

1067

November 7, 1938.

Personal

My dear Friend:

I have felt the need of writing to you many times recently, but I have had, as you can well appreciate, a rather difficult time. My wife and I were able to go to Cape Cod for two weeks in July, where I shut myself off completely from everything and it was a life saver. Immediately on my return, I was plunged into the midst of things again and there has been no relief. I am literally at it from twelve to fourteen hours most every day and I sometimes wonder how long I shall be able to continue at this rate. Fortunately my health remains good and everyone, except my wife, tells me that I am looking very well, but I feel the strain.

Since the time that I have been here, I have been able to make a good many changes in our organization and to prepare us to meet the problems we are increasingly having. The quiet and unobtrusive reorganization which I have been able to carry through in the Department has, I believe, put us in a position where the Department of State is functioning better than it has in the twenty-five years that I have been connected with it. The difficulty is, however, that, while we have been able to adjust and adapt our machine below the grade of Assistant Secretary and have been able to bring about a better distribution of the greater burden, it has been very difficult for various reasons to ease the problems or the burden on the executive officers. This, of course, is inherent in the very nature of our work, for, if you are to have coordination of policy, it is necessary to have a certain amount of concentration and that means that the burden at the top cannot be distributed in the same manner as further down the line. It is the same problem, of course, as in a big business. The result, however, is that the burden on some of us is almost intolerable and now for well over a year I have been doing here the work which a few years ago was

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Heineman
1077

done by three Assistant Secretaries of State. I have been able to build up what I believe is a good organization around myself and in my immediate office, but I have a good many organization problems to complete before I shall feel that I have that part of my task here completed.

So far as our internal problems are concerned, I think they are working themselves out -- slowly but I believe steadily. We have an election tomorrow and, while the Republican gains will not be as large as some anticipate, there will undoubtedly be a loss of some Democratic seats in the Congress. I do not consider this in any sense a calamity, because we need a better balance between the two principal parties. The trouble is that there is still not yet constructive thinking in the opposition. There is still too much purely destructive criticism and there is still a remarkable lack of leadership among some of our men in business and finance who ought to be taking a constructive part. I think, however, in this respect there is a change and the rift between Government and business is narrowing. This, however, will not be so helpful as it should be unless business will begin to think a little more realistically and constructively along the lines of long-range policy than it has been. One of the most distressing problems we have in the country is the unemployment and the Government aid which is being given to unemployed. The Government aid to the unemployed is not being carried through in the best way and is undoubtedly giving rise to abuses which give some of us concern. I think, however, that there is an increasingly consciousness of this and I do not see it as a permanent danger. Business is unquestionably improving and there is a good deal of feeling that the basis of the improvement is more sound than before.

With respect to the international situation, I need not tell you that recent events have shocked the public conscience in this country to an extraordinary degree. The feeling with respect to the policies and acts of the totalitarian states is more strong than ever. The action of England and France and the Pact of Munich have left this country in confusion. People here quite understand that England and France were unprepared for war, but they cannot understand why, in view of developments in Europe, they were not better prepared for what was so obviously inevitable. There is the very definite feeling here that if England had assumed a different attitude in the days preceding Munich, Munich itself would not have become inevitable. What is even worse is that there is a feeling here, which is widely growing, that Chamberlain was quite

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prepared for Munich and had in a way been preparing a sellout for Southeastern Europe for well over a year. There is a feeling here that British policy in the hands of Chamberlain is in very bad hands and there is a thorough understanding here that this means a good deal for us.

