Italy and Germany. Similarly, careful observers have already noted that increasingly among the masses of the people there are signs of the degree to which they are impressed by the "power" of the German machinery and methods. There is nothing that succeeds like success and this is true in the emotional repercussions of peoples as of individuals.

10. We have further to reckon with the fact that the great masses of the people in the other American Republics do not know what the Fascist system in reality stands for and are inadequately informed of the treatment which these regimes mete out to the nations which they subjugate. This can be understood by the fact that it was only recently in the United States that there began to be among the great mass of
our people a comprehension of the utter ruthlessness of German methods. In view of the relatively low standard of living of so large a part of the populations of the American Republics the idea of change is one which appeals to them strongly and it is easy to appreciate that they do not understand that change involves merely the forging of new chains.

II. The foregoing considerations are not put forward in any pessimistic sense. I have merely in this inadequate form put down what I believe to be some realistic considerations which we have to bear in mind in the problem of the defense of the Western Hemisphere. It is my conviction that if we proceed wisely, constructively and firmly in a positive policy we shall be able to get complete American solidarity and that the smaller States will be able to contribute materially to their own defense. In order to do this, however, it will be necessary for us to employ a positive and clearly defined policy which is definitely made known and to secure the cooperation of all the American States in this policy. Among other considerations which we may have to bear in mind in this connection are: I believe the few which I will set forth below.

We must make known our strength and impress it on the other American States and their peoples. The statement by the President some days ago that we were to enter on the production of 50,000 airplanes was one of the most impressive and best understood statements in Latin America.
America made for some time. At the same time, however, that this statement was made by the President a part of the American press carried an item to the effect that Germany had 70,000 planes. It is doubtful whether Germany has 70,000 planes. It is doubtful whether we shall have 50,000 planes in a year. I would be the last to advocate that we adopt the propaganda methods of the totalitarian States, but we can by staying strictly within the limits of the truth spread adequate information concerning the military, naval, aerial, industrial and financial strength of the United States as compared with a war torn, war disrupted and war impoverished Europe. The statement attributed, for instance, some days ago to Mr. Henry Ford that he could make 1,000 planes a day at the end of a six months period is the sort of statement which has its effect on the other American Republics. The enormous production strength, the enormous financial strength, the unity of our people and our potential military strength are things concerning which we have to talk.

Similarly, there will have to be impressed on the other American Republics the military exhaustion of Europe following the war, the financial weakness resulting from it and the strain to which Germany will be put in controlling the populations of the subjugated countries. The difficulties growing out of holding so many countries in bondage by the Fascist Governments will have to be brought out. The position of the masses under such Fascist-controlled Governments will have to be
be made clear so that the peoples of this Hemisphere will understand that change has meant chains rather than greater freedom and greater economic ease. The physical, moral, economic and religious bondage which this regimentation imposes is not adequately understood.

It is well known that among the Latin peoples and particularly in the Western world family ties are exceedingly close and the relations of parent to offspring and offspring to children are particularly fine. It is not understood in the American Republics to what degree the Nazi and Fascist idea is opposed to the solidarity of the family. When the average citizen of the American Republics learns that in the National-Socialist State the child is given to understand that under certain circumstances it must betray the father, this means more even in a clearer understanding of what these regimes are doing than the destruction of the Church, of religion and of faith in God. As purely positive factors, therefore, the idea of the family and of the Church as we conceive of them in the Western Hemisphere must be stressed. People must have something positive to cling to and these two ideas of the family and Church mean almost more to the masses in the American Republics than the idea of the retention of sovereignty.

12. We have to create something in the order of a new New Deal policy for the Americas in the sense that we shall have to show that we have something better to offer
offer than Germany and the totalitarian States.
It is a curious thing about human nature that it is inclined to change. The more ignorant people are the more apt they are to believe that any change will be for the better. This is undoubtedly the reason why there is a tendency in certain American Republics for the people to believe that the Germans can work miracles. They do not understand that all that they have given their people so far and the people over whom they exercise control is a lower standard of living, and war. They do not understand that if the new order of things in Europe which Germany is planning will bring about any good it will be only for Germans as they regard all other peoples as inferior and only fitted to serve the superior German people.

It is also well to recognize that people are not led easily to fight for a status quo, especially when the status quo may for them not be very satisfactory. The appeal of the status quo to the Englishman and to the Frenchman and to the citizen of the United States is a very definite one. It is something for which he is willing to fight. The appeal to the status quo in most of the American Republics is not particularly effective for the situation of the great masses is anything but satisfactory. It is therefore necessary to appeal to those things which have for the masses in the American Republics real significance, such as the maintenance of the family, the Church, et cetera.

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13. There must be less talk of our weaknesses and, as already indicated, more of our strength. A certain amount of the discussion of our weaknesses in a military sense is undoubtedly necessary in order to bring about an awakening of the public consciousness in our country. On the other hand, we do not always adequately keep in mind that everything that appears in the American press or is said over the American radio is avidly consumed in other parts of the world and particularly now in the American Republics.

14. There is a good deal of reason to believe that the success of the German arms in recent months in Europe has been due more to the results of moral sabotage than to the superiority of German arms. Germany, and to a degree Italy and Japan as well as the Soviet Government, are busily engaged in the Western Hemisphere, and have been for some years, in exactly the same forms of moral sabotage with which they prepared the way for the present debacle in Europe. It is useless for us to offer advice to the other American States with respect to the manner in which they should handle moral sabotage and alien activities unless we can point to definite, concrete and effective measures being undertaken in our own country. For this reason it is not only necessary for us in the United States to put into effect alien controls and controls over all forms of sabotage, but we must aid the other American Republics by example and by such material assistance as we can give in putting through a similar program.
program. It may be that Communism does not offer the dangers in the United States that it does in some of the other American Republics, but if we tolerate it in the United States we are not in a position to ask the weaker American States to eradicate it. On the other hand, a Communist Party and Communist activities are potentially and actually a greater danger than any activities which can be fomented by alien agents or alien Governments. If we are to proceed wisely and effectively in the program of defense of the Americas the first and most effective step we can take is to carry through alien controls in the United States and control of every form of moral sabotage and then help the other American Republics in carrying through a similar program. A primary step if we are wise in this action will be to immediately make the Communist Party in the United States illegal in order that the same step may be appropriately taken by the other States of this Hemisphere.

This question of alien activities in the American Republics is of such primary importance in the defense of the Western Hemisphere that I hope to present some observations with respect thereto to the Department in a further despatch in the near future.

While I have dictated the foregoing despatch under the pressure of a good deal of work here I may say that it presents my considered views and any revision which I might make in it would be in form rather than in substance. I am therefore sending the despatch to the Department.
Department in the form it appears in the hope that it may be of use in the consideration which the Department is giving to these problems so vital in the public interest and in what I believe is the greatest emergency our country has faced in its history.

I should perhaps say further that if this despatch should be taken as expressing a note of pessimism, my feeling is in fact the contrary. I have thought it useful to present in these bare outlines the problems which we will have to face in case of a dictated peace by Germany to England and France and to outline some of the difficulties which we must reckon with in the defense of the Western Hemisphere. It is only by facing these matters in their gravest form that we can be in a position to take the measures which impose themselves. I am convinced that if we take the necessary positive action in our country a dictated peace by Germany to England and France will not result in an ultimate victory for Germany and that the menace to this Hemisphere and to our institutions can be successfully dealt with. There is, however, in order to arrive at this result real necessity for resolute, positive policy and action on a wide front.

Respectfully yours,

George S. Messersmith.

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