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AIR MAIL

Personal and
Confidential

Habana, Cuba,
June 15, 1940.

Dear Mr. Secretary:

You have by this time, I hope, seen my despatch No. 369 of June 3rd, 1940, and had an opportunity to read it. I know that I am not bringing any new thoughts to you in this despatch, but I thought it would be of interest to you to know what importance I place on certain factors.

It was, for example, just this sort of thing which has happened in Brazil that I had in mind in the fourth paragraph beginning at the bottom of page 15 of this despatch. The action of Vargas in making the address he did on a Brazilian warship on the night following the address which the President made at Charlottesville is significant, and in my opinion cannot be satisfactorily explained away. There have been reassuring press notices in the Habana papers emanating from Rio, in which it appears that the Brazilian Government gave out what seems to be a rather equivocal statement with regard to the Vargas speech. To me, as significant as anything Vargas may have said, is that he should have done it immediately after President Roosevelt's magnificent address. I have the uneasy feeling that no matter what the Brazilian Government may say, the situation there may be one concerning which we may be anything but tranquil and that what should in some respects be our strongest spot, in inter-American cooperation, may be one of the weakest.

Brazil has many Germans in two of her provinces. She has many Italians. Both Germans and Italians are important in the commercial and economic life of the country. Vargas is a dictator who may feel his position insecure, and he may have made this speech for home consumption, but all these things at this juncture of events do not, in my mind, justify such an address by Vargas at such a time. As I pointed out in my despatch No. 369, the existence of the more or less dictatorial governments in some of the American States can, in these times of emergency, be a source of strength in the program of inter-American cooperation, but they can be just as much a source of weakness. It all

depends

The Honorable Cordell Hull,
The Secretary of State,
Department of State,
Washington, D. C.

depends upon the basic convictions of the dictator and how secure he feels himself. There are these selfish groups in some of the American Republics, just as they existed in certain European countries. We know how they are interested only in conserving their power. They are just as stupid and lacking in understanding as some of these groups in Europe, and it would be hiding our head under a bushel not to take account of this in our own Western Hemisphere problems. I hope that I am wrong, and I have only a small part of the picture here, of course, but it does look as though Vargas was going to try both ends against the middle.

Our first line of defense, which was in the remaining democracies in Europe, is almost gone. It will be a miracle if any of that line of defense except the navies can be saved, and can we be altogether sure yet that we can depend upon those navies not being added to the strength of the totalitarian states? Our second line of defense lies in Alaska, Greenland, and Iceland in the north, and from Mexico to the tip of Cape Horn in the south. If this second line of defense is weakened by unstable cooperation of any of these States to the south, our problem will be intensely magnified. There are increasing signs that that cooperation may be unstable. How, for instance, can we give material aid to a country, let us say like Brazil, when we are uncertain of its leadership. The very material which we furnish it for its defense may be turned against weaker States on this continent and therefore against us. The leadership is really the only stable thing that we can depend upon in most of these Western Hemisphere countries. A small group together with the army can control the country and lead it into any direction they want to lead it whatever may be the will of the great majority of the people. We have seen this happen often enough recently not to have any illusions on that score. This leads to the very definite conclusion that if we cannot depend on leadership in these countries friendly to us, we are in a bad way from the outset in our second line of defense. Our one safety in countries like Brazil, therefore, lies in a strong government definitely attached to us and to the defense of the sovereignty of Brazil.

Completely aside from her German and Italian populations, I am sure that certain groups in Brazil are concerned over the economic situation resulting from loss of trade with Europe and we can be sure that all sorts of people are there offering illusory promises. There is undoubtedly a selfish group in Brazil which is thinking of the loss of certain European markets and all sorts of promises are being made to them as to what Germany and Italy will do in opening wide the markets of Europe when they are in control. We know that all this is sheer nonsense, but that doesn't mean that certain Brazilians will not be taken in by it. We are, after all, still the best customer of Brazil and the only solvent one of any account that she has.

There are

There are those in these countries, like Brazil, who believe that no matter what they do, we are so dependent upon them for inter-American cooperation and for certain supplies, that we will not interfere with their flirting with the totalitarian States. In these days we have to fight fire with fire and I myself am confident that with some of these countries the interest of the Good Neighbor Policy involves not necessarily the use of the big stick but a much stronger and more definite attitude than we have taken. I think we have got to make it clear not only to Brazil but to others that if they want to maintain a solvent market and our help, they have got to play with us. We can easily do without coffee in the United States, for I have known other peoples in other countries to do without it. This is a struggle for existence that we are in, and the struggle is coming close to us. Our greatest danger is in closing our eyes to this fact.