The thing that concerns us, of course, is that we have been taken from the second line of trenches through recent events and definitely put into the first line. The result has been a certain degree of isolationist sentiment which we have been so successful in combating. I quite understand that we are not entirely blameless for things that have happened and that England was in uncertainty in view of our neutrality laws. I think, however, every sound thinker must realize that it has been our policy always not to commit ourselves before hand, and that it is impossible for us to do so, but that, whenever the time came for us to act, we have never failed to do so. There is no question but that, if it had come to war in Europe, our neutrality laws would have been amended. In spite of what our English friends may say, I think they knew this, but they were simply not prepared to act, or rather, were prepared to act in a completely other direction. I think you know that my own basic thought has always been that Anglo-American cooperation is the one stable factor in the world on which we felt we could count to maintain the decencies and order. I have always felt that the maintenance of the British Empire was as important to the United States as it was to Britain and I think most thoughtful persons in this country felt the same way, and to a large measure still feel the same way. With that basis of Anglo-American cooperation removed, the world will be in a sorry state indeed. I am still hopeful that it may be preserved. I would be lacking in frankness, however, if I did not tell you that the recent acts of Britain have gone a long ways towards undermining that sentiment. There is a feeling here that the British have lost their grip and that they may even be bound on a policy of conciliation and cooperation with Germany, which will remove all vestiges of Anglo-American cooperation. There is a definite feeling here that, if we have to stand alone, we shall stand alone and retire to this hemisphere. Of course, I am in sympathy with this thought to the degree that, if we have to stand alone, we shall have to do so, but I realize that Europe is just as much a part of the world as it ever was and what happens there means just as much for us, if not more so, than in the past. For this reason, while I believe that we must concentrate on the defense of the Western Hemisphere and on consolidating

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our relations with the American States, we cannot neglect our relationships with Europe and the rest of the world.

I have reason to believe that the trade agreement negotiations with England may be brought to a conclusion in the near future and that a revised Canadian agreement will be signed shortly thereafter. I am hoping that this will prop up the tottering bulwark of Anglo-American cooperation; it will, provided our British friends do not shortly thereafter enter into economic negotiations with Germany which will nullify the effects of the Anglo-American trade agreement. There are a good many who are fearful of what took place in the last hour's conversation between Chamberlain and Hitler at Godesberg. There is a feeling here that Chamberlain may have agreed to enter into far-reaching economic arrangements with Germany and I personally feel that, if we come to that, the fate of the British Empire may be sealed. If, after these accretions to German territory and to German prestige, England through economic arrangements with Germany will put that country in a position to consolidate its gains, then indeed the German dream of irresistible empire in a good part of the world will have been realized. When one sees every day the evidences of the weakness of the opposition in England, and the obvious vassalage of France, the prospect is not good -- certainly not encouraging. What we are hoping here is that England will pull herself together and will not enter into these disastrous economic arrangements with Germany.

We have made up our minds that we are going to stick to our principles if we have to support them with guns. The Secretary made a speech at the National Foreign Trade Council in New York last week in which he made a very carefully considered statement to the effect that we adhere to the principles on which we have stood. It is in many ways the most significant statement he has made for a long time. I seconded him in a speech I made before the same group the day following and as these may be of interest to you, I am sending them to you under separate cover. There has been somewhat of a drive by some of our news commentators and columnists in this country to the effect that, in view of the events in Europe, our foreign policy is in confusion and that we shall have to revise our own attitude. The Secretary's statement was intended to let the country know that we stood by our principles and had no intention of changing our policy. You will be interested to know that the Secretary's statement was received with relief and with a good deal of enthusiasm throughout the country.

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We have engaged and are engaging rapidly on a serious program of rearmament. We are doing this with reluctance but with determination. We know that it is economically unsound and not desirable, but, on the other hand, we do not intend to be caught napping. In other words, we are facing the situation realistically and realize that what has been brought out of Munich is a very poor sort of a truce and that, in view of possible developments in Europe, we must be prepared for encroachment on this hemisphere. Our experiences in South America in the last year have been a clear indication to us as to what we can expect from Germany in that field if we do not take a strong stand. There is a very strong tendency in this country for the moment to concentrate all our relationships with the American States, but we shall have to be careful to see that this does not lead to isolationist sentiments. I feel very strongly that our interest in the rest of the world is even greater than before.

