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<i>W. S. Smith</i>	

DEPARTMENT OF STATE  
WASHINGTONPersonal

August 27, 1938.

Dear Friend:

I read with much interest your letter of August 9, and I am glad to know that you were on the point of going away for a holiday. I was surprised to learn that you had been in the nursing home near Berlin as I knew nothing of the trouble with your knee. I am glad to know that it is so much better and hope that by this time you are altogether rid of it. The holiday on Cape Cod did me a great deal of good although it was too short. I feel much refreshed. We here feel that we are going to have a busy winter irrespective of what may happen outside of this country which intimately involves us in this Department, and we have many problems on this continent which take a good deal of our time and some of which give us a good deal of concern. We can, of course, not give way an inch on the question of expropriation and confiscation of property in Mexico without just compensation. I think the last note which we sent to Mexico will straighten out the record and represents what is for us an unalterable position. We are trying to handle it in such a way that the Mexican Government can give way without internal disruption. There are many ways that this Mexican problem could be handled, and I know we are criticized for not taking some of these ways, but we have to keep in mind all the factors involved. We are maintaining the principle which we must protect and I think in the end our patience and forbearance may prove to have been the right course. In any event, the principle of integrity of private property is being maintained and I am sure will, even in this disordered world, again prevail in Mexico and elsewhere.

We

Mr. D.N. Heineman,  
38 Rue des Naples,  
Brussels, Belgium.

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We are greatly concerned here concerning the developments in the general situation. I do not think that we here are under any illusions. It is quite obvious to us that the present government in Germany has no intention of giving up any of its external or internal objectives. We realize that the objectives she has in Czechoslovakia, if attained, either by pressure from without or within, may temporarily avoid war but will only make that war in the end inevitable. It would be folly to believe that the present government in Germany has any other objective than political and economic domination of Southeastern Europe in order to open the way for other objectives. I am convinced that after attaining her objectives in Southeastern Europe, the next move would be against Belgium, Holland and Denmark. Our British friends may be right that time is working for the democracies instead of with the dictatorships, but I think the dictatorships realize this also and for that reason the danger of war in the near future is certainly more imminent than it was. We here feel that we will pass through the gravest crisis in the next few weeks that the world has had for years. My own feeling is still that Hitler will not decide for a war of desperation, but this is predicated on my belief that England and France will let it be clear that they will move in case he acts in Czechoslovakia. I wish I were altogether clear that England will do this. I believe that she will, but it would be far wiser and safer if she spoke with a clearer voice. Clear and decisive language with the threat of force behind it is the only language that the present government in Berlin understands.

I think you must have seen the recent address which Secretary Hull made over the radio. It was really in many ways the most significant pronouncement he has made yet if it is read carefully. I think it is clear that he has expressed the opinion of the now overwhelming majority of our people that no conflict outside of our boundaries can leave us cold, and that anyone can take it for granted it would leave us cold. I think that the speech was understood in Berlin and Rome and is having its influence. When one considers the respective positions of the two countries it seems to me we have spoken even more clearly than England. I feel that we have done in this international situation all that we could or could be expected to do so far.

Your

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Your comment with regard to your friend's statements was most interesting and helpful, and of course he is right. I did not fail to pass on to the two most interested persons the information which you were good enough to give me and it is very much appreciated. The President is spending a good deal of time away from Washington, but is in excellent health and spirits. The heat of Washington seems to be broken and he will undoubtedly be returning here very soon when there will be quite a number of things I shall have to discuss with him. His recent action with regard to the political campaigns in some of the States is being much criticized in certain quarters, but there are two sides to that question and I must admit that my sympathy is entirely with the President in this matter.

I have made a good deal of progress in the internal reorganization of the Department to which I had to give such intensive thought during my first year here. We feel that we have been in heavy waters and may be going into still heavier seas. It has been the desire of all of us, therefore, that the Department of State should be in as good a position to handle its difficult problems as is possible. We recently announced the organization of a Division of Cultural Relations and of a Division of International Communications. These represent the last ~~of the~~ two major steps in our internal reorganization. There is still a good deal to be done, but it is of a secondary nature and I hope to accomplish this during the course of this next year. It has been a very difficult task, but I believe that the State Department which has always been the best organized and best integrated of our executive departments is now in better shape than it has ever been in our history. It is very encouraging to me to find what a really capable group of men we have in this Department, and now that our organization is even better integrated, the ship of state is, I believe, ready to weather the seas.

This letter will reach you when you are returning from your holiday, and I am glad you have had this relief. We hope that you and Mrs. Heineman will be coming over this Fall and that we will have the pleasure of your visit in our home here.

With every good wish to you all,

Cordially and faithfully,  
