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Vienna, November 27, 1934.

Dear Mr. Secretary:

May I take the liberty of telling you with what satisfaction and real pleasure I have read the Department's release of the speech which you prepared on international trade for the dinner of the National Foreign Trade Council in New York recently. I had read the cabled excerpts and comment with much interest and looked forward to the copy of the speech which would reach us through the pouch. It came in last evening, and I have read it several times.

I shall not even attempt to begin to comment on it, but I would like to say that I am in complete accord with all you say and think it was extremely important that what you said should be said before the Foreign Trade Council. Not all of the members of that organization have kept in mind some of the fundamental ideas which you brought to their attention, and some of them have been very great sinners, whose complete repentance is not yet entirely clear. You brought out so many important things in your speech that every paragraph of it is significant. May I say that I think it is one of the best and one of the most effective speeches which I have read in recent years, and I am sure that it will have a very wholesome effect.

As one who has followed our foreign trade problems closely for some years, I am very happy to know that we are not abandoning the principle of most-favored-nation treatment, and I have been particularly gratified to note your insistence that while bilateral treaties and trade agreements have their use, there is such a thing as three-cornered

The Honorable
Cordell Hull,
Secretary of State,
Washington.

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exchange and that we cannot admit that all agreements shall be made on the basis of balanced trade. This insistence on balanced trade between all countries would only lead to a further throttling of exchanges and be as disastrous in its eventual consequences as high tariffs, quota agreements, etc. have proved to be.

The leadership which you have given to the Foreign Service in your economic thought and the wise influence which you have exerted on our economic policy at home have, I believe, been of unusual importance in these very difficult times, when clear thinking is difficult and only too rare.

Believe me, with all good wishes,

Very sincerely yours,

George S. Messersmith.

GSM/LGW