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AIR MAIL

Habana, Cuba,
June 14, 1940.

Dear Larry:

I need not tell you like many others I have been concerned over the meagre reports we have through the press of the speech which Vargas is said to have made on board a Brazilian warship on the night following the radio address by President Roosevelt, and immediately after Italy's entrance into the war. There have been some reassuring press notices in the Habana papers emanating from Rio, from 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 said what he did immediately after President Roosevelt's magnificent speech. I have the uneasy feeling that no matter what the Brazilian Government may say, the situation is not good there and that we may have, in what should be in some respects our strongest spot in inter-American cooperation, one of the weakest. Brazil has many Germans and she has many Italians, and Vargas is a dictator, but it seems to me that none of these things justify a speech such as that of Vargas or can explain it away.

On June 6th, I wrote you a brief note calling attention to my despatch No. 369 of June 3rd, which I am sure you have read. It was just this sort of thing which has happened in Brazil which I had in mind in the paragraph numbered "4" beginning at the bottom of page 15 of that despatch. The 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, as I pointed out in that despatch, they can be just as much a source of weakness. It all depends upon what the basic convictions of the dictator are and how secure he feels himself. It looks as though Vargas is going to try to play 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 I am not altogether sure yet that we can depend on those Navies not being added to the strength of the totalitarian States. Our second line of defense, in my opinion, lies in Alaska, Greenland and Iceland in the North, and from Mexico to Cape Horn in the South. If

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Laurence Duggan, Esquire,
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Washington, D. C.

this second line is to be weakened by unstable cooperation in any of these States to the South, our problem will be intensely magnified. How can we give material aid to a country, let us say like Brazil, when we are uncertain of its leadership. The leadership is the really only stable thing that we can depend upon in most of these countries. If we cannot depend on that we are in a bad way from the outset in our second defense line. Our one safety in Brazil 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 they are concerned in Brazil over the economic situation resulting from a loss of trade with Europe, and we can be sure that all sorts of people are there offering illusory promises. We have to reckon with the same technique among the American Republics that we have seen so effectively employed in European States. If the dictators see any advantage for themselves in playing with the totalitarian States, they will not hesitate to run any risks so far as we are concerned because they think 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 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 know you are very much burdened and have very full days but if you, or one of the boys, could write me briefly about this Brazilian situation and what it really means, just for my personal background, and to guide me in my own thinking about these problems, I would be very appreciative. I have seen what the Secretary had to say in Radio Bulletin No. 140, of June 12th, but all that he could say did not give me very much comfort. Do not think me an alarmist, but you know I have lived in these countries in Europe in which these disastrous things have happened, so I know how the technique works, and I am not at all happy about some of the things I see developing, and this incident in Brazil, it seems to me, is one of the things which must put us on our guard and we cannot permit ourselves to be lulled into security by words and promises and by assurances. We know how little these can mean.

You have seen from my recent letters to Mr. Welles that the President has agreed to send a message to the Congress on the Obligations. I am working on this assiduously and you know that I can make no promises, but we shall do our best. There is at least reasonable ground for hope. I am also going into the Morris Claim very fully and pointing out how important it is to clean the slate entirely. I sent Beaulac to see Montoulieu, the Secretary of the Treasury, after I had seen the President, and it is encouraging to know that the President has already placed this matter of the Obligations in Montoulieu's hands, and I think we can depend on him to take care of it so far as the message is concerned.

We cannot

We cannot yet send you an analysis of the Constitution for they are still working on some of the articles in the Committee "de Estilo". This means, I understand, that they are trying to change some of the worst of the articles. We are keeping in close touch with this, or at least as close as we can. Some of the articles will undoubtedly be changed so as to make them much better, but there is also the chance that some of them may be changed for the worst. I do not know of any other place than Cuba where procedure such as this is possible, but in this case it may turn out more to our advantage than to our disadvantage. They will not, I am sure, make any changes in Articles like 21, 22, 25 and 26, which are in satisfactory shape, and the wording of which we have followed so carefully. They would not, I think, take the risk of making any changes in those articles under the circumstances.

It is useless for us to comment on the Constitution for the present until we see the finished document. Aside from the Moratorium, it is not as bad as it might have been, and as it looked for a time it would be. On the whole, of course, it is a Code of Laws rather than a Constitution, and, in my opinion, its life will be short. You will recall that I said in one of my letters to Mr. Welles that you can put a crazy man into a straight jacket and keep him there alive for a while. If you keep the patient there too long he is bound to die. This Constitution which they have made in the form of a Code of Laws is a legislative straight jacket under which no country could survive in the conditions which we have to face in the world today. The so-called "Constitution" leaves practically no flexibility and no initiative to the legislative power and establishes basic considerations which cannot be carried through in the present order of things.

I have written Mr. Welles with regard to Campa's interest in the next meeting of Foreign Ministers tentatively planned for October 1st here in Habana. Campa is taking himself very seriously in this connection and, while I am sure that he means well, we must not hesitate to give him guidance. I think the meeting of the Foreign Ministers of the American States in the relatively near future may be desirable so as to make it possible to clear up a lot of situations, but, in my opinion, it is we who ought to be taking the initiative, for if we do not take the initiative we will find others of the American States doing exactly what Campa is doing and I can conceive that this can become embarrassing and confusing. The best thing for us to do, I think, is to fix the date and to propose an agenda.

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We are entering into warm weather here, and I am getting a taste of what warm weather here can be.

With all good wishes to you and your wife,

Cordially and faithfully yours,

GEORGE S. MESSERSMITH

P.S. It occurs to me that Vargas is not only thinking of his own personal situation, which may be somewhat unstable and which he may wish to bolster up, but that he is also thinking of economic factors. As I have indicated, I am sure that he and a selfish group are thinking of the loss of certain European markets, and undoubtedly all these illusory promises are being made to them as to what Germany and Italy will do in opening wide markets in Europe for Brazil when they are in control. All this is sheer rot, but that doesn't mean that certain Brazilians will not be taken in by it. In these days we have to fight fire with fire, and I am sure that with some of these countries the interests of the Good Neighbor Policy involves the use of the big stick. We are still the best customer of Brazil, and the important solvent customer which she can look to for years. We have got to make it clear to her that if she wants our market and our help she has got to play with us and any Government in control there will have to play with us or we will rather do without coffee. This is a struggle for existence, and the struggle is coming close to us. There is no use closing our eyes because therein is really our principal danger.

There is another thought we have to keep in mind, which I also pointed out very briefly in No. 369 of June 3rd. It is to England, France and ourselves that not only Brazil, but other of the American Republics, are indebted. They owe large sums of money both as Governments and through municipal and private issues. Just as Germany and Italy are dispossessing their peoples and have no regard for any public or private financial obligation, you may be sure that their agents are pointing out not only to the Brazilian Government, but to others in this hemisphere, that this is a fine time to clean the slate and to get rid of all these public and private obligations by merely definitely repudiating them. It is an argument which will appeal not only to a good part of the powerful classes in these countries, but is a fine argument with which to mislead the masses. There are a lot of issues on which the

Fascists

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Fascists and Communists and the capitalist classes in South America can get together, and in every case we would be the goat. We need not delude ourselves any more with the thought that the Capitalist, Fascist and Communist groups cannot work together. We have seen how they work together in Europe and, in spite of certain surface appearances, are still working together. They have a common objective which is the destruction of France and the British Empire and, after they are out of the way, ourselves. 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 come true, although there were times when some very thoughtful persons at home tried to laugh me out of court.

We shall have to use a firm hand.

G.S.M.