

1410

Habana, Cuba, November 5, 1940.

Mr. C. G. Pfeiffer,
National Council of American Importers Inc.,
45 East 17th Street,
New York City.

Dear Mr. Pfeiffer:

I received a few days ago your letter of October 25, and yesterday received from Raymond Geist in the Department of State a letter to which he appended the copy of your letter of August 27 to Mr. Bacher of the Chamber of Commerce of the United States in Washington. I was very glad to have your letter, and I have read with much interest your letter to Mr. Bacher.

First of all, let me say how pleased I am to know that you have established this contact with Raymond Geist in the State Department. He is the head of the new unit we established in the State Department just prior to my leaving the Department, one of the principal functions of which is the maintaining of the contact of the Department of State with Commerce, Agriculture, and certain other Departments of our Government interested in information from the foreign field. Geist is a Foreign Service Officer of considerable and varied experience, and a man of very sound judgment. He has an unusual comprehension of the problems of business, and during his long tour of duty in Berlin prior to entering the State Department he rendered very great services to our Government. I hope that you will see a good deal of him while you are in Washington, for I am confident that the contact will be mutually helpful. He is an ideal person to carry on the contact between the Department and organizations such as the National Council of American Importers, the Foreign Trade Council, and the United States Chamber of Commerce in Washington.

I have read with very much interest your analysis of some of our major problems so admirably set forth in your letter to Mr. Bacher of August 27. The considered judgment of men like yourself who have so long given the problems of our foreign trade and our internal economy constructive thought must be of a great deal of help in these times. One of the things which

has

has given me most preoccupation is the fact that so many of our business men at home who have really made a success of their business do not seem to have even a beginning of a comprehension of the major problems which face us. They seem to think that somehow no matter what happens outside of the United States we can be immune to it, and that somehow we will maintain our internal structure and will be able to carry on our external relationships as before. This is, of course, an utterly unrealistic attitude. I note that you quote former Assistant Secretary of State Sayre on the last page of your letter, giving his assertion that totalitarian and free economies cannot survive in this world together - that one or the other must go. My own experience leads me to the conviction that this statement is, in its larger and broader sense, correct. Just as the totalitarian States are ruthlessly endeavoring by military force to destroy the independence, separate existence, and social and political structures of the European Continent, so they plan to carry this political domination to other parts of the world. Japan is to carry the light of the new civilization through the Far East. In such a world dominated by totalitarian and political ideas, the principles to which we are attached in our country could not survive without fundamental and revolutionary changes. In other words, I subscribe fully to the idea that totalitarian and free economies cannot exist in this world together, and that one of the major questions before us today is the survival of the one or the other. I sometimes think that one must have lived in the very midst of this seething cauldron in Europe in order to appreciate the really revolutionary character of what is going on.

I know that there are many of our people at home who believe that somehow or other if Germany is victorious, and England succumbs, we in the United States would be able to make arrangements which would make it possible for us to deal on an equal basis and on a satisfactory basis with three-fourths of the world dominated by totalitarian ideas. How in the face of experience and the record anyone can believe this is beyond me, but I know that some of my friends at home - it is true a very few of them - believe that such arrangements are possible. It is, in my opinion, a complete fallacy.

This is one of those struggles in which there is no compromise. There is no compromise because one side has made up its mind to disregard all reason and all decency, and to

depend

depend entirely on force. If we permit that force to prevail, then we shall have to take the consequences, and the consequences for us will be very real.

I have constantly argued that a German victory will mean for us fundamental changes in our social, economic, and political structure. Even though the totalitarian States, in the case of victory in Europe, should not assume the offensive in a military sense against us, directly or through South America, immediately after such victory, they would assume an economic offensive which would have its effects just as definitely in some respects as a military offensive. Of course I am one of those who is also convinced that a victory of the totalitarian States in Europe would mean war for us whether we would wish to take the initiative or not, because it would be forced on us by the totalitarian States taking the offensive. They know that their system cannot live in a world into which we have not been coordinated, and they are not going to leave anything to chance. Their victory in Europe means, therefore, aggression against us. For us to believe otherwise would be to commit exactly the same mistake as was made by so many of the States of Europe which felt they would be immune.

One of the things which some of our people at home are forgetting is that if Germany wins, or is permitted to win, she will be in control of the production machinery of all of Europe, and the enslaved populations of Europe will be turned into a vast production machine, the products of which are to be used against us in a military and economic war. We must remember that much the greater part of the production machinery of the occupied countries of Europe remains intact. Once Germany has the greater freedom which a victory in Europe would bring, she can turn these enslaved populations into these factories, and we will have this whole tremendous machinery directed against us.

For me there is only one solution which can mean our safety and the safeguarding of our way of life in the United States. That is the path of seeing that Germany does not win the war. For the present that may be the path of giving all possible aid and comfort to Great Britain in the heroic struggle which she is making. That may be enough. I am not sure that it will be. If it is not enough, then we should not hesitate to enter the struggle without delay and before Germany can use this tremendous production machinery of Europe against us.

I read with particular interest the last paragraph on page 2 of your letter which contains some very wise and far-seeing comment.

I was particularly interested in the last page of your letter. I wish I could share your optimism that even if the totalitarian powers should conquer Britain there is a probability that the normal international trade methods will again to some extent be individually used. As I have indicated in this letter, I believe that we cannot count on any such probability or possibility, but that we must count on a complete certainty in the opposite sense. This is a struggle for the survival of one set of ideas, or another. Either the one or the other will survive. The one party has already clearly shown that it tolerates no half-way measures, and we cannot expect a change in that attitude.

I appreciate so much your having given me a copy of your letter. You know how much I value our friendship and the exchange of ideas which we have been able to have in recent years. Men like you with your experience and realism are the men on whom we must depend in our country today for those wise, long-range decisions which are so fundamental for the preservation of everything we think is worthwhile. I am sorry that the last time I was home I did not get to see any of my friends, but I went home on some business which, unfortunately, kept me very much occupied, and I had to return here as soon as practicable. It may be that after the first of the new year I may be able to spend a little time in New York, and in that case I look forward to seeing you.

With every good wish,

Cordially yours,

George S. Messersmith

GSM/mw