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November 7, 1938.

Personal and strictly confidential

Dear Raymond:

I want to write you about a very important matter and I want to write you in such a way that I can be absolutely free. I would suggest that it would be advisable after you have read and digested this letter that you immediately destroy it as I would not wish it by any chance to fall into other hands.

I need not tell you that this refugee question is one which has given me and all of us here much concern and we have put our heart and soul into it. If I had been consulted at the outset before the President took this step, I think I need not tell you that I would have counseled against our taking this initiative in the form we did -- not out of lack of sympathy with the problem but because it is beset with so many difficulties and because I saw some of the avenues into which it would inevitably lead us. I felt that we should try to help the work of the present League Commission and Commissioner rather than to set up a separate organism and that we should devote our energy and initiative, and money, to helping that existing group. This is all water under the bridge and once our initiative was launched, we had to do everything to make it a success. The difficulties, however, which I foresaw and the impasses into which I saw us led, events have shown were not illusory but only too real.

Mr. Taylor has been a tower of strength and he is a very right-minded as well as a most intelligent and capable man. He is here now as you know and I think he realizes the situation in which we find ourselves and that the problem is one which we may have to turn over to the League Commissioner as better able to handle it. This, like

everything

Raymond H. Geist, Esquire,
American Consul,
Berlin, Germany.

everything else I am telling you in this letter, is for your very confidential information. Mr. Taylor is exceedingly interested in doing something for the refugees -- hard-headed business man as he is. He realizes, however, that it is leading this country into impossible positions and he thoroughly understands that the refugee problem must not be used as a pawn in the game of general economic negotiations or as a means of breaking down the trade agreements program.

Mr. Rublee is a very great lawyer, who has been financially trained. He was not eager to take this position and naturally wants to return to Washington to his usual duties as soon as he can. I doubt whether Mr. Rublee is very much interested in our trade agreements program, or in our general economic policy. As a matter of fact, by tradition and background, he probably belongs to an entirely different school than that of Mr. Hull. In his zeal, therefore, to bring about some immediate solution in the refugee problem, he may be willing to sacrifice some of the principles in our trade agreements program, which we cannot afford to envisage. Further, I think Mr. Rublee has been so insistent on this visit to Berlin and on a conversation with the German Government in order to bring this matter to a head one way or another so that, if nothing is possible, he can find a reason to come home. In other words, I cannot escape the conviction that Mr. Rublee has not made our major economic problem and our long-range policy the major consideration in this refugee matter either as a matter of principle or of procedure. I do not wish to be too critical but I am merely telling you how I see it. I need not tell you that we here are perhaps as deeply and more deeply interested in the refugee problem than is Mr. Rublee, but we realize that there are things in the world today which are of even greater importance than the refugee problem and that is, major political considerations and sound trading principles.

I want to tell you at the outset that we are firmly determined that the Germans shall not be permitted to use the refugee problem as a pawn in the game for a trade agreement of primary or secondary importance with us. I have felt from the outset that they would endeavor to use the refugee problem in this way and we provided really a fine avenue of approach for them through setting up the Evian meeting. It is my definite opinion that along with the political program Germany is now definitely going to press the program of economic negotiations with England and with us. We are not going to negotiate with anybody except on the basis of our established program. This is definite.

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Some of the columnists in this country and various interests which have a capital investment in Germany which they wish to rescue have started a campaign to the effect that since Munich our policies are no longer possible without adaptation and modification. This is the reason why the Secretary made the speech at the National Foreign Trade Council last week which I am sure you have seen and which if you have not seen you will wish to read. It is the definite announcement by us that we are sticking without deviation to our policy. I made a speech at the same meeting the day following the Secretary's in which I seconded what he had said.

While Mr. Taylor understands this position and is, I am sure, in accord with it, I am not sure that Mr. Rublee understands it. He has a young man with him by the name of Cotton, who is a very clever lawyer and a son of the former Under Secretary. I am not sure that he is giving good advice to Mr. Rublee. Then too Mr. Rublee is in touch largely with the British and with certain interested Jewish groups in London who are quite willing to do anything of immediate advantage, but who, of course, have no regard for our program or our basic interests. I may say to you that the leading American Jews, than whom, of course, no one is more interested in the refugee problem, are quite in accord with our attitude that the refugees must not be made a pawn in the game of economic negotiations. In that respect they differ from the British Jews, some of whom seem to be quite complacently in sympathy with Mr. Chamberlain's idea of economic negotiations with Germany to follow these political concessions. We are not following England in that game.

Now the immediate object of my letter is to give you this general background and to give you the specific indication that Rublee has asked that we authorize you to go to London to see him before he goes to Berlin -- if such a visit is arranged. We, of course, are agreeing to your going to London to see him. I am just as well satisfied that the Ambassador may not be in Berlin when Rublee may go over there. It pains me a great deal to say that I have been a good deal disappointed with the Ambassador's attitude. He seems to be quite condoning all that Germany has done and, if I am not very much mistaken, he would not be averse to our entering into trade negotiations with Germany. In this he is completely misunderstanding our attitude, just as I think he misunderstands our general position in other respects. I am, therefore, very glad he is coming home on a holiday as it will be a good thing for him to know just what we have in mind. After all, he is a career man and we should be able to depend upon him for the definite presentation of our point of view and we cannot expect from him the vagaries of a free-lance like Kennedy. Parenthetically, I may tell

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you that Kennedy's London speech which he made recently and in which he practically said he saw no reason why we should not talk trade with the dictators had a very bad press in this country and I think it defeated any political ambitions which he may have had.

What I foresaw from the outset is that we have telegrams from Berlin from the Ambassador indicating that the Germans are prepared to use Rublee's visit as an indirect or direct means of opening trade negotiations with us. We have had several telegrams the last few days indicating that this is what we must expect if Rublee goes over there. Now this is why I have been taking the stand here that he should not go at all, but that again is water under the bridge because there were others who felt here that even though we might be faced with an impasse, it would be well for Rublee to go anyway and to find out just what the Germans had to say. From the point of view of strategy they may be right because at least it will put the responsibility for the breakdown on the Germans and not on us. Wilson and the French and British Ambassadors have been in touch with the Foreign Office preparing the way for Rublee informally. We insisted on this approach for Rublee, as you know, is acting for the Intergovernmental Committee and not for this Government. We wished this situation to be clear, but I think the Germans are using it the other way. They are interested in an economic arrangement with England and with us and the information we have from Berlin is that when Rublee gets there he will be met by a comprehensive plan which the Germans have worked out and which he acting for the Intergovernmental Committee cannot handle or consider. It will be a plan directed at England and principally at us. If the Germans should confront Rublee with that sort of a situation, there is, of course, only one thing that he can say and that is that he is not competent even to discuss it -- that he is acting for the Intergovernmental Committee and not for this country -- and that if Germany wishes to talk economic arrangements with us on a general basis it has to be done through our Embassy in Berlin or through theirs here. This it is important for Mr. Rublee to realize and, if it means a breakdown of the negotiations on his part for the Intergovernmental Committee, then that is that. Certainly his visit to Berlin cannot be used indirectly or directly by the Germans as a means of opening general trade negotiations. If the Germans do this, the responsibility, of course, for the breakdown will be on them.

My thought has always been that we should approach the question first from the point of view as to what the receiving countries were willing to do in the way of

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