There is another thought which I think we have to keep in mind, to which I made only brief reference in my No. 369 of June 3rd. It is to England, France and ourselves that not only Brazil, but the other American Republics, are indebted. They owe us large sums, not only as Governments, but through municipal and private issues. Just as Germany and Italy are dispossessing their peoples and have no regard for public or private financial obligations, we may be sure that German and Italian agents are pointing out, not only to the Brazilian, but to other Governments in this hemisphere, that this is a fine time to clean the slate and to get rid of these public and private obligations by merely definitely repudiating them - and that we will do nothing about it. It is an argument which appeals not only to a good part of the powerful and wealthy classes in these countries, but it is a fine argument to mislead the masses.

There are a lot of issues on which the Fascists, Communists and the capitalist class in South America can get together, and in every case we would be the goat, and the result would be the weakening of our defense. I hope the time has passed when any one in our country deludes himself with the thought that the capitalist, Fascist and Communist groups cannot work together. We have seen how they worked together in Europe, and in spite of surface appearances are still working together. The Fascists and Communists have a common objective which is the destruction of France and the British Empire, and after they are out of the way, we are the next objective. I am sure that you will agree that these ideas are no more fantastic than the ones which I advanced some years ago with respect to the European situation and all of which have unfortunately come true. You know that there were times when even some very thoughtful persons at home tried to laugh us out of court.

We have

We have to reckon with the certainty that Germany and Italy will use the same technique in the American Republics that we have seen so effectively employed in European States. Now that events have reached the point that they have in Europe, Hitler finds it necessary to say to the world that he has no objectives in the Western Hemisphere. How well I recall the solemn promises and assurances that he gave to the Austrian Government that he wished for nothing more than to maintain the sovereignty of Austria; all he wanted was that the Nazi Party should be permitted to operate in Austria as in other countries. When Austria was out of the way, we had the same solemn assurances from his lips with regard to Czechoslovakia, and after the disintegration of Czechoslovakia, the same with respect to Poland, etc. The technique remains the same and yet people keep being taken in by it. If wiser and more experienced people were taken in by it in Europe, can we close our eyes to the very real danger of some of our friends in this hemisphere being taken in by it? If the dictators in any of these Western countries, or selfish groups, see any advantage for themselves in playing with the totalitarian states, they will not hesitate to do so and will not hesitate to run any risks so far as we are concerned because they think that we will not intervene under any circumstances. And they don't care what happens to their countries in the long run if the harvest is good for them while it lasts. We have to recognize that we are living in a time in which the worst traits of human nature have come to the top and when people do not hesitate to brazenly display them.

I believe that we can bring the Western States together if we assume strong and definite leadership, but that leadership has to come from us. It has to be a strong and well-defined leadership. I think most of the Western States will welcome firm initiative on our part, and those who do not like it so much will fall in line. I believe that we should not delay in assuming that leadership in a very definite form. Some steps have been undertaken recently, as you know, to smoke out the various countries and to determine whether they are prepared to turn into realities the declarations made at the recent inter-American conference. I am glad to say that so far as Cuba is concerned, the response has been thoroughly and in every way satisfactorily positive. I, of course, do not know how these exploratory conversations have turned out in other countries.

You all in Washington are in a much better position to judge about these things than any one like myself in just one of the small spots involved. I do believe, however, that it would be wise for us to get the American States together in the relatively near future and get them thoroughly committed. We may be sure that Germany and Italy and the Communists are busy. They are not going to wait. The longer we wait in getting

the States committed the more difficult our task will be and the more chances given to these subversive elements from within and without to work. If we have a conference of the American states promptly as the situation now is, I do not believe that any one of them could stand out from mutually agreeing to military aid to the others and from accepting all kinds of military aid from us. The contribution that most of these States could make in their own defense, in ours, or in the defense of other American States is small, but the important thing is to get them committed in principle unequivocally to all the action which is involved in inter-American cooperation, which must now enter into the military phase. If we act promptly, I don't believe that any of these Governments which may be inclined to make trouble for us will be in a position to do so, for they would be too definitely in the position of selling out their country and its sovereignty and of breaking inter-American unity. I do not believe that any of these countries, or any of the Governments in the Western Hemisphere, would be prepared to do this if we act now and firmly. I cannot emphasize too strongly what I believe is the necessity for this firm and unequivocal leadership. The American States expect it and, I believe, want it now, and unless we take it we will lose our opportunity and increase our difficulties.

It was decided at Panama about a year ago that the next meeting of the Foreign Ministers was to be held at Habana about October 1st. I don't think it makes much difference whether the meeting is held in Washington or Habana. It should, I believe, be in one of those two places. You all have better information available than I do and are in a better position to judge, but from the information which I have and the background which I have, it is my conviction the sooner the meeting is held the better it will be. The Cubans are expecting the meeting to be held in Habana, and I sent Sumner Welles the preliminary agenda which the Cuban Secretary of State has worked out, and which he plans to send to the other American States next week. These are matters for the Department to decide, but I did want to tell you that it is my opinion from the information which I have that such meeting should be held.