Our immediate problem in Latin America is, of course, with our nearest neighbor Mexico. The problem there has been an exceedingly difficult one. I cannot go into the details here because it would take too long, but I need not tell you that, if the tide of expropriation had not been stopped there, it would rapidly have spread all over South America. It has required the most careful effort and negotiation carried on under the most difficult circumstances, but I am glad to say that I think we have been able to stem the tide and that we are on the way towards a better position in Mexico. In any event, I believe that the tide toward expropriation without compensation has been checked and perhaps we can work out something which will definitely eliminate again this dangerous doctrine.

Of course, we are not blind to the fact that mere words and enunciations of principles are no longer sufficient. It may come to the point, and perhaps is coming to the point, where we shall have to implement our policy. I am very much hoping that it will not come to retaliation anywhere whether it be in Europe or in the Far East, but it would take a blind man indeed not to see that the time is approaching when some of the weapons which others have used must be used by us. After all the real resources must still be in the hands of ourselves, England and France. The question is whether we will use them. The key really lies in the hands of England, for she is still the primarily interested party. Not only the Empire, but the very existence of England are at stake. I do not mean to say by this that we are guided in our policy by England, but, after all, outside of the Western Hemisphere, policy in certain matters is

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primarily British responsibility and, if she is not willing to act, there is very little that we can do outside of this hemisphere -- except perhaps in the Far East where, however, we are hampered by the same lack of clarity in British policy. There are those who fear that Britain is preparing to sell out China just as she has given Germany a free hand in Southeastern Europe.

Under these circumstances, you will realize that we have our hands full here, for we realize that we are at the crossroads, but that the choice is still open of the road to follow. We have made our choice and we are going to stick to our principles and are prepared to support them with guns.

There is a very determined effort being made by the Germans to drive us into negotiations for a trade agreement. This is merely the continuation of the efforts which have been made for several years. We continue to be prepared to talk with all countries, but only on the basis of the most-favored-nation treatment and on the underlying policies of the trade agreements program. Germany is not prepared to deal with us on that basis and we cannot deal with her on any other. To deal with Germany on the basis that she wishes to negotiate would mean regimentation of industry and finance and of our social structure in this country in the same manner that it is done in the totalitarian states. We have no intention of doing that. I understand that Brinckmann hopes to come over here again soon. I cannot see any use even in his coming, because it will be the same old story. He will have nothing to offer and there can be no negotiations until Germany is willing to treat on another basis. Under such circumstances, such visits and such conversations can only do harm.

We are going to see the German press and German effort concentrated against us and to a degree against England, but the worst thing to me in the situation is that Hitler and his associates have lost respect for England. You know that the most restraining influence upon Germany has always been the fear of England. Even this present government had a wholesome respect and fear of England. Now it would seem that, as a result of Munich and Godesberg, even that is gone and, if, in addition to this, there should drop away Anglo-American solidarity, then indeed the world will be in a bad way.

Under the best of circumstances, I do not see the German program letting up. I believe that, even if Hitler

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and his associates were prepared to stop temporarily and to consolidate their gains, they would not be able to do so and that the impetus of events will carry them forward. They have brought into being a course of events which will carry them with it. Of course, I do not see them in any way considering slowing up their program themselves, because everything encourages them to go forward. Whether this will lead us into the war which seems so inevitable, I do not know, but one thing I know just as surely as before and that is that there can be no peace in the world today until there is a sound government in Germany.

There is so much that I should like to write you but this is already too long a letter. I have been hoping to have news that you might be coming over this fall. I need not tell you what a pleasure and a satisfaction it would be to my wife and me to see you here and how much I would like to talk over so many things with you. I should like very much to know what your own reactions to the general situation may be. I do hope that we will have the pleasure of seeing you. I hope the young couple in Switzerland are getting on well and that everything is well with you and your family.

My wife joins in every good wish to you and Mrs. Heineman.

Cordially and faithfully yours,

A-M: GSM: VNG