Yesterday I had a reception at my house for the diplomatic corps, and I had a brief unsatisfactory conversation with the Chilean Minister here who I believe is in his heart pro-German and not particularly friendly to us. The circumstances were such that I could not have a satisfactory conversation, because of the many people pressing in on us, but I gathered from his remarks that he thought "inter-American cooperation was already no longer a reality". I suppose he was influenced in this by the press reports which have appeared here with regard to the Vargas speech. I am enclosing herewith a clipping from the Diario de la Marina of June 12th, and also a clipping from El Mundo of the same date, both of which are significant.

I think

I think we must show leadership in many ways and one of them is in the action which we take with regard to alien activities in our own country. We cannot expect these countries to do very much of a positive character concerning aliens unless we take strong measures ourselves. The activities of Communists, Fascists, Phalange, and German and Italian groups in the American States are very real, and they present a much greater danger in these small and weaker States than they do with us. We are taking some action at home, but I wonder whether we are doing it rapidly enough. I do not see how we can avoid declaring the Communist Party illegal. It is a step which I believe the Congress should take without delay. We ought to take definite action with regard to German and Italian activities in the United States. There is nothing we can lose by doing so, and there is everything to gain. How can we permit the German Consul General in New Orleans, for example, to publicly make such statements as the press reports indicate that he made yesterday? We have in our files at home ample evidence to show that he is engaged in subversive activities. We know, for example, what the German Consul in Boston is doing. These people are openly flaunting us and it is bound to have a bad effect in our own country, as well as in others where it is known what they are doing. How can we permit, for instance the New York STATTIS-ZEITUNG UND HEROLD to continue to appear when its editorials almost every day are openly pro-German, attacking the administration, and are skeptical of our defense program? Our friends Victor and Herman Ridder seem to have learned nothing from the last war. I follow this paper very carefully and some of its recent editorials have been practically subversive in character. There is no excuse for these foreign-owned newspapers in a time like this unless they stand thoroughly behind our institutions and our defense program.

I think that we will also have to give attention to men like Boake Carter. I send you herewith a clipping from THE MIAMI DAILY NEWS of June 14, which is characteristic of what he is doing. We know that this man has been taking pay from the Japanese and the Germans. We know that he is a recently naturalized American citizen of English origin who has an intense hatred of England. Articles such as the one I am sending you herewith, I do not believe we can tolerate in the public safety. It means taking strong action, but these are times when strong action is called for. We may permit license under the cloak of free speech in ordinary times, and it may be, in ordinary times, a sign of strength. In times like these to permit this sort of thing is definitely weakness.

Even

Even our friend, Jim Mooney, has not yet learned his lesson. I wonder whether you saw in the TIMES of Sunday, June 2nd, on page 16, an article entitled "Peace Pressure by America Urged". The article reports a speech made by Jim Mooney at the Case School of Applied Sciences in Cleveland recently. If you have not seen it, I think you will wish to ask that it be brought to your attention, for I am afraid that Mooney is definitely mentally not sound, and men like that are dangerous. I don't see how Jim Mooney can be entrusted with any responsible part in our defense preparation if he is so thoroughly sold on totalitarian doctrine.

I have written you much too long a letter, but I have wanted to bring to you these thoughts. I know how great your occupations and preoccupations are and have hesitated to burden you with so long a letter.

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

Cordially and faithfully yours,

P.S. After reading this letter, I should make it clear that I would not wish to be misunderstood with respect to Brazil. I know of no country among the American Republics in which the people are really fundamentally more friendly to us. What I have tried to bring out in this letter is that a dictator, or a very small group, in any one of these States, with the army under their control, can determine the policy, internal and external, irrespective of what may be the will and feeling of the people. The armies in some of these countries may not be of much use for offensive or defensive purposes in case of war, but they are sufficiently effective as a police force in the hands of a small group to enforce their will on the country.

When I speak in this letter of our doing something about certain diplomatic and consular representatives in the United States, such as the German Consuls in New Orleans and Boston, I do not mean to say that at this time we should throw out all of these German and Italian diplomatic and consular officials unless, of course, we declare war. What I do mean to say is when individual officers exceed their functions as these do, engage in activities they do, make the kind of statements that

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they have made, we should single them out and not permit them to remain in the country. It will have its good effect at home and abroad. Knowing the Germans as I do, I know that even at this stage they will respect us the more for not permitting such officers to remain in our country. Our failure to take any action, in my opinion, gives the Germans a completely wrong idea concerning us. It has a very bad effect in all of the Americas where these officers are becoming increasingly bold.

With the developments abroad, we will want to keep our own diplomatic and consular officers wherever we can and not give the Germans any chance to throw them out. On the other hand, I think our own position would be much better in this respect if we take firm action in our own country with respect to the individual officers who exceed the scope of their proper function.

G.S.M.

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